

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Continue the
Development of Rates and Infrastructure for Vehicle
Electrification.

Rulemaking 18-12-006
(Filed December 13, 2018)

**OPENING COMMENTS OF
THE CALIFORNIA EFFICIENCY + DEMAND MANAGEMENT COUNCIL ON
PROPOSED DECISION ON TRANSPORTATION
ELECTRIFICATION POLICY AND INVESTMENT**

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The California Efficiency + Demand Management Council (“The Council”)¹ appreciates this opportunity to submit its Opening Comments on the Proposed Decision on Transportation Electrification Policy and Investment (“Proposed Decision”), mailed in this proceeding on October 14, 2022. These Opening Comments are timely filed and served pursuant to Rule 14.3 of the Commission’s Rules of Practice and Procedure and the instructions accompanying the Proposed Decision.

I. BACKGROUND

The Council is a statewide trade association of non-utility businesses that provide energy efficiency (“EE”), demand response (“DR”), and distributed energy resources (“DER”) and data analytics services and products in California.² Our member companies employ many thousands of Californians throughout the state. They include EE, DR, and 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 infrastructures, and environmental improvement.

¹ The views expressed by the California Efficiency + Demand Management Council are not necessarily those of its individual members.

² 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.

II. SUMMARY OF THE COUNCIL’S POSITION

The Council supports the Commission’s three strategic focus areas as identified in Section 4.3.8.1.2 of the Proposed Decision with the recommendations for the Commission to continue fostering cross-agency and stakeholder collaboration, engage in these discussions in a schedule parallel to other related efforts, and incorporate the important topic of timely data access into each of those topic discussions. The Council also supports the flexibility associated with the DR programs in relation to vehicle-grid-integration (“VGI”).

The Council’s recommendations are designed, largely, to better meet the needs of a rapidly evolving industry by helping accelerate electric vehicle (“EV”) charging optimization and aggregation, promote successful and effective industry business models, and facilitate a range of programs that deliver optimal customer experiences and options.

III. THE COUNCIL SUPPORTS A CLEAR, COGENT, COORDINATED, AND TIMELY VGI STRATEGY

VGI must play an important role in California’s energy transition. Over the last two decades California has enacted significant and impactful goals with the stated intent to mitigate greenhouse gas emissions and curb the impacts of climate change while providing equitable benefits and minimizing rate impacts. The Legislature and State agencies have invested resources into building a framework for integrating EVs into the electrical grid: Senate Bill (“SB”) 676, Commission Decision (“D.”) 20-12-029, Assembly Bill (“AB”) 2127, the Commission’s February 25, 2022 Staff Proposal,³ and many others. The Council agrees with the Commission’s perspective expressed in this Proposed Decision that there needs to be a clear, statewide VGI strategy.⁴ This strategy is a component to achieving the State’s ambitious policies and improving the affordability, equity, and reliability of the electric system.

Recent activity underscores California’s need for a clear VGI strategy. In August 2022, the State enacted the Advanced Clean Cars II rule requiring 100% of new car sales in California

³ Energy Division Staff Proposal to Establish Transportation Electrification Funding Cycles and Statewide Behind-the-Meter Program which is Attachment A to the Assigned Commissioner’s Ruling Adding Staff Proposal to the Record and Inviting Party Comments, submitted in this proceeding on February 25, 2022.

⁴ Proposed Decision, at pp. 162-163.

to be zero-emission vehicles (“ZEVs”) by 2035.⁵ Between Q1-Q3 of 2022, the California Energy Commission (“CEC”) measured the growth of California’s EV adoption rates to account for 17.6% of new light-duty vehicles sold (accounting for Battery Electric Vehicles (“BEVs”) and Plug-in Hybrid Electric Vehicles (“PHEVs”)).⁶ According to a Stanford study published in September 2022, peak net electricity demand may increase up to 25% by 2035 with forecasted EV adoption and associated charging load growth.⁷ As greater EV load is added to the system, the CEC observes peak demand continues to shift further into nighttime hours⁸ – which could lead to unnecessary investments in costly or potentially emitting resources.

In late summer 2022 California and much of the West Coast experienced a significant and prolonged heat wave, driving record breaking electric demand and nearly triggering rolling outages across the state. The California Independent System Operator (“CAISO”) observed maintained system reliability due to several contributing factors, including load reduction and increased battery storage capacity.⁹

Battery storage and demand management through a clear, cogent, coordinated, and timely VGI strategy can provide significant benefits towards accelerating statewide EV adoption, mitigating challenges associated with increased demand from unmanaged (or minimally managed) EV charging, and improving the reliability of California’s electric grid.

The Council supports the Commission’s outlined strategic focus areas identified in Section 4.3.8.1.2 of the Proposed Decision. The Council recommends the Commission continue to build upon its coordination efforts across State agencies, stakeholders, and other appropriate entities in that process. The Council also recommends the Commission’s VGI strategy discussions occur in a concurrent timeline relative to complementary agency efforts (e.g. rulemaking in R.22-07-005) to ensure discussions occur in a timely manner.

⁵ California Air Resources Board (“CARB”): “Proposed Advanced Clean Cars II Regulations: All New Passenger Vehicles Sold In California to be Zero Emissions by 2035” (<https://ww2.arb.ca.gov/our-work/programs/advanced-clean-cars-program/advanced-clean-cars-ii>)

⁶ CEC: “New ZEV Sales in California” (<https://www.energy.ca.gov/data-reports/energy-almanac/zero-emission-vehicle-and-infrastructure-statistics/new-zev-sales>)

⁷ Nature Energy “Charging infrastructure access and operation reduce the grid impacts of deep electric vehicle adoption” (September 22, 2022) (<https://www.nature.com/articles/s41560-022-01105-7>)

⁸ “CEC Development of Higher Electrification Grid Planning Scenarios” (July 6, 2022) (<http://www.caiso.com/InitiativeDocuments/CECPresentation-2022-2023TransmissionPlanningProcess-Jul62022.pdf>)

⁹ CAISO: “Summer Market Performance Report – Sept 2022” (November 2, 2022) (<http://www.caiso.com/Documents/SummerMarketPerformanceReportforSeptember2022.pdf>)

IV. THE COUNCIL RECOMMENDS INCORPORATING DATA ACCESS CHALLENGES INTO STRATEGIC FOCUS AREA DISCUSSIONS

Program administrators (“PAs”), contract implementors, and others face frequent and significant barriers to accessing timely electric customer data in order to effectively operate and analyze modern demand-side programs.¹⁰ Those programs include existing VGI measures which deliver real cost and energy savings benefits to Californians, helping the State achieve its clean energy policies in an equitable, affordable, and reliable manner.

EV battery charging (during periods of excess clean electricity supply) and dispatching (during the evening ramp and periods of high demand) triggered by price or other signals requires timely and secure access to data. The Council considers data that is provided frequently and with a useful cadence to be considered “timely.” Without secure access to timely data, the State and engaged stakeholders face unnecessary challenges to establishing and operating effective VGI strategies and programs, as well as other modern demand-side programs.

Timely and secure data access should be incorporated into discussions regarding each of the Commission’s identified strategic focus areas: rates and demand flexibility programs; technology establishment; and planning. Including data access needs into those discussions as well as the annual VGI Forum will help the Commission in its effort to establish a clear, cogent, coordinated, and timely VGI strategy.

V. THE COUNCIL SUPPORTS DEMAND RESPONSE PROGRAM FLEXIBILITY IN THE PROPOSED DECISION

As the Council stated in its April 25, 2022 Opening Comments on the Assigned Commissioner’s Ruling Adding Staff Proposal to the Record and Inviting Party Comments (“ACR”):

To ensure maximum participation and innovation from program implementors and accelerate the cost-effective deployment of [behind-the-meter (“BTM”)] charging infrastructure, the Council recommends that the Commission design the program rules to allow maximum flexibility and encourage implementors to propose innovate solutions to achieve program goals.

¹⁰ Opening Comments of the Council on the ACR, submitted on April 25, 2022, at p. 2.

The Council recognizes the vast value demand response (“DR”) has to offer in maximizing the impact and benefits of VGI. The Council therefore appreciates the Commission’s recognition in its Proposed Decision of DR program flexibility associated with VGI programs.¹¹

VI. CONCLUSION

The Council appreciates the opportunity to submit these Opening Comments on the Proposed Decision.

Dated: November 3, 2022

Respectfully submitted,

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¹¹ Proposed Decision, at p. 115.