

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking Regarding
Transportation Electrification Policy and
Infrastructure

Rulemaking 23-12-008
(Filed December 14, 2023)

**OPENING COMMENTS OF
THE CALIFORNIA EFFICIENCY + DEMAND MANAGEMENT COUNCIL,
ENERGYHUB, INC., ENERSPONSE, LEAPFROG POWER, INC., AND
OHMCONNECT, INC. ON THE ORDER INSTITUTING RULEMAKING REGARDING
TRANSPORTATION ELECTRIFICATION POLICY AND INFRASTRUCTURE AND
CLOSING RULEMAKING 18-12-006**

January 19, 2024

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I. INTRODUCTION

The California Efficiency + Demand Management Council (the “Council”), EnergyHub, Inc. (“EnergyHub”), Enersponse, Leapfrog Power, Inc. (“Leap”), and OhmConnect, Inc. (“OhmConnect”) (collectively “the Joint Parties”) submit these Opening Comments on the Order Instituting Rulemaking Regarding Transportation Electrification Policy and Infrastructure and Closing Rulemaking 18-12-006 (“OIR”), pursuant to Rule 6.2 of the Rules of Practice and Procedure of the California Public Utilities Commission (“CPUC” or “Commission”) and the instructions accompanying the OIR issued December 20, 2023.

II. BACKGROUND

The Council is a statewide trade association of non-utility businesses that provide energy efficiency, demand response, and data analytics services and products in California.¹ Our member companies employ many thousands of Californians throughout the state. They include energy efficiency (“EE”), demand response (“DR”), and distributed energy resources (“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 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.

EnergyHub is a software technology company based in Brooklyn, NY. EnergyHub's distributed energy resource management system ("DERMS") and program services enable utilities and grid operators to turn fleets of customer-owned DERs – residential batteries, connected thermostats, electric vehicles, water heaters, and solar PV inverters – into virtual power plants ("VPPs"). EnergyHub's DERMS platform is used by more than 60 utilities and grid operators to maintain reliability and enable higher penetrations of renewable energy through a variety of innovative grid services. EnergyHub's portfolio of 70+ residential and commercial VPPs bolsters the reliability and sustainability of the electric system while enabling hundreds of thousands of customers to participate in the energy transition.

Enersponse is a leading DER management company with a mission to simplify participation in demand response programs, contributing to a more sustainable and stable electrical grid. Additionally, Enersponse has launched its own initiatives, including Price Response™, aimed at effectively managing energy price volatility, and Clean Response, dedicated to curbing CO2 emissions. Enersponse's goal is to make demand flexibility more accessible by securely and seamlessly connecting to facilities control systems and risk-free opportunities for energy consumers to earn additional revenue, save on energy costs, and support grid resilience and decarbonization.

Leap is a Demand Response Provider ("DRP") founded in 2017 and headquartered in San Francisco, California. The company provides DR services to residential, commercial, industrial, and agricultural customers throughout the state of California. Through its technology platform, Leap enables DER providers in California to provide grid flexibility, delivering revenue for their customers and integrating additional demand-side resources into the California electricity system. Leap believes that demand-side resources integrated into California's wholesale electricity market will play an increasingly important role in helping California achieve a resilient and zero carbon future. Leap is a registered DRP, as well as a registered Scheduling Coordinator, with the California Independent System Operator Corporation ("CAISO").

OhmConnect is a third-party Demand Response Provider ("DRP") founded in 2013 and headquartered in Oakland, California. The company provides DR services to residential retail electric customers in California pursuant to Electric Rules 24 (Pacific Gas and Electric Company ("PG&E")) and Southern California Edison Company ("SCE")) and 32 (San Diego Gas & Electric Company ("SDG&E")). Specifically, OhmConnect's free software service notifies

households of impending DR events and pays them for their energy reductions, without requiring purchase or installation of additional hardware. OhmConnect is registered to participate as a DRP in the wholesale electricity market operated by the CAISO and contracts to provide resource adequacy with load serving entities.

III. THE JOINT PARTIES' COMMENTS ON PRELIMINARY SCOPE OF R.23-12-008

The Joint Parties generally support the proposed scope and schedule of this proceeding. It is clearly necessary that, for the State to manage the expected growth of electric vehicle (“EV”) use, the Commission should ensure that this growth is accounted for in the investor-owned utilities’ (“IOUs”) system planning efforts to avoid creating any bottlenecks. This is especially practical due to the naturally long lead-times associated with electric infrastructure planning. To maximize the effectiveness of this effort, the Commission should ensure that advanced managed charging strategies are accounted for in any scenario modeling and forecasts performed for assessments of existing and future IOU portfolios in IOU infrastructure development planning. Also, to ensure the success of the overall endeavor to expand adoption and utilization of EVs, the Joint Parties encourage the Commission to ensure there is a commensurate amount of attention paid to incentives and programs to promote EV deployment, as discussed further below.

A. The proceeding should ensure there are robust opportunities for EV participation in DR and demand flexibility.

The Joint Parties appreciate the OIR’s inclusion of Vehicle-to-Grid Integration (“VGI”) within the preliminary scope. The OIR describes VGI in this context to include policy, planning, and technology enablement, including 1) rates and demand flexibility programs, 2) technology enablement, and 3) planning, in coordination with the CEC, and coordinate across CPUC proceedings (incl. R.22-07-005).²

VGI is an important topic given State policy that all new passenger vehicles sold in California must be zero emissions by 2035.³ Battery EV storage ranges from 40 kWh to 200 kWh, so widespread adoption of EVs will create both challenges and opportunities for the grid in terms of providing the energy needed to charge these devices as well as providing a large amount

² OIR, at p. 14.

³ Executive Order N-79-20.

of DR and demand flexibility capability. To harness EVs as a dynamic resource and minimize ratepayer impacts, it is critical that there are multiple viable pathways for EVs to deliver value to the grid, including the utilization of device level settlement for programs.

In this proceeding, the Commission should promote the participation of EVs in DR, DER, and demand flexibility by assessing whether there are a sufficient number of pathways by which EVs can deliver value to the grid. There are several different possible use cases for EV participation, each of which should have an option for residential and non-residential participants in each IOU service area. Two examples of these use cases are: 1) exports of electricity from an EV battery onto the distribution grid (“V2G”), and 2) shifting of EV battery charging (“managed charging”). Currently, there is a lack of full-scale program options across customer classes in each IOU service area for each of these use cases. The current patchwork of pilot programs, though a good start, is inadequate to fully utilize the potential grid benefits that EVs can provide. However, there are significant gaps in these offerings that should be identified in this proceeding and result in the Commission directing the IOUs to develop programs at scale to fill these gaps through applications or advice letters.

Specifically, the Joint Parties recommend this proceeding should investigate the parameters for a capacity-based program for EV battery exporting, including regulations that allow them to participate in market-integrated DR programs. The scope of this investigation should include consideration of the following issues:

1. The use of telematics to measure EV performance: This issue came up in the recently-concluded proceeding on IOU DR applications (A.22-05-002 et al), with the final decision concluding that it would be better addressed in a Commission proceeding related to EVs.⁴
2. The ability for EV exports to be credited in capacity markets: This would require some sort of export accreditation system such as a Modified Proxy Demand Resource market product that would account for net exports across an aggregation of participants.

⁴ D.23-12-005, at p. 146.

B. The proceeding should consider changes to the TEF mid-cycle assessment schedule.

Though the decision adopting the Transportation Electrification Framework (“TEF”) was only approved in November 2022, the Commission should devote a portion of this proceeding, perhaps in a later phase, to consider refreshing some aspects of the TEF in light of issues and factors that were not necessarily contemplated when the TEF was adopted. One issue in particular that the Joint Parties recommend reconsideration of is the schedule for the mid-cycle assessment, which is currently scheduled to occur in 2027. This is at least three years away and any changes would only take effect in 2028 at the earliest. Because the TEF is a new construct, it would be pragmatic to anticipate that some early course corrections will become evident much sooner than that. The Joint Parties already have concerns regarding the amount of Technical Assistance funding and its concentration solely in the hands of the IOUs. Technical Assistance is essential to reaching the State’s equity EV participation goals, so the budget should be significantly increased with a portion made available to third parties to better enable them to engage with hard-to-reach customers. In light of this early problem and in anticipation that others will certainly arise, the Commission should consider moving up the mid-cycle assessment to 2025 or 2026, at the latest.

IV. THE JOINT PARTIES’ COMMENTS ON CATEGORY, NEED FOR HEARING, AND SCHEDULE

The Joint Parties do not object to the preliminary determinations regarding category, need for hearing and schedule.

V. CONFIRMATION OF PARTY STATUS

Pursuant to Section 7 at pages 19-20: “Persons who file responsive comments become parties to the proceeding (*see* Rule 1.4(a)(2)) and will be added to the ‘Parties’ category of the official service list upon such filing.” By filing these responsive comments, therefore, the Joint Parties request individual “party status” and inclusion on the service list of R.23-12-008 as parties as follows:

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VI. CONCLUSION

The Joint Parties appreciate the Commission's consideration and the opportunity to provide Opening Comments on the OIR. The Joint Parties urge the Commission to amend the preliminary scope for this OIR as recommended herein.

Dated: January 19, 2024

Respectfully submitted,

/s/ JOSEPH DESMOND

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