



ORA

*Office of Ratepayer Advocates
California Public Utilities Commission*

505 Van Ness Avenue
San Francisco, California 94102
Tel: 415-703-2381
Fax: 415-703-2057

JOSEPH P. COMO
Acting Director

<http://ora.ca.gov>

June 18, 2014

Honorable Lois Wolk
California State Senate
State Capitol, Room 5114
Sacramento, CA 95814

RE: SB 1414 (Wolk) – Support

Dear Senator,

The Office of Ratepayer Advocates (ORA) is the independent consumer advocate within the California Public Utilities Commission (CPUC). ORA's statutory mandate is to obtain the lowest possible rates for utility services consistent with safe and reliable service levels. ORA also advocates for customer and environmental protections in connection with utility service.

ORA supports your SB 1414, as amended on May 10, which would modify existing wholesale power procurement practices to better facilitate the use of the State's demand response programs. Specifically, this bill would direct all load-serving entities, as part of the CPUC's resource adequacy program, to facilitate the cost-effective use of demand response to maintain grid reliability. In addition, SB 1414 would direct the investor-owned utilities to include cost-effective and reliable demand response within their diversified procurement portfolios to manage costs and risks for their customers.

Demand response generally refers to a suite of customer energy management strategies to shift expensive on-peak energy usage to off-peak time periods. Since the energy crisis of 2001-2002, the CPUC has expanded ratepayer-funded incentive programs to promote demand response among customers of the investor-owned utilities. However, the inclusion of demand response strategies in the utilities' supply management practices has been limited at best. SB 1414 would encourage the utilities to make better use of these programs to save money for ratepayers.

If you have any questions or would like to discuss this matter further, please call ORA's Legislative Advisor, Rebecca Lee, at (916) 327-1407 or me at (415) 703-2381.

Respectfully,

Joseph P. Como, Acting Director
Office of Ratepayer Advocates

By
Rebecca Lee
Legislative Advisor