

Decision 10-04-006 April 8, 2010

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

Order Instituting Rulemaking Regarding Policies and Protocols for Demand Response Load Impact Estimates, Cost-Effectiveness Methodologies, Megawatt Goals and Alignment with California Independent System Operator Market Design Protocols.

Rulemaking 07-01-041  
(Filed January 25, 2007)

**DECISION MODIFYING DEMAND RESPONSE LOAD IMPACT  
REPORT ANNUAL FILING REQUIREMENTS**

**1. Summary**

This decision grants in part and denies in part the Petition for Modification filed by Pacific Gas and Electric Company (PG&E) to simplify filing requirements associated with the annual demand response load impact reports. Beginning with the 2010 report, PG&E, Southern California Edison Company, and San Diego Gas & Electric Company (collectively referred to as the utilities) shall file an executive summary and summary tables. We retain the requirement for the utilities to serve all supporting tables required in the protocols on all parties, as specified in this decision and in Decision 08-04-050.

**2. Background**

On April 24, 2008, the Commission issued Decision (D.) 08-04-050 adopting protocols for estimating the impact of demand response activities on electric load. D.08-04-050 ordering paragraph (OP) 4 directs the utilities to file their demand response load impact reports consistent with Protocol 26 of the adopted

protocols in Rulemaking (R.) 07-01-041 or a successor proceeding on April 1 of each year. If R.07-01-041 and all successor proceedings are closed, the utilities are required to transmit these annual reports to the Commission's Energy Division and serve them on the most recent service list.

On April 6, 2009, Pacific Gas and Electric Company (PG&E) filed a Petition for Modification (Petition) of OP 4 of D.08-04-050 on behalf of itself, Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E) (collectively referred to as the utilities). The Petition asserts that the requirement for filing all tables required in Protocol 26 is overly burdensome and unnecessary, and requests modification of D.08-04-050 to eliminate the filing requirement, while retaining the requirement to serve the tables on Energy Division staff and parties. On April 24, 2009, The Utility Reform Network (TURN) filed comments stating that it does not oppose the request to eliminate the filing requirement, as long as the requirement to serve the tables on parties is retained. No other parties commented on the Petition.

### **3. Petition for Modification**

The Petition requests the removal of the requirement that the utilities file their annual demand response load impact reports in R.07-01-041, instead requesting permission for the utilities to submit their reports to the Commission's Energy Division and serve them on parties, as the current requirement provides for the utilities to do after the closure of R.07-01-041 and any successor proceedings.

PG&E, SCE, and SDG&E all experienced technical difficulties in filing their 2009 load impact reports with the Commission's Docket Office. The load impact protocols require PG&E to produce over 165,000 ex post and ex ante load impact tables as part of their annual report. The electronic files containing the 2009 load

impact reports, including all tables, took approximately 1,400 megabytes of memory. This file size exceeds the limits set for electronic filing with the Commission's Docket Office. In addition, the Microsoft Excel "pivot tables" used to produce the load impact report tables cannot convert to PDF-A compliant format, as required by the Docket Office for all electronic filings.

Due to these incompatibilities with the electronic filing requirements, PG&E instead attempted to file its 2009 Load Impact Report in hard copy with the Docket Office. In order to ensure that all documents filed in hard copy may be archived appropriately and remain available for reference in future years, the Commission's Docket Office requires that when a filing is made in hard copy, the complete document, including all tables, attachments, and appendices, be provided on paper, and not on an electronic storage medium such as a CD or DVD. PG&E estimates that, in order to fulfill this requirement, the process of printing all tables for its report would require 4,000 printer hours (equivalent to approximately 166 days) with labor costs of up to \$75 per hour. In order to avoid these difficulties and costs for filing the 2009 load impact reports, the utilities requested and received permission to file a limited number of tables in hard copy, with the remainder of the tables provided for filing on CD-ROM.

Based on its experience with the 2009 load impact reports, PG&E claims that the reports along with the tables "cannot meet the Docket Office's requirement for e-filing, are too voluminous to file in hard-copy, and would be extremely time-consuming and expensive to print."<sup>1</sup> PG&E believes that

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<sup>1</sup> Petition of PG&E to Modify D.08-04-050, OP 4 to Direct Submission of Annual Load Impact Reports to Energy Division and to Eliminate the Requirement to File in R.07-01-041, April 6, 2009 at 5.

submitting future load impact reports to the Energy Division in electronic format, and serving them on interested parties pursuant to the Commission's Rules of Practice and Procedure, regardless of whether the Rulemaking or a successor proceeding is open, would serve the same purpose as filing them with the Docket Office. For these reasons, PG&E requests modification of OP 4 in D.08-04-050 as follows:

"4. SCE, SDG&E, and PG&E shall perform annual studies of their DR activities using the adopted protocols, and shall submit these reports consistent with Protocol 26 on April 1 of each year to the Commission's Energy Division and serve them on the most recent service list for this, or a successor proceeding. The information contained in those reports may be used in other Commission proceedings, as appropriate."<sup>2</sup>

#### **4. Discussion**

The Load Impact Protocols set forth in Attachment A of D.08-04-050 established the format of the tables in which the utilities must report estimates of the hour by hour ex post and ex ante load impacts of each demand response programs.

Depending on the number of demand response programs on which the utility must report, the preparation of all tables required by the load impact protocols may require more than one hundred thousand tables. Since these reports are too large to be filed electronically, they must be filed in hard copy, which, under the Commission's usual practices, means printing all of these (thousands of) tables. In order for the content of each table to remain legible,

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<sup>2</sup> Petition of Pacific Gas and Electric Company to Modify D.08-04-050, OP 4 to Direct Submission of Annual Load Impact Reports to Energy Division and to Eliminate the Requirement to File in R.07-01-041, April 6, 2009 at 6.

each table fills a full printed page. The Commission understands that it is both impractical and potentially wasteful of paper and other resources to print thousands of pages of tables, especially when there are other options for storage of this data, such as web posting and CD-ROMs. However, it is important to retain at least some summary data within the formal record of this demand response proceeding, both to facilitate other activities within this docket, such as development of cost effectiveness protocols, and to ensure that this important information remains available for public reference in this or successor proceedings.

In order to ensure that there is basic load impact data available within the record of this or a successor proceeding without imposing unnecessary or burdensome requirements, we modify OP 4 of D.08-04-050 to require filing of an executive summary of the load impact report along with several summary tables. We retain the requirement that the utilities prepare the entire load impact report as previously ordered, which contains all information and tables required in Protocol 26, and transmit the complete reports to the Commission's Energy Division via CD-ROM or other electronic storage medium. The utilities will also serve the complete report, or a notice of its availability, in an electronic format, to the most recent service list of this or a successor proceeding.

This approach will allow interested parties access to the detailed information required in the load impact protocols without overburdening either the utilities or the Commission's Docket Office with the preparation or storage of large volumes of printed material. Instead of filing thousands of hourly load impact tables with the Docket Office, utilities will file summary information, including a Summary Table that contains aggregate average ex ante load impacts for each Monthly System Peak Load Day. These tables will provide a reasonable

estimate of demand response impacts on electric load. The executive summary and summary table requirements are described in the new Appendix 1 to D.08-04-050.

### **Comments on Proposed Decision**

The proposed decision of the Administrative Law Judge in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company (collectively referred to as the utilities) filed joint comments on the proposed decision on March 24, 2010. These comments were generally supportive of the proposed decision's requirement to file only summary tables and information rather than the full load impact reports, but suggested that certain specific requirements contained in Attachment 1 would be overly burdensome and could raise confidentiality concerns. The utilities suggested minor technical changes to Appendix 1 to address these concerns. No reply comments were filed, and no parties objected to these suggested modifications. Minor technical changes have been made to Appendix 1 to address the utilities' concerns.

### **Assignment of Proceeding**

Dian M. Grueneich is the assigned Commissioner and Jessica T. Hecht and Darwin E. Farrar are the assigned Administrative Law Judges in this phase of this proceeding.

### **Findings of Fact**

1. Load impact estimates are necessary for analysis of the cost-effectiveness of demand response programs, and for long-term resource planning.

2. Load impact protocols improve consistency and accuracy in the calculation of demand response load impact estimates.

3. The requirement for each utility to file its complete demand response load impact report is impractical and overly burdensome.

4. A reduced filing requirement, under which each utility will file summary materials, will meet the Commission's need for information within the formal record of this or a successor demand response proceeding.

5. Requiring the utilities to make the entire report available to the service list of this or a successor proceeding will allow interested parties access to the detailed information required in the load impact protocols without overburdening either the utilities or the Commission's Docket Office with the preparation or storage of large volumes of printed material.

### **Conclusions of Law**

1. The Commission requires load impact information on demand response programs for long-term resource planning and other purposes.

2. It is reasonable to reduce the filing requirements associated with the annual reports on demand response load impacts reports in order to avoid unnecessary and burdensome requirements.

3. It is reasonable to retain the requirements for service of the load impact reports in order to ensure that the Commission and interested parties have access to detailed information related to load reduction associated with demand response activities.

**O R D E R**

**IT IS ORDERED** that:

1. The Petition for Modification of Ordering Paragraph 4 in

Decision 08-04-050 is granted in part. Ordering Paragraph 4 is modified to read as follows:

"4. Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), and Pacific Gas and Electric Company (PG&E) shall perform annual studies of their demand response activities using the adopted protocols. SCE, SDG&E, and PG&E shall each file and serve the executive summaries of its report, along with summary tables of each demand response activity, as described in Appendix 1 to this decision, annually on April 1 of each year in this or a successor proceeding. SCE, SDG&E, and PG&E shall each also transmit its complete report, including all tables required in Protocol 26, to the Commission's Energy Division and serve the report and all tables on the most recent service list for this, or a successor proceeding. If this and all successor proceedings are closed, the filing requirements will no longer apply, but the service requirements shall continue to apply. The information contained in the annual reports consistent with Protocol 26 and the related summary tables may be used in other Commission proceedings, as appropriate."

2. Attachment A to Decision 08-04-050 is modified to incorporate Appendix 1, describing the summary materials to be filed annually.

This order is effective today.

Dated April 8, 2010, at San Francisco, California.

MICHAEL R. PEEVEY

President

DIAN M. GRUENEICH

JOHN A. BOHN

TIMOTHY ALAN SIMON



NANCY E. RYAN  
Commissioners

## **Appendix 1**

Southern California Edison Company, San Diego Gas & Electric Company, and Pacific Gas and Electric Company (collectively, the Utilities) shall prepare the following executive summary and summary tables described below as a part of their annual load impact reports, and shall file this summary information in R.07-01-041 or its successor proceeding, as long as such a proceeding is open.

### ***Executive Summary Requirement***

Consistent with D.08-04-050, Attachment A, Protocol 26 under item 4, the utilities shall prepare Executive Summaries of their load impact reports. These executive summaries shall include an overview of the evaluation findings and the study's recommendation for changes to the demand response resource. In addition, it should also describe briefly the methodology, the enrollment forecast and the inputs and assumptions used for calculating the ex post and the ex ante load impact estimates. The utilities should also report the regression model specification<sup>1</sup> for each demand response program.

The Executive Summary shall also contain an explanation of how the Monthly System Peak Load Day under the "1-in-2 Weather Conditions" and the "1-in-10 Weather Conditions" were derived and disclose the temperature or Weather Year used for those conditions. It shall also disclose the assumption used for ex ante "portfolio basis" load impacts.

### ***Summary Table Requirement***

The Summary Tables to be filed along with the Executive Summary of each utility's load impact reports shall include the aggregate average ex ante load

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<sup>1</sup> Coefficients for individual customers are unnecessary.

impacts for each Monthly System Peak Load Day under a 1-in-2 Weather Condition and a 1-in-10 Weather Condition for the next 10 years. The average impact shall be based on the hours from 2 p.m.-6 p.m. or other peak hours consistent with the average hours used in calculations in the current Resource Adequacy proceeding, R.09-10-032,<sup>2</sup> or a successor Resource Adequacy proceeding.

Each utility's summary tables shall include two sets of ex ante load impact estimated tables for each Demand Response resource program: "program-specific" load impact estimates that would occur if events are called only under that program; and "portfolio basis" load impact estimates that would be attributed to that program if simultaneous events were called under all programs. All utility demand response programs must appear in the Summary Table, and shall be divided into five categories:<sup>3</sup> Emergency Programs, Price Responsive Programs, Demand Response Aggregator Managed Programs, Demand Response Enabled Programs, and Non-Event Based Resource(s). The list in the Summary Table need not be identical to those contained in the utility's demand response monthly reports. The demand response programs for which summary tables shall be provided include, but are not limited to, the following:

PG&E	SCE	SDG&E
BIP	BIP - 30-Minute Option	BIP
	BIP - 15-Minute Option	OBMC
Optional Binding Mandatory Curtailment Program	OBMC	SLRP

<sup>2</sup> Proposal to change average hours from 4 p.m.-9 p.m. for January - March and November - December; and 1 p.m.-6 p.m. for April -October.

<sup>3</sup> Decision 09-08-027 at 210.

<b>PG&amp;E</b>	<b>SCE</b>	<b>SDG&amp;E</b>
Smart AC – Residential	SDP-Based: Resid.	Summer Saver
Smart AC – Commercial	SDP-Based: Comm.	DBP – Day Of
AMP	SDP-Enhanced: Resid.	DBP – Day Ahead
DWR	SDP-Enhanced: Comm.	CBP – Day Of
	AP-I	CBP – Day Ahead
DBP – Day Of	DBP – Day Of	CPP-D
DBP – Day Ahead	DBP – Day Ahead	CPP-V
	CBP – Day Of	CPP-Emergency
CBP – Day Of	CBP – Day Ahead	PLP
CBP – Day Ahead	CPP-VCD	PTR with Enabling Technology
Smart Rate – Commercial	CPP-GCCD	PTR without Enabling Technology
Smart Rate – Residential	CPP-Default	
Peak Day Pricing/CPP	DR Contracts	
Permanent Load Shift	RTP	
Peak Choice: Best Effort Day Ahead (1 & 2 Days)	SLRP	
Peak Choice: Best Effort Day-Of (30 min. & 4.5 hrs)	PTR with Enabling Technology	
Peak Choice: Committed Day Ahead (1 & 2 Day)	PTR without Enabling Technology	
Peak Choice: Committed Day-Of (30 min. & 4.5 hrs)		
SLRP		
PTR with Enabling Technology		
PTR without Enabling Technology		
TOU		

The template used for the Summary Table shall be the following:

DR Programs	Jan.	Feb.	Mar.	Apr.	May.	Jun.	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.
<div> <div></div> <div>:</div> <div>:</div> </div>												
Sub. Total, Emergency Prog.												
<div> <div></div> <div>:</div> <div>:</div> </div>												
Sub. Total, Price Responsive Prog.												
<div> <div></div> <div>:</div> <div>:</div> </div>												
Sub. Total, DR Aggregator Managed Prog.												
<div> <div></div> <div>:</div> <div>:</div> </div>												
Sub. Total, DR Enabled Prog.												
<div> <div></div> <div>:</div> <div>:</div> </div>												
Sub. Total, Non Event Based Resource												
GRAND TOTAL, ALL DR PROGRAMS												

(END OF APPENDIX 1)