

Decision 07-01-026 January 25, 2007

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

Application of PACIFIC GAS AND ELECTRIC COMPANY (U 39-E), for Approval of 2006-2008 Demand Response Programs and Budgets.	Application 05-06-006 (Filed June 1, 2005)
Southern California Edison Company's (U 338-E) Application for Approval of Demand Response Programs for 2006-2008 and Cost Recovery Mechanism.	Application 05-06-008 (Filed June 1, 2005)
Application of San Diego Gas & Electric Company (U 902-E) for Approval of Demand Response Programs and Budgets for Years 2006 through 2008.	Application 05-06-017 (Filed June 2, 2005)

**ORDER CORRECTING ERRORS IN DECISION 06-11-049**

This order corrects errors in and clarifies the intent of Decision (D.) 06-11-049, which adopted a number of augmentations and improvements to existing utility demand response programs and budgets originally adopted in D.06-03-024.

Since the issuance of D.06-11-049, we have determined that the order included inconsistent statements regarding funding for Pacific Gas and Electric Company's (PG&E) "Auto DR" program. In Section V.A.5, which addresses Technical Incentives (TI) programs, the order states "We also adopt PG&E's proposal to increase TI incentives to \$250/kW and \$300/kW for Auto DR. We

*direct SCE and SDG&E to implement to same higher TI incentives.”* However, in Section V.A.6, which discusses Auto DR, the order states “We specifically approve TI funds for \$250/kW (Kilowatt) for all three utilities, as proposed by SCE and SDG&E but *deny PG&E’s request to increase their incentive to \$300/kW*” (sic).

D.06-11-049 adopts higher incentives for all three utilities’ TI programs, consistent with our view that technical incentives can encourage customer participation in demand response programs. We intended to adopt an incentive level of \$300/kW for Auto DR programs, and \$250/kW for other TI incentives. The discussion in the TI section was revised accordingly but conforming changes in the “Auto DR” section were inadvertently omitted. This order clarifies that D.06-11-049 intended to increase TI funding for all three utilities’ Auto DR programs to \$300/kW.

In addition, on Page 30 of D.06-11-049, there is a reference to a San Diego Gas & Electric Company (SDG&E) proposal to reduce penalties to “\$2.50/kWh for Option B.” SDG&E proposed a reduction to \$1.88/kWh, which the record shows. This order corrects that error.

### **Comments on Proposed Decision**

The proposed decision of the Administrative Law Judge (ALJ) in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and Rule 14.2(a) of the Commission’s Rules of Practice and Procedure. No comments were filed.

### **Assignment of Proceeding**

Rachelle B. Chong is the assigned Commissioner and Kim Malcolm is the assigned ALJ in this proceeding.

### **Findings of Fact**

1. The intent of D.06-11-049 was for Technical Incentives to increase to \$300/kW for Auto DR programs and to increase to \$250/kW for other TI incentives for PG&E, Southern California Edison Company, (SCE), and SDG&E.
2. SDG&E proposed reducing penalties in BIP tariffs to \$1.88/kWh for Tariff Option B.

### **Conclusions of Law**

1. D.06-11-049 should be clarified to provide that Technical Incentives (TI) for Auto DR programs are set at \$300/kW and are set at \$250/kW for other TI incentives for PG&E, SCE, and SDG&E.
2. D.06-11-049 should be corrected to provide that SDG&E proposed to reduce Option B's BIP penalties to \$1.88/kWh.

#### **IT IS ORDERED** that:

1. Decision (D.) 06-11-049 is modified and clarified to provide the Technical Incentives (TI) are set at \$300/Kilowatt (kW) "Auto DR" programs and \$250/kW for other TI incentives for Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company (SDG&E).
2. D.06-11-049 is corrected to provide that SDG&E proposed to reduce Option B in its Base Interruptible Program to \$1.88/kWh.
3. Application (A.) 05-06-006, A.05-06-008 and A.05-06-017 are closed.

This order is effective today.

Dated January 25, 2007, at San Francisco, California.

MICHAEL R. PEEVEY  
President  
DIAN M. GRUENEICH  
JOHN A. BOHN  
RACHELLE B. CHONG  
Commissioners