



SCE's Proposed Approach to Determine Cost Refunds to Eligible CCA and DA Customers

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* Proposals presented herein reflect SCE's Supplemental Filing to R.13-09-011, dated March 26, 2018.



Purpose and Agenda

Purpose:

Provide overview of SCE's proposed approach to refund the costs associated with affected IOU Demand Response (DR) programs to customers, when the Commission deems a DR program developed by a Community Choice Aggregator (CCA) or Direct Access (DA) providers (Competing Providers) to be "similar".*

Agenda:

1. Background
2. Implementation
3. Bill Credit Development Process
4. Sample Calculations
5. Timeline

* Pursuant to D.17-10-017

Background

- [D.17-10-017](#) required the Utilities' to develop a proposal for "determining the bill credit to end cost recovery of Competing Provider's customers no longer eligible to participate in the similar demand response program..." (OP 3, D.17-10-017)
- SCE developed a bill credit to offset specific DR program costs embedded in delivery rates on a cent-per-kWh basis.
- Credits reflect the value of the DR program incentives for each program, and the proportional share of each DR program's administration, marketing, measurement, and evaluation costs.
- Demand response program costs are recovered through:
 - Energy Surcharges: Interruptible programs (BIP, SDP, and API)
 - General Distribution Revenues: Program marketing and administration and CBP

Implementation

- The Competing Provider Demand Response Credit (CP-DRC) offset credit will be provided through Schedule CP-DRC, modeled after SCE's existing Direct Access Revenue Cycle Services rate (Schedule DA-RCSC)
- SCE will begin to provide CP-DRC offsets one month after the end of the 365 day implementation period
- A monthly \$/kWh offset will be applied to eligible customer bills
- An alternative method may be required if the combination of program related costs and sales result in a CP-DRC factor that rounds off to zero at the fifth significant digit
- For each rate group the CP-DRC \$/kWh offset is equal to:

$$\text{CP-DRC}_{\text{RG}} \text{ Offset} = (\text{DR Program Costs} \times \text{Rate Group Allocation \%}) / \text{Rate Group Sales}$$

Bill Credit Development Process

Competing Provider Demand Response Credit (CP-DRC)

New Tariff publishes **credits** for each program

Base Interruptible Program (BIP)

\$w per kWh

Agricultural & Pumping Interruptible (API)

\$x per kWh

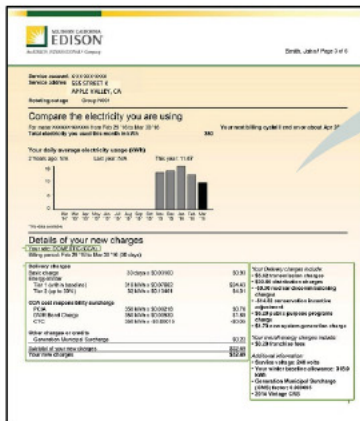
Summer Discount Program (SDP)

\$y per kWh

Capacity Bidding Program (CBP)

\$z per kWh

Bundled Bill

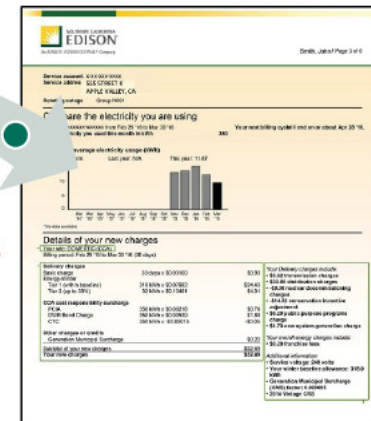


SCE
Delivery Charge
Debit (-)
\$w, \$x, \$y, and \$z
per kWh

OFFSETS

SCE
Delivery Charge
Debit (-)
Credit (+)
\$w, \$x, \$y, and/or \$z
per kWh

Competing Provider's Consolidated Bill



2018-2022 DR Program Budget (D.17-12-003)

Program Incentives (in thousands)	2018	2019	2020	2021	2022	Total
BIP	\$71,973	\$70,487	\$69,111	\$67,735	\$66,471	\$345,776
API	\$ 6,615	\$ 6,501	\$ 6,398	\$ 6,295	\$ 6,193	\$ 32,002
SDP	\$ 51,630	\$ 42,667	\$ 35,625	\$ 29,177	\$ 23,279	\$ 182,378
CBP	\$ 2,789	\$ 2,789	\$ 2,789	\$ 2,789	\$ 2,789	\$ 13,946

Sample Calculation – BIP

Rate Group	DR Program Incentive	Base Distribution Allocator	Forecasted kWh	Allocated DR Program & Incentive Costs (\$)	CP-DRC Rate (\$/kWh)
	(A)	(B)	(C)	(F)=(A)*(D)+(B)*(E)	(G)=(F)/(C)
Residential	37.13%	49.83%	27,027,890,316	\$ 26,882,576	\$ 0.00099
GS-1	7.38%	7.92%	6,031,751,392	\$ 5,333,230	\$ 0.00088
TC-1	0.06%	0.12%	58,356,002	\$ 44,229	\$ 0.00076
GS-2	17.04%	17.53%	13,411,719,867	\$ 12,322,464	\$ 0.00092
TOU-GS-3	9.73%	8.03%	8,047,378,545	\$ 7,027,943	\$ 0.00087
LSMP	34.21%	33.60%	27,549,205,806	\$ 24,727,865	\$ 0.00090
TOU-8-Sec	9.45%	6.98%	8,235,401,547	\$ 6,821,816	\$ 0.00083
TOU-8-Pri	6.07%	4.11%	5,631,492,598	\$ 4,384,341	\$ 0.00078
TOU-8-Sub	5.95%	0.97%	6,052,758,430	\$ 4,282,604	\$ 0.00071
TOU-8-S-SEC	0.25%	0.19%	227,776,827	\$ 183,025	\$ 0.00080
TOU-8-S-PRI	0.83%	0.68%	783,709,892	\$ 602,723	\$ 0.00077
TOU-8-S-SUB	2.11%	0.38%	2,179,020,190	\$ 1,520,309	\$ 0.00070
Large Power	24.67%	13.31%	23,110,159,485	\$ 17,794,818	\$ 0.00077
TOU-PA-2	2.05%	1.94%	1,863,851,287	\$ 1,480,530	\$ 0.00079
TOU-PA-3	1.46%	1.16%	1,452,767,588	\$ 1,052,334	\$ 0.00072
Ag & Pumping	3.51%	3.10%	3,316,618,874	\$ 2,532,864	\$ 0.00076
St. Lighting	0.48%	0.18%	700,449,891	\$ 346,877	\$ 0.00050
Total	100.00%	100.00%	135,680,308,538	\$ 72,285,000	\$ 0.00053

BIP Incentive	BIP Admin Cost
(D)	(E)
\$ 71,973,000	\$ 312,000
TOTAL:	\$ 72,285,000

A sample residential customer with an assumed monthly billed usage of 500 kWh will receive a CP-DRC offset of 50 cents per month as shown below:

$$500 \text{ kWh} * (\$0.00099) / \text{kWh} = \$0.50 \text{ (rounded up from } \$0.495)$$

Sample Calculation – CBP

Rate Group	Base Distribution Allocator	Base Distribution Allocator	Forecasted kWh	Allocated DR Program & Incentive Costs (\$)	CP-DRC Rate (\$/kWh)
	(A)	(B)	(C)	(F)=(A)*(D)+(B)*(E)	(G)=(F)/(C)
Residential	49.83%	49.83%	27,027,890,316	\$ 1,489,812	\$ 0.00006
GS-1	7.92%	7.92%	6,031,751,392	\$ 236,806	\$ 0.00004
TC-1	0.12%	0.12%	58,356,002	\$ 3,562	\$ 0.00006
GS-2	17.53%	17.53%	13,411,719,867	\$ 524,002	\$ 0.00004
TOU-GS-3	8.03%	8.03%	8,047,378,545	\$ 240,128	\$ 0.00003
LSMP	33.60%	33.60%	27,549,205,806	\$ 1,004,498	\$ 0.00004
TOU-8-Sec	6.98%	6.98%	8,235,401,547	\$ 208,721	\$ 0.00003
TOU-8-Pri	4.11%	4.11%	5,631,492,598	\$ 122,805	\$ 0.00002
TOU-8-Sub	0.97%	0.97%	6,052,758,430	\$ 29,147	\$ -
TOU-8-S-SEC	0.19%	0.19%	227,776,827	\$ 5,551	\$ 0.00002
TOU-8-S-PRI	0.68%	0.68%	783,709,892	\$ 20,191	\$ 0.00003
TOU-8-S-SUB	0.38%	0.38%	2,179,020,190	\$ 11,456	\$ 0.00001
Large Power	13.31%	13.31%	23,110,159,485	\$ 397,871	\$ 0.00002
TOU-PA-2	1.94%	1.94%	1,863,851,287	\$ 57,901	\$ 0.00003
TOU-PA-3	1.16%	1.16%	1,452,767,588	\$ 34,651	\$ 0.00002
Ag & Pumping	3.10%	3.10%	3,316,618,874	\$ 92,552	\$ 0.00003
St. Lighting	0.18%	0.18%	700,449,891	\$ 5,266	\$ 0.00001
Total	100.00%	100.00%	135,680,308,538	\$ 2,990,000	\$ 0.00002

CBP Incentive	CBP Program Admin Cost
(D)	(E)
\$ 2,789,000	\$ 201,000
TOTAL:	\$ 2,990,000

A sample residential customer with an assumed monthly billed usage of 500 kWh will receive a CP-DRC offset of 3 cents per month as shown below:

500 kWh * (\$0.00006) / kWh = \$0.03

Timeline

- Commission Issues final Resolution deeming a competing provider's program similar.
- No later than 30 days after final Resolution, SCE will no longer enroll or market to impacted customers.
- No later than 60 days after the final Resolution, SCE will notify impacted customers.
- Beginning in the first billing month, one year after the final Resolution, SCE will begin processing customer bill credit.