CALIFORNIA

Efficiency + Demand Management

COUNCIL

Advancing Our Clean Economy

Monthly Member Readout

August 4, 2023

REC

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Today's Agenda

Council News

- Welcome our new Associate Member: Voltus!
- Recap: Industry Training
- What's Coming Up
- Solicitations
- Capitol Update

Issues/Topics

- Opening Comments (and Party Status approval): SGIP
- Opening Comments: IGFC Ruling
- IRA Updates
- Quick Updates

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Welcome Our New Associate Member: Voltus!

CALIFORNIA Efficiency + Demand Management COUNCIL

Voltus connects DERs to electricity markets across the US and Canada, ushering in the clean energy transition by delivering less expensive, more reliable, and more sustainable electricity, and more cash to our customers and partners.

Services:

- Capacity payments
- Energy payments
- Ancillary services payments
- Demand charge avoidance payments
- High price avoidance payments
- Carbon reduction payments
- Real-time energy consumption data
- Real-time forecasted system load data
- Avoided CO2 emissions reporting

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Recap: Industry Training

A **BIG** Thank You to our presenters:

Joe Desmond
Executive Director
CA Efficiency + Demand Management Council

Ann McCormick
Industry Consultant

Clark McIsaac
Director of Policy & Strategy
CA Efficiency + Demand Management Council

Steven Schiller
Electricity Markets & Policy Department
Lawrence Berkeley National Laboratory

Tomas Torres-Garcia
Engineer
CA Technical Forum (Cal TF)

Luke Tougas
Principal
Clean Energy Regulatory Research

Michelle Vigen Ralston
Principal & Founder
Common Spark Consulting

The day successfully:

- Emphasized course on current and upcoming industry trends and policies
- Engaged over 150 participants
- Delivered a series of resources, materials, and documents only to participants for future study and reference

We look forward to our 2024 Industry Training!

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What's Coming Up

- **August 7: Evaluation, Measurement and Verification (EM&V) Stakeholder Webinar**
  - 10:00 a.m. to 12:00 p.m.
  - Microsoft Teams | Telephone: (213) 336-0347 / Access Code: 795971771#
- **August 7: Pre-Bid Conference - RFP-23-801 - Social Costs and Non-energy Benefits**
  - 2:00 p.m. - 3:00 p.m.
  - Zoom link / ID: 897 5921 2325 | Telephone: 877 853 5257 / Password: 4w7spl
- **August 8: CA Energy Demand Forecast: Distributed Generation Updates and Residential Sector End-Use Model Updates**
  - 1:00p.m. - 4:00 p.m.
  - Zoom link / Passcode: 256372 | Telephone: 87010738361#
- **August 8: CPUC Load Impact Protocols (LIP) Simplification Workshop**
  - 1:00 p.m. to 5:00 p.m.
  - Remote Participation Details to Follow
- **August 8: CPUC Load Impact Protocols (LIP) Simplification Workshop**
  - 1:00 p.m. to 5:00 p.m.
  - Remote Participation Details to Follow
- **August 9: CPUC Equity and Access Grant Program Application Webinar**
  - 10:00 a.m. - 11:30 a.m.
  - Register here
- **August 10: DCFC Incentives for Northern and Southern California Webinar**
  - 10:00 a.m. - 12:00 p.m.
  - Remote access only - Register here

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What's Coming Up (Cont.)

- **August 10: CEC Staff Workshop 2025 Energy Code Nonresidential HVAC, Refrigeration, and Controlled Environmental Horticulture Requirements**
  - 9:00 a.m. - 3:00 p.m.
  - Zoom; (888) 475-4499 | Webinar ID 861 7333 7729 | Passcode 435170
- **August 15: CEC IEPR Workshop on Inputs & Assumptions**
  - 1:00 p.m. - 5:00 p.m.
  - Rosenfeld Hearing Rm. 1516 9th Street Sacramento, CA 95814 | Zoom; (888) 475-4499 | Meeting ID: 856 5562 1879 and Meeting Passcode: 2023
- **August 17: California Public Utilities Commission (CPUC) Transmission Project Review (TPR) Workshop**
  - 9:00 a.m. - 12:00 p.m.
  - Remote details TBD
- **August 17: Transportation Fuels Assessment Workshop**
  - 1:00 p.m. - 3:30 p.m.
  - Rosenfeld Hearing Rm. 1516 9th St. Sacramento, CA 95814 | Phone: (888) 475-4499 /ID: 869 5261 3835 | Zoom link / Passcode: 189344
- **August 18: CEC IEPR Workshop on Load Modifier Scenario Development**
  - 10:00 a.m. - 4:30 p.m.
  - Rosenfeld Hearing Rm. 1516 9th Street Sacramento, CA 95814 | Zoom; (888) 475-4499 | Meeting ID: 834 9711 7660 and Meeting Passcode: 2023
- **August 22, 2023: SB 100 Kickoff Workshop**
  - 9:00 a.m. - 5:00 p.m. (lunch break at 12:00 p.m.)
  - Rosenfeld Hearing Rm. 1516 9th Street Sacramento, CA 95814 | Remote details uncertain / TBD
- **August 24 & 25: UC Davis Energy Audit Boot Camp (Free Training)**
  - 8:30 a.m. - 5:00 p.m. each day
  - Teaching and Learning Complex, Room 1218: 482 Hutchison Drive, Davis CA 95616 | Enroll here

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Open Solicitations

8/4/23: SCP RFP Energy Storage Optimization Platform
8/7/23: CEC GFO-22-307 due re: Optimizing Long-Duration Energy Storage to Improve Resilience and Reliability in Disadvantaged and Low-Income Communities and Native American Tribes
8/7/23: SVCE RFP Design, Implementation, and Portfolio Management Support for Decarbonization Programs
8/15/23: PG&E RFP due re: Summer Reliability Program Administrator 2024-2027
8/15/23: PG&E 2023 Prescreening Application Window DIDF Partnership Pilot (opens 7/15)
8/15/23: SCE R.21-06-017 Partnership Pilot 30-Day Prescreening Period (opens 7/15)
8/17/23: PG&E RFP 156121 Residential Customer Energy Orchestration Program
8/18/23: SDGE RFO Mid-Term Reliability - Energy Imports
8/18/23: SDGE RFO Summer Reliability - Energy Imports
8/21/23: CEC RFP-23-801 Social Costs and Non-Energy Benefits
8/24/23: PG&E RFP 147261 Codes & Standards Code Readiness
8/25/23: SVCE RFP - Request for Data Analytics Support

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Open Solicitations (Cont.)

9/01/23: SCE RFO due re: 2022 Catalina Island Clean Energy All-Source
- Note: The original submission date *was* May 1, 2023.

9/7/23: CEC GFO-22-307 - Optimizing Long-Duration Energy Storage to Improve Resilience and Reliability in Disadvantaged and Low-Income Communities and Native American Tribes

9/13/23: SDGE 159701 RFA Groceries, Restaurants and Food Storage

9/15/23: SVCE RFP Multifamily Electrification Direct Install Program Consultant

9/15/23: CEC GFO-22-308 - Decarbonizing Heating, Ventilation, and Air Conditioning Systems in Large Buildings

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

10/9/23: PG&E RFP 168642 Mover Services Program

Ongoing:
- EE program 3P solicitation information and links found on the CAEECC Website
- CEC: GFO-21-901 - Cost Share for Federal Clean Energy Funding Opportunities
- 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

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Capitol Update from the Council Lobbyists

Erin Niemela

Tiffany Phan

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Opening Comments (and Party Status approval): SGIP

R.20-05-012 (Self-Generation Incentive Program +)

- 2 Rulings put forward on July 12:
  - Additional implementation improvements for AB 209 + SGIP improvements
  - SGIP Heat-Pump Water Heater ("HPWH") Program
- The Council previously was not a party (now is) and only filed opening comments on the HPWH Program Ruling.
- Party feedback was roughly divided equally between responses to either Ruling.

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Opening Comments (and Party Status approval): SGIP (Cont.)

- The Ruling put forward specific questions, the Council answered each.
  - "Should the Commission require SGIP implementers to simultaneously educate and connect customers to available home efficiency and electrification programs…"
    - What is simultaneous, educate, and connect?
    - Vulnerable to interpretation; the Commission should therefore compile, standardize, and centralize the information that is expected to be shared with customers. There is no need for enforcement, change requirement to encouragement.
  - Should SGIP PAs, developers and / or applicants be required to: (a) partner with approved installation contractors of other programs to coordinate simultaneous offerings and installations? and (b) establish non-disclosure agreements and share pre- and post-enrollment customer data…?
    - "Partner" unclear, implies tacit approval and could result in timeline delays.
    - Change requirement to encouragement + CPUC should establish data sharing framework for implementers with clear definitions for shareable data

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Opening Comments (and Party Status approval): SGIP (Cont.)

- Should the Commission update the definition of a qualifying DR program (for POU customers to be eligible to participate in SGIP HPWH Program)?
  - Yes, incorporate the following options:
    - 1) CAISO market-integrated supply-side DR program for resource adequacy,
    - 2) Any Community Choice Aggregator (“CCA”) or investor-owned utility (“IOU”) programs specifically intended for enabling load-shifting in HPWHs,
    - 3) Any program approved by the Commission through the petition process.
- Should certain existing DR programs be considered as qualified programs?
  - Programs that actively shift daily load of connected HPWHs.
- Should the Commission allow the SGIP HPWH Program implementer to use CBECC software
  - Yes

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Opening Comments: IGFC Ruling

- On June 19, the ALJ in R.22-07-005 (Demand Flexibility) submitted a Ruling seeking party input on implementation pathways for the income graduated fixed charge ("IGFC").
  - The Ruling focused on specific questions about various IGFC implementation mechanisms as well as general input on previous stakeholder proposals.
- On July 31, the Council submitted Opening Comments, targeting high-level, principle-focused perspectives to protect and continue advancing the industry, workforce, energy affordability, reliability, decarbonization, and energy equity.

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Opening Comments: IGFC Ruling (Cont.)

- Council comments:
  - Statute puts forward an apparent willingness (or acceptance) to impair incentives for conservation, EE, and beneficial electrification and GHG emissions reduction so long as they are not “unreasonable”
  - The IGFC could put at risk major investments just outlined by the Commission in D.23-06-055: $4.3 billion and $4.6 billion between 2023 and 2031 + other energy policies and opportunities that depend upon cost-effectiveness considerations or price signals
  - General support for balancing the need to rethink rates with price signal incentives. Broad spectrum of policy goals and requirements cannot be overshadowed by the IGFC

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Opening Comments: IGFC Ruling (Cont.)

- Some stakeholder comments:
  - Consistent theme that low volumetric rates and high fixed charges are only/critical path towards beneficial electrification, GHG emissions reduction, rate relief, etc.
  - Frequent and general disconnect behind demand side resources and the greater decarbonization / clean energy goals.
  - Joint IOUs:
    - "In short, the CPUC should give greater weight to beneficial electrification and GHG reduction goals [than EE and conservation]."
    - "…state decarbonization goals are critical to address the climate crisis, whereas the previously listed goals of conservation and **energy efficiency are continuing to diminish in importance** as California's generation mix is already dominated by non-GHG emitting sources, and State policy requires it to be 100% GHG-free in about 20 years (by 2045)."
    - "In prior rate designs, the reduction of electricity use through conservation and energy efficiency was prioritized regardless of whether that was environmentally responsible."

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IRA Updates

HOMES/HEERH (+ other incentives stacking)

- AnnDyl recently provided a great policy brief on the HOMES/HEEHR rebates and opportunities for stacking associated incentives.
  - DOE Home Energy Rebate guidance affirms the performance-based (HOMES) and electrification-focused (HEEHR) rebates are not taxable and can be paired with the 25C Energy Efficient Home Improvement tax credit.
  - HOMES & HEEHR cannot be used for the same, single upgrade, they can stack across federal funding sources so long as ““each Federal grant only funds distinct, separable upgrades.”
    - HOMES Measured Energy Savings rebates cannot be stacked with HEEHR, but HOMES Modeled Energy Savings rebates can be

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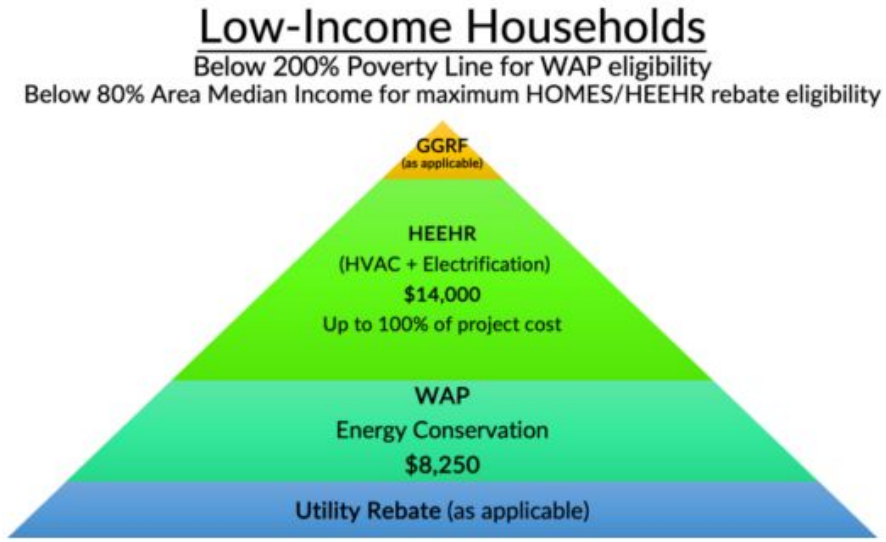
IRA Updates (Cont.)

- DOE “strongly encourages” state/local/utility programs be designed to combine funding with federal funding.
  - Federal $s can cover remaining costs for upgrades and individual components of electrification projects beyond value of federal rebate, but not >100% of project cost(s).
  - Because a modeled HOMES rebate would have to be achieved without the same measures included in WAP or HEEHR, it would likely be more cost effective for a low-income homeowner to take advantage of the other funding options available.
  - W/O HOMES: ~$22,000



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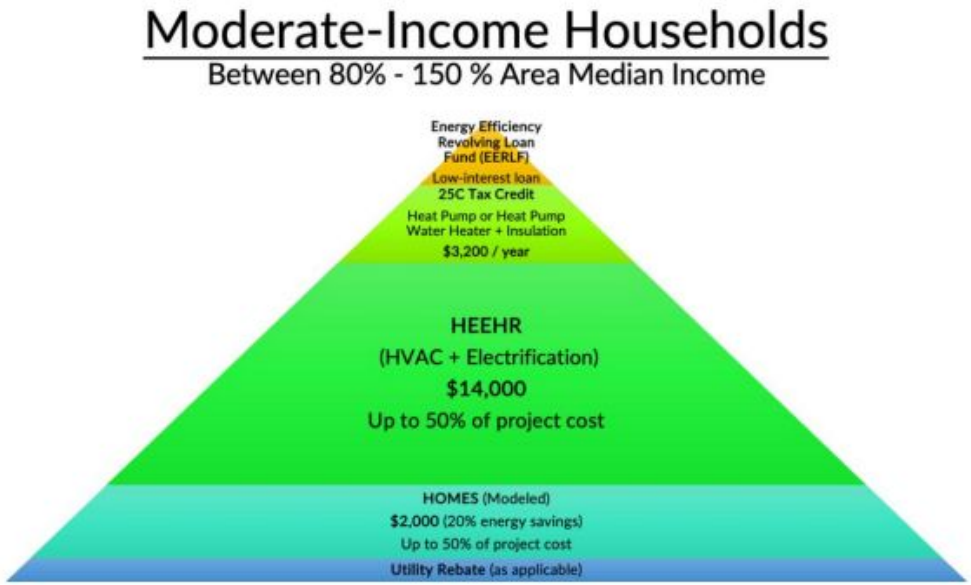
IRA Updates (Cont.)

- Moderate-income households will be able to recover up to 50% of the costs of their HVAC and electrification projects with HEEHR Rebates and receive 30% of the remaining balance of the cost of the equipment with the 25C tax credit when they file their taxes
- Assuming the project is focused on electrification and over $32,000, moderate-income households could potentially receive some $19,000 in federal incentives when stacked.



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IRA Updates (Cont.)

- Market-rate homeowners do not qualify for support from HEEHR due to income levels.
- By undertaking a home performance retrofit that saves at least 20% of household energy use under the Modeled approach, market-rate households can receive up to $2,000 from a HOMES rebate, and up to $4,000 for measures that achieve over 35% energy savings.
- Market-rate households could potentially receive over $7,200 in incentives

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IRA Updates (Cont.)

Solar for All (under the GHG Reduction Fund)

- **$70 billion**
- Competition will award up to 60 grants to states, territories, Tribal governments, municipalities, and eligible nonprofit recipients to expand the number of low-income and disadvantaged communities primed for distributed solar investment—enabling millions of low-income households to access affordable, resilient, and clean solar energy. Grantees will use funds to expand existing low-income solar programs or design and deploy new Solar for All programs nationwide
- 43 U.S. states plan to apply (+D.C. and Puerto Rico)
  - CA IBank
- EE is included as enabling upgrades under the program

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Quick Updates

- The CEC approved the updated guidelines for the Demand Side Grid Support Program ("DSGS"). You can find the current, approved DSGS guidelines here.
- The Council submitted the following filings since our last Monthly Member Readout:
  - August 1 – CPUC (R.20-05-012) Self-Generation Incentive Program (SGIP) Council Opening Comments on Assigned Commissioner's Ruling re: SGIP Heat Pump Water Heater Program Improvements
  - July 31 – CPUC R.22-07-005 (Demand Flexibility) Council comments on ALJ Ruling re: Implementation Pathways for Income Graduated Fixed Charges (IGFC)
  - July 27 – CPUC AL 5067-E (SCE OP 25 D.23-06-029) Council Joint Protest to SCE Advice Letter 5067-E (Modifications to DR Program Tariffs in Compliance with D.23-06-029)
  - July 25 – CPUC (R.13-11-005) Council Opening Comments re: Proposed Decision Adopting Energy Efficiency Goals (P&G/PGS) for 2024-2035
  - July 20 – Track 1 CAISO Rules of Conduct Enhancements Straw Proposal
  - July 14 – Council Motion for Party Status, in R.20-05-012 re: Self Generation Incentive Program ("SGIP")
  - July 14 – CPUC A.22-05-002, et al. (DR Programs) Council Phase II Opening Brief
  - July 13 – CPUC (R.22-07-005) (Demand Flexibility) Joint Motion for Public Participation Hearings
  - July 10 – CEC 22-RENEW-01 Council Comments on Updated Demand Side Grid Support Program (DSGS) Proposed Draft Guidelines
- The Council submitted the following testimony since our last Readout:
  - July 27 – Joint Council Letter of Concerns: SB 422 (Portantino) to Assembly Appropriations Committee
  - July 11 – Support letter for Confirmation of Karen Douglas to the California Public Utilities Commission (CPUC)
  - July 11 – Support letter for re-confirmation of Angelina Galiteva to the California Independent System Operator (ISO) Board of Governors

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Discussion & Q&A

Thank You!

Please contact us if you have any questions.

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Next Monthly Member Readout: September 1

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