

# RTP Rate Proposals for SDG&E GRC

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# RTP Option for All

- SDG&E should offer two RTP options: Day-Ahead and Five-Minute
- Both tariffs should be available to all customers, but could focus Day-Ahead on smaller customers
- Day-Ahead provides more time to plan response whereas five-minute more accurately reflects day-of conditions
- Other options could include pricing based on hour-ahead or fifteen minute markets

# Structure of Day Ahead RTP

- Similar to SDG&E's Grid Integration Rate
- Day-ahead prices passed through to customer
- Most generation capacity costs recovered through top 150 hour surcharge
- No generation-related demand charge

# Structure of Day Ahead RTP (2)

- 50% of distribution revenue recovered through top 200 hour circuit surcharge
- No distribution demand charge
- User pays fixed charges, NBCs, FERC transmission at otherwise applicable tariff
- A commodity base rate covers costs such as RPS and above-market legacy procurement costs

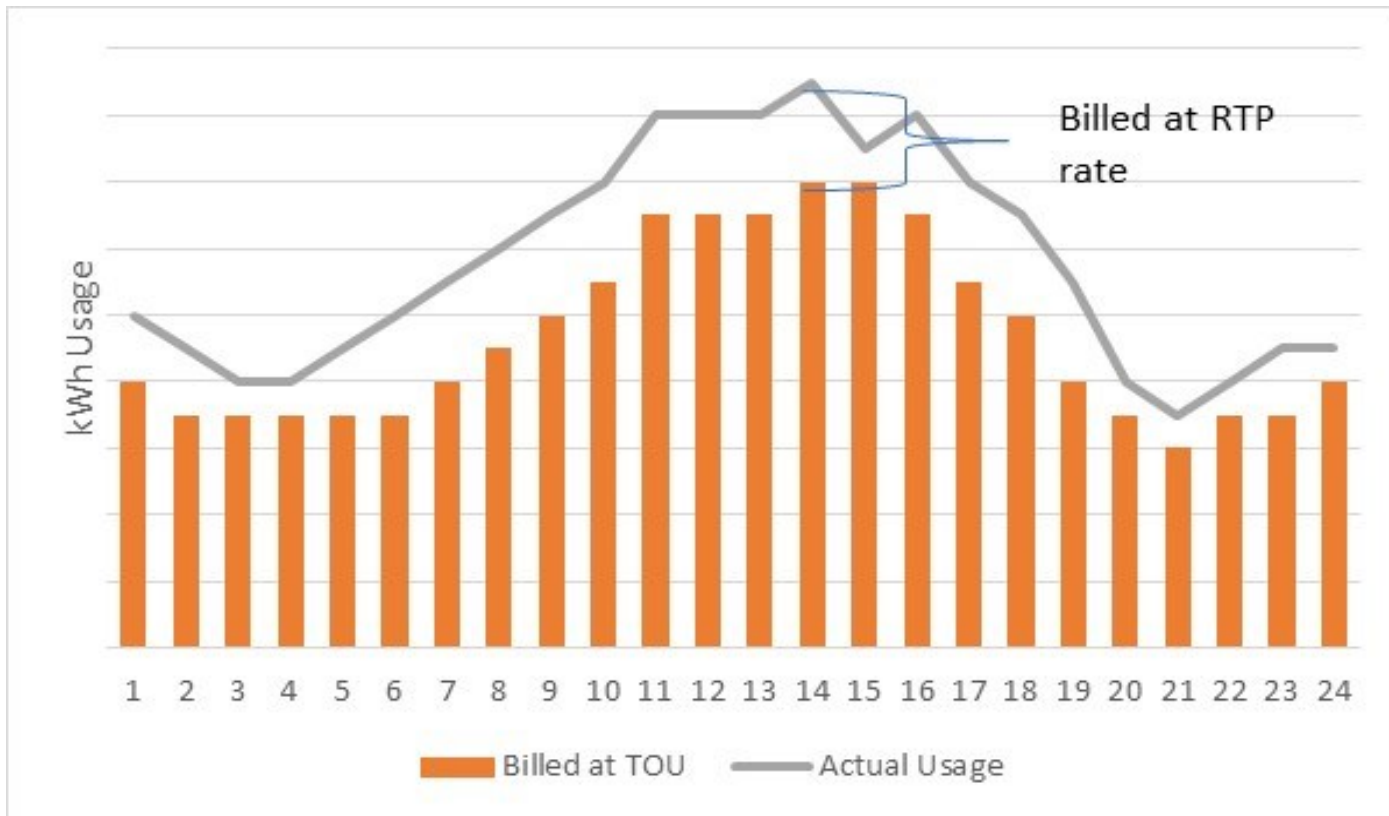
# Structure of 5-Minute RTP

- Five-Minute market prices passed through to customer using average price across the billing interval
- Other elements same as day-ahead rate
- Participants can receive day-ahead and day-of pricing alerts

# Hedging Option

- SDG&E should offer RTP customers the chance to hedge their exposure by buying blocks of energy at the standard TOU generation rate
- For residential and small C&I customers options could be simplified to offer a small number of basic load shapes scaled to annual usage

# Example of Hedging Product



# Enabling Customer Response

- Day-ahead prices and high-price alerts should be distributed by email, text, phone, and app
- Push prices to devices whether day-ahead or five-minute
- SDG&E should facilitate automation by partnering with vendors who offer AC, energy storage, EV, and smart appliance load management products and services



# RTP in Context of LSWG

- Our RTP proposal scores well on LSWG metrics:
  - Dispatch method since prices directly informed by wholesale market
  - Locational granularity with circuit-specific adders and, where applicable, sub-LAP pricing
  - Temporal granularity, especially five-minute option
- Incentivizes bi-directional load response
- Non-integration into CAISO market reduces complexity, reduces expense, and avoids need for counterfactual baselines