

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

COMMONWEALTH EDISON COMPANY	:	
	:	
Petition for approval of tariffs implementing	:	No. 12-0484
ComEd's proposed peak time rebate program	:	

Phase 2 Direct Testimony of
ROBERT GARCIA
Director,
Regulatory Strategy and Services
Commonwealth Edison Company

TABLE OF CONTENTS

Section	Page
I. Introduction.....	1
A. Witness Identification	1
B. Purpose and Subject of Phase 2 Direct Testimony	2
C. Summary of Conclusions	3
II. CBL Methodology and DLC Pilot Program	4
A. CBL Methodology	4
B. DLC Pilot Program	6
C. Consult with the SGAC and Stakeholders	10
D. Approval of the DLC Pilot Program before the End of August, 2014	11
III. Other Commission Directives In Interim Order	12
A. Workshop Issues	12
B. Other Directives	14
IV. Conclusion	15

1 **I. INTRODUCTION**

2 **A. Witness Identification**

3 **Q. What is your name and business address?**

4 A. My name is Robert Garcia. My business address is 440 S. LaSalle, Suite 3300, Chicago,
5 Illinois 60605.

6 **Q. Are you the same Robert Garcia who previously testified in this docket?**

7 A. Yes, I previously submitted direct testimony (Commonwealth Edison Company
8 (“ComEd”) Exhibit (“Ex.”) 1.0 REV), supplemental direct testimony (ComEd Ex. 3.0),
9 and rebuttal testimony (ComEd Ex. 5.0 REV) in the initial phase of this Docket.

10 **Q. Have your qualifications, educational background, or professional background**
11 **changed since you previously testified in this docket?**

12 A. Yes. In January 2013, I was promoted from my position at ComEd as Manager,
13 Regulatory Strategies and Solutions to Director, Regulatory Strategy and Services. In
14 this role, I am responsible for various compliance tracking processes, as well as for
15 regulatory support of ComEd’s distribution business in general through Regulatory
16 Strategies and Solutions, which plays a central role in development of new customer
17 services and regulatory initiatives, including initiatives called for by the Energy
18 Infrastructure Modernization Act (“EIMA”),¹ retail competition and various other
19 regulatory policy matters. My educational background and other qualifications remain
20 unchanged.

¹ EIMA refers to the changes and additions made to the Illinois Public Utilities Act (“PUA”) by Public Acts 97-0616 and 97-0646. Additional clarifications are also the subject of Public Act 98-0015, which became effective on May 22, 2013.

21 **B. Purpose and Subject of Phase 2 Direct Testimony**

22 **Q. What are the purposes and subject of your Phase 2 direct testimony?**

23 A. The Commission's Interim Order entered in the instant proceeding on February 21, 2013
24 ("Interim Order") directed ComEd to file its proposed Customer Baseline Load ("CBL")
25 methodology and develop a Direct Load Control ("DLC") pilot program for customers
26 taking service under Rider PTR–Peak Time Rebate ("Rider PTR"), after consultation
27 with the Smart Grid Advisory Council ("SGAC") and by February 1, 2014. Interim
28 Order at 11 and 31. The purposes of my Phase 2 direct testimony are to:

- 29 (1) Review the requirements in the Interim Order related to the filing of the CBL
30 methodology and the DLC pilot program;
- 31 (2) Provide an overview of the proposed revisions in Rider PTR to incorporate the
32 provisions of the proposed CBL methodology and DLC pilot program;
- 33 (3) Describe ComEd's engagement of the SGAC and stakeholders to obtain input and
34 suggestions on the proposed CBL methodology and the DLC pilot program;
- 35 (4) Describe the process through which ComEd will recover all costs related to
36 implementing the DLC pilot; and
- 37 (5) Address the status of other Commission directives and open issues identified in
38 the Interim Order.

39 **Q. Are there any attachments to your Phase 2 direct testimony?**

40 A. Yes. ComEd's proposed revisions to Rider PTR to reflect the CBL methodology and
41 DLC pilot are set forth in redline format in ComEd Ex. 7.01.

42 .

43 **C. Summary of Conclusions**

44 **Q. What, in summary, are the conclusions of your Phase 2 direct testimony?**

45 A. The proposed revisions to Rider PTR, which include a CBL methodology, a DLC pilot
46 program for customers taking service under Rider PTR, and new provisions reflecting the
47 Commission's determination in the Interim Order regarding cost recovery for the DLC
48 pilot program, are just and reasonable and should be approved. In order to implement the
49 DLC pilot by June 2015, as directed by the Commission, ComEd requests the entry of an
50 order concerning the DLC pilot program before the end of August, 2014. In addition,
51 most of the issues identified in the Interim Order and discussed in the workshops held by
52 the Staff of the Illinois Commerce Commission ("Staff"), as directed by the Commission
53 in the Interim Order, have been resolved; of the two that have not, one issue remains
54 under discussion in the workshops,² while the other has just been resolved by the
55 Commission in a separate docketed proceeding (ICC Docket No. 13-0506) spawned by
56 the workshop discussions.

57 **Q. Is ComEd submitting any other Phase 2 Direct Testimony?**

58 A. Yes. ComEd is presenting the Phase 2 direct testimony of Mr. James C. Eber, ComEd
59 Ex. 8.0. That testimony provides the detailed support for, and description of, ComEd's
60 proposed CBL methodology and the DLC pilot program design, as well as a summary of
61 ComEd's Progress Report regarding research on the use of a pre-enrollment process.

² As discussed below, the Interim Order also determined that resolution of open matters on this issue was not necessary for this docket to be closed. Interim Order at 14.

62 **II. CBL METHODOLOGY AND DLC PILOT PROGRAM**

63 **A. CBL Methodology**

64 **Q. What action did the Commission direct ComEd to take regarding the filing of a**
65 **CBL methodology?**

66 A. With respect to the CBL methodology, the Commission directed ComEd to “work with
67 SGAC prior to filing its proposed CBL in this docket” and to “file a proposed CBL
68 methodology, proposed tariff amendments to include the proposed CBL methodology in
69 Rider PTR, and supporting testimony on or before February 1, 2014.” Interim Order at
70 11. The Commission further instructed that ComEd “should work in conjunction with
71 SGAC to ensure that stakeholders are involved in the process.” *Id.* at 26.

72 **Q. Did ComEd work with the SGAC prior to filing?**

73 A. Yes. ComEd consulted with the SGAC and other stakeholders prior to selecting the CBL
74 methodology that ComEd proposes for approval in this docket, as it had previously
75 committed to do before the August 21, 2012 filing. I describe these activities in greater
76 detail in Section II.C of my testimony.

77 **Q. What tariff amendments is ComEd proposing in order to include the proposed CBL**
78 **methodology in Rider PTR?**

79 A. ComEd Ex. 7.01 contains ComEd’s proposed revisions to include the proposed CBL
80 methodology in Rider PTR. *See* ComEd Ex. 7.01 at Sheet No. 351. The specific tariff
81 language to incorporate the proposed CBL methodology in Rider PTR, showing additions
82 and deletions using double underlined and strikethrough text, respectively, is as follows:

83 **Customer Baseline Load (CBL) Profile**

84 CBL profile means the individual residential retail customer's
85 representative hourly electricity power and energy usage, in kilowatt-
86 hours (kWh), during a span of time that does not occur during a specific
87 Curtailement Period, but that corresponds to such specific Curtailement
88 Period. Such residential retail customer's representative electricity usage
89 during each hour in such span of time is determined to be equal to the
90 average of such residential retail customer's kWh usage during the
91 corresponding hour in the three (3) individual weekdays during which
92 such residential retail customer's kWh usage for the hours corresponding
93 to the specific Curtailement Period is at its highest within the fourteen (14)
94 weekday period immediately prior to the date of the specific Curtailement
95 Period. Notwithstanding the previous provisions of this paragraph, (a) if
96 one or more holidays, as designated by the North American Electric
97 Reliability Corporation (NERC) and/or Curtailement Periods for which the
98 residential retail customer received a notification from the Company as
99 described in the Curtailement Period Notification section of this rider
100 occurred during such fourteen (14) weekday period, then such period is
101 increased by the number of days during which holidays and/or Curtailement
102 Periods occurred, and (b) (i) if the Heat Index (HI) during such span of
103 time in one or two of such three (3) individual weekdays is not within 10%
104 of the HI during the hours of the specific Curtailement Period, then the
105 kWh usage from such day or days is not included in such average or (ii) if
106 the HI during such span of time in all three (3) individual weekdays is not
107 within 10% of the HI during the hours of the specific Curtailement Period,
108 then the kWh usage from the single individual weekday in such period
109 during which such residential retail customer's kWh usage for the hours
110 corresponding to the specific Curtailement Period is at its highest is used.

111 Any subsequent proposal by the Company to use a different methodology
112 to determine CBL profiles ~~Such hourly electric power and energy usage is~~
113 ~~determined in accordance with a methodology approved by PJM~~
114 ~~Interconnection, L.L.C. (PJM). Such methodology must be filed by the~~
115 Company in a petition with the Illinois Commerce Commission (ICC) no
116 later than the February 1 and approved, or approved as modified, by the
117 ICC no later than the April 1 prior to the beginning of the PJM Planning
118 Year during which such methodology is first used. Any such
119 methodology must be in accordance with a baseline load profile
120 methodology approved by PJM Interconnection, L.L.C. (PJM) ~~However,~~
121 ~~the first such methodology must be filed by the Company no later than~~
122 ~~February 1, 2014.~~

124 **Heat Index**

125 Heat Index (HI) means a measure of weather that is a function of air
126 temperature and relative humidity. Generally, air temperature and relative

127 humidity measurements taken at the Chicago O’Hare International Airport
128 Weather Station are utilized in the determination of HIs used to determine
129 CBL profiles. However, the Company may utilize air temperature and
130 relative humidity measurements taken at other weather stations located
131 within its service territory if such measurements provide for increased
132 accuracy in the determination of CBL profiles.

133 This methodology is described in and supported by Mr. Eber’s Phase 2 Direct Testimony,
134 ComEd Ex. 8.0 and ComEd Ex. 8.02.

135 **B. DLC Pilot Program**

136 **Q. What action did the Commission direct ComEd to take with respect to the**
137 **development and filing of a DLC pilot proposal?**

138 A. The Commission directed ComEd to “design a pilot, with input from SGAC”, file a
139 progress report six months from the date of the Interim Order, and “file testimony by
140 February 1, 2014, describing the design it would propose for a DLC pilot and any other
141 information it deems relevant to proceeding with the pilot.” The Commission also instructed
142 ComEd that “[s]ubject to Commission review and approval, implementation should coincide
143 with PTR in the summer of 2015” and directed ComEd to file a report reflecting the results of
144 the first year of the pilot by the end of 2015. Interim Order at 31.

145 **Q. Did the Commission make a determination regarding the recovery of the Peak Time**
146 **Savings³ program costs?**

147 A. Yes. The Interim Order states that “the Commission agrees with ComEd that the program
148 costs should be recovered from all of ComEd’s residential customers,” at least initially.
149 Interim Order at 22. The Interim Order also adopted Staff and ComEd’s recommendation to

³ The program established by Rider PTR has been named Peak Time Savings (“PTS”). Therefore, PTS will be used throughout my testimony when referring to the program, unless I am referring specifically to Rider PTR.

150 revisit whether such costs should be allocated to participating customers during the
151 evaluation proceeding. *Id.* at 22-23.

152 **Q. Did the Commission make a determination regarding the recovery of the DLC pilot**
153 **program costs?**

154 A. Yes. In the Interim Order, the Commission concluded that “the pilot program costs,
155 including the cost of providing DLC, should be recovered from all residential customers.”
156 *Id.* at 31.

157 **Q. Did ComEd work with the SGAC on the development of the proposed DLC pilot**
158 **and submit a six-month progress report?**

159 A. Yes. ComEd filed a progress report in the instant docket on August 21, 2013 and
160 consulted the SGAC and other stakeholders both prior to and after developing the
161 proposed DLC pilot program design. I describe these activities in greater detail in
162 Section II.C of my testimony.

163 **Q. What tariff amendments is ComEd proposing in order to include the proposed DLC**
164 **pilot in Rider PTR?**

165 A. ComEd proposes tariff revisions to reflect the proposed DLC pilot design as described in
166 Mr. Eber’s Phase 2 direct testimony, ComEd Ex. 8.0, and the DLC pilot plan, ComEd Ex.
167 8.01, as well as the Commission’s determinations regarding cost recovery and allocation.
168 These tariff provisions are in the following sections of the proposed revisions to Rider
169 PTR, ComEd Ex. 7.01, and are summarized as follows:

170 • Prerequisites of Service section (Sheet No. 352): Tariff revisions are included to
171 provide prerequisites for customers participating in the DLC pilot. These

172 revisions explain that a residential customer who participates in the DLC pilot
173 program is required to have the appropriate equipment installed before
174 participating in the pilot. The appropriate equipment includes a DLC device or
175 programmable communicating thermostat (“PCT”) for single family households
176 with central air conditioning units and plug-in DLC devices for multi family
177 households for room air conditioning unit(s). These prerequisites also include
178 requirements that the DLC equipment have remote control capability and require
179 ComEd to work with customers to ensure proper installation of their DLC
180 devices.

181 • Peak Time Rebate (Sheet No. 353) and Curtailment Period Notification sections
182 (Sheet No. 354): Tariff revisions are included to explain that a credit for a
183 curtailment event is only provided to those customers for whom ComEd issues
184 curtailment notifications for that event. These revisions allow sub-groups of DLC
185 participants to have different curtailment events, as described in Mr. Eber’s Phase
186 2 direct testimony. All PTS customers not participating in the DLC pilot will
187 continue to be called upon to curtail at the same time (*i.e.*, for the same events).

188 • Direct Load Control Pilot Program section (Sheet Nos. 354 and 354.1): These
189 tariff revisions are included to explain: (1) that the program is offered to randomly
190 selected residential customers who accepted ComEd’s offer to participate in the
191 PTS program with specific technology; (2) the varying types of equipment used in
192 different segments of the pilot and whether such equipment is installed by ComEd
193 at no cost or purchased and installed by customers with a bill credit for \$100
194 offsetting a portion of the costs; (3) that the remote control capabilities of the

195 devices can be overridden by customers during a curtailment period; and (4) that
196 when ComEd issues a curtailment period notification to a DLC pilot participant,
197 ComEd may electronically communicate with the device to either cycle the AC
198 unit or to turn up the temperature on the PCT without any further customer
199 notification. Mr. Eber further explains why, in light of all the other functionalities
200 of these devices and their availability in the market, ComEd proposes to offer a
201 \$100 credit and not the full cost of a PCT for purposes of this pilot.

202 • Termination of Service section (Sheet No. 354.1): These tariff revisions are
203 included to explain that ComEd will remove the DLC device, if a customer
204 requests its removal after such customer terminates its participation in the DLC
205 pilot.

206 • Miscellaneous section (Sheet No. 355): Tariff revisions are included to describe
207 ComEd's DLC pilot program reporting requirement, and to further explain that all
208 prudent and reasonable costs related to the implementation of Rider PTR –
209 including the implementation of the DLC pilot – are recovered from all residential
210 customers through Rate DSPP – Delivery Service Pricing and Performance (“Rate
211 DSPP”), as directed by the Commission. Interim Order at 22-23 and 31. But, as
212 previously noted, these rate design decisions regarding recovery during the four-
213 year evaluation period of PTR will be reconsidered in the PTS evaluation
214 proceeding.

215 **Q. What information will ComEd provide to the Commission regarding the result of**
216 **the DLC pilot program?**

217 A. Following the summer of 2015, ComEd will analyze the results of the DLC pilot, will
218 prepare an evaluation report, and will provide that report to the Manager of the ICC
219 Staff's Accounting Department and the Director of the ICC Staff's Policy Division by
220 December 31, 2015. The report also will be filed in ICC Docket No. 12-0484 for
221 informational purposes so that it is available to all interested stakeholders by that same
222 date. The report will include information concerning: (1) the number and types of
223 residential retail customers participating in the DLC pilot program; (2) changes in such
224 residential retail customers' electric energy use patterns; (3) an assessment of the value of
225 the availability of such DLC pilot program; and (4) recommendations, if any, concerning
226 an extension of or changes to such DLC Pilot Program. Prior to filing this report, ComEd
227 will meet with the stakeholders and convene workshop(s), much like the ones held during
228 the summer of 2012, to review the results and solicit input on next steps with respect to
229 the incorporation of DLCs in the PTS program.

230 **C. Consult with the SGAC and Stakeholders**

231 **Q. Did ComEd consult with the SGAC about the proposed CBL methodology and the**
232 **DLC pilot program?**

233 A. Yes. Following up on its commitment to SGAC to review the final CBL methodology
234 and the Commission's directive to solicit input on the ordered DLC pilot, ComEd met
235 with the SGAC on three occasions prior to making this filing – August 16, 2013 (where
236 the draft six-month progress report was reviewed), November 12, 2013 (where
237 background on CBL methodologies under consideration by ComEd and initial framework
238 for DLC pilot were discussed), and January 21, 2014 (where final proposals for the CBL
239 methodology and DLC pilot were reviewed).

240 **Q. Was any formal (written) or informal (verbal) guidance proffered by the SGAC,**
241 **whether collectively or individually, on these two proposals?**

242 A. No.

243 **Q. Did ComEd discuss the proposed CBL methodology and/or DLC pilot program with**
244 **other stakeholders?**

245 A. Yes. In fact, all of the issues raised in the Interim Order were discussed in the Staff-
246 sponsored workshops to varying extents. In addition, ComEd met individually with some
247 stakeholders about both the CBL methodology and the DLC pilot program in the fall of
248 2013 and in January of 2014.

249 **D. Approval of the DLC Pilot Program before the End of August, 2014**

250 **Q. Why does ComEd request that the Commission approve the DLC pilot program**
251 **before the end of August, 2014?**

252 A. In the Interim Order, ComEd was directed to implement the DLC pilot, the start of which
253 was to coincide with the implementation of its PTS program in the summer of 2015.
254 Interim Order at 31. ComEd's pilot design requires ComEd to recruit customers to
255 participate in the pilot program at the same time that ComEd begins to recruit customers
256 to participate in the PTS program in October of 2014. As Mr. Eber explains, this
257 simultaneous recruitment and enrollment is necessary for the evaluation of the impact of
258 offering DLC technology on customers' enrollment in the PTS program. In order for
259 customers to participate in the PTS program in the summer of 2015, they must enroll in
260 the PTS program or DLC pilot by April 30, 2015. Thus, an order is needed before the
261 end of August, 2014 (preferably sooner) in order to be ready to begin to enroll customers
262 in both the PTS program and the DLC pilot program beginning in October 2014.

263 Commission bench sessions are currently scheduled for the 13th and 19th of August, 2014.
264 Furthermore, if the proposed DLC pilot is materially altered at the conclusion of this
265 proceeding, the October 2014 launch may be jeopardized. If other parties file testimony
266 in Phase 2, ComEd will endeavor to identify in its future testimony whether any changes
267 proposed by Staff and other parties will or may cause a delay of the pilot launch, if
268 adopted.

269 **III. OTHER COMMISSION DIRECTIVES IN INTERIM ORDER**

270 **A. Workshop Issues**

271 **Q. Did the Commission provide directives in the Interim Order that certain issues be**
272 **further addressed through workshops?**

273 A. Yes. The Commission directed Staff to hold workshops with stakeholders to discuss
274 various issues and to provide a summary of the workshops and recommended next steps
275 to the Commission within six months of the entry of the Interim Order. Interim Order at
276 13. The issues addressed in the workshops were:

277 (1) Competitive neutrality: issues that might arise concerning PTS programs
278 provided by Retail Electric Suppliers (“RES”). *Id.* at 12.

279 (2) Provide PTS service to RES: the Interim Order accepted Staff’s proposal to
280 hold workshops regarding the manner in which Rider PORCB – Purchase of
281 Receivables with Consolidated Billing (“Rider PORCB”) could be used to
282 bill a RES’s PTR-like program, but concluded “that any issues surrounding
283 Rider PORCB do not need to be completed before this docket is closed and,
284 indeed, a separate proceeding should be initiated by Staff if necessary.”
285 Interim Order at 14, 23.

286 (3) Impact of ComEd's PTS program on RESs. *Id.* at 17.

287 (4) Disclosure of customer participation in the PTS program to RESs. *Id.* at 25.

288 **Q. Has Staff held workshops to discuss these issues?**

289 A. Yes. Staff's Office of Retail Marketing Development ("ORMD") held workshops
290 beginning in April 2013 to address the issues identified in the Interim Order, as well as
291 other AMI-related issues not identified in the Interim Order stemming from ComEd's
292 annual AMI Implementation Plan Report filing (Docket No. 13-0285). Participants
293 included Staff, Ameren, RESs, and other interested stakeholders. Although the
294 workshops to address PTS-related issues have concluded, the workshops are on-going
295 with respect to the additional issues and create a forum for any follow-up required on
296 PTS-related matters.

297 Staff summarized the results of the PTS discussions in the five workshops held
298 between April and July of 2013 in a report that Staff filed in the instant docket on August
299 23, 2013. Staff's report shows that all the issues directed by the Commission to be
300 included in the workshops were discussed among workshop participants, and only two
301 issues remain unresolved: (1) the use of Rider PORCB to provide PTS-like services to
302 RES customers and (2) the disclosure of which customers are participating in PTS to the
303 RESs that provide them supply, respectively.

304 As noted above, the Commission determined that any issues surrounding Rider
305 PORCB do not need to be completed before the instant proceeding is closed. Interim
306 Order at 14. However, without breaching workshop rules, I can report that progress has
307 been made on this issue and that the parties are still in settlement discussions. With
308 respect to the disclosure of which customers are taking service on PTS, this was a

309 frequent topic of discussion in the workshops, along with other data access issues, which
310 spawned a Commission proceeding on data privacy, Docket No. 13-0506. This issue was
311 thoroughly addressed in the record in Docket No. 13-0506 and an Order was entered on
312 January 28, 2014. *See* Docket No. 13-0506, Order at 21-22.

313 **B. Other Directives**

314 **Q. Did the Commission provide other directives to ComEd in the Interim Order?**

315 A. Yes. The Commission directed ComEd to provide certain information and address
316 certain issues as follows:

317 (1) Auction results: Update the Commission and stakeholders on the revenue
318 received from the First Incremental Auction for the 2015/2016 planning
319 year and the number of curtailment periods that ComEd expected to call for
320 that planning year. Interim Order at 3.

321 (2) Pre-Enrollment customer research: “Actively consult and work with SGAC
322 to develop a customer research plan to address this issue” and file a progress
323 report within six months of the Interim Order and file another progress
324 report in February 2014. *Id.* at 6, 7, and 26.

325 (3) Marketing Plan and Enrollment Scripts: Submit marketing materials and
326 enrollment scripts to Staff to review similar to the process adopted for the
327 Residential Real-Time Pricing Program. *Id.* at 15 and 18.

328 **Q. What actions has ComEd taken with respect to these issues?**

329 A. ComEd discussed the results of offering PTS resources in both the Base Auction for the
330 2016/2017 planning year held during the week of May 13, 2013 and the First Incremental
331 Auction for the 2015/2016 planning year held during the week of September 9, 2013,

332 both with some individual stakeholders and in the workshops held by the Staff. In
333 addition, ComEd filed a Report on the Result of the First Incremental Auction for the
334 2015/2016 Planning Year on October 4, 2013, informing the Commission and
335 stakeholders regarding the amount of revenue received from the auction and the expected
336 number of curtailment periods for the PTS program for the annual period beginning June
337 2015. Pre-enrollment research is a topic that was addressed in the August and October
338 2013 meetings with SGAC and the progress report that ComEd filed in the instant
339 proceeding on August 21, 2013. Pursuant to the Interim Order's direction for a further
340 progress report by February 2014, ComEd is filing a current progress report with Mr.
341 Eber's testimony as part of ComEd Ex. 8.03.

342 The one open issue concerns marketing materials and associated enrollment
343 scripts. To date, ComEd has not completed the development of its marketing plan. Once
344 ComEd's marketing materials are available for review, ComEd will provide them to Staff
345 for review with stakeholders.

346 **IV. CONCLUSION**

347 **Q. Does this complete your testimony?**

348 **A. Yes.**