

Company: San Diego Gas & Electric Company (U 902 E)  
Proceeding: Real Time Pricing Pilot Rate  
Application: A.21-12-006/A.21-12-008  
Exhibit: SDG&E-XX

**PREPARED REBUTTAL TESTIMONY OF**  
**JEFF DeTURI (CHAPTER 1)**  
**ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY**

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**

**January 30, 2023**



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1                                   **PREPARED SUPPLEMENTAL DIRECT TESTIMONY OF**

2   **JEFF DeTURI (CHAPTER 1)**

3 **I.       INTRODUCTION**

4           The purpose of my rebuttal testimony is to address intervenors’ prepared direct testimony  
5 served on December 30, 2022 in San Diego Gas & Electric Company’s (SDG&E) Applications  
6 (A.) 21-12-006 and 21-12-008 (consolidated). Specifically, my rebuttal testimony will address  
7 the following contentions made in intervenor testimony:

- 8           •       Alliance for Retail Energy Markets (AREM) and Direct Access Customer  
9                   Coalition (DACC) and Federal Executive Agencies (FEA) argue that the Real  
10                  Time Pricing (RTP) Pilot implementation costs should be collected from SDG&E  
11                  bundled customers only. Similarly, the Utility Consumer’s Action Network  
12                  (UCAN) argues that cost recovery should be limited to bundled customers absent  
13                  a coordination plan with Community Choice Aggregators (CCA).
  
- 14           •       Public Advocates Office (Cal Advocates) recommends that rather than recovering  
15                  the RTP pilot costs through distribution rates they be recovered through Public  
16                  Purpose Programs (PPP) using equal cents per kilowatt hour (kWh). UCAN also  
17                  argues for an equal cents per kWh cost recovery.
  
- 18           •       Electrify America, LLC (EA) recommends relief from Rule 21 interconnection  
19                  charges and Vehicle-Grid Integration Council (VGIC) wants upfront incentives  
20                  for vehicle-to-everything (V2X).
  
- 21           •       San Diego Community Power (SDCP) requests cost recovery to implement their  
22                  own RTP pilot as well as Commission direction to address data access issues in  
23                  SDG&E’s General Rate Case (GRC) Phase 2 proceeding (A.23-01-008).

24           SDG&E’s failure to address any individual issue in this rebuttal testimony does not imply  
25 agreement by SDG&E with any argument, position, or proposal asserted by parties.

1 **II. COST RECOVERY**

2 **A. Pilot Implementation Costs Should be Recovered From Bundled and**  
3 **Un-Bundled Customers**

4 Several intervenors argued that SDG&E should only recover the RTP and Export  
5 Compensation pilot costs from bundled customers. AREM/DACC<sup>1</sup> and FEA<sup>2</sup> both make that  
6 argument. UCAN argues that until SDG&E completes a CCA coordination plan, cost recovery  
7 should be limited to bundled customers.<sup>3</sup> These arguments should be rejected because to the  
8 extent dynamic pricing benefits non-participants in the rate, it benefits all non-participants—not  
9 just bundled non-participants—in the form of reduced grid costs, GHG reductions, reliability,  
10 and better utilization of renewables.<sup>4</sup> As stated in the Advanced Strategies for Demand  
11 Flexibility white paper, demand flexibility management techniques such as dynamic pricing  
12 “could provide significant support to California’s clean energy goals by: (a) increasing  
13 renewable integration and reducing GHG emissions, (b) reducing system ramping requirements  
14 and improving system reliability, and (c) reducing or minimizing cost of service system-wide.”<sup>5</sup>

15 Additionally, UCAN’s recommendation that bundled customers pay for the pilot until  
16 SDG&E completes a CCA coordination plan is unreasonable.<sup>6</sup> As stated above, both bundled  
17 and unbundled customers benefit from the Dynamic Pricing Pilots and therefore costs should be

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<sup>1</sup> Direct Testimony of Mark Fulmer on Behalf of AREM and DACC at 2, lines 10-14.

<sup>2</sup> Direct Testimony of Robert R. Stephens on Behalf of FEA at 5, lines 14-18.

<sup>3</sup> Direct Testimony of Mary Neal on Behalf of UCAN at 5, lines 11-13.

<sup>4</sup> D.21-07-010 at 59. *See also*, CPUC, Advanced Strategies for Demand Flexibility Management and Customer DER Compensation (June 22, 2022) at 13-14 *and* SDG&E’s Prepared Supplemental Direct Testimony of Jeff DeTuri (Chapter 1) (August 15, 2022) at JDT-29, lines 7-13 (addressing benefits to ESJ communities).

<sup>5</sup> CPUC, Advanced Strategies for Demand Flexibility Management and Customer DER Compensation (June 22, 2022) at 14.

<sup>6</sup> Direct Testimony of Mary Neal on Behalf of UCAN at 12, lines 5-8.

1 recovered from both regardless of CCA participation with a similar rate. That said, SDG&E has  
2 been working with CCAs in its service territory. Indeed, SDCP has stated that they have a  
3 “robust interest” in RTP and are in discussions with SDG&E regarding these rates.<sup>7</sup> Because the  
4 CCAs seem to be conditioning their participation on issues that cannot be determined in this  
5 proceeding, such as cost recovery and data access, which are discussed in more detail below, a  
6 coordination plan will not add additional benefits to this process.

7 Further, PG&E reached a settlement agreement for their pilot with eight other parties  
8 including FEA, which includes recovering costs through distribution.<sup>8</sup> FEA’s intervenor  
9 testimony fails to clarify why they would support PG&E’s pilot which recovers costs through  
10 distribution rates and argue against SDG&E’s pilot with similar cost recovery treatment. Cal  
11 Advocates agrees with SDG&E that costs should be recovered from more than just bundled  
12 customers and, as addressed below, goes even further than SDG&E’s proposed recovery through  
13 distribution rates by recommending that costs be recovered through PPP rates.<sup>9</sup>

14 **B. SDG&E Does Not Object To Recovery of Pilot Implementation Costs**  
15 **Through PPP**

16 To avoid Net Energy Metering (NEM) customers bypassing distributions rates due to the  
17 netting of import and export of energy, Cal Advocates recommends expanding the cost recovery  
18 through PPP to ensure that all customers, including NEM, pay for the RTP and Export

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<sup>7</sup> See Prepared Direct Testimony of Lucas Utouh on Behalf of SDCP at 1-2.

<sup>8</sup> A.19-11-019, Joint Motion of the Agricultural Energy Consumers Association, California Large Energy Consumers Association, California Solar and Storage Association, Enel X North America, Inc., Energy Producers and Users Coalition, Federal Executive Agencies, OhmConnect, Inc., Public Advocates Office at the California Utilities Commission, Small Business Utility Advocates and Pacific Gas and Electric Company, for Adoption of Joint Settlement Agreement Real Time Pricing Issues Including Stage 1 Pilots (January 18, 2022) at 15.

<sup>9</sup> Cal Advocates Prepared Testimony of Thomas Brawley (Chapter 2) at 2-13, lines 5-9.

1 Compensation pilot costs.<sup>10</sup> NEM customers contribute to the need for renewable integration  
2 and reliability concerns around the evening ramp so it's appropriate that they share in the cost of  
3 dynamic pricing pilots which are designed to help address those concerns. Although SDG&E  
4 believes recovering costs from all customers that use our grid through distribution is appropriate  
5 and is also similar to what PG&E did in their pilot,<sup>11</sup> SDG&E is also amenable to recovering the  
6 dynamic pricing pilot costs through PPP as opposed to distribution rates. Recovering the costs of  
7 the Dynamic Pricing Pilots through PPP rates, like recovering the costs through distribution  
8 rates, will correctly recover the costs from all customers that use SDG&E's grid.

9 **C. Pilot Implementation Costs Should be Recovered By Equal Cents Per**  
10 **Kilowatt Hour**

11 Cal Advocates and UCAN both recommend that costs be recovered using equal cents per  
12 kWh.<sup>12</sup> Cal Advocates argues that assigning costs on an equal cents per kWh basis ensures that  
13 the costs are more evenly spread to the customers.<sup>13</sup> Cal Advocates goes on to point out that  
14 PG&E's RTP pilot uses an equal cents per kWh and acts as a precedent.<sup>14</sup> UCAN argues that  
15 since an equal cents per kWh basis in an energy-based allocator it is more appropriate.<sup>15</sup>

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<sup>10</sup> Cal Advocates Prepared Testimony of Thomas Brawley (Chapter 2) at 2-16, lines 4-7 and lines 17-22.

<sup>11</sup> A.19-11-019, Joint Motion of the Agricultural Energy Consumers Association, California Large Energy Consumers Association, California Solar and Storage Association, Enel X North America, Inc., Energy Producers and Users Coalition, Federal Executive Agencies, OhmConnect, Inc., Public Advocates Office at the California Utilities Commission, Small Business Utility Advocates and Pacific Gas and Electric Company, for Adoption of Joint Settlement Agreement Real Time Pricing Issues Including Stage 1 Pilots (January 18, 2022) at 15.

<sup>12</sup> Direct Testimony of Mary Neal on Behalf of UCAN at 5, lines 14-16; and Cal Advocates Prepared Testimony of Thomas Brawley (Chapter 2) at 2-13, lines 5-9.

<sup>13</sup> Cal Advocates Prepared Testimony of Thomas Brawley (Chapter 2) at 2-13, lines 19-20.

<sup>14</sup> *Id.* at 2-14, lines 2-5.

<sup>15</sup> Direct Testimony of Mary Neal on Behalf of UCAN at 25, lines 4-6.

1 SDG&E's original cost recovery proposal, through distribution, would recover dynamic  
2 pricing pilot costs based on distribution revenue allocations. As stated above, SDG&E is  
3 amendable to recovering these costs through PPP rates, and the best way to recover these costs  
4 through PPP rates, as Cal Advocates proposes, is on an equal cents per kWh basis. Cal  
5 Advocates and UCAN both state that allocating the dynamic pricing pilot costs on an equal cents  
6 per kWh basis is a fair way to allocate these costs because this allocation approach results in all  
7 customers paying the same \$/kWh rate to recover these costs. SDG&E agrees and thus, SDG&E  
8 is agreeable to recovering the dynamic pricing pilot costs through PPP rates on an equal cents per  
9 kWh basis because this approach will fairly recover the costs from all customers that use  
10 SDG&E's grid.

### 11 **III. INCENTIVES**

12 Two intervenors asked for additional incentives as part of the Export Compensation Pilot.  
13 VGIC argues for an upfront incentive mechanism for bi-directional Electric Vehicle (EV)  
14 chargers.<sup>16</sup> And while admitting that its request is out of scope, EA nonetheless seeks a waiver  
15 of the Rule 21 interconnection fee.<sup>17</sup> The proper proceeding to discuss improvements or changes  
16 to the Rule 21 interconnection process is in Rulemaking (R.) 17-07-007.<sup>18</sup>

17 Neither proposal is reasonable for the Stage 1 Export Compensation Pilot because it is  
18 only available to Medium and Large Commercial & Industrial (M/L C&I) customers on the  
19 Schedule EV-HP rate. As discussed in my supplemental direct testimony, these customers are  
20 "well positioned (i.e., have energy that can be exported to the grid) to participate in a dynamic

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<sup>16</sup> Opening Testimony of Ed Burgess on Behalf of VGIC at 27, lines 17-22.

<sup>17</sup> Prepared Answer Testimony of Jigar Shah on Behalf of EA at 9, lines 4-9.

<sup>18</sup> See generally R.17-07-007, Order Instituting Rulemaking to Consider Streamlining Interconnection of Distributed Energy Resources and Improvements to Rule 21 (July 13, 2017).

1 pricing rate.”<sup>19</sup> EV-HP customers already have separate meters and since they are M/L C&I  
2 customers, they are larger and more likely to have the resources and incentive to actively manage  
3 their energy usage, which will hopefully allow them to maximize their export credits. Offering  
4 incentives to these customers would only increase the costs of the pilot implementation which  
5 would increase the cost to all customers. As part of the design of the Stage 2 pilot there will be a  
6 working group and that would be the proper venue to discuss if incentives are needed to reach  
7 higher thresholds of customer participation. However, at this time, SDG&E believes it is in the  
8 best interest of all parties to offer the initial Export Compensation Pilot rate without additional  
9 incentives and add incentives only to the extent necessary in Stage 2. Adding incentives at this  
10 time could potentially unnecessarily increase costs of the Pilot.

11 **IV. SDCP’S DATA ACCESS AND COST RECOVERY PROPOSALS CANNOT BE**  
12 **RESOLVED IN THIS PROCEEDING**

13 Although SDCP states that it “maintains a robust interest in the RTP Pilot Rate and other  
14 dynamic rates, as evidenced by discussions with SDG&E on the subject,”<sup>20</sup> its testimony should  
15 be disregarded as conditioning their participation on out-of-scope data access issues and  
16 inappropriate requests for cost recovery. SDCP is concerned with meter data access and wants  
17 SDG&E to provide a technical solution to alleviate the meter data latency issues and for the costs  
18 of that solution to be recovered through the RTP pilot implementation.<sup>21</sup> This request is out of  
19 scope for this application. SDCP itself admits that the RTP application is not the best regulatory  
20 path available to obtain approval from the Commission for these changes.<sup>22</sup> SDCP seeks

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<sup>19</sup> SDG&E’s Prepared Supplemental Direct Testimony of Jeff DeTuri (Chapter 1) (August 15, 2022) at JDT-5, lines 14-15.

<sup>20</sup> Prepared Direct Testimony of Lucas Utouh on Behalf of SDCP at 1-2, lines 23 and 1.

<sup>21</sup> *Id.* at 5, lines 1-8.

<sup>22</sup> *Id.* at 3, lines 11-12.



1 Commission direction for this issue to be addressed in SDG&E’s GRC Phase 2; however, this  
2 issue is already within the scope of the Demand Flexibility Order Instituting Rulemaking, R.22-  
3 07-005<sup>23</sup> and should be addressed there and there alone to avoid the potential for inconsistent  
4 decisions. SDG&E and SDCP *do* agree, however, that the RTP application is *not* the proper  
5 venue for this request.

6 Moreover, SDCP conditions its participation in an RTP rate on inappropriate requests for  
7 recovery of implementation costs. SDCP’s request for the Commission to create “a cost  
8 recovery mechanism to be made available to us as part of our RTP implementation budgets” is  
9 inappropriate and should be rejected outright. Any costs associated with “modernized and  
10 enhanced billing and Customer Relationship Management (CRM) systems to support the  
11 complexities associated with increased data processing needs of dynamic tariffs[,]”<sup>24</sup> should be  
12 borne by the CCAs themselves. SDG&E sees no reason for the CCAs to seek cost recovery for  
13 billing when SDG&E handles billing on behalf of the CCAs.<sup>25</sup> Additionally, not only should the  
14 Commission reject the request for cost recovery generally, but it should reject the request for  
15 “the costs of [the data access] solution to be recovered through the RTP pilot implementation.”<sup>26</sup>  
16 Accordingly, the Commission should reject SDCP’s requests for meter data access and RTP cost  
17 recovery.

18 **V. SUMMARY AND CONCLUSION**

19 This concludes my prepared rebuttal testimony.

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<sup>23</sup> R.22-07-005, Assigned Commission’s Phase 1 Scoping Memo and Ruling (November 2, 2022) at 6, Working Group 2.

<sup>24</sup> Prepared Direct Testimony of Lucas Utouh on Behalf of SDCP at 5.

<sup>25</sup> See Public Utilities Code § 366.2(c)(9); see also SDG&E Electric Rule 27 (Community Choice Aggregation Rules).

<sup>26</sup> Prepared Direct Testimony of Lucas Utouh on Behalf of SDCP at 5.