

Appendix 1

D.17-01-006

Policy Guidelines Applicable to the Design, Implementation, and Modification of Time-of-Use (TOU) Periods to be Used in Rate Designs

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Policy Guidelines Applicable to the Design, Implementation, and Modification of Time-of-Use (TOU) Periods to be Used in Rate Designs

1. Base TOU periods and related rate designs should be established independently for each utility either in a general rate case (GRC) or a rate design window (RDW). Geographically-differentiated TOU time periods within an IOU's service territory are not required or encouraged at this time. Any proposals for geographically-differentiated rates must demonstrate that the proposed rates do not conflict with universal and non-discriminatory service requirements.

2. Base TOU periods should be based on utility-specific marginal costs, rather than on a statewide load assessment. This marginal cost analysis should use marginal generation cost, consisting of marginal energy costs and marginal generation capacity costs. Going forward, the IOUs should include information on marginal distribution costs that contribute to peak load costs and time of use information filed or adopted in FERC transmission rate proceedings. Use of marginal distribution and transmission cost information in setting future Base TOU periods will be addressed in individual IOU rate proceedings.

3. As a secondary check on the marginal cost analysis, the IOUs should provide hourly load and net load data and explain any significant differences between estimated high and low marginal cost hours and the net load shapes (including adjusted net load data for PG&E). As part of its TOU period analysis, each IOU should submit the latest data and assumptions, including those vetted in the Long Term Procurement Planning (LTPP) and/or Integrated Resource Planning (IRP) or successor proceeding.

4. Base TOU periods should be developed using forward-looking data, with the forecast year set at least three years after the year the Base TOU period will go into effect.

5. Base TOU periods should continue for a minimum of five years (unless material changes in relevant assumptions indicate the need for more frequent Base TOU period revisions) and each IOU should propose new Base TOU periods, if warranted, at least every two general rate case cycles.

6. Each IOU, in a Tier 3 Advice Letter, should propose a dead band tolerance range for determining when a change would trigger TOU period revisions more frequently than five year intervals. To evaluate whether a dead band tolerance range has been exceeded and to ensure that the Commission and the public are aware of the likelihood of future Base TOU period changes, Base TOU period analysis should be provided in each general rate case, even if the IOU does not propose a change in Base TOU periods.

If such analysis shows that the dead band tolerance range has been exceeded, the IOU should propose revisions to Base TOU periods.

7. Each IOU should take steps to minimize the impact of TOU peak period changes on customers who have invested in on-site renewable generation or technology to conserve energy during peak periods. Regularly scheduled updates to TOU periods will provide predictability for these customers. Additional steps to increase certainty around TOU periods could include vintaging, legacy TOU periods, or fixed indifference payments, as well as other rate structures that provide predetermined limits on TOU period changes. Such steps must also include making information on potential shifts in peak periods available to the public.

8. A menu of TOU rate options should be developed in utility-specific rate design proceedings and should provide rate choices addressing different customer profiles and needs. IOUs are encouraged to use the Base TOU periods to develop at least one optional TOU rate design with a more complex combination of seasons and time periods and may incorporate more dynamic pricing features and enabling technology as appropriate to address grid needs.

9. TOU periods used in rate designs should be designed around the Base TOU periods and should reflect up to date marginal costs, but may be modified to take into account customer acceptance, preferences, understanding, ability to respond and similar factors. These considerations include:

- The extent to which customers understand TOU rates generally.
- The time and education required for customers to transition to a new TOU rate period.
- The ability of customers to respond at a specific time of day or over a given period of time.
- Customers' need for predictable TOU periods, including the schedule of possible TOU rate period changes, when they make investment decisions regarding energy efficiency, storage, photovoltaics, electric vehicles and other distributed energy resources or consider major operational changes to shift usage outside of peak periods.
- The appropriate treatment of different customer classes, as necessary, in light of the fact that customer needs and sophistication may vary by customer class.

(END OF APPENDIX 1)

Appendix 2

A.16-09-003

**Southern California Edison
Adopted TOU Periods**

Appendix 2

A.16-09-003

**Southern California Edison
Adopted TOU Periods**

Table 3-A
Adopted TOU Periods (Weekdays)

TOU Period	Summer (June - September)	Winter (October - May)
On-peak	4 p.m. - 9 p.m.	
Mid Peak		4 p.m. - 9 p.m.
Off-peak	All hours except 4 p.m. - 9 p.m.	9 p.m.- 8 a.m.
Super-off-peak		8 am - 4 p.m.

Table 3-B
Adopted TOU Periods (Weekends)

TOU Period	Summer (June - September)	Winter (October - May)
On-peak		
Mid Peak	4 p.m. - 9 p.m.	4 p.m. - 9 p.m.
Off-peak	All hours except 4 p.m. - 9 p.m.	9 p.m.- 8 a.m.
Super-off-peak		8 am - 4 p.m.

(End of Appendix 2)

Appendix 3

**Southern California Edison Company
Option R Tariff**

**Approved to Transition to
Option R Tariff (MW)**

Option R Tariff Available MW

(as of June 6, 2018)



Option R Tariff

Effective January 1, 2015, the enrollment cap for Option R of Rate Schedules TOU-GS-2, TOUGS-3 and TOU-8 was increased from 150 megawatts (MW) to 400 MW. As a result, customers meeting the eligibility requirements for Option R may now have their eligible accounts placed on this rate option after receiving written Permission to Operate (PTO) their Generating Facility from SCE. Customers cannot “reserve” capacity under the Option R enrollment cap prior to receiving PTO.

Customers receiving service under the TOU-8 Option A Special Solar Allowance may request to take service on Option R beginning January 1, 2015, and will not be subject to the 12-month requirement of Rule 12, Section D.2.a provided they transition prior to July 1, 2015.

Interested customers should work with their SCE Account Representative to receive an Option R rate analysis so that they can ascertain how the rate option may impact them. Customers who request to move forward with receiving service on Option R should complete and submit Form CSD-179-A, Request for a Change of Rate Schedule to MCB SPOCs.

Additional Information

To qualify for Option R tariff, your account must meet the following eligibility criteria:

- Account must have annual peak demands greater than 20 kilowatts (kW) but not exceeding 4 MW
- Account must have an approved generating facility interconnected that is powered by solar, wind, fuel cells or other eligible onsite Renewable Distributed Generation Technologies as defined by the CSI or SGIP
- Eligible generating facilities must have a net renewable generating capacity equal to or greater than 15 percent of the customer’s annual peak demand, as recorded over the previous 12 months
- For customers without 12 months of demand data, SCE will determine the annual peak demand once the customer has three months of demand data
- Account must qualify for service under Rate Schedules TOU-GS-2, TOU-GS-3 or TOU-8
- No other non-renewable generators on site
- Permission to Operate (PTO) letter issued

Option R will be closed to new service accounts when the 400 MW enrollment cap is reached. After the 400 MW cap is reached, service accounts placed on Option R cannot increase the generation system size above what was previously approved. If the generation system size is increased, the account will be removed from Option R. See page 2 for the cumulative total.



**Option R Tariff
(Date as of June 6, 2018)**

Approved to Transition to Option R Tariff (MW)	Available MW
358.75	41.25

This figure is currently updated monthly. The frequency of the updates will increase as the available capacity decreases.

(END OF APPENDIX 3)