CALIFORNIA

Efficiency + Demand Management

COUNCIL

Advancing Our Clean Economy

Monthly Member Readout

June 2, 2023

REC

This call is being recorded. Confidential – for CEDMC members only. Do not distribute.

Today's Agenda

Council News

- Spring Symposium Recap
- What's Coming Up
- Solicitations
- Capitol Update

Issues/Topics

- CPUC R.13-11-005 Comments re: Potential & Goals
- CEC Comments re: DSGS Program Guideline
- CPUC: Income Graduated Fixed Charge
- CPUC A.22-02-005, et al. EE Portfolios and Business Plans
- Quick Updates

©2023 Proprietary and Confidential. All Rights Reserved.

Spring Symposium Recap

A huge thank you to our event sponsors!

Platinum Sponsor

SoCalGas

Gold Sponsors

CLEAResult, resource innovations, TRC

Silver Sponsors

2050 PARTNERS, aesc, State of California Energy Commission, Consulate General of Denmark Silicon Valley, CPA Clean Power Alliance, DNV, MCE Empowering Our Clean Energy Future Contra Costa | Marin | Napa | Solano, olivine, Opinion Dynamics

Bronze Sponsors

CADMUS, Energy Solutions, sense

The Council's Spring Symposium was a success! 175 registered attendees in person and remote!

Five words: resiliency, reliability, security, affordability, and equity.

Continuation of Income Graduated Fixed Charge discussion

Work already begins on our upcoming events: Industry Training & Fall Conference

©2023 Proprietary and Confidential. All Rights Reserved.

Spring Symposium Recap

Keynote Address 1
- Gene Rodrigues, Assistant Secretary, Office of Electricity, U.S. Department of Energy

Keynote Address 2
- Minh Le, General Manager, Energy & Environmental Services, County of Los Angeles

Transportation Electrification
- **Transportation Electrification: Update on PG&E Pilots**
  - Rudi Halbright, VGI Expert Product Manager, PG&E
- **Energy Efficiency & Charging Stations**
  - David Krueger, President & CFO, IO Energy
- **Democratizing the Electric Vehicle Revolution**
  - Ariel Fan, Founder & CEO, GreenWealth Energy
- Moderator: Jeana Swedenburg, Director, Opinion Dynamics

CalFUSE Demand Flexibility
- Paul Phillips, Electric Retail Rates Section, CPUC Energy Division
- Amul Sathe, Director, Guidehouse

Lessons Learned: A Case Study of Denmark's experience deploying solutions to support consumer meter data, information sharing, connectivity, and price-responsiveness
- Claus K. Ekman, Climate and Energy Attaché / Consul, Consulate General of Denmark, Silicon Valley

Grid Modernization Index Readiness Framework: A tool for states and utilities to evaluate grid modernization progress
- Michelle Fay, Partner, Energy, Sustainability, and Infrastructure, Gridwise Alliance & Director, Guidehouse

Data Access in the Context of Grid Modernization
- Michael Murray, President, Mission: Data (live via Zoom)
- Erik Hobbie, Product Management Director, Incubation Team, Oracle Utilities
- Moderator: Joe Desmond, Executive Director, CEDMC

©2023 Proprietary and Confidential. All Rights Reserved.

Spring Symposium Recap

Technology

- **Bringing Artificial Intelligence (AI) to the Grid Edge**
  - Yingchen (Y.C.) Zhang, VP of Product Solutions, Utilidata
- **A Revolution in Air Conditioning – Ultra-Efficient, Packaged Rooftop HVAC for Commercial Buildings**
  - Greg Tropsa, EVP, Business Development, Blue Frontier
- **Cal-TF Integrative Data Analytics & Equity**
  - Annette Beitel, President, Future Energy Enterprises
- Moderator: Clark McIsaac, Director of Policy & Strategy, CEDMC

Income-Graduated Fixed Charge (IGFC) Tariffs: A panel of experts share their views on the implementation challenges associated with the IGFC requirements through the lens of demand-side resource impacts and good rate design principles: understandability, public acceptability, freedom from controversy, fairness, stability, and feasibility of the application.

- Esperanza Vielma, Executive Director, Environmental Justice Coalition for Water (EJCW) & Co Founder, Coalition for Equity and Economics (CEEE)
- Ahmad Faruqui, Ph.D., Economist-at-Large
- Jim Lazar, Fellow, Institute for Energy Democracy, Pace Energy & Climate Center (via pre-recorded video)
- Richard McCann, Ph.D., MPP, Senior Consultant, Energy, Water & Environmental Policy & Economics. Founding Partner, M.Cubed (live via Zoom)
- Moderator: Greg Wikler, Senior Advisor, CEDMC

CEDMC Board Chair Closing Remarks

- Kimberly Rodriguez, Vice President, Resource Innovations

©2023 Proprietary and Confidential. All Rights Reserved.

What's Coming Up

- **6/6, 6/9, 6/12, 6/15, and 6/23: CEC Staff Regional Workshops on Equitable Building Decarbonization Direct Install Program and Coordination with Other Building Decarbonization Programs**
  - 1:00 p.m. - 4:00 p.m. (each)
  - Zoom; Telephone: (888) 475-4499 | Passcode: 440035
- **6/7: CPUC R.20-05-003 (Integrated Resource Planning rulemaking)**
  - 9:00 a.m. to 12:00 p.m.
  - Details TBA
- **June 8, 2023: CalMTA Market Transformation Advisory Board Meeting**
  - 11:00 a.m. - 2:00 p.m.
  - Register to attend
- **June 9, 2023: CPUC 2022 Field Verification and Diagnostic Testing OIR Proceeding**
  - 10:00 a.m. - 5:00 p.m.
  - Zoom; Telephone: (888) 475-4499 / Passcode: 873262
- **June 9, 2023: Webinar on the third party solicitation of the SoCalGas Comprehensive Multifamily Incentive (CoMFI) Program**
  - 1:00 p.m. - 2:00 p.m.
  - Teams; Telephone: (858) 284-1506 / Passcode: 608794064#
- **June 14, 2023: Joint CEC-ElaadNL Hybrid Workshop on Public Key Infrastructure and Governance**
  - 9:00 a.m. - 12:00 p.m.
  - Details TBA

©2023 Proprietary and Confidential. All Rights Reserved.

Open Solicitations

6/9/23: SVCE DERMS, Summer 2023 Distributed Energy Resources Management System (DERMS)
6/16/23: PG&E RFO, Spring 2023 PG&E Solar Choice
6/21/23: CEC RFP-22-806 due re: Distributed Energy Resource Programmatic and Technical Analysis
6/23/23: CEC GFO-22-611 due re: FAST - Fast and Available Charging for All Californians
6/23/23: CEC GFO-22-615 due re: Innovative Charging Solutions for Medium- and Heavy-Duty Electric Vehicles
7/2023: SDG&E RFA 147041 to be released re: Retail, Offices and Wholesale EE Program.
- Register in PowerAdvocate beforehand.

7/12/23: CEC GFO-22-612 due re: Electric School Bus Bi-Directional Infrastructure
- *Note: Questions are due May 5, 2023 by 5PM.*

8/2/23: CEC GFO-22-614 due re: Reliable, Equitable, and Accessible Charging for Multi-family Housing 2.0 (REACH 2.0)
8/15/23: PG&E RFP due re: Summer Reliability Program Administrator 2024-2027
8/24/23: PG&E RFP 147261 Codes & Standards Code Readiness
9/01/23: SCE RFO due re: 2022 Catalina Island Clean Energy All-Source
- Note: The original submission date *was* May 1, 2023.

9/22/23: CEC GFO-20-305 - The Next EPIC Challenge

Ongoing:
- EE program 3P solicitation information and links found on the CAEECC Website
- CEC: GFO-22-902 - Cost Share for Federal Funding Opportunities Industrial Decarbonization and Improvement of Grid Operations Program, Food Production Investment Program (released March 24)

DOE: Funding Opportunity Exchange

©2023 Proprietary and Confidential. All Rights Reserved.

Capitol Update from the Council Lobbyists

Erin Niemela

Tiffany Phan

©2023 Proprietary and Confidential. All Rights Reserved.

CPUC R.13-11-005 Reply Comments re: Potential & Goals

- **The Council finds value in and supports Scenario 1**
  - Initial support for Scenario 4 in Opening Comments:
    - Scenario 4: Aggressive Inflation Reduction Act ("IRA") and Reference fuel switching ("FS") – Consistent with the residential sector assumptions in Scenario 2 but with more aggressive assumptions for eligible IRA tax credit amounts in the commercial sector.
  - Upon further consideration, the Council voiced support for Scenario 1 (in our Reply Comments) as the preferred scenario to inform 2024-34 goals.
    - Scenario 1: No IRA Reference FS – Comparable to the 2021 Study's Scenario 2 used to inform the IOU goals adopted in 2021.

©2023 Proprietary and Confidential. All Rights Reserved.

CPUC R.13-11-005 Reply Comments re: Potential & Goals (Cont.)

- We anticipate benefits from IRA across the state.
- However: Cal Advocates and SCE raised several legitimate concerns:
  - Over-estimations or underestimations of IRA benefits
  - Potential to under deliver programs based on the above is detrimental
  - Well-intended and thought-out incentives could fall short of full potential (such as the American Recovery and Reinvestment Act)
  - Etc.
- **The Council urges the Commission to incorporate IRA inputs and scenarios in upcoming P&G studies**
  - As IRA incentives are an external factor and largely out of the state's control (at this point in time) and implementation specifics are unknown, it is preemptive to include IRA benefits in goals-setting.
  - However, once funding allocations and implementation specifics are clarified, it is appropriate to include IRA inputs into upcoming P&G Studies.

©2023 Proprietary and Confidential. All Rights Reserved.

CPUC R.13-11-005 Reply Comments re: Potential & Goals (Cont.)

- **Uncertainties and questions for future exploration:**
  - How will IRA incentives be prescribed to deemed measures in the California Electronic Technical Reference Manual (“eTRM")?
  - How will IRA incentives interact with or impact custom projects?
  - How do IRA incentives account for PA administrative and Implementer administrative costs?
  - How will programs account for IRA participation when tax filings could occur up to 16 months from the energy claim?
  - How will IRA participation vary by sector and business type?
  - How will residential and small business IRA participation vary by class (e.g. hard-to- reach or non-hard-to-reach)?

©2023 Proprietary and Confidential. All Rights Reserved.

CEC Comments re: DSGS Program Guidelines

- **General support for DSGS progress towards expanded customer eligibility**
  - Proposed draft guidelines outline advancements towards legislative language/intent of AB 209 (program expansion - statewide).
  - However, there are challenges with the three options that have been outlined (discussed in next slide).
- **Continue rapid process to implement DSGS this summer**
  - DSGS guidelines must be implemented this summer to mitigate anticipated grid stresses
  - Program improvements and implementation this summer is vital to longevity and further refinement of program in the future
- **Return after summer 2023 to assess and improve DSGS**
  - DSGS should be a long-term program, or should lead to a long-term program, and should be continuously assessed and improved

©2023 Proprietary and Confidential. All Rights Reserved.

CEC Comments re: DSGS Program Guidelines (Cont.)

- **Incorporate non-market-integrated options to unlock greater DSGS benefits**
  - There is value in market-integrated DSGS options (such as with Option 2).
  - However, the limitations on or scope of the three options effectively do not incentivize non-market integrated resources, unnecessarily limiting resource eligibility:
    - ELRP and Option 1: Not explicitly market-integrated, but, not designed to maximize value of automated and non-market-integrated resources (e.g. smart thermostats). Two participation options: behavioral response to Flex Alerts and market-integrated proxy demand resource.
    - Option 2: Explicitly a market-integrated option.
    - Option 3: Scope is narrowed to BTM battery storage.

©2023 Proprietary and Confidential. All Rights Reserved.

CEC Comments re: DSGS Program Guidelines (Cont.)

- Solution: expand DSGS eligibility to non-market-integrated resources through an option 4.
  - Leverage Option 3 (BTM batter storage-only) framework in a new option to expand DSGS eligibility and incentivize technologies with responsive capabilities comparable to BTM storage.
  - Option 4 would open incentives to an entire suite of resources that are sidelined by current proposed guidelines.
- **Option 2's complexity may hinder DSGS success**
  - The proposed guidelines are extensive, complex, and burdensome. Option 2 is the primary route for IOU entities to engage in DSGS. However, the complexity will lead to avoided engagement.
  - Solution: simplify program requirements/guidelines for Option 2.

©2023 Proprietary and Confidential. All Rights Reserved.

CEC Comments re: DSGS Program Guidelines (Cont.)

- **Update Option 2 and 3 incentive levels to reflect current prices**
  - Option 2 incentive levels are based on years-old data (despite being pulled from an April 2023 report) and do not reflect energy price impacts from ongoing inflation or the War in Ukraine.
  - Solution:
    1. Update energy prices through an adjustment metric applied to the 2021 Resource Adequacy Report data, or
    2. Conduct a survey among LSEs and leverage their responses regarding recent market energy prices

  - Option 3 incentive levels do not appear to reflect current RA price levels and should similarly be updated.

©2023 Proprietary and Confidential. All Rights Reserved.

CPUC: Income Graduated Fixed Charge

AB 205 (Committee on Budget, 2022), in part, eliminated customer protections from excessive fixed charges and requires the IOUs to establish at least a three-tiered income graduated fixed charge ("IGFC").

Prior to AB 205, the CPUC had the authority to approve fixed charges with equity considerations and caps - but never leveraged that authority.

As part of implementing AB 205, three IOUs and other stakeholders submitted proposals, most of which pose the highest fixed charges in the nation and advocate for overhauling existing rate structures.

	PG&E	SCE	SDG&E
~$58-150,000/yr*	$51.00/month 47% of customers	$51.00/month N/A% of customers	$73.00/month 50% of customers
>$150,000/yr*	$92.00/month 25% of customers	$85.22/month N/A% of customers	$128.00/month 23% of customers

* Income is relative to the federal poverty level and based on a three-person household.

©2023 Proprietary and Confidential. All Rights Reserved.

CPUC: Income Graduated Fixed Charge (Cont.)

Stated Justification:

- **Equity**: AB 205 Sec. 10(e)(1): “low-income ratepayers in each baseline territory would realize a lower average monthly bill without making any changes in usage.”
- **Electrification**: AB 205 Sec. 10(d)(2) “Not unreasonably impair incentives for conservation, energy efficiency, and beneficial electrification and greenhouse gas emissions reduction.”

At the Council’s Spring Symposium, Greg Wikler moderated a discussion with:

- Esperanza Vielma, Executive Director, Environmental Justice Coalition for Water (EJCW) & Co Founder, Coalition for Equity and Economics (CEEE)
- Ahmad Faruqui, Ph.D., Economist-at-Large
- Jim Lazar, Fellow, Institute for Energy Democracy, Pace Energy & Climate Center (via pre-recorded video)
- Richard McCann, Ph.D., MPP, Senior Consultant, Energy, Water & Environmental Policy & Economics. Founding Partner, M.Cubed (live via Zoom)

©2023 Proprietary and Confidential. All Rights Reserved.

CPUC: Income Graduated Fixed Charge (Cont.)

In the public:

The Washington Post
Democracy Dies in Darkness

Subscribe

CLIMATE

Environment Weather Climate Solutions Climate Lab Green Living Business of Climate

Florida intensifies oversight of insurers after they cut disaster estimates
By Brianna Sacks

How a fossil fuel pipeline helped grease the debt ceiling deal
By Maxine Joselow

Peru battles record dengue outbreak, in a warning for a warming world
By Frances Vinall

(Illustration by Emily Sabens/The Washington Post; iStock)

If you live in California, your power bill will soon depend on your income
By Shannon Osaka

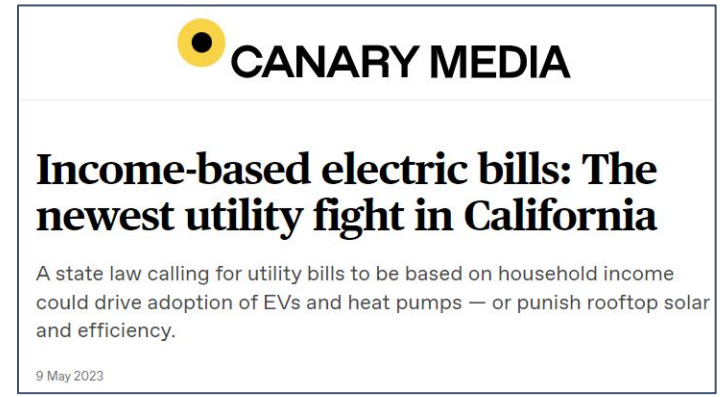
From the Executive Editor
Introducing The Post's expanded Climate coverage
By Sally Buzbee

How the U.S. wants to pressure China to help avert climate catastrophe
By Michael Birnbaum and Christian Shepherd

Land around the U.S. is sinking. Here are some of the fastest areas.
By Kasha Patel

'Terrible public policy': Why the debt deal infuriates climate activists
By Timothy Puko

Burning trash for the



CANARY MEDIA

Income-based electric bills: The newest utility fight in California

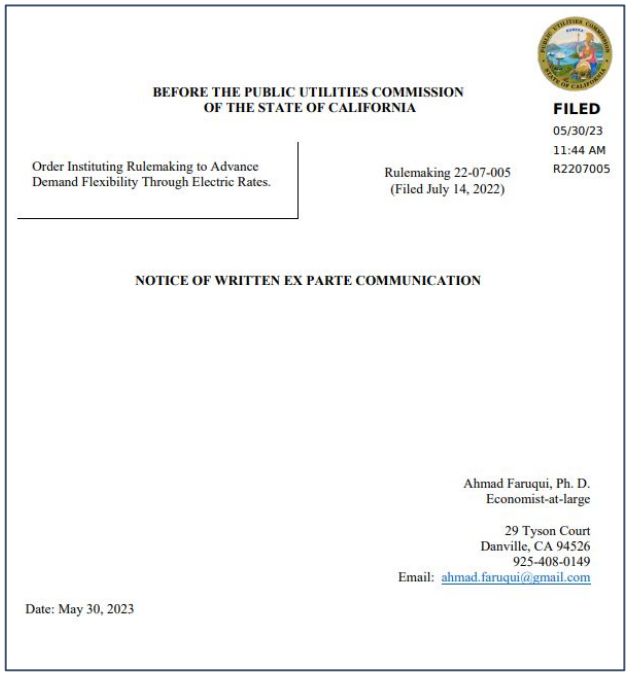
A state law calling for utility bills to be based on household income could drive adoption of EVs and heat pumps — or punish rooftop solar and efficiency.

9 May 2023

OPINION | REVIEW & OUTLOOK

California's Income Tax on Electricity

Another Golden State first: a graduated tax on lighting your home.



BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

FILED
05/30/23
11:44 AM
R2207005

Order Instituting Rulemaking to Advance Demand Flexibility Through Electric Rates.

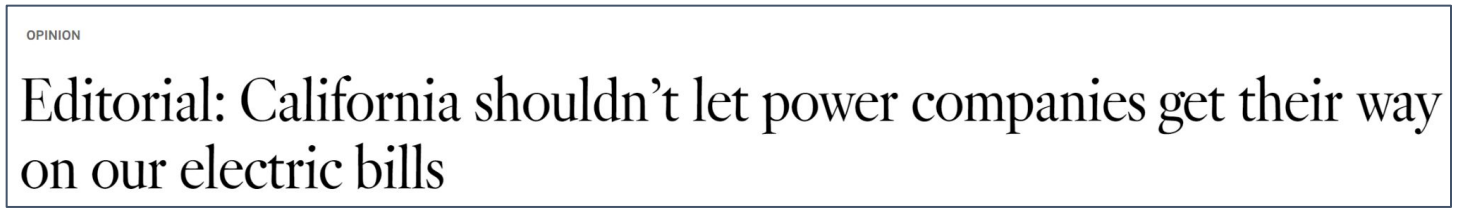
Rulemaking 22-07-005
(Filed July 14, 2022)

NOTICE OF WRITTEN EX PARTE COMMUNICATION

Ahmad Faruqui, Ph. D.
Economist-at-large

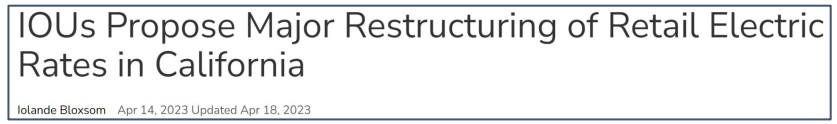
29 Tyson Court
Danville, CA 94526
925-408-0149
Email: ahmad.faruqui@gmail.com

Date: May 30, 2023



OPINION

Editorial: California shouldn't let power companies get their way on our electric bills



IOUs Propose Major Restructuring of Retail Electric Rates in California

Iolande Bloxsom Apr 14, 2023 Updated Apr 18, 2023

©2023 Proprietary and Confidential. All Rights Reserved.

CPUC: Income Graduated Fixed Charge (Cont.)

The Council is coordinating among engaged Members and stakeholders on continued and ongoing efforts to address the IGFC challenge.

This includes the potential for a dedicated public discussion among experts on the issue, as surfaced during the Spring Symposium.

©2023 Proprietary and Confidential. All Rights Reserved.

CPUC A.22-02-005, et al. EE Portfolios and Business Plans

On Friday May 26, Acting Chief Administrative Law Judge Cooke released the Proposed Decision (“PD”) re: EE Portfolios for 2024-2027 and Business Plans for 2024-2031.

The Council will be meeting among participating Members from the EE + Decarb Committee to analyze the PD and prepare our opening comments to key provisions therein.

If you have not received a notice of this meeting and wish to participate, please email Clark McIsaac (cmcisaac@cedmc.org) and CC Kira (kkimick@cedmc.org) about your interest in participating.

©2023 Proprietary and Confidential. All Rights Reserved.

Quick Updates

- The Council submitted the following filings since our last Monthly Member Readout:
  - May 31 – CPUC A.22-05-002 et al. (DR Applications) Council Opening Comments on ALJ Ruling Questions 2A-2H re: DRAM
  - May 18 – CPUC R.13-11-005 Reply Comments of the Council re: ALJ Ruling Inviting Comments on Draft Potential and Goals (P&G) Study for 2024+
  - May 12 – EPA Greenhouse Gas Reduction Fund (GGRF) under IRA Energy Efficiency Strategy Group Joint Comments
  - May 11 – CEC 22-RENEW-01 Council Comments on CEC Demand Side Grid Support Program (DSGS) Proposed Draft Program Guidelines
  - May 8 – CPUC R.13-11-005 Opening Comments of the Council re: ALJ Ruling Inviting Comments on Draft Potential and Goals (P&G) Study for 2024+
- The Council submitted the following testimony since our last Readout:
  - May 12 – CPUC A.22-05-002 et al. (DR Applications) Council Phase II Rebuttal Testimony

©2023 Proprietary and Confidential. All Rights Reserved.

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

www.cedmc.org

Next Monthly Member Readout: July 7

©2023 Proprietary and Confidential. All Rights Reserved.