CALIFORNIA PUBLIC UTILITIES COMMISSION

Assigned Commissioner’s Office Draft
Straw Proposal for Pilots Targeting Demand Response
to Benefit Disadvantaged Communities

February 7, 2018

A.17-01-012 and Related Matters
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I. Introduction

This Assigned Commissioner’s Office draft straw proposal provides a starting point for the Investor Owned Utilities (IOUs) to develop innovative pilots envisioned and funded by D.17-12-003. Pilots will be developed to identify opportunities for targeting traditional or new forms of demand response to provide economic and environmental benefits for California’s disadvantaged communities (DACs).

Leveraging demand response resources specifically to benefit disadvantaged communities is a new concept for this decades-old clean resource. But natural gas power plant capacity in California is disproportionately located in DACs and targeted demand response programs can provide environmental benefits to reduce localized air pollution and other negative impacts from living near gas plants. Demand response also provides economic benefits to participants. Pilots developed based on the guidelines developed through this process will take initial steps towards ensuring that California’s investments in demand response not only support meeting grid needs and decarbonizing the electric sector, but also improve public health, the quality of life, and economic opportunity in California’s most burdened communities.

What Is Demand Response?

Demand response programs use consumers as a resource to manage demand to meet electric grid needs. Currently, participants typically reduce their electricity usage – or shift usage to another time of day – in response to economic incentives, price signals, or other conditions. Automated technologies may send signals to control load or consumers may respond manually to a demand response event. Future demand response programs may engage consumers to increase electricity usage when system solar or wind production is high in order to maximize California’s payoff on investments in renewable resources. Although demand response programs have existed for decades in California, advanced technologies will provide new opportunities to significantly enhance the role of demand response in managing California’s electric needs.
II. Background

In January 2017, Pacific Gas & Electric (PG&E), Southern California Edison (SCE) and San Diego Gas & Electric (SDG&E) (jointly, the IOUs) filed applications requesting approval and funding for 2018-2022 demand response portfolios consisting of their traditional demand response programs and activities.¹ The scoping memo in the proceeding identified as one issue whether the IOU’s proposed programs “adequately focus on locating demand response participants in particular geographic areas, such as disadvantaged communities or areas of highest value to the grid.”² Parties submitted limited testimony as well as responses to an Administrative Law Judge’s (ALJs) Ruling issued in June 2017 posing questions on this topic. Though parties generally supported targeting demand response in constrained local areas and disadvantaged communities, the responses raised a number of important questions for consideration on this issue, which has never before been addressed in a demand response proceeding.³

Ultimately D.17-12-003 determined there was insufficient record to order immediate program changes to require geographic targeting of demand response participation, but authorized budgets and a process to develop pilot projects.⁴ This draft straw proposal constitutes the first step in the process, consistent with the Decision’s directives.

Conducting pilots to explore targeting demand response programs specifically to benefit disadvantaged communities (DACs) is also consistent with numerous actions taken by the Legislature and Commission to ensure that disadvantaged communities have access to, and equitably benefit from, California’s clean energy programs. For example, the Legislature has directed changes to Net Energy Metering tariffs and established program funding designed to promote growth in solar rooftop resources in disadvantaged communities.⁵ Acting on its own motion, the Commission also recently adopted requirements that a portion of funds collected for energy storage projects through California’s Self-Generation Incentive Program be deployed to qualifying projects located in disadvantaged and low income communities.⁶

SB 350 (De Leon, Stats. 2015) also requires regulating agencies to address inequities with respect to access to clean energy programs. Among other requirements, it mandates that integrated resource planning efforts of load-serving entities must “minimize localized air pollutants and other greenhouse gas emissions, with early priority on disadvantaged

¹ A.17-01-012, A.17-01-018, and A.17-01-019 (consolidated).
³ D.17-12-003 at 140-141.
⁴ Id. at 146.
⁶ D.17-10-004, Decision Establishing Equity Budget for Self-Generation Incentive Program.
communities identified pursuant to Section 39711 of the Health and Safety Code."7 Accordingly, a pending proposed decision in IRP requires Load Serving Entities (LSEs) to specifically consider disadvantaged communities in their planning and development of proposed procurement activities, including by showing why lower-emission resources (which includes demand response) cannot be utilized to meet identified needs that an LSE proposes to satisfy using natural gas resources.

The pilot programs developed through this process will thus begin harmonizing California’s demand response programs with Legislative and Commission intent to ensure that disadvantaged communities equitably realize energy, pollution, economic, and other benefits from California’s investments in clean energy resources.

III. Guidance for Pilot Proposals

Definition of Disadvantaged Communities

For the purpose of developing pilot proposals, the IOUs shall define “disadvantaged communities” as census tracts that score above the 75th percentile using the CalEnviroScreen tool created by the California Environmental Protection Agency (CalEPA) (i.e. the top 25 percent of census tracts), plus an additional 22 census tracts that score in the highest five percent of CalEnviroScreen’s pollution burden but do not have an overall CalEnviroScreen score because of unreliable socioeconomic or health data.

This definition is consistent with the proposed definition for the Integrated Resource Planning (IRP) proceeding.8 Aligning the definition of disadvantaged communities with the IRP proceeding will increase the relevance and transferability of data analysis and recommendations regarding opportunities for load serving entities to utilize demand response if needed in their resource plans. Several parties also previously recommended adopting the IRP definition for efforts to geographically target demand response in disadvantaged communities.9

The IOUs submitted filings in the IRP proceeding identifying disadvantaged communities within their service territories, both in map form and lists showing the city, county, and number of IOU residential meters in each designated census tract.10 Figures 1, 2, and 3 show the maps submitted by the IOUs with color shading indicating density residential meters.

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8 Proposed Decision of Commissioner Randolph in R.16-02-007 (Dec. 28, 2018) (Rev. 1) at 66.
9 D.17-12-003 at 142.
10 Filings submitted in response to a March 14, 2017 ALJ Ruling in IRP proceeding. Filings did not include the 22 additional recently designated census tracts, the majority of which are located in Los Angeles County.
Figure 1 – DACs in PG&E Service Area

Figure 2 – DACs in SCE Service Area

Figure 3 – DACs in SDG&E Service Area
Pilot Goals

Conducting pilots provides a unique chance to broaden opportunities for demand response in California. The primary goal of proposed pilot projects is to target investments in demand response programs that will provide environmental and economic benefits to disadvantaged communities.\textsuperscript{11} Pilots should also lead to the identification of policy recommendations for existing programs or new programs that can meet the Commission’s general goals for demand response.\textsuperscript{12}

- Targeting Replacement of Gas for Environmental Benefits in Disadvantaged Communities

Existing gas power plant capacity in California is located disproportionately in disadvantaged communities, and there is a nexus between reliance on natural gas resources and disadvantaged communities.\textsuperscript{13} Over 11,680 megawatts (MWs) of combined cycle gas turbines and peaker plant capacity is installed in disadvantaged communities, and Energy Division Staff analysis conducted for the IRP concluded that reductions from these plants may have the greatest absolute impacts on localized air pollutants from the electric sector.\textsuperscript{14}

Demand response can provide tangible environmental benefits to disadvantaged communities by reducing localized air pollution and other detrimental impacts associated with living in proximity to conventional gas-fired power plants. Traditional demand response load shed resources may provide capacity needed for reliability in transmission constrained areas of the grid to help replace power plants. Demand response can also reduce use and cycling of natural gas plants to meet operational energy needs, including Time-of-Use (TOU) rates and new forms of demand response with the potential to shift electricity demand to better match renewable resource production. These environmental benefits may be available even without a complete geographic overlap between the demand response participants and disadvantaged communities, although geographic proximity may be necessary to dislocate gas plants that provide local capacity in DACs.

\textsuperscript{11} Parties may also propose other types of benefits to disadvantaged communities that can be explored through pilots. Parties should also comment on whether pilots should provide both economic and environmental benefits to DACs or focus on one type of benefit.

\textsuperscript{12} D.16-09-056 adopted a goal that “Commission-regulated demand response programs shall assist the State in meeting its environmental objectives, cost-effectively meet the needs of the grid, and enable customers to meet their energy needs at a reduced cost.” Pilot programs allow for testing new ideas (such as alternative incentive structures or outreach methods) without meeting goal in the first instance (e.g., pilots need not demonstrate cost-effectiveness but can test methods that may lead to recommendations for cost-effective programs).

\textsuperscript{13} Proposed Decision in R.16-02-007 (Rev. 1) at 60.

\textsuperscript{14} R.16-02-007, ALJ Ruling attaching CPUC Energy Division Proposed Reference System Plan (September 19, 2017) at 155-157 (“Reference System Plan”).
➢ **Targeting Economic Benefits to Disadvantaged Communities**

Demand response programs can provide direct economic benefits in disadvantaged communities by enabling customers (business or residential) to meet their energy needs at reduced costs. The IOU or other demand response providers may provide financial incentives when customers enroll in programs, for reducing load during a demand response event, or to offset costs to acquire energy management or automated demand response technologies. Energy management technologies can in turn help customers save on their monthly electric bills by enabling them to reduce or shift electricity usage in response to Time-of-Use rates. Residents of disadvantaged communities may also realize indirect benefits, for example, if demand response programs reduce electricity costs for small businesses, community groups, or other organizations serving them.

Unlike with environmental benefits of replacing local capacity or system power, only the participants enrolled in a demand response program receive the direct economic benefits of demand response programs.

➢ **Targeting both Environmental and Economic Benefits to Disadvantaged Communities**

Sizeable populations of IOU customers live within a disadvantaged community as well as a county where gas power plants are located. Table 1 below gives approximate population statistics for disadvantaged communities (aggregated to the county or city level) where there is also over 100 MWs of operational gas generation in disadvantaged communities within the county. Given the relatively small budgets authorized for these pilots ($2.5 million total for all three IOUs), selecting from these populations should provide a sufficient number of potential target participants.

Focusing pilots on these areas will also allow for the potential to meet the dual objectives of targeting economic benefits of demand response programs within disadvantaged communities and maximizing the potential to reduce reliance on gas power plants. **Pilots must therefore focus on customers located in a disadvantaged community (or communities) included in Table 1.**

Pilots may propose a broader geographic area for enrollment or marketing (such as a city or greater metropolitan area) if it makes administering the project more practicable or feasible, so long as the overall area targeted includes a high proportion of census tracts designated as disadvantaged communities.

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15 Not all counties with a disadvantaged community are included in Table 1. Table is for illustrative purposes. Full list of cities that include disadvantaged community census tracts in each IOU service territory is shown in Appendix A, with the exception of additional recently designated 22 census tracts. Parties are invited to comment whether the pilots should be broadened to allow a geographic focus on any (or all) disadvantaged communities in the IOU territories and not limited to areas in the counties identified in Table 1.
We note that this straw proposal establishes a proactive goal to guide the development of disadvantaged community pilots and declines to adopt a problem statement that must be addressed. The pilots envisioned by D.17-12-003 are intended to meet a new policy that has not previously been required or prioritized in demand response proceedings. But if parties and environmental justice or community advocates have already identified barriers limiting the potential for demand response to benefit disadvantaged communities, then they may propose pilots to test overcoming such challenges.

Table 1

<table>
<thead>
<tr>
<th>PG&amp;E Service Territory (Counties)</th>
<th>Total population in DACs in IOU Service Territory (1)</th>
<th>Number of IOU Residential Electric Meters (2)</th>
<th>Total Generating Capacity in DACs in County MWs (3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fresno</td>
<td>585,087</td>
<td>181,334</td>
<td>904.1</td>
</tr>
<tr>
<td>Kern</td>
<td>353,481</td>
<td>111,199</td>
<td>3,696.5</td>
</tr>
<tr>
<td>Stanislaus</td>
<td>39,776</td>
<td>6,787</td>
<td>762.0</td>
</tr>
<tr>
<td>Alameda</td>
<td>148,268</td>
<td>53,978</td>
<td>679.8</td>
</tr>
<tr>
<td>Contra Costa</td>
<td>140,335</td>
<td>48,337</td>
<td>3,041.1</td>
</tr>
<tr>
<td>Santa Clara</td>
<td>76,811</td>
<td>21,510</td>
<td>774.8</td>
</tr>
<tr>
<td>SCE Service Territory (Counties)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Los Angeles</td>
<td>2,431,207</td>
<td>638,196</td>
<td>2185</td>
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<tr>
<td>San Bernardino</td>
<td>813,342</td>
<td>221,057</td>
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<tr>
<td>Riverside</td>
<td>334,548</td>
<td>95,399</td>
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<tr>
<td>Kern</td>
<td>48,187</td>
<td>12,439</td>
<td>3,696.5</td>
</tr>
<tr>
<td>Orange</td>
<td>301,471</td>
<td>74,824</td>
<td>298.8</td>
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<tr>
<td>Ventura</td>
<td>36,915</td>
<td>8,977</td>
<td>2382.4</td>
</tr>
<tr>
<td>SDG&amp;E Service Territory (Cities)</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>San Diego</td>
<td>108,131</td>
<td>36,188</td>
<td>140.1</td>
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<tr>
<td>National City</td>
<td>30,855</td>
<td>8,264</td>
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<tr>
<td>Chula Vista</td>
<td>15,752</td>
<td>4,154</td>
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<tr>
<td>El Cajon</td>
<td>6,787</td>
<td>2,539</td>
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<tr>
<td>San Ysidro</td>
<td>6,693</td>
<td>1,610</td>
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</tbody>
</table>

(1) Calculated using SB 535 Excel data (available at https://oehha.ca.gov/calenviroscreen/sb535) and IOU filings in IRP proceeding. Totals are approximate where IOU service territories overlap within one census tract designated as a DAC.

(2) Calculated using IOU filings submitted in response to March 14, 2017 ALJ ruling in IRP proceeding, R.16-02-007.

(3) Includes plants over 10 MW only. Source is California Energy Commission.
Pilot Objectives

Pilot objectives should be defined to test the capability for growing demand response in the selected disadvantaged communities to provide identified economic benefits, as well as one of the following environmental benefits (which are described further below):

- **Local Objective:** Reduce reliance on new or existing power gas plants to meet reliability planning needs in Local Capacity Areas with disadvantaged communities, or
- **System Objective:** Reduce use (dispatch and cycling) of gas plants on to meet energy or other system operational needs.

*Local Objective: Growing Demand Response in Local Capacity Areas*

Supply-side load shed demand response programs already contribute to meeting local capacity requirements in load pockets where transmission constraints require additional planning to meet bulk transmission reliability standards. These load pockets are called Local Reliability Areas (LRAs) or Local Capacity Areas (LCAs) and are illustrated in the Figure 4 (map reproduced from the California Energy Commission). Economic demand response programs provide over 225 MWs of capacity in the LA basin and 35 MWs in Big Creek Ventura. PG&E has less – approximately 70 MWs total in all of its LRAs combined. Nearly 30 MW of economic demand response contributes to reliability planning in the San Diego IV Local Capacity Area.

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16 The California Independent System Operator (CAISO) conducts a Local Capacity Technical Analysis annually identifying minimum capacity required in each local area to meet energy needs under bulk transmission planning. Local needs are determined using planning scenario that assumes peak demand in a 1-in-10 hot weather year plus the loss of two transmission elements (N-1-1 contingencies). The CPUC adopts and allocates the requirements each year in the Resource Adequacy proceeding.

17 Economic programs include Capacity Bidding Demand and AC cycling programs. Base Interruptible and Agricultural and Pumping Interruptible Programs are emergency demand response. While emergency demand response programs contribute significantly to demand response capacity (nearly 800 MWs for SCE and over 300 MWs for PG&E) they are subject to enrollment caps and thus not available for targeted growth through pilots.

18 Values based on average August load impacts, adjusted to reflect avoided transmission and distribution losses, from IOU load impacts reports.
Load-modifying price responsive programs (such as Critical Peak Pricing and Peak Time Rebates) can also reduce local capacity needs by reducing the forecast peak demand in the local area. SCE had 32 MWs in the LA basin and 6 MWs in Big Creek/Ventura, PG&E has over 350 MWs in local areas, and SDG&E has 16 MW of load-modifying programs.

With renewable capacity expansion and planning and procurement completed in recent decades to facilitate expected retirements of aging and Once-Through Cooled power plants, current expectations are that no gas power plants will be needed in California over a 2030 planning horizon. But there are still areas where new local capacity may be needed due to unexpected events, such as renounced projects, or to facilitate early plant retirements. Testing the capability to grow demand response in targeted local reliability areas could help California prioritize retirements of existing natural gas plants that currently contribute to meeting local capacity needs.

Both the Demand Response Potential Study and IRP modeling confirm potential future value for locally focused demand response. While the Potential Study found a low future value for

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19 Analysis conducted in the IRP proceeding indicated limited future value for additional (new) load shed demand response resources to meet system operational needs. IRP did not analyze local capacity needs specifically, however, due to complexity of completing that modeling and because the CAISO Local Capacity Technical Analyses indicated no expected capacity deficiencies in any local area over the planning horizon 2030.

20 For example, based on developments in late 2017 a planned resource addition (Puente Power Plant) in the Oxnard area (which includes disadvantaged communities) is unlikely to reach completion. This affects planning needs in the Big Creek/Ventura local capacity area in SCE’s territory to facilitate retirement of aging Once-Through Cooling resources.
untargeted load shed for meeting system-wide peak load conditions, it concluded significant potential value exists for load shed resources in local reliability areas.\textsuperscript{21}

Modeling conducted for the IRP proceeding also found that while load shed is not cost effective to meet system-wide needs, it is cost-effective under sensitivities assuming high local needs or high levels of gas retirements.\textsuperscript{22} A sensitivity assuming 1500 MWs of local capacity are needed by 2026 found that “high local needs are met primarily through demand response resources.”\textsuperscript{23} A sensitivity assuming large amounts of existing gas capacity retire by 2030 found storage and shed demand response would meet system capacity needs.\textsuperscript{24}

While the highest future value for traditional load shed demand response is in local reliability areas, several also encompass disadvantaged communities. Figure 5 shows an overlay of DACs and SCE’s local reliability areas. Figure 6 shows an overlay of PG&E local reliability areas and DACs in the San Joaquin Valley. All DACs in SDG&E are within the San Diego IV local reliability area. These areas of geographic nexus may provide a useful further focal point for pilots that select an objective of growing demand response resources in local reliability areas.

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{Figure6.png}
\caption{PG&E Disadvantaged Communities in San Joaquin Valley Overlay with Local Reliability Areas}
\end{figure}

\textsuperscript{21} 2025 California Demand Response Potential Study: SubLAPs and Local Capacity Planning Areas (Addendum), April 1, 2017 at 1. Available at \url{http://www.cpuc.ca.gov/General.aspx?id=10622}.
\textsuperscript{22} Reference System Plan at 136-138.
\textsuperscript{23} Reference System Plan at 184, 195,
\textsuperscript{24} Reference System Plan at 183, 191.
Finally, we acknowledge that D.17-12-003 directed staff to develop guidelines for pilot projects targeting demand response in disadvantaged communities and local capacity areas. In further considering this issue in the context of the initial scoping ruling, Legislative intent, and other Commission actions, we determined the chief goal should be targeting demand response to benefit disadvantaged communities generally, not only in local areas per se. Because demand response in LCAs can benefit DACs it may, but is not required to be selected as a pilot objective.

- **System Objective: Growing Demand Response to Reduce Dispatch or Cycling of Gas Power Plants**

Development of new, fast-responding demand response products may also reduce pollution burdens resulting from increased cycling of peaker or combined cycle natural gas power plants to accommodate renewable energy production. In disadvantaged communities where natural gas power plants are sited, cycling plants (including ramping up and down or numerous starts and stops per day) or increasing operations at minimal or partial load can significantly impact localized emissions. Disadvantaged communities will generally benefit overall from efforts to reduce power plant cycling to accommodate renewable power production profiles because natural gas plants are disproportionately located within them. But while new models of fast-responding demand response products are envisioned that can complement solar energy production (and reduce reliance on gas plants to smooth out electricity production from renewable resources) pilots testing them have been limited to date.

Transitioning residential ratepayers to TOU rates should also prompt consumers to reduce or shift their electricity consumption to better match demand with times of production from renewable resources. But users in hot climate zones may be ill equipped to manage their electricity usage to respond to TOU price signals, or simply unable to shift their electricity needs due to their climate realities.

Pilots testing the capability to grow demand response programs or products that can help shape or shift demand could yield significant environmental benefits for disadvantaged communities.

Pilots could alternatively seek to identify specific locations on the grid (i.e., at the distribution level as is being studied in the distribution planning proceeding) where locating demand response can provide highest value and overlap with disadvantaged communities. Identifying a locational nexus between distribution planning efforts, disadvantaged communities, and potential for placing more frequently dispatchable demand response resources could provide useful information for targeting demand response programs. Alternatively, if such studies reveal that disadvantaged communities have a disproportionate lack of hosting capacity for
demand response (or other distributed resources) this could suggest a need for technical or other policy changes.

**Funding**

The IOUs shall propose programs that maximize use of the budgets authorized in D.17-12-003, which approved a budget cap of $2.5 million budget to be allocated for this effort ($1 million each for PG&E and SCE, and $.5 million for SDG&E), with ten percent set aside for evaluation.

Pilot proposals must also include detailed budgets for conducting each pilot program task (and specify if conducted by the utility or a third party) such as: preliminary studies or surveys; funding for incentives and technologies; marketing and outreach costs; costs to complete the evaluation effort including producing a final report for public release that details pilot results and identifies recommendations or conclusions reached as a result of the pilot.

Because this is a relatively small program budget, the IOUs are encouraged to coordinate as much as possible with other parties and each other to design effective and efficient pilot programs. Proposals should leverage opportunities to expand or build upon forthcoming pilots, other funded research projects (e.g. EPRI projects), or completed demand response pilots that can provide useful launching-off points for follow-up study.

**IV. Developing Pilot Projects**

**Identifying Options for Potential Pilots**

Pilot proposals must identify goals (benefits expected to accrue to disadvantaged communities), specify a geographic focus (proposals that do not target consumers in disadvantaged communities must provide justification), identify economic objectives, select an environmental objective or objectives, and detail proposed funding needs consistent with the guidelines provided in this draft straw proposal. Pilot proposals should also clearly demonstrate how the pilot will be expected to translate into policy recommendations.

Beyond this, we invite parties to think creatively and propose any number of ideas and options for possible pilot projects designed to test demand response programs on the ground and under real world conditions in disadvantaged communities. Pilots could test a variety of demand response program elements such as: targeted marketing and outreach initiatives, alternate program incentives, costs and benefits of automated or energy management technologies, demonstration of actual load impacts of programs or technologies relative to modeled expectations, or wholly new designs for demand response products and programs.
Strawman Options – Local Capacity Pilot

The following discussion is intended as a starting point only, to illustrate a range of potential test options for consideration for a pilot designed to test growth of local capacity.

**Pilot Objective:** Identify and test capability to grow the amount and/or value of demand response resources that provide local capacity in a select targeted geographic area.

**Geographic Focus:** Target pilot project/enrollment in geographic area that covers:
- disadvantaged communities (solely or within a broader area such as city, metro) and
- all or portions of a Local Capacity Area(s):
  - with current or projected need for new local capacity
  - or –
  - where additional clean resources create potential to accelerate retirement or utilization of conventional generation resources sited in a disadvantaged community within the general area (county or LCA)

**Pilot Test Options:**
- Test alternative program incentives to increase existing local capacity, *e.g.*
  - new opportunities for non-residential DR (larger commercial or small business) such as alternative incentives or penalty structures from current Capacity Bidding Program
- Test technology or other elements of program design to assess potential to increase value of resources, *e.g.*
  - alternate notification methods, response times, availability hours
  - enabling technologies (automated or manual) and end uses
  - new forms of local DR (more dispatchable or fast-responding)
- Test outreach and marketing approaches to cost-effectively increase enrollment from under-utilized customer sectors, *e.g.*
  - identify under-utilized customer sectors (*e.g.* small business sector)
  - test success of marketing alone or with additional outreach strategies (*e.g.* community based, door-to-door, telemarketing, web facilitated)
  - test different marketing messages such as pairing with technology or enrollment incentives, highlighting local environmental or community benefits
V. Next Steps

Parties and all interested members of the public are invited to discuss and propose ideas for pilots, or other comments on the straw proposal, at a CPUC workshop on February 15, 2018.

Consistent with D.17-12-033, Energy Division staff provided notice of this draft straw proposal and workshop to organizations representing disadvantaged communities, ratepayer advocates, and environmental justice organizations. We seek input from these groups, which historically have not participated in the Demand Response application budget proceedings, in order to ensure that IOU pilot programs maximize opportunities to broaden the opportunities for demand response resources to benefit disadvantaged communities. Parties (and in particular the utilities) are highly encouraged to collaborate with these groups in developing pilot proposals.

Any person may submit informal comments following the workshop by March 2, 2018 by emailing comments to jean.lamming@cpuc.ca.gov. Commenters are highly encouraged to collaborate and develop consensus or joint comments that reflect diverse viewpoints and can provide further direction for developing pilot proposals.

A subsequent ALJ ruling will issue attaching a final proposal. Parties to the demand response proceeding will have an opportunity to file formal comments on the final proposal. This process will inform the Commission’s consideration of a Guidance Decision later in 2018 that will adopt a final proposal including guidelines for the utilities to follow in developing pilots and specify any further requirements for the utilities to seek approval of pilots. Pilot projects should be designed for implementation in 2019.

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<tr>
<th>Action</th>
<th>Deadline/Date</th>
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<tr>
<td>Workshop on Straw Proposal</td>
<td>February 15, 2018 (9:30 am – 12:30)</td>
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<tr>
<td>Informal comments due on Straw Proposal</td>
<td>March 5, 2018</td>
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<tr>
<td>Final Proposal (to issue with ALJ Ruling)</td>
<td>Late March/Early April, 2018</td>
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<tr>
<td>Parties file comments on Final Proposal</td>
<td>TBD (April)</td>
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<tr>
<td>Parties file reply comments on Final Proposal</td>
<td>TBD (April/May)</td>
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<tr>
<td>Proposed Decision addressing outstanding issues in A.17-01-012 et. al. identified in D.17-12-033</td>
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25 D.17-12-033 at 146.