



DR, DERs + Resilience Committee

November 1, 2022



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Today's Agenda

Issues/Topics

- Update on IOU 2023 DR/DRAM applications proceeding
- Proposed decision on Bloom Energy Petition
- Decision dismissing PG&E gas DR pilot
- CEC update



Update on IOU 2023 DR/DRAM applications proceeding

- 2023 Bridge Year Applications: Waiting for PD (expected early Nov.)
- 2023 DRAM Auction for 2024 Delivery
 - Opening briefs filed on 10/7
 - [Council & Leap](#) filed jointly
 - Stressed that the decision should be based on the evidentiary record
 - The DRAM Report does not warrant suspending the DRAM which is needed to maintain reliability
 - Suspending the DRAM will irrevocably damage DRAM market participation
 - The 2023 DRAM budget should be \$28 million
 - Reply briefs filed on 10/28
 - [Council, CPower, Leap, and Voltus](#) filed jointly
 - Reiterated some of the same arguments in opening brief
 - Refuted unsupported statements made by SCE and SDG&E that DRPs cannot be trusted to perform and that DRAM is unreliable
 - Expect a PD in December

Update on 2023 IOU DR applications & DRAM (cont.)

- Phase 2 (2024-2027) pre-hearing conference held on 10/25
 - Advisor to Commissioner Reynolds made opening statement
 - DR plays a growing role in grid reliability; state has made strides to make DR more used, usable
 - Looks forward to making DR more reliable, scalable, and cost-effective
 - Approx. 20 parties participated
 - Many comments on tentative scoping issues
 - Council recommended adding competitive neutrality to the scope, as well as the question of whether a temporary alternative cost-effectiveness standard would be most expedient if changes to the methodology will be discussed in another proceeding
 - Little/no party feedback on the DRAM-related scoping issues
 - Schedule
 - ALJ asked parties to stipulate approval of a shortened comment period for 2023 Bridge Year PD (11/4 PD, 11/17 opening comments, 11/22 replies)
 - Council pushed for intervenor testimony in Mar./Apr. rather than end of Feb. as proposed by ALJ
 - ALJ is aiming for a PD in October 2023
 - Expect an amended scoping memo in early-mid-December

Proposed decision on Bloom Energy petition

- On 10/28, the CPUC issued a [proposed decision](#) (PD) denying the Bloom petition to open a rulemaking to consider a proposed DER tariff
 - The proposed tariff was specifically designed for fuel cells and other DERs that can meet the same performance standards
- Reasons for rejection revolve around failure to meet certain CPUC Rules
 - Rule 6.3(a): Proposal does not apply to an entire class of entities or activities; applied only to high capacity factor DERs
 - Rule 6.3(f): CPUC chose not to act on similar proposals within the past 12 months (R.19-09-009 & R.20-11-003)
- Next steps: Opening comments due on 11/17



Proposed decision on prohibited resource verification regime

- On 10/26, CPUC issued a [PD](#) on changes to DR Prohibited Resources (PR) policy verification
- PR rules generally prohibit use of DG using fossil fuels to provide load curtailment during DR events
 - DR participants must attest to either 1) not having a PR, 2) having a PR but will not use during a DR event, or 3) have a PR that may run during a DR event
- Nexant had been hired to perform compliance audits which largely informed this proceeding
- The PD directs the IOUs to slightly increase the number of Type 2 customers sampled (from ~46 to 60) and adopts the use of data loggers and current transformers; costs to be recovered through all ratepayers
- Next steps: Opening comments due on 11/15

Decision dismissing PG&E gas DR pilot

- On 9/16, CPUC issued [D.22-09-007](#) which dismissed PG&E's application for a gas DR pilot program
- PG&E's application was for 1) a Home Energy Report pilot aimed at gas-only customers, and 2) a commercial pilot that would allow Core Transport Agents (CTA) (who serve large core C&I loads) to propose a gas DR program in lieu of a CTA's firm storage requirement
- For various reasons, CPUC consideration of the application was delayed; with the statutory deadline coming up, CPUC dismissed PG&E's application without prejudice; PG&E may re-submit within 18 months

CEC update

- Supply Side DR Working Group ([21-DR-01](#))
 - On 10/17, stakeholder submitted comments on final DR counting proposals ([Council comments](#))
 - Summary of Council's comments
 - A new DR counting methodology is needed that avoids the shortcomings of the DR Load Impact Protocols (LIPs)
 - All proposals are missing details; this should not be a reason to reject one
 - It may be more practical for CEC to adopt elements of multiple proposals and create a hybrid proposal
 - Ranking proposals against the principles should not be treated as a proxy for the best proposal
 - Supported retention of DLF/TLF adders and full PRM adder
 - Next steps: CEC publishes draft WG report for comment by 12/9; final WG report on 12/23 for adoption in early January

Discussion & Q&A

Thank You!

Please contact us if you have any questions.

Joe Desmond – jdesmond@cedmc.org

Clark McIsaac – cmcisaac@cedmc.org

Kira Kimick – admin@cedmc.org

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