

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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

And Related Matters.

Application 17-01-012
(Filed January 17, 2017)

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

**JOINT REPLY COMMENTS OF
CPOWER AND ENEL X NORTH AMERICA, INC.
ON THE PROPOSED DECISION ON REMAINING ISSUES**

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November 19, 2018

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CPower and Enel X North America, Inc. (formerly known as EnerNOC, Inc.)¹

(“CPower/EnelX”) respectfully submit these Joint Reply Comments on the Proposed Decision of Administrative Law Judges (ALJs) Hymes and Atamturk “Resolving Remaining Application Issues for 2018-2022 Demand Response Portfolios and Declining to Authorize Additional Demand Response Auction Mechanism Pilot Solicitations” (“Proposed Decision”) mailed in this proceeding on October 25, 2018. These Joint Reply Comments are timely filed and served pursuant to Rule 14.3 of the Commission’s Rules of Practice and Procedure and the instructions accompanying the Proposed Decision.

**I.
THE COMMENTS OF MULTIPLE PARTIES DEMONSTRATE THE NEED TO
REVISE THE PROPOSED DECISION TO PROVIDE GREATER CLARITY ON THE
PROCESS TO BE FOLLOWED TO ENSURE TIMELY CONSIDERATION OF
FURTHER DRAM AUCTION SOLICITATIONS AFTER THE STAFF’S ANALYSIS.**

CPower/Enel X’s Opening Comments on the Proposed Decision demonstrate the clear need for the Commission to revise the Proposed Decision to reflect a continued commitment to further, timely Demand Response Auction Mechanism (DRAM) auctions. There are no adequate alternative procurement mechanisms for procuring DR resources to be bid into the California

¹ On October 24, 2018, Enel X served a Notice of Name Change in this proceeding.

Independent System Operator (CAISO) market, and the Commission should adopt a timeline for authorizing a 2019 DRAM solicitation for 2020 deliveries following the conclusion of the Energy Division's DRAM analysis similar to the one proposed by CPower/Enel X in their Opening Comments.²

This same need for greater clarity was also urged in the Opening Comments of the California Large Energy Consumers Association (CLECA),³ California Energy Storage Alliance (CESA),⁴ Olivine,⁵ OhmConnect,⁶ and the California Efficiency and Demand Management Council (CEDMC).⁷ In addition, several of these parties agree with CPower/Enel X in challenging the Proposed Decision's erroneous determination that there are alternatives to place capacity if there is not a DRAM Auction for 2020 deliveries.⁸

II.

CPOWER/ENEL X DISAGREE WITH SEVERAL PARTIES' STATEMENTS, REBUTTED BELOW, THAT SHOULD NOT BE ADOPTED BY THE COMMISSION.

A. Two Percent Reliability Cap

CPower/Enel X support the position of CEDMC on this topic.⁹

CLECA states that customer choice should guide the Commission in allocating capacity under the reliability cap. CPower/Enel X agree. However, the Proposed Decision maintains customer choice. The Proposed Decision simply gives capacity under the cap first to third-party demand response providers (DRPs) to offer to their customers first. If the third-party DRPs' customers do not choose to participate in reliability programs, the capacity will revert to the

² CPower/Enel X Opening Comments, at p. 10.

³ CLECA Opening Comments, at pp. 6-7.

⁴ CESA Opening Comments, at p. 12.

⁵ Olivine Opening Comments, at pp. 5-6.

⁶ OhmConnect Opening Comments, at pp. 2-3.

⁷ CEDMC Opening Comments, at pp. 4-6.

⁸ CEDMC Opening Comments, at pp. 7-8; CESA Opening Comments, at p. 13; OhmConnect Opening Comments, at p. 4.

⁹ CEDMC Opening Comments, at pp. 10-11.

Utility and be offered to Utility customers. Customer choice is not compromised; there is simply a reversing of the order in which the capacity is offered-first to third-party DRPs and then to utility customers. CLECA's argument should be rejected.

SDG&E seeks to be excused from the allocation mechanism because it is not close to its cap. The reliability cap capacity allocation mechanism contained in the Proposed Decision should be adopted and implemented for all three investor-owned Utilities, regardless of their proximity to the cap.

B. Dual Participation

CPower/Enel X support the comments of CESA on Dual Participation and a call for an examination of the application of multiple use applications for DR.¹⁰

SCE asked for some clarification to the Proposed Decision. First, SCE states that the Proposed Decision should be modified such that grandfathering of existing customer's dual participation capabilities would extend only to current dual participation selections, such that if a customer chooses another eligible combination of programs, the customer would not be eligible to dual participate under those selections.¹¹ CPower/Enel X disagree. The Proposed Decision grandfathers the ability to dual participate by existing customers, on the basis that they are currently dual participating. How they dual participate should be the decision of the customers. SCE's proposal is a way to eliminate or reduce the value of dual participation by existing customers. CPower-Enel X ask the Commission to reject this change to the Proposed Decision requested by SCE.

¹⁰ CESA Opening Comments, at pp. 5-9.

¹¹ SCE Opening Comments, at pp. 3-4.

Secondly, SCE asks that the Proposed Decision should be clarified to reflect the fact that third-party DRPs with customers under Schedule BIP are not permitted to dual participate.¹² CPower/Enel X do not object to SCE's request, as it is factual. However, this fact just highlights the disparity of the treatment as customers as between third-party DRPs and SCE, even under the Utility programs.

III. CONCLUSION

For the reasons detailed in their Opening Comments and above, it remains CPower/Enel X's position that the Proposed Decision requires certain needed modifications. CPower/Enel X, therefore, again request that the changes described in their comments and embedded in Appendix A (Proposed Findings of Fact, Conclusions of Law, and Ordering Paragraphs) of their Opening Comments be included in the Commission's Final Decision.

Respectfully submitted,

November 19, 2018

/s/ SARA STECK MYERS

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¹² SCE Opening Comments, at p. 4.