CALIFORNIA

Efficiency + Demand Management

COUNCIL

Advancing Our Clean Economy

EE + DR/DER Call

February 4, 2025

REC

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Today's Agenda

- Welcome New Member - Peak Energy Solutions
- CPUC EE Third-Party Solicitations Stakeholder Workshop on 3/6
- Issues/Topics
- Q&A

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Welcome Peak Energy Solutions!

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PEAK ENERGY SOLUTIONS

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CPUC Energy Efficiency Third-Party Solicitations Stakeholder Workshop

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This annual stakeholder workshop for the third-party solicitation process will be held on Thursday, March 6, 2025, from 10:15AM – 3:00PM PST.

Please join us in-person or via the Microsoft Teams Meeting link below. If you are planning to attend in person, please RSVP to Jessie Levine at **jessica.levine@cpuc.ca.gov** by **February 24, 2025,** as the venue has limited capacity.

Date: Thursday, March 6, 2025
Time: 10:15AM – 3:00PM PST.
Location: PG&E's Oakland General Office, 1st Floor
300 Lakeside Drive, Oakland, CA 94612

Microsoft Teams
Join the meeting now
Meeting ID: 249 579 017 552
Passcode: t88GX6co

Dial in by phone
+1 415-906-0873,,600909985# United States, San Francisco
Find a local number
Phone conference ID: 600 909 985#

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Issues/Topics

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- Status update on joint staff DR qualifying capacity proposal
- Updated revised Demand-Side Grid Support program guidelines
- IOU workshop on IGFC studies
- Base Services Charge Implementation Working Group (BSC IWG)
- Quick hits

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Status update on joint staff DR qualifying capacity proposal

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- On 1/17, the CPUC and CEC issued a joint statement announcing that no DR Qualifying Capacity (QC) Counting final proposal would be issued

- Background:
  - CEC facilitated the Supply-Side DR QC working group in 2021 and 2022 to develop a successor DR QC methodology to replace the DR Load Impact Protocols (LIPs); a proposal was submitted in the CPUC's Resource Adequacy proceeding in 2023
  - The CPUC found that further refinements were needed so they requested joint CPUC/CEC staff convene a new working group to address this
  - Two draft proposals and a final study plan were developed by early 2024; joint staff spent until Aug. 2024 testing these methodologies on data provided by IOUs and DR providers
  - An interim report was issued was presented to parties who provided informal feedback with the expectation that the final proposal would be completed at end of 2024
  - The final report was delayed a few times until the 1/17 statement was released

- Explanation given was that "staff encountered new technical and policy challenges that necessitate further examination and collaboration with stakeholders" and that "release of the [proposal] will be postponed to allow for a more comprehensive and informed assessment of these issues. This additional time will ensure that the proposal reflects a thorough evaluation of the complexities involved."

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Updated revised Demand-Side Grid Support program guidelines

- On 1/14, the CEC issued updated draft revised DSGS program guidelines (all docs can be found here), a.k.a. the 4th Edition, that reflect feedback on the initial draft 4th Edition
- Option 1 revisions
  - Prohibits residential customer direct enrollment
  - Eliminates the one-time bonus incentive for remotely controllable BUGs using biomethane, natural gas, or diesel
- Option 2:
  - Changes frequency of dispatch reports from weekly to monthly
- Option 3
  - Expands the required information in participation reports
  - Requires performance reports to include utility meter data for sites also enrolled in a supply-side DR program and participating in DSGS with an export-only resource
  - Changed minimum aggregation size from 500 kW to one of: 1) min. 400 kW across all service areas and resource durations, 2) at least one aggregation of 200+ kW, or 3) at least 3 aggregations of of 100+ kW each
  - Requires each aggregation consist of either residential or non-residential participants

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Updated revised Demand-Side Grid Support program guidelines (cont.)

- Option 3 (cont.)
  - Eliminates required test events in May, June, and July if a full duration DSGS event has occurred
  - Made several modifications to day-ahead and day-of event guidelines
  - Provides clarification of test event guidelines
  - Adopts a baseline requirement beginning in the 2026 season; the CEC may update them every 2 years thereafter
- Option 4
  - Expands Option 4 eligible technologies to includes EVSE, stationary batteries, and residential "smart panels"
  - Sets specific participation report requirements and changes performance report deadline from 5 to 10 days
  - Increases the granularity of device data from hourly to 15-minute and sub-hourly to 5-minute
  - Reduces min. no. of devices across all aggregations from 500 to 400, or 200 devices in at least single aggregation, or 100 devices in at least 3 aggregations
  - Prohibits a participating site being registered in the CAISO DRRS
  - Increases proposed incentives from a total of $41.40/kW-year to $60.58/kW-year
  - Provides more specific capacity nomination guidelines
  - Max. 3 events/7-day period w/ eligibility for extra payment for additional events
  - Test events: In the absence of EEA Watch+ event in either of the two 3-month summer periods, a test event is required
  - Increases pro-rata payment range from 110% to 120%

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IOU workshop on IGFC customer studies

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- Pursuant to D.24-05-028, Ordering Paragraph 5, the large IOUs will be convening a workshop on 2/26 to present their findings of their respective studies on the collection and use of data that identifies whether a given residential customer lives in single- or multi-family housing for the purposes of implementing an income-graduated fixed charge, including the:
  - feasibility and cost of collecting such data
  - timeline for data collection
  - reliability of the data
  - difference in cost of serving the different customer types
  - any other information that will inform the design of income-graduated fixed charges that differentiate between single- and multifamily households
- Key details
  - Time: 9-11:30am PT
  - Location: Virtual (Teams)
  - Meeting Link: **Join the meeting now**
  - Meeting ID: 215 492 222 988
  - Passcode: wR7Ds3bD
  - Call-In: +1 858-284-1506,,493781339#
  - Phone Conference ID: 493 781 339#
  - Reach out to Tyler Kirchhoff (tmkirch2@sdge.com) if you would like the Teams invitation sent to you

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Base Services Charge Implementation Working Group (BSC IWG)

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The CPUC Energy Division staff invites applications from a diverse array of interested and qualified parties and individuals to join the Base Services Charge Implementation Working Group (BSC IWG). They are particularly interested in those who can bring unique perspectives and experiences to the BSC IWG.

Specifically, they seek participation from consumer protection advocates and stakeholders interested in the implementation of the income-graduated fixed charge, now known as the **Base Services Charge or BSC**. This charge is designed to reduce the price of a unit of electricity for residential customers, making it more affordable to electrify homes and vehicles, regardless of income or where someone lives.

Under Decision 24-05-028, the Commission adopted an implementation working group, convened and facilitated by the Commission's staff, to oversee the BSC implementation plans of Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company (collectively, the Large IOUs). **This group will play a significant role in assessing and evaluating the Large IOUs' BSC implementation plans, including marketing, education, and outreach efforts, and suggesting solutions to address any implementation issues.**

The BSC IWG Membership Interest Packet provides an overview of the BSC IWG, draft charter, proposed milestones and meeting schedule, and required documents to apply for the BSC IWG. Parties and individuals interested in joining the BSC IWG must submit the following forms for review and consideration by February 7, 2025, to Cheryl Wynn, Energy Division, at cheryl.wynn@cpuc.ca.gov:

- BSC IWG Recruitment Questionnaire
- Conflict of Interest Disclosure Statement
- Non-disclosure Agreement for Market-Protected Materials (signed separately for each Large IOU)

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Base Services Charge Implementation Working Group (BSC IWG) (Cont.)

The matters the Commission specifically identified for consideration by the Working Group appear on page 46 of D.24-05-028. They include:

a. An overview of existing income verification processes and alternatives to income verification used for moderate- and higher-income customers in California and other states;

b. An assessment of existing and potential data sources for how customers could be assigned to income tiers;

c. Proposed income verification processes and alternatives;

d. A definition of moderate-income customer;

e. Administration structure, including a scope of work for the proposed administrator(s); and

f. Estimated costs and an analysis of the costs compared to the benefits of each of the proposed income verification processes.

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Base (BSC IWG) - Issues Raised in Reply - Examples

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It appears none of the tasks can be performed until the Commission determines whether implementation of income-graduated fixed charges would violate customers' Constitutionally protected privacy rights. For example, the "income verification process" will depend on who will conduct it and whether that entity has the right to ask for private financial information. The Commission has not yet decided who has legal authority to obtain private financial information from customers and the limits placed by the California Constitution on any inquiry into customers' income.

Although the invitation appears to be made to "interested and qualified parties and individuals", the Recruitment Questionnaire makes it appear that excluding "individuals" are excluded from the Working Group Participation: Applicants must:

> "Provide general information on the organization requesting to participate as a BSC IWB member. The organization must be a non-market participant who does not have a financial interest in the outcome of the BSC implementation."
>
> "Briefly describe the organization's experience with California's rate design structure,..."
>
> "Identify all the representatives that would participate in the BSC IWG." Presumably "representatives" of the organization?

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Quick hits

- CAISO Demand and Distributed Energy Market Integration Working Group
  - The CAISO has launched a new Demand and Distributed Energy Market Integration initiative, and will host a kick-off call on February 5
  - This working group will explore the development or enhancement of participation models and/or market rules for DR and DER participation, either independently or managed in aggregation, in the CAISO
  - The initial working group session will outline the process and begin the stakeholder-led scoping for future policy development efforts
- Decision Denying Petition for Modification of Decision 23-12-005
  - On 1/31, the CPUC issued D.25-01-041 which denied the PfM of Leapfrog Power, OhmConnect, the Council, and CEERT to allow customers participating in third-party DR Resource Adequacy contracts to received Automated Demand Response technology incentives
- PG&E AL adding MCE FlexMarket program to qualifying DR programs
  - On 1/17, PG&E submitted AL 7486-E to add MCE's Peak Flex Market Program to the DR programs eligible to satisfy the Self-Generation Incentive Program DR participation requirement

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Quick hits (cont.)

- Status of Agency Reports in Response to Governor's Executive Order
- All-Member Call-to-Action Meeting - Tentatively: Monday, Feb 17 to be Scheduled for - Week of
- Attack on clean energy and climate funding continues

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Discussion and Questions

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Thank You!

Please contact us if you have any questions.

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