

TOU OIR Workshop

San Diego Gas & Electric



SDG&E Supports the CAISO Approach (with some important exceptions)



- TOU Periods should be designed to align with system need
 - But system need is not the sole determinant
- Focus on net load is appropriate for forecasted impacts
 - Variable renewable energy has changed system need
 - Indicator of how prices might vary in the future under certain conditions
 - TOU periods are most appropriate for dealing with energy costs since in place every day

The CAISO Approach Should Be Supplemented



- Capacity needs should play a role
 - The super on-peak and/or the on-peak period should also consider covering a significant portion of the hours where new capacity may be needed for system needs
- CAISO's choice of TOU periods should be revisited
 - Alternate assumptions on customer acceptance should be explored
 - Historical data should be considered as well as 2021 in light of the uncertainty of forecasts
 - CAISO expansion beyond California
 - Amount of export potential for renewable energy
 - CPUC storage goals

IOU Differences Exist and Should Be Dealt With in Phase 2 of the General Rate Case



- Transmission constraints make net load shapes, local energy prices, and local capacity needs differ across utilities. Examples:
 - Loads and net loads have peaked in September or later for 8 of the last 10 years for SDG&E
 - Net loads in the 12 am – 6 am period are lower for SDG&E than the CAISO average
 - SDG&E has no nuclear or large hydro unlike PG&E
- Customer considerations may differ across utilities
 - Customer understanding and acceptance due to differences in customer composition
 - Differences in composition of customer load (i.e., residential, industrial)