

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Continue  
Electric Integrated Resource Planning and  
Related Procurement Processes.

Rulemaking 20-05-003  
(Filed May 7, 2020)

**OPENING COMMENTS OF THE  
CALIFORNIA EFFICIENCY + DEMAND MANAGEMENT COUNCIL  
ON PROPOSED DECISION REQUIRING PROCUREMENT TO ADDRESS MID-TERM  
RELIABILITY (2023-2026) AND ALTERNATE PROPOSED DECISION REQUIRING  
PROCUREMENT TO ADDRESS MID-TERM RELIABILITY (2023-2026)**

Date: June 10, 2021

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**I. INTRODUCTION**

The California Efficiency + Demand Management Council (“The Council”) appreciates this opportunity to submit these Opening Comments on the Proposed Decision Requiring Procurement to Address Mid-Term Reliability (2023-2026) (“Proposed Decision” or “PD”) and the Alternate Proposed Decision Requiring Procurement to Address Mid-Term Reliability (2023-2026) (“Alternate Proposed Decision” or “APD”). Both the Proposed Decision and Alternate Proposed Decision were mailed in this proceeding on May 21, 2021. These Opening Comments are timely filed and served pursuant to Rule 14.3 of the California Public Utilities Commission’s (“CPUC’s” or “Commission’s”) Rules of Practice and Procedure and the instructions accompanying the Proposed Decision and the Alternate Proposed Decision.

**II. BACKGROUND**

The Council is a statewide trade association of non-utility businesses that provide energy efficiency, demand response, and data analytics services and products in California.<sup>1</sup> Our member companies employ many thousands of Californians throughout the state. They include energy efficiency (“EE”), demand response (“DR”), and grid services technology providers, implementation and evaluation experts, energy service companies, engineering and architecture firms, contractors, financing experts, workforce training entities, and manufacturers of EE

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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.

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.

### **III. THE PD & APD SHOULD BE AMENDED TO EXPLICITLY REQUIRE PROCUREMENT OF DISTRIBUTED ENERGY RESOURCES IN MEETING THE MID-TERM PROCUREMENT REQUIREMENTS**

Regarding both the PD and APD, The Council expresses its sincere disappointment in the complete absence of demand-side distributed energy resources (“DERs”) from the procurement requirements. Energy efficiency (“EE”), demand response (“DR”), and other DERs provide meaningful grid value both broadly, and in specific times and locations as needed by the grid. In order to meet both state (e.g. Senate Bill 350) and CPUC climate goals, the CPUC must bring to bear the full arsenal of energy tools available in California, notably and necessarily including clean energy resources such as EE, DR, and other behind-the-meter (“BTM”) DERs. While the PD and APD both enable the use of “Any other type of non-fossil-fueled resource” in meeting Minimum Mid-Term Procurement Requirements, the PD and APD must be clearer in enabling BTM DERs to meet resource needs.<sup>2</sup> The benefits of these resources are not only clearly recognized by the CPUC’s own loading order, they are moreover easily-deployed, highly cost-effective, scalable, and customer-friendly.<sup>3</sup> Further, the distributed nature of these resources provide temporal and localized benefits throughout the grid –including in capacity-constrained areas– endowing them with material non-wires alternatives benefits.

In light of the clear value provided by BTM DERs, the CPUC should amend the PD and APD to explicitly require loading-serving entities (“LSEs”) to procure BTM DERs alongside supply side DERs such as long duration storage. Therefore, The Council recommends Conclusions of Law 22 be amended as follows (amendments in bold):

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<sup>2</sup> Proposed Decision, at p. 48 and Alternate Proposed Decision, at p. 49.

<sup>3</sup> See, for example, National Energy Screening Project, “National Standard Practice Manual For Benefit-Cost Analysis of Distributed Energy Resources”, August 2020, and Smart Electric Power Alliance, Advanced Energy Economy, & Rocky Mountain Institute, “Beyond The Meter Recommended Reading for a Modern Grid”, June 2017.

22. The Commission should require the IOUs procuring in response to this order to file their non-fossil-fueled projects **explicitly including cost-effective behind-the-meter distributed energy resources** seeking cost recovery via Tier 3 advice letters.

Moreover, to ensure that the IRP maximizes the value of available resources, it is critical that the IRP proceeding coordinates with key relevant CPUC proceedings including the EE, DR, resource adequacy (“RA”), and integrated distributed energy resources (“IDER”) proceedings. These proceedings all pertain to key resources that affect both the inputs to IRPs themselves and the ability of California to meet CPUC and state climate goals.

#### IV. CONCLUSION

The Council appreciates the opportunity to comment on this Proposed Decision and the Alternate Proposed Decision, and hopes the Commission will continue to ensure a full suite of resources is brought to bear to meet the state’s and Commission’s energy and climate goals.

Dated: June 10, 2021

Respectfully submitted,

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