

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

Application of Pacific Gas and Electric Company for Approval of its Residential Rate Design Window Proposals, including to Implement a Residential Default Time-Of-Use Rate along with a Menu of Residential Rate Options, followed by addition of a Fixed Charge Component to Residential Rates (U39E)

Application 17-12-011

And Related Matters.

Application 17-12-012
Application 17-12-013

Exhibit No. SDG&E-____

**PREPARED PHASE 2B REBUTTAL TESTIMONY OF
TODD CAHILL
ON BEHALF OF SAN DIEGO GAS & ELECTRIC COMPANY**

**BEFORE THE PUBLIC UTILITIES COMMISSION
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December 7, 2018



1 CalPA generally agreed, stating that it is not opposed to the general framework of the
2 utilities' proposals, nor to a default TOU roll-out over the course of one month.⁵ However,
3 CalPA further discussed how requiring uniform standards regarding the roll out of default TOU
4 to CCA customers (such as a one-month time limit) may create unnecessary operational hurdles
5 which fail to account for individual CCA characteristics.⁶ SDG&E agrees, and proposes that the
6 one-month proposal be modified to say "at least one month," so as to allow for more flexibility.

7 **2) SDG&E concurs with CalPA's discussion of IOU rate comparison tools for CCAs and**
8 **the use of utility Generation rates as a "proxy."**

9 In Direct Testimony, I proposed to provide bill comparisons using SDG&E's generation
10 rates as a proxy in instances where the CCA offers TOU generation rates that are structurally
11 similar to SDG&E's rates. This comparison approach was successfully implemented with
12 Solana Energy Alliance ("SEA") in October 2018. Accordingly, for its rate comparison tool
13 SDG&E plans to use SDG&E's bundled rates as a proxy for the rates offered by CCAs. The
14 resulting cost difference between SDG&E rates are expected to be similar to the cost difference
15 seen between the structurally-similar rates of SEA.

16 CalPA generally supported the use of proxy generation rates and described that this
17 approximation will give CCA customers a sufficiently accurate representation of the customer's
18 potential bill impact when switching from a tiered to TOU rate structure.⁷ CalPA correctly
19 concludes that use of proxy generation rates will provide a close approximation only if the CCAs
20 generation TOU rate structure closely mirrors the IOU's TOU rate structure.⁸

⁵ CalPA Direct Testimony of Eric Duran, p. 7-3.

⁶ *Id.*, p. 7-4.

⁷ *Id.*, p. 7-5.

⁸ *Id.*, p. 7-5.

1 **3) SDG&E concurs with specific aspects of Joint CCAs’ proposal that ME&O needs to be**
2 **applicable to all IOU customers.**

3 In Direct Testimony, I described how SEA customers will be excluded from SDG&E’s
4 Mass TOU Default; however, such customers may be exposed to the broader mass awareness
5 campaign. I also described that 2020 is the earliest date for the next potential CCA in SDG&E’s
6 service territory, and the timing would coincide closer to the conclusion of Mass TOU Default. I
7 also explained that SDG&E will coordinate with future CCAs to ensure that their customers are
8 aware that TOU pricing plans will be available as options and could be included in future joint
9 rate comparisons.

10 Joint CCAs agrees with IOUs taking the lead and coordinating with CCAs under three
11 high-level guidelines related to: (1) dual logos, (2) generalized messaging, and (3) working in
12 “good faith” with CCA partners in implementing ME&O.⁹

13 Specific to Joint CCA’s third guideline, SDG&E does not oppose being directed to work
14 in good faith with CCAs in implementing ME&O plans. Indeed, SDG&E already plans to work
15 closely with future CCAs on ME&O plans. For example, if a CCA decides to provide ME&O,
16 and that effort reduces or eliminates SDG&E’s ME&O costs related to the CCA, then SDG&E
17 does not object to reducing or eliminating the associated ME&O costs when cost avoidance is
18 quantifiable. SDG&E’s plans to coordinate in good faith with future CCAs on ME&O proposals
19 will facilitate this type of coordination.

20 This concludes my prepared Rebuttal Testimony.

⁹ Joint CCAs Direct Testimony of Justin Kudo, pages 8-9.