

SOUTHERN CALIFORNIA GAS COMPANY
APPLICATION TO ESTABLISH A DEMAND RESPONSE PROGRAM
(A.18-11-005)

(Cal Advocates Data Request-02)

DATE RECEIVED: November 27, 2018
DATE RESPONDED: December 12, 2018

QUESTION 1:

Regarding the proposed natural gas demand response (DR) pilot programs,

- a. Please provide the results of any analysis that SoCalGas has conducted to determine the ongoing need for long-term natural gas DR programs.
- b. Has SoCalGas considered alternative methods to address the need that these DR pilots are designed to address?
 - i. If so, what alternatives did SoCalGas consider and which alternatives does SoCalGas plan to pursue in addition to DR?
 - ii. If, so, what were the advantages or disadvantages of DR when compared to alternate methods for meeting gas reliability needs?
- c. What relationship, if any, do ongoing reductions in the storage capacity of the Aliso Canyon Natural Gas Storage facility have with an ongoing need for gas DR?

RESPONSE 1:

- a. SoCalGas has not conducted an analysis to determine the need for long-term natural gas DR programs because additional data would be necessary to perform such an analysis including, but not limited to, the observed results of the DR program pilots and associated activities proposed in A.18-11-005. SoCalGas' application for a suite of DR programs for residential, commercial and industrial customers is aimed at testing and learning which programs, strategies, and technologies could enhance reliability of the natural gas system during times of system stress. The three-year pilots proposed in A.18-11-005 will provide the opportunity for SoCalGas to develop the data and experience necessary to inform the on-going need and effectiveness of natural gas DR programs in the long-term.
- b. SoCalGas has not conducted an analysis to compare the proposed DR Program and EDSP to alternatives because, as discussed in response to 1.a., additional data would be necessary to perform such an analysis including, but not limited to, the observed results of the DR program pilots and associated activities proposed in A.18-11-005.
- c. SoCalGas objects to this request as vague and ambiguous as to the phrase "ongoing reductions in the storage capacity." Subject to and without waiving this objection, SoCalGas responds as follows: Subject to SoCalGas' response to 1.a, the intent of gas DR is to reduce natural gas consumption during system stress to enhance reliability of the natural gas system during peak periods. Many factors may contribute to system stress, including, but not limited to, the availability of natural gas storage inventory and natural gas pipeline and storage constraints. Although DR may be a potential tool to enhance reliability that could marginally offset the impacts of system

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constraints, it will not fully mitigate reliability risks from the loss of supply at the gas system level.

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QUESTION 2:

Regarding the proposed Energy Data Sharing Platform (EDSP) for a natural gas DR program,

- a. Please provide the results of any analysis that SoCalGas has conducted to determine the need for an EDSP.
- b. Please state the basis for proposing an ESDP before the completion of the four proposed pilots.

RESPONSE 2:

- a. The Energy Data Sharing Platform (EDSP) proposal outlined in Chapter 2 is the result of analysis and benchmarking SoCalGas conducted to determine the need for an EDSP.

As explained in Chapter 2, Direct Testimony of Nancy Carrell Lawrence, the EDSP is an essential element of the program to enable and operate the third-party implemented Behavioral Messaging Pilot described in Chapter 1, Direct Testimony of Darren Hanway. As is the case for third-party implemented electric DR programs involving customer information feedback and messaging, the Behavioral Messaging Pilot and similar types of DR programs rely on automated, secure, “next day” transmissions of SoCalGas advanced meter infrastructure (AMI) interval usage data and would not be feasible without the EDSP. The EDSP also supports timely post-program load impact analysis for all the DR programs outlined in Chapter 1. These benefits are further described in Chapter 1, pages 20 and 21. The EDSP will also be an integral element to future third-party implemented Energy Efficiency (EE) programs which provide energy information feedback to participants based on SoCalGas AMI usage data as discussed on page 2 of Chapter 1.

In designing its EDSP proposal, SoCalGas examined the Commission’s findings and directives in D.11-07-056 of the Smart Grid proceeding. Of particular note are the following determinations by the Commission:

- In addition to the adopted rules protecting the privacy and security of usage data, the decision adopts policies to govern access to customer usage data by customers and by authorized third parties. (D.11-07-056 at p. 2.)

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- The record in this proceeding has demonstrated that the data on energy consumption generated by Smart Meters and transmitted by the Smart Grid will prove critical to future conservation and grid management efforts. Enabling consumers and companies to assess and act on this information is key to advancing many of California's energy policies, such as promoting conservation, reducing demand in response to grid events.... (D.11-07-056 at p. 22.)

This decision, which followed the three California electric investor-owned utilities' (IOUs') respective smart meter deployments, ordered the electric IOUs to file applications to implement the tariff changes and systems required to provide authorized third parties access to their customers' AMI-enabled usage data. Please refer to page 4 of Chapter 1 for further discussion.

SoCalGas also carefully examined the applications filed by the three California electric IOUs in response to Ordering Paragraph 8 of D.11-07-056, including the system capabilities, staffing, and costs each of the electric IOUs requested to build out and operate their initial energy data sharing platforms as described in Chapter 2, page 15. SoCalGas analyzed subsequent data sharing-related regulatory proceedings and analysis, including the "Click-Through Authorization Process" via Resolution E-4868. Through this resolution, the Commission continued to direct the three electric IOUs to build out their information technology (IT) infrastructure to further streamline, simplify, and automate their sharing of AMI-enabled, energy-related customer data with third-party electric DR providers as discussed in Chapter 2 at p. 5.

In the various proceedings outlined in Chapter 2, the Commission has directed, supported, and/or acknowledged energy data access-related capabilities as being essential to realize the conservation and demand response benefits resulting from AMI interval usage data for the three electric IOUs. The Commission has also stated that it "would welcome considering applications that would provide gas usage data as well." D.13-09-025 at 59; see also Chapter 2, page 9.

- b. As described in Response 2.a. above, and in Chapter 2 Direct Testimony, the EDSP supports key aspects of all the DR programs outlined in Chapter 1. As is the case for the three California electric IOUs, the EDSP offers long term benefits to SoCalGas ratepayers by supporting third-party implemented DR and EE programs that would not be feasible without an automated, streamlined, timely, and secure data sharing capability.

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Requesting funding for the EDSP is consistent with funding authorized by the Commission for the three electric IOUs to maximize ratepayer benefits attained through future natural gas DR and EE programs that can leverage the “next day” hourly and daily gas usage data enabled by SoCalGas’ AMI system.