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PRESS RELEASE

Docket #: R.13-12-011

CPUC APPROVES PILOT PROGRAM FOR SPECIAL MID-DAY RATES FOR EDISON AND SDG&E COMMERCIAL CUSTOMERS

SAN FRANCISCO, Nov. 10, 2016 - The California Public Utilities Commission (CPUC) today authorized Southern California Edison and San Diego Gas & Electric to offer commercial, industrial, and agricultural customers mid-day price discounts (“Matinee energy pricing pilots”) as a means to reduce both energy and water use at high impact times.

California has already experienced occasional periods of energy over-supply at certain times of the day, particularly during Spring season afternoons when California’s sunny days produce large amounts of solar energy that is not absorbed by demand for air conditioning prevalent during the summer. In the late afternoon and evening, particularly from 4 p.m. through the evening, energy use is high, solar systems are no longer generating, and other sources such as wind may not yet have come online. This late afternoon and evening demand is met through a mix of energy resources including energy generating facilities that require a large amount of water in their production process.

As such, the CPUC today adopted Energy Matinee Pricing pilots to benefit California’s consumers and better manage our state’s water and energy resources. The Energy Matinee Pricing pilots will use price signals to encourage commercial, industrial, and agricultural customers to shift their energy demand to times when energy generation from renewable and low-water using energy are abundant. This shift will help conserve energy at times of system-wide peak usage during the late afternoon and evening.

Matinee Pricing is a demand side tool that combines demand response and Time of Use pricing to



balance supply and demand and help California best use its water and energy resources.

Commissioner Catherine J.K. Sandoval, the Commissioner assigned to the proceeding, commented, “Today, energy rates for commercial, industrial, and agricultural customers are largely still designed to charge the highest prices during the afternoon, reflecting energy patterns prevalent during the “Mad Men” era of the 1960s when the state’s energy demand peaked in the afternoon. High afternoon rates were designed to encourage customers to conserve power during that time, and created incentives to shift demand to the afternoon or evening. California’s current energy supply and demand portfolio reflects a generational shift to abundant energy generation in the afternoon, particularly on sunny days when solar systems generate large amounts of energy. Peak energy consumption has shifted to the evening between 4-9 p.m., yet our current pricing structure drives commercial users to those same evening hours to take advantage of lower rates. The Matinee Pricing pilot program will help us balance energy supply and demand, providing incentives for commercial, industrial, and agricultural customers to shift their energy use to afternoons when abundant low-water using energy is produced. We look forward to the lessons learned from these pilots to help California better manage its water and energy resources, and achieve energy sustainability.”

The Matinee Pricing pilot program periods will be Spring 2018 and Spring 2019.

The proposal voted on is available at:

<http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M169/K443/169443715.PDF>.

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