**UCAN DATA REQUEST**
**UCAN-SDG&E DR-01**
**SDG&E PHASE 2 GRC PROCEEDING- A.19-03-002**
**DATE RECEIVED: April 9, 2019**
**DATE RESPONDED: April 24, 2019**

# DATA REQUEST RESPONSE

1. According to Charts BAM-1 & 2, both the Summer and Winter Weekday Average Hourly load curve shapes show a shift in the load curve towards later in the evening peak period loads. (It is UCAN's understanding that SDG&E developed its load curves using data supplied by the CAISO.)

a) What are the underlying factors/drivers in this shift in consumption patterns?

**SDGE Response:** SDG&E would like to clarify that the data used to develop the price shapes in Charts BAM-1 & 2 were not supplied by the CAISO. The data used to develop the 2020 price shapes is based on the CEC 2018 CEDU Load Forecast and SDG&E's portfolio of contracted solar and wind generation. The largest underlying factors causing changes in the price pattern are a combination of increasing behind the meter solar generation reducing the load during daylight hours and an increasing electric vehicle load during late evening hours. Both of these assumptions are made in the CEC's load forecast.

b) Have the loads in SDG&E's service territory during winter 2018/2019 been consistent with the forecast for 2020 presented in these two charts?

**SDGE Response:** Since the charts represent price profiles and not load profiles, SDG&E interprets the question as "have the SDG&E DLAP prices during the winter 2018/2019 been consistent with the forecast for 2020 presented in these two charts". The 2018 winter profile presented as BAM-2 included the winter months through December 2018. Adding the winter months January 2019- present did not have much of an impact on the 2018 curve.

2. Historically California's energy conservation and demand-side management programs have focused on reducing summer peak consumption because of the higher cost of resources needed to supply peak summer (air conditioning) loads. Table BAM-2 states that the wholesale total marginal price of electricity for winter peak periods is approximately .8 cents per kWh higher than summer peak period (7.356 vs. 8.104 cents per kWh. Is this a new phenomenon? How long has winter peak consumption been more expensive to serve than summer?

**SDGE Response:** The forward price curve that SDG&E used when it performed this calculation had a slightly higher summer monthly average peak price than the winter by about 7%. Due to the higher volatility of hourly prices in the winter shape, the calculation produced higher highs and lower lows in the winter than in the summer, even though the average price was higher in the summer. While this phenomenon has not been the historical norm, this forward curve and the increasing volatility of prices in the winter and spring demonstrate that there is greater potential for this phenomenon.

3. With regard to the LOLE results for both San Diego Greater Reliability Area and the San Diego Subarea, e.g., Chart BAM-3; does this analysis assume normal weather conditions or are forest fires considered in the data? For example, does the expectation that there is an approximate 21% chance of LOLE around 9 p.m. presume there are no active forest fires or are the results of past fires incorporated in this data?

**SDGE Response:** This analysis assumes normal weather conditions and it does not consider forest fires in the data.

4. In developing its LOLE forecasts did SDG&E assume any level of unilateral service termination by SDG&E as a result of "red flag" fire conditions? If yes, what level of service terminations was assumed?

**SDGE Response:** No, SDG&E did not assume any level of unilateral service termination by SDG&E as a result of "red flag" fire conditions.

**Witness Morien**

1. a) How did SDG&E determine that the basic service fee for schools should increase as much as 900% (from $12 to $111.66) for primary 0-5 kW schools as part of the transition from TOU-A rates to TOU-Sch-S (see Table GM-11a)?

**SDGE Response:**

As stated in Chapter 3 at GRM-24 through GRM-25, SDG&E is proposing Monthly Service Fees "MSFs" that reflect all customer costs for TOU-SCH-S based on the results of SDG&E's distribution cost study. The amounts proposed are cost-based, and as a separate class, the Schools have a different cost of service than the Small Commercial class customers. Higher MSFs will result in compensating lower volumetric rates, which can help to decrease bill volatility.

b) Why does SDG&E believe this approach is reasonable?

**SDGE Response:**
The monthly service fees SDG&E has proposed for Schedule TOU-SCH-S reflect the cost to serve those customers. MSFs will result in compensating lower volumetric rates, which can help to decrease bill volatility. SDG&E believes that providing a lower volumetric rate to the Schools will contribute to an in increase in certainty and consistency throughout the year.

c) How will the overall bills of schools taking service under TOU-Sch-H change as a result of these new rate schedules?

**SDGE Response:**
SDG&E will provide bill impacts shortly, which will provide the answer to this question.

2. What proportion of SDG&E's existing school load is currently being served at below 50 kW and what proportion is being served at above that level?

**SDGE Response:**
47% of SDG&E's existing school load is being served at less than 50kW and 53% is being served at greater than 50kW.

3. How will SDG&E's overall revenues from its school customers change assuming the Commission adopts SDG&E's rate proposals in Phase II on an annual basis?

**SDGE Response:** SDG&E can do this analysis, but it will take re-running the rates model plus changing the

marginal costs in the commodity cost and distribution cost studies, which feed into the rates model. Because of the scenario modeling requested, SDG&E asks for a few weeks to complete this effort.

4. Please provide Attachments K & L to Ms. Morien's testimony.

**SDGE Response:**
SDG&E will provide bill impact results shortly.

**Witness Emge**

1. a) According to Tables JE-2, JE-3 & JE-4, M/L C & I customers will see the largest decrease in customer bills as a result of SDG&E's Phase II application (assuming the Commission adopts SDG&E's proposals). How did SDG&E determine that shifting costs away from this customer class was appropriate?

**SDGE Response:**

For Distribution, Commodity, and CTC revenue allocations, the costs associated with schools were removed from all customers classes with at least one school and moved to the proposed Schools customer class. The M/L C&I class had the most schools within the class. Thus, shifting schools and their associated costs out of the M/L C&I class, as is the case with each class, results in the reduction in revenue allocation.

The Schools percentage of revenue allocation was determined respective of the cost categories, based on the following:

Proposed Distribution revenue allocations are based on holding allocations from SDG&E's 2016 GRC Phase 2 decision (D. 17-08-030) constant but adding the proposed Schools customer class. The Schools distribution allocation was calculated as the schools' distribution marginal cost as a percent of total.

Proposed EECC revenue allocations are based on holding allocations from SDG&E's 2016 GRC Phase 2 decision (D.17-08-030) constant, but adding the proposed Schools customer class. The School's EECC allocation was based on adding the schools' marginal energy and the marginal capacity costs and dividing this sum by the total cost.

Proposed CTC revenue allocations are based on holding allocations from SDG&E's 2016 GRC Phase 2 decision (D.17-08-030) constant but adding the proposed Schools customer class. SDGE based the schools' allocation on the "Top 100 Hours" methodology. Revenues are allocated based on the customer classes' contribution to the top 100 hours of system load during a given annual period.

It should be noted the tables referenced do not indicate percentage change in bills, but rather revenue allocation to the class.

b) Why does the revenue allocation proposal for various public purpose programs — FERA, CARE, etc., differ from the commodity revenue allocation formula? Please explain the underlying methodology behind these allocation formulas.

**SDGE Response:**

Revenue allocations are based on the updated CEC forecast Delivered sales. Sales for each class are divided by the total sales. CARE, FERA, and Food Bank allocations exclude streetlighting sales, as this class is not eligible for CARE. Additionally, CARE customer sales are excluded from CARE, FERA, and Food Bank allocations, as these customers are exempt from paying the CARE, FERA and Food Bank surcharge.

Please refer to Sections D. and D.1. of Witness Jesse Emge's Testimony for a complete explanation of the methodology used.