

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

In the Matter of the Application of San Diego Gas & Electric Company (U902E) for Approval of its Proposals for Dynamic Pricing and Recovery of Incremental Expenditures Required for Implementation.

Application 10-07-009
(Filed July 6, 2010)

Application of San Diego Gas & Electric Company (U902E) for Authority to Update Marginal costs, Cost Allocation, and Electric Rate Design.

Application 19-03-002
(Filed March 4, 2019)

**JOINT OPENING COMMENTS OF
CALIFORNIA SOLAR & STORAGE ASSOCIATION, OHMCONNECT, INC., AND
CALIFORNIA ENERGY STORAGE ALLIANCE
("JOINT ADVANCED RATE PARTIES") AND ENEL X NORTH AMERICA, INC.,
ON THE PROPOSED DECISION OF ALJS MCKINNEY, LIRAG, AND LEE**

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June 29, 2021

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The California Solar & Storage Association, OhmConnect, Inc., and California Energy Storage Alliance (collectively, the Joint Advanced Rate Parties or JARP) and Enel X North America, Inc. (Enel X), respectfully submit these Joint Opening Comments on the Proposed Decision of Administrative Law Judges (ALJs) McKinney, Lirag, and Lee, which was mailed in Application (A.) 10-07-009 – A.19-03-002, Phase 2 of the General Rate Case (GRC) of San Diego Gas and Electric Company (SDG&E) (SDG&E GRC 2) on June 9, 2021 (Proposed Decision). These Joint Opening Comments are timely filed and served pursuant to Rule 14.3 of the Commission's Rules of Practice and Procedure, the Commission's Covid-19 Temporary Filing and Service Protocol, and the instructions accompanying the Proposed Decision.

I.
**THE PROPOSED DECISION CORRECTLY APPROVES AND
DETAILS THE IMPLEMENTATION OF A DYNAMIC RATE PILOT
FOR SDG&E SUPPORTED BY THE RECORD,
APPLICABLE POLICY, AND WELL-REASONED ANALYSIS.**

JARP-Enel X strongly support the Proposed Decision’s well-reasoned and well-supported adoption and detailed directions on the implementation of a dynamic rate option for SDG&E. As the Proposed Decision establishes, despite real-time pricing (RTP) rates being offered in other jurisdictions, “the only true RTP-based dynamic rate currently offered in California is SDG&E’s ‘Power Your Drive’ rate for EV charging stations.”¹ Yet, the Proposed Decision recognizes the value and benefits of dynamic rates, above and beyond other available rate options, in terms of reducing grid costs, greenhouse gas (GHG) emissions, and the likelihood of rolling blackouts, while enabling and facilitating integration of higher levels of renewables on the grid.²

By adopting a dynamic rate option for SDG&E, with participation across multiple customer classes, the Proposed Decision recognizes the importance of starting the work needed to finalize and implement that offering now. JARP-Enel X congratulate the ALJs on their vision, analysis, and recognition of the value of a dynamic rates. . JARP-Enel X recommend that the Proposed Decision be adopted with limited modifications identified below, which are aimed at clarifying certain aspects of the rate offering and ensuring its timely launch.

Finally, JARP-Enel X note that the Proposed Decision’s adoption of the JARP-Enel X proposal to use 15-minute day-of prices may be different than proposals to use hourly day-ahead prices, recommended by SDG&E in this application and under consideration in other RTP pilot or rate applications by Pacific Gas and Electric Company (PG&E) or, potentially, Southern

¹ Proposed Decision, at p. 49.

² *Id.*.

California Edison Company (SCE). However, this circumstance does not in any way diminish the record or this outcome reached by the Proposed Decision based on that record specific to SDG&E where the Commission made clear in Decision (D.) 19-03-002, in denying a joint petition filed by multiple parties to open a rulemaking to consider real time pricing that these issues have been and should continue to be addressed in “proceedings that ... consider the utility-specific costs that would drive those designs” and to open a rulemaking in those circumstances would be “duplicative and inefficient.”³

Instead, in D.19-03-002, the Commission found that the “general issue of the reasonableness of the rate designs for each IOU [Investor Owned Utility] was within the scope of each utility’s previous GRC Phase 2 proceeding [that] includes the RTP-specific issues described in the petition”⁴ and, by doing so, such proposals could be considered more expeditiously than through a rulemaking.⁵ Further, even as to a single utility, assigned ALJs in a currently pending PG&E RTP pilot application (A.20-10-011) denied a PG&E motion to consolidate that application with PG&E’s GRC 2 (A.19-11-019) on RTP issues rejecting the claim that the two applications or outcomes were required to be consistent with each other.⁶

As such, it may be the case that the JARP and Enel X have taken positions in, e.g., PG&E’s applications, that support PG&E RTP pilot proposals that use hourly day-ahead prices, but those positions are responsive to PG&E-specific proposals and do not diminish or require alteration of the RTP pilot design adopted for SDG&E here. If the Commission maintains the PD’s adoption of day-of 15-minute pricing, the SDG&E offering can appropriately serve of a test

³ D.19-03-002, at p. 12.

⁴ D.19-03-002, at p. 11.

⁵ D.19-03-002, at p. 8.

⁶ A.20-10-011 (PG&E DAHRTP-CEV) and A.19-11-019 (PG&E GRC 2) ALJs’ Rulings (January 15, 2021) Denying PG&E Motion to Consolidate Applications, at p. 3.

of that rate design and can inform a broader rollout of dynamic pricing options, both in SDG&E territory and across the state.

II.
THE PROPOSED DECISION SHOULD BE
ADOPTED WITH LIMITED MODIFICATIONS.

A. In Keeping with the Goals and Record in Support of the Dynamic Rate Option Pilot, The Cap on Participation Adopted by the Proposed Decision Should Be Modified.

The Commission’s Proposed Decision “adopts JARP’s recommendation to impose a cap of 35,000 participants on this rate but applies this cap to all customer classes (not simply the residential class).”⁷ Specifically, the Decision “reserves at least 10,000 spots for residential customers, 5,000 spots for general service customers, and 2,500 spots for agricultural customers.”⁸

While JARP-Enel X appreciate the Commission’s rejection of proposals to limit participation in the pilot to as few as 1,000 customers, the 35,000 total should be modified. By combining data from EIA-861⁹ with data in Nexant’s 2016 “Impact Evaluation for San Diego Gas & Electric’s Small Commercial and Agricultural Time of Use and Critical Peak Pricing Rates” report,¹⁰ JARP-Enel X estimate that SDG&E has 1.3 million residential customers, 150,000 general service customers and 3,600 agricultural customers. In percentage terms, the proposed cap therefore reserves space for at least 0.8% of residential customers, 3.3% of general service customers and an entire 70% of agricultural customers. This appears disproportionate and may skew lessons from this pilot toward the agricultural customer class.

⁷ Proposed Decision, at p. 56.

⁸ Proposed Decision, at pp. 56-57.

⁹ <https://www.eia.gov/electricity/data/eia861/>

¹⁰ http://www.calmac.org/publications/Small_Commercial_TOU_CPP_Evaluation_Report_2016.pdf, at p. 2.

JARP-Enel X continue to believe that their original proposal—cap participation of residential customers *only* at 35,000—is a reasonable approach and should be adopted. Given that much of party concerns related to the participation of the residential customer class, the record best supports this approach. However, if the Commission intends to cap all customer classes at 35,000, JARP-Enel X propose that the minimum spots reserved for each group be amended to: 12,000 for residential, 5,000 for general service and 500 for agricultural customers. This allocation better balances the need for diverse participation with the actual makeup of SDG&E’s customer base.

B. The Proposed Decision Should Be Modified to Only Prohibit Dual Participation With DR Programs that Provide the Same Services Captured by the Dynamic Rate Pilot.

The Proposed Decision proposes that participants in the dynamic rate offering should be barred from “dual-participating in another market-integrated, supply-side demand response program.”¹¹ This statement implies that RTP is a supply-side demand response (DR) program, where RTP is actually a load-modifying dynamic retail tariff. As a result, the Proposed Decision’s prohibition on dual participation is overly broad.

Instead, to the extent required, customers participating in the dynamic rate offering should only be prohibited from participating in programs that provide the same grid services that are captured in the dynamic rate. For instance, customers would be prohibited from dual-enrolling in economic DR programs that provide bulk generation energy and capacity, such as the Capacity Bidding Program or Demand Response Auction Mechanism (DRAM). However, customers should still be allowed to provide transmission and distribution deferral, ancillary services, or other value streams not captured in the RTP tariff. While the rate should be designed to encourage customer participation, it should do so in a manner that does not inappropriately

¹¹ Proposed Decision, at p. 57.

diminish or discourage a customer's participation in other programs, especially those aimed at providing load reduction, grid reliability, and environmental benefits.

III. CONCLUSION

JARP-Enel X applaud the Proposed Decision as a critical step toward making dynamic rate options available to SDG&E customers, especially in recognition of the benefits provided by such rates to customers and in furtherance of this State's reliability and environmental goals. JARP-Enel X strongly urge the Commission to adopt the Proposed Decision, with the limited modifications recommended in these Comments, as further detailed in Appendix A (Proposed Findings of Fact and Conclusions of Law).

Respectfully submitted,

June 29, 2021

/s/ SARA STECK MYERS
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(CalSSA, OhmConnect, and CESA)
And
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APPENDIX A
**CALIFORNIA SOLAR & STORAGE ASSOCIATION, OHMCONNECT, INC., AND
CALIFORNIA ENERGY STORAGE ALLIANCE
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PROPOSED FINDINGS OF FACT AND CONCLUSIONS OF LAW FOR THE
PROPOSED DECISION OF ALJS MCKINNEY, LIRAG, AND LEE**

The California Solar & Storage Association, OhmConnect, Inc., and California Energy Storage Alliance (collectively, the Joint Advanced Rate Parties or JARP) and Enel X North America, Inc., propose the following modifications to the Findings of Fact and Conclusions of Law in the Proposed Decision of ALJs McKinney, Lirag, and Lee mailed in A10-07-009 – A19-03-002 (SDG&E GRC Phase 2) on June 9, 2021 (Proposed Decision).

Please note the following:

- A page citation to the Proposed Decision is provided in brackets for each Finding of Fact, Conclusion of Law, or Ordering Paragraphs for which a modification is proposed.
- Added language is indicated by **bold type**; removed language is indicated by **bold strike-through**.
- A new or added Finding of Fact, Conclusion of Law, or Ordering Paragraph is labeled as "**NEW**" in **bold underscored** capital letters.

PROPOSED FINDINGS OF FACT

48. [89] A cap of 35,000 **on residential customer** participants in the RTP dynamic rate pilot is large enough to gain useful learnings, and small enough to limit implementation costs and any potential revenue shortfall.

PROPOSED CONCLUSIONS OF LAW

NEW CONCLUSION: To avoid double-counting their load impact in the resource adequacy framework, it is reasonable to prohibit customers enrolled in the RTP dynamic rate pilot from dual participation in programs that provide the same grid services that are captured in the RTP dynamic rate.

18. [92] It is reasonable to cap participation **by residential customers** in the RTP dynamic rate pilot **at 35,000** to mitigate any potential revenue shortfall.