

Application: A.18-11-015

Exhibit No.: SDG&E-

Witness: Douglas S. White

**UPDATED PREPARED DIRECT TESTIMONY OF
DOUGLAS S. WHITE
CHAPTER 1
ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY**

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



NOVEMBER 13, 2020

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1 **UPDATED PREPARED DIRECT TESTIMONY OF**
2 **DOUGLAS S. WHITE - CHAPTER 1**

3 **I. INTRODUCTION**

4 The purpose of my prepared direct testimony is to update and supersede the prepared
5 direct testimony of Raghav Murali dated November 26, 2018, which is necessitated by the
6 passage of time that has elapsed since the Application and testimony was originally submitted.¹
7 In that initial testimony, Mr. Murali provided a brief overview of the Application, described San
8 Diego Gas and Electric Company’s (“SDG&E”) perspective on the data policy implications at
9 hand, and requested specific action by the California Public Utilities Commission
10 (“Commission” or “CPUC”). The topics discussed in this chapter are expanded upon in the
11 updated testimony of witnesses Neil Umali (Chapter 2), Thomas Moses (Chapter 3), Christopher
12 Vera (Chapter 4), and Claire Olegario (Chapter 6).

13 **II. APPLICATION OVERVIEW**

14 **A. Executive Summary**

15 By this Application SDG&E complies with the Ordering Paragraphs (“OP” or “OPs”) of
16 the Commission’s Resolution E-4868 (August 24, 2017) (“Resolution”).² The Resolution
17 ordered the investor-owned utilities (“IOUs”) to continue to refine their current click-through
18 authorization processes (“CTP”) by which customers can be authenticated as real customers of a
19 specific IOU and then authorize the IOU to provide a specific data set to a third-party demand

¹ This update testimony has been authorized by the Assigned Commissioner’s First Amended Scoping Memo and Ruling (October 23, 2020) (“Amended Scoping Memo”) at 6.

² Resolution, OP 29 at 105-106.

1 response provider (“DRP”) via a seamless automated process that starts and ends on the website
2 of the third-party. This activity is to support SDG&E’s Electric Rule 32.³

3 SDG&E launched the first phase of its CTP in Spring 2018, with the third phase of
4 implementation concluding around the time this Application was filed in November 2018.⁴
5 Since that time, almost 30,000 customers have authorized SDG&E to provide the expanded data
6 set (as defined in the Resolution Attachment 1) through the CTP to two DRPs.⁵ The current CTP
7 solution has accomplished what it was designed to achieve: to provide a secure, standards-based
8 technology solution that begins and ends on a third-party website and through a process that
9 achieves the following goals:

- 10 1) Securely provides utility authentication of the customer (the customer is
11 confirmed to be who they say they are), and the customer is recognized by the
12 utility as an SDG&E customer;
- 13 2) Allows the customer to indicate to the utility his or her desire to share a defined
14 set of data with a defined third-party;
- 15 3) Requests the customer to verify his or her understanding and agreement to a set of
16 SDG&E terms and conditions granting authority to SDG&E to share the data with
17 the third-party;
- 18 4) Provides the third-party DRP with confirmation of the customer authorization;

³ SDG&E Electric Rule 32 is the “direct participation” in the CAISO market rule; and governs the relationship between the customer, utility, and third-party or DRP. Pacific Gas and Electric Company (“PG&E”) and Southern California Edison Company’s (“SCE”) direct participation rules are both numbered Rule 24. The rules are often referred to as Rule 24/32.

⁴ Resolution, OP 26 at 104.

⁵ The number of customers and DRPs who have utilized the CTP as of October 31, 2020. One additional DRP has requested integrating with the CTP but has not completed the process.

- 1 5) Seamlessly allows the customer to start and finish his or her authentication and
2 authorization process on the third-party DRP website and reduces the chance of
3 attrition or abandonment of the authorization process mid-stream; and
4 6) Provides a process for the customer to revoke this authorization if, for any reason,
5 the customer no longer wishes to share data with the DRP.

6 Not only has SDG&E's CTP achieved these goals, but it has done so within the budget
7 authorized for the effort.

8 **B. Summary of the Chapters and their Contents**

9 As SDG&E looks forward to the future of the CTP, OP 29 of the Resolution lists ten
10 required elements to be included in this Application. The elements addressed in this Application
11 can be grouped into two categories:⁶

12 **Category 1** contains one element in response to the second bullet in OP 29: “a cost
13 estimate and proposal for API [Application Program Interface] Solution 1,”⁷ herein referred to as
14 the “Alternate Solution,” to differentiate it from SDG&E's current CTP, which is in operation
15 and serving customers today.

16 **Category 2** of required elements for this Application consists of the remaining eight
17 bullet points contained in OP 29, which are generally less expansive and complex in nature.

18 These items are as follows:

- 19 - A cost estimate and proposal for synchronous data;
20 - Improvements to the authorization process to increase participation;

⁶ On October 23, 2020, the Commission issued an Amended Scoping Order and Ruling which removed the expansion of the CTP to distributed energy providers (“DERPS”), also listed in Resolution, OP 29 at 105-106, from the scope of this proceeding. *See* Amended Scoping Memo at 5.

⁷ Resolution, OP at 105.

- 1 - Improvements to the data delivery processes;
- 2 - Upgrades to information technology (“IT”) infrastructure needed for the CTP;
- 3 - Additional functionality suggested in the Customer Data Access Committee
- 4 (“CDAC”);
- 5 - Resolution of any implementation issues in the current CTP or Alternate Solution
- 6 as raised by the stakeholders in the CDAC;
- 7 - Costs for integrating the Customer Information Service Request (“CISR-DRP”)
- 8 into the Green Button or Customer Energy Network (“CEN”) platforms; and
- 9 - A description of how SDG&E would update its website to include customer-
- 10 friendly data on its Rule 32, how to authorize the sharing of data, and how to
- 11 revoke that authorization.

12 In responding to the bullets above from OP 29, SDG&E provides its updated prepared
13 direct testimony divided into the following chapters:

- 14 1. Chapter 1 – My testimony, as described in the Introduction above;
- 15 2. Chapter 2 – The prepared direct testimony of Neil Umali (“Umali Testimony
- 16 (Chapter 2”)), who describes the proposed approach and rationale for each of the
- 17 elements above, including business unit costs and the business perspective for the
- 18 OP 29 elements;
- 19 3. Chapter 3 – The prepared direct testimony of Thomas Moses (“Moses Testimony
- 20 (Chapter 3”)), who describes the IT architecture, IT costs, and technical approach
- 21 for each of the elements above;
- 22 4. Chapter 4 – The prepared direct testimony of Christopher Vera (“Vera Testimony
- 23 (Chapter 4”)), who addresses privacy issues related to certain OP 29 elements;

- 1 5. Chapter 5 – The prepared direct testimony of Kristi Khong (“Khong Testimony
2 (Chapter 5)”), who provides the revenue requirement needed for the proposed
3 budgets requested in the Application;
- 4 6. Chapter 6 – The prepared direct testimony of Claire Olegario (“Olegario
5 Testimony (Chapter 6)”), who provides SDG&E’s proposal on how costs
6 associated with this Application should be recovered; and
- 7 7. Chapter 7 – The direct prepared testimony of Jennifer Montanez (“Montanez
8 Testimony (Chapter 7)”), who provides the estimated rate impacts that would
9 result from the Commission’s approval of SDG&E’s requested budget.

10 **III. SDG&E’S PROPOSALS IN RESPONSE TO OP 29**

11 **A. Category 2 Requirements - SDG&E is already compliant with, or is**
12 **proposing changes to comply with, these requirements.**

13 The final eight bullets of OP 29 contain several operational requirements. SDG&E has
14 already achieved, or is proposing to achieve in this Application, each of these requirements.

15 Witnesses Umali and Moses provide greater detail on each of these, summarized below:

- 16 1. **Data Delivery Synchronization** – SDG&E understands the need to ensure a
17 positive customer experience, providing a near real-time response to reduce the
18 number of customers abandoning the process. SDG&E is currently meeting these
19 needs, as required by the Resolution.⁸
- 20 2. **CTP Authorization Improvements** – SDG&E’s recommendation to improve the
21 CTP includes the development and implementation of a communication plan
22 when a planned or unplanned outage occurs that impacts the CTP. This plan is

⁸ See Resolution, OP 18 at 102 and OP 29 at 105-106.

1 described in greater detail in the Umali Testimony (Chapter 2). SDG&E requests
2 no incremental funding for this effort.

3 3. **Data Delivery Process Improvements** – SDG&E does not recommend any
4 immediate additional improvements in this area. SDG&E discovered in the
5 Spring of 2020 that some data delivery issues existed, reported such to the Energy
6 Division and the impacted DRPs, and implemented its plan to remedy the missing
7 data elements as soon as it was possible.⁹ SDG&E does not see evidence of
8 further need for delivery improvement at this time.

9 4. **Improvements to the CTP Infrastructure** – SDG&E is proposing new
10 integration test environments to streamline testing for DRP integration to help
11 DRPs launch in less time.

12 5. **Additional CTP Functionalities Proposed in CDAC for the Current CTP**
13 **Solution** – As described in greater detail in the Umali Testimony (Chapter 2) and
14 the Moses Testimony (Chapter 3), SDG&E has either achieved, or proposes to
15 achieve, once approved, new functionalities to the CTP.

16 6. **Resolution of Implementation Issues Raised in the CDAC**– SDG&E knows of
17 no additional issues raised in the CDAC that still need to be resolved in
18 connection with SDG&E’s implementation of the ordered CTP.

19 7. **Integrating CISR-DRP Form Terms and Conditions with SDG&E’s**
20 **Customer Energy Network (CEN) System** – SDG&E has integrated the terms
21 and conditions of the CISR-DRP in every path available for customers to

⁹ SDG&E began meeting in May of 2020 with the registered DRPs to notify them of the missing data elements and completed remediation. *See* Umali Testimony (Chapter 2).

1 authorize the sharing of data by signing the CISR-DRP form, both paper and
2 electronic, which is supported today by our CEN.

3 8. **Publication of an Information Utility Website** – The customer education web
4 page for CTP has been developed and published.

5 **B. Three New Data Elements:**

6 In this Application, SDG&E proposes (in Umali Testimony (Chapter 2)) to add three data
7 elements to the current data set provided to DRPs.¹⁰ These data elements are: 1) gas usage; 2)
8 the customer’s participation in SDG&E’s Energy Efficiency (“EE”) programs; and 3) historical
9 customer rate information and notification of a customer rate change. These three elements are
10 minimal in their cost to provide. More importantly, these data fields meet a specific business
11 need and cannot be obtained from other parties. SDG&E elects to add them now because they
12 support integrated demand side management (“IDSM”) activity. For example, it may be useful
13 for a DRP, which already receives data on demand response (“DR”) program participation
14 through the CTP, to also receive confirmation of a customer’s participation in a SDG&E EE
15 program. Specifically, some of SDG&E’s EE programs include thermostat rebates, which would
16 be useful for the DRP to know to support further DR activity. Similarly, it could be useful for
17 the DRP to receive gas usage data, if available, for customers as part of the expanded data set.

18 **C. Category 1 Requirement - The current CTP has achieved what it was**
19 **designed to do; and no alternative solution is required at this time.**

20 In SDG&E’s view, the CTP built by SDG&E has achieved what it was designed to do;
21 with more customers than ever before being able to seamlessly authenticate and authorize the
22 sharing of their data with third-party DR providers. Further, using the CTP now in operation, the

¹⁰ Umali Testimony (Chapter 2), Section IV. Whitepaper Responses: Requests for Additional Data – Recommended.

1 authentications and authorizations are verified by SDG&E and the customer is protected,
2 allowing for encrypted data to securely flow between DRPs and the utility, with customers'
3 informed consent. SDG&E does not believe that adding another platform to provide the same
4 result, when the first system is effective and working today, is necessary or advisable. This is
5 particularly true where ratepayers have already funded this secure, functioning system. Adding
6 another system to the current CTP offerings unnecessarily and, again, at ratepayer cost, is not a
7 good use of ratepayer's money especially in today's economic climate. With the security
8 concerns raised in Moses Testimony (Chapter 3), launching the Alternate Solution is ill-
9 advised.¹¹

10 As stated above, SDG&E opened its CTP on time in Spring 2018 and, since that time,
11 almost 30,000 customers have authorized SDG&E to provide the expanded data set (as defined
12 in the Resolution) to DRPs. The customers using CTP so far have averaged more than 1000 each
13 month since its inception. The total number of customer authorizations to share their data with
14 DRPs under Rule 32 before CTP was launched (using the paper CISR-DRP, or the customer
15 information service request), from 2015 through March of 2018, was 17,589; on average at a rate
16 that was less than 600 per month. Based on the trajectory of the numbers to date, it appears that
17 DRPs using the CTP have increased the numbers of customers authorizing SDG&E to share their
18 data. However, it is unknown from these statistics if there are other contributing factors to the
19 increase in authorizations to share data; whether increased DRP marketing drove customers to
20 the DRP websites more frequently, or if DRPs' programs were designed in more attractive ways,
21 or with higher incentives, that attracted those new customers, or if it was a combination of those

¹¹ Details on the Alternate Solution and SDG&E's security concerns are discussed in Moses Testimony (Chapter 3).

1 or different factors. But SDG&E does believe that CTP being offered certainly played a part –
2 we just do not know how large a role it has played.

3 It is worth noting, as we now turn to how to best enhance and/or utilize the CTP going
4 forward, that the number of DRPs using the CTP has stayed relatively small compared to what
5 SDG&E expected; so far only two DRPs have completed integrations to the SDG&E CTP.
6 SDG&E has not received a great number of inquiries from vendors about the CTP. SDG&E is
7 also not sure whether the enrollment trajectory for DRPs’ programs will continue to grow as it
8 has in the past few years, or if it will instead level off.¹² The current 2 DRPs who utilize CTP in
9 SDG&E’s territory have historically participated in the DRAM solicitations SDG&E has been
10 ordered to conduct to procure DR. Now that the pilot’s annual budgets are set for the next 4
11 years by a recent CPUC Decision, at \$2M annually for SDG&E (D.19-07-009, Ordering
12 Paragraph 2), it seems reasonable to surmise that the DRAM market may be set for the
13 foreseeable future.

14 Given that SDG&E’s CTP has been implemented and operating for almost 2.5 years,
15 with growing, but not exponential usage of less than 2% of SDG&E’s customer count, the
16 Commission should allow SDG&E to continue its current CTP and see how demand progresses
17 and with what business drivers, rather than turning its attention to extensive enhancements, or
18 building out a separate additional process, an Alternate Solution. Investing in the current CTP,
19 in small ways that bring good value to DRPs, is a logical and prudent use of ratepayer funds.
20 Requiring SDG&E to invest incremental resources to build a second, separate Alternate Solution,
21 to accomplish the same goals, is not. Underlying the Commission’s requirement for the IOUs to

¹² In the most recent DR Auction Mechanism (“DRAM”) solicitation, for delivery of DR in 2021 (DRAM 6), SDG&E received no bids from any new market entrants; *i.e.*, DRPs who had not bid in past year’s solicitation.

1 propose and provide a cost estimate for an Alternate Solution, instead of waiting to evaluate the
2 current CTP, was its desire to avoid customers “using a failed system to authorize the Utility to
3 share their data with the third-party with the likely result that program enrollments would be
4 lower than desired.”¹³ This cause for concern never materialized. Instead, the CTP process is
5 working precisely as designed to allow customers a seamless way to authenticate and authorize
6 third-party receipt of the customer’s information. In addition, just as there are not great numbers
7 of DRPs asking SDG&E about the CTP, there has been no indication to SDG&E that there are a
8 substantial number of third-party DRPs who are anxious to use the Alternate Solution that was
9 proposed by parties.

10 Given all of the above, SDG&E cannot champion the use of additional ratepayer funds
11 for an Alternate Solution that may have little or no value without knowing that it would have
12 substantial traction with both DRPs and customers and be secure. The use so far of CTP, to meet
13 the goals that the CPUC had for CTP, should assuage the Commission’s concern for the
14 foreseeable future. Further, given the lack of record as to the potential use of the Alternate
15 Solution, as well as the very serious security concerns more fully addressed in Mr. Moses’
16 Testimony (Chapter 3) and Mr. Vera’s Testimony (Chapter 4), proceeding with that Solution is
17 unwarranted.¹⁴

18 **IV. SUMMARY OF SDG&E’S BUDGET REQUEST AND OTHER COST**
19 **ESTIMATES**

20 SDG&E seeks cost recovery for its proposed budgets as discussed in Ms. Olegario
21 Testimony (Chapter 6). SDG&E has developed cost estimates based upon its good faith

¹³ Resolution at 63.

¹⁴ SDG&E identifies serious technical concerns associated with the Alternate Solution in Moses Testimony (Chapter 3) and Vera Testimony (Chapter 4).

1 assumptions, described in each chapter. The budgets SDG&E seeks recovery for herein have not
 2 been sought elsewhere and are directly attributable to the items in this Application as described.
 3 The Umali Testimony (Chapter 2) and Moses Testimony (Chapter 3) contain the total individual
 4 cost estimates for SDG&E’s proposed budget request. The total budget request from SDG&E is
 5 summarized below in Table DW-1 below.

Table DW-1 - SDG&E TOTAL BUDGET REQUEST (in dollars)**

		Year 1	Year 2	Year 3	TOTAL
Category 2 - Misc. Projects	Testimony Reference				
Status of Authorization	Capital, Moses, Section V., Table TM-5A	151,947	0	0	151,947
DR Program Eligibility Check	Capital, Moses, Section V., Table TM-5A	354,542	0	0	354,542
Status of Authorization	O&M, Moses, Section V., Table TM-5B	1,913	5,740	4,784	12,437
DR Program Eligibility Check	O&M, Moses, Section V., Table TM-5B	4,465	13,394	11,162	29,020
System Test Environment	Capital, Moses, Section IV., Table TM-3	53,576	0	0	53,576
System Test Environment	O&M, Moses, Section IV., Table TM-4	4,828	14,484	12,070	31,383
Expanded Dataset	Capital, Moses, Section VI., Table TM-6A	501,415	0	0	501,415
Expanded Dataset	O&M, Moses, Section VI., Table TM-6B	11,539	34,011	29,152	74,702
Expanded Dataset	O&M, Umali, Section IV.	39,546	0	0	39,546
TOTAL BUDGET REQUEST					\$1,248,568

6
 7 ** SDG&E has broken out its budget request over 3 years, and those details are illustrative of the
 8 anticipated timing. However, timing and spending may shift between the 3 individual years as needed, but not to
 9 exceed the total cap.

1 Questions on the above table should be directed to Mr. Umali’s Testimony (Chapter 2)
 2 and Mr. Moses’ Testimony (Chapter 3).

3 The Umali Testimony (Chapter 2) and Moses Testimony (Chapter 3) also contain other
 4 cost estimates for items required by OP 29 in the Resolution.¹⁵ Although SDG&E provides cost
 5 estimates for these items, it is not requesting recovery of such amounts at this time for the
 6 reasons explained in the Umali Testimony (Chapter 2) and Moses Testimony (Chapter 3), as
 7 SDG&E does not propose to implement these projects. For convenience, SDG&E provides a
 8 total of all the cost estimates for which it currently does not seek funding in Table DW-2 below.
 9 Questions on Table DW-2 should be directed to witnesses Umali (Chapter 2) and Moses
 10 (Chapter 3). The amounts below were not included in calculations of the revenue requirement
 11 (Khong Testimony (Chapter 5)) nor the illustrative rate impacts (Montanez Testimony (Chapter
 12 7)).

Table DW-2 - SDG&E TOTAL COST ESTIMATES FOR ITEMS NOT REQUESTED
 (in dollars)**

Category 1 – Alternate Solution		Year 1	Year 2	Year 3	TOTAL
Alternate Solution, IT	Capital, Moses, Section VIII	3,564,206	0	0	3,564,206
Alternate Solution, IT	O&M, Moses, Section VIII	0	489,604	489,604	979,208
Alternate Solution, Business Support	O&M, Umali, Section VI	0	82,030	123,046	205,076
Total for projects					\$4,748,490

13 ** SDG&E has broken out its cost estimate above over three years, and those details are illustrative of the
 14 anticipated timing should SDG&E be ordered to implement these projects. However, the timing and associated
 15 spending may shift between the three individual years as needed, but not to exceed the total cost estimated cap.
 16

¹⁵ Specifically, these items are related to the Alternate Solution (Solution 1). If the Commission orders SDG&E to provide this item, SDG&E will seek the recovery of costs as outlined in Table DW- 2, unless the scope is modified by the Commission requiring updated cost estimates.

1 **V. CONCLUSION**

2 In view of SDG&E's demonstration in this Application, SDG&E respectfully requests
3 that the Commission act as follows:

4 1) **The Commission should approve SDG&E's budget request of \$1,248,568, as**
5 **described in Table DW-1 above, for enhancements to its existing CTP.**

6 2) **The Commission should not direct SDG&E to build an Alternate Solution.**

7 SDG&E requests that it not be ordered to provide an alternative CTP, separate
8 from its current CTP,¹⁶ as referenced in Resolution, OP 29. Rather, the

9 Commission should invest in the proven and continued success of SDG&E's

10 existing CTP. If, however, SDG&E is ordered to implement an Alternate

11 Solution, SDG&E should be granted a two-way balancing account.

12 This concludes my prepared direct testimony.

¹⁶ This includes any modifications the Commission would order to the current SDG&E CTP to serve as a foundation or start for the Alternate Solution in any form.

1 **VI. STATEMENT OF QUALIFICATIONS**

2 My name is Douglas S. White. I am employed by San Diego Gas & Electric. My
3 business address is 8326 Century Park Court, San Diego, CA 92123. I am the Customer
4 Programs Policy and Strategy Manager for SDG&E. My primary responsibilities include
5 management of regulatory strategy, proceeding participation, compliance filings, and policy
6 development for all customer program offerings.

7 Prior to SDG&E, I spent over a decade in-house with semi-regulated entities, including
8 wireless and telecommunications providers, developing policy. Additionally, I served as policy
9 advisor to the Speaker of the New Jersey General Assembly, Joseph Roberts, and managed the
10 chamber's utilities committee. I started my career in the Washington, DC, office of California
11 Governor Gray Davis.

12 In 2003, I graduated from the University of Massachusetts Amherst with a Bachelor of
13 Business Administration in Management. I also received a Master of Public Administration
14 from New York University in 2007, with an emphasis in public policy analysis.

15 I have not previously testified before the Commission.

LIST OF ACRONYMS

A.	Application
AB	Assembly Bill
CAISO	California Independent System Operator
CCPA	California Consumer Privacy Act
CDAC	Customer Data Access Committee
CISR	Customer Information Service Request
CTP	Click-Through Authorization Process
DERPs	Distributed Energy Resource and Energy Management Providers
DR	Demand Response
DRP	Demand Response Provider
IDSM	Integrated Demand Side Management
IOUs	Investor-Owned Utilities
IT	Information Technology
OP/OPs	Ordering Paragraphs
SDG&E	San Diego Gas & Electric Company