

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Enhance the  
Role of Demand Response in Meeting the  
State's Resource Planning Needs and  
Operational Requirements.

R.13-09-011  
(Filed September 19, 2013)

**RESPONSE OF PACIFIC GAS AND ELECTRIC COMPANY TO MOTION OF  
RATEPAYER ADVOCATES TO MOVE EXHIBITS INTO EVIDENCE**

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August 21, 2014

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Pursuant to Administrative Law Judge Hymes' August 13, 2014 ruling providing guidance for exhibits, Pacific Gas and Electric Company (PG&E) submits its response to the Motion of the Office of Ratepayer Advocates to Move Exhibits into Evidence. The proposed Office of Ratepayer Advocates (ORA) exhibit that involves PG&E is proposed ORA-04c (ORA-4c), which contains confidential 2013 monthly information for the individual PG&E aggregator-managed (AMP) contracts approved in D.13-01-024, as modified by D.14-02-033.<sup>1/ 2/</sup>

PG&E has confirmed that the monthly 2013 data contained in ORA-04c for each of its AMP contracts is accurate, including the footnotes for three of the contracts. Currently, the Comverge, EnergyConnect and EnerNOC contracts are the subject of Advice Letter 4457-E, filed July 3, 2014, which seeks to extend the contracts for the 2015-2016 bridge period, consistent with the bridge funding decision, D.14-05-025.

PG&E does not object to ORA's request to admit ORA-04c into the record for this case, although PG&E believes that denying the motion would not be out of order. PG&E does object to ORA's assertion that its proposed evidence would help prove ORA's recommendations with

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1/ The public version proposed, ORA-04, only contains the aggregators' names.

2/ ORA has proposed exhibit ORA-05C, which contains confidential 2013 monthly information about Southern California Edison Company's (SCE) aggregators' performance. PG&E does not have access to the confidential information in proposed ORA-05c. PG&E's response only concerns ORA-04c, and PG&E's AMP contracts.

regard to making DRAM a preferred mechanism for procuring demand response (DR). The AMP aggregators' performance in 2013 in ORA-4c chronicles the AMP customers' responses when DR events were called. The issue of customer response is common to all the DR programs, and there is no basis in this record to conclude that the customers' responses would be different if they are in an aggregator's AMP portfolio as opposed to another DR program.<sup>3/</sup> Nor is there basis to infer that the demand response auction mechanism (DRAM), with its bidding directly into the CAISO market, would improve the response from customers. Indeed, the challenges with bidding customer DR directly into the CAISO market suggests the opposite. Similarly, at this time, there is no basis in the record to assume that the DRAM will produce lower costs for DR than the AMP contracts on a MW basis.

The information about PG&E's AMP contracts contained in ORA 04-c has been in ORA's possession since January 2014, well before their May 2014 testimony was served. As ORA indicates, it obtained PG&E 2013 AMP contract information through a data request sent outside this proceeding, which PG&E answered on January 14. However, ORA did not put the information into its prepared testimony and instead waited approximately 7 months before letting parties know that it wanted to include the data in the record.

Other parties who wished to sponsor additional exhibits made them available in connection with the June 9 and 12 hearings in this case. ORA is the only party that has waited until the last minute to identify an additional exhibit.<sup>4/</sup> Since the IOU AMP contracts and DRAM have been issues in contention for several months,<sup>5/</sup> it is not clear why ORA has waited until now to get information into the record about PG&E's AMP contracts that it obtained from

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3/ For instance, to the extent weather conditions, impacts customers' ability or willingness to respond to DR events, that effect would span all DR programs, all else equal. Of course, if greater compensation were provided under one program as opposed to another, that factor could cause differences in customer response levels. However, an intended consequence of DRAM would be to put downward pressure for DR bid into the auction, which would be likely to reduce the customers' incentive to participate.

4/ ORA first indicated that it would request to enter ORA-4c in to the record at the July 29 prehearing conference.

5/ C.f. Hawiger, TURN-02A, p. 15, ll. 3-10), where TURN raises the issue about DRAM and all DR programs.

PG&E in January. Moreover, ORA waited until the parties had waived cross, and no further hearings would occur, except for the panel on the Settlement.<sup>6/</sup> By waiting so long, ORA has reduced the other parties to responding through argument in briefs, without the opportunity to present evidence relevant to the relative merits of AMP and DRAM, (or to cross-examine an ORA witness on the exhibit.) ORA's last-minute motion to place the PG&E AMP information in the record may place other parties at an unfair disadvantage and for that reason, would be a reasonable basis for denying its motion.

Respectfully submitted,

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Dated: August 21, 2014

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<sup>6/</sup> The panel on the Settlement testified on August 11, 2014.