

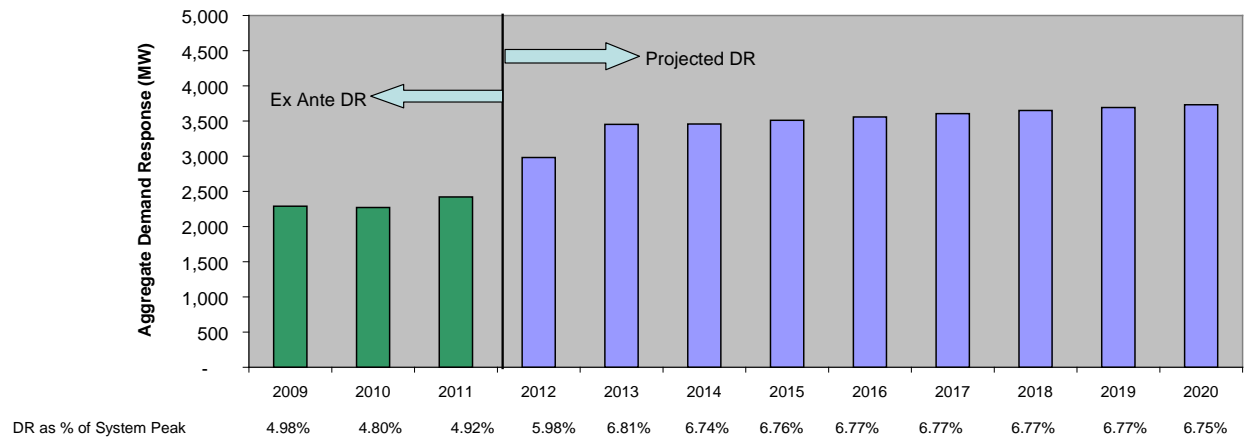
California Clean Energy Future Metrics

Demand Response

Demand Response generally refers to a reduction in customers' electricity consumption over a given time interval relative to what would otherwise occur in response to a price signal, other financial incentives, or a reliability signal. Demand Response represents an important load management tool that can provide a cost effective alternative to adding additional supply side resources to meet energy needs during times of peak demand. Currently Demand Response encompasses a suite of programs administered primarily by the Investor Owned Utilities (**Pacific Gas and Electric, Southern California Edison, and San Diego Gas and Electric**) that target large industrial and commercial customers that are equipped with interval meters capable of reporting energy usage in one hour increments or less. California is currently rolling out smart-meters to all customers, including small commercial and industrial, as well as residential customers. Once these meters are in place, demand response programs can be developed to provide incentives for these customers to reduce load during peak periods, substantially increasing the demand response potential in the state.

The demand response metrics shown here provide both a historic view of the estimated levels of demand response that was available in aggregate across the three Investor Owned Utilities from 2009 thru 2011, as well as a projection going forward on the level of demand response we anticipate in the years ahead, through 2020. For 2009 thru 2011, the values shown indicate the estimated amounts of demand response across the three IOUs based on IOU calculations using Commission-adopted DR Load Impact Protocols and then subsequently vetted and approved by the Commission staff via the CPUC's annual Resource Adequacy process. The projections going forward from 2012 onward are based on the Demand Response Projections of the utilities as filed in the CPUC's Long Term Procurement Planning (LTPP) proceeding and are currently under review. Note that for 2012 and beyond, additional demand response enabled by the broad deployment of advanced metering infrastructure (AMI) is anticipated. However the amount of additional demand response that can realistically be expected as a result of AMI deployment is an issue that is being addressed in the LTPP proceeding.

Figure **: Demand Response Program



Source Data:

2009 - 2011 CPUC staff approved numbers based on Commission load impact protocols.

2012- 2020 values from April 2011 utility filings in LTPP proceeding.

System Peak for 2009 and 2010 from CPUC's 2009 and 2010 Resource Adequacy Reports; see <http://www.cpuc.ca.gov/PUC/energy/Procurement/RA/>

System Peak for 2011 - 2020 from CEC 2009 IEPR. See Total CAISO Coincident System Peak

<http://www.energy.ca.gov/2009publications/CEC-200-2009-012/CEC-200-2009-012-CMF.PDF>