

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)

**NOTICE OF EX PARTE BY
THE CALIFORNIA EFFICIENCY + DEMAND MANAGEMENT COUNCIL**

March 3, 2021

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Pursuant to Rule 8.4 of the Commission’s Rules of Practice and Procedure, the California Efficiency + Demand Management Council (the “Council”) hereby timely gives notice of the following ex parte communication.

The communication occurred on Friday, February 26, 2021 and took place telephonically. The communication was oral and included a written document. The written communication was a document entitled “February 26, 2021 Ex Parte” which was provided to the Commission President Batjer’s Chief of Staff Shannon O’Rourke prior to the meeting and which is attached hereto as Exhibit A.

The communication was initiated by Greg Wikler, Executive Director of the Council and occurred telephonically at 2:30 p.m. with Shannon O’Rourke, Chief of Staff to Commission President Batjer and Anand Durvasula, Legal and Policy Advisor to Commission President Batjer, and lasted approximately 30 minutes. The Council timely filed and served a Three Working Days’ Notice of this communication on February 22, 2021. Present at this meeting, along with Shannon O’Rourke and Anand Durvasula, were Greg Wikler, Executive Director of the Council; Serj Berelson, Director of Policy & Strategy of the Council; and Jennifer Chamberlin, Council Board Member.

Mr. Wikler began the meeting by stating that the Council would like to highlight the importance of demand response (“DR”) which lowers overall demand to the future reliability of the State. Mr. Wikler stated that the 8.3% load-serving entity (“LSE”) DR procurement cap must be suspended and ultimately removed if the Commission would like to see DR grow and the cap acts as a significant barrier to incremental DR procurement. Ms. Chamberlin stated that the LSE cap means that smaller LSEs who also get a large DR allocation that counts against the cap may

only have a very small amount of MWs to procure from DR, making it impractical to procure while LSEs not using their share effective further limit the role of DR.

Mr. Wikler continued and stated that they day-of adjustment cap should be removed. Mr. Wikler stated that customers shed significant load, but due to the legacy day-of adjustment cap based on “normal” weather conditions, customers who shed load were penalized. Ms. Chamberlin stated that the 5-in-10 baseline should be allowed for non-residential DR participants to more accurately represent DR performance during extreme weather events.

Mr. Wikler supported the DR Coalition’s Emergency Load Reduction Program (“ELRP”) counter-proposal. Mr. Wikler also discussed proposed improvements to the investor-owned utilities’ (“IOUs”) Base Interruptible Program (“BIP”) and Capacity Bidding Program (“CBP”). He also supported the DR Coalition’s smart thermostat proposal. Lastly, Mr. Wikler discussed the DR Auction Mechanism (“DRAM”) budget which needs to be expanded. Ms. Chamberlin noted that these changes could only be put into effect for the 2022 DRAM activities, since the time window for 2021 has already closed.

In further compliance with Commission rules and the instructions included in Commission President Batjer’s Meeting Request form, this Notice has been served on the R.20-11-003 (Emergency Reliability) Service List and electronically copied to Batjer.Exparte@cpuc.ca.gov. Additional service by U.S. Mail to the Administrative Law Judge has been temporarily suspended by the Commission.

Dated: March 3, 2021

Respectfully submitted,

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EXHIBIT A

February 26, 2021 Ex Parte

- The Council appreciates and is encouraged by the comments made by President Batjer when adopting Decision (D.) 21-02-028 regarding the prominent role of demand response (DR) in meeting incremental reliability needs in summer 2021 and 2022.
- DR is well-suited for California's short-term and long-term reliability needs.
- The 8.3% per-LSE DR procurement cap must be suspended and ultimately removed if the Commission would like to see DR grow.
- Eliminating the current 40% retail day-of adjustment cap (or at least increase to 100%) on an interim basis is essential for customers to be fairly compensated for their performance.
- The DR Coalition's Emergency Load Reduction Program (ELRP) counter-proposal is designed to deliver significant load reductions when needed through broad customer participation and an effective incentive structure.
- Improvements to IOU DR programs to increase customer flexibility, expand eligibility requirements, and improve compensation are expected to yield significant additional DR capacity.
- The DR Coalition's smart thermostat proposal is meant to significantly expand device adoption while ensuring that each new device is utilized in a DR program or resource.
- Additional 2022 DRAM budget will add significant amounts of new DR.