



## ***The ESP Handbook***

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### ***Chapter 19 Partial Reopening of Direct Access Under Senate Bill (SB) 695***

***Version 5.0  
December 1, 2011***

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## 19.1. Background

Direct Access (DA) service is an optional program that gives customers the choice of purchasing electricity directly from an electric service provider (ESP) instead of from SCE. As a result of the energy crisis of 2000-2001, customers' ability to switch to DA service was suspended by the California Legislature effective September 2001.

On October 11, 2009, Governor Schwarzenegger signed Senate Bill (SB) 695 into law, allowing for a partial reopening of DA service. Under SB 695, all retail non-residential customers in SCE's service area are permitted to switch to DA service beginning in April 2010, subject to the following conditions:

- The California Public Utilities Commission (CPUC) adopted rules governing the implementation of SB695 in Decision (D).10-03-022, effective March 11, 2010..
- For SCE's service area, SB 695 allows for an increase in DA load of approximately 4,000 gigawatt-hours (GWh) over existing DA load levels of approximately 7,700 GWh
- D.10-03-022 found that residential customers are not eligible for DA service under SB695. Exceptions are that residential customers already taking DA service as of March 11, 2010 may retain their DA service, and residential customers DA eligible under the previous DA suspension who filed a valid 6 Month Notice prior to March 11, 2010 may elect DA service. In either case, a residential customer returning to bundled service may not elect DA service again pending any further action by the Legislature.

## 19.2. Summary of Final Decision (D.10-03-022)

On 03-11-10, the CPUC issued its final decision establishing:

- Participation is limited to retail non-residential customers
- Residential customers are specifically excluded
- Effective date of 04-11-10
- SCE's New DA Load Allowance is 3,946 GWh
- Load will be allocated over a four-year phase-in period (35%, 35%, 20%, and 10% of New DA Load Allowance per year)
- Open Enrollment Window (OEW)
- Notice of Intent (NOI) to Transfer to Direct Access form and process to be used during the OEW only
- NOI forms will be accepted beginning at 9:00 am (PDT) on 04-16-10
- One time waiver of existing Six-Month Advance Notice to Transfer to Direct Access Service only during OEW
- One time waiver of Bundled Portfolio Service (BPS) requirement only during OEW

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### 19.3. Summary of Decision (D.11-12-018)

- Modifies Market Price Benchmark, Competition Transition Cost, and Transitional Bundled Service methodologies used to establish Schedule DA-CRS tariff charges
- Changes minimum BPS stay from 36 to 18 months
- Involuntarily returned large DA customers, and small DA accounts associated with a large DA account are placed on Schedule PC-TBS
- Small independent DA customers are placed on their Otherwise Applicable Tariff (OAT) on bundled service
- ESP financial security requirements defined that apply to involuntary returns

### 19.4. Customer Information Service Request (CISR)

SCE has established the CISR process to specifically allow customers to authorize a 3<sup>rd</sup> Party to act as their agent for the purpose of submitting a six-month advance notice.

CISRs should be completed and submitted as follows to ensure processing within the established five business day timeframe.

#### 19.4.1. Completing the CISR form<sup>1</sup>

##### Page 1

- Fill-in all blanks related to customer and 3rd Party in the top section
  - Only 1 Customer (Federal Tax ID #) per CISR form
- List service account numbers and addresses associated with the referenced customer (Federal Tax ID #) in center section
  - Service account #s begin with "30" and are followed by eight digits (30XXXXXXXX)
    1. If list of service accounts and addresses is limited to 3 or less, include them in the center section
    2. If list of service accounts and addresses exceeds 3, enter "See Attached List" in center section and list all applicable service account #s and addresses on the attached spreadsheet
    3. Service account #s must be listed, CISRs received with "All Accounts" referenced in the center section will not be accepted
  - Customer should initial ONLY Box 7 - Request RateBoxes 1 - 6, and 8 should NOT be initialed
  - If a Box other than Box 7 is initialed the CISR will be processed within SCE's standard 10 business day timeframe

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<sup>1</sup> The Notice of Intent process only applies during the Open Enrollment Window. See D.10-03-022 Appendix 2 for details

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## Page 2

- Customer should initial the box next to the preferred authorization period under Customer Authorization in the top section
- Initial the preferred options under Release of Account Information in the center section if boxes other than Box 7 on Page 1 of the CISR form are initialed
- Fill-in all blanks related to customer and 3rd Party in the bottom section
  - Include dates executed
  - Location executed
  - Customer and 3<sup>rd</sup> Party signatures

### **Submitting the CISR form**

- Submit CISR with Service Account # list/spreadsheet (if applicable) to [3rdparty@sce.com](mailto:3rdparty@sce.com)
- Subject of e-mail must indicate that the CISR is associated with the Partial Reopening of Direct Access Phase # to ensure processing within the established five business day timeframe

### **Additional CISR Information**

- If any listed Service Account is found to be associated with a Customer (Federal Tax ID #) other than the one indicated on Page 1 of the CISR form, SCE's 3rd Party Desk will reject the unrelated Service Accounts
- SCE will notify the CISR sender by e-mail of the status of the CISR
- SCE will notify and work with Customer or 3rd Party to ensure that CISRs are submitted for the unrelated Service Accounts under the correct Customer Name (Federal Tax ID #) in accordance with the CPUC ordered correction timeframe
- SCE will not reject CISRs with additional Boxes initialed by the customer on Page 1 of the form
  - CISRs with multiple boxes initialed will be processed within the standard ten business day timeframe

## **19.5. Adopted Enrollment Procedures for the Phase-In Period**

### **19.5.1. Phase-In Period**

The Phase-in Period will begin on April 11, 2010 and continue for four (4) calendar years with the annual limits on DA load increases over the Phase-in Period as described below, up to the maximum DA cap of eleven thousand seven hundred and ten (11,710) gigawatthours (GWh) established for SCE's service territory (Overall DA Cap), as defined per D.10-03-022, Appendix 1, as "Load Cap". Kilowatt-hours (kWh) remaining under the annual limit in one year will be rolled over to subsequent years as part of the cumulative increasing

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annual limits during the phase-in period. Pursuant to D.10-03-022, the Existing Base Line DA Load is 7,764 GWh, the New DA Load Allowance is 3,946 GWh, and the annual GWh limits are set based on a percentage of the New DA Load Allowance as follows:

- a. 2010 Annual Limit – thirty-five (35) percent of the New DA Load Allowance, or 1,381 GWh. The 2010 Load Cap: 9,145 GWh [7,764 GWh + 1,381 GWh]
- b. 2011 Annual Limit – An additional thirty-five (35) percent of the New DA Load Allowance (1.381 GWh) for seventy (70) percent total. The 2011 Load Cap: 10,562 GWh [9,145 GWh + 1.381 GWh]
- c. 2012 Annual Limit – An additional twenty (20) percent of the New DA Load Allowance (789 GWh) for ninety (90) percent total. The 2012 Load Cap: 11,351 GWh [10,562 GWh + 789 GWh]
- d. 2013 Annual Limit – An additional ten (10) percent of the New DA Load Allowance (395 GWh) for one hundred (100) percent of the room

#### **19.5.2. IOU Notification of all DA-Eligible Customers**

Each IOU will notify all DA-eligible customers prior to the Effective Date of the terms and conditions for participation in the partial DA reopening under SB 695. Specifically, the IOU will use a bill insert or onsert to notify all DA-eligible customers as early as March 2010 to visit the IOU's website for details on the partial DA reopening. The website will be updated to ensure accurate information based on the Commission's final decision implementing the DA reopening.

#### **19.5.3. Establishment of the Open Enrollment Window**

An Open Enrollment Window ("OEW") will be established as of the April 11, 2010, during which all DA-eligible customers will be allowed to submit a notice of intent ("NOI") to transfer to DA service.

The OEW will begin on the fifth business day after April 11, 2010, or April 16, 2010, and end ninety (90) calendar days thereafter or on June 30, 2010, whichever comes first. The OEW will occur in Y1 of the phase-in period only.

#### **19.5.4. Enrollment During the Open Enrollment Window (OEW)**

- 19.5.4.A. A temporary, one-time waiver of the 6-month advance notice requirement for all DA-eligible customers will be granted so that all DA-eligible customers may begin to enroll in DA service as of April 16, 2010, if they wish to do so, pursuant to the process described.
- 19.5.4.B. A one-time waiver of the current Bundled Portfolio Service ("BPS") commitment periods (per Rule 25.1) will be

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granted so that all DA-eligible customers may begin to enroll in DA service as of April 16, 2010 if they wish to do so, pursuant to the process described.

- 19.5.4.C. All LSEs (those that currently serve load and those that do not) will file forecasts of new customers that they expect to gain from the IOUs via the OEW and other periods for Resource Adequacy (RA) compliance years 2010 and 2011 according to the rule set forth by the Energy Division for the RA process. The Energy Division will issue an amended RA Guide and reporting template for 2010 compliance year as well as an RA Guide and reporting template for 2011 compliance year.
- 19.5.4.D. Customers who elect to have their ESP or other third party submit the NOI on their behalf may do so by providing the IOU with a signed "Authorization to Receive Customer information or Act on a Customer's Behalf" (CISR) form, indicating that the ESP or other third party is authorized to "Request Rate Changes" for the customer.
- 19.5.4.E. The IOU will begin accepting NOIs up to the Y1 limit as of 9:a.m. PST on the fifth business day after the April 11, 2010. The methods for submitting NOIs will be specified by each utility on its website, provided that all methods allow for a time and date stamping to determine precedence. The Daily batch process for accepting NOIs during the OEW will allow for up to a 10 percent (10%) threshold above the Y1 limit.
- 19.5.4.F. The IOU will process NOIs in daily (12:00 a.m. to 11:59 p.m.) batches. Each daily batch of NOIs will, within 20 days of its receipt, be accepted unless and until the Y1 limit is reached. A daily batch that causes the Y1 limit to be exceeded will nevertheless be accepted provided that the daily batch does not exceed the Y1 limit by more than 10%. Should a daily batch cause the Y1 limit to be exceeded by more than 10%, NOIs in that particular daily batch will be accepted on a first-come, first-served basis (based on the date/time stamp on the NOI) up to the Y1 limit plus a threshold of no more than 10%. The threshold is only used for purposes of processing daily batches of NOIs. All other NOIs in that particular daily batch will be rejected.

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- 19.5.4.G. NOIs submitted during the OEW will be rejected only if the Y1 limit has been reached. Any NOI that is found to have a deficiency (e.g., incorrect service account number) will be accepted on the condition that it is corrected by the customer within two business days after the IOU notifies that customer of such deficiency. NOIs will be void in the event a Direct Access Service Request (DASR) is not timely submitted, as described in 19.4.4.H below, or in the event a deficiency in the NOI is not corrected by the customer within two business days.
- 19.5.4.H. For any NOI accepted during the OEW, the IOU will notify the customer of NOI acceptance within 20 days of NOI receipt, and will instruct the customer to notify its Electric Service Provider (ESP) that a DASR to transfer customer's service account(s) to DA service must be submitted to the IOU within 60 calendar days of the date of the IOU's notice of NOI acceptance is sent to the customer.
- 19.5.4.I. The customer will have 60 calendar days from the IOU's notice of NOI acceptance to cause its ESP to submit a DASR. In accordance with the IOUs' current procedures, rejected DASRs must be corrected and resubmitted by the ESP and be acceptable to the IOU no later than 20 days following the conclusion of the 60-day period. DASRs not corrected by the ESP within this time period will be cancelled by the IOU. DASRs will be process using exiting processes and timelines in accordance with Rule 22 (or equivalent rule), and eligible service accounts will be transferred to DA service on their next scheduled meter read date, or the date specified on the DASR, if different from the next meter read date, depending on when the IOU receives the DASR. Although Rule 22 (at Section E.18) allows the IOU, the customer and the ESP to mutually agree to a different service change date for the service changes requested in a DASR, the IOUs may be unable to accommodate special service change dates during the OEW. Nothing in Appendix 2 of the CPUC's Final Decision (D.10.03.022) is intended to rescind Section E.18 of Rule 22; however, it may not be operable during the OEW.
- 19.5.4.J. If a DASR is not received by the IOU for an accepted NOI before the end of the 60-day period, the customer's NOI will be void.

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- 19.5.4.K. Any NOIs voided for failure to submit a DASR within the 60-day period will not be subject to a three-year minimum BPS commitment period as a result of such failure. This exception will apply only to NOIs accepted during the OEW.
- 19.5.4.L. If the Y1 limit is reached during the OEW, the IOU will stop accepting NOIs, and will begin placing submitted NOIs on a wait-list on a first-come, first-served basis. The wait-list shall have a maximum capacity equal to 25% of the Y1 limit, and will be maintained until the last day of the OEW. Should any room under the Y1 limit become available during the OEW as a result of any voided NOIs, within ONE (1) business day of any room becoming available, the IOU will notify eligible customers on the wait-list by email of the acceptance of their NOIs. The IOU will continue to issue email notices, on a 1-business day basis as room becomes available during the OEW, through the last day of the OEW. A customer coming off the OEW wait-list will have 60 days after the IOU's notice of the NOI acceptance to cause its ESP to submit a DASR to the IOU. If a DASR is not received by the IOU by the end of the 60-day period, the customer's NOI will be void, and the exception under Section 19.4.4.K for the three-year BPS commitment will apply. The wait-list will end on the last day of the OEW. Any NOIs on the wait-list that were not accepted during the OEW will be void, and customers will be notified that they can begin submitting 6-Month Advance Notices to Transfer to Direct Access Service as early as July 1, 2010 to switch to DA in 2011. No wait-list will be used after the OEW.
- 19.5.4.M. The OEW will close 90 calendar days after the Effective Date, or on June 30, 2010, whichever comes first. There will be no OEW in subsequent years of the phase-in period.
- 19.5.4.N. All LSEs that intend to serve load during 2011 will refile load forecasts for 2011 RA compliance year by May 26, 2010. This revised forecast shall account both for customer migration up to that date, but also to forecast expected customer migration during the second phase of DA access that commences in January of 2011. The updated load forecasts due by May 26, 2010 will be used by the Energy Division and CEC to develop Local RA obligations, inclusive of adjustment, as accurately as possible within the constraints of the 2011 RA filing cycle.

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## 19.5.5. Enrollment After the OEW Closes

### 19.5.5.A. In 2010:

- Customers may submit 6-month advance notices starting July 1, 2010 to switch to DA in 2011 (Y2). The IOU will accept 6-month advance notices up to the Y2 limit. The daily batch process for accepting 6-Month Notices (similar to 19.4.4.F above) will allow for up to a 10 percent (10%) threshold above the Y2 limit.
- For any Six-Month Advance Notice accepted during the OEW, the IOU will notify the customer of acceptance within 30 business days of receipt, and will instruct the customer to notify its Electric Service Provider (ESP) that a DASR to transfer customer's service account(s) to DA service must be submitted to the IOU within 60 calendar days of the date provided in SCE's written customer correspondence.
- A customer with an accepted 6-month advance notice will be switched to DA starting in January 2011, provided the customer's 6-month advance notice period has been satisfied and a DASR has been timely received.
- DASRs will be processed using existing processes and timelines in accordance with Rules 22 and 22.1 (or equivalent rules), and eligible service accounts will be transferred to DA service on their next scheduled meter read date, or the dates specified on the DASR, if different from the next meter read date, depending on when the IOU receives the DASR. Customers who fail to meet the time limitations and DASR requirements set forth in Rules 22 and 22.1 will be subject to a three-year minimum BPS period as provided for in Rule 22.1 (or equivalent IOU rules).
- Once the Y2 limit is reached, the IOU will stop accepting 6-month advance notices
- If room under the Y2 limit subsequently becomes available, the IOU will update its website to notify customers that it is accepting 6-month advance notices. The IOU will use the same daily batch process described above for accepting NOIs for any room under the Y2 limit.

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19.5.5.B. In 2011:

- Customers may continue to submit 6-month advance notices after January 1, 2011 to switch to DA in 2011 or 2012, depending on whether there is room available under the Y2 limit. The IOU will accept 6-month advance notices up to the Y3 limit. The daily batch process for accepting NOIs (described in 19.4.4.F above) will allow for up to a 10 percent (10%) threshold above the Y3 limit
- For any Six-Month Advance Notice accepted during the OEW, the IOU will notify the customer of acceptance within 30 business days of receipt, and will instruct the customer to notify its Electric Service Provider (ESP) that a DASR to transfer customer's service account(s) to DA service must be submitted to the IOU within 60 calendar days of the date provided in SCE's written customer correspondence.
- A customer with an accepted Six-Month Advance Notice will be transferred to DA as soon as possible (depending on whether there is room under the Y2 limit), but in any event starting in January 2011, provided the customer's 6-month advance notice period has been satisfied and a DASR has been timely received. If there is no room available under the Y2 limit, customers who submit 6-month advance notices prior to July 2011 may need to remain on bundled service for up to twelve months before being able to switch to DA. In other words, they may have to wait for the Y3 allotment to open up in January 2012 before they can switch to DA. If room under the Y2 limit subsequently becomes available in 2011, some customers may be able to switch to DA prior to 2012, provided the 6-month advance notice period has been satisfied and a DASR has been timely received
- DASRs will be processed using existing processes and timelines in accordance with Rules 22 and 22.1 (or equivalent rules), and eligible service accounts will be transferred to DA service on their next scheduled meter read date, depending on when the IOU receives the DASR. A customer failing to meet the time limitations and DASR requirements set forth in Rules 22 and 22.1 will be subject to an eighteen-month minimum BPS period as provided for in Rules 22 and 22.1 (or equivalent rules). With the exception that customers who submit 6-month advance NOIs prior to July 2011 may be required to remain on bundled service for longer than 6 months (but not more than 12 months) before switching to DA service, if there is

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no room under the Y2 limit. In other words, they may have to wait for the Y3 allotment to open up in January 2012 before they can switch to DA.

- Once the Y3 limit is reached, the IOU will stop accepting 6-month advance notices.
- If room under the Y3 limit subsequently becomes available, the IOU will update its website to notify customers that it is accepting 6-month advance NOIs. The IOU will use the same daily batch process described above for accepting NOIs for any room under the Y3 limit.

19.5.5.C. In 2012 and 2013:

- The IOU will use the same enrollment process as described above for 2011, using the applicable annual limits, except that a threshold for daily batch processing will not apply to the Y4 limit (because it represents the overall cap).
- Additionally, any customer failing to meet the time limitations and DASR requirements set forth in Rules 22 and 22.1 will be subject to an eighteen-month minimum BPS period as provided for in Rules 22 and 22.1 (or equivalent rules).

#### **19.5.6. IOU Update to Website – Accepting/Not Accepting NOIs or Six-Month Advance Notices to Transfer to Direct Access Service**

During the phase-in period, each IOU will indicate on its public website whether NOIs (during OEW) or 6-month advance notices are being accepted, and update this information regularly, as reasonably necessary, but in no event less frequently than monthly. This information should be sufficient to inform customers and ESPs whether there is room available under the annual limits during the phase-in or the overall cap after the phase-in. The IOU will provide notice on its public website when the level of annualized sales for customers electing DA service approaches a certain percentage of the annual limit or overall cap (e.g., 95%)

Changes in the 12-month usage of DA accounts will be reflected in order to determine the room available under the cap. No customer taking DA service while room was available under the cap will be removed from DA service as a result of growth in DA load.