

**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.

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**RESPONSE OF OHMCONNECT, INC. TO MOTION OF SOUTHERN CALIFORNIA
EDISON COMPANY (U 338-E) FOR INCLUSION OF INDEPENDENT AUDIT
REPORT IN ENERGY DIVISION'S FINAL EVALUATION REPORT OF THE
DEMAND RESPONSE AUCTION MECHANISM**

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December 19, 2018

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Pursuant to Rule 11.1 of the Commission’s Rules of Practice and Procedure, OhmConnect, Inc. (OhmConnect) respectfully submits this timely response to the *Motion of Southern California Edison Company (U 338-E) for Inclusion of Independent Audit Report in Energy Division’s Final Evaluation Report of the Demand Response Auction Mechanism* (“Motion”), filed and served on December 6, 2018 in the above-captioned proceeding. In the Motion, SCE requests that an audit report prepared on its behalf by Nexant (the “Nexant Audit Report”) and concerning one of SCE’s Demand Response Auction Mechanism (DRAM) Pilot counterparties “be made a part of the Energy Division’s (ED) final evaluation of the [DRAM Pilot]”.¹

OhmConnect strongly opposes the Motion for two reasons. First, the Nexant Audit Report’s methodology, data sources, and results have not been vetted by the parties to this proceeding.² Second, the Nexant Audit Report has been disputed by the counterparty that was the subject of the audit.³ Therefore, inclusion of the Nexant Audit Report in Energy Division’s final evaluation

¹ December 6, 2018 Motion of SCE, at p. 1.

² SCE also filed and served on December 6, 2018 the *Motion of Southern California Edison Company (U 338-E) to File Audit Report Under Seal*, in which SCE explains that it has “already provided the confidential version of the foregoing Nexant Audit Report to Energy Division staff and with this Motion will serve the confidential Nexant Audit Report on Administrative Law Judges Hymes and Atamturk” (p. 1).

³ The Motion states: “SCE acknowledges that the [counterparty] that was the subject of this Audit has disputed the preliminary audit findings and may dispute the findings in the final Nexant Audit Report” (p. 2).

of the DRAM Pilot would contravene the requirement in CPUC Decision (D.) 16-09-056 that the DRAM Pilot review process “ensure transparency and due process to stakeholders”.⁴

In D.16-09-056, the Commission prescribed a plan for evaluating the DRAM Pilot:

“The demand response auction mechanism pilot review process should ensure transparency and due process to stakeholders. We find the following steps [...] provide transparency and due process and, therefore, are reasonable:

1. First, we authorize the Commission’s Energy Division to conduct an independent analysis of the results of the 2015 and 2016 pilot auctions and the subsequent deliveries, emphasizing the [six] criteria above. Energy Division is authorized to access demand response research funds approved by the Commission in D.12-04-045 and D.16-09-029, if consulting expertise is necessary for the analysis.
2. To ensure transparency, Energy Division is required to hold a workshop no later than January 31, 2017. The purpose of the workshop is for Energy Division to present the proposed metrics and evaluation plan it will use for the assessment of the criteria. Parties will be provided an opportunity to comment on the metrics and evaluation plan.
3. No later than April 1, 2017, the Energy Division will provide a public report on its final list of metrics and evaluation plan, based on the workshop and party comments.
4. Energy Division will then perform its analysis and present its findings and recommendations on whether to proceed from a pilot to permanent implementation of the mechanism to the Commission through a resolution. The draft resolution shall be issued no later than June 1, 2018. This timing will allow the Energy Division to review the results of all three auctions, delivery statistics from 2016 and 2017, and preliminary delivery statistics from the summer of 2018.”⁵

The Commission completed the first through third steps of its DRAM Pilot evaluation plan according to schedule. Although the Commission subsequently extended the deadline for completing the fourth step,⁶ D.18-11-029 affirms that “[t]he evaluation of the [DRAM] Pilot will be completed at the end of 2018”.⁷ D.18-11-029 also explains that, “following the issuance of the evaluation results in December 2018, Energy Division will present its results at a workshop and the Administrative Law Judge will facilitate a discussion on the Energy Division recommendations”.⁸ In an email to the service list of A.17-01-012 et al. dated November 28, 2018, Energy Division informed parties that this workshop will occur on January 16, 2019.

⁴ D.16-09-056, at p. 66.

⁵ Ibid.

⁶ See May 22, 2018 *Assigned Commissioner’s Amended Scoping Memo and Ruling* in A.17-01-012 et al.

⁷ D.18-11-029, at p. 75.

⁸ Ibid., at p. 83.

SCE should not be permitted to import secrecy into a process that the Commission clearly intended to be open and transparent. It is unreasonable and unfair for SCE to seek to unilaterally influence Energy Division's final evaluation of the DRAM Pilot – especially at this late stage in the evaluation process. The Commission should deny SCE's Motion and require that SCE reserve its contentions regarding the DRAM Pilot for the *public* January 16, 2019 stakeholder workshop, at which point SCE and all other parties will have had the opportunity to review Energy Division's *independent* evaluation results and recommendations.

Respectfully submitted,

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