

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Copy for:

Resolution No. E-2040

Orig. and Copy
to Executive Director

Evaluation & Compliance Division

Director
Numerical File
Alphabetical File
Accounting Officer

BRANCH: Energy
DATE: May 15, 1985

RETURN TO: ENERGY BRANCH
ROOM 2011

R E S O L U T I O N

SAN DIEGO GAS AND ELECTRIC COMPANY (SDG&E) AUTHORIZATION TO
REALLOCATE CONSERVATION AND LOAD MANAGEMENT FUNDS PURSUANT
TO COMMISSION DECISION GUIDELINES AS REQUESTED BY UTILITY.

By Advice Letter 639-E, filed April 9, 1985, SDG&E requests authority to reallocate 1985 energy conservation and load management funds in excess of authorized management discretion (\$500,000). These changes include a reduction in solar program funding requirements of \$824,400 and an increase of \$822,600 for commercial, industrial energy conservation and \$2,083,032 for redirection of its Load Management activities.

1. CPUC Decisions 93892, 83-12-065, and 84-05-043 which authorized San Diego and Electric Company's conservation and load management programs require SDG&E to seek Commission approval by Advice Letter prior to shifting more than \$500,000 between certain categories of conservation programs. This Advice Letter requests the shifting of more than \$500,000 in three areas within SDG&E's Customer Energy Management Department.

2. SDG&E plans a decrease of \$824,400; \$324,400 in excess of the management discretion limit in the Solar area. This reduction in expenditures is due to a winding-down of solar rebate payments to customers, most significantly the single-family electric customers.

3. An additional \$822,600; \$322,600 in excess of management discretion is planned for use by SDG&E in expanding cost-effective energy conservation programs in the Commercial/Industrial area. This increase will support the new Commercial Demand-Reduction Project (CDR). CDR is a cost-effective program, in keeping with the 7 point CPUC guidelines for conservation and load management projects established in Decision 83-12-065.

4. SDG&E requests approval of expenditures in accordance with the table below:

<u>Line No.</u>	<u>Program</u>	<u>D.83-12-065 Attrition Year</u>	<u>SDG&E Proposed Reallocation</u>
1	Agricultural Pump Shedding	\$ 84,400	\$ 0
2	Residential Peakshift (A/C)	3,096,000	1,276,120*
3	Residential Peakshift (W/H)	60,100	89,628
4	Commercial Peakshift	503,000	84,900
5	Thermal Energy Storage	596,800	1,740,352*
6	Small Commercial Demand Project	0	619,600*
7	Residential A/C Demand Project	0	41,000
8	Group Load Curtailment	0	100,000
9	Community Energy Management	0	25,000
10	Water Heater Timers	234,100	62,100
11	Commercial/Industrial Interruptible	0	50,000
12	Staff Support	233,500	478,200
		<u>\$4,807,900</u>	<u>\$4,566,900</u>

5. All budget changes in the reallocation except the three with asterisks are permissible by utility management's discretion. The three major budget changes exceed SDG&E management discretion for reallocation by \$2,083,032 in the load management area and are explained as follows:

a. Residential Peakshift (A/C) is reduced because the intended addition of 8,000 cyclers was cancelled after SDG&E reported that the program was not cost effective based on the 50% cycling strategy. The existing 20,945 cyclers will remain in place and data will be collected on 50%, 67% and 100% cycling strategies to determine resulting demand reductions.

b. Thermal Energy Storage, SDG&E's most successful load management program, is increased because the utility has gained more information and customer interest in this program. It has a larger potential for peak demand reduction and is very cost effective. The utility has submitted a list of interested customers, and effective utility marketing and management should attract even more. Other utilities (e.g. Southern California Edison Company) also have had considerable success with it.

c. Small Commercial Demand Project is introduced to gather load research data on the small commercial class (50-150 kW demand). SDG&E intends to use that data to plan future load management programs.

6. The CPUC staff and the California Energy Commission (CEC) staff do not support the utility request for funding levels of Thermal Energy Storage and Small Commercial Demand projects. The two staffs have recommended the respective expenditures at the level of \$2,331,352 and \$28,000. On April 17, 1985 the CEC signed its order supporting these coordinated CPUC/CEC staff recommended funding levels.
7. The Staff of the Energy Branch has reviewed this filing and discussed its funding level with the California Energy Commission staff and does not recommend approval of the reallocation of funds as shown above.
8. The Commission has received no protests in this matter and takes judicial notice of the CEC order of April 17, 1985 in Docket 82-LMR-1.
9. We will authorize the modifications recommended herein with the exception of the \$822,600 allocation for the new Commercial Demand-Reduction Project and the \$619,600 for the Small Commercial Demand Project. For the Commercial Demand Reduction program we would like to have additional details as to the specific measures that will be eligible for cash or other incentives and the relative cost-effectiveness thereof. For the Small Commercial Demand Project we would like additional details specific to the program and how this program will be affected by SDG&E's plans for corporate diversification.
10. We find San Diego Gas and Electric Company's requested reallocation of funds in excess of authorized management discretion except for the two programs described above, is just and reasonable and in conformance with the guidelines authorized in the Commission decision noted above, and will not increase any rates or charges to SDG&E's customers.

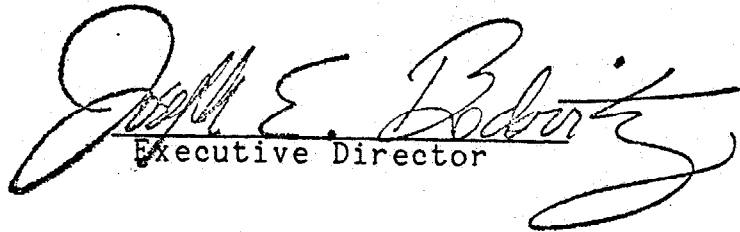
THEREFORE:

1. San Diego Gas and Electric Company is authorized under Sections 491 and 701 of the Public Utilities Code to reallocate the Conservation and Load Management funds in excess of management discretion as requested in Advice Letter No. 639-E except for the allocation of \$822,600 for the new Commercial Demand-Reduction project and \$619,600 for the Small Commercial Demand project. Funding of these new programs will be deferred until further details are provided by the utility as set forth above.
2. San Diego Gas and Electric Company shall augment its Quarterly Load Management Status Reports by including detailed plans and progress reports on the Thermal Energy Storage Project in a form and scope prescribed by the Energy Branch, Evaluation and Compliance Division, staff.

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3. The above advice letter shall be marked to show that it was authorized for filing by Resolution E-2040. This resolution is effective today.

I certify that this Resolution was introduced, approved and adopted at a regular conference of the Public Utilities Commission of the State of California on May 15, 1985. The following Commissioners voted favorably:


Executive Director

DONALD VIAL
President
VICTOR CALVO
PRISCILLA C. GREW
FREDERICK R. DUDA
Commissioners