

Decision 19-09-041

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

ORDER CORRECTING ERROR IN DECISION 19-07-009

Pursuant to Commission Rules of Practice and Procedure, Rule 16.5, this order corrects several errors in Decision (D.) 19-07-009, *Decision Addressing Auction Mechanism, Baselines, and Auto Demand Response for Battery Storage*. As described below, the majority of the corrected errors are related to improvements to the Demand Response Auction Mechanism (Auction Mechanism) but two small typographical corrections are related to the adoption of revised baselines. Applications 17-01-012, 17-01-018, and 17-01-019 remain open.

Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company (Utilities) sent a letter, dated August 9, 2019, to the Executive Director of the Commission. The Utilities request, pursuant to Rule 16.5, the correction of errors in D.19-07-009. The Utilities contend these errors are obvious errors in that revisions made to the final adopted decision were not carried over to other areas of the decision, including two appendices. Each of these errors is discussed individually.

1. The Utilities allege that Appendix A, item A of D.19-07-009 should be corrected to be consistent with the intent and direction provided on pages 53 to 54 of the decision, which orders “Auction Mechanism Sellers to submit their Qualifying Capacity estimates and supporting data 10 business days before the year-ahead filing and monthly Supply Plans are due for the Sellers.” Appendix A, item A, should be revised to change “15 calendar days” to “10 business days” to align with the intent of the decision. This language was not updated to be consistent with language that was revised following comments to the proposed decision. This is an obvious error and should be corrected.
2. The Utilities allege that Appendix A, items A.4 and A.7.d of D.19-07-009 should be corrected to be consistent with the intent and direction provided on page 54 of the decision, which discusses additional requirements to the guidelines in Appendix A including a breakdown of the active and registered number of Service Accounts within the total projected service account numbers. Appendix A, item A.4 should be revised to include this language as these items currently do not include such language. This is an obvious error and should be corrected. Item A.7.d refers to historical data and, therefore, it is not necessary to know the number of active and registered number of Service Accounts.
3. The Utilities allege that Appendix A, item C and page 55 should be corrected to be consistent with Appendix A, item G and other language on page 55 of D.19-07-009. Appendix A, item G and the second bulleted item on page 55 states that resource level information would not be available during the solicitation stage of the Auction and at the Year-Ahead Filing of Sellers’ Supply Plans and instructs parties that it

- is sufficient to provide information at the contract level. Appendix A, item C and the third bulleted item on page 55 were not updated to be consistent with this language that was revised following comments to the proposed decision. These two errors are obvious omissions and should be corrected.
4. The Utilities allege that Appendix B, item 1 should be corrected to be consistent with page 66 of D.19-07-009. Page 66 requires that Demonstrated Capacity invoices be based on market dispatches or capacity test events in 50 percent of the contracted months. The language specifies that the number of months would be rounded downward in cases of contracts involving an odd number of months. The Utilities request that the decision be revised to add language clarifying this rounding in Appendix B, item 1. However, Appendix B, item 1 already includes this clarification: “(rounded downward in case of a contract involving an odd number of months)”. Hence, a correction is unnecessary to Appendix B, item 1.
 5. The Utilities allege that Appendix B, item 3 should be corrected to be consistent with section 3.7.3 of D.19-07-009. In Section 3.7.3, the Decision adds a requirement that the August dispatch must involve a full resource dispatch for at least two consecutive hours. The Utilities request that the decision be revised to specify the same requirement in Appendix B, item 3. However, Appendix B, item 2 already includes this requirement. Hence, a correction is unnecessary to Appendix B, item 3.
 6. The Utilities allege that Appendix B, item 8 should be corrected to be consistent with the intent and direction provided in Ordering

Paragraph 10 of D.19-07-009, which establishes a price de-ration and payment forfeiture structure. The forfeiture portion indicates that submission of an invoice with Demonstrated Capacity of less than 50 percent of Qualifying Capacity results in a zero payment to the Seller. Further, the de-ration portion indicates that submission of an invoice with Demonstrated Capacity equal to exactly 50 percent of Qualifying Capacity results in a reduced payment. The current language in Appendix B, item 8 is not consistent with Ordering Paragraph 10 of D.19-07-009. This is an obvious error and should be corrected.

7. The Utilities allege that Ordering Paragraph 6 of D.19-07-009 should be corrected to be consistent with the intent and direction provided on page 63 of the decision, which states that Utilities are permitted (but not obligated) to put a Provider's contract in default when, for two sequential months (excluding any intervening months with invoices based on Must Offer Obligation) the Demonstrated Capacity is less than 50 percent of Qualifying Capacity. Ordering Paragraph 6 should be revised to include this default language as it does not include such language. This is an obvious omission that occurred when the decision was revised in response to party comment and should be corrected.
8. The Utilities assert that pages 79-80 of D.19-07-009 should be corrected to address two obvious typographical errors: a) the demand response mid-cycle review occurs in 2020, not 2021 and b) the next Utilities' demand response portfolio application is for 2023 to 2027, not 2028. These are obvious typographical errors and should be corrected.

Pursuant to Commission Resolution A-4661 and Rule 16.5 of the Commission's Rules of Practice and Procedure, the Commission's Executive

Director is authorized to sign, on behalf of the Commission, orders involving the correction of clerical and other obvious inadvertent errors and omissions in Commission decisions. Accordingly, the corrections to D.19-07-009 are hereby adopted pursuant to Commission Resolution A-4661 and Rule 16.5 of the Commission's Rules of Practice and Procedure.

Applications 17-01-012, 17-01-018, and 17-01-019 remain open so that the Commission may consider additional improvements and refinements to the Auction Mechanism.

Findings of Fact

1. Pages 53 to 54 of D.19-07-009 orders "Auction Mechanism Sellers to submit their Qualifying Capacity estimates and supporting data 10 business days before the year-ahead filing and monthly Supply Plans are due for the Sellers."

2. Appendix A, item A, currently requires Sellers to submit Qualifying Capacity estimates and supporting days 15 calendar days before the year-ahead filing and monthly Supply Plans are due for the Sellers.

3. The language in Appendix A, item A was not updated to be consistent with the language on pages 53 to 54 of D.19-07-009, which was revised following comments to the proposed decision.

4. The inconsistency between the language in Appendix A, item A and the language on pages 53 to 54 of D.19-07-009 is an obvious error.

5. Page 54 of D.19-07-009 discusses additional requirements to the guidelines in Appendix A including a breakdown of the active and registered number of Service Accounts within the total projected service account numbers.

6. Appendix A, item A.4 does not currently include language requiring the breakdown of the active and registered number of Service Accounts within the total projected service account numbers.

7. The inconsistency between the language in Appendix A, item A.4 and the language on page 54 of D.19-07-009 is an obvious error.

8. Appendix A, item G and the second bulleted item on page 55 state that resource level information would not be available during the solicitation stage of the Auction and at the Year-Ahead Filing of Sellers' Supply Plans and instructs parties that it is sufficient to provide information at the contract level.

9. The language in Appendix A, item C and the final bulleted item on page 55 were not updated to be consistent with the second bulleted item on page 55 and Appendix A, item G that was revised following comments to the proposed decision.

10. The inconsistency between the language in Appendix A, item G, the second bulleted item on page 55 and the revised language in the third bulleted item on page 55 and Appendix A, Section G are obvious omissions.

11. Page 66 of D.19-07-009 requires that Demonstrated Capacity invoices be based on market dispatches or capacity test events in 50 percent of the contracted months. The language specifies that the number of months would be rounded downward in cases of an odd number of months.

12. Appendix B, item 1 includes language specifying that the number of contract months would be rounded downward in cases of an odd number of months.

13. A correction is unnecessary to Appendix B, item 1.

14. In Section 3.7.3, the Decision adds a requirement that the August dispatch must involve a full resource dispatch for at least two consecutive hours.

15. Appendix B, item 2 includes a requirement that the August dispatch must involve a full resource dispatch for at least two consecutive hours.

16. It is unnecessary to revise Appendix B, item 3 to add the requirement that the August dispatch must involve a full resource dispatch for at least two consecutive hours.

17. Ordering Paragraph 10 of D.19-07-009 establishes a price de-ration and payment forfeiture structure.

18. The forfeiture portion of the price de-ration and payment forfeiture structure indicates that submission of an invoice with Demonstrated Capacity of less than 50 percent of Qualifying Capacity results in a zero payment to the Seller.

19. The de-ration portion of the price de-ration and payment forfeiture structure indicates that submission of an invoice with Demonstrated Capacity equal to exactly 50 percent of Qualifying Capacity results in a reduced payment.

20. The current language in Appendix B, item 8 is not consistent with Ordering Paragraph 10 of D.19-07-009; this is an obvious error.

21. Page 63 of D.19-07-009 states that Utilities are permitted (but not obligated) to put a Provider's contract in default when, for two sequential months (excluding any intervening months with invoices based on Must Offer Obligation) the Demonstrated Capacity is less than 50 percent of Qualifying Capacity.

22. Ordering Paragraph 6 does not include such language, which is an obvious omission that occurred when the decision was revised in response to party comment.

23. On pages 79-80 of D.19-07-009 there are two typographical errors: a) the demand response mid-cycle review occurs in 2020, not 2021 and b) the next Utilities' demand response portfolio application is for 2023 to 2027, not 2028; these are obvious typographical errors and should be corrected.

24. The Commission continues to consider improvements and refinements to the Auction Mechanism.

Conclusions of Law

1. Appendix A, item A, should be revised to change the term “15 calendar days” to “10 business days”.

2. Appendix A, item A.4 should be revised to include language requiring the breakdown of the active and registered number of Service Accounts within the total projected service account numbers.

3. Page 55 and Appendix A, item G should be revised to a) reflect that resource level information would not be available during the solicitation stage of the Auction and at the Year-Ahead Filing of Sellers’ Supply Plans and b) instruct parties that it is sufficient to provide information at the contract level.

4. The current language in Appendix B, item 8 should be revised to a) indicate that submission of an invoice with Demonstrated Capacity of less than 50 percent of Qualifying Capacity results in a zero payment to the Seller and b) submission of an invoice with Demonstrated Capacity equal to exactly 50 percent of Qualifying Capacity results in a reduced payment.

5. Ordering Paragraph 6 should be revised to state that Utilities are permitted (but not obligated) to put a Provider’s contract in default when, for two sequential months (excluding any intervening months with invoices based on Must Offer Obligation) the Demonstrated Capacity is less than 50 percent of Qualifying Capacity.

6. Pages 79-80 of D.19-07-009 should be revised to state that: a) the demand response mid-cycle review occurs in 2020, not 2021 and b) the next Utilities’ demand response portfolio application is for 2023 to 2027, not 2028.

7. Applications 17-01-012, 17-01-018, and 17-01-019 should remain open so that the Commission may consider additional improvements and refinements to the Auction Mechanism.

IT IS ORDERED that:

1. Appendix A, item A of Decision 19-07-019 is corrected as follows:

Sellers should provide the following details to the Utility for demand response resources being offered, with the auction capacity bid submission and no later than 10 business days before the year-ahead filings and monthly Supply Plans are due for the Seller.

2. Appendix A, item items A.4 of Decision 19-07-019 is corrected as follows:

Projected number of Service Accounts, including a breakdown of the active and registered number of Service Accounts within the total projected service account numbers.

3. Page 55 of Decision 19-07-019 is corrected as follows:

The baseline utilized for estimation of Qualifying Capacity must be consistent between the monthly Supply Plan, the energy settlement at the CAISO, and the invoicing of Demonstrated Capacity.

4. Appendix A, item C of Decision 19-07-019 is corrected as follows:

The same baseline must be used for estimation of Qualifying Capacity for the monthly Supply Plan submission, the energy settlement at the CAISO, and invoicing of Demonstrated Capacity for the applicable month.

5. Appendix B, item 8 of Decision 19-07-019 is corrected as follows:

Failure to invoice Demonstrated Capacity if the Utility has provided the 95 percent Revenue Quality Meter Data for a showing month will be treated as the Provider having submitted a dispatch-based invoice with Demonstrated Capacity that is less than 50 percent of the Qualifying Capacity applicable to the showing month.

6. Ordering Paragraph 6 of Decision 19-07-019 is corrected as follows:

b) Imposing a penalty structure for shortfalls in Demonstrated Capacity as further explained in Ordering Paragraph 10, and a permitted (but not obligated) event of default for two sequential months (excluding any intervening months with invoices based on Must Offer Obligation) in which Demonstrated Capacity is less than 50 percent of Qualifying Capacity.

7. Pages 79 to 80 of Decision 19-07-019 are corrected as follows:

However, as we discuss below, costs and benefits are not clear. Hence, we delay implementation to the mid-cycle review in 2020, where we can complete the record. This decision also establishes a working group to discuss and recommend future options for retail demand response baseline methods. A working group report with recommendations shall be included in the Utilities' 2023-2027 demand response portfolio application. We discuss these directives in detail below.

8. Applications 17-01-012, 17-01-018 and 17-01-019 remain open.

This order is effective today.

Dated September 23, 2019, at San Francisco, California.

/s/ ALICE STEBBINS

Alice Stebbins
Executive Director