



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

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Order Instituting Rulemaking to Advance
Demand Flexibility Through Electric Rates.

R.22-07-005

**SOUTHERN CALIFORNIA EDISON COMPANY'S (U 338-E) COMMENTS AND
ADDITIONAL DETAILED BUDGET PROPOSAL INFORMATION**

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**Southern California Edison Company's (U 338-E) Comments and
Additional Detailed Budget Proposal Information**

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I.

INTRODUCTION AND BACKGROUND

On August 15, 2023, the Administrative Law Judge (ALJ) issued a Ruling on the Commission Staff Proposal to expand existing dynamic rate pilots that, among other things, directed Southern California Edison Company (SCE) and Pacific Gas & Electric Company (PG&E) to provide estimated costs for additional administration of implementation for the expanding the pilots, as described in the Staff Proposal.¹ On September 13, 2023, the ALJ issued a procedural email ruling granting a request to extend the deadline to submit opening comments on the Pilot Expansion Ruling to September 25, 2023. SCE timely submitted its Opening Comments on September 25, 2023, that included its cost estimates to expand SCE’s Dynamic Rate Pilot (or CalFUSE Pilot) of \$29.7 million for three years (2025-2027) as outlined by the

¹ See ALJ Ruling On Track B Staff Proposal to Expand Existing Pilots, p. 2.

Staff Proposal, as well as an annual cost estimate of \$9 million, which is shown below for reference.²

*Table I-1
Estimated Costs for Pilot Extension
(constant 2023 dollars)*

	Fixed Cost	Annual Cost	2025-2027 Total Cost
Labor	\$ -	\$ 1,040,250	\$ 3,120,750
Incentives	\$ -	\$ 1,116,000	\$ 3,348,000
Marketing, Education & Outreach (ME&O)	\$ 20,000	\$ 1,050,000	\$ 3,170,000
ASP and Vendor Costs	\$ 2,500,000	\$ 5,767,000	\$ 19,801,000
Evaluation	\$ -	\$ 100,000	\$ 300,000
Total	\$ 2,520,000	\$ 9,073,250	\$ 29,739,750

On October 3, 2023, the ALJ issued an email ruling directing SCE to file a detailed budget proposal with explanations of each line-item and shall also serve its work papers relating to such proposal to the service list by October 13, 2023. SCE hereby submits the following detailed budget information of the cost estimates previously provided to expand the SCE Pilot. The workpapers supporting the budget information below will also be served to the proceeding service list per the ALJ email ruling.

II.

DISCUSSION

A. Cost Estimate for SCE Administration and Implementation (Labor)

SCE estimates its administration and implementation labor costs of \$3,120,750 to extend the Pilot by three years, or an annual labor cost of \$1,040,250. These costs are detailed in Table II-1 below.

² See Opening Comments of SCE on [ALJ’s] Ruling on Track B Staff Proposal to Expand Existing Pilots (SCE Opening Comments), Table I-1, p. 3.

Table II-1: Cost Estimate for SCE Administration and Implementation (Labor)

Line No.	CalFUSE Pilot Team Positions	Allocation	Annual Labor Cost	2025-2027 Labor Cost
1	Sr. Manager	25%	\$ 51,300	\$ 153,900
2	Manager	50%	\$ 80,800	\$ 242,400
3	Sr. Prj Manager	100%	\$ 181,600	\$ 544,800
4	Prj Manager	100%	\$ 145,000	\$ 435,000
5	Sr. Specialist	100%	\$ 114,400	\$ 343,200
6	Specialist	100%	\$ 101,300	\$ 303,900
7	Specialist	100%	\$ 101,300	\$ 303,900
8	CalFUSE team labor sub-total		\$ 775,700	\$ 2,327,100
	Supporting Team Positions	Allocation	Annual Labor Cost	2025-2027 Labor Cost
9	Sr. Manager (RSO)	10%	\$ 20,520	\$ 61,560
10	Advisor (RSO)	25%	\$ 36,250	\$ 108,750
11	Prin Manager (Rate Design)	10%	\$ 26,180	\$ 78,540
12	Sr. Advisor (Rate Design)	100%	\$ 181,600	\$ 544,800
13	Supporting Teams labor sub-total		\$ 264,550	\$ 793,650
14	Total Labor		\$ 1,040,250	\$ 3,120,750

SCE expects that, as the Pilot successfully implements and grows to meet the proposed expansion scope, it will need incremental labor to handle the increasing quantity of work. There are three main work groups that SCE expects this work to affect: 1) CalFUSE Pilot team; 2) Revenue Services Organization (RSO); 3) Pricing Design and Research. Each group’s responsibilities and expected labor needs are described below. In addition, SCE expects that there will be incremental work related to the Pilot in the Regulatory and Measurement and Evaluation areas, but SCE is not requesting incremental funding for this work at this time.

1. CalFUSE Pilot Team

The CalFUSE Pilot Team performs general pilot/program management functions and is responsible for overall planning, implementation, and management of the Pilot. Its duties would include administering the overall budget, onboarding Pilot partners, managing contracts and invoices, overseeing Pilot support for both third party contractors and internal subject matter experts, overseeing CPUC partnership and engagement, engaging with automated service

providers (ASPs) to partner with SCE and develop technology solutions, developing and executing a marketing, education, and outreach plan, providing oversight for measurement and evaluation activities, handling customer inquiries, and other responsibilities as identified. The Pilot Team will also be responsible for all compliance obligations pertinent to the evaluation and submittal of the Pilot Reports to the appropriate Regulatory Agencies.

2. Supporting Teams

The Revenue Services Organization (RSO) is responsible for billing and billing-related matters for SCE. This RSO team supporting the Pilot will be responsible for any billing-related functions required by the Pilot. Its duties would include identifying data needs for billing histories, and working with GridX to develop customer rates and subscriptions, providing oversight of customer onboarding, enrollment, and validation processes, managing the GridX contract, reviewing customer eligibility and handling enrollment exceptions, handling customer bill cycle adjustments, validating the shadow bill process and incentive calculations, approving, administering, and tracking shadow bill incentives, providing subject matter expert support for RSO system activities and capabilities, as well as data streams and technical support, and other responsibilities as identified.

The Pricing Design and Research (PD&R) organization is responsible for developing the models and data used to develop the rates used by SCE to collect revenue from customers. For the Pilot, this team's duties would include working with Energy Division staff to develop the pricing and/or prospective design parameters for the tariff structure, ensuring accuracy of TeMix platform system data requirements for the price machine calibration for the various rate/price components and other subject matter responsibilities around broader development of systems and processes around implementation. PD&R may also work with SCE's partners in this Pilot to validate data, test subscriptions, better develop SCE's understanding of consumption patterns for Pilot participants and other such load characteristics that help better optimize Pilot learnings and execution.

B. Cost Estimate for Incentives (Bill Credits)

SCE estimates the cost for incentives, in the form of bill credits, for the expanded pilot at \$3,348,222 for three years and an annual cost estimate of \$1,116,074, which is detailed in Table II-2 below.³ Additionally, a supplemental workpaper is provided in Appendix 1 that provides a breakdown of the forecasted bill credits for the identified customer classes.

Table II-2: Cost Estimate for Incentives (Bill Credits)

Line No.	Cost Purpose	Fixed Cost	Annual Cost	2025 - 2027 Total Cost
1	Estimated shadow bill credits for residential customers	\$ -	\$ 77,400	\$ 232,200
2	Estimated shadow bill credits to commercial and industrial customers	\$ -	\$ 1,038,674	\$ 3,116,022
3	Incentives Subtotal	\$ -	\$ 1,116,074	\$ 3,348,222

SCE defines bill credits as the summarized payment to customers for participating in the Pilot and provided to the customer on at least an annual basis.⁴ It is calculated as the cumulative difference between the monthly costs of the dynamic hourly price signals (shadow bill) and the SCE bill from the customer's Otherwise Applicable Tariff (OAT) during Pilot participation. The cost estimate for customer bill credits does not include any technology incentives or rebates for load automation, and the credits will be remitted from SCE to customers as a Pilot participation payment by their ASP.

The ASP in the Pilot is a technology and software provider that has contracted separately with SCE customers to provide energy and demand management services and is also under contract to SCE to manage the customer's response to the Pilot's dynamic hourly price signals. The ASP on a daily basis optimizes the operation of the customers' electric end use technologies through site-installed automation and software services to reduce the customer's costs of the shadow bill automatically while providing general energy cost savings throughout their ASP

³ The estimates provided in SCE's Opening Comments included a minor rounding error that results in a difference of \$74 (annual cost) and \$222 (total cost) to the estimates in Table II-2.

⁴ SCE Advice 4684-E.

service contract with the customer. By responding to the Pilot's dynamic hourly price signals, the ASP can shift usage away from higher priced hours and take advantage of lower priced hours to provide more savings to the customer, over and above their energy services activities to save energy in response to the customer's OAT.

The supplemental workpaper identifies the three Pilot customer sectors: residential, commercial and industrial (C&I); and the estimated SCE customer OAT categories that will be participating in the Pilot, with a forecast of estimated bill credits, per month, per class, and per OAT per year, for a total of three years. SCE forecasts to have approximately 300 customers in the pilot for each of residential, small/medium commercial, and large C&I, for a total of 900 customers. This could include a wide variety of customer OATs. SCE's estimates of OAT distribution for the C&I class in the supplemental workpaper are a weighted average of the estimated Pilot participants based on the current total OAT populations that are expected to be eligible for the Pilot in SCE's service territory.

1. Estimated Shadow Bill Credits for Residential Customers

Residential customers in the Pilot have an OAT that does not contain a demand charge, which allows for more operational demand flexibility from various electrical end uses to shift their usage to different time periods in concert with the Pilot's dynamic hourly pricing. SCE conservatively estimates that their preliminary bill credits in response to the Pilot dynamic hourly prices are at a 10% average monthly energy savings (with some months greater or less than others, depending on the customer's load factor). Past studies for TOU rate pilots have shown that savings can average 20% and with enabling technologies⁵, but in the absence of any empirical data for the current dynamic pricing structure, SCE will forecast a 10% monthly average and will adjust as more data is collected.

⁵ See [Dynamic Pricing and Its Discontents by the Cato Institute](https://www.cato.org/regulation/fall-2011/dynamic-pricing-its-discontents#myth-3-enabling-technologies-don-t-boost-demand-response), available at: <https://www.cato.org/regulation/fall-2011/dynamic-pricing-its-discontents#myth-3-enabling-technologies-don-t-boost-demand-response>.

2. Estimated Shadow Bill Credits for C&I Customers

For the C&I customer classes, there is a wider range of possible bill credit outcomes, especially with the presence of monthly non-coincident demand charges in most of the OATs. Credits may vary depending on how effectively the respective ASPs can manage those costs and shift customer loads while responding to the Pilot’s dynamic hourly prices. Subsequently, the bill credits for these customer classes are also conservatively estimated based on their monthly average bills from their existing OATs and will be revised as more C&I customers participate and more empirical data can be collected from the participant shadow bills over the Pilot’s performance.

C. Cost Estimate for Marketing, Education and Outreach (ME&O)

SCE estimates the costs for ME&O in the expanded pilot at \$3,170,000 for three years and an annual cost estimate of \$1,050,000, with a first-year fixed cost of \$20,000, which is detailed in Table II-3 below. These expenses would be necessary to enhance customer awareness and understanding of the opportunities for cost savings in the Pilot and increase customer participation. SCE plans to build upon existing effective messaging channels to efficiently further these objectives.

Table II-3: Cost Estimate for ME&O

Line No.	Cost Purpose	Fixed Cost	Annual Cost	2025 - 2027 Total Cost
1	Targeted customer email campaign	\$ -	\$ 90,000	\$ 270,000
2	Design, copywriting, and project management, design and layout for new Web page on sce.com	\$ 20,000	\$ -	\$ 20,000
3	Enrollment Portal and data support/validation services		\$ 360,000	\$ 1,080,000
4	Focused community engagement via third party outreach		\$ 350,000	\$ 1,050,000
5	Prospective ASP engagement and outreach	\$ -	\$ 250,000	\$ 750,000
6	ME&O Subtotal	\$ 20,000	\$ 1,050,000	\$ 3,170,000

1. Targeted Email Campaign

SCE plans to conduct a targeted customer email campaign in the first year of the Pilot and in each subsequent year, if needed, to provide more customer participation. SCE will utilize

customer segmentation to target new customers via an email campaign. The campaign will also provide the validation of the Pilot partners in their efforts to recruit customers, assuring customers that this is an SCE-approved effort to demonstrate how shifting energy usage to optimal times during the day and throughout the year has the potential to improve the reliability of the electric system while providing savings for customers.⁶

2. Web Page

SCE will create a new landing page for the Pilot on SCE.com for customers, partners and others interested in learning more about the Pilot and its objectives. The landing page will provide customers with details about the program and steps for enrollment, and costs will include web page design, copywriting and project management, design and layout for the web page.

3. Enrollment Portal and Data/Support Validation

There are multiple steps required to engage, enroll, and validate customer eligibility and participation, as well as the processes needed to collect authorized billing history and other customer data. The development of a secure enrollment portal for customers and ASPs will facilitate the accelerated schedule needs of the Pilot in an efficient manner. The scope of the development for the web-based portal will also include support services for data validation and the securitization of the data transfers to ensure secure transactions and accurate data file downloads. During recent internal reviews of the customer experience in the Pilot, SCE identified process gaps and is making process changes to improvements in the customer journey and reducing delays. It is likely that a more comprehensive and focused approach to customer engagement can further improve customer enrollment velocity.

4. Focused Community Engagement

SCE envisions expansion of hard to reach customers and communities in its outreach and engagement strategies through its Pilot technology providers and through language and local customer-facing communication channels. Early discussions with Pilot ASPs have indicated that

⁶ SCE Flexible Pricing Rate Pilot fact sheet, available at: <https://www.dret-ca.com/wp-content/uploads/2023/10/Flexible-Pricing-Rate-Pilot-Fact-Sheet-1222-2022.pdf>.

they have opportunities to facilitate reaching out to disadvantaged communities (DACs), working in partnership with non-government agencies (NGOs) in rural communities, and following the guidelines as articulated in the CPUC's Environmental and Social Justice (ESJ) Action Plan.⁷ Schools, tribal governments, public agencies, and other small- to mid-sized commercial customers are themselves important and underserved sectors that SCE wants to address, and the Pilot can have the opportunity through additional ME&O activities.

SCE will develop this additional focused community engagement outreach via community-based third parties and in concert with other agencies and partners, to develop marketing and education programs for customers with community-based organizations that can share information across multicultural groups with equity at the core to their mission. When approved, the authorization for this effort will enable SCE to develop or leverage an existing advisory committee to guide the design and coordination of this focused community outreach engagement and to oversee the progress of the activity and share best practice learnings with the SCE project team and other entities.

5. Prospective ASP Engagement and Outreach

This budget includes outreach to additional ASPs to provide the scalability necessary as well as to develop the business use cases for more ASP market integration. The strategy to utilize ASPs that can provide enabling technology for customers in the Pilot is core to the original design of the Pilot plan. Much development work by the initial ASPs that SCE recruited early in the Pilot and by TeMix during the first phase of the Pilot has resulted in successful customer integration with dynamic day ahead price signals and customer responsiveness. However, with plans to expand and extend the Pilot for more customers, more efforts will be needed to outreach to larger potential ASPs, as SCE plans to contract with more in the next phase of the Pilot.

To engage more ASPs into the portfolio of the Pilot to meet the needs of the Commission Staff's Proposal, SCE intends to work with its current partners such as the Electric Power

⁷ Available at: <https://www.cpuc.ca.gov/news-and-updates/newsroom/environmental-and-social-justice-action-plan>.

Research Institute (EPRI) and CalFlexHub at Lawrence Berkeley National Labs (LBNL) to engage more market participants and potential ASPs in a wider range of customer sectors. SCE also plans to work with the California Efficiency and Demand Management Council (CEDMC), which has a significant membership roster that the CEDMC leadership has indicated can be informed and motivated for future consideration of Pilot participation. One of the significant barriers for traditional energy services companies and third-party aggregators to decide to engage in research activities (such as the SCE Pilot) is their prospective “cash flow” business model of operation, which limits their participation in any pilot or research program where future financial benefits are not specific or confirmed. Without that financial guarantee of return on investment either in the near term as a performance contract or a long-term strategic market differentiator, many energy services organizations are reluctant to invest their time and effort. This message regarding the importance of assured compensation and the reluctance for potential ASPs to commit resources has been communicated to SCE in communications to the Pilot team and in various related Pilot workshops and forums.

The CEDMC, EPRI, and LBNL are currently members of the SCE’s Technical Advisory Committee (TAC) for the Pilot, and they have provided input and suggestions for developing more ASP engagement and compelling value propositions and use cases to assist SCE in its outreach efforts to increase ASP participation in the Pilot and other related activities. SCE plans to develop an integrated strategy and deployment plan with these organizations in the next year to accelerate ASP education, interest, and Pilot awareness. The strategic objectives will also include more ASP understanding of the Pilot goals, and will encourage third parties, device manufacturers, and consumer industry stakeholders to be directly more involved in the development of SCE’s demand flexibility strategy so that the automated responsiveness to dynamic rates can scale to more market participants and customers achieve the full potential needed for the Pilot expansion goals. SCE will use pilot data to further develop the business case for ASP participation to facilitate additional ASP participation in future years.

D. Cost Estimate for ASPs and Vendors

SCE estimates the costs for third party service providers in support of the Pilot, such as the need for an extension of the price machine license and an expansion of functionality with TeMix, additional ASPs for the expanded customer classes, technology service providers, contract services and research support, and other expected software support activities through the three year extension at \$19,801,000 for three years and an annual cost estimate of \$5,767,000, which is detailed in Table II-4 below.

Table II-4: Cost Estimate for ASPs and Vendors

Line No.	Cost Purpose	Fixed Cost	Annual Cost	2025 - 2027 Total Cost
1	ASP third party contracts technology integration, software services, customer site management	\$ -	\$ 2,580,000	\$ 7,740,000
2	TeMix Contract: Expanded circuit pricing modeling, contract extension, subscription billing parameters	\$ 1,900,000	\$ 950,000	\$ 4,750,000
3	Third Party data transfer services (subscription development, including data analysis)	\$ 600,000	\$ 1,250,000	\$ 4,350,000
4	Supplemental research: OpenADR, Charge Ready, and GHG circuit level modeling for price machine grid factors		\$ 112,000	\$ 336,000
5	Third party modeling support: CalFUSE business use case development (BTM storage and EVSE)		\$ 175,000	\$ 525,000
6	Third Party contract support services: database, reporting, ASP management & coordination	\$ -	\$ 700,000	\$ 2,100,000
7	ASP and Vendor subtotal	\$ 2,500,000	\$ 5,767,000	\$ 19,801,000

The current Pilot was initiated in May of 2022 and was authorized through 2024, in compliance with Ordering Paragraphs (OPs) 59, 60, and 63 of Decision (D.) 21-12-015. SCE’s advice filings described the scope, partners, shadow bill implementation, milestone dates, and aspects of the dynamic tariff design for the Pilot⁸. Initial customer shadow billing has begun, and more customers are being enrolled and participating in the Pilot and receiving dynamic hourly prices through SCE’s current contracted ASPs. A total of 140 customers have been engaged through the current ASP contracts with SCE and more ASPs are being recruited to increase customer enrollments.⁹

⁸ SCE Advice 4684-E and 4684-E-A.

⁹ SCE Opening Comments, at p. 4.

1. ASP Contracts

To expand and extend the Pilot activities and rapidly increase customer participation in the Pilot to accommodate the incremental efforts beyond the current scope, SCE will need to increase its Pilot funding to expand resources to develop more vendor capabilities, and ramp up data collection, analysis, and transfer services, as well as implement supplemental research to integrate new forms of electric end uses such as storage and electric transportation. SCE proposes the additional budget authorization in 2024 to expand the scope of the existing ASP contracts in the Pilot, contract with additional ASPs to increase customer enrollment, and add third party technology integration and software services support and customer site management services that ASPs may require in order to reduce their costs of Pilot participation and supplement their investment in resources needed to engage, enroll, and maintain customer Pilot participation.

The addition of more ASPs, third party contracts, and support services is essential for the future extension of the Pilot. SCE's budget request for the ASP and Vendor Costs reflects a significant expansion of the resources necessary to accomplish that effort. The ASPs are key to successful customer enrollment and participation in the Pilot, because they understand the Pilot benefits for themselves and the customer, they have the technical competency and resources to enable customer enrollment and sustained participation, and they can manage customer end uses to deliver customer energy bill savings in response to dynamic pricing. To date, SCE has utilized a handful of ASPs that have SCE customers already enrolled in energy management contracts and has leveraged those existing ASP customer relationships to reduce costs and accelerate customer participation. Expanding ASP participation beyond the existing Pilot scope requires additional funding.

The SCE Pilot team has reached out to a wide community of potential ASPs, including energy efficiency service contractors, demand response program aggregators, dynamic flexibility technology service providers, and manufacturers to market the Pilot and identify additional ASPs to participate in the Pilot. With an estimate of adding an additional six to eight new ASPs with

customers in residential, commercial, industrial customer sectors, SCE will also work with potential ASPs such as major electric vehicle (EV) manufacturers and/or smart charger service providers, solar/battery aggregators and service providers with the capability to directly receive the CalFUSE dynamic price signals to optimize (on behalf of the customer) the customer end use flexibility strategies.

2. TeMix Contract

SCE is utilizing the TeMix dynamic price platform to both develop and communicate the CalFUSE dynamic price and will need to both extend and enhance the services contract to meet the expanded scope of the Pilot extension. These may likely include but not be limited to extending the platform hosting subscription contract, enhancing internal processes for continued development of the dynamic rate design elements, initially exploring various options for developing alternative subscriptions for different types of customers and end uses, refining the shadow bill verification processes, adding ASP support services and ASP software integration, enhancing the local grid level forecasting price determinants, and improving the processes for meter data transfers and data interfaces. TeMix also provides consulting services in support of the Pilot such as continued outreach to industry alliances and support for SCE billing, settlement, and rate development.

3. Third-Party Data Transfers

As the Pilot moves from its startup phase to an extended execution phase, SCE plans to implement increasingly automated processes, including for customer onboarding, verification of eligibility, data transfers, and subscription development. SCE will contract with a third party for data transfer services and automated collection of historical data for developing subscriptions to accelerate customer onboarding.

4. Supplemental Research

The CalFUSE vision as articulated in the Commission Staff White Paper¹⁰ is a technically complex road map that includes enabling technology interfaces, sending “prices to devices,” and driving customer adoption of automated demand flexibility systems. The CalFUSE vision includes in its guiding objectives the goal to enhance scalability via standardized, universal mechanisms to enable demand flexibility, which will require the development of compelling use cases for investment in enabling technology. SCE shares this vision to investigate new opportunities for innovation in the Pilot.

5. Third-Party Modeling Support

SCE’s budget includes funds to study how behind the meter (BTM) storage and electric vehicle supply equipment (EVSE) performance can be modeled, to assess the costs and benefits of dynamic rates compared to the customer OAT. These studies will be conducted in parallel with the current Pilot and will include quantification of the expected customer savings to facilitate both ASP and manufacturer interest in future Pilot participation. Other studies will investigate local GHG impacts of the dynamic tariff with respect to distribution circuit power flows, and the development of a predictive model for machine learning at the customer site that large customer sites (refrigeration plants, industrial complexes) that may act as their own ASPs can use with their energy management systems (EMS) and other tools to enhance responsiveness to the Pilot tariff. Third party contract support services that are currently providing administrative, external engagement, and project management assistance to SCE in the Pilot will also need to be expanded, which includes database reporting, issues tracking, ASP management and coordination, and technical support. With the rapid increase in customer engagement and ASP onboarding, SCE will supplement the existing vendors with additional third-party

¹⁰ See Advanced Strategies for Demand Flexibility Management and Customer DER Compensation, June 22, 2022, Available at: <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/demand-response/demand-response-workshops/advanced-der---demand-flexibility-management/ed-white-paper---advanced-strategies-for-demand-flexibility-management.pdf>.

contractors to address a wider range of coordination services, validation, data transfer and reporting as the Pilot ramps up in 2024, which is reflected in the requested budget authorization.

E. Cost Estimate for Pilot Evaluation

SCE initially estimated that the incremental costs for the evaluation of the expanded pilot program will be \$300,000 for three years, at an annual cost estimate of \$100,000. However, in Reply Comments, SCE revised its measurement and evaluation estimate to include extra costs of \$35,000 each year to incorporate a TOU control group, per the suggestion of California Environmental Justice Association.¹¹ The revised cost estimate with additional costs for the TOU control group is provided in Table II-5 below.

Table II-5: Cost Estimate for Evaluation

Line No.	Cost Purpose	Fixed Cost	Annual Cost	2025 - 2027 Total Cost
1	Program Evaluations	\$ -	\$ 135,000	\$ 405,000
2	Evaluation Subtotal		\$ 135,000	\$ 405,000

To complete the evaluation, SCE has contracted a third-party evaluator that will support the evaluation measurement and validation-related activities for the Pilot in compliance with SCE’s program obligations. SCE and the evaluator will support mid-term and final evaluation reporting pursuant to the elements in OP 62 of D.21-12-015, which are the same elements in the Commission Staff Proposal. In particular, reporting will involve analyzing energy consumption patterns, and estimating the change in energy consumption and demand of the customers resulting from participation in the dynamic rate program. The evaluation team will also analyze the costs and benefits of the program for the customers, such as in the form of bill impacts and cost-recovery assessments. In addition, SCE intends to conduct customer surveys and gain feedback from ASPs on the pilot experience.

¹¹ See SCE’s Reply Comments On [ALJ’s] Ruling on Track B Staff Proposal to Expand Existing Pilots, filed October 9, 2023, at p. 8.

III.

CONCLUSION

SCE appreciates the opportunity to provide these additional details on its cost estimate to expand SCE's Pilot.

Respectfully submitted,

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Appendix 1

**Supplemental Work Paper
Dynamic Rate Pilot Estimated Shadow Bill Credits**

SUPPLEMENTAL WORKPAPER
Dynamic Rate Pilot Estimated Shadow Bill Credits
Three Year Extension

Line No.	Eligible Rate Classes	Class Population	Pilot Participants	Monthly Average Bills	Expected Monthly Savings 10%	2024	2025	2026	Totals
1	Annual Incentives per rate class								
2	Residential	3,300,000	300	\$215	\$22	\$77,400	\$77,400	\$77,400	\$232,200
3	TOU-GS-1	525,000	506	\$320	\$32	\$194,134	\$194,134	\$194,134	\$582,402
4	TOU-GS-2	88,500	85	\$3,000	\$300	\$306,801	\$306,801	\$306,801	\$920,403
5	TOU-GS-3	7,300	7	\$17,000	\$1,700	\$143,405	\$143,405	\$143,405	\$430,215
6	TOU-8	2,275	2	\$150,000	\$15,000	\$394,335	\$394,335	\$394,335	\$1,183,004
7	C/I totals	623,075	600						\$3,348,223
8	Totals	3,923,075	900			\$1,116,074	\$1,116,074	\$1,116,074	\$3,348,223

Assumptions:

- Three year extension, 300 max per class (residential, commercial, industrial), each year each class is assumed to be fully populated
- Estimates only are for the specific non-res bundled rate classes listed above
- Class population estimates based on 2022 accounts and current eligibility
- Non-Res Pilot Participants estimates are weighted based on rate class populations (but may vary based on actual enrollments)
- Monthly average bills are based on monthly average revenue per customer by rate class
- Expected savings are based on 10% average monthly shadow bill savings per year (Can vary per month during the year)
- Annual incentives per rate class are based on expected number of participants per class