

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Establish  
Policies, Processes, and Rules to Ensure  
Reliable Electric Service in California in the  
Event of an Extreme Weather Event in 2021.

Rulemaking 20-11-003  
(Filed November 19, 2020)

**OPENING COMMENTS OF THE DR COALITION ON  
PROPOSED DECISION DIRECTING PACIFIC GAS AND ELECTRIC COMPANY,  
SOUTHERN CALIFORNIA EDISON COMPANY, AND SAN DIEGO GAS & ELECTRIC  
COMPANY TO TAKE ACTIONS TO PREPARE FOR POTENTIAL EXTREME  
WEATHER IN THE SUMMERS OF 2021 AND 2022**

Dated: March 15, 2021

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California Efficiency + Demand Management Council (“the Council”), Google LLC (“Google”), Leapfrog Power, Inc. (“Leap”), NRG Energy, Inc. (“NRG”), OhmConnect, Inc. (“OhmConnect”), Oracle, Tesla, and Willdan (“the DR Coalition”) comment on the Proposed Decision Directing Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company to Take Actions to Prepare for Potential Extreme Weather in the Summers of 2021 and 2022 (“Proposed Decision” or “PD”), mailed in this proceeding on March 5, 2021. These Opening Comments are timely filed and served pursuant to Rule 14.3 of the Commission’s Rules of Practice and Procedure and the instructions accompanying the Proposed Decision.

**I.  
BACKGROUND**

The DR Coalition is comprised of the Council, Google, Leap, NRG, OhmConnect, Oracle, Tesla, and Willdan.

- **The Council:** The Council is a statewide trade association of non-utility businesses that provide energy efficiency (“EE”), demand response (“DR”), and data analytics services and products in California.<sup>1</sup> Our 70+ member companies (including DR providers CPower, Enel, Enersponse, Leap, OhmConnect, and Olivine) employ many thousands of Californians throughout the state. They include EE, DR, and grid services technology

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<sup>1</sup> Additional information about the Council, including the organization’s current membership, Board of Directors, antitrust guidelines, and code of ethics for its members, can be found at <http://www.cedmc.org>. The views expressed by the Council are not necessarily those of its individual members.

providers, implementation and evaluation experts, energy service companies, engineering and architecture firms, contractors, financing experts, workforce training entities, and manufacturers of EE products and equipment. The Council's mission is to support appropriate EE and DR policies, programs, and technologies to create sustainable jobs, long-term economic growth, stable and reasonably priced energy infrastructures, and environmental improvement.

- **Google:** Google, an Alphabet Inc. company, is the maker of Nest devices, including Nest thermostats, sold under the Google Nest brand. The Nest energy devices include the Google Nest Learning Thermostat, the Google Nest Thermostat E, and the new Google Nest Thermostat, which are equipped with sensors, Wi-Fi capability, and smart-phone grade processing, to help customers consume less energy. They learn occupant preferences, turn the temperature down when the house is empty, and automatically lower air conditioning (“A/C”) runtime when humidity conditions permit, thereby helping people lower their energy use without sacrificing comfort. Google Nest thermostats also contribute to reducing peak demand by allowing residential customers to participate in demand response programs run by utilities or third-party aggregators. Current Google Nest programs include Seasonal Savings (an EE program) as well as Nest Rush Hour Rewards (a DR program).
- **Leap:** Leap is a Demand Response Provider (“DRP”) founded in 2017 and headquartered in San Francisco, California. The company provides DR services to residential, commercial, industrial, and agricultural customers throughout the state of California. Through its technology platform, Leap enables distributed energy resource (“DER”) providers in California to become grid participants, both adding revenue for their customers and integrating additional demand-side resources into the California electricity system. Leap believes that demand-side resources integrated into California's wholesale electricity market will play a key role in helping California achieve a resilient and zero carbon future.
- **NRG:** NRG Energy Inc. is a major producer and retailer of electricity and, through its wholly owned subsidiary, NRG Curtailment Solutions, Inc. (“NRGCS”), is also one of the largest DRPs in the country. NRGCS participates in wholesale and distribution-level DR programs across the United States. Through wholesale and retail markets, NRGCS

serves a wide variety of commercial, industrial, and institutional customers and achieved a 2,400 MW reduction of curtailable load at over 5,000 facilities in 2019. NRG also operates approximately 23,000 MW of generation around the country, including in the California Independent System Operator (“CAISO”) market. NRG is a major competitive retailer across the United States.

- **OhmConnect:** OhmConnect was founded in 2014, and today enables hundreds of thousands of customers to reimagine how they use energy, to choose clean-energy over dirty energy when required, and to be rewarded for timely, smarter, home energy use. OhmConnect pays its users for saving energy when the grid is at risk of using dirty power. Customers of the three major California energy suppliers – Pacific Gas and Electric (“PG&E”), Southern California Edison (“SCE”) and San Diego Gas & Electric (“SDG&E”) – can sign up with OhmConnect for free.
- **Oracle:** Oracle (formerly Opower, Inc.) has delivered Opower’s behavioral EE, DR, and customer engagement services to over one hundred electric and natural gas utilities across ten countries and thirty-five states, including California. To date, these programs have saved nearly 30 terawatt-hours of energy. In 2020 alone, the Opower behavioral EE program is projected to drive over 350 GWh of savings across the three electric investor-owned utilities (“IOUs”). Oracle appreciates this opportunity to provide input on the Commission’s Extreme Weather Rulemaking. Oracle’s comments are based on the 12+ years of behavioral demand-side management experience contained in the Opower platform, which has been implemented by more than 100 utilities around the world.
- **Tesla:** Tesla’s mission is to accelerate the world’s transition to sustainable energy. In the service of this mission, Tesla has dedicated itself to electrifying transportation through the manufacture and sale of advanced electric vehicles as well as key clean energy technologies, including battery storage and solar photovoltaic systems. By electrifying the transportation sector and decarbonizing electricity production, substantial progress can be made in addressing climate change and the serious threat it poses, recognizing the significant share of greenhouse gas emissions that are directly attributable to the transportation and energy sectors. Tesla has produced more than 1,000,000 electric vehicles worldwide, provided 5 gigawatt-hour (“GWh”) of stationary battery capacity, and has deployed over three gigawatts (“GW”) of solar.

- **Willdan:** Willdan actively assists organizations and their communities to evolve and thrive as resources and infrastructure change. Willdan is a leading, nationwide provider of trusted, comprehensive solutions that are supported by a talented team of experts and advanced software applications. Willdan provides advanced designs and delivers proven solutions to improve efficiency and resiliency in energy and sustainability, engineering, program administration, economics and strategic planning, software, emerging technology, and research & development.

## **II. SUMMARY OF THE DR COALITION'S POSITION**

The DR Coalition is highly concerned by the PD's bias in favor of fossil generation at the expense of clean demand response ("DR") and distributed energy resources ("DER"). Climate change, one of the primary culprits that led to the extreme heat events this proceeding is dedicated to planning for, appears to be an afterthought in the PD's consideration of the appropriate resource mix to address similar conditions in the future. The PD provides little explanation for the DR proposals it adopts or rejects, so it is unclear whether the full record has been considered.

The DR Coalition supports the PD's approval of the DR proposals that were mentioned; however, the PD's failure to provide any relief in terms of the LSE-specific DR procurement cap and the inaccuracies of the DR baseline structure will dampen any benefits of incremental DR capacity. Furthermore, the Emergency Load Reduction Program ("ELRP") requires added clarity, consistency in customer eligibility criteria, and a significantly higher energy incentive. Also, there is inconsistency across IOUs and programs with respect to incentive increases, and support for bring-your-own-device "BYOD" programs.

## **III. THE PROPOSED DECISION FALLS SHORT IN FAVORING FOSSIL GENERATION OVER DEMAND RESPONSE**

The DR Coalition is extremely disappointed by how few DR-related proposals were approved by the PD. At the outset of this proceeding, the Commission stated that it would "address two primary issues: how to increase energy supply and decrease demand during the peak demand and net demand peak hours in the event that a heat storm similar to the August

2020 storm occurs in the summer of 2021.”<sup>2</sup> The DR Coalition and other DR and DER providers devoted substantial resources on an expedited basis to develop and put forth a wide-variety of thoughtful and implementable proposals meant to provide significant amounts of additional demand reduction for the next two summers and beyond. Furthermore, in response to a request from the Energy Division, the Council and its DR members joined with several non-members to form the DR Coalition for the purpose of providing as unified a voice as possible with regard to demand response (“DR”) proposals and issues. The DR Coalition proposals represented the ideas and perspectives of a highly diverse group of DR parties that, more than almost any other party, have the market knowledge and experience to provide the most effective proposals. In spite of all of this, the PD adopts very few DR Coalition proposals. Furthermore, the PD fails to identify why the DR Coalition’s proposals were rejected.

It appears that the Commission seems content with meeting the summer 2021 needs primarily with additional generation and more IOU DR capacity, primarily through a larger Base Interruptible Program (“BIP”), Agricultural Pumping-Interruptible (“AP-I”) program, Capacity Bidding Program (“CBP”), and an untested Emergency Load Reduction Program (“ELRP”) Pilot. The DR Coalition supports all of the proposed changes in the IOU DR programs but the PD misses an excellent opportunity to add more third-party, supply plan DR through bilateral contracts or a supplemental Demand Response Auction Mechanism (“DRAM”) Pilot solicitation for summer 2022. The PD also misses the opportunity to address some critical barriers to growing the DR resource, including securing corrections to inaccurate baselines and lifting load serving entity (“LSE”)-specific DR procurement caps. In addition, it declined to adopt the DR Coalition’s smart thermostat proposals that would have created a rapid increase in device adoption and DR enrollment by residential customers. This was particularly surprising because this appeared to be a key Commission focus and the proposals put forth have already demonstrated success in other states.

The PD is correct in declining to adopt the various proposals to restrict the behavior of DR resources in the CAISO market, including minimum dispatch requirements and bid caps. As the DR Coalition stated in its testimony, these proposals were based on flawed conclusions in both the Preliminary and Final Root Cause Analysis.

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<sup>2</sup> Order Instituting Rulemaking, at p. 12; Assigned Commissioner’s Scoping Memo and Ruling, at p. 1.

As a matter of process, the PD should be augmented to develop a complete record by including explanations why some DR proposals were accepted and others were not. The PD lacks any explanation for the proposals it approves and those it does not. This creates difficulties for parties to develop comments on the PD because the Commission's reasoning is unknown; this also creates the appearance of arbitrariness or perhaps that not all testimony was given proper consideration.

#### **A. Emergency Load Reduction Pilot (“ELRP”)**

The PD's ELRP has some promising elements that will improve the chances of the pilot's success. This includes a five-year duration which will provide a good degree of certainty that is needed for DR providers (“DRP”) and their customers. The out-of-market framework will reduce DRPs' and participants' cost of entry and allowing both direct-enrolled as well as third-party residential and non-residential customers to participate will create a large pool of potential participants. Unfortunately, there are also several shortcomings and areas of confusion that will likely limit the attractiveness of the ELRP if left uncorrected. Unless significant improvements are made, the Commission should manage its expectations regarding the amount of load curtailment the ELRP will ultimately be able to deliver. The DR Coalition provides an itemized list of its concerns below:

- **Customer Eligibility:** This section contains several confusing statements that require clarification. They are:
  - On page 4, Group A participants include “select non-residential customers and aggregators not participating in DR programs.”<sup>3</sup> This appears to contradict category A.2 Base Interruptible Program Aggregators because the customers of Base Interruptible Program (“BIP”) aggregators, by definition, participate in BIP.
  - On page 4, the definition of A.1 Non-Residential, Non-DR Customers is “bundled and unbundled non-residential customers of an IOU”.<sup>4</sup> This statement is unclear because a bundled customer takes energy and distribution from the IOU whereas an unbundled customer takes distribution only, so both types of customers take at least

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<sup>3</sup> Proposed Decision, Attachment 1, at p. 4.

<sup>4</sup> *Id.*

one service from an IOU. The phrase, “of an IOU” should be removed to avoid confusion.

- On page 5, the definition of A.2 BIP Aggregators includes the provision, “For SCE, participating aggregators may add and nominate only non-residential customers eligible under A.1 in their ELRP portfolio.”<sup>5</sup> It is not clear whether this implies that residential aggregators (and customers) are ineligible in SCE’s service area but not in PG&E’s and SDG&E’s service area. Regardless, residential customers should be eligible in all three service areas.
- **Program Availability:** The PD recommends a window of 4:00-9:00 p.m., May through October.<sup>6</sup> This window seems logical if the Commission intends that the pilot will only be used when CAISO reserves are in short supply. However, if the intention is for the ELRP to be available for a broader range of reliability events, it might be prudent to expand the pilot’s availability to year-round. The IOUs will be allocating the effort and resources to standing up this pilot so if they can make the pilot available year-round at an acceptable incremental cost, they should do so.
- **Minimum Size Threshold:** The PD adopts minimize size thresholds that vary greatly among the IOUs.<sup>7</sup> The DR Coalition understands that these thresholds are consistent with what each IOU recommended in their Opening Testimony, but it simply does not make sense to adopt inconsistent thresholds across all three IOUs. In addition, SCE’s and SDG&E’s thresholds will eliminate all residential and small-to-medium businesses from participating; even PG&E’s one kW threshold will limit the number of residential customers, create confusion among direct-enrolled residential customers, and additional cost to residential DRPs who will be left trying to determine which of their customers can reliably deliver at least one kW. Similarly, it is unclear why the PD would adopt a 25 kW Minimum Export Threshold for Rule 21 Exporting DERs and a 500 kW Minimum VPP Size Threshold. No explanation was provided for either one. If the goal is to attract as many customers as possible, no minimum size, or export or VPP size threshold should be adopted. If the IOUs are concerned about the

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<sup>5</sup> Proposed Decision, at p. 5.

<sup>6</sup> *Id.*, at p. 3.

<sup>7</sup> *Id.*, at pp. 4-5.

administrative burden of compensating so many residential customers, they could utilize bill credits for direct-enrolled customers and financial payments to DRPs and DER providers.

- **Day-Of Trigger:** The PD adopts, with no explanation, no day-of trigger for Group B customers.<sup>8</sup> The PD should open day-of dispatches to Group B resources to maximize their utility when involuntary load curtailments are called. Long-start PDRs that are not capable of dispatch in the CAISO real-time market (“RTM”) may, in whole or in part, be available for same-day dispatch under the Group A day-of trigger if they are not scheduled in the day-ahead market (“DAM”).
- **Compensation:** The PD’s proposed \$1,000/MWh ELRP Compensation Rate (“ECR”) will be far too low for most customers to justify enrolling in the program.<sup>9</sup> First, the ECR is not sufficiently high to compensate for the risk to DRPs whose customers are already participating in a market-integrated DR resource that an ELRP event occurring during the prior ten days would depress the customer’s performance. In addition, because energy market prices can be higher than \$1,000/MWh, the ECR could be lower than the market-clearing price. The ECR should be raised to \$2,000/MWh which, under FERC Order 831, allows imported resources to bid up to that amount. It would be unfair to allow imported resources to earn twice what an ELRP customer can earn during an emergency event.

The PD should also clarify exactly to which sub-groups the ECR applies. It states that “the ECR is set at the same level for the following sub-group: DA Group A customers, DO Group A customers, Group B PDRs, and BIP customers delivering [incremental load reduction] during an ELRP event overlapping with a BIP event.”<sup>10</sup> It is unclear exactly what sub-groups are being referenced here. The PD should be revised to specify, for instance, Group A.1 or B.2 customers to be consistent with the categories provided under the Eligible Customers section of the proposal. A summary compensation matrix might be helpful for IOU, DRPs, and customers to better understand the compensation structure.

Another area of concern with regard to the proposed compensation mechanism is the provision that participants can only be compensated for curtailments within 50-200% of their

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<sup>8</sup> Proposed Decision, at p. 8.

<sup>9</sup> *Id.*, at p. 9.

<sup>10</sup> *Id.*

pre-nominated load shed.<sup>11</sup> There is no operational or reliability reason why this is necessary for a voluntary program, especially if the customer is in the position to deliver far more energy than it pre-nominated. Even the 50% lower threshold is unnecessary; it may be difficult to accurately estimate the available load curtailment several months in advance.

Finally, the frequency of financial settlement must be more frequent than annually. Customers will expect a faster settlement which will in turn motivate response should it be needed. Quarterly compensation would be much more attractive and, because the ELRP would likely be called very infrequently, would likely not result in any additional work for IOUs.

- **Baseline:** The proposed ELRP 10-in-10 baseline with a +/-40% day-of adjustment is highly problematic and is very likely to discourage participation.<sup>12</sup> The DR Coalition and TURN put forth extensive testimony explaining why this exact baseline is highly inaccurate under the extreme weather conditions that are likely to prevail when the ELRP is dispatched. As the DR Coalition and TURN explained, a customer's consumption during average weather conditions will be much lower than the same customer's consumption during an extreme heat event, and that a 10-in-10 baseline could be so low as to fail to measure any ELRP load curtailment, even with a 40% day-of adjustment.<sup>13,14</sup> It is a near certainty that if the baseline remains as it is and ELRP participants find that their load curtailments are under-compensated because of that, they will immediately leave the program, never to return. To significantly improve the accuracy of the baseline, the PD should be revised to adopt either a 10-in-10 with a 100% day-of adjustment or 3-in-10 with a 40% day-of adjustment.

Another area of confusion is why, under Group B, a DRP's PDR portfolio must consist of only 1) one of PDRs with RA assignment or PDRs without RA assignment, and 2) PDRs limited to the service area of one IOU.<sup>15</sup> With regard to the first condition, some DRPs may, as a matter of their business model, have some PDRs that are assigned to RA contracts and

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<sup>11</sup> Proposed Decision, at p. 9.

<sup>12</sup> *Id.*, at p. 10.

<sup>13</sup> Prepared Opening Testimony of the DR Coalition, at p. 15.

<sup>14</sup> Prepared Reply Testimony of Michel Peter Florio, The Utility Reform Network, at p. 8.

<sup>15</sup> Proposed Decision, Attachment 1, at p. 12.

some PDRs that are not. The second condition is moot because sub-Load Aggregation Points (“subLAP”) do not lay within multiple IOU service areas.

- **Test Events:** The PD requires that IOUs must each conduct a single test event annually with no compensation.<sup>16</sup> This is unnecessary and yet another factor that would discourage customers from participating. Furthermore, if there are no ELRP events in a given year, then customers and DR aggregators would actually lose money by participating in the ELRP Pilot. If the ELRP was a capacity-based program, it would be understandable to require periodic test events. However, as a voluntary program that is not subject to the requirements of an RA resource and is not measured by the DR Load Impact Protocols (“LIP”), the utility of an annual test is unclear. If the Commission is keen on an annual test, the PD should be revised to specify that customers will be fully compensated during these test events.

## **B. Modifications to Existing DR Programs**

### **1. Modifications to Existing DR Programs of All IOUs**

The DR Coalition appreciates the PD’s approval of year-round enrollments and unenrollments for the BIP and SCE’s Agricultural Pumping-Interruptible (“AP-I”) program for the duration of the ELRP Pilot.<sup>17</sup> The minimum 12-month enrollment requirement is reasonable and will ensure that only those customers that can provide year-round load reduction will enroll. However, the reasoning behind the attachment of the duration of this program modification to the ELRP Pilot is unclear and the DR Coalition is concerned that should the ELRP Pilot be retired prior to its five-year lifetime, this added flexibility will automatically expire as well. Instead, the PD should be modified to explicitly set a five-year timeframe with an assessment toward the end of this window to determine whether this practice should continue.

The DR Coalition also appreciates the PD increasing the DR Reliability Cap from two to three percent.<sup>18</sup> As mentioned above, the link to the duration of the ELRP Pilot is unclear, but the DR Coalition again requests that the PD be modified to specify a five-year duration with a reassessment to be conducted near the end of this time frame.

### **2. Southern California Edison Company (“SCE”)**

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<sup>16</sup> Proposed Decision, Attachment 1, at p. 13.

<sup>17</sup> Proposed Decision, at p. 27.

<sup>18</sup> *Id.*

**Base Interruptible Program (“BIP”):** The DR Coalition strongly supports approval of SCE’s proposal to increase BIP incentives.<sup>19</sup> Between this and the greater enrollment flexibility, this will likely lead to significant additional capacity not only in summer 2021 but also going forward.

**Capacity Bidding Program (“CBP”):** The DR Coalition also strongly supports approval of SCE’s full Residential CBP (skipping the pilot phase) with a 5-in-10 baseline.<sup>20</sup> This, combined with PG&E’s existing Residential CBP and SDG&E’s pilot (discussed below), will provide at least one DR opportunity for residential aggregators throughout the state. The DR Coalition would also have liked to see the PD direct SCE to adopt a CBP Elect similar to PG&E’s program. As discussed in the DR Coalition’s opening testimony, this would be an effective step to drive growth in SCE’s CBP.<sup>21</sup>

The DR Coalition was also disappointed to see that SCE’s proposal to increase their CBP incentives for the first time in eight years was not adopted. In light of the increase in BIP incentives, it seems like a logical step to adjust CBP incentives as well to attract additional participation and to keep up with inflation. Higher CBP incentives would also provide a needed incentive for CBP participation in SCE’s service area because the program is typically called very frequently during the summer months.

### **3. Pacific Gas and Electric Company (PG&E)**

**BIP:** The DR Coalition supports approval of higher PG&E BIP incentives.<sup>22</sup> Like with SCE, this can be expected to drive significant growth in the program in the short- and long-term.

**CBP:** The Commission should adopt PG&E’s proposed Weekend Option as well as higher October incentives. The Weekend Option would provide an incentive to customers to be available on days not required of RA resources. Similarly, higher October incentives would correct the rapid drop-off in the incentive after September and encourage aggregators to maintain significant amounts of capacity in October when temperatures are still high and wildfires are still prevalent.

**Residential Rewards Pilot:** The DR Coalition urges the Commission to adopt PG&E’s Residential Rewards Pilot. The DR Coalition prefers a larger scale deployment of a PG&E bring-

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<sup>19</sup> Proposed Decision, at p. 29.

<sup>20</sup> *Id.*, at p. 31.

<sup>21</sup> Opening Prepared Testimony of the DR Coalition, at p. 27.

<sup>22</sup> Proposed Decision, at p. 32.

your-own-device (“BYOD”) program but, because it was proposed by PG&E, it was clearly a viable approach to pilot a BYOD program in summer 2021 that could inform a larger program in PG&E’s next DR program application. The CPD’s rejection of this proposal was especially surprising because in the early stages of this proceeding, it appeared that the Commission was intent on smart thermostats playing a prominent role in adding more capacity in summer 2021 and beyond.

#### **4. San Diego Gas & Electric Company (SDG&E)**

**BIP:** The DR Coalition supports approval of SDG&E’s waiver request on its 100-kW minimum load requirement to participate in the BIP.<sup>23</sup> This will open the door to additional non-residential participants that are able to bring forth useful capacity.

**CBP:** The DR Coalition supports approval of SDG&E’s Residential CBP Pilot.<sup>24</sup> As stated above, this will provide a solid option for residential customers who want to provide DR on a more reliable basis and will hopefully attract residential aggregators to SDG&E’s service area to help grow its CBP.

**AC Saver:** The DR Coalition supports the authorization granted to SDG&E pursue emergency agreements with manufacturers who already have devices participating in the AC Saver program to secure additional existing devices.<sup>25</sup> This will hopefully increase the deployment of these devices and deliver additional load reductions.

### **C. Expanded Electric Vehicle Participation**

While it is commendable that the PD seeks to catalyze participation by many different types of demand-side resources, the Commission should understand that the ELRP on its own is highly unlikely to engender participation from electric vehicles (“EVs”) dispatching energy to the grid or to buildings. This is because the cost for automakers and aggregators to develop the hardware and software, user interfaces, and customer-facing tools to engage in vehicle-to-grid (“V2G”) dwarfs any revenue that could be anticipated from the ELRP program, which would likely be triggered only a few times per year at most (and in some years, not at all). Much like peaker plants require some guarantee of a minimum baseline of revenue in the form of a capacity payment to construct and maintain the facility, so too would automakers and aggregators require

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<sup>23</sup>Proposed Decision, at p. 32.

<sup>24</sup>*Id.*, at p. 34.

<sup>25</sup>*Id.*

a minimum expectation of revenue prior to making the capital investments in hardware, software, customer recruitment/retention and other costs associated with a V2G program.

**IV.  
CONCLUSION**

The DR Coalition respectfully requests that the Commission revise the PD as recommended in these opening comments.

Respectfully submitted,

March 15, 2021

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## APPENDIX A

### **THE DR COALITION’S PROPOSED FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDERING PARAGRAPHS FOR THE PROPOSED DECISION DIRECTING PACIFIC GAS AND ELECTRIC COMPANY, SOUTHERN CALIFORNIA EDISON COMPANY, AND SAN DIEGO GAS & ELECTRIC COMPANY TO TAKE ACTIONS TO PREPARE FOR POTENTIAL EXTREME WEATHER IN THE SUMMERS OF 2021 AND 2022**

The DR Coalition proposes the following modifications to the Findings of Fact, Conclusions of Law, and Ordering Paragraphs of the Proposed Decision Directing Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company to Take Actions to Prepare for Potential Extreme Weather in the Summers of 2021 and 2022, mailed in R.20-11-003 (Extreme Weather) on March 5, 2021 (Proposed Decision).

Please note the following:

- A page citation to the Revised Proposed Decision is provided in brackets for each Finding of Fact, Conclusion of Law, or Ordering Paragraphs for which a modification is proposed.
- Added language is indicated by **bold type**; removed language is indicated by **bold strike-through**.
- A new or added Finding of Fact, Conclusion of Law, or Ordering Paragraph is labeled as “NEW” in **bold, underscored** capital letters.

#### **PROPOSED FINDINGS OF FACT:**

5. [48] There is a need for incremental physical resources, ~~and~~-modified demand response measures, **and additional third-party demand response** to address grid needs during the system peak and net peak demand periods for summer 2021 and 2022 and to prevent similar service interruptions to the August 2020 rotating outages.

6. [48] Time is of the essence, and the Commission needs to expeditiously signal support of contracts for expansion of existing resources **and new demand response** that can help maintain reliability in summer 2022 by delivering during peak and net peak demand periods.

20. [50-51] The following customers could be eligible to participate in the ELRP A) Non-Residential, Non-DR Customers; **Residential, Non-DR Customers: BIP Aggregators and BIP**

**customers**, Rule 21 Exporting DERs, and VPP and B) Market-integrated PDR resources: Third-party DR Providers and IOU CBP PDR Resources.

24. [51] The appropriate ECR is set at ~~\$12~~ / kilowatt-hour (kWh) (or ~~\$12000~~ / megawatt-hour (MWh)).

26. [51] It is appropriate for the IOUs to conduct **compensated** test events for ELRP participants in Group A as outlined in Attachment 1.

30. [52] Year-round enrollment **and unenrollment** in BIP and SCE's AP-I will allow for greater participation in these DR programs, resulting in decreased peak and net peak load during times when these programs are triggered. A good way to manage this is to ensure that the participants must be enrolled in the program for 12 months before being able to exit.

**NEW. If SCE increases the CBP incentive and adds a CBP Elect similar to PG&E's CBP Elect, there will be greater participation in this DR program, resulting in decreased peak and net peak load during times when the program is triggered.**

**NEW. If PG&E adds a CBP Weekend Option and higher October CBP incentives, there will be greater participation in this DR program and more available weekend load reduction capability.**

**NEW. PG&E's Residential Rewards Pilot will result in increased residential participation and lead to decreased peak and net peak load during times when this program is triggered.**