

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE
STATE OF CALIFORNIA**

Application of Pacific Gas and Electric
Company for Approval of 2013 – 2014
Statewide Marketing, Education, and
Outreach Program and Budget (U39M)

And Related Matters

Application 12-08-007
(filed August 3, 2012)

Application 12-08-008
Application 12-08-009
Application 12-08-010
(Filed August 3, 2012)

**COMMENTS OF THE CALIFORNIA INDEPENDENT SYSTEM OPERATOR
CORPORATION**

I. Introduction

Pursuant to Rule 14.3 of the Commission's Rules of Practice and Procedure, the California Independent System Operator Corporation (CAISO) hereby files comments in response to the *Proposed Decision Authorizing Southern California Gas Company to Provide Up To \$11 Million For Aliso Canyon-Related Messaging* (Proposed Decision). The Proposed Decision directs Southern California Gas Company (SoCalGas) to provide additional funding for marketing, education, and outreach activities to reduce the risk of natural gas and electricity curtailments in the Los Angeles basin this summer, due to the ongoing effects of the recent natural gas leak at SoCalGas' Aliso Canyon storage facility.

II. Discussion

The CAISO agrees with the Proposed Decision's finding that the Aliso Canyon leak will cause ongoing uncertainties that warrant additional funding for customer awareness activities in southern California for the remainder of 2016.¹ The CAISO's comments are limited to the following issues: (1) the importance of maintaining a clear distinction between SoCalGas' marketing, education and outreach for gas savings and the Flex Alert program and (2) the funding need for supporting awareness for the Flex Alert program.

¹ Proposed Decision, p. 23.

A. Maintaining the Distinction between Electric and Gas Savings Programs

The CAISO believes it is important that the Commission and SoCalGas maintain a clear distinction between the existing Flex Alert program and any gas savings program developed pursuant to the Proposed Decision. This concern is especially critical in the summer 2016 time range, when Flex Alerts are most likely to be called to help maintain local and system reliability. The current Flex Alert program has both name recognition and customer acceptance, both of which need to be maintained to ensure that the program is effective at reducing demands when called. To the extent that a separate gas savings program is developed, both the program and the customer actions should be designed to minimize interference or confusion with the Flex Alert program. If there is no clear distinction between the programs, the effectiveness of Flex Alert events may be diminished. To that end, CAISO and SoCalGas are working closely to ensure that there is the right level of integration of the Flex Alert brand into SoCalGas' overall campaign to minimize customer confusion and maximize the effectiveness of the overall campaign. CAISO believes that the proposal put forth by SoCalGas, including the transparent stakeholder process, is a strong initial step to accomplish this. The CAISO appreciates SoCalGas' efforts to date and looks forward to continued collaboration on this issue.

B. Need for Flex Alert Funding

The CAISO continues to believe it is important to direct funds to support advertising for the Flex Alert campaign in 2016.² All resources will be necessary to meet the electric reliability challenges posed by the limited availability of the Aliso Canyon facility. The customer is a key resource and the Flex Alert program will allow the CAISO to utilize that resource to maintain reliability. Targeted advertising will maximize customer contributions by providing information regarding when and how to take effective actions. Through discussions with SoCalGas, CAISO believes that their proposed campaign can accommodate Flex Alert advertising, if properly structured. The CAISO looks forward to working with SoCalGas to ensure that Flex Alert advertising is as efficient and cost-effective as possible.

² As stated in the CAISO's original comments, the Commission and SoCalGas are in the best position to assess the amount of funding.

III. Conclusion

The Flex Alert program can be an important tool to manage operational and reliability challenges in the southern California area. Targeted Flex Alert advertising is appropriate in this circumstance due to the unique nature of the challenges presented by the Aliso Canyon injection moratorium. The Proposed Decision properly identifies these unique challenges and should ensure that the adopted messaging campaign appropriately supports Flex Alert advertising. The CAISO looks forward to working with the Commission and SoCalGas to effectively administer the Flex Alert program.

Respectfully submitted,

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