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PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

EVALUATION & COMPLIANCE DIVISION
Energy Branch

RESOLUTION E-2097
June 4, 1986

RESOLUTION

ORDER AUTHORIZING SOUTHERN CALIFORNIA EDISON COMPANY (SCE) TO IMPLEMENT TWO SEPARATE AGREEMENTS BETWEEN SOUTHERN CALIFORNIA ENERGY COALITION II AND SOUTH BAY ENERGY COALITION, A LOAD MANAGEMENT PROGRAM FOR AN ENERGY COOPERATIVE AND TO IMPLEMENT A LOAD MANAGEMENT AGREEMENT WHICH WOULD PROVIDE INTERRUPTIBLE LOAD IN RETURN FOR INCENTIVE PAYMENTS BY SCE.

By Advice Letters 717-E, 718-E and 719-E, filed April 10, 1986 Southern California Edison Company (SCE) requests authorization to implement two separate agreements between Southern California Energy Coalition II (Coalition) and South Bay Energy Coalition (Coalition), for a load management program for an energy cooperative and to implement a load management agreement which would provide interruptible load in return for incentive payments by SCE. The facts are as follows:

1. The purpose of Advice Letters 718-E and 719-E is to provide for a reduction of electrical demand by members of the energy cooperatives during specific periods of curtailment established by SCE in return for Rebate Payments to the Coalitions.
2. Under the terms of the Agreements, each member of the Coalition receives electrical service from SCE on electric tariff Schedule TOU-8 - General Service - Large, and determines their own electrical demand levels. The Coalitions collectively receive Rebate Payments for each kW of interruptible load above the Firm Service Level available during a specific period of curtailment.
3. Under Section 9 of the Agreement, excess demand charges are paid by the Coalitions if their demand levels exceed the established Firm Service Level during a load curtailment period. The Firm Service Level is used as a basis for determining these charges and payments. SCE will notify the Coalitions of the need for adjusting their demand requirements to the Firm Service Level through the use of an automated system installed, owned, and maintained by SCE.

4. The cost of installation, maintenance and operation of the system is the responsibility of the Coalition.
5. SCE has provided the Coalitions and the member accounts named in Section 10 of the Agreement with a copy of Advice Letters 718-E and 719-E, by mail, concurrently with its filing with the Commission.
6. Advice Letter 717-E implements a load management agreement which would provide interruptible load in return for incentive payments by SCE.
7. As part of SCE's Conservation/Load Management Program, SCE developed a program whereby an energy cooperative, consisting of a group of TOU-8 customers, would provide interruptible load in return for incentive payments by SCE. As a result, on May 8, 1981, SCE filed Advice Letter 559-E which included an Experimental Load Management Agreement Between SCE and Southern California Energy Coalition. This advice letter was approved by the Commission effective June 10, 1981.
8. SCE later adjusted the program to better reflect the needs of the energy cooperative and the Company; and, the experimental agreement was modified and restated accordingly on September 28, 1982 in the Load Management Agreement Between SCE and Southern California Energy Coalition (Agreement).
9. The incentive payment amounts were modified from \$1.50 per Killowatt (kW), of reduction in peak demand for both the Winter and Summer seasons to \$2.00 per kW during the six winter months and \$4.00 per kW reduction during six summer months. This was further adjusted to \$2.08 and \$4.16 respectively as of September 7, 1983, to reflect the difference between incentive payment provisions in Rate B of Schedules Nos. I-1 and I-2 - General Service - Large Interruptible, as authorized on that date by the Commission.
10. Additionally, the Commission authorized a change to eight Winter and four Summer season months on Schedule TOU-8 effective January 1, 1985. Therefore, SCE is currently providing incentive payments of \$2.08 per kW during the eight-month Winter season and \$4.16 per kW during the four-month Summer season to be consistent with its treatment of other load management programs.
11. The terms of the Agreement filed under Advice Letter 717-E are the same as those outlined in Paragraphs 3, 4 and 5 above.
12. Funding for energy cooperative programs, which included this specific program was included in Test year 1983 Base Rate Expenses in Decision No. 82-12-055 dated December 13, 1982 under Nonresidential Load Management Programs. Said Decision approved \$4,806,000 for Nonresidential Load Management Programs. The

Decision allowed SCE management discretion to reallocate funds among individual programs in amounts up to \$2,500,000.

13. Decision 84-12-068, dated December 28, 1984, for Test Year 1985, also adopted a level of expenditures specified for Interruptible/Aux Gen/Energy Cooperative programs, which was funded at \$198,600 is also included in this program.

14. SCE has expanded its program from a single energy cooperative and has now developed two additional energy cooperatives. The additional Agreements with the participating parties are filed under Advice Letters Nos. 718-E and 719-E as outlined in the first paragraph above.

15. SCE desires to bring the record up to date regarding the terms and conditions of its load management program with the Southern California Energy Coalition. SCE inadvertently failed to submit the restated Agreement to the Commission in 1982 when the program went from an experimental to a production program. SCE requests Commission approval of this filing which includes the 1982 restated Agreement and sets forth the various modifications noted above.

16. These filings have been reviewed by the Staff of the Load Management Section of the Energy Branch of the Evaluation and Compliance Division. The three Agreements have been reviewed and the projects are very cost-effective to SCE's nonparticipant customers. The Staff recommends authorization and the filings are herewith presented to the Commission for their approval.


17. We find that these Agreements are just and reasonable and have been reached by mutual consent of all parties and are consistent with established criteria.

THEREFORE:

1. Southern California Edison Company is authorized by Sections 454 and 532 of the Public Utilities Code and by Section X.A. of General Order 96-A to place the above Agreements into effect today.

2. Advice Letters Nos. 717-E, 718-E and 719-E and the accompanying Agreements shall be marked to show that they were approved for filing by Commission Resolution E-2097. This Resolution is effective today.

I certify that this Resolution was adopted by the Public Utilities Commission at its regular meeting on June 4, 1986. The following Commissioners approved it:



Executive Director

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