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March 14, 2008

Commissioner Pfannenstiel
California Energy Commission
1516 Ninth Street
Sacramento, CA 95814-5512

Subject: Docket No. 08-DR-01 – Load Management Standards Post-Workshop Comments

Dear Commissioner Pfannenstiel:

On behalf of San Diego Gas & Electric Company (SDG&E) we wish to express our appreciation for the opportunity to participate in the California Energy Commission's (CEC) workshop, held on March 3, 2008, regarding the scope of the rulemaking to develop and implement load management standards and the opportunity to provide post-workshop comments. Issues to be decided in this proceeding are of high importance to our customers and our company.

SDG&E is deeply concerned that the CEC has made a decision to remove load management technology (such as programmable communicating thermostats (PCTs)) requirements from the 2008 Title 24 Standards. It is estimated that nearly 1 million residential and non-residential structures, on a statewide basis, will be built or remodeled during the upcoming three-year Title 24 cycle beginning in 2009. Although we recommend customer participation in demand response programs be voluntary, without Title 24 requirements for installing load management technologies in new construction and major retrofit projects, it is likely that demand reduction opportunities will be delayed or lost for these buildings.

In addition, a clear PCT standard lessens the risk manufacturers face in developing a new product and increases the market opportunity for both new construction and retrofit applications. The net impact will be to minimize the cost of PCTs to consumers and accelerate market penetration of the products.

One concern that was raised at the workshop was the potential technical obsolescence of PCTs if they are mandated. SDG&E certainly agrees with this concern and suggests that the Title 24 standard should mandate load control specifications but not a specific technology. The specific technology would be the choice of the builder/customer and would not be limited to PCTs but could also be met through an in-home display device, a load management system, or any other technology that emerges in the future.

In summary, SDG&E strongly encourages the CEC to reinstate PCT functional standards into the 2008 Title 24 proceeding and that those standards be technology neutral and allow for voluntary customer participation in demand response programs.

Sincerely,

Bernie Orozco

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