

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

Order Instituting Rulemaking to Consider Smart Grid Technologies Pursuant to Federal Legislation and on the Commission's own Motion to Actively Guide Policy in California's Development of a Smart Grid System.

Rulemaking 08-12-009
Filed December 18, 2008

Reply Comments of the California Independent System Operator Corporation on the Assigned Commissioner's Proposed Decision Adopting Rules to Protect the Privacy and Security of the Electricity Usage Data of the Customers of Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company

The California Independent System Operator Corporation (ISO) submits these reply comments in response to other parties' comments on President Peevey's proposed Decision Adopting Rules to Protect the Privacy and Security of the Electricity Usage Data of the Customers of Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company, which was released on May 6, 2011 (Proposed Decision). The ISO's reply comments address opening comments filed by the Division of Ratepayer Advocates (DRA), the Utility Reform Network (TURN), and the Environmental Defense Fund (EDF).

The Division of Ratepayer Advocates (DRA) and the Utility Reform Network (TURN) both question the usefulness of providing wholesale price information to retail consumers. The ISO agrees that wholesale price information could, in theory, be presented in a way that is of limited use to consumers. However, the ISO strongly believes that, where done thoughtfully, providing customers with pricing information that reflects grid conditions will enable consumers both to contribute to greater grid reliability

and enhance the efficiency of the electricity market, both of which ultimately should translate into lower cost for California consumers. This is fully consistent with the Commission's stated intent of fostering an evolution of utility customers from recipients of energy to participants in the grid.¹

The challenge of the additional process envisioned in the Proposed Decision will be to highlight ways to present information in a useful way. The ISO does not share the view of DRA and TURN that this challenge is insurmountable. For this reason, the Proposed Decision's requirement that the ISO work with the IOUs and consumer groups to develop ways of providing customers with actionable information relating to wholesale prices is an important requirement and should be maintained in the final decision.

EDF highlights a perceived gap in the Proposed Decision's definition of primary uses of covered information. The Proposed Decision identifies four uses of covered information that constitute "primary purposes." One of the primary purposes is to fulfill "operational needs of the electrical system or grid," and another of the primary purposes is information needed to "plan, implement or evaluate demand response, energy management, or energy efficiency programs operated by, or on behalf of and under contract with, an electrical corporation." EDF notes that information falling under this latter category would only relate to demand response programs administered by the IOUs and presumably would exclude ISO demand response programs.

The ISO's demand response programs are a critical aspect of operating the grid and with the increasing integration of intermittent resources, will only become more

¹ Decision Adopting Requirements for Smart Grid Deployment Plans Pursuant to Senate Bill 17 (Padilla), at 36, CPUC Docket No. R.08-12-009, Jun. 28, 2010.

important. For this reason, the ISO believes that information needed to administer such programs relates to the ISO's operation of the grid and the use of such data should be deemed a "primary purpose." Accordingly, the ISO does not understand the Proposed Decision as precluding the IOUs from sharing with the ISO information that is needed to administer the ISO's demand response programs. If this understanding is incorrect, then the ISO shares the concern expressed by EDF and requests that the Commission make appropriate amendments to its final decision.

The ISO appreciates the opportunity to offer these reply comments and looks forward to the Commission's adoption of a final decision that will help foster a smart electric system for California.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that on June 8, 2011 I served, by electronic and United States mail, a copy of the foregoing *Reply Comments of the California Independent System Operator Corporation on the Assigned Commissioner's Proposed Decision Adopting Rules to Protect the Privacy and Security of the Electricity Usage Data of the Customers of Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company* to each party in Docket No. R.08-12-009

Executed on June 8, 2011
at Folsom, California

Anna Pascuzzo

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An Employee of the California
Independent System Operator
Corporation