

July 1, 2013

California Energy Commission
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Re: *Southern California Edison Company's ("SCE's") Comments on the California Energy Commission Docket No. 13-IEPR-1F Demand Response Workshop*

To Whom It May Concern:

On June 17, 2013, as part of the California Energy Commission's ("Energy Commission's") 2013 Integrated Energy Policy Report ("2013 IEPR") process, the Energy Commission held a Staff Workshop to address Demand Response Challenges and Opportunities ("the Workshop"). Southern California Edison ("SCE") participated in the Workshop and appreciates the opportunity to provide these written comments.

As SCE discussed during its Workshop comments, SCE is developing and executing a resource plan and regulatory strategy to meet reliability needs in the Los Angeles basin resulting from the retirements of existing generators with once through cooling systems ("OTC") and the San Onofre Nuclear Generating Station ("SONGS"). The plan includes developing a framework for integrating preferred resources,¹ energy storage, transmission and conventional generation into local reliability planning.

A key aspect of SCE's plan involves a collaborative effort with the California Public Utilities Commission ("CPUC"), Energy Commission, California Independent System Operator ("CAISO") and other stakeholders to develop and implement a "living pilot" to procure up to 400 MW of additional, competitively priced preferred resources, including demand response, to meet local reliability needs in the areas impacted by the retirement of the region's coastal plants.² The pilot will include (1) CAISO determined performance attributes to support reliability needs; (2) metrics, measurement, and evaluation protocols to report the efficacy of the various preferred resources; and (3) methods for applying lessons learned for future improvements. This design

¹ Preferred resources include demand response, energy efficiency, and distributed generation.

² SCE is planning this pilot pursuant to the CPUC's Decision ("D.") 13-02-015 in Track 1 of the 2012 Long-Term Procurement Planning ("LTPP") proceeding (Rulemaking 12-03-014), which authorizes SCE to procure up to 400 MW of additional preferred resources to meet local reliability needs in SCE's service territory. Attachment A illustrates how this pilot will fit into the procurement authority granted in D.13-02-015. The CPUC will consider SCE's pilot proposal this summer in the LTPP proceeding.

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will ensure that the pilot provides tangible results that can inform reliability analyses and resulting procurement and investment decisions for years to come.

As shown in Attachment B, SCE has considerable experience developing and managing demand response programs, with over 1,300 MW under contract as of April 2013. SCE plans to leverage this experience in connection with its pilot to identify and pursue competitively priced demand response programs that meet reliability needs and to integrate demand response capability with energy efficiency.

In essence, the pilot will provide information gleaned from real world, real time integration of preferred resources into local reliability planning to help inform the CAISO, planners, procurement entities, customers, and aggregators. The pilot results should ultimately provide the CAISO, utilities, and policy makers with reasonable certainty about the ability of preferred resources to perform when called upon, allowing for the replacement of otherwise needed transmission or conventional generation. The pilot will therefore enable industry stakeholders to unlock the potential for demand response, as well as other preferred, renewable and energy storage resources, to meet reliability needs.

SCE looks forward to its continuing collaboration with industry stakeholders throughout its planning activities to address the issues raised by the retirement of the Los Angeles basin's coastal plants and appreciates the Energy Commission's consideration of these comments. Please do not hesitate to contact me at (916) 441-2369 with any questions or concerns you may have. I am available to discuss these matters further at your convenience.

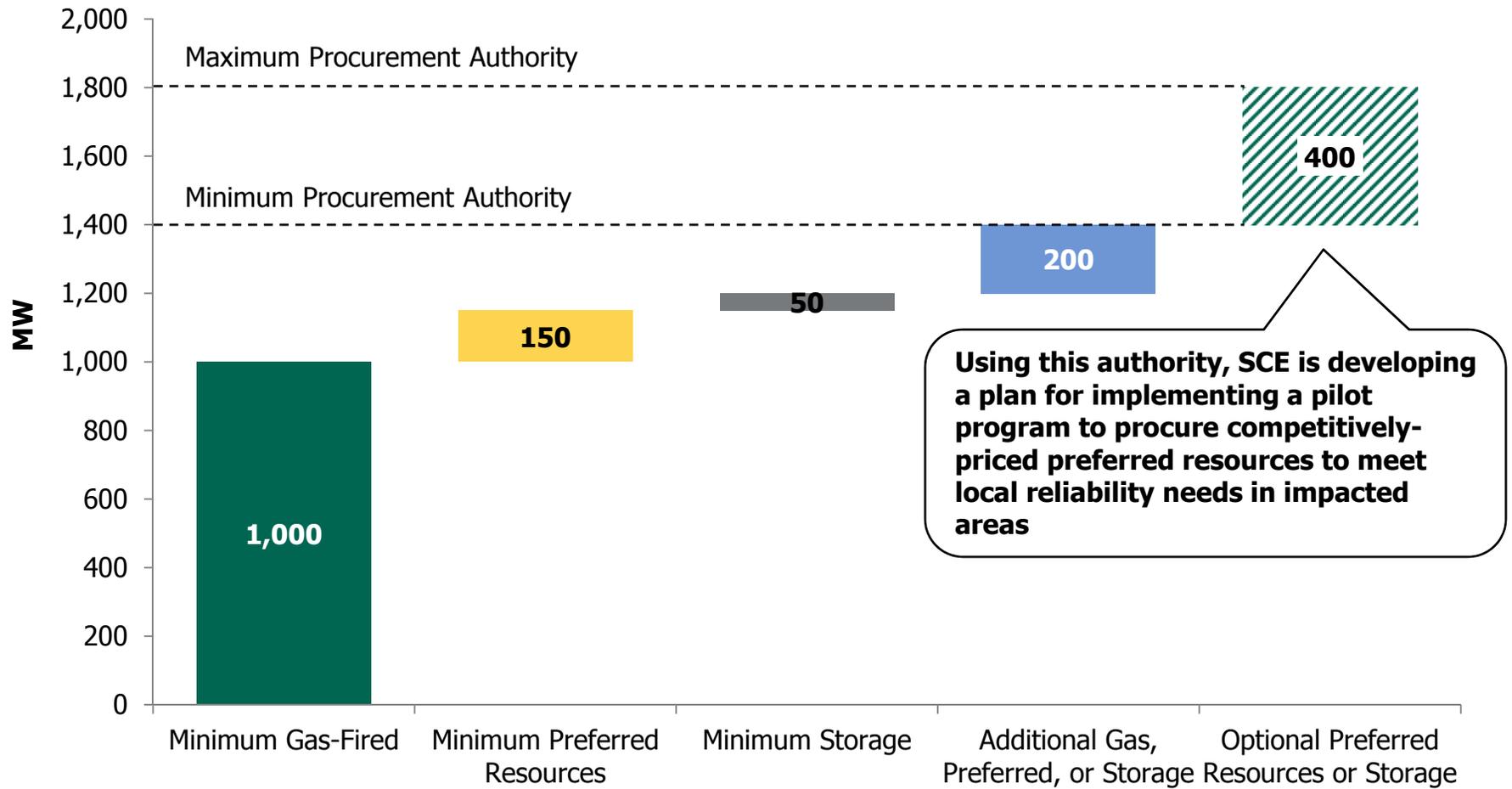
Very truly yours,

/s/ Manuel Alvarez

Manuel Alvarez

Attachment A

The 2012 Long-Term Procurement Plan Track 1 decision authorizes SCE to procure up to 400 MW of additional preferred resources to meet local reliability needs in SCE's service territory



Attachment B

Attachment B

**Southern California Edison
Demand Response Program Portfolio**

Program	Type	Program Season	Available Annual Events/Hours	Available Monthly Events/Hours	Available Weekly Events/Hours	Available Daily Events/Hours	Available Trigger Criteria
Agricultural Pumping Interruptible (API)	Day Of	Year Round (excluding Holidays)	150 Hours	25 Events	4 Events	1 Event 6 Hours Max	<ul style="list-style-type: none"> • CAISO Stage 1 Alert • CAISO Stage 2 Alert • SCE Grid Control Center Discretion • Measurement & Evaluation
Base Interruptible Program (BIP)	Day Of	Year Round (excluding Holidays)	180 Hours	10 Events	No Limit	1 Event 6 Hours Max	<ul style="list-style-type: none"> • CAISO Stage 1 Alert • CAISO Stage 2 Alert • SCE Grid Control Center Discretion • Measurement & Evaluation

Program	Type	Program Season	Available Annual Events/Hours	Available Monthly Events/Hours	Available Weekly Events/Hours	Available Daily Events/Hours	Available Trigger Criteria
Capacity Bidding Program (CBP-DA)	Day Ahead	May – Oct (excluding Holidays)	No Limit	24 Hours	Mon-Fri	1 Event 8 Hours (11am – 7pm)	<ul style="list-style-type: none"> • High temperature • Resource limitations • A generating unit outage • Transmission constraints • CAISO Alert or Warning • SCE System Emergency • Measurement & Evaluation
Capacity Bidding Program (CBP-DO)	Day Of	May – Oct (excluding Holidays)	No Limit	24 Hours	No Limit	1 Event 4,6, or 8 hour event duration options	<ul style="list-style-type: none"> • High temperature • Resource limitations • A generating unit outage • Transmission constraints • CAISO Alert or Warning • SCE System Emergency • Measurement & Evaluation

Program	Type	Program Season	Available Annual Events/Hours	Available Monthly Events/Hours	Available Weekly Events/Hours	Available Daily Events/Hours	Available Trigger Criteria
Demand Bidding Program (DBP)	Day Ahead	Year Round (excluding Holidays)	No Limit	No	No Limit Mon-Fri	1 Event 8 hours	<ul style="list-style-type: none"> • CAISO Alert or Warning • Day-Ahead load and/or Price Forecast • Extreme or unusual temperature conditions • SCE Procurement needs • Measurement & Evaluation
DR Contracts (DRC-DA)	Day Ahead	Varies	Varies by Contract	Varies by Contract	Varies by Contract	Varies by Contract	Varies by Contract
DR Contracts (DRC-DO)	Day Of	Varies	Varies by Contract	Varies by Contract	Varies by Contract	Varies by Contract	Varies by Contract
Save Power Day (SPD)	Day Ahead	Year Round (excluding Holidays)	No Limit	No Limit	No Limit	1 Event 4 Hours (2pm – 6pm)	<ul style="list-style-type: none"> • Temperature

Program	Type	Program Season	Available Annual Events/Hours	Available Monthly Events/Hours	Available Weekly Events/Hours	Available Daily Events/Hours	Available Trigger Criteria
Summer Advantage Incentive (SAI)	Day Of	June – Sep (excluding Holidays)	60 Hours Min: 9 Events Max: 15 Events	No Limit	No Limit	1 Event 4 Hours (2pm – 6pm)	<ul style="list-style-type: none"> • Temperature • CAISO Alert or Warning • SCE System Forecast • Extreme or unusual temperature conditions • Day-Ahead load and/or Price Forecast
Summer Discount Plan - Residential (SDP-RES)	Day Of	Year Round (excluding Holidays)	Unlimited Events 180 Hours	No Limit	No Limit	Unlimited Events 6 Hours	<ul style="list-style-type: none"> • CAISO Alert or Warning • CAISO Discretion • SCE Grid Control Center Discretion <ul style="list-style-type: none"> • SCE Energy Operations Center Discretion • Measurement & Evaluation
Summer Discount Plan – Commercial (SDP-COM)	Day Of	Year Round (excluding Holidays)	Base – 90 Hours Enhanced – Unlimited	No Limit	No Limit	6 Hours	<ul style="list-style-type: none"> • CAISO Stage 1 Alert • CAISO Stage 2 Alert • SCE Grid Control Center Discretion • Measurement & Evaluation