

**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)	Application 12-08-007 (Filed August 2, 2012)
And Related Matters	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

The California Independent System Operator Corporation (CAISO) supports directing 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 natural gas leak at SoCalGas' Aliso Canyon storage facility.¹

II. Discussion

In 2016, the Commission authorized five million dollars to be spent on paid advertising to support the Flex Alert program. In 2016, the CAISO called Flex Alert events on June 20 and during a southern California heat wave on July 27 and 28. Paid media advertising supported these Flex Alert calls and, based on the CAISO's preliminary analysis, the Flex Alerts resulted in significant capacity reductions. The natural gas and electric systems will continue to face reliability challenges in 2017 due to the unavailability of the Aliso Canyon storage facility and the August 21, 2017 solar eclipse. In light of these challenges, the CAISO recommends that the Commission authorize additional funding to support paid advertisements for the 2017 Flex Alert program.

¹ The CAISO files these comments in response to the March 29, 2017 Ruling of Assigned Commissioner (Ruling).

The CAISO addresses specific questions posed in the Ruling below.

Commission Question 1. Should the Commission direct SoCalGas to provide another round of funding for 2017 marketing, education and outreach to encourage customer response to anticipated supply shortages during the Aliso Canyon injection moratorium?

As stated above, the CAISO recommends that the Commission direct SoCalGas to provide additional funding to support paid advertisements for the Flex Alert campaign. The CAISO estimates that these Flex Alert calls resulted in approximately 250-500 MW in capacity savings during hours of critical need. Because of the continuing limitations on using the Aliso Canyon storage facility and potentially limited capacity at other natural gas storage facilities due to new safety programs, the CAISO believes that additional paid advertising remains necessary. Flex Alert advertisements will also be useful in addressing capacity concerns regarding the August 21, 2017 solar eclipse, which the CAISO estimates will reduce large-scale solar capacity by approximately 4,000 MW. In addition to the loss of large scale solar capacity, there will also be an effect to the load curve due to the estimated 5,800 MW's of roof top solar on the CAISO system by August 21, 2017. The reduction to the load curve will not be 1 to 1 in relation to the installed roof top capacity, and will be highly dependent on the temperature forecast for August 21, 2017, but will add capacity pressure on the system. The CAISO supports additional funding for paid Flex Alert advertisements to ensure that the program remains an effective tool to mitigate electric reliability concerns during the summer and beyond.

Commission Question 2. If another round of funding is provided, is \$11 million an appropriate amount? Why or why not? What changes from last year's program are needed?

The Commission authorized five million dollars for paid Flex Alert advertising in 2016. The CAISO believes that this amount was sufficient to prepare and connect with customers when it called Flex Alerts. The CAISO does not have firsthand information regarding the costs expended during 2016 and therefore has no comment on whether the same results could have been achieved with a lesser amount of funding.

III. Conclusion

The CAISO appreciates this opportunity to provide comments on 2017 Flex Alert funding. The CAISO recommends that the Commission continue its support for the Flex Alert program as an effective means to address electric reliability concerns.

Respectfully submitted,

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