

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



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Application of Pacific Gas and Electric  
Company (U39E) for Approval of Demand  
Response Programs, Pilots and Budgets for  
Program Years 2018-2022.

Application 17-01-012  
(Filed January 17, 2017)

And Related Matters.

Application 17-01-018  
Application 17-01-019

**REPLY COMMENTS OF  
CALIFORNIA EFFICIENCY + DEMAND MANAGEMENT COUNCIL ON  
ADMINISTRATIVE LAW JUDGE'S RULING DIRECTING RESPONSES TO  
QUESTIONS AND FILING OF PREVIOUS DEMAND RESPONSE BASELINE  
DEVELOPMENT AND IMPLEMENTATION COSTS**

Dated: May 3, 2019

Luke Tougas, Consultant  
California Efficiency + Demand Management Council  
1111 Broadway, Suite 300  
Oakland, CA 94607  
[policy@cedmc.org](mailto:policy@cedmc.org)

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**I. INTRODUCTION**

The California Efficiency + Demand Management Council (the “Council”) respectfully submits these Reply Comments on the Administrative Law Judge’s Ruling Directing Responses to Questions and Filing of Previous Demand Response Baseline Development and Implementation Costs, issued in this proceeding on April 8, 2019 (“ALJ Ruling”).<sup>1</sup> Our reply comments are limited to correcting the record on the Commission’s long-standing approval of the use of the California Independent System Operator Corporation (“CAISO”) baselines for demand response (“DR”) auction mechanism (“DRAM”) resources.

**II. ADDITIONAL COMMISSION APPROVAL OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR (CAISO) BASELINES IS UNNECESSARY.**

In its Opening Comments, Pacific Gas and Electric Company (“PG&E”) contends that “only the 10-in-10 methodology is approved by the CPUC for retail use to settle capacity

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<sup>1</sup> . These comments are timely filed pursuant to the California Public Utilities Commission’s (“CPUC” or “Commission”) Rules of Practice and Procedure and the ALJ Ruling.

payment” and “that all DRPs, including DRAM providers, are limited to this methodology at this time for capacity payment.”<sup>2</sup> The Council agrees with PG&E’s first statement but disagrees with the second. Any baseline methodology used by the investor-owned utilities’ (“IOUs”) retail DR programs must be approved by the Commission. Commission approval is needed for the tariffs associated with these programs that specify the baseline methodology to be used. This includes programs such as the Capacity Bidding Program (“CBP”) and Base Interruptible Program (“BIP”). However, the Commission has already approved the use of CAISO baselines for DRAM resources through its approval of the DRAM Pro Forma contract, which requires the use of those baselines, as the Council explained in its opening comments.<sup>3</sup>

The Council therefore disagrees with the notion that DRAM providers are limited to the 10-in-10 retail baseline and notes that PG&E cites no Commission decision or resolution to support its position. The current DRAM Pro Forma was approved by the Commission in Resolution E-4817 (Resolution) (as modified by Resolution E-4838) and in so doing, the Commission conveyed its approval of the CAISO baselines. Neither in the Resolution, nor in the IOUs’ subsequent advice letters revising the DRAM Pro Forma<sup>4</sup>, is there language limiting the use of wholesale baselines, nor is there language requiring alignment between retail and wholesale baselines as a precondition for DRAM providers to use a wholesale baseline. PG&E’s contention that some additional Commission approval of the CAISO baseline options is required is therefore inconsistent with the Commission’s existing DRAM rulings, and unfounded.

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<sup>2</sup> Opening Comments of PG&E, at p. 2. DRPs stands for Distribution Resource Plans and DRAM stands for Demand Response Auction Mechanism.

<sup>3</sup> Opening Comments of the Council, at p. 3.

<sup>4</sup> PG&E Advice Letters 4900-E, 4900-E-A, 4900-E-B, and 4900-E-C; Southern California Edison Company Advice Letters 3466-E, 3466-E-A, 3466-E-B, and 3466-E-C; and San Diego Gas & Electric Company Advice Letters 2949-E, 2949-E-A, 2949-E-B, and 2949-E-C.

### III. CONCLUSION

The Council appreciates the Commission's consideration of its position that the use of wholesale baselines by DRAM providers has already been approved by the Commission.

Dated: May 3, 2019

/s/ LUKE TOUGAS

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Consultant  
California Efficiency + Demand Management Council  
1111 Broadway, Suite 300  
Oakland, CA 94607  
[policy@cedmc.org](mailto:policy@cedmc.org)