



BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA

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Application of Pacific Gas and Electric Company
for Recovery of Costs to Implement Electric Rule
24 Direct Participation Demand Response
(U39E).

A.14-06-001
(Filed June 2, 2014)

And Other Related Matters

A.14-06-002
A.14-06-003

**SOUTHERN CALIFORNIA EDISON COMPANY'S (U 338-E) REPLY COMMENTS ON
THE PROPOSED DECISION ADDRESSING BUDGETS FOR DAY-AHEAD, REAL-
TIME, AND ANCILLARY SERVICES DURING THE INTERMEDIATE
IMPLEMENTATION STEP OF THIRD-PARTY DEMAND RESPONSE DIRECT
PARTICIPATION**

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I.

INTRODUCTION

Pursuant to Rule 14.3 of the Rules of Practice and Procedure of the California Public Utilities Commission (CPUC or Commission), Southern California Edison Company (SCE) hereby submits its reply comments on the proposed decision (PD) regarding the Intermediate Implementation Step (Intermediate Step) of third-party demand response (DR) direct participation.¹

II.

DISCUSSION

A. The PD Appropriately Requires the Use of SCE's Green Button Connect System

The Joint DR Parties recommend the PD be revised to remove the requirement for SCE customers to use SCE's Green Button Connect system (Green Button) to authorize SCE to send data to third parties.² The Joint DR Parties provide several reasons for their recommendation.³ However, these reasons are unpersuasive and, in some cases, incorrect, and the Commission should reject the recommendation. In addition, as recognized in the PD, SCE's approach is cost-efficient, saving ratepayers more than \$2.6 million as compared to using manual data fulfillment processes.⁴ The PD strikes an appropriate balance between costs and benefits.

The Joint DR Parties mischaracterize Green Button when they call it "an impractical and friction-inducing vehicle for user enrollment for [DR] or anything other than a dedicated data-

¹ Opening comments were submitted on May 24, 2016 by SCE; Pacific Gas and Electric Company (PG&E); San Diego Gas & Electric Company (SDG&E); OhmConnect, Inc. (OhmConnect); Comverge, Inc., CPower, EnerNOC Inc., and EnergyHub (collectively, the Joint Demand Response Parties (Joint DR Parties)); and the Office of Ratepayer Advocates (ORA).

² Joint DR Parties Opening Comments, p. 7.

³ Joint DR Parties Opening Comments, pp. 4-7.

⁴ PD, pp. 17-19.

sharing arrangement.”⁵ In fact, Green Button is a vehicle for dedicated data-sharing and is not used to enroll customers in DR. Green Button is a tool by which a customer can authorize SCE to send its data to a third party for DR direct participation, or other uses, and the mechanism by which SCE conducts the data transfer once authorized. SCE expects the DR enrollment process for third-party programs is conducted by the third parties using their own enrollment vehicles.

The Joint DR parties also argue that because Green Button requires customers to input utility login credentials, it will negatively affect enrollment in DR programs.⁶ The PD correctly explains that it is the responsibility of the DR provider or aggregator to educate customers on what they need to do to authorize transfer of their data.⁷ The Joint DR Parties also cite an Accenture study that states only 44 percent of utility customers are “digitally engaged.”⁸ However, other outcomes of that study provide further evidence that the PD’s requirement is prudent. Digitally engaged customers are more likely to share their personal information and energy usage information, which is necessary for direct participation.⁹ Digitally engaged customers are also more likely to participate in energy management programs and to sign up for automated home energy management devices or services.¹⁰ Therefore, the PD’s requirement to use SCE’s Green Button should not significantly impede DR enrollment.

The Joint DR Parties argue that in large organizations it is difficult to use Green Button because the person who has the utility login information is not always the same person enrolling in a DR program and the two people may not even know each other.¹¹ SCE understands this challenge, but it is not a sufficient reason to disregard required data privacy protections. The

⁵ Joint DR Parties Opening Comments, pp. 3-4.

⁶ Joint DR Parties Opening Comments, p. 4.

⁷ PD, p. 19.

⁸ Joint DR Parties Opening Comments, p. 4.

⁹ “The New Energy Consumer: Unleashing Business Value in a Digital World,” p. 15.
https://www.accenture.com/t20151124T172734__w_/us-en/_acnmedia/Accenture/next-gen/insight-unlocking-value-of-digital-consumer/PDF/Accenture-New-Energy-Consumer-Final.pdf#zoom=50

¹⁰ *Id.*

¹¹ *Id.*, p. 5.

Commission's data privacy rules state that utilities must "implement reasonable administrative, technical, and physical safeguards to protect covered information from unauthorized access."¹² Requiring customers to know their login credentials prior to authorizing transmission of their data is a reasonable precaution.

Finally, the Joint DR Parties state that Green Button is difficult for aggregators to implement due to its complexity.¹³ However, the PD appropriately addresses this concern by establishing stakeholder meetings to explore ways to streamline and simplify the enrollment process under Rule 24.¹⁴

B. The PD Should Clearly Define the "Click-Through Process"

Parties' opening comments demonstrate that there is no clear definition of the "click-through process" adopted in the PD.¹⁵ The PD should be modified to clearly define the click-through process as a means of collecting electronic signatures on an electronic CISR-DRP form to authorize a utility to release customer data to a third party. The click-through process should not allow a customer to bypass the Green Button process or log into SCE's MyAccount from within a third party's website because that would create unnecessary risk of violation of customers' privacy and incur additional technology costs, undermining the cost-efficient benefits of Green Button recognized in the PD.

¹² See D.11-07-056, Attachment D, p. 11.

¹³ Joint DR Parties Opening Comments, pp. 5-6.

¹⁴ PD, OP 9, pp. 29-30. One example of complexity provided by the Joint DR Parties is SCE's requirement for customers to specify the length of time they grant access to their data. This step can be as simple as one additional click and customers have an option to grant access to their data indefinitely, until rescinded by either the customer or the third party. This is a customer-education issue, and the option to grant access indefinitely combined with proper education from third parties should mitigate the risk of customers granting access to their data for too brief a time.

¹⁵ Compare Joint DR Parties Opening Comments, pp. 2-3; SDG&E Opening Comments, pp. 2-5; PG&E Opening Comments, pp. 3-7; SCE Opening Comments, pp. 2-3.

C. SCE Should Be Provided the Flexibility to Request Additional Rule 24 Funding

OhmConnect and the Joint DR Parties recommend the investor-owned utilities (IOUs)¹⁶ be granted the flexibility to file a Tier 3 advice letter to request additional funds for Rule 24 implementation at any time, not only prior to December 2018, as proposed in the PD.¹⁷ Both parties note that given the uncertainty of future DR application cycles, it is prudent to grant the IOUs flexibility to request additional funds when needed. SCE agrees and recommends that the IOUs be allowed to file a Tier 3 advice letter to request additional Rule 24 funds, if needed, at any time.

D. SCE's Previously-Approved Rule 24 Funding Totals \$2.7 Million

The PD allows the IOUs to request additional Rule 24 funds through a Tier 3 advice letter, with a cap of the total previous Rule 24 funding authorized for each IOU.¹⁸ The PD identifies \$3.2 million as SCE's previously-authorized cap. ORA states that the PD erred, and that SCE should only be granted approximately \$2.3 million approved in previous decisions, including \$1.8 million in D.15-03-042.¹⁹ ORA's recommendation is incorrect and should be rejected. SCE was authorized \$2.7 million in D.15-03-042, not the \$1.8 million suggested by ORA.²⁰ Therefore, SCE should be allowed to request up to \$2.7 million in additional Rule 24 funds through a Tier 3 advice letter.

¹⁶ The IOUs are SCE, PG&E, and SDG&E.

¹⁷ Joint DR Parties Opening Comments, pp. 8-9; OhmConnect Opening Comments, pp. 2-3.

¹⁸ PD, Ordering Paragraph 13a, p. 30.

¹⁹ ORA Opening Comments, p. 2.

²⁰ SCE assumes ORA transposed the amounts authorized for SCE and SDG&E as shown in OP 9 of D.15-03-042.

E. SCE Should Not Be Required to Accommodate Multiple Third Parties on One CISR-DRP Form

The Joint DR Parties recommend the PD be modified to require SCE to allow multiple parties on one CISR-DRP form.²¹ The justification provided in their testimony is that it “would encourage additional market participants who may need to collaborate with another entity in order to participate and would reduce the amount of paperwork sent to SCE, thereby simplifying its practice of processing the CISR-DRPs.”²² Because the PD authorizes SCE to require customers to use Green Button Connect to authorize SCE to transfer their data to third parties, a paper CISR-DRP with multiple parties would not reduce SCE’s paperwork. Such a form would also add undue complexity if a customer wants to discontinue sending data to one third party but continue sending data to another third party on the same CISR-DRP form. The Commission should reject this recommendation by the Joint DR Parties.

**III.
CONCLUSION**

SCE appreciates the opportunity to provide these reply comments and encourages the Commission to adopt its recommendations.

²¹ Joint DR Parties Opening Comments, p. 8.

²² Prepared Testimony of the Joint Demand Response Parties, Exhibit JDRP-1, p. 6.

Respectfully submitted,

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