

Application: _____

Exhibit No.: SDG&E-_____

PREPARED DIRECT TESTIMONY OF
CLAUDIO PELLEGRINI
ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY
CHAPTER 3



BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

November 26, 2018

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**PREPARED DIRECT TESTIMONY OF
CLAUDIO PELLEGRINI
CHAPTER 3**

I. INTRODUCTION

The purpose of my prepared direct testimony is to provide the technical perspective and cost estimates, where needed, of the following items, in order of appearance in Resolution E-4868 (“Resolution”), in Ordering Paragraph (“OP”) 29.¹ My testimony will include:

- (1) a cost estimate to expand the click through authorization process (“CTP”) to other distributed energy resource and energy management providers (collectively, “DERPs”);
- (2) a cost estimate for Application Programming Interface (“API”) Solution 1;
- (3) a discussion of the requirement for synchronous data of the complete and expanded data set within ninety seconds;
- (4) a cost estimate and proposal for upgrades to the Information Technology (“IT”) infrastructure needed for the CTP;
- (5) a cost estimate and proposal for additional functionalities for the CTP proposed by stakeholders in the Customer Data Access Committee (“CDAC”); and
- (6) a cost estimate and proposal for additional functionalities for CTP by San Diego Gas & Electric Company (“SDG&E”).

My prepared direct testimony focuses on IT impacts, timelines, costs and resourcing of the OP 29 elements. Witness Tishmari Lewis (Chapter 2) discusses the business impacts, timelines, costs and resourcing of the same items.²

II. CURRENT BUSINESS FUNCTIONALITY

A. Current Overview on CTP

This section provides an overview of the existing functionality for SDG&E’s CTP. As required by the Resolution,³ SDG&E’s CTP was implemented by SDG&E in three phases with

¹ See Resolution, at OP 29, bullets 1, 2, 3, 5, 6 and 7. The Prepared Direct Testimony of Raghav Murali (Chapter 1) (“Murali Testimony”) and the Prepared Direct Testimony of Tishmari Lewis (Chapter 2) (“Lewis Testimony”) address bullets 4, 8 and 10.

² See Lewis Testimony.

³ The Resolution refers to Solutions 1, 2 and 3. Solution 3 is SDG&E’s current CTP.

the first phase implemented in March of 2018, and the third phase concluding at the time of this application. Table CP-1, below, reflects the elements implemented in each phase of SDG&E’s CTP.

Table CP-1: Phases and Functionality for Implementation of SDG&E’s CTP

Phase	Functionality
Phase 1	<ul style="list-style-type: none"> • Authentication • Authorization with streamlined design • Demand Response Provider revocation • Design with 2 clicks & 4 screens for best case • Display of Terms & Conditions • Dual Authorization • Length of authorization options. • Mobile friendly design • “Future-Proof” click through architecture
Phase 2	<ul style="list-style-type: none"> • Alternative Authentication • Expanded Data Set • Performance monitoring/reporting • Shorter Data Set Synchronously
Phase 3	<ul style="list-style-type: none"> • Complete & Expanded Data Set Synchronously • Revocation using click through authorization

SDG&E’s CTP solution offers a wide breadth of functionality, including: (1) the flexibility for a Demand Response Provider (“DRP”) to provide their own preferences for how long a customer’s data sharing authorization must last; (2) the ability for DRPs to easily choose the scope of data they would like to receive; (3) the ability for SDG&E customers to easily authenticate with SDG&E prior to authorizing the sharing of their data, either by logging in with credentials they have familiarity with, such as their SDG&E MyAccount credentials or via alternate authentication, where they can demonstrate their customer relationship with SDG&E; (4) the ability for SDG&E customers to authorize the sharing of their customer data to a DRP,

1 including the duration and service accounts for which they would like to share data; and (5) the
2 ability for SDG&E customers to view past and current data sharing authorizations, and revoke
3 them when desired.

4 From a technology perspective, the CTP leverages industry best practices to enable these
5 features. This is done using widely-known industry standards, including but not limited to, a
6 framework called Open Authorization (“OAuth”). OAuth is an industry-standard template for
7 designing authorization flows for web applications, desktop applications, mobile phones, and in-
8 home devices. The framework is developed as an RFC (“Request For Comment”) document⁴
9 and documented by the Internet Engineering Task Force (“IETF”) OAuth Working Group in
10 their standards track.⁵ The IETF represents an international community of working groups made
11 up of designers, vendors, and operators intent on promoting standards for the proper use,
12 implementation, and adoption of the internet by publishing protocol standards, current best
13 practices, and technical documents related to those standards. This intent is documented as part
14 of the IETF’s Mission Statement.⁶ SDG&E aligns its system implementations to IETF standards
15 as well as those of other standards bodies.⁷

⁴ An RFC is a type of publication from the technology community. RFCs may come from many bodies including from the IETF, the Internet Research Task Force (“IRTF”), the Internet Architecture Board (“IAB”) or from independent authors.

⁵ The OAuth 2.0 Authorization Framework is published by the IETF as a Request for Comment (“RFC”) document. See Internet Engineering Task Force, *The OAuth 2.0 Authorization Framework* (October 2012), available at <https://tools.ietf.org/html/rfc6749>.

⁶ See H. Alvestrand, *A Mission Statement for the IETF* (October 2004), p.1, available at <https://datatracker.ietf.org/doc/rfc3935/>.

⁷ SDG&E align its systems implementations to other industry standards bodies such as the National Institute of Standards and Technology (“NIST”), the Open Web Application Security Project (“OWASP”), and the World Wide Web Consortium (“W3C”) for internet standards.

1 As an industry standard, OAuth ensures that the act of authorizing access to data is done
2 securely and uses a consistent approach. The standard also covers the definitions of various
3 actors or roles that typically partake in a data sharing transaction and provides guidance as to
4 how those roles should be separated so that trust in the data sharing transaction is established.
5 Those roles are: (1) the role of the party owning the data, *i.e.*, a SDG&E customer; (2) the role of
6 the party mediating the sharing of data, *i.e.*, SDG&E; and (3) the role of the party requesting the
7 data, *i.e.*, a DRP. When the OAuth framework is implemented correctly and the roles are
8 properly separated,⁸ the result is that (1) SDG&E customers can trust that SDG&E will only
9 provide data to a DRP when the customer has authorized it; (2) SDG&E customers can trust that
10 DRPs cannot obtain the data on their own when the customer has not authorized them to receive
11 it; and (3) the scope of the data the customer authorizes is the same scope of data that the DRP is
12 allowed to receive and not a different one. The CTP implements this framework correctly and
13 therefore abides by the OAuth standard.

14 **B. Current CTP Adoption and Performance**

15 SDG&E's overall assessment of the CTP is that it continues to achieve what it was
16 intended to achieve. From an adoption and performance perspective, the current CTP
17 performance metrics show that the CTP is not only being actively adopted by DRPs and SDG&E
18 customers but that the CTP is performing efficiently. SDG&E began collecting performance
19 metrics as specified by the Resolution at the beginning of September 2018. The following
20 metrics represent current CTP adoption and performance over the last month:

⁸ The concept of separating roles in the OAuth framework is intended to prevent fraud and to ensure that no role has too much responsibility assigned to it.

- 1 1. The average time it takes to load a web page on the CTP is approximately 3
2 seconds.⁹
- 3 2. SDG&E customers have submitted an average of over 1,400 authorizations a
4 month using the CTP between July 2018 and October 2018 with a total of
5 approximately 9,000 authorizations to date.¹⁰

6 SDG&E believes these metrics demonstrate strong CTP performance during the first
7 eight months of CTP operations.

8 **III. SYNCHRONOUS DATA OF THE COMPLETE AND EXPANDED DATA SET**
9 **WITHIN 90 SECONDS**

10 **A. CTP Data Set Performance**

11 Per Resolution OP 18, SDG&E was ordered to propose the delivery of a smaller
12 synchronous data set to DRPs within 90 seconds. As a result, SDG&E filed Advice Letter E-
13 3136, which was approved by Resolution E-4194, and which provided evidence that SDG&E
14 could meet this requirement. The evidence showed that SDG&E could deliver the CTP current
15 data set¹¹ with response times under 90 seconds, averaging under half a second. Table CP-2,
16 below, represents more up to date performance metrics showing that SDG&E is still able to meet
17 this requirement today in the current CTP.

18
⁹ See Resolution, OP 21 and p.54 for discussion on stakeholder proposed metrics including load time per page

¹⁰ *Id.* OP 21 and p.54

¹¹ See Resolution, Attachment 1.

1

Table CP-2: CTP Synchronous Data Set Performance - October 2018

Service Name	Timeframe	Number of External Invocations	Maximum Average Response Time
Customer Account Overview Service	10/1/2018 to 10/31/2018	~1250 ¹²	~ 413 milliseconds
Enterprise Energy Usage Service	10/1/2018 to 10/31/2018	~4758 ¹³	~233 milliseconds
Program Participation Service	10/1/2018 to 10/31/2018	0 ¹⁴	Not applicable
Customer Authorization Search Service	10/1/2018 to 10/31/2018	~556 ¹⁵	~230 milliseconds
Customer Authorization Create Service	10/1/2018 to 10/31/2018	~5,712 ¹⁶	~17.56 milliseconds
Billing Service	10/1/2018 to 10/31/2018	0	Not applicable

2

3

B. Cost Estimates

4

Based on the sub-second performance of services indicated above, SDG&E is confident

5

no additional costs are required to continue meeting the 90-second requirement for the current

6

data set.

¹² This represents approximately 84% of all DRP customer data requests to the Customer Account Overview service in October 2018.

¹³ This represents approximately 48% of all DRP interval data requests using the Enterprise Energy Usage service in October 2018.

¹⁴ The CTP performance metrics reported that the program participation service and the billing service were not accessed by any DRPs in the month of October 2018.

¹⁵ This represents approximately 38% of all DRP customer authorization search requests using the Customer Authorization Search Service in October 2018.

¹⁶ This represents approximately 99% of all customer authorizations being completed by customers using the CTP in October 2018.

1 **IV. UPGRADES TO THE INFORMATION TECHNOLOGY INFRASTRUCTURE**
2 **NEEDED FOR THE CTP (OP 29, BULLET #6)**

3 **A. CTP Infrastructure Upgrades**

4 SDG&E is anticipating more DRP integration testing¹⁷ will be needed in the future as
5 more DRPs adopt the CTP. SDG&E expects that a dedicated test environment will be needed to
6 ensure that DRPs can quickly integrate and test the CTP after they register with SDG&E.

7 SDG&E proposes new integration test environments for key systems used by the CTP. From a
8 technical perspective, this involves provisioning new physical hardware (servers¹⁸) as required,
9 installing software on them and connecting them to the CTP.

10 **B. Cost Estimates**

11 Table CP-3, below, represents the cost estimates to install the test environments described
12 above as part of a three-month project. These costs represent all phases of the project including
13 requirements elicitation, design, build, test, and implementation. Non-labor costs represent the
14 use of vendor professional services to provide test environments as described. Labor costs
15 represent the use of internal SDG&E resources to provide technical consultation, project
16 management, and business systems analysis services to the vendor during those same phases of
17 the project.

18 **Table CP-3: Integration Environment Build/Implementation Cost Estimates**

	Labor (thousands)	Non-Labor (thousands)	Total Duration (months)
System Test Environment	\$16,506	\$35,578 ¹⁹	3

¹⁷ Upon successful registration with SDG&E, DRPs are required to build integration and test, in order to successfully access the data set currently offered with the CTP.

¹⁸ A server is a physical chassis containing several central processing units, memory cards, and hard drives to provide computing resources to a network.

¹⁹ Includes costs to provision a new virtual private cloud environment.

1 Table CP-4, below, represents the costs to maintain and make this functionality available
2 over an operational period of five years, for example, supporting the operation of the computing
3 infrastructure, including hardware (*e.g.* servers to storage systems), and software (*e.g.*
4 middleware, production control, operating systems, and other low-level software systems).
5 SDG&E is requesting budget for these estimates. SDG&E proposes to recover ongoing costs
6 associated with the CTP. This cost recovery proposal is discussed in the prepared direct
7 testimony of John Roy (Chapter 6).

8 **Table CP-4: Integration Environment Operational Cost Estimates**

	Labor (thousands)	Non-Labor (thousands)	Total Duration (months)
System Test Environment	\$0	\$47,813 ²⁰	60

9
10 These requested budgets are included in Table RM-1 found in the prepared direct testimony
11 of Raghav Murali (Chapter 1) and are included in the revenue requirement discussed by witness
12 Amanda White (Chapter 5).

13 **V. ADDITIONAL FUNCTIONALITIES FOR CTP PROPOSED IN THE CDAC (OP**
14 **29, BULLET #7)**

15 The following items are third-party requested enhancements to the CTP through the
16 CDAC. Some of these improvements are applicable for SDG&E and discussion is included
17 below for each pertinent item to explain how SDG&E would address these enhancements. My
18 prepared direct testimony does not discuss requested enhancements that are already implemented
19 in SDG&E's CTP.²¹ Witness Lewis (Chapter 2) describes each of the requests for CTP

²⁰ The non-labor costs include licensing costs required to provision a test environment.

²¹ See Lewis Testimony, Section III. Click-Through Authorization Enhancements.

1 enhancements that were received by SDG&E and whether the enhancement requests will be
2 accommodated. The requested enhancements provided by stakeholders, include:

- 3 1. Improvements to ongoing data delivery;²²
- 4 2. Functionality to inform the authorized provider with details on the status of the
5 customer authorization;
- 6 3. Use of SDG&E's company logo on the third-party website to identify where a
7 SDG&E customer would initiate the CTP;
- 8 4. Enhancement to the sign-in page providing sign-up for an online account or
9 retrieval of credentials;
- 10 5. Functionality to facilitate resolution of enrollment conflicts as an optional part of
11 the click through flow;
- 12 6. Improved visibility into why a customer fails to complete the OAuth process;
- 13 7. Lengthen lifespan of the refresh tokens to at least one year; and
- 14 8. Transition of the revocation notification from email to a file (or push notification);

15 These requested enhancements are discussed in detail below.

16 **A. Improvements for on-going data delivery**

17 Both the Resolution and DRPs sought on-going data delivery improvements.²³ In its
18 initial CTP roll-out, SDG&E implemented significant functionality to offer on-going data
19 delivery to DRPs. Based on feedback to date, there are no further enhancements required for on-
20 going data delivery capabilities. For example, today SDG&E proactively sends DRPs interval
21 data corrections as part of the regularly transmitted update file. Additionally, DRPs can request
22 corrective files at any time and those corrective requests will be processed by SDG&E within 3
23 hours from the time they are received.

24 Moreover, once a customer initially authorizes a DRP to receive historical interval data
25 that data typically starts flowing to the DRP within a few hours. SDG&E maintains an

²² These improvements included a request for SDG&E to correct gaps in interval data, send interval data on a timelier basis, within a period of an hour up to a day, and allow DRPs to re-request interval data.

²³ See Resolution, p. 105, OP 29, bullet 5.

1 automated process that sweeps for new customer authorizations every 15 minutes. Once a new
2 authorization is detected, the process to retrieve, assemble, and send historical interval data to a
3 DRP starts immediately.

4 Given the above, the data delivery process provided by SDG&E is adequate.

5 **B. SDG&E will include the functionality to retrieve status of the authorization**

6 SDG&E was also required to consider “functionality to inform the authorized provider
7 with details on the status of the customer authorization.”²⁴ SDG&E already offers details of a
8 customer’s authorization as part of the current CTP data set. The data set does not provide the
9 status of the authorization. In situations where the DRP stops receiving customer data, the status
10 can provide the DRP the ability to determine if the authorization was revoked, cancelled or
11 expired.

12 **C. SDG&E will include DR Program Eligibility Check on CTP**

13 SDG&E proposes an enhancement to the authorization screen of the CTP that will inform
14 the customer if they are participating in one or more SDG&E Demand Response programs. This
15 CTP enhancement serves to prevent program enrollment conflicts early in the process, which is
16 when the customer is preparing to consent. This enhancement serves to improve the customer’s
17 and DRP’s experience of the CTP by advising them of potential impacts when authorizing.

18 From a technical perspective, this enhancement would require that the CTP be integrated
19 to additional systems giving it the ability to determine if program enrollment conflicts exist.

20 Today, other program enrollment conflict checks occur downstream, in SDG&E’s Rule 32
21 automation when SDG&E receives DRP location registrations from California Independent

²⁴ See OhmConnect, *Proposed Enhancements to the OAuth Click-Through Solution*, June 2018, slide 2, item 2.

1 System Operator (“CAISO”).²⁵ This enhancement serves to further improve the overall
2 experience for DRPs using the CTP by identifying conflicts early and often, thus saving them
3 time.

4 **D. Cost Estimates of enhancements Proposed in CDAC**

5 Table CP-5A, below, represents the costs to build and implement the CTP enhancements
6 proposed in the CDAC as part of a four-month project. The costs include all phases of that
7 project such as requirements elicitation, design, build, test, and implementation. Non-labor costs
8 represent the use of vendor professional services to provide the enhancements as described.
9 Labor costs represent the use of internal SDG&E resources to provide technical consultation
10 services, project management, and business systems analysis to the vendor during requirements
11 elicitation, design, build, test, and implementation phases of the project.

12 **Table CP-5A: CTP Enhancements Proposed in CDAC – Build/Implementation Costs**

	Labor (thousands)	Non-Labor (thousands)	Total Duration (months)
Status of Authorization	\$43,897	\$103,100	2
DR Program Eligibility Check	\$102,425	\$240,567	4

13
14 Table CP-5B, below, represents the costs to operationally maintain the CTP
15 enhancements proposed in the CDAC and make them available up to a period of five years.
16 Examples of this type of maintenance include: (1) configuring new DRPs in SDG&E’s OAuth
17 framework; (2) supporting integration testing for DRPs; and (3) monitoring the synchronous data
18 set to ensure that its performance continues to be adequate. The maintenance of program

²⁵ Customers cannot be enrolled in more than one DR program that is bid into the CAISO. The Rule 32 automation handles these conflicts generally.

1 participation and program eligibility rules is also considered to be an IT function. These costs
2 are included in SDG&E's total budget request and in its revenue requirement discussion.

3 **Table CP-5B: CTP Enhancements Proposed in CDAC Operational Support Costs**

	Labor (thousands)	Non-Labor (thousands)	Total Duration (months)
Status of Authorization	\$95	\$18,352	60
DR Program Eligibility Check	\$221	\$42,821	60

4
5 SDG&E is requesting these costs as budgets for this operations and maintenance work.
6 These budgets are included in the total budget table found in Raghav Murali's prepared direct
7 testimony (Chapter 1), and that of witness Amanda White's prepared direct testimony (Chapter
8 6) as they are included in SDG&E's requested revenue requirement.

9 **VI. CDAC WHITEPAPER RESPONSES**

10 The prepared direct testimony of Ms. Lewis (Chapter 2) contains discussion, background,
11 and responses to the requests for enhancements that resulted from the CDAC Whitepaper²⁶ on
12 Data Access (herein, "Whitepaper").²⁷ In her prepared direct testimony, Ms. Lewis (Chapter 2)
13 describes each of the requests for CTP enhancements that were received by SDG&E, and
14 whether SDG&E will accommodate those requests. My prepared direct testimony includes the
15 technical perspective and cost estimates for those requests that SDG&E believes should be
16 accommodated.

²⁶ The Energy Division Staff issued a Whitepaper through the CDAC expressing the need to expand CTP to parties other than DRPs, as well as providing an invitation to parties who may have a need for data to support other energy programs statewide to provide feedback and input.

²⁷ See Lewis Testimony, Section IV. Whitepaper Responses: Requests for Additional Data – Recommended, which discusses the Whitepaper response.

1 Currently, SDG&E provides DRPs with the data set that was previously approved by the
2 Resolution²⁸ and which includes (1) customer data; (2) demand response program participation
3 data; (3) billed consumption data; and (4) interval data. The current data set is offered in two
4 styles: (1) as a synchronous data set, which can be accessed by DRPs to receive authorized
5 customer data immediately; and (2) as an update file containing any changes to authorized
6 customer data, and which is sent to DRPs on a regular basis.

7 SDG&E proposes expanding the current data set to newly include (1) customer gas
8 interval data, if applicable based on a customer's service commodities; (2) the customer's last
9 twelve months of rates for the current meter and notification of rate changes; and (3) the
10 customer's historical energy efficiency program participation.

11 This new, expanded data set would be provided to all current and future DRPs as part of
12 the CTP. From a technical perspective, no major system changes are required to make this
13 happen. However, there are small needed changes for the items described below.

14 **A. Gas Usage Data**

15 SDG&E proposes to provide the customer's monthly aggregated and billed gas
16 consumption. Adding visibility into a customer's gas usage data allows DRPs to more
17 completely understand a customer's energy consumption profile across all of their commodities
18 and determine if energy saving opportunities exist for their therm²⁹ consumption. SDG&E
19 agrees to include gas interval data in the new expanded data set. This data would be provided
20 where a customer has a gas module installed on their smart meter as that module allows the

²⁸ See Resolution, p. 102, OP 19.

²⁹ A therm is a measurement unit representing 100 cubic feet of natural gas.

1 meter to communicate daily gas intervals to SDG&E. The gas usage data will be integrated into
2 the CTP process.

3 **B. Historical Energy Efficiency Program Participation**

4 SDG&E proposes including historical energy efficiency program participation in the
5 expanded data set as this data point can be helpful in evaluating customers for participation in
6 DRP programs. From a technical perspective, SDG&E proposes enhancing the current CTP data
7 set to allow a DRP to receive a customer's energy efficiency data. This data would also be
8 included as part of the regular update file mentioned above that DRPs receive today, and which
9 would update them when relevant changes occur in a customer's energy efficiency program
10 participation. Both the update files and the synchronous data set would only reflect historical
11 energy efficiency program participation if a customer has been successfully qualified and paid
12 under an energy efficiency program.

13 **C. Last twelve months of rates and notification of rate changes**

14 SDG&E proposes expanding the data set to include a customer's last twelve months of
15 applicable electric and gas rates. From a technical perspective, the CTP currently sends
16 customer billed consumption data. The CTP will be enhanced to integrate with the source
17 systems that provide the customer's historical rate information as well.

18 **D. Cost Estimates**

19 Table CP-6A, below, represents the costs to implement the proposed enhanced
20 functionality discussed above over the course of a seven-month project. The costs include all
21 phases of that project such as requirements elicitation, design, build, test, and implementation.
22 Non-labor costs represent the use of vendor professional services to enhance the current
23 expanded data set as described. Labor costs represent the use of internal SDG&E resources to

1 provide technical consultation services, project management, and business systems analysis to
2 the vendor during requirements, design, build, test, and implementation phases of the project.

3 **Table CP-6A: Cost Estimates for Build/Implementation of Further Expanded Data Set**

	Labor (thousands)	Non-Labor (thousands)	Total Duration (months)
Expanded Data Set	\$95,141	\$332,413	7

4
5 Table CP-6B, below, represents the costs to maintain and make this functionality
6 available over an operational period of five years. Examples of this type of maintenance include:
7 (1) configuring new DRPs in SDG&E's OAuth framework; (2) supporting integration testing for
8 DRPs; and (3) monitoring the synchronous data set to ensure that its performance continues to be
9 adequate. These costs are included in SDG&E's total budget requests and revenue requirements.

10 **Table CP-6B: Cost Estimates for Ongoing Operational Support of Further**
11 **Expanded Data Set**

	Labor (thousands)	Non-Labor (thousands)	Total Duration (months)
Expanded Data Set	\$0	\$143,199	60

12
13 SDG&E is requesting these costs as budgets for this work. These budgets are included in
14 the total budget table found in the prepared direct testimony of witness Raghav Murali (Chapter
15 1) as well as the prepared direct testimony of witness Amanda White (Chapter 5).³⁰

³⁰ See Murali Testimony, Table RM-1, and the Prepared Direct Testimony of Amanda White (Chapter 5) ("White Testimony"), Section II. Revenue Requirement.

1 **VII. ADDITIONAL FUNCTIONALITIES FOR CTP PROPOSED BY SDG&E**

2 **A. New Third-Party Communication Process for Planned / Unplanned System**
3 **Outages Affecting the CTP**

4 SDG&E proposes implementing a formal communication process to advise DRPs using
5 the CTP when planned or unplanned system outages occur that affect the availability of the
6 platform. The benefit resulting from this communication process is simply increased awareness
7 by DRPs when there are known impacts to the SDG&E CTP they are using. This item is
8 discussed further in Ms. Lewis’ testimony (Chapter 2).³¹

9 **B. Future Proofing CTP**

10 SDG&E proposes several approaches that will benefit the CTP and make it more resilient
11 against future changes.³² All of the approaches discussed in the sub-sections below explain the
12 direct benefit of allowing the CTP to scale effectively and help address the growing demand for
13 customer data by DRPs. They are solely discussed here to give the California Public Utilities
14 Commission (“Commission”) an awareness of what SDG&E is already doing ensure that the
15 CTP continues to effectively serve SDG&E’s customers and DRPs into the foreseeable future.

16 **1. Buy vs. Build**

17 SDG&E currently enables part of its customer authorization capabilities via vendor
18 software that it purchased and licensed and that offers OAuth capabilities. The decision to buy
19 the OAuth capabilities, versus building them in-house, offers several benefits to future proof the
20 CTP:

³¹ See Lewis Testimony, Section III. Click-Through Authorization Enhancements.

³² Resolution OP 23 requires the investor-owned utilities (“IOU”) to “future-proof” the CTP authorization solution. See Resolution, p. 103.

- 1 1. Allows the CTP to use the latest version of the OAuth standard through
- 2 vendor updates;
- 3 2. Prevents technology obsolescence through vendor updates; and
- 4 3. Ensures appropriate technical security through vendor security patches.

5 These benefits ensure that the CTP stays secure, technically relevant, interoperable with
6 other vendor technologies, and continues to align to the OAuth standard over time.

7 **2. Data Set Versioning**

8 SDG&E is implementing the concept of versioning on its data set to prevent third-party
9 implementations from breaking when SDG&E makes a change to the data set. This approach
10 eliminates disruption to DRP operations and provides DRPs with the flexibility to adopt the new
11 version of the data set when released, or to continue to utilize the former version.

12 **3. Configuration vs. Customization**

13 The difference between configuration and customization is that the configuration takes
14 advantage of the built-in flexibility of an application’s software, allowing SDG&E to change
15 predefined settings and make an application function a certain way. Customization involves
16 altering the code of the software itself and is a maintenance approach that takes more time and
17 effort. SDG&E follows a configuration approach for the CTP. This approach has the benefit of
18 allowing SDG&E to roll out enhancements and fixes to the platform much quicker than if it must
19 constantly maintain tens or hundreds of lines of software code each time a change to the platform
20 is required.

21 **4. Automation**

22 The approach of automating business processes has the benefit of providing consistency
23 and making business processes less manual and error-prone. As an example, the CTP uses

1 automation in the on-going data delivery mechanism as well as in the creation of customer
2 authorizations, which saves time and effort for DRPs, SDG&E’s customers and SDG&E.

3 **5. One Data Set for All Third Parties**

4 As discussed above, SDG&E intends to offer the same comprehensive and expanded data
5 set to all future DRPs leveraging the CTP. This reduces complexity and allows the CTP to scale
6 effectively irrespective of DRP demands for data.

7 **C. Cost Estimates**

8 SDG&E has already implemented the functionality discussed above and believes it is
9 contributing to the effectiveness of the current CTP. SDG&E seeks no additional funding for
10 these enhancements.

11 **VIII. COST ESTIMATE FOR ALTERNATE SOLUTION (OP 29, BULLET #2)**

12 **A. Background**

13 This section discusses the alternate proposal to the CTP, including its genesis, the
14 distinctions between Solution 1a and Solution 1b, and security gaps related to each solution.

15 During the click-through workshop held on October 5, 2016, the DRPs, with the support
16 of interested parties, and the IOUs, proposed three potential solutions to meet their needs based
17 on the guiding principles each party proposed. Proposed Solution 2 was immediately ruled out,
18 leaving Solutions 1 and 3 to explore further.³³ In an Informal Status Report³⁴ filed by Pacific
19 Gas and Electric Company (“PG&E”) to the DRPs and the Commission, API Solution 1 was
20 described as:

³³ Solution 1 is referred to as the API Solution or for purposes of my prepared direct testimony, the Alternate Solution, and Solution 3 is referred to as the OAuth Solution. The OAuth Solution is currently in place and operating.

³⁴ See Application 14-06-002, cons., Status Report Ordered by the Assigned Commissioner’s Office During Discussions at the October 5, 2016 Click-Through Workshop (dated October 12, 2016).

1 The customer would begin on the third party DRP site and provide specific
2 customer information via a browser that is sent directly to the utility. The
3 information would be authenticated by the utility's back-end systems. Once
4 authenticated, the customer would authorize release of data on the DRP site and
5 the parameters would be sent to the utility to complete the process. The
6 authentication and authorization steps could, at the option of the DRP, be
7 completed on a single screen. The customer does not leave the DRP website
8 during this process; however, this solution requires the utilities to build one, or
9 possibly two, custom API endpoints to authenticate the customer's identity and
10 authorization of data release to the DRPs.³⁵

11 The IOUs identified several security concerns with API Solution 1 particularly, the
12 ability for DRPs to view and store customer credentials on their systems. The IOU concerns are
13 discussed in the same informal status report:

14 Authentication and Authorization: Customer provides confidential authentication
15 information on the third party's website, requiring the customer and the utility to
16 trust that the third party's implementation of this solution does not transmit or
17 store this information on third party servers.³⁶

18 * * *

19 Security: Depending on how login mechanism is implemented by the DRP, the
20 DRP may have visibility to the customer credentials being passed to the utility
21 authentication web service. If the DRP builds the login, they can build it without
22 assuring the utilities of the proper security, and these concerns cannot be
23 mitigated with any guarantees.³⁷

24 The ability for SDG&E to further evaluate the cybersecurity risks of Solution 1 beyond
25 these aspects was not possible at the time due to a lack of detail regarding process design and
26 architecture. This concern was communicated and documented in the same informal status
27 report:

³⁵ *Id.*, Status Report Attachment, p. 1.

³⁶ *Id.*, Status Report Attachment, pp. 2-3.

³⁷ *Id.*, Status Report Attachment, p. 3.

1 Security: API Solution 1 has little implementation description and this inherent
2 lack of detail significantly limits the utilities' ability to assess the full scope of
3 cybersecurity risks that utilities, DRPs and customers are exposed to.³⁸

4 Again, at the April 19, 2018 CDAC workshop, PG&E presented security risks and
5 mitigations related to Solution 1. Specifically, PG&E outlined possible approaches that could
6 help minimize the risk of third parties intercepting and storing customer credentials to later
7 submit fraudulent authorizations. These approaches included the use of “two-factor/multi-factor
8 authentication” to strengthen customer authentication and reduce the risk of identity fraud by
9 DRPs.

10 In May 2018 a DRP stakeholder attempted to define parameters of Alternate Solution 1.
11 By June 3, 2018, parties had split Solution 1 into 1a and 1b but could not reach consensus on
12 which Solution to advocate. Solution 1b used an approach of two factor authentication which
13 was not part of Solution 1 as originally proposed. At the end of the discussion on Solution 1a
14 and Solution 1b, the stakeholders present did not definitively identify which of the two versions
15 of Solution 1 would be preferred by most third parties. SDG&E decided to estimate Solution 1b
16 because it had slightly fewer security concerns and did not give third parties full control over the
17 login mechanism like Solution 1a did.

18 Despite attempts to mitigate SDG&E's concerns, both Solution 1a and Solution 1b fall
19 far short in establishing a secure and standards-based approach to customer authentication and
20 customer authorization. In compliance with OP 29 of the Resolution, SDG&E provides below a
21 discussion of Solution 1b³⁹ and a cost estimate should the Commission order SDG&E to replace

³⁸ *Id.*, Status Report Attachment, p. 4.

³⁹ Due to the lack of third-party consensus of which Solution 1 (a or b) was preferred, SDG&E has selected Solution 1b because it presents slightly fewer security concerns. A comparison of the two versions is discussed earlier in this section *infra*.

1 the current operational CTP with the Alternate Solution. Based on SDG&E’s assessment,
2 neither version on Solution 1 are safe to implement. Specifically, there are extensive, identified
3 gaps in both versions’ approach to customer authentication and customer authorization, which
4 present with the potential for dire consequences. Unknown consequences pose further risk. The
5 known authentication and authorization gaps are described below.

6 **B. Authentication Gaps of the Alternate Solution**

7 Both Solution 1a and 1b would allow the customer to authenticate its customer
8 relationship with SDG&E and authorize the sharing of its data with the third-party on the third
9 party’s website, and the third-party informs SDG&E that there has been authentication and
10 authorization by a customer. In contrast, using the current CTP protocol, a customer while on
11 the third-party website clicks directly into SDG&E’s My Info portal to authenticate its status as a
12 customer and provide authorization to share information with the third-party service provider.⁴⁰

13 The distinguishing feature between the two Solution 1 versions involves the manner of
14 customer authentication. Solution 1a proposes to provide DRPs with the discretion to manage
15 customer authentication as they see fit and runs the risk of exposing a customer’s credentials to
16 those DRPs; Solution 1b proposes an approach for customer authentication using what is often
17 referred to as multi-factor authentication (“MFA”). The proposed use of a MFA makes Solution
18 1b slightly less problematic from a security perspective, which is why SDG&E further analyzes
19 this proposal below as the Alternate Solution. Multi-factor authentication is a technique that
20 helps protect the web user when they browse the web and is an additional layer of security that
21 customers can enable when accessing personally sensitive data on the web. It can be

⁴⁰ This activity in the existing CPT is conducted within the 2 pages and 4 clicks mandated by the Resolution. *See* Resolution, OP 29.

1 summarized by saying that it enforces an additional ‘check’ or verification of the user’s identity
2 beyond the usual verification that is typically seen online with a login screen. Applying this
3 MFA technique has the effect of making it harder for bad actors to impersonate an online user, in
4 this case a customer.

5 Despite the conceptual benefits that an MFA would typically offer, the MFA approach
6 being proposed as part of the Alternate Solution does not align with industry best practices and
7 offers no real security benefits. SDG&E knows definitively that an implementation of MFA as
8 proposed would create security risks for SDG&E. For MSA usage, SDG&E follows the
9 nationally recognized NIST organization for the industry definition, best practices and guiding
10 principles. The Alternate Solution’s proposed implementation of the MFA does not offer any of
11 the protections provided by the industry standard MFA version approved by NIST.

12 NIST is an industry body founded in 1901 that is now a part of the U.S. Department of
13 Commerce. NIST’s cybersecurity and privacy activities provide standards for the global IT
14 industry to centrally align and strengthen the security of the world’s digital environment. In
15 2017 NIST described multi-factor authentication as:

16 An authentication system that requires more than one distinct authentication
17 factor for successful authentication. Multi-factor authentication can be performed
18 using a multi-factor authenticator or by a combination of authenticators that
19 provide different factors. The three authentication factors are *something you*
20 *know, something you have, and something you are.*⁴¹

21 The three factors that NIST references as part of multi-factor authentication can be
22 explained as follows. The ‘something you know’ factor is the most common and prevalent
23 today. It is typically seen when an online user uses a login and password to authenticate onto a

⁴¹ Paul A. Grassi, Michael E. Garcia, James L. Fenton, *NIST Special Publication 800-63-3: Digital Identity Guidelines* (June 2017), p. 49.

1 secure website. Another example would be when an individual enters their personal
2 identification number (“PIN”) onto an automatic Teller Machine (“ATM”) to securely perform a
3 financial transaction to deposit or withdraw cash. Both the password and the PIN are things that
4 the individual, and only that individual should know. An example of the ‘something you have’
5 factor is when an individual has a debit card or a credit card that identifies them as a customer of
6 a bank. In the scenario described previously, the factor for ‘something you know’ would be
7 considered the PIN and the factor for ‘something you have’ would be the debit card or credit
8 card that the customer uses at the ATM. This use case is the best example of multi-factor
9 authentication today. As shown, it is a relatively common technique which most people rely on
10 every day to confirm their identity as they make purchases or perform financial transactions
11 securely with their financial institutions. The third factor, or ‘something you are’ is most
12 typically explained using techniques such as retinal scans (digital scans of a human eye) or
13 fingerprint scans. These are examples where the unique make up of a human being is used to
14 identify them securely.

15 When compared to NIST’s definition, the multi-factor authentication approach proposed
16 by the Alternate Solution is by definition, not at all multi-factor authentication for the simple
17 reason that only a single factor of verification is taking place. There is in fact, no other
18 additional authentication, such as a login, happening beforehand. The Alternate Solution
19 proposes merely to verify the customer’s identity by asking the ostensible customer to provide a
20 personal email address they have on record with SDG&E. This is not a safe or secure method to
21 authenticate customers, and further does not follow the first (or any) of the three NIST MFA key
22 principles, which is something the user and only the user knows. An individual’s email address

1 can be easily obtainable via the internet and is not a piece of identifying information that is
2 private and only that user knows.

3 From an authentication perspective, there is no version of Alternate Solution that is
4 secure unless a strong and trustworthy customer authentication, such as a login, is implemented
5 as the first factor of MFA (*e.g.* something you know) and complemented by a second customer
6 authentication using a one-time code (*e.g.* something you have). In sum, the Alternate Solution
7 is not secure because it proposes a non-standard use of MFA, which is not really multi-factor at
8 all.

9 **C. Authorization Gaps of the Alternate Solution**

10 The Alternate Solution proposed was described by its author: Mission: Data as leveraging
11 parts of “Solution 3”, the current operational CTP which uses OAuth.⁴²

12 However, an implementation of the Alternate Solution would break the current CTP and
13 cause it to no longer align to OAuth given that it shifts the customer’s act of authorizing to now
14 occur on the DRP site under the DRP’s control without any oversight by SDG&E. Mission:Data
15 may refer to the Alternate Solution as being an OAuth solution, but it should be clearly
16 understood that the Alternate Solution cannot possibly be a standard OAuth given the
17 fundamental change in the way the authorization is handled. As discussed above in Section 2,
18 the OAuth specification includes clear guidance on how to establish trust in a data sharing
19 agreement. In the Alternate Solution, trust is not established because the proposal would
20 essentially allow the DRP freedom to retrieve data at will by creating and modifying customer

⁴² The description of the Alternate Solution also mentions “access tokens,” which are a concept related to OAuth and documented by the IETF as part of the OAuth standard. See Internet Engineering Task Force, *The OAuth 2.0 Authorization Framework* (October 2012), available at <https://tools.ietf.org/html/rfc6749>.

1 authorizations without any knowledge of the customer or SDG&E. Section 4 of the OAuth
2 standard documented by IETF discusses in technical detail, the recommended negotiation flow⁴³
3 required to establish trust in a data sharing agreement.⁴⁴

4 The Alternate Solution proposal also fails to align to any of the documented “grant types”
5 that are part of the OAuth specification. Grant types constitute acceptable and documented
6 patterns within the OAuth standard establishing how customer authorization should be safely
7 obtained. There are four grant types in the OAuth standard, with the ‘authorization code’ grant
8 model being the most common, the most secure and the one that the current CTP uses.⁴⁵ In
9 contrast, the Alternate Solution proposes use of the least secure type of grant called the
10 “Resource Owner Password Credentials Grant,” *i.e.*, using a PIN instead of the standard’s
11 recommended set of customer credentials. This grant type is defined in IETF’s documented
12 OAuth standard, which emphasizes special caution when this type of grant is utilized:

13 The resource owner password credentials grant type is suitable in cases where the
14 resource owner has a trust relationship with the client, such as the device
15 operating system or a highly privileged application. The authorization server
16 should take special care when enabling this grant type and only allow it when
17 other flows are not viable. This grant type is suitable for clients capable of
18 obtaining the resource owner’s credentials (username and password, typically
19 using an interactive form). It is also used to migrate existing clients using direct
20 authentication schemes such as HTTP Basic or Digest authentication to OAuth by
21 converting the stored credentials to an access token⁴⁶

⁴³ See Internet Engineering Task Force, *The OAuth 2.0 Authorization Framework* (October 2012) pp. 7-8, available at <https://tools.ietf.org/html/rfc6749>.

⁴⁴ *Id.*, Section 1.2, *Protocol Flow*, discusses the recommended negotiation flow between the resource owner, the authorizing party and the party providing access to data.

⁴⁵ *Id.*, Section 1.3.1, *Authorization Code*, discusses this grant type’s security benefit on performing an authorization handshake behind the scenes without risking exposing the negotiation to the online user.

⁴⁶ See Internet Engineering Task Force, *The OAuth 2.0 Authorization Framework* (October 2012) pp. 37-38, available at <https://tools.ietf.org/html/rfc6749>.

1 In contrast to the Alternate Solution, the current CTP is a standard implementation of OAuth and
2 uses the most secure grant type, the “authorization code” grant model. The CTP remains the
3 most viable and secure customer authentication; customer authorization platform. No alternate
4 solution is needed.

5 **D. Why Standards Matter**

6 The prior sections describe the use of standards for both MFA and OAuth. The use of
7 industry-recognized and sanctioned standards is crucial for the implementation of a click-through
8 process that can be “future proofed” and is flexible for future expansion, as the Commission has
9 expressed.⁴⁷ A CTP proposal that implements either MFA-like or OAuth-like approaches in a
10 non-standard manner should be rejected by the Commission.

11 The importance of following known and tested industry standards and guidelines should
12 not be understated. Just as SDG&E actively follows industry standards when implementing
13 technical solutions, the use of such standards to “future proof” systems has been highlighted by
14 leaders in the information technology and security industries. In its discussion on the topic of
15 using standards as a strategy to future proof authorization, the international digital security
16 company Gemalto⁴⁸ stated:

17 **Strategy #5: Leverage Standards**

18 As organizations look to ensure their authentication infrastructures have the
19 agility needed, they’ll be well served by leveraging open standards wherever
20 possible. For example, as organizations employ cloud applications from multiple

⁴⁷ See Resolution, OP 23, which states, “PG&E, SCE [Southern California Edison Company], and SDG&E shall take steps to plan for future expansion of the solution(s) to other distributed energy resource and energy management providers now, in order to ‘future-proof’ the click-through authorization solution(s).”

⁴⁸ Gemalto is an international digital security company providing software applications, secure personal devices such as smart cards and tokens, and managed services. It is the world’s largest manufacturer of subscriber identity module (“SIM”) cards.

1 vendors, having separate authentication mechanisms means users have to login
2 separately for each application.

3 Security Assertion Markup Language (SAML) is an open standard for exchanging
4 authentication and authorization data between parties. SAML not only provides a
5 bridge between enterprise identity and SaaS applications, it also enhances the end-
6 user experience by providing SSO capabilities across applications. OAuth (Open
7 Authorization) is another open standard for authorization. Long term, leveraging
8 standards like SAML, OAuth, and the like will be become critical success factors
9 to managing a consistent identity framework across on-premise and cloud
10 environments. “I would advocate decision-makers really learn about emerging
11 standards and interfaces,” Rothman declared. “The reality is that, for most
12 companies, there will be a lot of applications and services in use, which requires a
13 lot of integration work. The more security teams understand and work with
14 standards, the better equipped they’ll be to enable new services and ensure
15 interoperability.⁴⁹

16 NIST also highlights the importance of standards as a key to achieving portability of
17 solutions and keeping future migration costs low:

18 Standards are key to achieving portability. Building on existing standards and
19 specifications that are known to work and are in widespread use and documenting
20 how the standards are implemented, allows developers to continue to use their
21 chosen development languages and tools as they build for cloud systems. This
22 keeps migration costs and risks low by enabling organizations to leverage their IT
23 staff’s current skills, and by providing a secure migration path that preserves
24 existing investments.⁵⁰

25 The Alternate Solution proposal follows neither the OAuth nor the MFA standards, and
26 as proposed, would result in building a custom, non-standards-based, and inherently unsecure,
27 platform. In contrast to the Alternate Solution proposal, the architecture and implementation of
28 the current CTP is: (1) known to function securely; and (2) properly follows the OAuth standard
29 pursuant to IETF’s documented specifications and recommendations for that framework. As

⁴⁹ See SafeNet, *Future-Proofing Your Authentication Infrastructure, Key Strategies for Maximizing Security and Flexibility in the Long Term White Paper* (2011) p. 5, available at [https://www2.gemalto.com/adwords/authentication/whitepaper/assets/FutureProofingYourAuthenticationInfrastructure_WP_\(EN\)_web.pdf](https://www2.gemalto.com/adwords/authentication/whitepaper/assets/FutureProofingYourAuthenticationInfrastructure_WP_(EN)_web.pdf).

⁵⁰ See NIST, *NIST Cloud Computing Standards Roadmap* (July 2013) p. 43, available at <https://nvlpubs.nist.gov/nistpubs/SpecialPublications/NIST.SP.500-291r2.pdf>.

1 such, the existing CTP is the only “standard” solution that SDG&E should be implementing as
2 future enhancements and expansions of the platform are considered by the Commission.

3 **E. Technical Risks Related to the Authentication and Authorization Gaps**
4 **Presented by the Alternate Solution**

5 The following section discusses the technical risks of the Alternate Solution proposal
6 resulting from a solution where the OAuth standard is not properly followed. As discussed
7 above, the Alternate Solution proposes that customer authentication and authorization processes
8 would be established and implemented by the third-party DRP. SDG&E would release customer
9 data to the DRP after the DRP notifies SDG&E that its customer has authorized such release.
10 Without independent verification (the precise outcome that the Alternate Solution seeks to
11 achieve), the customer’s data is exposed to unauthorized release to a third-party or use for
12 unauthorized purposes. The implications of this scenario (the misuse or misappropriation of
13 customer authorization) have been outlined by IETF in an RFC entitled” OAuth 2.0 Threat
14 Model and Security Considerations”:

15 When a client requests access to protected resources, the authorization flow
16 normally involves the resource owner’s explicit response to the access request,
17 either granting or denying access to the protected resources. A malicious client
18 can exploit knowledge of the structure of this flow in order to gain authorization
19 without the resource owner’s consent, by transmitting the necessary requests
20 programmatically and simulating the flow against the authorization server. That
21 way, the client may gain access to the victim’s resources without her approval.
22 An authorization server will be vulnerable to this threat if it uses non-interactive
23 authentication mechanisms or splits the authorization flow across multiple
24 pages.⁵¹

25 Two specific risks that result from resource owner (customer) impersonation are directly
26 applicable to the Alternate Solution as proposed. Specifically:

⁵¹ See Internet Engineering Task Force, *OAuth 2.0 Threat Model and Security Considerations* (January 2013) p. 32, available at <https://tools.ietf.org/html/rfc6819#section-4.4.1.10>.

1 The malicious client could also request authorization for an initial scope
2 acceptable to the user and then silently abuse the resulting session in his browser
3 instance to “silently” request another scope.⁵²

4 * * *

5 Alternatively, the attacker might exploit an authorization server’s ability to
6 authenticate the resource owner automatically and without user interactions, e.g.,
7 based on certificates.⁵³

8 In summary, with the Alternate Solution, once the authorization is obtained from the
9 resource owner (customer), the DRP can control and modify the data sharing scope to suit its
10 own needs before sending it to the utility. The risks posed by this proposal to both the customer
11 and SDG&E further reinforce why the Alternate Solution should be rejected by the Commission.

12 **F. Summary**

13 Under any iteration, Solution 1 fails to meet industry standards, placing both the
14 customer and SDG&E at risk. Neither Solution 1 proposal possesses standardization with MFA
15 for authentication or standardization with OAuth for authorization. Most importantly, not only is
16 there no consensus of the parties on a Solution 1, but both Solution 1 proposals contradict the
17 Commission’s intention to create a click through process that meets an industry standard so that
18 it may safely and securely be used today and expanded for future use by customers and third
19 parties. As the Commission concluded in the Resolution:

20 The Utilities shall adhere to the OAuth 2.0 standard or subsequent standard
21 agreed upon by the Customer Data Access Committee. This will provide all
22 parties with a standard approach which will allow third-party Demand Response
23 Providers to more efficiently utilize the click-through authorization process. If
24 further clarification is needed, stakeholders should raise this issue in the CDAC.⁵⁴

25 * * *

⁵² *Id.*, p. 33.

⁵³ *Id.*

⁵⁴ *See* Resolution, p. 36.

1 The OAuth 2.0 standard or subsequent standard agreed upon by the Customer
2 Data Access Committee will provide all parties with a uniform approach which
3 will allow third-party Demand Response Providers to more efficiently utilize the
4 click-through authorization process.⁵⁵

5 * * *

6 The Utilities shall adhere to the OAuth 2.0 standard or subsequent standard
7 agreed upon by the Customer Data Access Committee in the implementation of
8 OAuth Solution 3.⁵⁶

9 Both versions of Solution 1 fail to meet the requirements and intent of the Commission's
10 decision. Accordingly, SDG&E recommends that the Commission reject adoption and
11 implementation of Solution 1.

12 **G. Cost Estimates**

13 For the reasons described above, SDG&E opposes all versions of Solution 1 as they pose
14 a fundamental security risk to both SDG&E and its customers. As required by Resolution,
15 SDG&E is submitting estimated budgets and costs for the elements contained in OP 29. Should
16 the Commission require SDG&E to implement the Alternate Solution, the cost estimate for that
17 platform is \$533,044 for labor with an additional \$2,853,578 in non-labor as part of a sixteen-
18 month project. The estimated costs include all phases of that project such as requirements
19 elicitation, design, build, test and implementation. Non-labor costs represent the use of vendor
20 professional services to build and implement the Alternate Solution. Labor costs represent the
21 use of internal SDG&E resources to provide technical consultation, project management and
22 business systems analysis services to the vendor during requirements, design, build, test and
23 implementation phases of the project.

⁵⁵ *Id.*, Finding of Fact 28, p. 91.

⁵⁶ *Id.*, p. 99, OP 4.

1 The cost estimates to operationally maintain, support and offer the Alternate Solution
2 over a period of three years and eight months are \$0 in labor with an additional \$2,347,100 in
3 non-labor. Examples of these costs include: (1) supporting DRP security audits; (2) supporting
4 integration testing for DRPs to integrate to the Alternate Solution; (3) investigation and triage of
5 reported issues or defects across any key systems supporting the Alternate Solution; and (4)
6 refactoring and testing of code as appropriate due to ongoing changes and upgrades in
7 downstream enterprise systems. Should the Solution 1 proposal change in any respect, the
8 estimated costs may differ and require an update.

9 Due to its position that Solution 1 should not be implemented, SDG&E is not requesting
10 any budget to implement the Alternate Solution. No funds are included in the total budget
11 request for this work, nor are they included in the revenue requirement discussion in the prepared
12 direct testimony of Amanda White (Chapter 5). Although SDG&E does not recommend the
13 implementation of the Alternate Solution, should the Commission order SDG&E to implement
14 another version of a click-through process that takes place entirely on a third party's website,
15 SDG&E would need to update its total estimated budget requests, and its revenue requirement.

16 **IX. COST ESTIMATE TO EXPAND THE CTP TO OTHER DISTRIBUTED**
17 **ENERGY RESOURCE AND ENERGY MANAGEMENT PROVIDERS (OP 29,**
18 **BULLET #1)**

19 The Resolution requires the IOUs to consider and propose a cost estimate for expansion
20 of the CTP to serve DERPS. A discussion of SDG&E's position on expansion of the CTP to
21 DERPs is contained in the prepared direct testimony of witness Raghav Murali (Chapter 1).⁵⁷

⁵⁷ See Murali Testimony, Section III. SDG&E's Proposals in Response to OP 29.

1 **A. Changes to Support Customer Authorization and Third-Party DERP**
2 **Registration**

3 Should the Commission determine that the IOUs must expand the CTP to DERPs,
4 SDG&E will need to begin categorizing the third parties it shares customer data with. This
5 allows SDG&E to tailor its internal business processes to better handle the different types of
6 third parties, and only trigger Rule 32 automation when appropriate. From a technical
7 perspective, only a minor change to the current system is required, and only requires
8 implementing a new data attribute to capture the type of third-party. There are two key systems
9 that support the CTP today and would need this change.

10 **B. Cost Estimates**

11 As discussed in Raghav Murali’s prepared direct testimony (Chapter 1),⁵⁸ SDG&E does
12 not recommend extending the CTP to DERPs at this time. Should the Commission order
13 SDG&E to implement this solution after determining that this solution is prudent and in
14 ratepayers’ best interest, the estimate for an expansion of the CTP to DERPs would be \$95,141
15 for labor costs with an additional \$498,619 in non-labor costs as part of a nine-month project.
16 The costs include all phases of that project such as requirements elicitation, design, build, test,
17 and implementation. Non-labor costs represent the use of vendor professional services to
18 enhance the current expanded data set as described. Labor costs represent the use of internal
19 SDG&E resources to provide technical consultation, project management and business systems
20 analysis services to the vendor during requirements, design, build, test and implementation
21 phases of the project.

⁵⁸ *Id.*

1 The estimate to operationally maintain, support and offer the CTP to DERPs over a
2 period of four years and three months is \$961 in labor costs with an additional \$438,144 in non-
3 labor costs. Examples of this type of maintenance include: (1) supporting integration testing for
4 DRPs; (2) investigation and triage of reported issues or defects; (3) refactoring and testing of
5 code as appropriate due to ongoing changes and upgrades in downstream enterprise systems; and
6 (4) monitoring the synchronous dataset to ensure that its performance continues to be adequate.
7 Should the proposal to expand the CTP to DERPs change in any respect, the estimated costs
8 would differ and require an update.

9 The costs to expand the CTP to DERPs are not included in the total budget request table
10 in Raghav Murali's prepared direct testimony (Chapter 1), nor are they included in the revenue
11 requirement discussion in the prepared direct testimony of Amanda White (Chapter 5).

12 This concludes my prepared direct testimony.

1 **X. STATEMENT OF QUALIFICATIONS**

2 My name is Claudio Pellegrini, and I am a Software Component Architect at San Diego
3 Gas & Electric Company. My business address is 8690 Balboa Avenue, San Diego, CA 92123.
4 My current responsibilities include defining and governing the technical and business
5 architecture of systems that support customer assistance, customer experience, energy efficiency
6 programs, demand response programs, and SDG&E’s Electric Rule 32. I have been employed at
7 SDG&E for 18 years.

8 I obtained my Bachelor of Science Degree in Computer Science from DeVry Institute of
9 Technology in February 1999. I am a Certified Information Technology Architect – Foundation
10 (“CITA-F”) certified in IT Architecture with International Association of Software Architects
11 (“IASA”) Global.

12 I have not previously testified before the Commission.

LIST OF ACRONYMS

API	Application Programming Interface
ATM	Automatic Teller Machine
CAISO	California Independent System Operator
CDAC	Customer Data Access Committee
CTP	Click-Through Authorization Process
DRP	Demand Response Provider
IAB	Internet Architecture Board
IETF	Internet Engineering Task Force
IOU	Investor-Owned Utilities
IRTF	Internet Research Task Force
IT	Information Technology
MFA	Multi-Factor Authentication
NIST	National Institute of Standards and Technology
OAuth	Open Authorization
OP	Ordering Paragraphs
OWASP	Open Web Application Security Project
PIN	Personal Identification Number
RFC	Request for Comment
SCE	Southern California Edison Company
SDG&E	San Diego Gas & Electric Company
W3C	World Wide Web Consortium