

PUBLIC UTILITIES COMMISSION

SAN FRANCISCO, CA 94102-3298



MAR 01 2006

REVENUE & TARIFFS DEPT.

February 24, 2006

Advice Letter 1888-E

Mr. Akbar Jazayeri, Director  
Revenue and Tariffs  
Southern California Edison Company  
P O Box 800  
Rosemead, CA 91770

Reference: Southern California Edison Company's Evaluation Proposal for Expansion  
of its Air Conditioner Cycling Program

Dear Mr. Jazayeri:

Advice Letter 1888-E is effective May 27, 2005. A copy of the advice letter is sent herewith  
for your records.

Sincerely,

A handwritten signature in black ink, appearing to read "Sean H. Gallagher".

Sean H. Gallagher  
Director  
Energy Division

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April 27, 2005

**ADVICE 1888-E**  
**(U 338-E)**

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA  
ENERGY DIVISION

**SUBJECT:** Southern California Edison Company's Evaluation Proposal  
For Expansion Of Its Air Conditioner Cycling Program

**PURPOSE**

Southern California Edison Company (SCE) hereby submits for the Commission's approval evaluation study scope, schedule, anticipated budget, and implementation plan for the evaluation of SCE's expanded Air Conditioner Cycling Program (ACCP). As agreed to in Advice 1834-E, SCE will implement this program evaluation in 2005.

**BACKGROUND**

In Resolution E-3879, issued July 8, 2004, the Commission approved SCE's proposals to implement three supplementary demand response programs for Summer 2004. The Commission ordered that an evaluation of each of these programs be conducted and that Commission and California Energy Commission (jointly, Agency) staff manage the scope and schedule of these programs. In Resolution E-3879, the Commission further "recommend[ed] that this program evaluation be incorporated into the program(s) evaluation currently being done or developed in the demand response proceeding."<sup>1</sup> The Commission directed that "Costs associated with these program evaluations shall be booked into the utilities' Advanced Metering and Demand Response Memorandum Account (AMDRMA)."<sup>2</sup>

On October 28, 2004, SCE filed Advice 1834-E to submit its evaluation proposals for the Summer 2004 Energy Smart Thermostat Program and the 20/20 Program. SCE's proposals included the evaluation scopes, schedules, anticipated budgets, and implementation plans associated with the evaluation of these two demand response

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<sup>1</sup> Resolution E-3979, issued July 8, 2004, Findings of Fact 11, 18, and 25, pp. 17, 18.

<sup>2</sup> *Id.*, Ordering Paragraph 2, p. 19.

programs. In this advice filing, SCE advised the Commission that the evaluation scope, schedule, anticipated budget, and implementation plan for the evaluation of a third program, SCE's expanded ACCP, would be submitted at a later date for implementation during 2005. Advice 1834-E was approved by the Commission and made effective November 18, 2004.

The evaluation proposal for SCE's expanded ACCP is set forth in Attachment A of this advice letter. The attached document summarizes SCE's plan to conduct an impact evaluation of its current portfolio of ACCPs. This evaluation will not only address the 2004 program year, but will also include the Summer Discount Program (PY 2001-2003) and ACCP participants prior to 2001. The general approach will use on-site inspections, end-use metered data, and weather station data to estimate program-induced demand response impacts during curtailment periods. In addition, survey methods will be used to assess customer satisfaction and likelihood of remaining in the programs. This approach will provide the means to estimate demand reductions in the current year and a basis for modeling demand response in future years.

This advice filing will not increase any rate or charge, cause the withdrawal of service, or conflict with any other schedule or rule.

### **EFFECTIVE DATE**

This advice filing will become effective on the 30<sup>th</sup> calendar day after the date filed, which is May 27, 2005.

### **NOTICE**

Anyone wishing to protest this advice filing may do so by letter via U.S. Mail, facsimile, or electronically, any of which must be received no later than 20 days after the date of this advice filing. Protests should be mailed to:

CPUC, Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue  
San Francisco, California 94102  
E-mail: [jjr@cpuc.ca.gov](mailto:jjr@cpuc.ca.gov) and [jnj@cpuc.ca.gov](mailto:jnj@cpuc.ca.gov)

Copies should also be mailed to the attention of the Director, Energy Division, Room 4004 (same address above).

In addition, protests and all other correspondence regarding this advice letter should also be sent by letter and transmitted via facsimile or electronically to the attention of:

Akbar Jazayeri  
Director of Revenue and Tariffs  
Southern California Edison Company  
2244 Walnut Grove Avenue  
Rosemead, California 91770  
Facsimile: (626) 302-4829  
E-mail: [AdviceTariffManager@sce.com](mailto:AdviceTariffManager@sce.com)

Bruce Foster  
Vice President of Regulatory Operations  
c/o Karyn Gansecki  
Southern California Edison Company  
601 Van Ness Avenue, Suite 2040  
San Francisco, California 94102  
Facsimile: (415) 673-1116  
E-mail: [Karyn.Gansecki@sce.com](mailto:Karyn.Gansecki@sce.com)

There are no restrictions on who may file a protest, but the protest shall set forth specifically the grounds upon which it is based and shall be submitted expeditiously.

In accordance with Section III, Paragraph G, of General Order No. 96-A, SCE is serving copies of this advice filing to the interested parties shown on the attached GO 96-A service list and R.02-06-001. Address change requests to the GO 96-A service list should be directed by electronic mail to [AdviceTariffManager@sce.com](mailto:AdviceTariffManager@sce.com) or at (626) 302-4039. For changes to all other service lists, please contact the Commission's Process Office at (415) 703-2021 or by electronic mail at [Process\\_Office@cpuc.ca.gov](mailto:Process_Office@cpuc.ca.gov).

Further, in accordance with Public Utilities Code Section 491, notice to the public is hereby given by filing and keeping the advice filing at SCE's corporate headquarters. To view other SCE advice letters filed with the Commission, log on to SCE's web site at <http://www.sce.com/AboutSCE/Regulatory/adviceletters>.

For questions, please contact Marian Brown at (626) 302-8281 or by electronic mail at [marian.brown@sce.com](mailto:marian.brown@sce.com)

**Southern California Edison Company**

Akbar Jazayeri

AJ:mb:mm  
Enclosures

## **Attachment A**

### **Proposed Approach to Evaluation of SCE's Air Conditioner Cycling Program**

#### **Background**

SCE's Air Conditioner Cycling Program (ACCP) has been running for over twenty years and had 106,355 customers on cycling rates at the beginning of 2004. The program received approval to add 20,000 new customers in 2004 and the CPUC issued a special request for additional demand response/load management programs for the summer of 2004. SCE proposed and the CPUC approved adding an additional 10,000 customers to the program during 2004 (Resolution E-3879, issued July 8, 2004).

Prior to 2001, SCE's original ACCP Cycling Program offered customers a summer discount in exchange for a maximum of fifteen 100% curtailment events, each of which could last a maximum of four hours. The program provides demand response by cycling central air conditioners serving residential customers. The ACCP program is currently marketed by SCE as the Residential Summer Discount Plan. The program was expanded in 2001 to offer customers option choices. SCE offers two Residential Summer Discount Plans: the Base Summer Discount Plan and the Enhanced Summer Discount Plan. Each of the two plans provides a choice of three cycling options: 100%, 67% and 50%. The Enhanced program provides twice the credit for cycling an unlimited number of days per year, compared to the Base program, which cycles a maximum of fifteen days per year. A single curtailment may last up to six hours in a given day.

#### **Proposed Study Design and Schedule**

SCE proposes that the evaluation collect detailed current data from a stratified random sample of the entire ACCP population, analyze the data, and apply the results to estimate the load reduction related to various segments within the ACCP population, including the segment of customers added to the program by the authorization of an additional 10,000 participants (Res. E-3879). It is more useful to the Commission and to SCE to gather data and conduct analysis from a sample of all customers who are in the program in summer 2005, including those who joined in 2004, 2001-2003, or in earlier years. In this way, information about the whole program is gained, and comparisons can be made between those who joined in 2004 and the entire population. This study will be completed at the end of 2005 or early 2006.

There are two major components to this evaluation effort.

The first component is to collect site-specific data that will be used to estimate load reduction impacts. These data include the following:

- Curtailment event data from program tracking system
- An assessment of the condition and reliability of cycling devices
- Air Conditioning (AC) tonnage and demand characteristics (based on spot metering)
- AC run-time data
- Hourly temperature data (recorded by weather stations)

Approximately 250 site visits will be conducted to collect the necessary AC data, to conduct spot metering to gauge kW load characteristics, and to install 5-minute AC data loggers to capture run time. The site sample will be stratified to reflect three program periods (prior to 2001, 2001 through 2003, and 2004) and the six program options by climate zone.

The AC logger data together with weather data will be used to estimate the hourly kW load of each air conditioner, to provide an estimate of curtailment impacts, and to estimate rebound (snapback) following the curtailment period. Descriptive statistics will be calculated to compare AC loads during different periods of summer demand and under curtailment and non-curtailment conditions. If deemed appropriate, we will use the logger data to estimate a regression model relating the operating load of each AC unit to temperature data.

The second component is to assess customers' perceptions and satisfaction with the program. The approach to assessing customer satisfaction will be to conduct a telephone survey with a sample of approximately 300-500 program participants. The survey sample may be stratified to determine the degree to which customer satisfaction is affected by program option, number of interruptions, daytime occupancy patterns, and climate zone, *etc.* The survey will also assess likelihood of remaining in the program.

SCE estimates that this study will cost up to \$300,000.

# CALIFORNIA PUBLIC UTILITIES COMMISSION

## ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: Southern California Edison Company (U 338-E)

Utility type:

ELC       GAS

PLC       HEAT       WATER

Contact Person: James Yee

Phone #: (626) 302-2509

E-mail: James.Yee@sce.com

EXPLANATION OF UTILITY TYPE

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 1888-E

Subject of AL: SCE's Evaluation Proposal For Expansion Of Its Air Conditioner Cycling Program

Keywords (choose from CPUC listing): Compliance

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other \_\_\_\_\_

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

E-3879

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: \_\_\_\_\_

Summarize differences between the AL and the prior withdrawn or rejected AL:

Resolution Required?  Yes  No

Requested effective date: 5/27/05      No. of tariff sheets: None

Estimated system annual revenue effect: (%): \_\_\_\_\_

Estimated system average rate effect (%): \_\_\_\_\_

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: \_\_\_\_\_

Service affected and changes proposed<sup>1</sup>: \_\_\_\_\_

Pending advice letters that revise the same tariff sheets: \_\_\_\_\_

<sup>1</sup> Discuss in AL if more space is needed.

**Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:**

CPUC, Energy Division  
Attention: Tariff Unit  
505 Van Ness Ave.,  
San Francisco, CA 94102  
jjr@cpuc.ca.gov and jnj@cpuc.ca.gov

Akbar Jazayeri  
Director of Revenue and Tariffs  
Southern California Edison Company  
2244 Walnut Grove Avenue  
Rosemead, California 91770  
Facsimile: (626) 302-4829  
E-mail: [AdviceTariffManager@sce.com](mailto:AdviceTariffManager@sce.com)

Bruce Foster  
Vice President of Regulatory Operations  
c/o Karyn Gansecki  
Southern California Edison Company  
601 Van Ness Avenue, Suite 2040  
San Francisco, California 94102  
Facsimile: (415) 673-1116  
E-mail: [Karyn.Gansecki@sce.com](mailto:Karyn.Gansecki@sce.com)