

2021 Direct Access Lottery Enrollment Report

November 2022



**California Public
Utilities Commission**

2021 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.

2021 Direct Access Load and Lottery Data

6-Month Notice Submission Period June 7-11, 2021	SDG&E	SCE	PG&E ¹	Total
Number of valid Six-Month Notices submitted to the utility during the Submission Period (Duplicates Excluded).	327	746	1,176	2,249
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	3,942	2,842	1,172 ³	7,956

¹ Due to a discovered DA load data issue, the available DA load was underreported. PG&E offered an additional 134 GWh to the 2020 waitlist. The numbers in this report reflect the 2021 waitlist load following 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 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 reached out to the 2020 waitlist for the additional 134 GWh of additional load.

2021 Lottery Activity ⁴	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....).	112	1,030	903	2,045
Number of customers that remained on the waiting list as of December 31 of the previous year. ⁵	357	0	873	1,230
Associated annual gigawatt hours of customer loads that remained on the waiting list as of December 31 of the previous year. ⁶	982	0	3,068	4,050

2020 Direct Access Load and Lottery Data

6-Month Notice Submission Period June 8-12, 2020	SDG&E	SCE	PG&E ⁷	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. ⁸	453	0	392 ⁹	845

⁴ The lottery activity in 2021 is from the additional cap allowance from SB 237 and is from the 2020 and 2021 waitlists.

⁵ Please note this is as of December 31, 2021.

⁶ Please note this is as of December 31, 2021.

⁷ 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.

⁸ 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.

⁹ 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.

2020 Lottery Activity ¹⁰	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. ¹¹	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. ¹²	1,112	7,603	5,531	14,246

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.12-12-026.¹³ 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 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.

¹⁰ The lottery activity in 2020 is from the additional cap allowance from SB 237 and is from the 2020 waitlist.

¹¹ Please note this is as of December 31, 2020.

¹² Please note this is as of December 31, 2020.

¹³ The randomizer and enrollment process summarized above can be found in entirety in Appendix 1 of D.12-12-026.

Throughout the year, the Investor-Owned Utilities (IOU)¹⁴ 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. This process was modified for the 2019 and 2020 waitlist due to the SB 237.

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 equitability between the 2019 and 2020 DA waitlists in each of the IOUs.

2021 LOTTERY ACTIVITY

D.19-05-043 modified the lottery process of the 2019 and 2020 waitlist 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 2020 Lottery Activity table represents customer enrollment from the 2020 waitlist and the 2021 Lottery Activity includes enrollment of any unused DA capacity under the cap from DA expansion. 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.

¹⁴ The three large Investor-Owned Utilities are San Diego Gas and Electric, Southern California Edison, and Pacific Gas and Electric.

- 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 2021 Lottery Activity as of May 2022, 2,045 customers were given the opportunity to join DA. The load from these customers was enrolled in DA on January 1, 2022. Additional information about DA customer load may be found on the California Public Utilities Commissions website’s Direct Access Implementation Activity Reports page.¹⁵ Enrollment of customer group 3 is discussed below.

PG&E

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

Customer group 3 who switched over to DA load on January 1, 2022. PG&E currently has no load available to offer its 2022 Waitlist customers and does not expect to offer load to its 2023 Waitlist customers

SCE

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

SCE switched all 2019 and 2020 waitlist customers with the 862 GWh by the end of 2021 and was able to enroll waitlist customers in customer group 3. SCE’s DA load (including reserve DA load) is 12,937 GWh and it has a total of 519 GWh available under the Overall DA Cap. The 2023 Wait List is currently at #159 out of 414 customers, and SCE intends to continue to offering load to the remaining Wait List customers as customers accept/decline the offer to start service on their next schedule meter read date in January 2023.

SDG&E

¹⁵Link 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>.

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

SDG&E reported that all eligible customers on the 2019 and 2020 waitlists had the opportunity to apply for the new DA load, and all offers for SDG&E's SB237 Direct Access limited expansion were sent in 2020 and 2021. In 2021, SDG&E reported that not all the customers who applied submitted DASRs, which meant that they still had a small amount of DA load remaining. The remaining amount was offered to 2021 waitlist customers in customer group 3 to switch to Direct Access in May 2021. All associated switches to DA service are now complete with no remaining SB 237 space.