

2020 Direct Access Lottery Enrollment Report

September 2021



**California Public
Utilities Commission**

2020 Energy Division Direct Access Annual Status Report

SUMMARY

Commission Decision 12-12-026 directs the Energy Division to prepare an Annual Status Report on the Direct Access (DA) lottery enrollment data of the prior year.

Information required in the report per D.12-12-026:

- a. The number of valid Six-Month Notices submitted to the utility during the Submission Period, excluding duplicate notices;
- b. The amount of Direct Access load (in annual gigawatt hours) available under the Overall DA Load Cap as of the commencement date of the lottery;
- c. The Lottery number assigned to the last customer given an opportunity to switch during the year (assuming the ascending count, i.e., 1, 2, 3...); and
- d. The number of customers and their associated annual gigawatt hours of load that remained on the waiting list as of December 31 of the previous year.

2020 Direct Access Load and Lottery Data

| 6-Month Notice Submission Period June 8-12, 2020 | SDG&E | SCE | PG&E¹ | Total |
|--|------------------|------------|-----------------------------|--------------|
| Number of valid Six-Month Notices submitted to the utility during the Submission Period (Duplicates Excluded). | 469 | 1,185 | 1,901 | 3,555 |
| Amount of Direct Access load, in annual gigawatt hours, available under the Overall DA Load Cap as of the commencement date of the lottery. ² | 453 | 0 | 392 ³ | 845 |
| 2020 Lottery Activity⁴ | SDG&E | SCE | PG&E | Total |
| Lottery number assigned to the last customer given an opportunity to switch during the year. (Assuming 1, 2, 3....). | 66 | 295 | 205 | 566 |
| Number of customers that remained on the waiting list as of December 31 of the previous year. ⁵ | 318 | 890 | 1,453 | 2,661 |
| Associated annual gigawatt hours of customer loads that remained on the waiting list as of December 31 of the previous year. ⁶ | 1,112 | 7,603 | 5,531 | 14,246 |

¹ Due to a recently discovered DA load data issue the available DA load was underreported. PG&E will be offering an additional 134 GWh to the 2020 waitlist. The numbers in this report reflect the 2020 waitlist load prior to the addition of the 134 GWh.

² SCE shows no available load because unlike SDG&E and PG&E, SCE did not include the additional load under the new SB 237 cap.

³ PG&E recently discovered a data issue that underreported the amount of DA load in its service territory. Based upon the corrected load information, PG&E had 526 GWh available under the DA Cap for the 2020 waitlist as determined by D. 19-05-043. PG&E will reach out to the 2020 waitlist for the additional 134 GWh of additional load.

⁴ The lottery activity in 2020 is from the additional cap allowance from SB 237 and is from the 2020 waitlist.

⁵ Please note this is as of December 31, 2020.

⁶ Please note this is as of December 31, 2020.

2019 Direct Access Load and Lottery Data

| 6-Month Notice Submission Period June 10-14, 2019 | SDG&E | SCE | PG&E⁷ | Total |
|--|------------------|------------|-----------------------------|--------------|
| Number of valid Six-Month Notices submitted to the utility during the Submission Period (Duplicates Excluded). | 453 | 642 | 1,659 | 2,754 |
| Amount of Direct Access load, in annual gigawatt hours, available under the Overall DA Load Cap as of the commencement date of the lottery. ⁸ | 0 | 0 | 0 | 0 |
| 2019 Lottery Activity⁹ | SDG&E | SCE | PG&E | Total |
| Lottery number assigned to the last customer given an opportunity to switch during the year. (Assuming 1, 2, 3....). | 69 | 179 | 206 | 454 |
| Number of customers that remained on the waiting list as of December 31 of the previous year. ¹⁰ | 357 | 463 | 593 | 1,413 |
| Associated annual gigawatt hours of customer loads that remained on the waiting list as of December 31 of the previous year. ¹¹ | 1,160.9 | 2,240 | 2,557 | 5,957 |

⁷ PG&E’s DA load was also underreported for the 2019 DA load increase from SB237. PG&E has an additional 276 GWh of available DA load for the 2019 waitlist. The numbers that are in this chart reflect the incorrect DA cap that was offered to customers in 2019.

⁸ The number of gigawatts available is calculated as of June 2019.

⁹ The lottery activity in 2019 is from the additional cap allowance from SB 237 and is from the 2019 waitlist.

¹⁰ Please note this is as of December 31, 2019.

¹¹ Please note this is as of December 31, 2019.

BACKGROUND

On March 11, 2010, the Commission authorized additional DA transactions within the service territories of California's three largest investor-owned utilities, Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E) pursuant to Senate Bill (SB) 695 (Kehoe, 2009).

The Commission adopted procedures for phasing in new DA load in D.12-12-026.¹² Beginning with the 2013 DA open enrollment period, the utilities were required to replace the “first-come, first-served” enrollment process with the lottery process in order to create a more level playing field. Any customer that wished to enroll in Direct Access would file notice of their intent to enroll in DA during the Six-Month Notice Submission Period. The IOUs have 30-business days to review, audit, and confirm the submissions. At this time, the IOU will run the “randomizer” that will assign customers a lottery number, and customers will be notified via email to whether they have been accepted into the DA program to fill available load within the cap. The remaining customers are placed on a waitlist in the order of the assigned by the randomizer and will be maintained on that waitlist for the following calendar year until the next enrollment period. On the last business day of December their lottery number will be cancelled and suspended. A new waitlist takes effect on the first day of January.

Throughout the year, the Investor-Owned Utilities (IOU)s¹³ continually evaluate the amount of available capacity under the Overall Load Cap in monthly reporting to the Commission that is posted on the CPUC website. This ongoing assessment allows customers to join DA when capacity becomes available. Pursuant to Paragraph 10 in Appendix 1 of D.12-12-026:

On the last business day of each month, the IOU will determine if there is room under the Overall Load Cap and notify the first customer on the Wait List that there is available space under the Overall Load Cap.

On the second full week of June, the IOUs hold a DA Lottery Enrollment Period where customers may join a randomly assigned waitlist that will go into effect January 1st of the following year. However, this process was modified for the 2019 and 2020 waitlist due to the SB 237.

¹² The randomizer and enrollment process summarized above can be found in entirety in Appendix 1 of D.12-12-026.

¹³ The three large Investor-Owned Utilities are San Diego Gas and Electric, Southern California Edison, and Pacific Gas and Electric.

2020 LOTTERY ACTIVITY

In September 2018, Governor Brown signed Senate Bill (SB) 237 (Hertzberg, 2018) that mandated the CPUC issue an order, on or before June 1, 2019, to increase the DA annual limit by 4,000 gigawatt-hours. To implement SB 237, the Commission in D.19-05-043 determined that the additional 4,000 gigawatt-hours of capacity should be split equitably between the 2019 and 2020 DA waitlists in each of the IOUs.

D.19-05-043 modified the lottery process of the 2019 and 2020 waitlist in order to comply with Resource Adequacy year ahead filing requirements and to implement the increase in the DA cap as timely as possible. The modification accelerated the time in which customers on the waitlist were to be notified of their ability to switch to DA. With the accelerated schedule, customers on the 2019 waitlist were notified and intended to be enrolled in DA in Fall 2019. However, the 2019 and 2020 waitlisted customers began DA service on varying schedules, based on unusual circumstances for each utility, as discussed further below. Therefore, the 2019 Lottery Activity table represents customer enrollment from the 2019 waitlist and the 2020 Lottery Activity represents enrollment from the 2020 waitlist rather than the actual years of enrollment. The 2022 waitlist will return to the standard practice pursuant to section C of the IOUs’ Rules 22/25. .

There were 3 vintages of waitlists for which DA enrollment was offered:

- Customer group 1 were customers registered for the lottery in 2018 and placed on the 2019 waitlist, prior to the passage of SB 237.
- Customer group 2 were customers who were participating in the lottery in 2019 and placed on the 2020 waitlist.
- Customer group 3 were the customers that enrolled on/after SB 237 passed. These customers would be eligible for any remaining DA load space kWh under the expansion load cap that is unused by customer groups 1 & 2.

| Customer Group | Customer Name | Switch / Departure Date (Load Effective) | Description |
|----------------|---------------|--|--|
| 1 | 2019 waitlist | 1/1/2021 | 1 st offering of half of the total DA load expansion. |
| 2 | 2020 waitlist | 1/1/2021 | 2 nd offering of half of the total DA load expansion. |
| 3 | 2021 waitlist | 1/1/2022 | 3 rd offering of remaining unused DA load expansion. |

In the 2020 Lottery Activity, as of May 2021, 566 customers were given the opportunity to join DA. The load from these customers was enrolled in DA on January 1, 2021. Additional information about DA customer load may be found on the California Public Utilities Commissions Website’s Direct Access Implementation Activity Reports page.¹⁴

¹⁴Link to the California Public Utilities Commissions Website’s Direct Access Implementation Activity Reports page: <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-costs/direct-access-implementation-activity-reports>.

This report was written by Franco Ghadiri.

PG&E

SB 237 authorized PG&E to expand its DA load by 1,873 GWh pursuant to D.19-05-043 from the pre-SB 237 DA load cap of 9,520 GWh. This raises PG&E's total DA load cap to 11,393 GWh.

PG&E was required by D.19-05-043 to offer fifty percent of the new DA load allowance, or 936 GWh, to customer group 1 on January 1, 2020, and then the other half shall also be allocated to customer group 2 on January 1, 2021. Then if there was any remaining load space (kWh), that was unclaimed beyond January 1, 2021, it was to be offered to the subsequent year customers, customer group 3.

However, PG&E delayed implementation of switching customer group 1 to DA service to January 1, 2021. The cause for this was that PG&E's customer billing system indicated that they had allocated all the pre SB 237 DA load space for both calendar years 2019 and 2020. As a result of this error with their records PG&E did not allow additional customers to switch over within that time period. However, their records were inaccurate due to an error with the Direct Access Implementation Activity Reports, which did not include the expanded SB 237 total DA load cap amount. PG&E became aware of this issue in December 2020, and then used the corrected December 2020 load data to determine how many customers could switch to DA starting on January 1, 2021. After correcting this error and switching over customers from groups 1 and 2, PG&E has opened enrollment for the remaining post SB 237 load to customer group 3 who will switch over to DA load on January 1, 2022.

SCE

SB 237 authorized SCE to expand its DA load by 1,746 GWh pursuant to D.19-05-043 from the pre-SB 237 DA load cap of 11,710 GWh. This raises SCE's total DA load cap to 13,456 GWh.

According to SCE's Rule 22.1 Section E, fifty percent of the new DA load allowance, or 873 GWh, shall be allocated to the 2019 waitlist and then the same amount shall also be allocated to the 2020 waitlist. SCE's tariff is different from PG&E's because it stated that both customer groups 1 and 2 had to wait until January 1, 2021, to depart to DA load and they would be consider the "first round" of switching to DA load. Any remaining DA load space created by SB 237 was to then be offered to the second round of customers, customer group 3, who would switch to DA starting January 1, 2022.

Similar to PG&E, SCE had an error with their system where the migration of data to their new billing platform, was not showing that the remaining 862 GWh of the pre-SB237 cap was available for DA customer groups 1 & 2. SCE became aware of this error on June 30, 2020, and realized they had only enrolled 10,709 GWh of pre SB 237 DA load. After identifying their error, SCE is currently opening the remaining 862 GWh from the pre SB 237 cap to customer groups 1 & 2 to make sure that none of the 2019 and 2020 waitlist customers get skipped over. SCE is aiming to switch over all 2019 and 2020 waitlist customers with the 862 GWh by the end of 2021. If SCE still has unused space by January 1, 2022, they will allow customer group 3 enrolled on the 2022 waitlist to be eligible for any remaining pre SB 237 and the 807 GWh of the remaining post SB 237 DA load.

SDG&E

SB 237 authorized SDG&E to expand its DA load by 379 GWh pursuant to D.19-05-043 from the pre-SB 237 DA load cap of 3,562 GWh. This raises SDG&E's total DA load cap to 3,941 GWh.

According to SDG&E's Rule 25.1, DA expansion load shall be allocated equally to the customers on the 2019 and 2020 waitlists. Fifty percent of the new DA load allowance, or 189 GWh, shall be allocated to the 2019 waitlist and then the same amount shall also be allocated to the 2020 waitlist. This was successfully done in late 2020, and SDG&E reported that all eligible customers on the 2019 and 2020 waitlists had the opportunity to apply for the new DA load. In 2021, SDG&E reported that not all of the customers who applied submitted DASRs, which meant that they still had a small amount of DA load remaining. This remaining amount became eligible for 2021 waitlist customers to switch to in May 2021. As result SDG&E filled their SB 237 DA load expansion and has no more DA load remaining.