



Residential Rate Structure | AB 327

Rulemaking R. 12-06-013 | Time of Use



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SEEC Forum, San Diego



Overview

- **Rate structures have become skewed since energy crisis of 2001**
- **Top tier users pay too much, lowest tier users pay too little**
- **By 2018, today's five rate tiers would be consolidated into two tiers**
- **CPUC staff recommend default TOU with opt-out request necessary to receive tiered rate**
- **Customers would receive data in energy bill illustrating how the tiered rate compares**





AB 327 Consumer Protections

- **Customers guaranteed one year of rate protection in which TOU bill cannot exceed the alternative tiered rate**
- **CARE customer rates for electricity would average 30 to 35 percent below at-market rates**
 - Rule primarily affects PG&E (whose CARE discounts are presently at 77 percent discount) via stepped raises

The Commission must consider the tradeoff between customer protection and creating the correct price signal for energy efficiency





Benefit of TOU Reform

- **Provides an accurate price signal**
- **Reduces grid costs while integrating retail rates with State GHG reduction goals**
 - TOU expected to lower peak usage, reducing the need for construction of new peak-period generation plants
- **TOU pricing affords greater customer understanding of their energy bills and empowers them to manage their usage**



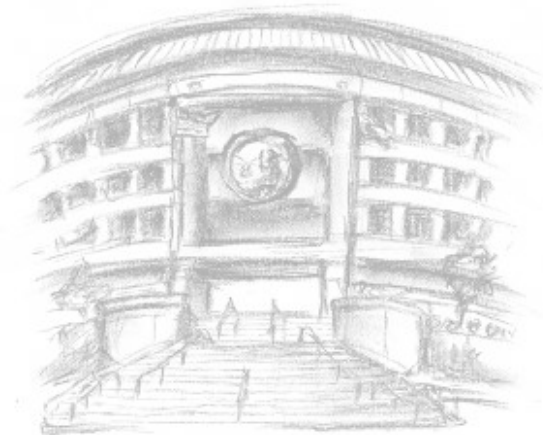


For Further Information

California Public Utilities Commission
Residential Rate Structure Rulemaking
R.12-06-013 and AB 327 Compliance Update

<http://www.liob.org/docs/Item%206.%20Rate%20Reform%20Briefing%202.26.14.pdf>

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Energy Data Access

Rulemaking 08-12-009, Proposed Decision



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Aggregate v. Anonymous

- **Aggregate Data**: summed, averaged, or otherwise sorted such that the result does not contain information at the level of individual customers
- **Anonymous Data**: at the level of individual customers, scrubbed or altered such that an individual customer cannot reasonably be identified





Utilities Required to Circulate Data

- Usage presented on a monthly basis
- Total usage, average usage, no. of accounts
- Every zip code
- Aggregation thresholds within a zip code
 - Residential: over 100 accounts
 - Commercial & Ag.: more than 15 accounts, each account no more than 20 percent of total
 - Industrial: more than 5 accounts, ≤ 25 percent
- Issued within 90 days for prior 12 months; updated quarterly





Local Government

Usage presented on a monthly basis

Aggregation thresholds

- Residential, commercial, ag.: pool of use data is more than 15 accounts, with each no more than 20 percent of sample's total consumption
- Industrial: more than 5 accounts, $\leq 25\%$

Anonymization thresholds

- More than 100 accounts, and each no more than ten percent of consumption in a sample
- Solar customers removed





Rolling Portfolio Cycle

Rulemaking 13-11-005, OIR Scoping Memo



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Broadly Speaking

The Rolling Portfolio Cycle approach would modify the EE funding authorization from a three-year basis to a ten-year timeframe

Incremental fine-tuning could be applied every year or two to account for new information such as goals and potential studies, DEER value assignments, and EM&V recommendations





Impetus for a Rolling Portfolio Cycle

- **Eliminate the start-stop nature of the current procedure**
- **Signal California's long-term commitment to EE strategies and investments**
- **Provide greater certainty to the Energy Commission, the CAISO and the FERC**
 - **to markets and investors**
 - **to stakeholders, parties, and contract holders**





Polycymaking in Three Phases

- **Phase 1, in progress, addresses a *2015 one-year funding authorization***
 - Recognizes initiatives to address Prop. 39 and Targeted EE for load-constrained areas
 - Expected to largely adhere to status quo, continuing programs authorized under 2013-2014 budget
- **Phase 2, *Rolling cycle framework***
 - Scoping Memo expected in Q3 2014
 - Update of ex-ante values, budgeting





Polycymaking in Three Phases

Phase 3, *Rolling Cycle Policy Issues* (for LGs)

Scoping Memo expected in Q1 2015, to address*:

- Third-party implementers and workforce training (WE&T)
- Criteria for assessing new Local Government Partnerships and proposed expansions
- Strategic Plan funding and eligible menu
- Regional Energy Networks issues

** Highlights of interest to Local Governments and IOU partners*





Polycymaking in Three Phases

Phase 3, *Rolling Cycle Policy Issues* (for LGs)

Scoping Memo expected in Q1 2015, to address*:

- PIP reform to promote ease of review, public interpretation, and transparency
- Reporting requirements, EE data tools for LGPs, and the performance of the Local Government Partnerships
- To-code and code compliance issues

** Highlights of interest to Local Governments and IOU partners*





Thank you

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