CALIFORNIA

Efficiency + Demand Management

COUNCIL

Advancing Our Clean Economy

Monthly Member Readout

September 1, 2023

REC

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Today's Agenda

Council News

- Welcome our new Full Member: ev.energy!
- Fall Conference
- Reminder: 2024 Council Membership Dues Will Increase in January
- What's Coming Up
- Solicitations
- Capitol Update

Issues/Topics

- IDER ACC Update/Proposal (R.22-11-013)
- DEBA Proposed Guidelines + Comments (22-RENEW-01)
- Joint Motion for Public Participation Hearings - Update
- Takeaways from Reply Comments: IGFC (R.22-07-005)
- IRA Resources
- Quick Updates

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Welcome Our New Full Member: ev.energy!

ev.energy developed a smart, cloud-based platform that automatically optimizes EV charging, for a greener, cheaper and simpler charge. They offer the following products and services:

- EV Charging Apps: Complete EV driver offering with a branded charging app
- Smart Charge API: Bi-directional Smart Charge API
- Charger FastTrack: Hardware compliance platform
- Pando Charger Management: access and control all chargers remotely from 1 platform
- EV Flex: Control EV load across network with VPP and DSM services
- DERMS Integration: Incorporate EV charging optimization algorithm into DERMS platform
- SmartLabs Resources: Resources on market trends and regulation changes
- Data Services: Enables data-driven decisions with comprehensive EV charging insights
- Consulting Services: Consulting guidance provided by EV charging leaders

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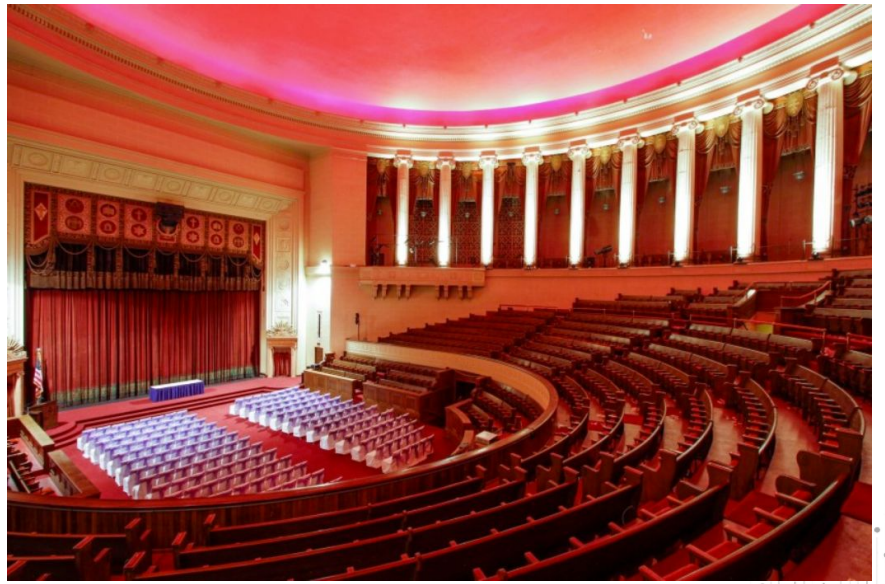
Fall Conference Registration is Open!

- **Tuesday, November 7, 2023:** evening kickoff reception
- **Wednesday, November 8, 2023:** full day conference with networking reception following
- **Scottish Rite Center, Oakland, CA** (with online option)
- **Agenda coming soon!**

The Council's Fall Conference is a policy and networking-packed event that focuses on key policy issues impacting energy efficiency, demand management, decarbonization, electrification, finance and technology. This year's Fall Conference brings together policy makers with policy implementers and other key stakeholders to address how California can continue leading in the clean energy industry as technologies, programs, and policies expand (or fail to expand) beyond early adopters and into the mainstream markets. California must cross this chasm to achieve its clean energy and climate goals and to remain a global leader in the industry.

Register before Sept. 29 and save!

Details & Registration at www.cedmc.org



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Fall Conference Registration is Open! (cont.)

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Reminder: 2024 Council Membership Dues Will Increase in January

Expanding the markets for energy efficiency and demand management technologies and services remains a compelling and winnable goal in the current and foreseeable political and economic environment.

As a 501(c)(6) non-profit membership association, the Council convenes key stakeholders, facilitates partnerships, educates policymakers, legislators, and state agencies on important topics, publishes analysis on pressing issues, and undertakes strategic outreach and advocacy on the policies and financial structures essential to our Members' growth. In doing so, our accomplishments elevate our Members' visibility, impacts, and contributions toward achieving California's clean energy and climate goals.

While we strive to manage costs and deliver value to our members as efficiently as possible, we are not immune from the effects of rising costs and inflation.

It has been six years (2018) since the Council raised Membership dues. During that period, we have expanded our offerings and services. At the same time, the volume and frequency of our engagement activities across all energy agencies have increased dramatically; we do not anticipate that trajectory will change any time soon.

In January 2024, our Membership dues will increase by 20%. Knowing that many Members plan their 2024 budgets in early fall, we are communicating the Membership dues change before budgets are approved.

We appreciate the opportunity to work with many talented Members regularly and look forward to continuing those relationships.

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What's Coming Up

- **September 7: CEC Assembly Bill (AB) 2127 Assessment Workshop on Staff Draft Report**
  - 9:00 a.m. - 12:00 p.m.
  - Zoom; (888) 475-4499 | Webinar ID 858 8029 1156 | Passcode 764345
- **September 8: CEC IEPR Commissioner Workshop on the Potential Growth of Hydrogen**
  - 10:00 a.m. - 5:00 p.m.
  - Zoom; (888) 475-4499 | Meeting ID: 822 0420 6052 | Passcode: 2023
- **September 12: CEC Staff Workshop - Community Energy Resilience Investment (CERI) Program Development**
  - 10:00 a.m. - 1:00 p.m.
  - Zoom; (888) 475-4499 | Webinar ID 818 7587 5621 | Passcode: ceri
- **September 14: CEC Pre-Application Wksp - GFO-23-301- EE, Load Flex in Industrial and Commercial Cold Storage Facilities**
  - 10:00 a.m. - 12:00 p.m.
  - Zoom; (888) 475-4499 | Meeting ID: 826 2500 1563 | Password: meeting@10
- **October 3-4: CEC Annual EPIC Symposium**
  - Register here (virtual-only)
- **October 9: CEC Wksp on Understanding the Role of Long Duration Energy Storage in California's Evolving Energy System**
  - 1:30 p.m. - 3:30 p.m.
  - Zoom; (888) 475-4499 | Webinar ID 820 1069 0375 | Passcode 012157

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Open Solicitations

9/01/23: CCP RFI - Long-Duration Storage Battery Energy Storage System

9/01/23: SCE RFO due re: 2022 Catalina Island Clean Energy All-Source

- Note: The original submission date was May 1, 2023.

9/05/23: SVCE RFP - Request for Data Analytics Support

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

9/18/23: SVCE RFP - Design, Implementation, and Portfolio Management Support for Decarbonization Programs

9/18/23: EBCE RFP - Induction Cooking Education and Awareness Grant

9/21/23: CEC GFO-22-307 - Optimizing Long-Duration Energy Storage to Improve Resilience and Reliability in DAC/LI and Native American Tribes

9/22/23: SCP RFP - Telematics-Based Electric Vehicle Managed Charging Pilot

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

10/09/23: PG&E RFP 168642 Mover Services Program

11/07/23: PG&E RFP 180713 - PG&E 3P EE Commercial Strategic Energy Management Program

2/24/24: CEC GFO-23-301 - Energy Efficiency and Load Flexibility in Industrial and Commercial Cold Storage Facilities

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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IDER ACC Update/Proposal (R.22-11-013)

CALIFORNIA Efficiency + Demand Management COUNCIL

R.22-11-013 (DER Cost-Effectiveness, Data Access, + Equipment Standards)

- August 8: ALJ issued Ruling seeking questions on IDER 2024 ACC Staff Proposal, which recommends:
  - To ensure that DERs are evaluated in a consistent framework as supply-side resources, switch from the No New DER scenario to the IRP's latest adopted system plan as the baseline to develop a single and technology agnostic set of avoided costs to inform decision-making on DER investment.
  - To better align with the IRP: calculate generation capacity avoided costs and GHG avoided costs jointly rather than independently using representative resources selected in the IRP portfolio.
  - Adopt the alternative storage dispatch logic in SERVM (Strategic Energy & Risk Valuation Model) to more accurately capture the reliability value that resources can provide by generating energy in non-loss-of-load hours and preserving energy that can be used to reduce loss of load in later hours.

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IDER ACC Update/Proposal (R.22-11-013) (Cont.)

IRP's latest system plan:

- Preferred System Plan ("PSP") is current system plan; the recommendation still stands if system plan shifts to a Reference System Plan ("RSP").
- Staff made this recommendation because:
  - 1) The IRP's latest adopted system plan establishes a level playing field to evaluate all types of DER.
  - 2) The PSP also ensures that DERs are evaluated under a framework that is consistent with the evaluation of supply-side resources in the IRP.

Generation + GHG avoided costs:

- Staff proposes an approach that calculates both GHG and generation capacity avoided costs in an integrated manner using representative resource archetypes that reflect the portfolio developed in the IRP. The logic:
  - 1) Better aligns the ACC with the IRP modeling (multiple fundamental value streams that govern resource portfolios)
  - 2) Avoided cost calculation approach is more flexible and technology-agnostic
  - 3) Avoided costs are not tied to single, specific resource - connected to portfolio

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IDER ACC Update/Proposal (R.22-11-013) (Cont.)

Alternative storage dispatch in SERVM

- More accurately captures the reliability value that resources can provide by generating energy in non-loss-of-load hours if that preserved battery charge can be used to reduce loss of load in later hours.
- This approach was implemented by “spreading out” loss of load over all hours that are relevant from a marginal effective load carrying capability

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DEBA Proposed Guidelines + CEDMC Comments (22-RENEW-01)

Distributed Electricity Backup Assets Program (“DEBA”)

- Part of the Strategic Reliability Reserve passed under AB 205 (2022)
  - The SRR provides funding to secure conventional generation, efficiency upgrades at existing natural gas plants, demand response, distributed generation, and long-duration storage.
- DEBA incentivizes the construction of cleaner and more efficient distributed energy assets that would serve as on-call emergency supply or load reduction for the state’s electrical grid during extreme events.

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DEBA Proposed Guidelines + CEDMC Comments (22-RENEW-01) (Cont.)

- **Eligible Applicants**: Available to all public and private entities who own or operate the eligible project.
- **Eligible Projects**:Funding is authorized for two categories of projects that are located in California, interconnected to the California grid, and provide expected supply/load reduction benefits during extreme events:
  - ($100 M) Efficiency upgrades, maintenance, and capacity additions to existing power generators; and
  - ($445 M) New zero- or low-emission technologies, including, but not limited to, fuel cells or energy storage, at existing or new facilities.
- **Ineligible Projects**: new diesel backup generators and variable renewables without paired storage devices.
  - The CEC has also clarified they do not intend to provide any funding for unproven technology, such as projects receiving EPIC funding.

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DEBA Proposed Guidelines + CEDMC Comments (22-RENEW-01) (Cont.)

- Funding to be delivered through a grant funding opportunity process with specifics dependent on each project/application
- A two-part screening process is proposed: administrative and technological
- The CEC also anticipates withholding an undetermined (and potential unique per project) amount of disbursements dependent upon performance during an emergency event. Maximum capped at 50% at COD for bulk grid assets and remaining distributed across 5-year period; 25% at COD for distributed resources and remaining 75% over 5-year period.

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DEBA Proposed Guidelines + CEDMC Comments (22-RENEW-01) (Cont.)

- Major uncertainties remain around key Program issues:
  - Performance
  - “Extreme Events”
  - DEBA participation / non-DEBA program participation
  - Third party role/eligibility
  - Distributed resources
    - (BTM or distribution-connected, capacity constraints, submetering)
  - Project eligibility (“new”)
  - Selection criteria
- Distributed Resource funding disbursement mechanisms should be treated the same as the bulk grid asset funding disbursement mechanism.
  - Funding to be delivered through a grant funding opportunity process with specifics dependent on each project/application
- Explicit inclusion of thermal energy storage, equal treatment for all energy storage as appropriate.
- Improve + Simplify GFO Process, Pursue Incentive-Based Process in Long-Term

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Joint Motion for Public Participation Hearings - Update

- On July 13, the Council, CALSSA, CEERT, Clean Coalition, SEIA, and UCAN (the Joint Parties) submitted a Joint Motion for Public Participation Hearings.
  - The Motion requests that the Commission notice and hold Public Participation Hearings in the Phase 1, Track A, of this proceeding and to do so before the issuance of any Proposed Decision in that track.
  - The purpose of the Public Participation Hearings will take public comment on the adoption of an income-graduated fixed charge for Utility residential customers, including all proposals, which have been made to date in Track A, on that issue.
- On July 28, PG&E, SCE, and SDG&E submitted a Joint Response to the Joint Motion for Public Participation Hearings.
  - They argue that Public Participation Hearings are **premature** at this stage of the proceeding and if the CPUC believes that Public Participation Hearings are appropriate for this rulemaking, they should be conducted after all of the issues have been fully briefed.
  - In addition, they argue that the CPUC should allow parties the opportunities to comment on the scope and manner of the hearings (if any) at the appropriate time. They also argue that Public Participation Hearings are "ordered" in a "typical ratemaking proceeding."

Of Note: The Joint Utilities were the only party to comment on the Joint Parties' Request for Public Hearings

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Joint Motion for Public Participation Hearings - Update (Cont.)

- On August 7, the Joint Parties submitted a Joint Reply.
  - We argued that there is no limitation on the CPUC ordering Public Participation Hearings in a proceeding it has initiated and directly affects ratepayers.
  - The Joint Motion is **not premature**, and those hearings must be appropriately scoped by the CPUC, not the utilities, and timely scheduled for needed public input.
- On August 15, ALJ Wang issued a Ruling Addressing Motion for Public Participation Hearings.
  - The Ruling denies the Motion for Public Participation Hearings.
  - The Ruling directs parties to refer to the public comments on the Docket Card of this proceeding in their Opening Briefs.
  - The Ruling contends that **the Motion was made too late** and that there is not enough time in the procedural schedule to add Public Participation Hearings to Track A without a substantial risk that the CPUC would fail to comply with the statutory deadline of July 1, 2024.

Keep in mind - that detailed information about the IGFC Proposals was made available in April.

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Takeaways from Reply Comments: IGFC (R.22-07-005)

- R.22-07-005 (Demand Flexibility), Phase 1 Track A: Income Graduated Fixed Charge ("IGFC")
- June 19: ALJ issued Ruling seeking input and proposals on IGFC implementation pathways
- July 31: Opening Comments filed (See CEDMC's Opening Comments here)
  - Our comments remained high-level, principle-focused, targeting
    - Impacts to price signals and cost-effectiveness thresholds;
    - The importance of EE in advancing beneficial electrification
    - Leverage recently updated Electric Rate Design Principles

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Takeaways from Reply Comments: IGFC (R.22-07-005) (Cont.)

- August 21: Reply Comments filed (See CEDMC's Opening Comments here); focusing on:
  - **Assumptions that increased fixed charges and reduced volumetric charges would lead to electrification among ratepayers has not been validated**
    - "...it is more reasonable to assume that most consumers across all income brackets will consider total bill impacts as a key input when considering investment in electrification."
  - **Forecasted rates present a challenge to electrification and affordability for bundled residential customers**
    - "Household energy costs are projected to increasingly exceed inflation over the next decade, with wildfire related and transportation electrification capital expenses as the current primary drivers of revenue requirement and rates."

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Takeaways from Reply Comments: IGFC (R.22-07-005) (Cont.)

- **Electrification and energy efficiency are not competing policy objectives**
  - "The Council disagrees with the Joint IOUs characterization that electrification and energy efficiency are opposing goals,[11] and disagree with the IOUs suggestion the Commission should consider newly added AB 205 goals a higher priority,[12] and the Council takes strong exception to the claim that conservation and energy efficiency are continuing to diminish in importance in California.[13]"
- **Emphasis to date on the IGFC average bill impact metric obfuscates unintentional consequences**
  - The Council is concerned that reliance upon an Average Bill Impact for households other than California Alternate Rates for Energy ("CARE") and Family Electric Rate Assistance Program ("FERA") risks burdening many of the households the IGCF proposal are intended to help.[18]

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Takeaways from Reply Comments: IGFC (R.22-07-005) (Cont.)

- **The first phase of the IGFC should be a pilot**
  - *The potential for significant miscalculation and unintended consequences is high, and that a poorly designed or implemented IGFC will have far-reaching negative impacts on electrification, energy efficiency 2 and other advanced energy adoption, electric system costs, and on the broad political support and social license for clean energy policy. Put simply, we are concerned that an IGFC could prove a blunt, unpopular, and risky policy that should be carefully, gradually, and minimally implemented, at least as it applies to default rates in the near term. We believe this gradual and minimal IGFC should include only those costs of providing service that do not vary with consumption: the marginal customer access charge.*[27] - Advanced Energy United

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Takeaways from Reply Comments: IGFC (R.22-07-005) (Cont.)

- August 22 Ruling re: Track A Schedule

Track A Event	Date
Joint motion to receive exhibits into evidence (Exhibits Motion)	September 8, 2023
Responses to Exhibits Motion	September 15, 2023
Replies to responses to Exhibits Motion	September 21, 2023
Opening briefs	October 6, 2023
Reply briefs	November 3, 2023
Proposed decision	March or April 2024
Final decision	At least 30 days after the proposed decision

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IRA Resources

Implementation of IRA & IIJA

1. EPA GHG Reduction Fund
    1. Solar for All
    2. National Clean Investment Fund
    3. Clean Communities Investment Accelerator
2. HOMES/HEEHR

Congressional Business

1. FY24 EE Appropriations
    i. EE Sign-on Letter – E&W FY24 Conference
    ii. House E&W Bill (Text) (Report)
    iii. House Interior Bill (Text) (Summary)
    iv. Senate E&W Bill (Text) (Report)

Other Links

1. AnnDyl Policy Brief:
    i. The Residential Capital Stack: Maximizing Impacts of HOMES, HEEHR, 25C Tax Credit, WAP, and Utility Programs for Existing Single-Family Homes
    ii. BlueGreen Alliance Resources:
        1. Making Clean Energy Tax Credits Deliver for the Public: A User Guide for Governments, Schools, and Nonprofits
        2. Domestic Content Bonus for Clean Energy Tax Credits
        3. Roadmap to Navigating Federal Funding for Public Buildings

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IRA Resources (Cont.)

Federal Program Links

- DOE FOA IIJA Weatherization Assistance Program Enhancement & Innovation Grants
  - Applications Due **1/5/24**
- EPA GHG Reduction Fund (GGRF) – Solar for All Program NOFO
  - Applications **Due 09/26/23;** Announcement
- EPA GHG Reduction Fund (GGRF) – National Clean Investment Fund NOFO
  - Applications **Due 09/26/23;** Announcement
- EPA GHG Reduction Fund (GGRF) – Clean Communities Investment Accelerator NOFO
  - Applications **Due 10/12/23;** Announcement
- DOE FOA – IIJA Assisting Federal Facilities with Energy Conservation Technologies (AFFECT Grants)
  - Phased Submission Deadlines for Federal Agencies – **Winter Due 11/29/23**
- HUD Green and Resilient Retrofit Program (GRRP)
  - GRRP Elements **Due 3/28/24**, GRRP Leading Edge **Due 4/30/24**, and GRRP Comprehensive **Due 5/30/24**
- DOE – IRA Home Energy Rebate Programs (HOMES & HEEHRA)
- DOE FOA – IIJA Energy Improvement in Rural or Remote Areas (ERA) Program
- DOE FOA – IIJA/IRA Industrial Decarb and Emissions Reduction
- DOE FOA – IRA Heat Pump Defense Production Act
- DOE FOA – IIJA IACs & BTAC
- DOE FOA – IIJA Energy Efficiency and Conservation Block Grant (EECGB) Competitive Program
- DOE FOA IIJA FY23 RENEW AMERICA'S NONPROFITS (EE Materials Pilot Program)

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IRA Resources (Cont.)

California / CEC:

- **CEC IRA resource webpage: There is a wealth of information on this webpage!**
- The CEC is in the midst of preparing IRA, HOMES/HEERH funding implementation. Currently there is one upcoming opportunity/issue:
  - Contractor Training for Inflation Reduction Act Residential Energy Rebate Programs The California Energy Commission (CEC) plans to apply to the U.S. Department of Energy for funding to provide contractor training for residential energy rebate programs funded by the federal Inflation Reduction Act (IRA). The CEC is seeking input to inform preparation of its application to the U.S. Department of Energy (DOE) for IRA Contractor Training Program funding. CEC staff has developed a list of questions in the link above, but other feedback and topics are welcome.
    - Comments and any supporting documentation are due by September 25, 2023.
    - CEDMC does not anticipate commenting
- Otherwise:
  - July 2023: DOE guidance available to States to apply for funding for IRA residential energy rebate programs and contractor training
  - **2023: CEC workshops and program development (currently no workshops have been held or are scheduled)**
  - **2024: Programs launch and rebates available to the public**

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Quick Updates

- The Council submitted the following filings since our last Monthly Member Readout:
  - August 31 – CEC 22-RENEW-01 Council Comments on Distributed Electricity Backup Assets (DEBA) Proposed Draft Guidelines
  - August 21 – R.22-07-005 (Demand Flexibility) Council Reply Comments on June 19 Ruling
  - August 11 – CPUC R.20-05-012 (SGIP) Council Reply Comments on Assigned Commissioner's Ruling re: Self-Generation Incentive Program (SGIP) Heat Pump Water Heater Program Improvements
  - August 7 – CPUC (R.22-07-005) (Demand Flexibility) Council Joint Reply to Joint Utilities' Response to Joint Motion for Public Participation Hearings
  - August 4 – CPUC (R.21-10-002) (RA) Council, Joint Motion for Partial Stay of D.23-06-029
  - August 4 – CPUC (R.21-10-002) (RA) Council, Joint Application for Rehearing (AfR) of D.23-06-029
- The Council submitted the following testimony since our last Readout:
  - August 7 – U.S. HUD-USDA Council Joint Comments re: Adoption of EE Standards for New Construction of HUD- and USDA-Financed Housing: Preliminary Determination (Docket FR–6271–N–01)

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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: October 6

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