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2012-2014 Demand Response CPUC Filing



Timeline



- Currently finalizing program plans.
- 2012-2014 DR filing due March 1, 2011.

Response to feedback



- Summary of key issues document.
- Commitment to review prior to filing.
- Proposed responses to feedback:
 - General
 - Residential
 - Non-residential



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General Feedback

- Bilateral Agreements
- Tariffed programs vs. CAISO Wholesale Market



Bilateral Agreements



Key Points from External Stakeholders

- *Directionally, SDG&E is moving away from issuing additional bilateral agreements for DR resources where the market is well developed and competitive.*
- *Bilateral agreements may be explored for small commercial and/or residential applications where the competitive market has not yet developed.*

Proposed Response to Feedback

- Per CPUC directive, SDG&E is pursuing three 3-year (10 minute notification) bilateral contracts for CPUC approval.
- SDG&E is asking the CPUC to revisit their policy supporting bilateral contracts due to:
 - Potentially competes with efforts to move customers to CPP rates
 - Potential negative impacts on a healthy, competitive Aggregator market
- A small commercial and a residential technology deployment program is included in our filing to address these markets.



Key Points from External Stakeholders

- *SDG&E will continue to offer capacity payment programs for DR capacity that qualifies for Resource Adequacy.*
- *DR opportunities that do not offer RA benefits may be better served directly through the wholesale market. However, SDG&E sponsored pilots may be necessary to test systems and/or jumpstart the market.*

Proposed Response to Feedback

- Verified SDG&E's capacity programs (BIP and CBP) met RA requirements.
- Transition BIP and CBP into the wholesale market.

Multiple Program Participation



Key Points from Internal Stakeholders

- *Restrict participation to a single program or rate to avoid double counting of capacity.*
- *Leverage Aggregators to drive CPP results*

Proposed Response to Feedback

- Revise Rule 41 to address internal concerns regarding double counting of capacity.
- Create a model for aggregators that would provide payments solely to aggregators in return for providing Auto-DR Technology for customers on CPP rates through TA/TI.
 - May-Oct will receive \$4/kW
 - Nov-Apr will receive \$1/kW



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Residential Feedback

- Multi-Family Programs





Key Points from External Stakeholders

- *SDG&E will include programs/pilots to address the tenant/landlord split incentive issue.*

Proposed Response to Feedback

- Multi-family customers will be permitted to participate in the Residential Technology Deployment (RTD) program.
- The RTD program will request property manager or property owner approval to install enabling technologies.
- All tenants will be automatically enrolled and receive information about the installed technology.
- The tenant will have the ability to “opt-out” of the program.



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Non-Residential Feedback

- Small Commercial
- Baseline Calculation
- DR Trigger Visibility
- DR Event Windows
- DR Event Notification
- Technical Incentives for Auto-DR
- Multiple Year Contracts





Key Points from External Stakeholders

- *SDG&E will include aggressive program/pilots to provide solutions to this customer segment prior to the implementation of CPP rates.*

Proposed Response to Feedback

- Multi-faceted approach to the small commercial market leveraging several pilots and targeted efforts.
 - Small commercial technology deployment will seek technology solutions.
 - Locational Demand Response will seek to target constrained circuits and sub-stations utilizing an Integrated Demand Side Management approach.
 - Dynamic pricing pilots will seek to inform and develop best practices for deployment of dynamic rates.
 - New Construction pilot to investigate DR “lost opportunities” within New Construction market.



Key Points from External Stakeholders

- *SDG&E recognizes the issues with the current baseline methodologies and will explore options to improve the accuracy of the baseline calculations for weather patterns typical of our service territory as well as customer segment differences.*
- *A CPUC report is expected in November on this topic which should provide additional guidance.*

Proposed Response to Feedback

- Based on your feedback we have conducted baseline analyses to determine the options that would fit most customers.
- The analysis has suggested that raising the baseline adjustment cap to an aggregated 40% is more appropriate.
- SDG&E will investigate different baseline options as part of the 2011 DRWMP pilot.



Key Points from External Stakeholders

- *SDG&E will be transitioning its DR programs to be more price responsive. We will work to improve the transparency of the triggering process to all stakeholders.*

Proposed Response to Feedback

- We are committed to exploring all options to improve the transparency for the trigger process.
- SDG&E will investigate ways to provide more advanced notice on an informal basis.
- Discussion Point: What would you like SDG&E to do?



Key Points from External Stakeholders

- *SDG&E will be transitioning its programs to be consistent with the new CAISO Resource Adequacy definition.*
- *SDG&E will explore alternative event periods to better align program hours with customer operating hours.*

Proposed Response to Feedback

- We have reviewed RA requirements for our service territory and currently meet the requirements at the DR portfolio level.
- We do not intend to modify our event period structure to include April or winter event periods.



Key Points from External Stakeholders

- *SDG&E will explore the value benefits of various day-of event notification periods (3hr, 2hr, 30 min, 10 min).*

Proposed Response to Feedback

- In an effort to balance the needs of scheduling with that of customers and aggregators, SDG&E has investigated event notifications
 - For CBP day-of events SDG&E will provide 2 hour notification
 - For BIP events SDG&E will provide 30 minute notification.



Key Points from External Stakeholders

- *SDG&E will explore embedding TI incentives in the capacity payments for Auto -DR customers.*
- *SDG&E will clearly define Auto -DR requirements.*

Proposed Response to Feedback

- Provide aggregators with a monthly capacity payment to support CPP customers with Auto-DR technologies.
- SDG&E is requiring Tariff DR Programs, receiving TI funds, to be Auto-DR
- Require TA customers to participate in a Demand Response Program for one year.
- Auto-DR automatically sheds load during a Demand Response event without human intervention. An external communications signal is sent to the building EMS, initiating pre-programmed load shed strategies agreed upon with the customer.

Multiple Year Contracts



Key Points from External Stakeholders

- *SDG&E will explore lengthening the contract commitment options for DR programs to allow for adequate “payback” of Aggregator investment and involvement.*

Proposed Response to Feedback

- Capacity Bidding program will have additional language in aggregator contracts allowing for up to 36 months of commitment with customers.
- Technology Capacity Incentive program will allow up to a three year Demand Response program agreement for aggregators that work with CPP customers.
- Commitments that span multiple cycles will be guaranteed the previous cycle payment schedule