

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



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Application of Pacific Gas and Electric
Company (U 39-E) for Approval of Demand
Response Programs, Pilots and Budgets for
Program Years 2018-2022.

A.17-01-012
(Filed January 17, 2017)

And Related Matters.

A.17-01-018
A.17-01-019

NOTICE OF EX PARTE COMMUNICATIONS OF OHMCONNECT, INC.

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November 23, 2018

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OF THE STATE OF CALIFORNIA**

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Pursuant to Rule 8.4 of the California Public Utilities Commission's (CPUC) Rules of Practice and Procedure, OhmConnect, Inc. (OhmConnect) hereby gives timely notice of four ex parte communications.¹

First, on November 19, 2018 at 2:00 PM, John Anderson, Director of Energy Markets at OhmConnect, and Maria Belenky, Market Analyst at OhmConnect, met with Paula Gruendling, advisor to Commissioner Carla Peterman. Second, on November 20, 2018 at 1:30 PM, Mr. Anderson and Ms. Belenky spoke with Maria Sotero, advisor to Commissioner Martha Guzman Aceves. Third, on November 21, 2018 at 11:00 AM, Mr. Anderson and Ms. Belenky met with Yuliya Shmidt, advisor to Commissioner Clifford Rechtschaffen. Finally, also on November 21, 2018, at 11:30 AM, Mr. Anderson and Ms. Belenky spoke with Joanna Gubman, advisor to Commissioner Liane Randolph.

Each meeting was initiated by Mr. Anderson and lasted approximately 30 minutes. The meetings with Ms. Gruendling and Ms. Shmidt took place at the CPUC offices in San Francisco. The conversations with Ms. Sotero and Ms. Gubman took place via teleconference. The communications during each meeting were entirely oral. The purpose of each meeting was to discuss Administrative Law Judges (ALJs) Hymes and Atamturk's October 25, 2018 *Proposed Decision Resolving Remaining Application Issues for 2018-2022 Demand Response Portfolios*

¹ Rule 8.4 provides that this Notice "may address multiple ex parte communications in the same proceeding, provided that notice of each communication identified [herein] is timely".

and Declining to Authorize Additional Demand Response Auction Mechanism Pilot Solicitations (“Proposed Decision”, or “PD”).

All four meetings followed a near-identical format. Ms. Belenky began each meeting by explaining there is broad agreement among third-party Demand Response Providers (DRPs) that the PD lacks specificity regarding the milestones that are to follow publication of the Energy Division’s Demand Response Auction Mechanism (DRAM) Pilot evaluation in December 2018. She observed that the PD identifies only two post-evaluation milestones – “A workshop [to] be held in early 2019 to discuss the results [of the evaluation] and staff recommendations”, and “A final decision on the staff recommendations [to] occur in mid-2019”² – and that the intended scope of the “mid-2019” Final Decision is unclear. Ms. Belenky then stated OhmConnect’s position is that, if the evaluation recommends continuing the DRAM beyond the current pilot period, the mid-2019 Final Decision should adopt all requisite changes to the auction mechanism (including the pro forma contract) to enable an auction to occur immediately thereafter.

Second, and closely related to the above, Ms. Belenky emphasized that the forthcoming Final Decision must present a plan for enabling a DRAM auction for deliveries in 2020 – provided again that Energy Division’s evaluation supports continuing the DRAM. She explained that OhmConnect and other DRPs view continued uncertainty – in particular, the potential for a gap year in the DRAM – as harmful to the nascent market for third-party DR in California. Ms. Belenky stressed that an outcome that must be avoided is a 2020 gap year in the DRAM despite favorable results of the Auction Pilot evaluation. She explained that this would be devastating to third-party DRPs and their customers, many of whom would likely quit DR if unable to continue participating with their preferred third-party providers.

Third, Mr. Anderson explained that inclusion in the forthcoming Final Decision of explicit guidance to avoid a DRAM gap year is important because non-DRAM business opportunities are limited. He explained that for DRPs like OhmConnect that serve residential customers, there is only one available utility DR alternative: PG&E’s Capacity Bidding Program (CBP). Moreover, even if SCE and SDG&E made similar opportunities available, migrating customers from DRAM to utility DR programs is complicated and inappropriate as a one-year stopgap measure. Mr. Anderson observed that shifting customers from third-party to utility DR also conflicts with the Commission principle in D.16-09-056 that “[DR] shall be market-driven leading to a

² Proposed Decision, at p. 80.

competitive, technology-neutral, open-market in California with a preference for services provided by third-parties through performance-based contracts at competitively determined prices”.³

Finally, Mr. Anderson emphasized that third-party DRPs are committed to working collaboratively to improve the DRAM based on findings and recommendations from Energy Division’s evaluation. He explained that parties have been meeting informally over the past several months to develop proposals that would address certain issues with the DRAM, many of which were surfaced in the July 2018 Interim Report and in parties’ subsequent comments.

Mr. Anderson concluded each meeting by affirming that OhmConnect continues to support increased performance requirements for DRPs in the DRAM to ensure reliability and value to ratepayers and remains committed to working with other stakeholders to improve the DRAM for all participants going forward.

Respectfully submitted,

November 23, 2018

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³ D.16-09-056, Ordering Paragraph 8, at pp. 97-98.