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Subject: Protest of the Office of Ratepayer Advocates to Joint Utilities Compliance Advice Filing Addressing Reporting Template for Demand Response Dispatch Exceptions Pursuant to Decision 14-05-025. (AL 3081-E SCE, AL 2624-E SDG&E, AL 4465-E PG&E)

INTRODUCTION

Pursuant to the California Public Utilities Commission's ("Commission") General Order ("GO") 96-B, Section 7.4, the Office of Ratepayer Advocates ("ORA") hereby submits this protest to *Joint Utilities Compliance Advice Filing Addressing Reporting Template for Demand Response Dispatch Exceptions Pursuant to Decision 14-05-025* ("Joint AL"), mailed on July 18, 2014. The Advice Letter ("AL") is submitted in compliance to Ordering Paragraph ("OP") 2 of Commission Decision ("D.") 14-05-025 ordering Pacific Gas and Electric Company ("PG&E"), San Diego Gas & Electric Company ("SDG&E") and Southern California Edison Company ("SCE") (jointly, the Utilities) to organize a meeting on a template for weekly exception reporting and file a Tier Two AL requesting approval of the template within 30 days of the initial meeting.¹

ORA recommends the following changes to the exception reporting template proposed by the Utilities before adoption by the Commission to allow for more effective reporting:

- The Utilities should be required to provide data on when triggers are actually met, in addition to when triggers are forecasted;

¹D.14-05-025, p. 49.

- The Utilities should be required to provide data on what specific trigger criteria are used to determine when they will be considering dispatch of programs and the specific trigger criteria that are met;
- The Utilities should be required to provide a confidential version of the report to Commission staff, including ORA, that includes contract specific information; and
- The Utilities should provide all information on 2014, including months prior to the implementation of the reporting requirement, to allow for comprehensive review in the December 31, 2014 workshop.

BACKGROUND

On March 3, 2014, ORA filed comments in response to the January 31, 2014 *Ruling Providing Guidance For Submitting Demand Response Program Proposals* in R.13-09-011. ORA requested that the Commission require the Utilities to provide weekly exception reporting to Energy Division and ORA. ORA proposed that the report would identify and describe each occurrence when a demand response program was economic to dispatch but the utility decided to utilize a non-demand response resource instead. ORA listed all the requirements of this new report and discussed how the new report will allow for transparency and increased knowledge by the Commission of any needed mid-season revisions.

D.14-05-025 adopted ORA's request for weekly exception reporting in OP 1 and ordered the Utilities to provide weekly exception reporting to the Commission's Energy Division and ORA to identify and describe each occurrence when a demand response program was economic to dispatch but the utility decided to utilize a non-demand response resource instead. The Utilities were also ordered to organize a meeting to discuss the reporting template and submit a Tier Two AL requesting approval by the Commission of the final reporting template in OP 2.²

On June 18, 2014, SCE hosted a conference call with Commission Staff, ORA, PG&E, SDG&E and other interested stakeholders from the service list of Rulemaking (R.)13-09-011. On July 9, 2014, SCE, on behalf of the Utilities, circulated for comment a draft reporting template titled "Proposal for OP2 Exceptions Reporting Template". On July 15, 2014, ORA submitted comments and revisions to the IOUs' proposed reporting template. However, the Utilities did not adopt the critical requirements recommended by ORA and ordered by D.14-05-025.

² D.14-05-025, p. 49.

DISCUSSION

1. The Utilities Should Be Required To Provide Each Occurrence When a Demand Response Program/DR Contract Was Economic to Dispatch But Was Not Dispatched

The Joint AL recommends a report structure that is deficient and does not meet the requirements ordered by D.14-05-025 which is simply that the report specify each occurrence when a DR Program/DR Contract was economic to dispatch but was not dispatched. **The report structure proposed by the Utilities misses the purpose of D.14-05-025 as the Utilities propose to only provide occurrences when the Utilities “forecasted” a DR Program/Contract was economic. Rather, the Commission needs to understand each “occurrence” when a DR Program/Contract was economic, regardless of whether the Utility forecasted the need.**

In ORA’s July 15, 2014 comments to the Utilities’ “Proposal for OP2 Exceptions Reporting Template,” ORA specified the Utility proposal be improved to meet the requirements of D.14-05-025 as shown below in Table 1. ORA specified 2 additional columns be added to the Utilities’ proposal to indicate when the DR Program/Contract was economic to dispatch (i.e., Column 2 - “Day and Hour Trigger Was Met”; Column 4 – “Trigger Criteria Met”).³ There may be circumstances when forecasting and actual occurrence of triggers do not overlap.

D.14-05-025 does not distinguish between forecast and actual data. The Decision focuses on whether DR trigger conditions are met: “the report would identify and describe each occurrence when a demand response program *was economic to dispatch* but the utility decided to utilize a non-demand response resource instead.”⁴ To accurately capture this information, data is needed on both the forecast of the trigger and the actual occurrence of the trigger.

The Commission should order the Utilities to amend the Joint AL with all of the column headings that ORA recommends in Table 1.

³ The Utilities’ July 9, 2014 proposal only included forecasts of the general type of trigger that would be met.

⁴ D.14-05-025, p. 15. (italics were added for emphasis)

Table 1: ORA comments to IOUs proposed reporting requirement sent on 07/15/2014

1	2	3	4	5	6	7	8
Program/ Contract	Day and Hour Trigger Was Met	Forecasted Day and Hour of Trigger	Trigger Criteria Met	Trigger Criteria Forecasted to be Met	Load Impact Forecast	MW of the program/ contract not dispatched	Reason for Non- Dispatch

ORA’s request does not lead to any duplication of data because the data requested is not included in any of the other reports received on Demand Response utilization by the IOUs. In fact, because this information is not submitted in any other report it makes it all the more important to submit it here in a report that is aimed at improving transparency with regards to dispatch of DR resources. In D.14-05-025, the commission agreed that ORA’s recommendations for reporting would provide transparency.⁵

2. The Utilities Should Provide Specific Trigger Criteria Used For Dispatch Of DR Programs/Contracts

The Joint AL neglects to provide information on what specific triggers are used for the dispatch of the DR Programs/Contracts.⁶ The Utilities are not reporting the exact trigger criteria they review in making dispatch decisions. The Utilities also state that when trigger criteria are met, they “(will) not report actual values of triggers or forecasts.”⁷ However, without a clear explanation of the available trigger criteria and the exact trigger criteria that have been met, Commission staff cannot determine when exceptions should be included in this reporting requirement.

ORA recommends that Worksheet 3 of the exception report, which provides IOU specific program information, include a column for “Available Trigger Criteria.” This column should include the exact trigger criteria that the Utilities view to consider dispatch of the DR Programs/Contracts. If the trigger is heat rate, the Utilities should state the exact heat rate. If the trigger is high CAISO wholesale energy prices, the Utilities should state the exact energy price. If the DR Program/Contract pays a predetermined energy price when dispatched, then that information should be included as well since any CAISO energy market price above that program’s energy price should make the program economic for dispatch.

⁵ Id., p. 16.

⁶ For example, a heat rate trigger should state the exact heat rate, i.e. heat rate of 15,000 Btu/kWh.

⁷ Joint AL, p .3. Description of “Trigger Criteria Met.”

Then in Column 4 of Worksheet 1, “Trigger Criteria Met,” the Utilities should be required to state the actual values that met the trigger criteria.⁸ For example, if a program reports “heat rate of 15,000 Btu/kWh ” in the column titled “Available Trigger Criteria” in Worksheet 3, the Utilities would report “heat rate of 15,500 Btu/KWh” in Column 4 of Worksheet 1 “Trigger Criteria Met.” This information should be reported in a transparent manner to allow for an understanding of precisely why dispatch of the program would be considered.

3. The Utilities Should Be Required To Provide A Complete Confidential Version Of The Report To Commission Staff, Including ORA

D.14-05-025 OP 2 states that “(t)he required reporting shall include parameters to ensure the confidentiality of protected data.”⁹ The Joint AL attempts to achieve this by only providing public information. In particular, the report would report on exceptions for Aggregator Managed Portfolio (AMP) Day Ahead (DA) or Day-Of (DO) programs but would not state the specific contract. However, contract specific information is needed to do a thorough review of the exception report because terms and conditions can vary by contract, impacting when and how a contract could be triggered and subject to an exception.¹⁰ Based on the proposed reporting template, ORA and other Commission staff would be required to data request each utility for this information.¹¹ To maintain a comprehensive review of the weekly reports, data requests would likely be required on a weekly basis, or at least every time a utility reports an exception for AMP, wasting time and Commission resources.

ORA recommends that the Utilities be required to provide contract specific information in a confidential version of the weekly report to Commission staff, including ORA. This information would be detailed in Worksheet 3, rather than simply stating AMP-DA or AMP-DO. Exceptions in Worksheet 1 would also be reported on a contract basis if the contracts are subject to different triggers.¹² The confidential version would only be sent to Commission staff, including ORA, and other parties with access to the Utilities’

⁸ Worksheet 2, which provides a description of the columns in Worksheet 1, should also explain that actual values of triggers and forecasts should be reported.

⁹ D.14-05-025, p. 49.

¹⁰ Joint AL, p. 7.

¹¹ Joint AL, p. 2.

¹² In a call with all three utilities on July 31, 2014 regarding the Joint AL, PG&E stated that all contracts have the same triggers and dispatch limitations. If this is the case, PG&E’s DA or DO contracts would be considered for dispatch on the same basis and PG&E could simply provide one line in Worksheet 1 capturing if there was an exception for AMP (DO or DA or some portion of the programs) rather than contract specific information.

confidential information and a public version would be sent to all other interested parties who cannot have access to this confidential information. This approach will ensure the confidentiality of protected data, as required by OP 2, while relieving Commission staff of the burden of continually providing data requests to receive this information.

4. The Utilities Should Be Required To Provide Exception Reporting For All Months In 2014 To Allow For A Comprehensive Review In the December 31, 2014 Workshop

OP 3 of D.14-05-025 requires that no later than December 31, 2014, Commission Staff shall host a workshop to discuss lessons learned from the weekly exception reporting.¹³ By the time that the reporting requirement is implemented, much of the DR season will have passed. In order to achieve a comprehensive review of the reporting requirement in the December 31st workshop, exception reporting is also needed for the months in 2014 prior to implementation of the Joint AL. The Utilities should be required to provide that information before the December 31st workshop to offer the Commission a complete impression of the lessons learned and potential changes for the exception report.

CONCLUSION

The Commission should include ORA's recommendations in the exception reporting requirement before approval of the final reporting template to allow for transparency and efficiency. Please contact Lisa-Marie Salvacion at (415) 703-2069 (lms@cpuc.ca.gov) if you have any questions about this response.

¹³ D.14-05-025, p. 50.

Sincerely,

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R.13-09-011 Service List