

October 16, 2020

The Honorable Chris Holden  
Chair  
Assembly Utilities and Energy Committee  
State Capitol  
Sacramento, CA 95814

Re: Demand Management and Load Shifting -- Immediate Next Steps

Mr. Chair and Members:

On behalf of the California Energy Efficiency and Demand Management Council (CEDMC), thank you for the thoughtful and thorough October 12 hearing on August energy outages.

The committee members and staff did a wonderful job of examining the root causes of the blackouts and beginning a path with the agencies toward preventing such an unfortunate outcome in the future. The hearing was an excellent example of the role legislative oversight can and should play in examining the administration of policy.

CEDMC was honored to provide commentary and suggestions at the hearing for how demand response, which achieved 1GW of energy savings during the August crisis, can be expanded and be in place well in advance of next summer when we unfortunately anticipate additional capacity shortfalls due to climate change.

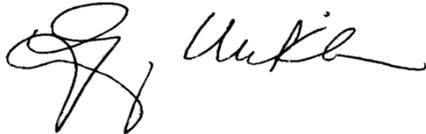
Below are four immediate steps which can be taken to allow this resource to be fully utilized:

- (1) Require CPUC to set near-term enforceable, peak demand procurement targets to ensure that greater levels of EE and DR resources are available to meet grid and resilience needs by summer 2021. The Council recommends a 5% target be put in place by summer 2021.
- (2) Require CPUC to eliminate procurement caps (currently at 8.3%) for demand response resources to ensure greater deployment.
- (3) Require CPUC to increase the budget for the Demand Response Auction Mechanism or DRAM – which was cut in half in 2020 (\$27M to \$14M); restore budget then link DRAM to DR procurement targets.

- (4) Require CPUC to overhaul rules regarding demand response resource valuation, counting, qualification, and measurement to maximize resources available to meet Resource Adequacy and grid needs.

Thank you again for the hearing, the analysis and for the opportunity to provide input. We have also attached a two-page primer for more detailed information.

Sincerely,

A handwritten signature in black ink, appearing to read "Greg Wikler". The signature is fluid and cursive, with the first name "Greg" being more prominent and stylized than the last name "Wikler".

Greg Wikler

CC:

The Honorable Jim Patterson, Vice Chair, Assembly Utilities and Energy Committee

Honorable Members of the Committee

Ms. Mary McDonald, Chief Consultant, Assembly Utilities and Energy Committee

Mr. Greg Melkonian, Republican Consultant, Assembly Utilities and Energy Committee