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

Application of SOUTHERN CALIFORNIA
EDISON COMPANY (U 338-E) for Authority to
Make Various Electric Rate Design Changes

A.09-12-024
(Filed December 23, 2009)

OPENING BRIEF OF ENERGY USERS FORUM

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March 12, 2010

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

In the Matter of the Application of SOUTHERN CALIFORNIA EDISON COMPANY (U 338-E) for Authority to Make Various Electric Rate Design Changes

A.09-12-024

OPENING BRIEF OF ENERGY USERS FORUM

Pursuant to the 13.11 of the Commission's Rules of Practice and procedure and Scoping Ruling issued in this proceeding on March 5, 2010, Energy Users Forum ("EUF") hereby submits its opening brief in this application. EUF supports the adoption of the changes identified in by Southern California Edison Company ("SCE") in its Application. EUF is an ad hoc association of medium and large commercial and industrial customers with accounts behind all three California Investor-Owned Utilities ("IOUs") and most California municipal utilities. EUF represents the interests of both bundled and direct access customers in California.

EUF was actively involved in the negotiations that occurred with respect to Phase 2 of SCE's General Rate Case (A.08-03-002) that led to the settlement that was adopted by the Commission in D.09-08-028 and would be modified by changes requested by SCE in this Application. EUF has, or its consultants have, been involved in every proceeding at the Commission that considered adoption of a CPP rate design by one or more of the three large California IOUs. EUF has been represented in every settlement or "open" pre-filing discussion process that addressed CPP issues. EUF believes that all customers benefit from well designed, cost effective demand response programs and has participated in and supported the development of programs offered by the IOUs and the California Independent System Operator.

Provided that customers¹ are not paid more than once for a specific response, EUF supports participation of a single customer account in more than one demand response program or option. One reason EUF supports dual or multiple participation is that non-participating customers benefit from such demand response so long as the programs are cost effective. With respect to the instant proceeding, EUF supports the changes proposed by SCE's to prevent double payments for a single response that might result from participation in more than one demand response program.²

Specifically, EUF supports SCE's proposal to cap the credits earned from participating in more than one program at the avoided generation capacity value reflected in the Otherwise Applicable Tariff ("OAT"). EUF participated in the conference calls hosted by SCE prior to submission of this Application in which SCE discussed the changes and requested feedback. Based on the information provided before, during and after these calls, EUF believes that SCE's approach is proper and provides the

¹ Some demand response programs may involve a demand response aggregator or service provider. The limitation on being paid more than once for the same response includes payments that may be received or retained by these entities.

² With respect to the changes proposed by SCE associated with participation by a customer in CPP and another demand response program, this support is given with reservations because the proposed changes made to the rate design are based on the questionable premise that CPP is a program that provides energy incentives rather than generation capacity incentives. As use of this premise by SCE was not optional, EUF supports SCE's request to make the design changes as the changes were appropriate given the requirement to use the premise. However, EUF believes that based on the rate design structure of SCE's and PG&E's CPP type programs, these programs provide generation capacity incentives not energy incentives. This belief stems from the fact that the primary foundation for CPP rates is that the capacity revenue requirement is removed from demand charges and added to the energy charges in critical peak periods identified in the design. Thus most of the cost avoided when a customer does not use energy during the critical peak periods is from the generation capacity revenue requirement not the energy cost revenue requirement. The current rate design assumption adopted by the Commission is not consistent with the origin of the revenue requirement recovered during critical peak periods. If the Commission were to decide that CPP programs provided generation capacity incentives, rather than energy incentives, changes to SCE's rate design modifications would be needed to avoid double payments and underpayments.

appropriate incentive for dual participation without overcompensating a participant for a specific response. EUF also endorses adjusting the energy-based incentive for responses when there are simultaneous energy and capacity program events.

EUF also supports SCE's proposal to defer the increase in the Summer Discount Plan ("SDP") credits in conjunction with the plan to add price-based triggers to the program in the future.

The Commission should adopt the electric rate design changes requested by SCE in this proceeding without modification.

Respectfully submitted,

/s/ Carolyn M. Kehrein

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served a true copy of the foregoing **OPENING BRIEF OF ENERGY USERS FORUM** on all parties of record in this proceeding, A.09-12-024, by serving an electronic copy of the document to all entities on the current official service list for A.09-12-024 by using the email address of record, as attached. The document was also sent to the Administrative Law Judge and Commissioner assigned to this proceeding by deposited a hardcopy of the document in the U.S. Mail today using first-class mail with postage prepaid.

Executed on March 12 in Woodland, California.

/s/ Carolyn M. Kehrein
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A.09-12-024
(as of March 12, 2010)

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