

PUBLIC UTILITIES COMMISSION

SAN FRANCISCO, CA 94102-3298



June 6, 2007

Advice Letter 2083-E

Akbar Jazayeri
Vice President, Revenue and Tariffs
Southern California Edison Company
P O Box 800
Rosemead, CA 91770

Subject: Submission of Southern California Edison Company's Implementation Plan
for the 2007 Auto DR Program

Dear Mr. Jazayeri:

Advice Letter 2083-E is effective April 17, 2007. A copy of the advice letter and resolution
are returned herewith for your records.

Sincerely,

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

Sean H. Gallagher, Director
Energy Division

December 29, 2006

ADVICE 2083-E
(U 338-E)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: **Submission of Southern California Edison Company's
Implementation Plan for the 2007 Auto DR Program**

PURPOSE

In accordance with Ordering Paragraph 6 of Decision (D.) 06-11-049, Southern California Edison Company (SCE) submits its implementation plan for the 2007 Auto DR program.

BACKGROUND

On August 30, 2006, pursuant to two Assigned Commissioner Rulings issued in August 2006 in Application (A.) 05-06-006 *et al.*,¹ Southern California Edison Company filed proposals to modify and augment its demand response programs for 2007 and 2008. One of SCE's proposals was to implement an Automated Demand Response (Auto DR) program during 2007 and 2008, at an estimated cost of \$1.79 million, with the goal of identifying key opportunities for Auto DR to play a role in enhancing SCE's price response program portfolio, and adding 10 MW of load reduction capabilities by the summer of 2008. SCE proposed to fund the 2007-08 Auto DR program with existing authorized demand response funding.

In D.06-11-049, the Commission approved SCE's Auto DR proposal, and directed SCE to submit to the Energy Division by December 30, 2006 a detailed plan for implementing the Auto DR program during 2007.²

¹ See Assigned Commissioner's Ruling Requiring Utility Proposals to Augment 2007 Demand Response Programs, issued August 9, 2006; see also Assigned Commissioner's August 22, 2006 Ruling, directing the utilities to add Auto DR technology to their proposals if feasible.

² See D.06-11-049 at Ordering Paragraph 6.

PROGRAM PROPOSAL

SCE's detailed plan for implementing the Auto DR program in 2007 is set forth in Appendix A hereto.

No cost information is required for this advice filing.

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

SCE requests that this advice filing become effective upon filing, subject to the Energy Division finding that the mandates of D.06-11-049 have been met.

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: jni@cpuc.ca.gov and mas@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
Vice President, Revenue and Tariffs
Southern California Edison Company
2244 Walnut Grove Avenue
Rosemead, California 91770
Facsimile: (626) 302-4829
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Bruce Foster
Senior Vice President of Regulatory Operations
c/o Karyn Gansecki
Southern California Edison Company
601 Van Ness Avenue, Suite 2040
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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 service list for A.05-06-006 *et al.* Address change requests to the GO 96-A service list should be directed by electronic mail to 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.

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 Harold McCarthy at (626) 302-3981 or by electronic mail at Harold.McCarthy@sce.com.

Southern California Edison Company

Akbar Jazayeri

AJ:mm
Enclosures

APPENDIX A

2007 AUTO DR PROGRAM IMPLEMENTATION PLAN

Southern California Edison Company
Detailed Implementation Plan for the
Automated Demand Response (Auto DR) program
Summer 2007

1. Overview

In accordance with Decision (D.)06-11-049 of the California Public Utilities Commission (Commission), Southern California Edison Company (SCE) submits this detailed implementation plan for its automated demand response (Auto DR) pilot program for Summer 2007.

In D.06-11-049, the Commission approved SCE's proposal to include Auto DR in its demand response program portfolio as a 2007-08 pilot program to be coordinated with the Demand Response Research Center (DRRC). SCE's proposal identified an overall approach to commercializing the project at the DRRC, with a budget of \$1.79 million over two years and an initial goal of 10 megawatts (MW) by the summer of 2008.¹ SCE proposed to use existing Technical Assistance and Technology Incentives (TA&TI) funding to offer customers an incentive of \$250 per kilowatt (kW) of demand response potential enabled through the deployment of qualifying Auto DR technologies. In approving SCE's Auto DR proposal, the Commission directed SCE to file a more detailed plan for implementing the program during 2007.²

2. Purpose

The purpose of the program is to identify the key opportunities where Auto DR can play a role in the enhancement of SCE's price responsive DR portfolio. SCE will seek to recruit ten to twenty facilities to participate and become enabled through the Auto DR program platform by 2008, with the goal to achieve 10 megawatts (MW) of Auto-DR enabled load reduction capability by the summer of 2008.

3. SCE's Approach to Implementing the Auto DR Program during 2007

Upon review of the current Auto DR technology and after several meetings with the DRRC and its partner service providers, SCE intends to focus the deployment of its Auto DR program on current CPP participants by enhancing their DR dispatchability and adding new CPP participants. This approach is similar to that of Pacific Gas and Electric Company's (PG&E) Auto-CPP Emerging Technology Pilot conducted over the last three years. By narrowing the focus of its Auto DR program, SCE intends to maximize the impact of Auto DR for Summer 2007, and minimize the diversity of the customer building types originally envisioned for inclusion in SCE's general approach.

To accelerate deployment of the Auto DR pilot program, SCE expects to contract with a yet to be identified Engineering/Software Services Company (ESSC) to perform the tasks

¹ See SCE's August 30, 2006 Assessment of Demand Response Program Performance during July 2006 and Proposals to Augment its Demand Response Programs for 2007 and 2008.

² See D.06-11-049 at Ordering Paragraph 6.

necessary to successfully implement the project within its service territory. While the ESSC will be the prime contractor responsible for the efforts outlined in this scope of work, both the ESSC and the DRRC may retain a variety of subcontractors to fill key roles in the project along the way. Key subcontractors are expected to include service providers currently involved in PG&E's Auto DR pilot.

Customer sites will be recruited through SCE's Business Customer Division. The objective of the first phase of the recruitment will be to identify a range of sites to represent numerous market segments and customer classes. Each site will then be reviewed for the presence of an energy management and control systems (EMCS), and site personnel will be interviewed to determine which DR shed strategies can most appropriately be pursued. An extensive evaluation of the potential for load shedding will be performed using hourly electric load shapes.

SCE will provide project management, oversight, strategic direction, training and marketing, and field support resources for its Auto DR participants.

The timeframe for initiating and implementing Auto DR for the summer of 2007 is very aggressive. To ensure successful implementation, SCE will focus on two key elements:

- Element I – Program Development and Assessment. This work will entail the definition and development of the necessary processes and materials to implement the Auto DR program for SCE's CPP customers. SCE will incorporate a "lessons learned" step at the end of 2007, which is intended to objectively assess the performance of the Auto DR program and identify areas for enhancement and improvement for the 2008 program year. This activity is not intended to supplant the independent third party evaluation processes that are typically required for full-scale DR program efforts, but will be a "continuous process improvement" to ensure that the effort is efficient and expeditious.
- Element II – Program Deployment and Operations. This work will implement all of the elements that were defined during the project development efforts, including customer recruitment, technical coordination, training, and system testing. In addition, all activities necessary to operate the Auto DR program during the summer months when the SCE DR programs are operating (May to October) will be conducted. This element will include hardware and software procurements, training, recruitments, system deployments, communications, and coordination with other program service providers and customers.

4. Detailed Implementation Plan

Element I – Program Development and Assessment

Task 1: Develop Program Implementation Plan

The purpose this task is to develop the specifications for the SCE Auto DR program. The elements of the implementation plan include (but may not be limited to):

- Marketing strategy outline
- Customer recruitment plan

- SCE staff interaction plan (marketing and sales)
- Customer incentive plan
- Participant application forms
- Data management plan
- Operations plan
- Reporting procedures

In addition, a schedule of milestones and key dates will be specified and graphically conveyed. The target audience for this task is primarily SCE customers under the CPP program or potentially interested in the CPP program. SCE service providers will work extensively with SCE program staff to finalize the implementation plan.

Task 2: Develop Marketing Collateral

The purpose of this task is to develop the materials needed to market and promote the Auto DR program. This includes the development of a program marketing name, brochures, a website, webinars, media materials, *etc.* The Auto DR program website will be designed to provide customers with a secure location to view their participation information, including technical assessments, participation agreements and event results. DRRC and service providers will work closely with SCE program staff to ensure that the marketing materials and messages are consistent with current SCE efforts. SCE service providers may subcontract with a firm(s) that has the necessary expertise in this area to develop effective materials for the Auto DR program.

Extensive coordination is anticipated with SCE's DR department and EE implementation efforts to ensure that incentives and program offerings are clearly identified.

Task 3: Qualify and Train Recruitment and Technical Coordinator Vendors

The purpose of this task is to develop and issue requests for quotes (RFQs) for recruitment and technical coordinator service providers that will be critical to the implementation of the Auto DR program in 2007. The task involves the identification of potentially qualified firms, issuing RFQs, reviewing the responses with the project team, and making recommendations for selections. SCE will work with the California Energy Commission (CEC) and other utilities to determine the boundaries for vendor qualification (*e.g.*, SCE service territory only versus California statewide). The effort will also involve input from the CEC for technical qualification. The scope and content of the RFQs would follow the program implementation procedures and steps that will be outlined in the activities that would be undertaken by the recruitment and technical coordination firms during the course of their activities under the program.

Note that recruitment firms selected to participate in this program are expected to be contracted by SCE's selected ESSC during the course of the Auto DR program implementation. The technical coordination firms selected to participate in this program may also be contracted by the ESSC.

SCE will provide 4-6 training sessions for selected recruiter and technical coordination firms on the Auto DR equipment and the necessary technical interfaces that will need to be established with existing EMCS and communication platform service providers.

Representative Auto DR demand reduction “packages” will be defined for the attending technical coordinator vendors. These packages would define the types of measures and actions that would be taken by the customer in response to specific demand response events. For example, Package A might include a thermostat set point increase of 4 degrees; Package B might include a dimming of the outside corridor lighting; Package C might include both A and B combined. SCE expects to leverage existing materials already developed as part of PG&E’s Auto DR pilot efforts over the past 3 years.

Task 4: DR Automation Server (DRAS) and CLIR Development Activities

The purpose of this task is to customize the DR Automation Server (DRAS) currently used by PG&E for use by SCE and prepare the DRAS and the Client Logic Integrated Relay (CLIR) box for the scale-up beyond the current 2006 capabilities that were developed as part of the PIER-funded efforts under the DRRC. There will be a dedicated DRAS for SCE and it will be customized for SCE’s program. This includes changes to the event processing code, web pages, and database.³

The CLIR will be enhanced beyond its current prototype stage to support the deployment of many units in the field. The most important feature that will be added is upgradeability to allow new features to be added and software problems to be fixed without replacing the units. Support for Simple Network Management Protocol (SNMP)⁴ will be added so that facility IT managers can monitor the CLIRs along with their other IT infrastructure. A new tool will be developed to provide installers quick access to all the configuration parameters without having to use the LCD and keypad, which are not efficient interfaces for making large configuration changes.

Task 5: Assess and Refine Auto DR Program Design

The purpose of this task is to develop a report that reviews the activities conducted over the course of the project, reports the accomplishments for the summer activities, and makes recommendations for potential program changes in anticipation of 2008. The report will include the results of customer interviews and perspectives as well as the achieved demand reductions for each of the DR events.

Element II – Program Deployment and Operations

Task 6: Conduct Initial Customer Screening, Recruitment and Preliminary Assessments

The purpose of this task is to screen and recruit the participants to the program. The recruitment target is ten to twenty participants for the program during the Summer 2007

³ Note that this task description and the associated budget only anticipates scale-up and customization of the DRAS to accommodate SCE’s CPP DR program. If SCE is interested in a similar effort for the DBP program, that would entail additional development efforts.

⁴ Short for Simple Network Management Protocol, a set of protocols for managing complex networks. Required by many information technology (IT) managers for all devices that are installed on their networks. Therefore it is important to add this feature to the CLIR box so as not to limit its use at customer sites.

timeframe. This effort will be conducted by allowing SCE service providers to use the information obtained from their pre-program development efforts with Lawrence Berkeley Laboratory (LBNL) to begin contacting customers and identifying and qualifying their potential participation in the program. Second, the ESSC is expected to engage in subcontracts with up to three (3) recruitment coordinator (RC) firm(s) that will be selected as part of Task 3. Bringing RC firms into this task will ensure that (i) the work gets completed in a timely manner; and (ii) RC firms gain Auto DR program implementation experience when the program is expanded in future years. These firms are expected to represent particular areas of expertise (*e.g.*, already working with a group of customers or a customer type). The number of RC firms to be recruited under this task will be defined based on the outcome of the Task 3.

SCE will conduct phone interviews of qualified leads and implement preliminary site assessments for those leads that passed through the qualification process. Site visits will be completed with potential program participants that are customers of SCE throughout the SCE service territory. The site visits for qualified leads will include identification of the Auto DR “Package(s)” most applicable to that customer. Note that the activities of the RC firm will be dependent on whether the customer has had a preliminary assessment under SCE’s TA&TI program. If the customer has already had a preliminary assessment, then the costs for the RC firm will be reduced to the “revisit” basis.

The process will conclude with a commitment from the customers to work further with SCE to pursue an Auto DR installation in parallel with their participation in SCE’s CPP program.

SCE will develop a marketing tracking system using an off-the-shelf software product for this purpose. This customer relationship management (CRM) system will be posted on a share drive such that all program participants can access documents and related project correspondence.

SCE will require the ESSC and its subcontractors to work extensively with the SCE’s account representatives to identify target leads, work with EE department to ensure compatibility, and establish marketing partnerships with trade allies, conduct phone screens of existing and potentially new CPP customers.

Task 7: Formalize Participation and Conduct Technical Audits

When the customer has made a commitment to pursue Auto DR, the customer will receive specifications for the installation of the Auto DR equipment (*e.g.*, CLIR box). At this point in time, the customer will be connected to the appropriate Technical Coordinator (TC) vendor for the technical specifications stage of the process, prior to the installation of the Auto DR equipment.

SCE shall rely on the selected TC vendors to conduct technical audits and formalize the customer’s participation in the Auto DR program and CPP. The designated TC vendor will be the main point of contact with the customer and will coordinate equipment installations and EMCS equipment modifications. The responsibilities of the TC vendor

will be to (a) obtain customer's recorded interval load information;⁵ (b) conduct detailed technical audits and specifications for the Auto DR equipment; (c) assist customer in understanding Auto DR shed strategies that may be well suited for their facility(ies); (d) facilitate the processing of the TI incentive paperwork; and (e) identify the most appropriate SCE DR program(s) for the customer to participate in. Note that the activities of the TC vendor will be dependent upon whether the customer has had a technical audit under SCE's TA&TI program. If the customer already had a technical audit, then the costs for the TC vendor will be reduced to the "revisit" basis.

The technical assessments will be conducted according to the training procedures established as part of Task 5.

Task 8: Acquire Auto DR Equipment

The purpose of this task is to procure the hardware required (such as EMCS interfaces and the DRRC CLIR boxes) to be installed in customer sites as they become finalized. In some cases the customer may have equipment already "Auto DR ready" and no equipment would be required. This will be determined by the site inspections and TC personnel.

Task 9: Coordinate Auto DR Installations and TI Incentive Processing

The purpose of this task is to coordinate the Auto DR installations and process the TI incentive mechanisms. SCE shall rely on the selected TC vendors to conduct this work within SCE guidelines. The TC vendor will either subcontract with the installation contractor(s) (*e.g.*, site controls vendor, electrical contractor, IT subcontractor, *etc.*) for the EMCS or CLIR box installation or will facilitate the customer's direct contracting to these entities. These decisions will be made on a site-by-site basis, depending on the specific customer circumstances.

The TC vendor will also work with the customer to finalize the TI incentive processing, such that once the validation (Task 9) and system testing (Task 10) are successfully completed, the customer would receive their incentive. The TC vendors are expected to work extensively with the SCE account representatives to schedule and participate in the site assessments.

Task 10: Customer Incentives and Equipment Installation

The purpose of this task is to provide the customers with the Auto DR incentive and cost reimbursement for their participation in the Auto DR program. Customers will receive their incentives according to the customer incentive plan development as part of the Task 1 activities and in accordance with the SCE program rules and requirements. It is anticipated that a portion of the customer incentive will be for the cost of the installation contractors retained by the customer for installation of the Auto DR equipment and adjusting the EMCS equipment to accommodate the Auto DR platform.

⁵ Contractor will work with SCE to obtain the necessary customer permission and install the appropriate software program to enable read-only downloads of the customer's historical interval meter load data.

Task 11: Validate Auto DR System Installations

The purpose of this task is to conduct site visits to validate the installation of the Auto DR equipment (CLIR boxes) and ensure that the DR shed strategies (“package(s)”) are in place and available for Auto DR program operation. To ensure appropriate checks and balances for purposes of quality control, these validations will be conducted independent of the TC vendor.

Task 12: Conduct Auto DR System Tests

The purpose of this task is to conduct testing of individual Auto DR systems to ensure functionality and seamless communication. Installation technical problems will be resolved through return visits by TC vendors. To ensure appropriate checks and balances, these tests will be conducted remotely by the ESSC. Spot visits during tests will be made by the SCE personnel and the ESSC team (independent of the TC vendors) to ensure checks and balances are maintained.

Task 13: Host the Auto DR Demand Response Automation Server (DRAS)

The purpose of this task is to host and maintain operation of the DR Automation Server (DRAS) for the Auto DR program for 2007. Operational activities would include logging and reporting on relevant activities that indicate the usage patterns and health of the DRAS (*e.g.*, network traffic, availability, upgrades, *etc.*)

During the conduct of this task, the ESSC will be responsible for hosting the DRAS server software and ensuring 99.99% availability for the entire system during 2007. This includes providing redundant server infrastructure components and hosting them in a facility with redundant power and network connections. In addition, the system will be monitored by onsite personnel. Offsite backups of the system data will also be made to ensure nothing is lost in the event of a catastrophe.

This task also includes the resolution of all the currently identified bugs in the DRAS and the CLIR, as well as bug fixes and incremental feature enhancements for 2007.

Task 14: Operate Auto DR Program

The purpose of this task is to operate the Auto DR program during the CPP program periods in Summer 2007 by communicating with the DRAS through the SCE notification system. Operational activities would include cataloging load data, maintaining customer contact, reporting to the SCE program manager, and conducting customer surveys immediately following each of the CPP events.

5. SCE coordination with the DRRC

The overall concept of the Auto DR program was the result of software development and enabling technology platforms that have been designed and deployed by the PIER Demand Response Research Center and Lawrence Berkeley Laboratory (LBNL) under the CEC/PIER and DRRC and PG&E funded Auto-CPP Emerging Technology Pilot program over the past three years. These technology platforms involve a number of computer servers that are resident at professional co-location hosting facilities and at the customer sites (site equipment). The software was also developed to ensure that communications between the site equipment and the servers was timely and would enable the price signals for demand response. The DRRC was instrumental in developing best practices to encourage customer participation and in developing incentives to enhance customer acceptance of the software and hardware changes needed to deploy the Auto DR. SCE has met and worked with the DRRC software team to coordinate its notification protocols with the SCE customer alert systems and to ensure that the best practices of communication and protocol development are captured in SCE's processes.

The DRRC has also developed a series of shed strategies and curtailment approaches for hardware and energy management systems that demonstrate price responsiveness with fully automated electric load shedding that has taken place at a number of large commercial facilities. Load reductions are initiated via XML-based communications with EMCS at the sites, with average demand reductions about 10% from a variety of building types and facilities. As a result of the research, the DRRC has demonstrated that customers believe automation of the demand response process (Auto DR) will help them institutionalize their electric load shedding improving overall response and repeatability. SCE has also met with the DRRC on this, and has facilitated a workshop and key meetings with software and hardware vendors in coordination with the DRRC.

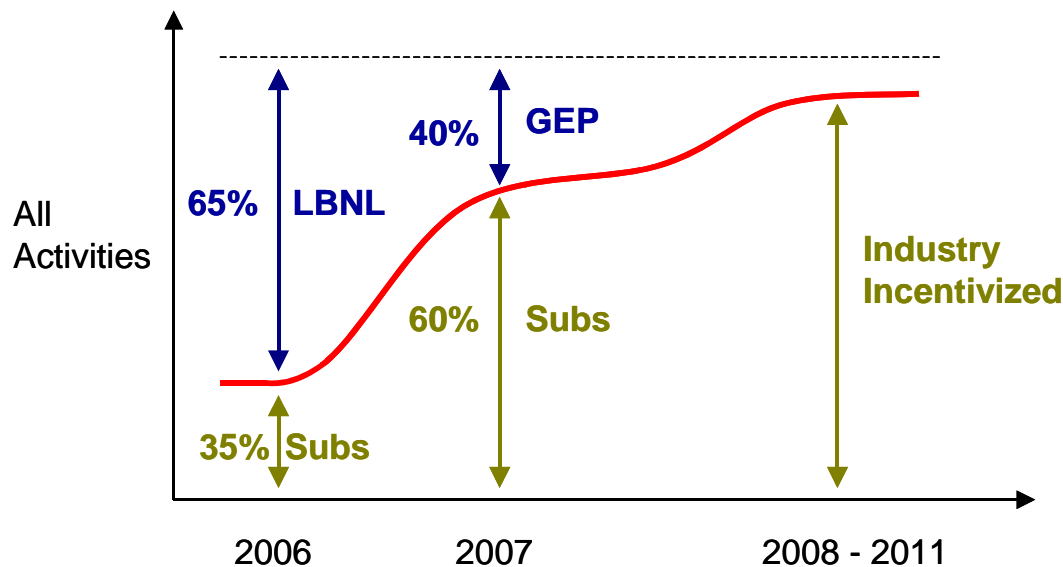
The purpose of this project is to identify the key opportunities where Auto DR can play a role in the enhancement of the price-responsive portfolio of SCE's CPP program. The basic design of the program will be to recruit ten to twenty facilities to participate in the fully automated CPP. The DRRC has worked with PG&E in the past in developing best practices for customer recruitment, training, retention, and ongoing enhancement of the program participation. SCE has been working with the DRRC personnel since the early stages of the PG&E pilot program and is fully engaged in the technical and sociological review of the best practices associated with that program.

SCE is currently in negotiations with the DRRC to establish a services contract for support services both specific to the implementation of SCE's Auto DR program and to encourage the further commercialization of the process with existing DR and curtailment service providers.

6. Third Party Service Providers

The role of Auto DR implementation service providers will be essential to the success of this program over the long run. During 2007, it is envisioned that much of the program administration resources will be devoted to establishing the processes necessary to nurture a supply of Auto DR service providers (recruiters and Technical Coordinators) that have the capabilities to bring eligible customers to the utility DR programs and facilitate the installation of Auto DR systems in their facilities. The recruiters will have the responsibility to bring forth prospective participants and set them up for participation in the Auto DR program. The Technical Coordinators will have the responsibility to work with committed participants to specify the technical requirements for the Auto DR systems, secure financial incentives for equipment costs and DR program participation, and ensure continued participation. Over time, this supply of third party service providers will be the nexus for operating a sustainable Auto DR program. In 2008 and beyond, a greater share of the program administration resources will be dedicated to managing a program that is largely operated by third party service providers capable of recruiting and qualifying Auto DR loads.

The figure below illustrates the Auto DR technology development and commercialization strategy that SCE intends to deploy in partnership with its service providers. During the 2006 Auto-CPP project for PG&E, the LBNL within the DRRC umbrella ran the majority



of the activities for Auto DR with a fraction of the work done by private sector subcontractors and consultants. SCE's 2007 Auto DR program is designed as an effort to scale up and disseminate the technology beyond the national laboratory. Over time the goal of this effort is to develop incentives for Auto DR service providers to install and configure automated communication systems that automate current and future DR programs.

As discussed in Task 3 above, SCE expects to engage recruitment and technical coordinator vendors that will be critical to the implementation of the Auto DR program in 2007.

7. Funding

SCE intends to fund the administration and implementation of its Auto DR program by shifting existing authorized TA&TI funding for third party contractor services as well for customer incentives. Note that the recruitment firms selected to participate in this program as specialists for the Auto DR program specifically are expected to be contracted by the ESSC during the course of the Auto DR program implementation. The technical coordination firms selected to participate in this program may also be contracted by the ESSC.

Customer incentives for the Auto DR program will be paid by SCE's TA&TI program at the incentive levels approved in D.06-11-049 for Auto DR. These incentives would be for hardware and software that would enable the customers to participate in the Auto DR aspect of the CPP program, and would be reimbursed under the current TA&TI program rules and requirements. The processes and procedures for customer audits, surveys, incentives, and hardware reimbursements are already in place and would require minimal categorization for the specifics of Auto DR to enable for the summer of 2007.

8. Measurement and Evaluation

Agency staff are currently preparing protocols and procedures for the Evaluation, Measurement, and Verification (EM&V) of demand response pursuant to Decision 05-11-009. To date, no final protocols exist for verifying load impacts associated with the price-responsive programs such as CPP. SCE intends to use its existing TA&TI site verification and load shed measurement procedures for its Auto DR program. SCE has budgeted \$100,000 for EM&V of the Auto DR, which will be conducted at the end of summer 2008.

9. Budget

In D.06-11-049, the Commission approved a two-year budget for the administration and implementation of Auto DR program (including EM&V, but not including customer incentives) of \$1.79 million. The table below summarizes the Auto DR program budget for 2007. The budget is broken down according to the detailed tasks outlined above and the various service providers expected to be associated with the project. In addition, the budget breakdown identifies those costs associated with (i) the Auto DR program development efforts; and (ii) the Auto DR TA&TI program deployment efforts. SCE expects costs for the first year of the Auto DR program to require more than half of the two-year budget due to the accelerated ramp up of the program.

SCE Proposed Budget Allocation, 2007 Auto DR Program

| Element/Task | Description | Budget (\$000) | | | | | | | |
|--|---------------------------|---|--------------|-------------------|--------------------------|--------------|--------------|----------------|--------------|
| | | SCE | ESSC | Recruiter Firm(s) | Technical Coord. Firm(s) | server | Customer | TOTAL | |
| I | 1 | Develop program implementation plan | \$50 | \$15 | | | | | \$65 |
| | 2 | Develop marketing collateral | \$50 | \$15 | | | | | \$65 |
| | 3 | Qualify and train Auto DR recruitment and technical coordinator vendors. | \$25 | \$75 | \$10 | | | | \$110 |
| | 4 | DRAS development activities | \$15 | \$20 | | | \$100 | | \$135 |
| | 5 | Assess and refine Auto DR program design | \$25 | \$25 | | | | | \$50 |
| | TOTAL -- Element I | | \$165 | \$150 | \$10 | \$0 | \$100 | \$0 | \$425 |
| II | 6 | Conduct initial customer screening, recruitment and preliminary assessments (25 participants at \$2000/site and 25 participants at \$1000/site) | \$30 | | \$75 | | | | \$105 |
| | 7 | Formalize participation and conduct technical audits (25 participants at \$3000/site and 25 participants at \$1500/site) | \$30 | | | \$113 | | | \$143 |
| | 8 | Acquire Auto DR equipment (50 units at \$1500/unit) | \$5 | | | | \$75 | | \$80 |
| | 9 | Coordinate Auto DR installations and incentives (50 participants at \$2000/site) | \$20 | | | \$100 | | | \$120 |
| | 10 | Customer incentives and equipment installation (50 participants at \$7500/site) | \$25 | | | | | \$375 | \$25 |
| | 11 | Validate Auto DR system installations | \$15 | | | | | | \$15 |
| | 12 | Conduct Auto DR system tests | \$15 | | | | | | \$15 |
| | 13 | Host the Auto DR automation server | \$5 | | | | \$155 | | \$160 |
| | 14 | Operate Auto DR program | \$40 | | | | | | \$40 |
| TOTAL -- Element II | | \$185 | \$0 | \$75 | \$213 | \$230 | \$375 | \$703 | |
| TOTAL -- Auto DR Program Budget (Year One) | | \$350 | \$150 | \$85 | \$213 | \$330 | | \$1,128 | |
| TOTAL -- Auto DR TA&TI Program Incentives (estimated) | | \$0 | \$0 | \$0 | \$0 | \$0 | \$375 | \$375 | |

Note – customer incentives not part of Auto DR budget forecast but included in overall expected expenditures

3.

Roles of Key Participants in the Auto DR Program

| Activity | SCE Program Manager | SCE Account Managers | AutoDR Program Manager | Auto-DR Recruiters/ Tech Coordinators | Auto-DR Program/DRAS Manager | Customers | DRRC |
|---|---|---|---|---|---------------------------------------|-----------------------------------|---|
| 1. Program Development* Program definition, marketing, qualification, training | Coordinate Outreach Materials | Participate in Auto DR Webcast/Training | Develop Outreach Materials/ Qualification Process | Training | Finalize DRAS | | Assist with outreach materials/ training |
| 2. Program Deployment* Recruitment, Specification, Agreement | Coordinate with Account Managers/Assist in Outreach | Evaluates economics | Coordinate Outreach Qualify Team | Recruiter – Explains MOU | Identify sites/Track Recruitment/ MOU | Owner Manager Signs MOU | Assist with large accounts/ retail/DGS |
| 3. Program Deployment Technical assessments, specifications, coordination, incentive processing | Track Progress | Track Progress | Track Strategies | Tech Coordinator Lead Role | Track Audits | Owner & Facilities Staff | Track novel sites/ strategies |
| 4. Program Deployment Equipment installation, verification, testing | Track Progress | Track Progress | Ensure Completion | Tech Coordinator Lead Role | Track Automation - Configure DRAS | Owner & Facilities Staff | Help Trouble shoot |
| 5. Program Operations Event tracking, customer care, problem resolution | Track Progress | Track Progress | Track kW, satisfaction, problems, issues | Tech Coordinator – ensures shed performance | Ensure Automation Performance | Owner & Facilities Staff | Evaluate Goals - New Building Types/ Strategies |
| 6. Assessment* Results review, lessons learned, recommendations for future program improvements | Ensure Coordination | Provide Feedback on Program | Evaluate kW, satisfaction, problems, issues | Caveats on Performance/ Site Issues | Evaluate Technology Needs | Provides Feedback Lessons Learned | Evaluate Technology Needs/Tech Potential |

*Involve SCE Customer Marking and Assessment

10. Summary

PG&E's Auto DR pilot research project at the DRRC has successfully demonstrated that Auto DR for CPP participants is technically feasible with existing technology and increases levels of demand response potential. SCE is committed to ensuring that the results of this research are transferred to its program so that customers can take advantage of this research and increase their level of demand response potential. SCE expects to engage all program stakeholders in an expedited manner to deploy this program for the summer of 2007.

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) #: 2083-E

Subject of AL: Submission of Southern California Edison Company's Implementation Plan for the 2007 Auto DR 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 #:

D.06-11-049

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 AL¹: _____

Resolution Required? Yes No

Requested effective date: 12/29/06 No. of tariff sheets: -0-

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: None

Service affected and changes proposed¹: _____

Pending advice letters that revise the same tariff sheets: _____

¹ 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
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