DOUGLASS & LIDDELL
AN ASSOCIATION OF
PROFESSIONAL CORPORATIONS
2928 2ND AVENUE
SAN DIEGO, CALIFORNIA 92103
telephone 619.993.9096
facsimile 619.296.4662
Email liddell@energyattorney.com

Daniel W. Douglass, A.P.C.
4766 Park Granada, Suite 209
Calabasas, California 91302
Telephone 818.961.3001
Facsimile 747.222.1861

Gregory S.G. Klatt – Of Counsel
411 E. Huntington Drive, Suite 107-356
Arcadia, California 91007
Telephone 626.807.5733
Mobile: 626.991.9455

September 21, 2016

EMAIL: EDTARIFFUNIT@CPUC.CA.GOV

CPUC Energy Division ED Tariff Unit
505 Van Ness Avenue
San Francisco, California 94102

Re: Protest of the California Energy Storage Alliance to Advice Letter 3466-E of Southern California Edison Company, Advice Letter 4990-E of Pacific Gas and Electric Company, and Advice Letter 2949-E of San Diego Gas and Electric Company

Dear Sir or Madam:

Pursuant to the provisions of General Order 96-B, the California Energy Storage Alliance ("CESA")[1] hereby submits this protest to the above-referenced *Advice Letter Filings of Southern California Edison Company, Pacific Gas and Electric Company, and San Diego Gas & Electric Company's Demand Response Auction Mechanism Pilot for 2018*, submitted on September 1, 2016 ("Joint Advice Letter").

[1] 1 Energy Systems Inc., Adara Power, Advanced Microgrid Solutions, AES Energy Storage, Amber Kinetics, Aquion Energy, Bright Energy Storage Technologies, Brookfield, California Environmental Associates, Consolidated Edison Development, Inc., Cumulus Energy Storage, Customized Energy Solutions, Demand Energy, Eagle Crest Energy Company, East Penn Manufacturing Company, Ecoult, Electric Motor Werks, Inc., ElectrIQ Power, ELSYS Inc., Energy Storage Systems Inc., Enphase Energy, GE Energy Storage, Geli, Gordon & Rees, Green Charge Networks, Greensmith Energy, Gridscape Solutions, Gridtential Energy, Inc., Hitachi Chemical Co., Ice Energy, Innovation Core SEI, Inc. (A Sumitomo Electric Company), Invenergy LLC, Johnson Controls, K&L Gates, LG Chem Power, Inc., Lockheed Martin Advanced Energy Storage LLC, LS Power Development, LLC, Mercedes-Benz Research & Development North America, Nature & PeopleFirst, NEC Energy Solutions, Inc., NextEra Energy Resources, NGK Insulators, Ltd., NRG Energy LLC, OutBack Power Technologies, Parker Hannifin Corporation, Powertree Services Inc., Qnovo, Recurrent Energy, RES Americas Inc., Saft America Inc., Samsung SDI, Sharp Electronics Corporation, Skylar Capital Management, SolarCity, Southwest Generation, Sovereign Energy, Stem, SunPower Corporation, Sunrun, Swell Energy, Trina Energy Storage, Tri-Technic, UniEnergy Technologies, Wellhead Electric, Younicos. The views expressed in these Comments are those of CESA, and do not necessarily reflect the views of all of the individual CESA member companies. (http://storagealliance.org).http://storagealliance.org

I. BACKGROUND AND INTRODUCTION.

Southern California Edison Company ("SCE"), Pacific Gas and Electric Company ("PG&E"), and San Diego Gas and Electric Company ("SDG&E") have requested in the Joint Advice Letter that the Commission approve their 2018 Demand Response Auction Mechanism ("DRAM") 2018 Pilots, which request several changes to the DRAM *pro forma* contracts, bid evaluation criteria, process transparency, and performance evaluation, among other provisions. CESA generally supports the Joint Advice Letter as an improvement over the first two DRAM pilots.

II. DISCUSSION.

While supporting the Joint Advice Letter, CESA recommends that the Commission revise the Rule 24 and Rule 32 tariff's' dual demand response ("DR") participation requirements for DRAM participants. Specifically, as it stands today, customers on an existing load-modifying DR tariff are required to un-enroll from the load-modifying program in order to enroll in the DRAM. This condition for DRAM participation represents a major barrier to robust customer engagement and enrollment in the DRAM. Instead, so long as accounting conventions or controls prevent inappropriate double-counting or double-payments for DR actions, DRAM customers should be allowed to remain on their load-modifying DR tariff.

Steps should be taken to explore or authorize how customers on load-modifying DR programs and rate-structures could, without risk of double-compensation, participate frequently in wholesale markets. Currently, commercial and industrial customers enroll in load-modifying DR programs, such as the Critical Peak Pricing Program ("CPP"), and, under the current Rule 24 and Rule 32 tariff and registration process, these customers are prohibited from staying on an existing load-modifying price-responsive DR tariff while also participating in the DRAM. For customers with energy storage resources that could provide both load-modifying and supply-side DR services, this rule may be unduly restrictive and prevent participation in wholesale markets. These customers may be unwilling to un-enroll from the load-modifying price-responsive DR tariff to participate in the DRAM. As a result, energy storage participation in the DRAM pilot would be unduly limited.

So long as accounting methods can prevent inappropriate double-payments for a single DR action, participation in the DRAM by customers on load-modifying DR tariffs or in load-modifying programs should have access to the wholesale market and DRAM participation. CESA opposes rules that could allow for inappropriate double-payments, but believes accounting solutions or other controls can be developed so that load-modifying DR resources can also participate (with unused or available capacity) in providing wholesale market services while preventing potential double-payment.

III. CONCLUSION.

Prior to the release of the 2018 DRAM RFO, CESA therefore recommends the Commission update and revise the Rule 24 and Rule 32 tariffs to allow customers to stay on their existing price-responsive DR tariff and also participate in the DRAM if inappropriate double counting or double-payment can reasonably be prevented. This recommended revision should improve participation in the DRAM pilots.

Very truly yours,

Donald C. Liddell

cc: Russell G. Worden, SCE (AdviceTariffManager@sce.com)
Michael R. Hoover, SCE, c/o Karyn Gansecki (Karyn.Gansecki@sce.com)
Meredith Allen, PG&E (PGETariffs@pge.com)
Megan Caulson, SDG&E (mcaulson@semprautilities.com)

DCL/md