

Application No.: A.22-05-002 et al.

Exhibit No.: _____

Witness: E Bradford Mantz

**PREPARED REBUTTAL TESTIMONY OF
E BRADFORD MANTZ
ON BEHALF OF
SAN DIEGO GAS & ELECTRIC COMPANY**

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



August 3, 2022

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1 **PREPARED REBUTTAL TESTIMONY OF**
2 **E BRADFORD MANTZ ON BEHALF OF**
3 **SAN DIEGO GAS & ELECTRIC COMPANY**

4 **I. INTRODUCTION**

5 The purpose of this testimony is to respond to issues raised by intervenors related to
6 San Diego Gas & Electric Company’s (SDG&E) 2023 Bridge Year Funding Requests.

7 Three intervenors submitted direct testimony: the California Public Advocates Office (Cal
8 Advocates), the Small Business Utility Advocates (SBUA) and OhmConnect, Inc. My
9 testimony will address issues related to the following:

- 10 1. Cal Advocates’ recommendation that 2023 funding for SDG&E’s Residential
11 Capacity Bidding Program Pilot (Residential CBP Pilot) be denied;
- 12 2. OhmConnect’s recommendation to create an On Ramp to Market Integrated
13 DR Programs; and
- 14 3. OhmConnect’s recommendation to update the Electric Load Reduction
15 Program (ELRP) trigger for Group B. 1 Customers to include the Flex Alert.

16 SDG&E’s failure to address any particular intervenor testimony or individual issue
17 in this rebuttal testimony does not imply agreement by SDG&E with any argument, position
18 or proposal asserted by the intervenors.

19 **II. CAL ADVOCATES’ RECOMMENDATION THAT THE COMMISSION**
20 **DENY SDG&E’S REQUEST FOR 2023 FUNDING FOR ITS RESIDENTIAL**
21 **CAPACITY BIDDING PROGRAM PILOT SHOULD BE REJECTED**

22 Cal Advocates recommends that SDG&E’s funding request for the 2023 “CBP
23 Residential Pilot is unreasonable and should be denied.”¹ In support of their
24 recommendation, Cal Advocates argues that “[g]iven that SDG&E’s residential CBP pilot

¹ Opening Testimony of Cal Advocates, p. 1-9

1 does not test a new concept or address a gap in its DR programs, and that the experiences of
2 PG&E and SCE could inform SDG&E’s integration of residential customers into CBP going
3 forward, the Commission should deny SDG&E’s 2023 residential CBP pilot budget
4 request.”²

5 SDG&E disagrees with Cal Advocates’ assertion that funding for the Residential CBP
6 Pilot in 2023 is not needed as SDG&E still needs to collect additional data before making its
7 final evaluation on whether to convert the pilot into a program. For example, the funding is
8 necessary to allow SDG&E to test additional hypotheses in 2023 regarding the aggregator and
9 customer experiences (*i.e.*, is it worth it for either party to even participate?), the feasibility of
10 bidding the resource into the CAISO market and day-of dispatch, and to evaluate any other
11 discoveries or learnings found during the course of the pilot. The 2023 funding is also needed
12 to evaluate and incorporate any applicable findings from PG&E and SCE’s CBP Residential
13 pilots. The combined information will contribute to the pilot’s final Evaluation, Measurement
14 and Verification (EM&V) report and will help to make a determination if the Pilot should be
15 converted to a program in 2024.

16 SDG&E agrees with Cal Advocates that it would be prudent to meet with the other
17 IOUs and “that the experiences of PG&E and SCE could inform SDG&E’s integration of
18 residential customer into CBP going forward.”³ However, this alone does not negate the need
19 for SDG&E to collect additional data unique to its own service territory and customer base.
20 Information shared by PG&E and SCE combined with SDG&E’s pilot information is

² *Id.*, p. 1-10

³ Opening Testimony of Cal Advocates, p. 1-10

1 necessary to allow us in 2023 to make a more robust E&MV decision on the future of the pilot
2 going forward.

3 Finally, SDG&E would be remiss if it did not correct Cal Advocates’ statement that
4 “SDG&E should also return any uncommitted residential CBP pilot funds collected to
5 ratepayers at its next available opportunity.”⁴ Unlike the other IOUs, SDG&E collects its
6 actual DR Programs and Pilots’ expenses in arrears through distribution rates.⁵ DR
7 expenditures are not collected in rates before they are spent, which SDG&E believes is in the
8 best interests of our ratepayers. Thus, there is no need to return any uncommitted funds
9 collected to our ratepayers as SDG&E never has uncommitted collected funds for DR.

10 **III. OHMCONNECT’S RECOMMENDATION TO MODIFY THE ELRP TO**
11 **CREATE AN ON-RAMP TO MARKET-INTEGRATED DR PROGRAMS**
12 **SHOULD BE REJECTED**

13 SDG&E currently provides its customers with third-party contact information on its
14 website (www.SDGE.com) for aggregators that participate in SDG&E’s Base Interruptible
15 Program (BIP) and Capacity Bidding Program (CBP) as well as DRPs participating in Rule
16 32 and Demand Response Auction Mechanism (DRAM). It would be impossible and
17 unmanageable for SDG&E to list the various requirements and incentives that each of these
18 third parties could offer customers. SDG&E does not want to be placed in the position of
19 possibly passing on outdated, incorrect or unreliable information about a third party’s
20 program, even inadvertently.

⁴ *Id.* at p.1-10

⁵ Prepared Direct Testimony of Kenneth C. Pitsko - Chapter 6A at KCP - 4

1 OhmConnect recommends that the Commission modify the ELRP to adopt an “on-
2 ramp” for what they deem “more frequently dispatched demand response programs.”⁶
3 Specifically, OhmConnect proposes that ELRP administrators be required to leverage
4 existing marketing channels to promote all available DR programs administered by the
5 IOUs.⁷ SDG&E disagrees with this recommendation as it reflects a misguided effort to have
6 the IOUs use ratepayer funds to market third party programs to customers. The IOUs
7 already have information on these third parties on each of their respective web pages, as
8 required by the Decision 17-12-003.⁸ This information includes each DRP’s name, link to
9 website, and a brief description of the DRP’s program, as provided by the DRP. The
10 aforementioned listing of DRPs was ordered and already reflects a sufficient compromise
11 given the fact that is it not the role of the IOUs to market third party programs nor does the
12 SDG&E want any liability for adding further details about programs it does not manage.

13 However, all those details pale to the fact that it is simply not the role of the IOU to
14 market third party programs. If SDG&E were to do that, SDG&E’s costs would rise and be
15 passed to its ratepayers, raising the total cost of the pilot. The DRPs must consider their
16 own costs to participate in the ELRP, any marginal profit as a business, and whether or not it
17 is advantageous for them to continue.

18 In order to justify its proposal for the IOUs to market the third party programs using
19 ELRP marketing funds, OhmConnect states that the way the current ELRP pilot is designed
20 “in absence of emergency conditions, substantial amounts of ratepayer funds may be

⁶ Opening Testimony of Maria Belenky on behalf of OhmConnect, Inc., p. 2.

⁷ *Id.* at Exhibit A.

⁸ D.17-12-003, Ordering Paragraph (OP) 46, p. 197.

1 expended with no corresponding benefit.”⁹ The ELRP is by design an emergency vehicle to
2 get as many of SDG&E’s customers to participate in an ELRP event when activated to help
3 secure grid reliability during a time of need. Due to its very nature as an emergency
4 program there is the distinct possibility that few or no Flex Alerts could be called in a
5 specific year. OhmConnect’s proposed solution to require SDG&E to market third party
6 programs does nothing to alleviate the issue since it will not reduce any of the costs already
7 spent to implement the ELRP settlement calculations or reduce future costs to maintain the
8 ELRP pilot.

9 In addition, SDG&E disagrees with OhmConnect’s assertion that despite the IOUs
10 marketing efforts regarding the ELRP, it is unlikely that even the majority of these
11 customers will be aware enough to actively reduce their load during a program event.¹⁰
12 Ohmconnect makes this assertion based on recent surveys of awareness of SCE’s own DR
13 programs. Such a comparison to SCE’s surveys if is flawed. For example, Ohmconnect
14 states that “[b]ecause most customers were automatically enrolled into the residential ELRP,
15 they can be reasonably compared to the non-participants surveyed in the studies above.”¹¹
16 However, this assertion incorrectly implies that customers are unaware of the residential
17 ELRP A.6 (or as currently named the Power Saver Rewards Program). In fact, the
18 customers were not participants in the programs that OhmConnect is using as an example.
19 Since these referenced customers were not enrolled in a DR program and thus unaware of
20 the program, is different than the customer being auto enrolled in the Power Saver Rewards

⁹ Opening Testimony of Maria Belenky on behalf of OhmConnect, Inc., p. 4.

¹⁰ Opening Testimony of Maria Belenky on behalf of OhmConnect, Inc., p. 4.

¹¹ *Id.*

1 Program in which customers have received several notifications making them aware of their
2 auto enrollment and the program.

3 SDG&E has spent considerable time and effort with its outreach to both customers
4 that were automatically enrolled per the Decision and eligible customers that have chosen to
5 opt-in providing them information about the program.¹² It is premature to assume that these
6 customers will not respond to event notices without gathering evidence to the contrary. In
7 addition, even if the 2022 load impacts results indeed show that auto-enrolled customers are
8 not providing a measurable load reduction during events, the issue should be addressed by
9 either making ELRP A6 an opt-in or by improving the pilot marketing. Requiring SDG&E
10 to market third party programs is not a solution to make the ELRP A6 pilot more effective.

11 OhmConnect's request for the IOUs to market third party programs is not
12 appropriate and does not address any of the issues with the ELRP A6 pilot design that it
13 raises. Accordingly, OhmConnect's on-ramp proposal should be rejected.

14 **IV. OHMCONNECT'S RECOMMENDATION TO UPDATE THE ELRP**
15 **TRIGGER FOR GROUP B.1 CUSTOMERS TO INCLUDE THE FLEX**
16 **ALERT SHOULD BE REJECTED**

17 OhmConnect recommends that the Commission revise the ELRP trigger for Group B
18 residential customers by adopting the Flex Alert as the new trigger.¹³

19 SDG&E agrees with OhmConnect's statement that all residential customers should
20 have the same ELRP trigger to reduce confusion and increase the effectiveness of unified
21 marketing.¹⁴ However, SDG&E notes that achieving that goal requires adding the Flex

¹² D.21-12-015 Attachment 2, p. 8.

¹³ Opening Testimony of Maria Belenky on behalf of OhmConnect, Inc., p. 6.

¹⁴ *Id.* at p. 6.

1 Alert as a trigger to *both* ELRP B.1 and B.2. Adding a Flex Alert as trigger to only sub-
2 group B.1 (as OhmConnect suggests) would create an unlevel playing field between DRPs
3 participating in B.1 and aggregators participating in B2.

4 In the ELRP B.1, DRPs Proxy Demand Resources (PDR's) have a mix of primarily
5 residential customers with some commercial customers. In ELRP B.2, IOU CBP
6 Aggregators PDRs are predominantly made up of commercial customers which utilize the
7 same trigger as the ELRP Sub-Group A. customers. If commercial customers were to be
8 excluded from B.1 and only residential customers remain in the sub-group then the
9 modification to a Flex Alert trigger for just B.1 residential customers like the A.6
10 Residential group would make more sense. However, since commercial customers who are
11 enrolled in both group B sub-groups (*i.e.*, B.1 & B.2) are being triggered by the issuance of
12 a Flex Alert and the commercial customers in sub-group A being triggered by the issuance
13 of an Energy Emergency Alert (EEA) Notice, this could lead to customer confusion by
14 sending different signals to commercial customers who may have facilities enrolled in
15 several different programs. In order to avoid this confusion, OhmConnect's proposal should
16 be rejected.

17 **V. CONCLUSION**

18 For the above-mentioned reasons SDG&E respectfully requests that the Commission
19 reject the intervenor recommendations proposed above and approve SDG&E's application,
20 which is based on SDG&E's supporting testimony and approved CPUC decisions.

21 This concludes my rebuttal testimony.

1 **VI. WITNESS QUALIFICATIONS**

2 My name is E Bradford Mantz. My business address is 8335 Century Park Court,
3 San Diego, California 92123. I am employed by SDG&E as the Demand Response and
4 Segmentation Manager for Customer Programs. My responsibilities include the design,
5 implementation and management of demand response programs for SDG&E. I have been
6 employed by SDG&E since 2010.

7 I graduated from the University of Texas, Austin with a Bachelor of Arts in Business
8 Administration with emphasis in Marketing and Petroleum Land Management and a minor
9 in Geology.

10 I have testified previously before the California Public Utilities Commission.