

Decision 19-04-034 April 25, 2019

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company for Approval of Demand Response Programs, Pilots and Budgets for Program Years 2018-2022.

Application 17-01-012

And Related Matters.

Application 17-01-018

Application 17-01-019

**DECISION GRANTING COMPENSATION TO THE UTILITY CONSUMERS'
ACTION NETWORK FOR SUBSTANTIAL CONTRIBUTION TO
DECISION 17-12-003**

Intervenor: Utility Consumers' Action Network	For contribution to Decision (D.) 17-12-003
Claimed: \$143,218.11	Awarded: \$137,788.80
Assigned Commissioner: Martha Guzman Aceves	Assigned ALJs: Kelly A. Hymes and Nilgun Atamturk

PART I: PROCEDURAL ISSUES

A. Brief description of Decision:	<p>In this proceeding, PG&E, SCE, and SDG&E submitted proposals regarding their demand response (DR) programs and associated budgets for the years 2018 through 2022. These proposals included required cost-effectiveness scores for each investor-owned utility's (IOU's) individual programs and overall portfolio of programs, DR program budget category definitions, and issues regarding the IOUs' demand response auction mechanism (DRAM) pilot programs.</p> <p>In addition, the Commission requested during the proceeding that parties provide feedback on a proposal issued by Commission staff regarding the integration of energy efficiency and DR programs, as well as the targeting of DR programs toward certain groups.</p> <p>The decision issued by the Commission in this proceeding addresses each of these issues. The issues that UCAN raised regarding SDG&E's proposed DR programs and budgets, which included the cost-effectiveness of SDG&E's programs and portfolio, DRAM-related funding requests, and revised budget categories, were addressed by the decision and were not settled.</p>
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B. Intervenor must satisfy intervenor compensation requirements set forth in Pub. Util. Code §§ 1801-1812:

	Intervenor	CPUC Verified
Timely filing of notice of intent to claim compensation (NOI) (§ 1804(a)):		
1. Date of Prehearing Conference:	March 1, 2017	Verified
2. Other specified date for NOI:	March 31, 2017	
3. Date NOI filed:	March 31, 2017	Verified
4. Was the NOI timely filed?		Yes
Showing of eligible customer status (§ 1802(b) or eligible local government entity status (§§ 1802(d), 1802.4):		
5. Based on ALJ ruling issued in proceeding number:	A.17-01-012	Verified
6. Date of ALJ ruling:	April 24, 2017	Verified

7. Based on another CPUC determination (specify):		
8. Has the Intervenor demonstrated customer status or eligible government entity status?		Yes
Showing of “significant financial hardship” (§1802(h) or §1803.1(b))		
9. Based on ALJ ruling issued in proceeding number:	A.17-01-012	Verified
10. Date of ALJ ruling:	April 24, 2017	Verified
11. Based on another CPUC determination (specify):		
12. Has the Intervenor demonstrated significant financial hardship?		Yes
Timely request for compensation (§ 1804(c)):		
13. Identify Final Decision:	D.17-12-003	Verified
14. Date of issuance of Final Order or Decision:	December 21, 2017	Verified
15. File date of compensation request:	February 20, 2018	Verified
16. Was the request for compensation timely?		Yes

PART II: SUBSTANTIAL CONTRIBUTION

A. Did the Intervenor substantially contribute to the final decision (see § 1802(j), § 1803(a), 1803.1(a) and D.98-04-059).

Intervenor’s Claimed Contribution(s)	Specific References to Intervenor’s Claimed Contribution(s)	CPUC Discussion
<p>1. Summary</p> <p>This this proceeding SDG&E proposed demand response (DR) programs and budgets for the years 2018-2022. SDG&E’s application in this proceeding was unique among the three IOUs in that it proposed a portfolio of DR programs that, based on the cost-effectiveness protocols established by the Commission, was not cost-effective. In the course of this</p>	<p><i>Specific references to UCAN’s contributions to this case are provided in subsequent rows of this table.</i></p>	Noted

<p>proceeding, UCAN discovered that the cost-effectiveness of SDG&E's proposed DR portfolio was even worse than SDG&E's original application and testimony indicated.</p> <p>Furthermore, in addition to SDG&E's general lack of cost-effectiveness with regard to its DR portfolio SDG&E submitted additional proposals that could have been detrimental to ratepayers without UCAN's intervention. SDG&E's proposed DRAM IT project funding was submitted with little support, and would have increased rates for customers without justification. SDG&E's proposed budget categories would have given management excessive flexibility with regard to its DR program budgets, again to the potential detriment of ratepayers.</p> <p>As a result, UCAN sponsored testimony from two witnesses: Mark Fulmer and Brandon Charles. As described further below, these witnesses' testimonies covered several issues in SDG&E's application. Following the submission of testimony, UCAN participated in hearings, submitted comments and briefs, and reviewed and responded to CPUC Staff's proposals regarding the potential integration of energy efficiency (EE) and DR in the future, as well as the targeting of DR programs towards certain groups.</p>		
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<p>As presented in detail below, where the language of the final decision in this proceeding discusses UCAN's contributions directly, that language is noted. There are, however, some instances where the decision either does not clearly note party presentation or does not capture the full scope of party presentation. For those issues, UCAN will note the record that was produced, including relevant brief or testimony language, and the effect our presentation had on the final decision.</p> <p>Given the issues unique to SDG&E in this proceeding, the thorough and detailed manner in which UCAN addressed those issues throughout this proceeding, the impact that UCAN's participation had on the resolution of issues in the final decision, and the additional request that parties' review and comment on the CPUC Staff's proposal regarding EE and DR integration, UCAN respectfully asks that the substantial contributions to the issues that we cite be accepted.</p>		
<p>2. SDG&E Program and Cost-Effectiveness and Program Modifications to Improve Cost-Effectiveness</p> <p>UCAN provided extensive analysis of SDG&E's DR</p>	<p>SDG&E's proposed demand response portfolio is far from cost-effective and UCAN recommends that it should only be adopted if it is improved to be cost-effective. SDG&E should be directed to submit a cost-effective demand response proposal to the Commission in time for summer 2018 implementation.</p> <p>UCAN Opening Brief, p. 11</p>	<p>Verified</p>

<p>program cost-effectiveness results in testimony and briefs, finding that SDG&E's DR portfolio cost-effectiveness based on its proposal in this proceeding would be far below 1.0, and based on updated load impact study results would be even lower than the poor score presented in SDG&E's original application at just 0.6.</p> <p>In order to address the harm that would be done to ratepayers by funding a DR portfolio with such poor cost-effectiveness, UCAN recommended that the Commission direct SDG&E to submit a new DR portfolio proposal that is cost-effective in time for summer 2018 implementation. In addition, UCAN recommended several specific program modifications that SDG&E could adopt in order to improve the cost-effectiveness of its DR portfolio.</p>	<p>In SDG&E's testimony they have acknowledged that their cost effectiveness results are poor...SDG&E confirmed that its updated DR portfolio cost-effectiveness result of 0.5, if correct, indicates that it would cost ratepayers twice as much for load savings using SDG&E's proposed demand response portfolio than it would cost to provide those savings in some other way. Subsequent to the evidentiary hearings, SDG&E produced a revision to Exhibit ORA-5 that contains a new cost effectiveness analysis showing slightly better cost effectiveness numbers. SDG&E's updated Exhibit ORA-5 (UCAN DR-07), provided on July 18, 2017, indicates that SDG&E's current best-estimate of the cost-effectiveness of its demand response programs yields a DR portfolio TRC of 0.6, excluding PLS, with an estimated TRC for PLS of just 0.2.</p> <p>UCAN Opening Brief, pp. 11-12</p>	<p>Verified</p>
<p>In D.17-12-003 the Commission agreed that a DR program and portfolio cost-effectiveness ratio of 1.0 shows that these programs are producing net benefits for ratepayers, and that SDG&E's DR programs and portfolio are not cost-effective.</p> <p>While the Commission did not adopt each of UCAN's specific program recommendations and</p>	<p>In written testimony and at the evidentiary hearings UCAN has sought to not only point out the deficiencies of SDG&E's proposed demand response portfolio, but we also offered specific recommendations regarding the least cost-effective of SDG&E's proposals that we would urge be considered. Namely SDG&E's ACS-DO program, the AFP program, and the PLS program. While UCAN acknowledges that SDG&E is best positioned to improve its DR portfolio, and should therefore be responsible for presenting a cost-effective proposal to the Commission, UCAN has provided suggestions to demonstrate that there are opportunities for improvement of SDG&E's</p>	<p>Verified</p>

<p>did not require SDG&E to immediately submit a new DR portfolio proposal, the Commission did discontinue the PLS program beyond the use of 2017 authorized incentives for projects already in progress during 2018. The Commission also took actions consistent with UCAN's request for immediate relief for ratepayers due to the lack of cost-effectiveness of SDG&E's proposal and a path forward for SDG&E to improve its DR portfolio's cost-effectiveness by requiring SDG&E to immediately reduce its administrative budget for DR programs by ten percent and by laying out a process under which SDG&E must improve the cost-effectiveness of its DR programs.</p>	<p>programs. UCAN's goal is not specific program changes, but rather a cost-effective portfolio. UCAN welcomes ideas from SDG&E as to how to achieve a cost-effective portfolio and request that SDG&E be required to come back to the Commission with a cost-effective proposal.</p> <p>UCAN Opening Brief, p. 15</p> <p>In opening testimony, UCAN proposed that SDG&E change its incentive structure from an annual incentive to a one-time incentive for their proposed AC Saver program, which is the approach that PG&E uses, in order to improve the program's cost-effectiveness. Per UCAN's suggestion, SDG&E calculated that replacing the annual residential incentive with a one-time incentive would provide significant program cost-effectiveness improvements, increasing the TRC from 0.7 to 0.9 if there is no change to the load reduction.</p> <p>UCAN Opening Brief, p. 16</p> <p>The Commission should require SDG&E to return to the Commission with a proposal for a demand response pilot with the navy that is likely to lead ultimately to a cost-effective demand response program. If SDG&E is unable to provide such a proposal at present, the Commission should at most support a one-year extension to AFP at the current budget. This would allow for a two-year pilot in total, during which time SDG&E should evaluate options for improving on the program's cost-effectiveness.</p> <p>UCAN Opening Brief, p. 20</p>	<p>Verified</p> <p>Verified</p>
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	<p>In opening testimony, UCAN proposed that the Commission decide on a venue to revisit and redesign the PLS program for all utilities, that funding for new PLS projects should be frozen until the program is cost-effective, and that no incremental funding for SDG&E's PLS program should be approved beyond the funds available for 2017 in the 2018-2022 budget cycle...If the Commission does not intend to allow a reduction in incentives for the PLS program, SDG&E supports eliminating the PLS program. UCAN agrees with SDG&E's view.</p> <p>UCAN Opening Brief, p. 21</p> <p>SDG&E properly applied the Protocols and performed its cost-effectiveness analysis on a program-by-program basis and on a portfolio basis which includes Marketing, Education & Outreach, Evaluation, Measurement & Validation; and Technical Incentives costs. SDG&E reports a cost-effectiveness TRC ratio of 0.5 for its portfolio, using the April 2017 load impact update. Despite the unsatisfactory cost-effectiveness results, SDG&E asserts that it is sound policy to approve SDG&E's application...SDG&E refers to parties' recommendations to improve the cost-effectiveness of SDG&E's portfolio as ineffective or speculative...</p> <p>UCAN does not find SDG&E's arguments and reasons to maintain SDG&E's portfolio compelling. UCAN argues that greater automations should reduce costs and increase program effectiveness. UCAN asserts that even if all information technology costs were set to zero, SDG&E's portfolio would not be cost-effective. Furthermore, UCAN argues that locational demand</p>	<p>Verified</p> <p>Verified, but we note the Commission disagreed with UCAN's proposed program recommendation to "establish interim benchmarks for SDG&E and require SDG&E to meet a minimum TRC cost-effectiveness ratio of at least 0.75 for 2018 program year and of at least 0.90 for 2019 program year on a portfolio basis." See D.17-12-003 at 130-131.</p>
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	<p>response is currently not part of the portfolio; therefore, any circuit level infrastructure deferral from this demand response portfolio will be incidental and should not be credited in evaluating cost effectiveness. To improve SDG&E's cost-effectiveness ratios, both ORA and UCAN recommend specific changes to SDG&E's programs.</p> <p>D.17-12-003, p. 128</p> <p>The Permanent Load Shifting program for all three utilities are denied...UCAN supports SDG&E's request stating that the demand response program should provide certainty regarding incentives to customers who chose to participate. SDG&E's request is granted; SDG&E may use 2017 authorized Permanent Load Shifting incentives in 2018 for projects already in progress. No further funding will be authorized in the demand response portfolio.</p> <p>D.17-12-003, pp. 118-119</p> <p>Applying a TRC cost-effectiveness ratio of 1.0 can ensure that all regulated demand response programs are cost-effective and quantifiable benefits match or exceed costs; SDG&E's programs and portfolio are not cost-effective.</p> <p>D.17-12-003, Finding of Fact 135-136, p. 177</p> <p>San Diego Gas & Electric Company (SDG&E) shall (1) reduce its administrative budget by ten percent as indicated throughout the ordering paragraphs of this Decision; (2) meet with Energy Division on a quarterly basis to discuss its progress in improving the cost effectiveness of its</p>	<p>Verified</p> <p>Verified</p> <p>Verified</p>
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	<p>programs and portfolios, and (3) file Tier One Advice Letters in June 2019 and 2020 demonstrating the costs of its programs administered the previous year as well as the cost-effectiveness of these programs, and include the following additional information: Progress reports on all of the 2017 improvements SDG&E is in the process of implementing or has implemented, including a description of the improvement, its implementation status, and how it will impact or has impacted the Total Resource Cost (TRC) ratios; Report on the new changes and improvements to SDG&E's portfolio to improve the cost-effectiveness, including description of the programmatic change, timeline for implementation, and how it will impact the TRC ratio of the affected program; and Updated cost-effectiveness ratios based on changing conditions, <i>e.g.</i> programmatic changes, reductions in spending, market conditions, etc.</p> <p>D.17-12-003, Ordering Paragraph 53, p. 199</p>	
<p>3. SDG&E Request for Incremental DRAM-Related Funding</p> <p>UCAN addressed SDG&E's request for \$1.78 million in DRAM IT funding extensively in testimony, briefs, and cross-examination. UCAN provided substantial evidence that SDG&E's request would be geared in large part toward development of the DRAM program beyond the currently authorized pilot period, would not necessarily provide any</p>	<p>In SDG&E [sic] proposal, they request \$1.78 million in funding for an IT project to automate aspects of DRAM administration. Not only did SDG&E fail to provide a cost-effectiveness analysis for the proposed IT project, but they also refused to provide information to UCAN that would help to establish the cost-effectiveness of the funding request.</p> <p>UCAN Opening Brief, p. 9</p> <p>SDG&E's proposal is intended to support permanent implementation of the DRAM program beyond the</p>	<p>Verified</p> <p>Verified</p>

<p>benefits to ratepayers during the DRAM pilot period, and that SDG&E has provided no information on which to evaluate the cost-effectiveness of this investment for ratepayers within the DRAM pilot period. As a result, UCAN recommended that the Commission deny SDG&E's request for this funding.</p> <p>D.17-12-003 agreed with UCAN's arguments that SDG&E did not demonstrate that its funding request is appropriate or likely to provide ratepayer benefits, and agreed with UCAN's recommendation that consideration of the substance of SDG&E's funding request be deferred until evaluation of the DRAM pilot program has been completed and the Commission has considered adoption of a permanent DRAM program.</p>	<p>currently authorized pilot, and permanent implementation to support permanent implementation of the DRAM program beyond the currently authorized pilot, and permanent implementation of DRAM has not yet been evaluated and might not be approved. SDG&E's proposed IT investment would be a long-term investment to support a full-scale (i.e., post-pilot) DRAM program, not a near-term solution to benefit the current DRAM pilot. In addition, information provided by SDG&E suggests that the IT infrastructure it is proposing is not likely to be available until the end of the DRAM pilot program and may not be available until after the pilot has ended. SDG&E's witness Brad Mantz acknowledged during cross examination that SDG&E's proposal is in part based on SDG&E "considering the automation for what's going in '18 and '19 (i.e., during the pilot program) and the potential that DRAM will become...switch from a pilot to a program." SDG&E's witness then went on to state that "IT takes several years to put in place...So what we're trying to do is ask for the money now to prepare." In other words, the program is not intended just for the pilot. In addition, a lag of "several years" means that the IT system will not be in place in time to be much use in the pilot and is really geared toward a full scale program.</p> <p>UCAN Opening Brief, pp. 9-10</p> <p>Deferring consideration of a major IT investment until after approval of a full-scale DRAM program (and only if SDG&E demonstrates such an investment to be cost-effective) would be the more prudent approach.</p>	<p>Verified</p>
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	<p>UCAN Opening Brief, p. 11</p> <p>Determinations regarding the demand response auction mechanism pilot and a permanent auction mechanism, if approved by the Commission, are not in the scope of this proceeding.</p> <p>Furthermore, the Utilities have not been directed at this time to increase the number of registrations. SDG&E requests funding of \$4.78 million but provides not justification as to why the funds are needed or how the funds will be spent. SDG&E only states that the \$1.777 million is needed to cover demand response auction mechanism costs in 2018 and 209 for the next level of implementation. Again, SDG&E provides no details of what the next level of implementation entails or what the funding will provide.</p> <p>D.17-12-003, pp. 156-157</p> <p>Following the evaluation of the demand response auction mechanism, the Commission will address whether it will proceed with a permanent auction mechanism and, if appropriate, will authorized budgets at that time.</p> <p>D.17-12-003, pp. 157</p> <p>The Commission authorized three pilot auctions and funding for the related solicitations held in 2015, 2016, and 2017 and the associated contracts for deliveries in 2016, 2017, and 2018/2019; Determinations regarding the demand response auction mechanism pilot and a permanent auction mechanism, if approved by the Commission, are not in the scope of this proceeding; The utilities have not been directed to increase the number of</p>	<p>Verified</p> <p>Verified. See D.17-02-003 at 158.</p> <p>Verified</p>
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	<p>customer registrations; SDG&E's funding request for Rule 24 and the demand response auction mechanism pilot provides no justification as why the funds are needed or how the funds will be spent; SDG&E provides no details of what the next level of implementation entails or what the funding will provide to ratepayers.</p> <p>D.17-12-003, Finding of Fact 156-160, p. 179</p>	
<p>4. SDG&E Budget Categories</p> <p>UCAN expressed concern that SDG&E's proposal to consolidate its DR budget categories would result in excessive managerial flexibility and a lack of adequate Commission control due to the concentration of SDG&E's funds within certain categories. UCAN, therefore, recommended an alternative approach that would consolidate SDG&E's budget categories while also limiting the concentration of SDG&E's budget in any individual category to 25% or less of its total DR budget.</p> <p>In addition, UCAN expressed in comments that while the Proposed Decision issued by ALJ Hymes and ALJ Atamturk would adopt a more reasonable set of budget categories than those proposed by SDG&E, UCAN continued to have concerns that ratepayers interests would not be protected by the budget categories and that too much of</p>	<p>In this proceeding, SDG&E has proposed to reduce the number of [budget] categories to six in order to provide utility management with greater flexibility to shift funds between programs. The problem is that UCAN demonstrated through our testimony that SDG&E's proposed DR budget categories would shift the balance between management flexibility and Commission budgetary control too far in favor of management flexibility, with nearly 40% of all DR funds included in a single category.</p> <p>UCAN Opening Brief, p. 21</p> <p>UCAN proposed that SDG&E's new budget categories be structured such that no category includes more than 25% of the total DR portfolio budget in any given year. UCAN provided a specific proposal to achieve this goal based on SDG&E's proposed program budgets, under which DG&E would have eight budget categories, a compromise between the current ten and SDG&E's requested six. In rebuttal SDG&E argued that UCAN's proposal would work for SDG&E, but not for the other IOUs because they have individual programs or program categories that</p>	<p>Verified</p> <p>Verified</p>

<p>SDG&E's total authorized budget would be concentrated in a single category. To address this concern, UCAN recommended additional measures to facilitate ongoing review of this issue, which include allowing for review of the budget categories during the mid-cycle review and requiring the utilities to provide information regarding their actual spending. The Commission adopted these measures and included them in D.17-12-003.</p>	<p>would exceed UCAN's proposed 25%-per category limit on the percentage of the IOUs' DR budget categories. In recognition of this concern, UCAN recommends that the Commission adopt UCAN's original proposed 25%-per category limit, with the caveat that if a single program makes up more than 25% of the total portfolio budget, that program should be in its own category and the remaining categories should be structured to each make up no more than 25% of the portfolio budget.</p> <p>UCAN Opening Brief, p. 22</p> <p>UCAN understands the PD's finding that SCE's proposal to collapse the current ten demand response budget categories into seven is more reasonable than SDG&E's proposal to collapse them into six categories. UCAN remains concerned, however, that too much of SDG&E's total authorized budget may be concentrated in Category 1 (Supply Side Programs) under the new categories that would be adopted by the PD...UCAN recommends that, due to this concern, the PD be modified such that it 1) specifies that these budget categories will be revisited during the mid-cycle review in order to assess their reasonableness, and 2) requires the utilities to provide information at that time on how their actual spending compared to their budgeted spending for each program category shown in Attachment 3 of the Proposed Decision.</p> <p>UCAN Comments on the Proposed Decision of ALJ Hymes and ALJ Atamturk, pp. 7-8</p> <p>Setting seven budget categories will better reflect current portfolio</p>	<p>Verified</p> <p>Verified</p>
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	<p>composition and allow SDG&E more fund-shifting capability within categories, by grouping more than one program under each budget category. These budget categories may be revisited during the mid-cycle review in order to assess their reasonableness. The utilities shall provide information in the mid-cycle review on how their actual spending compares to their budgeted spending for each budget category shown in Attachment 3 of this decision.</p> <p>D.17-12-003, p. 134</p> <p>Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company (the Utilities) shall organize their demand response activities within the following budget categories: 1) Supply-side Demand Response Program; 2) Load Modifying Demand Response Program; 3) Demand Response Auction Mechanism; 4) Emerging and Enabling Technology programs; 5) Pilots; 6) Marketing, Education, and Outreach; and 7) Portfolio Support (includes Evaluation Measurement & Verification and Systems & Notifications). PG&E, SDG&E, and SCE shall provide information in the mid-cycle review on how their actual spending compares to their budgeted spending for each budget category.</p> <p>D.17-12-003, Ordering Paragraph 54, p. 134</p>	<p>Verified. <i>See</i> D.17-12-003 at 199.</p>
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B. Duplication of Effort (§ 1801.3(f) and § 1802.5):

	Intervenor's Assertion	CPUC Discussion
a. Was the Office of Ratepayer Advocates (ORA)¹ a party to the proceeding?	Yes	Yes
b. Were there other parties to the proceeding with positions similar to yours?	No	No
c. If so, provide name of other parties: N/A		Verified
<p>d. Intervenor's claim of non-duplication: While UCAN and ORA shared certain interests in this proceeding and each addressed the IOUs' DR program cost-effectiveness scores, UCAN covered issues specific to SDG&E that ORA did not address and also addressed the lack of cost-effectiveness of SDG&E's proposed DR programs in greater detail than ORA.</p> <p>Specifically, UCAN addressed SDG&E's requests for \$1.78 million in incremental DRAM IT cost funding and for consolidation of its current ten budget categories into six categories, which ORA did not address, in testimony, hearings, and briefs. UCAN addressed these issues based on significant amounts of discovery and by presenting detailed contributions to the factual record and specific recommendations regarding these issues.</p> <p>In addition, UCAN contributed significant analysis regarding SDG&E's DR program and portfolio cost-effectiveness. UCAN provided testimony presenting analytical findings regarding the cost-effectiveness results that SDG&E presented in its application according to the CPUC cost-effectiveness protocols, alternative cost-effectiveness scenarios that SDG&E presented (i.e. SDG&E's scenarios using assumptions other than those specified in the CPUC's cost-effectiveness protocols), and the impact of reducing certain budget items, such as IT costs, on SDG&E's program and portfolio cost-effectiveness. As a result of these analyses, UCAN developed its own specific recommendations of program modifications that could improve the cost-effectiveness of SDG&E's DR portfolio. Thus, while ORA and UCAN both addressed the cost-effectiveness of SDG&E's DR proposals, UCAN provided significant analytical contributions and recommendations regarding this issue separate from and incremental to ORA's contributions.</p>		Verified

¹ ORA is now known as Public Advocates Office. Given the timing of this claim, we retain the name ORA.

PART III: REASONABLENESS OF REQUESTED COMPENSATION

A. General Claim of Reasonableness (§ 1801 and § 1806):

a. Intervenor’s claim of cost reasonableness:	CPUC Discussion
<p>UCAN’s costs of \$143,218.11 are reasonable given UCAN’s active participation in this proceeding (see part b) and reasonable rates. As discussed in the attached rate justifications, the rates requested for MRW’s experts are generally toward the lower end of the Commission’s approved compensation ranges.</p>	<p>Noted.</p>
<p>b. Reasonableness of hours claimed:</p> <p>UCAN’s participation in this proceeding was detailed and impactful. The people supporting UCAN’s efforts have spent 601 hours in developing testimony, participating in hearings, and supporting UCAN’s case throughout the proceeding. This level of involvement was necessitated by the unique nature of SDG&E’s 2018-2022 program and budget proposals and their potential negative impact on ratepayers. SDG&E proposed a portfolio of DR programs that was not close to cost-effective both as a portfolio and across the individual programs proposed. Furthermore, SDG&E presented multiple alternative cost-effectiveness scenarios in its testimony. The analytical rigor required to evaluate SDG&E’s cost-effectiveness calculations and assumptions, and the potential harm that adopting a portfolio of cost-ineffective DR programs and associated budgets could have on ratepayers demanded UCAN’s active participation and MRW’s analytical expertise. UCAN also required MRW’s expertise to ensure that a reasonable path forward for SDG&E’s DR program was adopted, given the lack of cost-effectiveness.</p> <p>In addition to the cost-effectiveness issues, UCAN also identified concerns with SDG&E’s request for incremental DRAM funding outside of the DRAM pilot program process and SDG&E’s proposal to consolidate its DR budget categories. SDG&E’s DRAM funding request was particularly concerning due to the lack of detail provided regarding the funding’s intended use and the likely benefits to ratepayers. As a result, UCAN invested considerable effort in attempting to understand and evaluate SDG&E’s request through discovery, testimony, and hearings. UCAN also submitted testimony regarding SDG&E’s proposed DR budget categories.</p> <p>As described in Part II, UCAN’s participation had a strong impact on the outcome of the proceeding by raising serious issues with SDG&E’s application. UCAN contributed substantively to the case record in addressing issues that no other party addressed and by producing unique evidence in testimony and during hearings. These contributions were clearly reflected in the Commission’s final decision, which addressed each of the issues that UCAN raised and also found these issues to be</p>	<p>With reductions made in this decision, the claim is reasonable.</p>

concerning.			
c. Allocation of hours by issue: In a proceeding such as this, there are often multiple issues difficult for our experts to breakout and list. Given this difficulty, UCAN’s experts have provided high level estimates on an overall budget and the hours they estimate that can be allocated to specific issues. Our allocations for our experts’ time is as follows: SDG&E Cost-Effectiveness and DR Programs: 47% (includes evaluation of SDG&E’s cost-effectiveness calculation, load impact study results, and individual program structures and incentives) SDG&E DRAM IT Funding: 24% SDG&E Budget Category Consolidation: 4% The remaining hours included scoping the testimony, drafting data requests, editing the testimony, reviewing other parties’ filings, and other activities that cut across multiple issues.			Noted
2.50	0.46%	1. General Prep (GP)	
14.00	2.56%	2. Hearings, Workshops, and Conferences (HWC)	
113.25	20.69%	3. Filings (F)	
38.00	6.94%	4. Discovery (D)	
263.25	48.10%	5. Testimony (T)	
4.75	0.87%	6. Coordination (C)	
110.00	20.10%	7. Evidentiary Hearings (EH)	
1.50	0.27%	8. Settlement (S)	

B. Specific Claim:*

CLAIMED						CPUC AWARD		
ATTORNEY, EXPERT, AND ADVOCATE FEES								
Item	Year	Hour s	Rate \$	Basis for Rate*	Total \$	Hours	Rate \$	Total \$
Donald Kelly	2017	112	\$355	D.18-01-021	\$39,760	109.5 ^[1]	\$355	\$38,872.50
Brandon Charles	2017	118.5	\$215	D.18-01-015	\$25,477.50	118.5	\$220 ²	\$26,070.00
Laura Norin	2017	134.25	\$275	D.18-01-015	\$36,918.75	134.25	\$275	\$36,918.75
Anna	2017	60.5	\$185	See attached	\$11,192.50	60.5	\$185	\$11,192.50

² Application of Res-ALJ-345 – 2.14% Cost-of-Living Adjustment to Charles' 2016 hourly rate of \$215 established in D.18-01-015.

Casas				rate justification				
Naina Gupta	2017	52.75	\$156	See attached request for rate increase	\$8,229.00	52.75	\$135 ³	\$7,121.25
Mark Fulmer	2017	9.25	\$330	See attached request for rate increase	\$3,052.50	9.25	\$305 ⁴	\$2,821.25
William Monsen	2017	1.5	\$375	See attached request for rate increase	\$562.50	1.5	\$335 ⁵	\$502.50
George Randolph	2017	58.5	\$150	See attached request for rate increase	\$8,775.00	29.5 ^[2]	\$145 ⁶	\$4,277.50
Subtotal: \$ 133,967.75						Subtotal: \$127,776.25		
OTHER FEES								
Describe here what OTHER HOURLY FEES you are Claiming (paralegal, travel **, etc.):								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate	Total \$
Donald Kelly	2017	30.5	\$177.50	D.18-01-021	\$5413.75	30.5	\$177.50	\$5,413.75
Subtotal: \$5,413.75						Subtotal: \$5,413.75		

³ Application of Res-ALJ 329 – 1.28% Cost-of-Living Adjustment and Res-ALJ-345 – 2.14% Cost-of-Living Adjustment to Gupta’s 2015 hourly rate of \$130 established in D.17-01-028. UCAN may seek step adjustments to increase Gupta’s rates.

⁴ Application of Res-ALJ 329 – 1.28% Cost-of-Living Adjustment and Res-ALJ-345 – 2.14% Cost-of-Living Adjustment to Fulmer’s 2015 hourly rate of \$295 established in D.17-01-028. UCAN may seek step adjustments to increase Fulmer’s rates.

⁵ Application of Res-ALJ 329 – 1.28% Cost-of-Living Adjustment and Res-ALJ-345 – 2.14% Cost-of-Living Adjustment to Monsen’s 2015 hourly rate of \$325 established in D.16-10-031. UCAN may seek step adjustments to increase Monesen’s rates.

⁶ Application of Res-ALJ-345 – 2.14% Cost-of-Living Adjustment to Randolph’s 2016 hourly rate of \$140 established in D.18-01-015. UCAN may seek step adjustments to increase Randolph’s rates.

INTERVENOR COMPENSATION CLAIM PREPARATION **								
Item	Year	Hours	Rate \$	Basis for Rate*	Total \$	Hours	Rate	Total \$
Brandon Charles	2018	16.25	\$107.5	Half of rate approved in D.18-01-015	\$1746.88	18.75 ^[3]	\$112.50 ⁷	\$2,109.38
Laura Norin	2018	.25	\$137.5	Half of rate approved in D.18-01-015	\$34.38	0.25	\$140 ⁸	\$35.00
Donald Kelly	2018	.75	\$177.50	D.18-01-021	\$133.13	0.25 ^[3]	\$182.50 ⁹	\$45.63
Courtney Cook	2018	4	\$75	See Comments	\$300	4	\$80 ¹⁰	\$320.00
Donald Kelly	2017					1.5 ^[3]	\$177.50	\$266.25
Subtotal: \$2,214.39						Subtotal: \$2,776.25		
COSTS								
#	Item	Detail			Amount	Amount		
	Travel, Copies and misc.	Travel, Copies and misc.			\$1,822.22	\$1,822.55 ^[4]		
						Subtotal: \$1,822.55		
TOTAL REQUEST: \$142,918.11						TOTAL AWARD: \$137,788.80		
<p>*We remind all intervenors that Commission staff may audit the records and books of the intervenors to the extent necessary to verify the basis for the award (§1804(d)). Intervenors must make and retain adequate accounting and other documentation to support all claims for intervenor compensation. Intervenor’s records should identify specific issues for which it seeks compensation, the actual time spent by each employee or consultant, the applicable hourly rates, fees paid to consultants and any other costs for which compensation was claimed. The records pertaining to an award of compensation shall be retained for at least three years from the date of the final decision making the award.</p> <p>**Travel and Reasonable Claim preparation time are typically compensated at ½ of preparer’s normal hourly rate</p>								

⁷ Application of Res-ALJ-352 – 2.30% Cost-of-Living Adjustment for a 2018 rate of \$225.00. As claim preparation hours are compensated at ½ the preparer's normal hourly rate we adjust it here.

⁸ Application of Res-ALJ-352 – 2.30% Cost-of-Living Adjustment for a 2018 rate of \$280.00. As claim preparation hours are compensated at ½ the preparer's normal hourly rate we adjust it here.

⁹ Application of Res-ALJ-352 – 2.30% Cost-of-Living Adjustment for a 2018 rate of \$365.00. As claim preparation hours are compensated at ½ the preparer's normal hourly rate we adjust it here.

¹⁰ See D.18-06-024

ATTORNEY INFORMATION			
Attorney	Date Admitted to CA BAR ¹¹	Member Number	Actions Affecting Eligibility (Yes/No?) If "Yes", attach explanation
Donald Kelly	December 5 ,1990	151095	NO

C. Attachments Documenting Specific Claim and Comments on Part III

Attachment or Comment #	Description/Comment
1	<p>Certificate of Service</p> <p>UCAN is also seeking a Commission approved rate for Courtney Cook of 150.00 an hour. Ms. Cook is UCAN's Paralegal. Ms. Cook assisted Donald Kelly by researching testimony and helping prepare the ICOMP form and timesheet.</p> <p>Courtney Cook received her Associates in Science Degree in Paralegal Studies from Cuyamaca College in June 2015. Ms. Cook has over 10 years of office experience and 3 years of experience as a paralegal. Ms. Cook worked at an insurance company for a year as support staff entering in customer data. She also did an internship at Elder Law and Advocacy for a few months assisting attorneys by doing legal research, filling out forms, managing cases and contacting customers to help assist the attorneys with finalizing documents. Ms. Cook has been with UCAN since October 2015. She started out as an intern and was later hired as UCAN's paralegal in April 2016. Ms. Cook has assisted Donald Kelly and Jane Krikorian on researching CPUC Rules and Regulations along with reviewing Testimony and Data Responses. Ms. Cook also helps with UCAN's consumer advocacy and works with utility customers one on one to help resolve customer billing issues. UCAN is attaching Ms. Cook's Resume and Paralegal Certificate.</p>

D. CPUC Disallowances and Adjustments:

Item	Reason
Adoption of Casas Hourly Rate	UCAN requests an hourly rate of \$185 for work performed by Casas in 2017. Casas holds a B.S. and M.S. in Industrial Engineering and a M.S. in Engineering and Management of Renewable Energy. Since 2015 Casas has served as a Senior Associate with MRW & Associates, LLC, conducting research and analyses of energy data and related policy with an emphasis on California electricity markets. Prior to 2015, she served as an engineering consultant and portfolio manager creating analytical

¹¹ This information may be obtained through the State Bar of California's website at <http://members.calbar.ca.gov/fal/MemberSearch/QuickSearch> .

	forecast production models for renewable technologies. Based on the rate justification and resume attached to the claim, the Commission finds the requested hourly rate of \$185 reasonable.
[1]	<p>The Commission does not compensate attorneys for work that is clerical in nature as such work has been factored into the established rates. The following hours are disallowed from Kelly’s claim as clerical¹²:</p> <ul style="list-style-type: none"> • 4/3/2017 – 0.25 hours “File Data Request” • 4/10/2017 – 0.25 hours “Forward Data Request to Laura Norin” • 5/10/2017 – 0.25 hours “Send UCAN’s DR #5 to SDG&E” • 5/23/2017 – 0.25 hours “Send DR #6 to SDG&E” • 6/5/2017 – 0.25 hours “Forward DR #6 to MRW” • 6/21/2017 – 0.75 hours “Forward Jane info on Staff Proposal” • 6/26/2017 – 0.5 hours “Forward Transcript to Laura Norin”
[2]	<p>The following hours did not substantially contribute to the Commission’s decision-making process and are not compensable:</p> <ul style="list-style-type: none"> • Randolph 5/10/2017 – 1 hour “Correct formatting errors for MEF’s final comments” • Randolph 5/11/2017 – 4 hours “Apply final formatting to testimony and consolidate attachments” • Randolph 5/11/2017 – 0.75 hours “Send final version of testimony to D. Kelly to be served” • Randolph 6/6/2017 – 1.75 hours “Print out attachments for witness book for BJC” • Randolph 6/7/2017 – 5 hours “Compile witness book for BJC” • Randolph 6/8/2017 – 4 hours “Compile witness book for BJC” • Randolph 6/8/2017 – 4 hours “Compile witness book for MEF” • Randolph 6/9/2017 – 7 hours “Compile witness book for MEF” • Randolph 6/9/2017 – 1.5 hours “Summarize acronyms used in testimony”
[3]	<p>The Intervenor Compensation Claim Preparation portion of this claim states 0.75 hours for work completed in 2018 by Kelly and 16.25 hours for work completed in 2018 by Charles. The time sheets reflect Kelly spent 1.5 hours in 2017 and 1.25 hours in 2018 for claim preparation, while Charles spent 19.75 hours in 2018. We adjust the hours to be consistent with the time sheets for Kelly and Charles.</p> <p>We disallow one hour from both Kelly’s and Charles’ 2018 Intervenor Compensation</p>

¹² See, for example, D.18-06-024.

	Claim Preparation hours for inaccuracies between UCAN's time sheets and UCAN's claim.
[4]	Receipts provided in UCAN's claim verify a \$17.95 BART ticket on 3/1/2017 while UCAN's receipt log lists the expense as \$17.35. We adjust the amount to be consistent with the receipt.
[5]	While UCAN substantially contributed to D.17-12-003, their contribution was limited to the San Diego Gas & Electric Company (SDG&E) application. UCAN's primary focus in this proceeding was on the cost-effectiveness of SDG&E's programs and portfolio, DRAM-related funding requests, and revised budget categories. As such, it is reasonable that the total award amount for UCAN's intervenor compensation claim be absorbed by SDG&E.

PART IV: OPPOSITIONS AND COMMENTS

Within 30 days after service of this Claim, Commission Staff or any other party may file a response to the Claim (*see* § 1804(c))

A. Opposition: Did any party oppose the Claim?	No
B. Comment Period: Was the 30-day comment period waived (<i>see</i> Rule 14.6(c)(6))?	Yes

FINDINGS OF FACT

1. Utility Consumers' Action Network has made a substantial contribution to D.17-12-003.
2. The requested hourly rates for Utility Consumers' Action Network's representatives, as adjusted herein, are comparable to market rates paid to experts and advocates having comparable training and experience and offering similar services.
3. The claimed costs and expenses, as adjusted herein, are reasonable and commensurate with the work performed.
4. The total of reasonable compensation is \$137,788.80.

CONCLUSION OF LAW

1. The Claim, with any adjustment set forth above, satisfies all requirements of Pub. Util. Code §§ 1801-1812.

ORDER

1. Utility Consumers' Action Network shall be awarded \$137,788.80.
2. Within 30 days of the effective date of this decision, San Diego Gas & Electric Company shall pay the Utility Consumers' Action Network the total award. Payment of the award shall include compound interest at the rate earned on prime, three-month non-financial commercial paper as reported in Federal Reserve Statistical Release H.15, beginning May 6, 2018, the 75th day after the filing of the Utility Consumers' Action Network's request, and continuing until full payment is made.
3. The comment period for today's decision is waived.

This decision is effective today.

Dated April 25, 2019, at San Francisco, California.

MICHAEL PICKER

President

LIANE M. RANDOLPH

MARTHA GUZMAN ACEVES

CLIFFORD RECHTSCHAFFEN

GENEVIEVE SHIROMA

Commissioners

APPENDIX**Compensation Decision Summary Information**

Compensation Decision:	D1904034	Modifies Decision?	No
Contribution Decision:	D1712003		
Proceedings:	A1701012, A1701018, and A1701019		
Authors:	ALJs Hymes and Atamturk		
Payer:	San Diego Gas & Electric Company		

Intervenor Information

Intervenor	Claim Date	Amount Requested	Amount Awarded	Multiplier?	Reason Change/Disallowance
Utility Consumers' Action Network (UCAN)	2/20/18	\$143,218.11	\$137,788.80	N/A	<i>See CPUC Disallowances and Adjustments, above.</i>

Advocate Information

First Name	Last Name	Type	Intervenor	Hourly Fee Requested	Year Hourly Fee Requested	Hourly Fee Adopted
Donald	Kelly	Attorney	UCAN	\$355	2017	\$355
Donald	Kelly	Attorney	UCAN	\$355	2018	\$365
Brandon	Charles	Expert	UCAN	\$215	2017	\$220
Brandon	Charles	Expert	UCAN	\$215	2018	\$225
Laura	Norin	Expert	UCAN	\$275	2017	\$275
Laura	Norin	Expert	UCAN	\$275	2018	\$280
Anna	Casas	Expert	UCAN	\$185	2017	\$185
Naina	Gupta	Expert	UCAN	\$156	2017	\$135
Mark	Fulmer	Expert	UCAN	\$330	2017	\$305
William	Monsen	Expert	UCAN	\$375	2017	\$335
George	Randolph	Expert	UCAN	\$150	2017	\$145
Courtney	Cook	Expert	UCAN	\$150	2018	\$160

(END OF APPENDIX)