

# The Council's Policy Call

May 28, 2021



*Advancing Our Clean Economy*

# → Today's Agenda

## Council News

- Changes to CEDMC's calendaring procedures
- Member Working Group report
- What's Coming Up
- Capitol Update

## Issues/Topics

- CPUC Potential & Goals, Portfolio Modification Decision (Serj)
- CPUC P&G Ruling Comments (Greg)
- IRP PD and APD (Serj)
- CPUC Workshop on Advanced DER & Demand Flex Mgt (Serj)
- CPUC 2021 Avoided Cost Calculator Update (Greg)

# ➤ **Announcing Upcoming Calendaring Changes!**



## **Goals**

- Reduce calendar 'fatigue' for our members
- Simplify the calendaring process

## **New Procedures**

1. We will utilize the CEDMC Calendar in the Member Dashboard to inform about all standing calls (Policy, DR, EM&V), all member working group calls, and all events (conferences, business forums).
2. We will utilize our internal Membership Database to send out advance slides and/or agendas and will come from [admin@cedmc.org](mailto:admin@cedmc.org) on the day before each meeting. Please be sure to unspam this email address or check with your IT department to inform that this email address is legitimate.
3. We will utilize the same database to advise of any changes made to any meetings.
4. We will eliminate the use of our Google Calendar for sending changes to our members.

**These changes will go into effect starting on July 1st 2021**

# ➤ Member Working Group Report

Working Group	Meeting Frequency	Update
Solicitations	Monthly	5/25 meeting
Custom Review	Monthly	
Capitol	Bi-monthly	
Federal Legislation	Bi-monthly	5/26 meeting
NMEC	Monthly	ED to join 6/2 meeting
Market Transformation	Monthly	
DR Regulatory	As Needed	
DR Action Plan	Monthly	Meet PG&E on 6/8 10AM
Cost-Effectiveness	Monthly	5/17 meeting
CAISO Advocacy	Monthly	

- All WG meeting notes are available on the Members-only section of [www.cedmc.org](http://www.cedmc.org).
- All members are welcome to join any working group; contact Greg, Serj or Mary.

# ➤ What's Coming Up?

- **SCG Webinar to Introduce Implementation Plan for Agricultural Sector EE Program**
  - June 1<sup>st</sup>, 10 am – noon
  - [Microsoft Teams](#)
- **Using Public-Private Partnerships to Convert Municipal Waste into Renewable Energy Gases**
  - June 3<sup>rd</sup>, 10:30 – 11:45 am
  - [Renewable Gas 360 Registration](#)
- **Lincus Multi-Family Building Electrification Webinar**
  - June 3<sup>rd</sup>, 11 am – noon
  - [Registration](#)
- **GridForward Decarbonization Summit**
  - June 8 – 9<sup>th</sup>, 11 am – noon
  - [Registration](#); CEDMC members receive a \$50 discount; use the promo code PartnerDiscount
- **PG&E's Webinar for Statewide Non-Residential New Construction programs**
  - June 10<sup>th</sup>, 9 – 10 am
  - [Click here to join the meeting](#)
  - Stakeholders may submit questions or comments during the webinar and/or by emailing Randall Cole at [randall.cole@pge.com](mailto:randall.cole@pge.com). All comments must be received by June 17, 2021.
  - The draft Implementation Plans will be available on [CAEECC website](#) on June 3, 2021
- **PG&E's Webinar for Continuous Energy Feedback Program**
  - June 14<sup>th</sup>, 11 am – noon
  - [Click here to join the meeting](#)
  - Stakeholders may submit questions/comments during the webinar and/or by emailing Tim Michel at [tim.michel@pge.com](mailto:tim.michel@pge.com) or Contessa Cecilia at [contessa.cecilia@pge.com](mailto:contessa.cecilia@pge.com). Comments due by June 21, 2021.
  - The draft Implementation Plans will be available on [CAEECC website](#) on June 7, 2021
- **Workshop to Present the Evaluation Findings of the Standards Advocacy Program**
  - June 16<sup>th</sup>, 10 – 11:30 am
  - [Webex link](#); Meeting number: 187 380 9403; Meeting password: bgEjyJs3q53
  - The report is posted on this link: <https://pda.energydataweb.com/#!/documents/2507/view>

# ➤ What's Coming Up?

## Upcoming Solicitations

- **EE program third-party solicitation information and links found on the CAEECC [Website](#).**
- **PG&E as Central Procurement Entity's 2021 Local RA RFO**
  - PG&E, in their capacity as CPE, has updated its bidding documents for the 2021 Local Resource Adequacy RFO. The documents have been posted onto the PG&E CPE website [here](#).
  - June 7, 2021 @ 1:00 PM. Deadline for PG&E participants to submit offer(s) via Power Advocate.
  - June 8, 2021 @ 1:00 PM. Deadline for non-PG&E participants to submit offer(s) via Power Advocate
- **PG&E's 2021 Distribution Investment Deferral Framework (DIDF) RFO**
  - PG&E has uploaded additional documents for the 2021 Distribution Investment Deferral Framework (DIDF) RFO. The documents have been posted to the Solicitation website [here](#).
  - June 14, 2021 @ 1:00 PM: Deadline for Participants to submit Offer(s) via Power Advocate
  - June 15, 2021: Deadline for Participants to submit Offer(s) to Independent Evaluator via USB flash-drive
- **SCG's Outreach RFA Release**
  - All Bidders are required to register in [PowerAdvocate](#) to access the RFA documents, submit questions, and submit an abstract.
  - RFA Release Date – May 21, 2021
  - Bidders Webinar (Optional) – May 26, 2021
  - Bidders Abstracts Due – June 25, 2021

# → Capitol Update from Our Lobbyists



Erin Niemela

Tiffany Phan

# ➤ P&G, Portfolio Approval Decision

- **CPUC approved Decision on P&G, portfolio approval process**
  - Commissioners unanimously approved Decision written by Shiroma, ALJ Simon
  - Commissioner Houck noted her excitement surrounding EE proceeding; Guzman Aceves highlighted importance of the equity program category; Rechtschaffen emphasized equity programs and importance of electrification
- **Decision makes a number of important changes to EE portfolio process**
  - Changes portfolio assessment metric to Total System Benefit (TSB)
  - Returns TRC to 1.0 threshold, providing some relief from ongoing c/e issues
  - Returns to 4-year filing cycles, as recommended by CAEECC (with significant CEDMC input) that will hopefully improve portfolio issues but will have to play out in practice
  - Assures EE funding for the foreseeable future, providing improved market stability
  - Segments EE portfolios into resource acquisition, market support, and equity (adopted as a direct result of CEDMC input) programs, enabling greater portfolio flexibility
  - Exempts market support + equity programs from cost-effectiveness requirements
  - Retains status quo of not requiring ALs for program changes except in certain cases (e.g. creating new program, closing program, making local/regional program statewide)
  - Final Decision adding language in response to CEDMC comments enabling longer EULs for non-res BRO measures to be addressed via DEER process
- **CEDMC celebrates these big wins for our industry!**



# ➤ CPUC P&G Ruling Comments

- On May 21, the Council submitted [Opening Comments](#) on the Potential & Goals (P&G) [Ruling](#).
  - Our comments focused on the challenges of cost-effectiveness especially given updated lower ACC values.
  - We recommended selection of Scenario 3 (high participation combined with outside financing) and a rerun of the potential study using a PAC test threshold with updated ACC values.
  - We highlighted the low estimates for fuel substitution potential and pointed to a disconnect between electric and gas avoided costs.
  - We pointed out that TSB is a valuable metric, but also cautioned that with existing assumptions about BROs EULs, TSB significantly undervalues those resources.
- A number of parties offered opening comments.
- Our reply comments (due today) are focused on the following issues:
  - We are objecting to Scenario 1 recommendations made by a few parties (PG&E, SCE and TURN) since setting goals accordingly would be devastating to the EE industry and would seriously reverse our progress on achieving carbon reduction goals; we will point out that a PAC policy change would invariably reduce PA risks for achieving goals.
  - We are resurfacing the issue of lackluster industrial/ag potentials since PG&E argues the opposite in their opening comments; rather than contradict, we want to point out allowance of these sectors for site-based NMEC could be a viable option and that such opportunities should be vetted through a stakeholder process, possibly via CAEECC.

## ➤ CPUC IRP PD & APD (R.20-05-00)

- CPUC released IRP [Proposed Decision](#) & [Alternate Proposed Decision](#)
- Both PD & APD require:
  - Procurement of 11,500 MW of incremental net qualifying capacity over the course of 4 years; 3,000 MW by August 1, 2023, additional 4,500 MW by June 1, 2024, additional 2,000 MW June 1, 2025, additional 2,000 MW June 1, 2026
  - Defines “long lead-time resources” as at least 1,000 MW of long-duration storage
  - LSEs to submit evidence of “good faith effort” to procure LLT by February 1, 2023
  - LSEs to procure a  $\geq 2,500$  MW of incremental firm, zero-emitting capacity out of the total of 11,500 MW required in both decisions to offset Diablo Canyon closure
  - Only one mention each for demand response and distributed energy resources
- APD additionally directs the following:
  - IOUs to procure 500 MW of additional conventional fossil-fueled generation via 5-year contracts that must demonstrate GHG emissions benefits & incremental net qualifying capacity, but not located in disadvantaged communities or mothballed/retired plants
  - Authorizes IOU procurement of 300 MW of eligible fossil-fueled resources that commit to using specified portions of green hydrogen fuel throughout the contract term
  - Specifies that the procurement will have costs allocated via “cost allocation mechanism”
  - Proceeding’s planning track will explore coordinated planning for resource buildout and resource retirement to inform an orderly and equitable path to Senate Bill 100 goals, optimizing for greenhouse gas reductions, reliability, and costs.
- **Comments on PD & APD are due June 10<sup>th</sup>; will focus on lack of DERs**

# CPUC Workshop: Advanced DER & Demand Flexibility Management

- On May 25<sup>th</sup>, the CPUC held this day-long workshop as CPUC recognizes that flexible loads will be an essential part of our future grid needs.
- A full description of the workshop, agenda, and event details are provided [here](#)
- Comments on the workshop are due on Tuesday June 8<sup>th</sup>
- Key takeaways:
  - Commissioner Houck stressed CPUC’s commitment to flexible loads acknowledging that current regulatory and market landscape needs reform to accommodate scaled-up DERs
  - CPUC staff offered more context and background, including DER roadmap (overviewed in slide deck) which takes a price-centric approach that bypasses current barriers related to counter-factual uncertainty and ACC requirements
  - CEC’s Karen Herter: load management standards for devices key
  - CEC proposes TOU rate database w/ standard rate info tool for 3P providers
  - CAISO’s Delphine Hou: renewable integration leads to very aggressive daily ramp in ~1 hour largely met by gas; emissions aligned w/ wholesale price
  - IL CUB Sarah Moskovitz: real-time pricing benefited 97% of studied customers
  - Recurve’s Carmen: CA policies not aligned to scale; need common resource valuation methodology to scale demand flexibility, create markets
  - Complete summary can be found [here](#) (thanks Luke!)

## ➤ 2021 Avoided Cost Calculator

- CPUC recently released [Draft Resolution E-5150](#) updating the ACC for 2021
  - Additional technical details are available [here](#)
- **Draft Resolution addresses three main areas of changes:**
  - (1) Incorporate new data from IRP modeling
  - (2) Fixes minor errors found in the 2020 ACC
  - (3) Updates all the traditional sources of ACC including natural gas price forecasts
- **Substantively, the updated values are cause for concern in that avoided costs are generally coming in below previous ACC iterations**
  - This will put more pressure on driving cost-effectiveness of energy efficiency and demand response resources.
  - While difficult to poke holes in the analysis as the methods and data sources all appear reasonable, we need to reiterate that without substantial changes to cost-effectiveness methods, we are likely to see a further erosion in the net value of our resources.
  - This comes at a time when we really need to be moving in the opposite direction and encourage these resources to flourish in the marketplace.
- **CEDMC submitted [comments](#) on Monday, May 24<sup>th</sup>**
  - We pointed out that while ED billed the changes as minor, they were anything but.
  - We cautioned that the effect of new AC values would be severe for EE, DR and all DERs for that matter.
  - We raised questions about procedural deficiencies w/ introduction of new IRP methods.

## → Discussion and Q&A

# Thank you!

*Please contact us if you have any questions.*

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