

## DOCKETED

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**SCE Comments on Joint Agency Workshop on Aliso Canyon Action Plan**

*Additional submitted attachment is included below.*

April 22, 2016

California Energy Commission  
Docket Office, MS-4  
Re: Docket No. 16-IEPR-02  
1516 Ninth Street  
Sacramento, CA 95814-5512  
docket@energy.ca.gov

Re: Southern California Edison Company's Comments on the California Energy Commission Docket No. 16-IEPR-02: Joint Agency Workshop on Aliso Canyon Action Plan for Local Energy Reliability in Summer 2016

Dear Commissioners and State Agency Representatives:

On April 8, 2016, the California Energy Commission (Energy Commission), California Public Utilities Commission (CPUC), California Independent System Operator (CAISO) and the Los Angeles Department of Water and Power (LADWP) (collectively, state agencies) held a Joint Agency Workshop on the Aliso Canyon Action Plan for Local Energy Reliability in Summer 2016 ("Workshop") as part of the 2016 Integrated Energy Policy Report (2016 IEPR) proceeding. Southern California Edison (SCE) participated in the Workshop and appreciates the opportunity to provide these written comments.

SCE appreciates the efforts of state agencies that are collaboratively working to: (1) assess the magnitude of the impact of the Aliso Canyon gas leak, and (2) develop the Reliability Action Plan as a meaningful first step towards mitigation. SCE's primary concern is the safe and reliable operation of the gas pipelines and electric grid systems in southern California, especially as it affects the safety of SCE's customers who rely on these systems every day.

In these comments, SCE sets forth the measures it is undertaking to help mitigate the impacts of the Aliso Canyon shutdown. To mitigate the risk of power outages to customers, SCE urges the state agencies and federal task force to return service to Aliso Canyon as quickly as can be safely accomplished.

**A. SCE is Utilizing Demand Side Management Programs and Efforts to Mitigate the Impact of Aliso Canyon's Shut Down on Customers**

SCE has serious concerns about the possibility of power outages that could impact millions of its customers during 14 days this summer and up to 32 days over the next 12

months.<sup>1</sup> To help mitigate this risk, SCE is making efforts to minimize the impacts of natural gas storage issues on the reliable delivery of power for its customers, including: (1) exploring contracts for additional electricity resources outside of Southern California to maintain reliable operation of its electrical grid; and (2) expanding demand side management (DSM) customer programs to reduce the use of electricity at times of critical energy demand. These DSM programs provide customers with the opportunity to take an active role in mitigating the impacts of the gas leak through their participation in demand response and energy efficiency programs during times of need.

## **1. Demand Side Management Programs**

SCE will continue to look for new, innovative ways to reduce customer load to mitigate the impacts of Aliso Canyon.

### **a. Existing Fast Acting Demand Response**

SCE maintains a robust and fast acting Demand Response Portfolio of over 1,100 MW – the largest in California. Participating customers are comprised of diverse segmentation including large commercial and industrial (C&I), small business, agricultural, and residential customers. Five percent of C&I customers and 13 percent of residential customers already participate in one or more of our current programs. Customers are able to reduce usage in 10-60 minutes from the time of notification. Approximately 500 MW of Demand Response is dispatchable in under 30 minutes, while the remaining 600 can be reduced in 60 minutes or less.

To optimize the use of the portfolio, SCE is proposing modifications through CAISO Market participation for emergency grid relief. Due to the possible natural gas limitations, the activation of the usage reduction programs may be more likely this summer. Typically the CAISO will attempt to resolve system issues by using these programs before employing rotating outages.

### **b. SCE's Increased Activities**

#### ***i. Demand Response:***

SCE estimates that it will be able to add 60 MW of incremental load reduction to its existing Demand Response portfolio of 1,100 MW through its increased efforts in 2016 and 2017. For example, with respect to A/C Cycling, SCE is engaging in marketing efforts to enroll over 20,000 new customers in this program in 2016-2017 adding up to 30 MW of this fast acting resource.

In addition, in response to a CPUC Assigned Commissioner's Ruling (ACR) Directing Activities in Response to the Natural Gas Leak at Aliso Canyon Storage, SCE has requested Smart Thermostat Rebates, which would permit SCE to offer a \$75.00 rebate for enrollment in

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<sup>1</sup> April 5<sup>th</sup> Technical Assessment at Table 3, Page 36.

SCE's third party PCT demand response program with a Smart Thermostat. Current program enrollment is approximately 5,000 customers with 3.5 MW of load reduction. Total participation is expected to increase to 33,000 residential participants by 2017 with 23 MW of available load reduction.

SCE will also work with state agencies to consider launching an additional Demand Response Auction Mechanism (DRAM) solicitation should the DRAM pilot conducted in 2016 reveal positive performance.

Finally, SCE will seek increased enrollment in its Agricultural Interruptible Program (AP-I) and Base Interruptible (BIP) emergency demand response programs. SCE anticipates being able to grow its available MW in these two programs by up to 9 MW.

*ii. Energy Efficiency:*

In SCE's comments on the ACR, SCE requested approval of Energy Savings Assistance Program measures that would increase low income customer penetration. SCE also requested an expedited ruling in its pending 2015-2017 Low Income Application to modify/remove policies that are impediments to higher program penetration, including the removal of "go back rule" and "3 measure rule."

SCE also explained that it is looking at ways to accelerate customized energy efficiency projects currently in progress with our large commercial and industrial customers.

**c. Demand Side Management Procurement**

SCE will launch an expedited Request for Information (RFI) to seek third party proposals for demand response. The RFI will primarily focus on Demand Response activities that can be launched in a short amount of time and can achieve the fast and flexible response required to mitigate natural gas limitations.

In addition, SCE is exploring, with Southern California Gas Company, the utilization of Smart Thermostats for winter gas curtailment by leveraging SCE's 3<sup>rd</sup> Party PCT program. SCE is also planning to collaborate with other agencies, including LADWP to explore synergies that would assist both agencies in marketing and managing DSM programs.

**B. SCE Encourages the Return of Service at Aliso Canyon as Soon as is Safely Practicable**

In addition to SCE's efforts to mitigate the impacts of the Aliso Canyon shutdown, SCE further measures must be taken to ensure safe and reliable energy services to southern California customers. In particular, the ability to safely withdraw gas from Aliso Canyon will be essential to fully mitigate the risks of power outages due to natural gas limitations. Equally important will be facilitating gas injection into Aliso Canyon by autumn 2016 to avoid power outages in the

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winter. Accordingly, SCE is calling on the federal task force headed by the U.S. Department of Energy (DOE), as well as the state agencies to act with urgency in assessing the Aliso Canyon storage facility, and accelerate a meaningful return to service as quickly as can be safely accomplished.

In conclusion, SCE appreciates the state agencies' consideration of these comments and looks forward to its continuing collaboration with the Energy Commission and stakeholders. Please do not hesitate to contact me at (916) 441-3979 with any questions or concerns you may have. I am available to discuss these matters further at your convenience.

Very truly yours,

*/s/ Catherine Hackney*  
Catherine Hackney