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**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 Budes for Program
Years 2018-2022

Application 17-01-012

And Related Matters

Application 17-01-018
Application 17-01-019

**MOTION OF PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)
FOR INCLUSION OF “PG&E SUMMARY OF 2018-2019 DRAM RFO
AUDIT ANALYSIS, RESULTS AS OF DECEMBER 4, 2018” IN
ENERGY DIVISION’S FINAL EVALUATION REPORT OF THE
DEMAND RESPONSE AUCTION MECHANISM**

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Dated: December 12, 2018

Attorneys for
PACIFIC GAS AND ELECTRIC COMPANY

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OF THE STATE OF CALIFORNIA**

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DEMAND RESPONSE AUCTION MECHANISM**

Pursuant to Rule 11.1 of the Commission’s Rules of Practice and Procedure, Pacific Gas and Electric Company (PG&E) respectfully moves that its confidential “PG&E Summary of 2018-2019 DRAM RFO Audit Analysis, Results of December 4, 2018” (December Audit Analysis) for three months under its 2018-2019 Demand Response Auction Mechanism (DRAM) pilot contracts be made part of the Energy Division’s (ED) final evaluation of the DRAM pilot. In addition, pursuant to Rule 11.4 of the Rules of Practice and Procedure, PG&E is filing a separate motion for leave to file the December Audit Analysis under seal, consistent with Section 13.1 of the 2018-2019 DRAM pilot contracts, which governs the parties’ confidentiality obligations. PG&E has provided a copy of its December Audit Analysis to the Energy Division, with a declaration to protect confidential information.

A. The December Audit Analysis

In August 2018, PG&E informed the three 2018-2019 DRAM sellers who had submitted invoices for June 2018, that pursuant to Section 1.6(g) of the 2018-2019 DRAM pilot contract, PG&E would conduct an audit of the demonstrated capacity for that month.¹ PG&E reviewed the individual Sellers' claimed Demonstrated Capacity that was invoiced to PG&E, to verify the data upon which the individual Seller based its claim of Demonstrated Capacity by reviewing the Seller's invoices and the composition of its customer aggregations used to deliver demand response (DR) capacity. A summary of the findings in the December Audit Analysis follows.

For two of the Sellers, PG&E received and reviewed resource-level verification of demonstrated capacity calculations, including customer-level data for June 2018, and either found nothing to which to take exception, or noted a correction to use the appropriate baseline for CAISO wholesale settlements.

For a third Seller, PG&E received and reviewed resource-level data, including customer level data for June 2018, that the Seller used to calculate demonstrated capacity. PG&E subsequently requested similar data for July and August from the third Seller. In each month, PG&E's audit found that a number of individual customers, as measured by unique service agreement IDs (SAIDs), were moved into and out of Proxy Demand Resources (PDR) that were tested or dispatched in the month, resulting in use of the same customer for multiple different PDRs' tests or dispatches in the same month. These movements also were prevalent across the third Seller's contracts.² If the customers were only used for one resource's test in a given month, instead of multiple PDRs, the resulting capacity would have been substantially lower than claimed in the invoices for each month. PG&E became concerned that if the CAISO dispatched all of the third Seller's resources on the same day, it would be very likely that a substantial portion of the capacity the CAISO expects would not be delivered.

PG&E is sharing its Seller-specific findings with each Seller. PG&E does not know if a given Seller will contest PG&E's findings.

¹ Several 2018-2019 DRAM Sellers have not submitted their June invoices yet, and one has just submitted its invoices as this motion was being prepared.

² PG&E also found that the third Seller had not complied with testing and retesting requirements in the 2018-2019 DRAM contract.

B. Concerns and Relief Requested

PG&E maintains that the resources the CAISO, PG&E and other utilities rely upon for resource adequacy (RA) need to be dependable and provide the curtailable load under contract. In addition, PG&E's customers should not be paying for capacity that is not available. If DRAM contracts do not provide the contractually promised curtailable load, grid reliability could be adversely affected. PG&E agrees with Southern California Edison's observation in its December 6, 2018 motion for "Inclusion of Independent Audit Report in Energy Division's Final Evaluation Report of DRAM," that "Demonstrated Capacity," as described in Section 1.6 (a) of the DRAM contracts, is intended to represent the amount of DR megawatts of load drop that the DRAM Seller is capable of delivering. It is unreasonable for a DRAM Seller to count the same customer's load curtailment multiple times in different PDRs' tests in the same month to claim that it can deliver curtailment volume that actually exceeds the load available for curtailment.

Under the Commission's structure for the DRAM pilots, the 2019 DRAM contracted capacity is taken at face value for resource adequacy, and is not subject to load impact analysis, while the DRAM concept is being tested. However, counting a customer's performance multiple times across various PDRs and contracts within the month creates a misrepresentation of the capacity that is actually available.³

PG&E believes that the results of its December Audit Analysis should be included in Energy Division's final evaluation of the DRAM Pilot. PG&E believes that if any future DRAM is to provide reliable, dependable RA, the DRAM construct would require major revisions. PG&E will work to improve DRAM and address the flaws, in response to the Commission's direction, and in consultation with stakeholders, because the procurement and operational framework for potential future auctions need to produce reliable DRAM resources.

³ Under section 3.4 of the 2018-2019 DRAM contract, the Seller is not allowed to include any customer premise in a DRAM PDR, if the customer premise is enrolled in or committed to any demand response program offered, maintained, or funded by PG&E, or that is registered with the CAISO as part of any other demand response resource or Distributed Energy Resource Aggregation, other than as provided under the DRAM contract. This contract obligation evidences the intent that the customer's load drop not be used multiple times.

PG&E hereby moves the Assigned Administrative Law Judges for an order granting leave to file the December Audit Analysis in this case, on a confidential basis as requested in the concurrent motion for leave to file under seal. As required by Rule 11.4(a), a Proposed Ruling is attached to this Motion. With this motion PG&E will serve the confidential December Audit Analysis on Administrative Law Judges Hymes and Atamturk.

Respectfully Submitted,

By: /s/ Shirley A. Woo

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PACIFIC GAS AND ELECTRIC COMPANY

Dated: December 12, 2018

**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 Budes for Program Years 2018-2022	Application 17-01-012
And Related Matters	Application 17-01-018 Application 17-01-019

**ALJ RULING GRANTING MOTION OF PACIFIC GAS & ELECTRIC
COMPANY (U 39 E) FOR INCLUSION OF DECEMBER AUDIT
ANALYSIS IN ENERGY DIVISION'S RINAL EVALUATION
REPORT OF THE DEMAND RESPONSE AUCTION MECHANISM**

[PROPOSED]

In accordance with the Rules of Practice and Procedure, the California Public Utilities Commission (CPUC) or Commission) has considered the motion of Pacific Gas & Electric Company, filed December __, 2018, for inclusion of the December Audit Analysis in the Energy Division's Final Evaluation Report of the Demand Response Auction Mechanism (DRAM).

IT IS THEREFORE ORDERED THAT:

1. PG&E's motion to include the December Audit Analysis in Energy Division's Final Evaluation Report of the DRAM is granted.
2. PG&E has filed a concurrent motion for permission to file the December Audit Analysis under seal. That request, and related matters, will be addressed in a separate ruling.

Dated this ____ day of _____, 2018, at San Francisco, California,

Administrative Law Judge

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

**DECLARATION SUPPORTING CONFIDENTIAL DESIGNATION
ON BEHALF OF
PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)**

1. I, Jomo Thorne, DR Operations, of Pacific Gas and Electric Company (“PG&E”), a California corporation. Aaron Johnson, the Vice President, Customer Energy Solution of PG&E, delegated authority to me to sign this declaration. My business office is located at:

Pacific Gas and Electric Company
77 Beale Street, Mail Code N3E
San Francisco, CA 94105

2. PG&E will produce the information identified in paragraph 3 of this Declaration to the California Public Utilities Commission (“CPUC”) or departments within or contractors retained by the CPUC in response to a CPUC audit, data request, proceeding, or other CPUC request.

Name or Docket No. of CPUC Proceeding (if applicable): A.17-01-012 et seq.

3. Title and description of document(s): PG&E SUMMARY OF 2018-2019 DRAM RFO
AUDIT ANALYSIS, RESULTS AS OF DECEMBER 4, 2018.

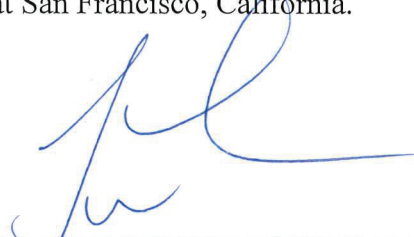
4. These documents contain confidential information that, based on my information and belief, has not been publicly disclosed. These documents have been marked as confidential, and the basis for confidential treatment and where the confidential information is located on the documents are identified on the following chart:

Check	Basis for Confidential Treatment	Where Confidential Information is located on the documents
<input type="checkbox"/>	Customer-specific data, which may include demand, loads, names, addresses, and billing data (Protected under PUC § 8380; Civ. Code §§ 1798 <i>et seq.</i> ; Govt. Code § 6254; Public Util. Code § 8380; Decisions (D.) 14-05-016, 04-08-055, 06-12-029)	
<input type="checkbox"/>	Personal information that identifies or describes an individual (including employees), which may include home address or phone number; SSN, driver's license, or passport numbers; education; financial matters; medical or employment history (not including PG&E job titles); and statements attributed to the individual (Protected under Civ. Code §§ 1798 <i>et seq.</i> ; Govt. Code § 6254; 42 U.S.C. § 1320d-6; and General Order (G.O.) 77-M)	
<input type="checkbox"/>	Physical facility, cyber-security sensitive, or critical energy infrastructure data, including without limitation critical energy infrastructure information (CEII) as defined by the regulations of the Federal Energy Regulatory Commission at 18 C.F.R. § 388.113 (Protected under Govt. Code § 6254(k), (ab); 6 U.S.C. § 131; 6 CFR § 29.2)	
<input checked="" type="checkbox"/>	Proprietary and trade secret information or other intellectual property and protected market sensitive/competitive data (Protected under Civ. Code §§3426 <i>et seq.</i> ; Govt. Code §§ 6254, <i>et seq.</i> , e.g., 6254(e), 6254(k), 6254.15; Govt. Code § 6276.44; Evid. Code §1060; D.11-01-036)	PG&E SUMMARY OF 2018-2019 DRAM RFO AUDIT ANALYSIS, RESULTS AS OF DECEMBER 4, 2018
<input type="checkbox"/>	Corporate financial records (Protected under Govt. Code §§ 6254(k), 6254.15)	
<input checked="" type="checkbox"/>	Third-Party information subject to non-disclosure or confidentiality agreements or obligations (Protected under Govt. Code § 6254(k); see, e.g., CPUC D.11-01-036)	PG&E SUMMARY OF 2018-2019 DRAM RFO AUDIT ANALYSIS, RESULTS AS OF DECEMBER 4, 2018

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Other categories where disclosure would be against the public interest (Govt. Code § 6255(a)):

5. The importance of maintaining the confidentiality of this information outweighs any public interest in disclosure of this information. This information should be exempt from the public disclosure requirements under the Public Records Act and should be withheld from disclosure.
6. I declare under penalty of perjury that the foregoing is true, correct, and complete to the best of my knowledge.
7. Executed on this 11th day of December, 2018 at San Francisco, California.



Jomo Thorne
Manager, DR Operations,
Pacific Gas and Electric Company

PACIFIC GAS AND ELECTRIC COMPANY (U 39 E)

**A.17-01-012 et seq., PG&E SUMMARY OF 2018-2019 DRAM RFO AUDIT ANALYSIS, RESULTS AS OF DECEMBER 4, 2018
ATTACHMENT TO DECLARATION
12/11/2018**

ATTACHMENT NAME	DOCUMENT NAME	CATEGORY OF CONFIDENTIALITY	LOCATION
PG&E SUMMARY OF 2018-2019 DRAM RFO AUDIT ANALYSIS, RESULTS AS OF DECEMBER 4, 2018	PG&E SUMMARY OF 2018-2019 DRAM RFO AUDIT ANALYSIS, RESULTS AS OF DECEMBER 4, 2018.PDF	Market sensitive, proprietary, and third party information subject to non- disclosure or confidentiality agreements	PG&E SUMMARY OF 2018-2019 DRAM RFO AUDIT ANALYSIS, RESULTS AS OF DECEMBER 4, 2018.PDF, entire attachment

ATTACHMENT

“PG&E SUMMARY OF 2018-2019 DRAM RFO AUDIT ANALYSIS
AS OF DECEMBER 4, 2018

REPORT REDACTED IN ITS ENTIRETY