

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
LESLIE WILLOUGHBY (CHAPTER 6)
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 REBUTTAL TESTIMONY OF**
2 **LESLIE WILLOUGHBY (CHAPTER 6)**

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's) Applications
6 (A.) 21-12-006 and 21-12-008 (consolidated). Specifically, my rebuttal testimony will address
7 the following comments and suggestions made in intervenor testimony:

- 8 • The Public Advocates Office of the California Public Utilities Commission's (Cal
9 Advocates) recommendations on using Green House Gas (GHG) emissions data
10 from the California Public Utilities Commission's (CPUC) Avoided Cost
11 Calculator (ACC) and providing Utility Consumers' Action Network (UCAN)
12 with clarification on how SDG&E's plans to calculate hourly emissions factors
13 for its GHG analysis.
- 14 • Cal Advocates' and UCAN's suggestions on load impact analysis methodologies.
- 15 • The Utility Reform Network's (TURN) assertion that SDG&E's testimony does
16 not contain the components needed to determine potential under collection and
17 cost shift to non-participating customers.

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

20 **II. SDG&E PLANS TO REVIEW AND REFINE ITS EVALUATION PLANS IN THE**
21 **WORKING GROUP MEETINGS BEFORE EACH PHASE OF THE REAL-**
22 **TIME-PRICING (RTP) PILOT**

23 **A. Specific GHG Methodology and Resources Should Be Assessed In a Pre-**
24 **Implementation Workshop**

25 SDG&E appreciates the constructive feedback provided by Cal Advocates and
26 specifically its suggestion to utilize the CPUC's ACC tool as a resource for extracting GHG
27 emission rates.¹ SDG&E believes that the GHG analysis should utilize the best available

¹ Cal Advocates Prepared Testimony of Thomas Brawley (Chapter 2) at 2-21 lines 3-7.

1 information with respect to the GHG hourly factors and that extracting GHG emission rates from
2 the CPUC's ACC is a good potential resource; however, SDG&E is not yet ready to establish the
3 specific GHG analysis that will be conducted and believes this is best left to future discussion
4 and decision. Indeed, SDG&E used the CPUC's ACC tool to develop certain initial price inputs
5 in its proposal.² However, SDG&E is hesitant to establish a specific methodology so far in
6 advance. The specific methodology will depend on customer participation rates. There will be a
7 chance to vet and refine the GHG analysis in the workshop before submitting the Phase 1
8 Evaluation Plans.

9 Additionally, UCAN asked for clarification on how SDG&E is going to calculate the
10 hourly emissions factors for the GHG analysis.³ UCAN states that SDG&E must have used an
11 effective heat rate in order to create the CO₂ / megawatt-hour needed for the GHG analysis. In
12 SDG&E's GHG proposal, SDG&E calculated a heat rate using SP15 Day Ahead Price, SoCal
13 Border Price as well as other pricing information from the ACC calculator.⁴ The calculated heat
14 rates in SDG&E's proposed GHG analysis would use publicly available information.⁵ SDG&E
15 plans to refine its GHG analysis process in the workshop that will allow UCAN and Cal
16 Advocates to provide additional input to improve the analysis.

² SDG&E Prepared Supplemental Direct Testimony of Leslie Willoughby (Chapter 6) (August 15, 2022) at LW-16 lines 16-24. The discussion in lines 16-24 did not include language about pricing data or heat rates, which would be used in SDG&E's approach. The focus was very high level and not meant to include all inputs required to conduct the GHG analysis.

³ Direct Testimony of Mary Neal on Behalf of UCAN concerning SDG&E's Application for Approval of a RTP Pilot Rate (December 30, 2022) at 22-23.

⁴ SDG&E Prepared Supplemental Direct Testimony of Leslie Willoughby (Chapter 6) (August 15, 2022) at LW-16 lines 7-24. The analysis described was very high level, and did not state the necessary variables to calculate the GHG factors that are to be multiplied against the hourly changes in load.

⁵ In a previous GHG analysis, SDG&E utilized pricing data from the ACC as well as SP15 Day Ahead, and SoCal Border pricing and Heat Rates

1 **B. Load Impact Evaluation and Bill Impact Analysis and Metrics**

2 Both Cal Advocates and UCAN make suggestions regarding SDG&E’s proposed
3 evaluation plans and bill impact analyses. Cal Advocates makes additional recommendations to
4 SDG&E’s Measurement and Evaluation plans, such as quantifying bill impacts on low-income
5 customers⁶ and identifying load shifts in customers that are experiencing negative price events.⁷
6 SDG&E appreciates these suggestions and is amenable to addressing both of those issues in its
7 final evaluation plans. SDG&E notes that while SDG&E did not explicitly discuss this scenario,
8 it would be reasonable to evaluate load shifts in that situation. SDG&E also plans to have
9 separate evaluation plans for each phase of its RTP Pilot.⁸ Both Phase 1 and Phase 2 of the RTP
10 Pilot will have workshops conducted prior to the final evaluation plans.⁹ These workshops would
11 be an ideal time to discuss these recommendations. For instance, UCAN recommends that
12 SDG&E use a difference in differences methodology with a control group.¹⁰ SDG&E is not
13 against this approach, but would like to ensure that methodology, and any others decided on, will
14 produce meaningful results given the levels of customer participation and variability of customer
15 types in each phase of the RTP Pilot. For example, if there are, say, under 20 participants, certain

⁶ Cal Advocates Prepared Testimony of Thomas Brawley (Chapter 2) at 2-19 lines 8-11

⁷ *Id.* at 2-19 lines 21-23

⁸ The workshop for Phase 1 RTP will be in Q2 2024, this workshop would include input for the evaluation plans for RTP Phase 1. The workshop for Phase 2 RTP workshop may be in 2nd-3rd quarter of 2026, prior to finalizing the Phase 2 RTP evaluation plans.

⁹ SDG&E Prepared Supplemental Direct Testimony of Leslie Willoughby (Chapter 6) (August 15, 2022), Attachment A. Detailed plans for SDG&E’s RTP Phase 2 evaluation are not specified, but it is SDG&E’s intent to hold a workshop prior to finalizing the evaluation plans for Phase 2.

¹⁰ Direct Testimony of Mary Neal on Behalf of UCAN concerning SDG&E’s Application for Approval of a RTP Pilot Rate (dated December 30, 2022) at 15-16.

1 methodologies, such as a control group, may not be appropriate. These are specifics that are best
2 addressed with more information on customer participation.

3 **C. Cost Shifting and Potential Under Collection**

4 TURN states that SDG&E does not include in its testimony the components for
5 determining potential under collection and cost shifts to non-participating customers.¹¹ Because
6 some of the rates being used in the RTP Pilot tariff will be coming directly from the California
7 Independent System Operator, SDG&E does not have insight into those cost elements. SDG&E
8 will, however, be able to track load shapes before and after the RTP Pilot tariff using its AMI
9 data. It is expected that the load shapes will change in response to high peak prices and negative
10 pricing (if there is negative pricing). SDG&E will be able to utilize that participant load shape
11 data along with non-participant data. Again, the workshops that are to be conducted prior to the
12 final evaluation plans would be an excellent time to determine how best SDG&E can conduct the
13 under collection/cost shift analysis.

14 **III. SUMMARY AND CONCLUSION**

15 SDG&E believes that Cal Advocates, UCAN and TURN's comments and analysis
16 suggestions regarding the RTP Pilot Measurement and Evaluation plan can be successfully
17 addressed in the working groups proposed for Phase 1 and Phase 2 of the RTP Pilot,
18 respectively. These working groups are to be conducted prior to the final evaluation plans for
19 each phase of the RTP Pilot.

20 This concludes my prepared rebuttal testimony.

¹¹ TURN Prepared Testimony of David Cheng at 4-5.