



January 21, 2022

Commission President Alice Reynolds  
Commissioner Rechtschaffen,  
Commissioner Shiroma  
Commissioner Houck  
Commissioner Reynolds  
California Public Utility Commission

Sent via electronic mail

**RE: Resource Adequacy Phase 2 Proposals**

Dear Commissioners:

The California Efficiency + Demand Management Council (“the Council”) submits this letter regarding the Load Impact Protocols (“LIP”) methodology in the resource adequacy (“RA”) proceeding.

On December 2, 2021, Assigned Commissioner Batjer issued a Scoping Memo and Ruling (“Scoping Memo”) in the current RA proceeding (Rulemaking (“R.”) 21-10-002)). The Scoping Memo directed parties to submit proposals to address Phase 2 issues on January 21, 2022. One of the issues to be considered in Phase 2 of this proceeding are potential changes to the LIP methodology and process.<sup>1</sup>

Though the Scoping Memo has specified that proposals related to the LIPs and the LIP process should be addressed in Phase 2 of this proceeding, the Council is refraining from making a proposal. Any modifications to the LIP process should be considered in the context of the California Energy Commission (“CEC”) Supply Side Demand Response (“DR”) Qualifying Capacity (“QC”) Working Group process. As such, the Council believes that it is premature to submit proposals in Phase 2 that could be in contradiction with that process.

**Background**

The Council is a statewide trade association of non-utility businesses and organizations that provide energy efficiency (“EE”), demand response (“DR”), distributed energy resources (“DER”) and data analytics services and products in California. Our

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<sup>1</sup> Scoping Memo, at p. 5.

member companies and organizations employ many thousands of Californians throughout the state. They include EE, DR, DER, and grid services technology providers, implementation and evaluation experts, energy service companies, engineering and architecture firms, contractors, financing experts, workforce training.

## **Discussion**

In Decision (“D.”) 21-06-029, the Commission requested the CEC convene a working group to develop recommendations for a new DR measurement and verification strategy, and to address other related issues.<sup>2</sup> The Council has actively participated in this process in good faith and believes that it has served as an effective forum for parties to propose and debate ideas. Per the Commission’s direction in the Scoping Memo, the Commission has directed the CEC to submit a working group report in February 2022.<sup>3</sup> It is the Council’s understanding that this will be an interim report that will make recommendations on potential interim DR QC methodologies, some of which involve the LIPs. The Council also understands that, following submission of the interim report, the CEC will then immediately reconvene its working group to begin work on potential long-term DR QC methodologies to be submitted to the Commission in summer 2022. The Council expects that some long-term proposals that will be discussed in the CEC working group, once it reconvenes, will also involve the LIPs.

In consideration of this understanding, the Council believes that any potential changes to the LIPs or the process of applying the LIPs should be considered in the context of the CEC working group efforts to develop a long-term DR QC methodology. Discussion of changes to the LIPs or their application in a separate forum risks creating confusion for parties and the Commission, and risks unnecessary duplicating this work. Therefore, the Council respectfully declines to submit proposed changes to the LIPs or LIP process today, but looks forward to doing so in the context of the CEC’s interim and final working group reports.

## **Conclusion**

For the reasons explained above, the Council respectfully requests that the Commission consider potential changes to the LIPs or LIP process in the context of the CEC’s interim working group report due in February as well as in the final working group report expected to be submitted in summer 2022.

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<sup>2</sup> D.21-06-029, at Ordering Paragraph 11.

<sup>3</sup> Scoping Memo, at p. 4.

Respectfully submitted,

January 21, 2022

GREG WIKLER

Greg Wikler

Executive Director

California Efficiency + Demand Management

Council

[gwikler@cedmc.org](mailto:gwikler@cedmc.org)

cc: Service List in R.21-10-002