

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Advance  
Demand Flexibility Through Electric Rates.

Rulemaking 22-07-005  
(Filed July 14, 2022)

**POST-PREHEARING CONFERENCE STATEMENT OF  
THE CALIFORNIA EFFICIENCY + DEMAND MANAGEMENT COUNCIL**

Dated: September 27, 2022

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**I. INTRODUCTION**

The California Efficiency + Demand Management Council (“the Council”) appreciates this opportunity to submit its Post-Prehearing Conference (“PHC”) Statement in the Order Instituting Rulemaking to Advance Demand Flexibility Through Electric Rates (“OIR”), pursuant to the Rules of Practice and Procedure of the California Public Utilities Commission (“CPUC” or “Commission”) and the instructions contained in the Administrative Law Judge Ruling of September 1, 2022 (“September 1 ALJ Ruling”).

**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 distributed energy resources (“DER”) service providers, implementation and evaluation experts, energy service companies, engineering and architecture firms, contractors, financing experts, workforce training entities, and energy efficient product manufacturers. The Council’s mission is to support appropriate EE, DR, and DER policies, programs, and technologies to create sustainable jobs, long-term economic growth, stable and reasonably priced energy infrastructure, and environmental improvement.

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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.

### **III. THE SCOPING MEMO IN THIS PROCEEDING MUST BE MODIFIED TO ADDRESS PHASE 1, TRACK A AND PHASE 1, TRACK B SIMULTANEOUSLY**

The Council appreciated the opportunity to speak at the September 16 PHC. One of the Council’s chief concerns remains that this proceeding will lead to delays in consideration of dynamic rate issues. As stated in the September 1 ALJ Ruling, the proposed scope of the proceeding divides the proceeding into two phases and Phase 1 is further divided into two tracks – Track A focuses on residential fixed charges for electric utilities and Track B addresses principles, guidance, and systems for large electric utilities.<sup>2</sup> The proposed schedule for these tracks would lead to a Proposed Decision on Track A in the fourth quarter of 2023 and a Proposed Decision on Track B in the fourth quarter of 2024.<sup>3</sup>

As the Council stated at the PHC, the Council disagrees with recommendations made by Pacific Gas and Electric Company (“PG&E”), Southern California Edison Company (“SCE”), and San Diego Gas & Electric Company (“SDG&E”) to structure this proceeding “so as to address residential rate reform issues first while relegating dynamic rate issues to a later phase that would only be addressed upon the disposition of the residential rate reform issues...”<sup>4</sup> Furthermore, at the PHC, the Council objected to PG&E’s proposed schedule which would result in a Commission Decision on dynamic rate issues in 2025 which is too late “given that the state is expecting persistent capacity shortages.”<sup>5</sup> As such, the Council again urges the Commission to address both residential rate issues and dynamic rate issues concurrently, or at the most slightly staggered.<sup>6</sup>

This concern is shared by parties such as Google Nest who urged the CPUC to “complete Phase 1 and move to Phase 2 expeditiously” because “California will need every tool at its disposal to improve their reliability, lower costs including dynamic rates.”<sup>7</sup> Similarly, California Energy Storage Alliance (“CESA”) recommends that Tracks A and B should run concurrently.<sup>8</sup> As discussed in more detail in the Council’s Reply Comments on the Order Instituting Rulemaking (“OIR”) which were submitted jointly with CPower and Leapfrog Power, Inc.

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<sup>2</sup> September 1 ALJ Ruling Attachment, at p. 1.

<sup>3</sup> *Id.*, at pp. 1-3.

<sup>4</sup> Reporter’s Transcript of the September 16 PHC (“RT”), at p. 12, lines 5-15.

<sup>5</sup> RT, at p. 12, lines 16-22.

<sup>6</sup> *Id.*, lines 22-25.

<sup>7</sup> RT, at p. 13, line 22 through p. 14, line 4.

<sup>8</sup> RT, at p. 21, at lines 22-26.

(“Joint Parties Reply Comments”), completion of residential rate reform should not delay consideration of the remaining scoping issues.<sup>9</sup>

Furthermore, the Council agrees with the Center for Energy Efficiency and Renewable Technology (“CEERT”) who stated that it has questions about whether the proposed scope and schedule “will provide any timely meaningful relief to the electric grid challenges currently faced by this state, and as evidenced by the last several weeks.”<sup>10</sup> Again, the Council urges the Commission to move forward expeditiously.

#### **IV. CONCLUSION**

The Council appreciates the Commission’s consideration of its Post-PHC Statement.

Dated: September 27, 2022

Respectfully submitted,

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<sup>9</sup> Joint Parties Reply Comments, at pp. 1-2.

<sup>10</sup> RT, at p. 46, lines 13-17.