

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 REPLY COMMENTS OF
CALIFORNIA SOLAR & STORAGE ASSOCIATION, OHMCONNECT, INC., AND
CALIFORNIA ENERGY STORAGE ALLIANCE (“JOINT ADVANCED RATE
PARTIES”) AND ENEL X NORTH AMERICA, INC., ON PROPOSED DECISION**

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Pursuant to Rules 1.15 and 14.3, the California Solar & Storage Association, OhmConnect, Inc., and California Energy Storage Alliance (collectively, the Joint Advanced Rate Parties (JARP)) and Enel X North America, Inc. (Enel X), respectfully submit these Joint Reply Comments on the Proposed Decision mailed in this proceeding on June 9, 2021.

I.

JARP-ENEL X DO NOT OBJECT TO REQUESTS FOR THE WORKING GROUP TO ADDRESS THE APPROPRIATE MARKET FOR RTP PILOT ENERGY PRICES.

San Diego Gas & Electric Company (SDG&E), Public Advocates Office (PAO), and the Small Business Utility Advocates (SBUA) recommend that the Proposed Decision be modified to permit the adopted Real Time Pricing (RTP) Working Group to develop recommendations on the appropriate CAISO market price to be used for the adopted RTP Pilot rate’s energy component.¹ The JARP-Enel X continue to support the PD’s adoption of day-of 15-minute pricing to “appropriately serve [as] a test of that rate design and ... inform a broader rollout of dynamic pricing options, both in SDG&E territory and across the state,” even where a different RTP pilot rate design could be approved for another utility.² However, to the extent reasonable, JARP-Enel X do not object to allowing the Working Group adopted by the Proposed Decision to address the issue of the appropriate market for RTP Pilot energy prices further.

¹ SDG&E PD Opening Comments, at p. 3; PAO PD Opening Comments, at p. 3; SBUA PD Opening Comments, at p. 2.

² JARP-Enel X PD Opening Comments, at pp. 2-3.

II.
**THE COMMISSION SHOULD REJECT PROPOSALS TO MODIFY THE PROPOSED
DECISION TO FURTHER REDUCE THE 35,000 PARTICIPATION CAP.**

The Commission should reject requests by other parties that seek to lower the Proposed Decision's adopted 35,000 cap on enrollment in the RTP Pilot or to permit the working group to alter that cap.³ Such an approach is not supported by the record, would constrain the lessons to be learned from the Pilot, and would limit stakeholders' ability to extrapolate the applicability of any similar rate to a broader population.

In this regard, The Utility Reform Network's (TURN's) assertion that its proposed 1,000 cap "would generate more than sufficient statistically significant results"⁴ is simplistic and should be disregarded. First, depending on the metric of interest, statistical significance will be measured according to the customer class. A cap of 1,000 is too small to produce statistically significant results across *all* customer segments at the 95% confidence level, much less at higher confidence levels. Moreover, statistical significance, while important, is not the only consideration. The Proposed Decision correctly concludes that a 1,000 cap "may reduce the incentive of third parties to develop ME&O to encourage participation."⁵ TURN finds this reasoning flawed as "...related third parties have financial incentives to promote participation and increase sales; thus, they will be incentivized to encourage participation."⁶ This is incorrect. Third parties will have to make up-front investments and incur recurring costs to develop and maintain the capabilities necessary to help customers optimize an RTP rate option. The simple presence of "financial incentives," no matter the size, is not sufficient justification to make these investments.

Similarly, the Commission should reject PAO's recommendation to modify the Proposed Decision to allow the size of the cap to be left to the Working Group.⁷ Given the implementation details that the Working Group will be addressing, adding pilot size to their work is unnecessary and in conflict with the record, which supports the Proposed Decision's adoption of the 35,000 cap. Further, it is unclear what additional data the Working Group will be

³ TURN PD Opening Comments, at p. 4; PAO PD Opening Comments, at p. 8.

⁴ TURN PD Opening Comments, at p. 4.

⁵ Proposed Decision, at p. 56.

⁶ TURN PD Opening Comments, at p. 4.

⁷ PAO PD Opening Comments, at p. 8.

able to review that has not already been discussed and litigated in this proceeding, which will allow it to reach a conclusion different from the one recommended in the Proposed Decision.

Moreover, PAO's claim that a "[p]ilot cap of 35,000 participants may be unrealistic based on customer interest"⁸ is confusing. Given that PAO does not believe that 35,000 customers will opt-into the rate, it is unclear why they would deem a lower cap necessary. This statement appears to treat 35,000 as a quota, rather than a ceiling. More broadly, statements of likely interest based on rates available or not available elsewhere⁹ should be treated with caution. It is impossible to conclude that customers, especially residential customers, are not interested in RTP rates if these rates are not made available to them. This is confusing cause and effect.

III.

THE COMMISSION SHOULD REJECT SDG&E'S UNSUPPORTED ATTEMPT TO REJECT AND DELAY THE IMPLEMENTATION OF THE ADOPTED RTP PILOT.

In nearly six pages of its Opening Comments, SDG&E seeks to support its claim that the "Proposed Decision err[s] in requiring SDG&E to file an advice letter" to "implement an RTP pilot rate."¹⁰ The arguments offered by SDG&E are based on claimed violations of Commission General Order (GO) 96 and SDG&E's procedural due process rights.¹¹

These arguments are wrongly founded on false and unsupported claims by SDG&E objecting to the Proposed Decision's adoption of and direction to SDG&E to implement the "real-time pricing dynamic rate pilot described in section 5 of this decision" through "a Tier 3 Advice Letter process" based on the recommendations of an adopted RTP working group.¹² What SDG&E asserts is that such an Advice Letter would amount to a "controversial request[t]" that is not suitable for the Advice Letter process,¹³ which SDG&E states is limited to considering "non-controversial utility requests, not working group requests."¹⁴

This statement is entirely wrong. The only party for which the Proposed Decision's adoption of the real-time pricing (RTP) dynamic rate pilot and implementation process is "controversial" is SDG&E where it opposes the Proposed Decision's adoption of such a rate in

⁸ PAO PD Opening Comments, at p. 7.

⁹ PAO PD Opening Comments, at p. 7; SDG&E PD Opening Comments, at p. 7.

¹⁰ SDG&E PD Opening Comments, at p. 13.

¹¹ *Id.*, at pp. 15-18.

¹² Proposed Decision, Ordering Paragraphs 7 and 8, at pp. 94-95.

¹³ SDG&E PD Opening Comments, at p. 14, et seq.

¹⁴ *Id.*

the first place¹⁵ and where SDG&E has repeatedly declined to offer such a proposal *over the past two years* despite having been given the same notice and opportunity as JARP-Enel X to do so.¹⁶

Further, SDG&E had notice and the opportunity, of which it availed itself, to argue in its brief that it “will need to file another stand-alone application to implement the RTP-based rate.”¹⁷ The Proposed Decision considered and rejected that argument as a matter of law and fact, finding that “there is sufficient record to approve an RTP-based dynamic rate in principle in this proceeding” and, in turn, “it is not necessary for SDG&E to file an application to seek Commission approval of an RTP-based dynamic rate.”¹⁸ Clearly, there has been no violation of SDG&E’s “due process” rights in any aspect of the Proposed Decision’s adoption of the RTP Pilot where SDG&E had continuous notice and opportunity to offer an RTP proposal, just as JARP-Enel X did, but declined to do so, and has already asserted, and correctly had rejected, its claim that implementation of the adopted Pilot must be by application.

As to General Order 96-B, its provisions describe the differences between “Matters Appropriate to Advice Letters” (Section 5.1) and “Matters Appropriate to Formal Proceedings” (Section 5.2) of which SDG&E only cherry-picks certain language to support its specious claims. What Section 5.1 makes clear is that a “utility” is entitled to “request relief by means of an advice letter where the utility...*has been authorized or required*, by statute, by this General Order, or by other *Commission order*, to seek the requested relief by means of an advice letter.” (Emphasis added.) Further, in comparison, by Section 5.2, a utility “must file an application” where the utility “seeks Commission approval of a proposed action that the utility has *not been authorized*, by statute, by this General Order, or by other Commission order, to seek by advice letter.” (Emphasis added.)

The requirements of Section 5.1 (Matters Appropriate to Advice Letters) have been met by the Proposed Decision authorizing and requiring SDG&E to implement the RTP pilot rate by a Tier 3 Advice Letter.¹⁹ Clearly, what SDG&E is challenging as claimed violations of GO 96-B and due process by the Proposed Decision is actually the Commission’s regulatory authority over SDG&E. What SDG&E seeks is to inappropriately limit the Commission’s authority and further

¹⁵ SDG&E PD Opening Comments, at pp. 2-12.

¹⁶ A.10-07-009-A19-03-002 (SDG&E GRC2) Scoping Memo and Ruling of Assigned Commissioner (July 11, 2019), at p. 2.

¹⁷ Proposed Decision, at p. 61.

¹⁸ Proposed Decisionon, at p. 62.

¹⁹ Proposed Decision, at pp. 94-95.

delay implementation of an RTP pilot rate that it opposes. SDG&E's efforts to do so must be promptly and fully rejected by the Commission's issuance of the Proposed Decision's adopted process for the implementation of the RTP pilot rate.

**IV.
THE COMMISSION MUST REJECT TURN'S INFLAMMATORY AND UNSUPPORTED
NEGATIVE CLAIMS REGARDING THE PURPOSE OF THE RTP RATE.**

In its Opening Comments, TURN asserts that the RTP Pilot would simply "...enrich 2% of the customers that can afford expensive energy storage solutions" and "...would accomplish little more than allowing energy storage companies and related third parties to increase sales."²⁰ These claims are completely specious, inflammatory, and designed to diminish the established benefits of RTP rates for all customers. The record in this proceeding confirms that energy storage is *not* in any way a requirement to take advantage of an RTP rate, and there is no reason to believe that only the wealthy will opt-in or benefit from such a rate.²¹

**V.
THE PROPOSED DECISION CORRECTLY CONCLUDES AND SUPPORTS THE
MERITS OF THIRD-PARTY ACCESS TO CUSTOMER DATA, WITH THEIR
CONSENT, TO FACILITATE THE IMPLEMENTATION OF AN RTP RATE.**

In its Opening Comments, SDG&E states: "The Proposed Decision must be modified to ensure that customer data is protected and not disclosed without prior consent."²² JARP-Enel X agree that protecting customer data is paramount, but the Proposed Decision does just that in providing for a process to be established by the working group for a customer to explicitly grant third parties access to their data.²³ No further revisions are required in the Proposed Decision to ensure customer data protection.

Respectfully submitted,

July 6, 2021

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²⁰ TURN PD Opening Comments, at p. 1.

²¹ Exhibit (Ex.) JARP-04 (JARP-Enel X (Belenky)).

²² SDG&E PD Opening Comments, at p. 20.

²³ Proposed Decision, at p. 63.