CALIFORNIA

Efficiency + Demand Management

COUNCIL

Advancing Our Clean Economy

Monthly Member Readout

February 7, 2025

REC

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Today's Agenda

- **Issues/Topics**
  - Welcome New Member
  - EM&V Forum
  - Federal Update
  - Clean Energy Still Very Popular with Voters!
  - CPUC EE Third-Party Solicitations Stakeholder Workshop
  - Recent Filings
  - Legislative Calendar
  - CA Energy Efficiency Jobs Report 2024
  - CPUC Energy Efficiency Third-Party Solicitations Stakeholder Workshop

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Welcome Peak Energy Solutions!

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EM&V Forum was Wednesday

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EM&V Forum was Wednesday

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Clean Energy Still Very Popular with Voters!

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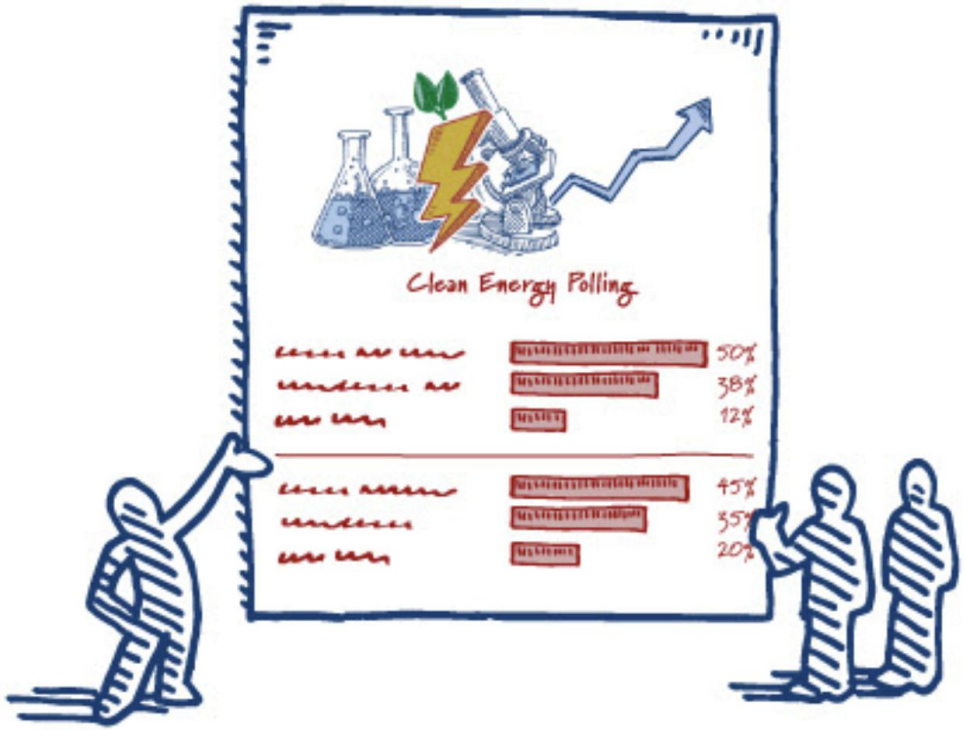
ClearPath Action has been studying how American voters think about clean energy for close to a decade and our latest numbers from this month are encouraging! A few toplines include:

- **78%** of voters believe it is important that their Member of Congress supports policies that promote clean energy.
- **77%** support tax incentives for American companies that develop clean energy technology.
- **76%** support tax incentives for American manufacturers who find ways to emit less carbon from things like steel and cement.
- **70%** support reforms to fix the lengthy permitting process that slows the building of new clean energy generation.



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Recent Filings

2025 Council Filings

February 4 – CEDMC Comments on Day Ahead Sufficiency Draft Final Proposal

January 17 – CEDMC Load Shift Goal Information Comments

January 9 – AL 7458-E (PGE) Council Protest

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CEDMC Load Shift Goal - Comments

CEC is conducting an analysis of barriers and opportunities for reaching California's goal of 7 GW load flexibility by 2030 created under Senate Bill 846.

- CEC seeking CEDMC Response to 4 Questions:
  - Are there any policy barriers in California impacting the full utilization of customer resources for load flexibility?
  - Do you recommend any successful market or regulatory models/approaches for utilizing load flexibility based on your experience outside California?
  - Do you see any emerging trends in California's market and electricity consumers that may impact the state's load flexibility potential?
  - Do you have any other conceptual ideas or feedback for the state to consider?
  - CEC seeking 3 pages (or one thousand words)
- Response will inform the next SB 846 Load Shift Goal Analysis to be published under the 2025 Integrated Energy Policy Report.
- No attribution beyond organization type stop

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CEDMC Load Shift Goal - Comments (Cont.)

January 17, 2025

California Efficiency + Demand Management Council Comments on California Energy Commission Load Shift Goal Questions

1. **Are there any policy barriers in California impacting the full utilization of customer resources for load flexibility?**

- **Unrealized third-party potential:** The regulatory environment for DERs favors IOU programs over third-party programs. For example, IOU DR programs are subject to less rigorous testing requirements than third-party programs, IOU DR programs are not included on LSE supply plans, and third-party customer ineligibility for technology incentives. For the State to reach its 7,000 MW Load Shift Goal (LSG), participation in both investor-owned utility (IOU) and third-party provider programs must be maximized.
- **Flawed Customer Data Access (CDA) framework:** CDA continues to be a major barrier to third-party DER providers enrolling customers and managing their participation in the CAISO market. The customer authorization process to share meter data with DER providers is unreliable to the point that a majority of customers fail to complete it.[1] Also, the quality and timeliness of these data are inadequate which creates a poor customer experience and inhibits the efforts of DER providers to improve performance.

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CEDMC Load Shift Goal - Comments (Cont.)

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- **Limited access to technology incentives (AutoDR and SGIP):** Customers participating in third-party DR programs are ineligible to receive technology incentives through the Automated Demand Response (AutoDR) program and the statewide Self-Generation Incentive Program (SGIP). This demotivates participation with DER providers and forgoes the opportunity of existing third-party customers to achieve greater and/or more reliable load curtailment during DR events.
- **No framework to recognize the capacity value of exports by BTM energy storage:** The absence of a framework for recognizing the Resource Adequacy (RA) capacity value of exporting behind-the-meter (BTM) energy storage has stranded hundreds of MW of valuable capacity.
- **A highly opaque and burdensome DR counting process:** The current process by which DER providers receive RA values for their portfolios discourages their participation in the RA market. This process is long and resource-intensive, and often results in substantial discounting of ex ante values, with no explanation given. This discourages new DER providers from entering the California market.

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CEDMC Load Shift Goal - Comments (Cont.)

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- **Regulatory and funding uncertainty:** There is a significant amount of budgetary and policy uncertainty among the DER community over the direction of CPUC and CEC jurisdictional DER programs and dynamic rates. This is largely due to defunding efforts in a misguided effort to improve rate affordability, and the perception that the CPUC favors dynamic rates over DER programs for delivering load flexibility in the future.
- **Fragmented program environment:** California has a large number of DER programs across IOUs, community choice aggregators, and the CEC, many of which change frequently. This is confusing for many customers and results in participation being distributed across too

2. **Do you recommend any successful market or regulatory models/approaches for utilizing load flexibility based on your experience outside California?**

- **ConnectedSolutions:** This program is offered in Massachusetts and New York to residential and non-residential customers. It provides a single umbrella brand across DER classes with end-to-end marketing from the IOU down to the DER provider, including simple in-app marketing and enrollment. Incentives are similarly simple and consistent. IOUs get the scale they need for a useful resource, DER providers have straightforward compensation, and customers have ease of participation and adequate incentives.
- **Denmark:** Citizens generally have a right to access their own energy consumption data, which is collected by energy companies and regulated by the Danish Energy Agency, allowing individuals to monitor and manage their electricity usage.

Key points about energy data ownership in Denmark:

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CEDMC Load Shift Goal - Comments (Cont.)

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3. Do you see any emerging trends in California's market and electricity consumers that may impact the state's load flexibility potential?

- **Rate Affordability:** The State's focus on rate affordability risks reducing program budgets despite their proven record of improving rate affordability. If the Governor's Office directs the CPUC and CEC to cut program funding following Executive Order N-5-24, this could significantly reduce the capacity amount provided by load flexibility resources, resulting in reduced DR/DER program enrollments, third-party participation, etc.
- **Shift of Focus from DR to Dynamic Rates:** The CPUC's apparent intention to phase out existing DR and replace them with dynamic rates risks eliminating the few thousand MWs of DR if dynamic rates cannot be cost-effectively deployed at full scale. Key questions are: 1) can accurate dynamic rates can be designed that would incent the desired load shift across large numbers of customers, 2) will there be robust customer interest in participating in them, 3) what is the cost of IOU infrastructure to implement dynamic rates, and 4) what is the business case for third-party providers to enable customers automated devices is unclear?
- **Electrification of Transportation and Buildings:** Growing adoption of electric vehicles (EVs) and electrified buildings is increasing load demand, creating both challenges and opportunities for load management. This load growth provides new load-shifting potential that can be harnessed to contribute to the LSG.

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CEDMC Load Shift Goal - Comments (Cont.)

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4. Do you have any other conceptual ideas or feedback for the state to consider?

- **Device-level measurement:** Using performance measurement features that are integrated into enabling technologies can be used to directly measure a customer's performance in a DER program rather than utilizing the customer's meter data. This would eliminate the use of customer meter data and improve the accuracy of performance measurement.
- **Simultaneous participation in multiple DER programs:** The CPUC should allow customers with multiple smart technologies to participate in separate DER programs and with separate DER providers. Developing a framework for this would enable each participating customer's enabling technology to be used when it can deliver the most load flexibility.
- **AI Agents:** On January 3, 2025, Google introduced Mariner, an AI agent powered by Gemini 2.0, designed to navigate websites and perform tasks autonomously while keeping users in control. With advanced multimodal understanding and reasoning, Mariner can handle complex online interactions, like filling forms and managing online shopping, achieving high accuracy in tests.

Implications for the Future Energy Usage

Google's push into agent AI with Mariner and Gemini 2.0 underscores the shift toward creating AI tools that act not only act as assistants but also as independent problem-solvers. If successfully scaled, Mariner could reshape interactions across industries, from e-commerce to education. One can envision in the very near future the wide-spread use by customers of

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CEDMC Load Shift Goal - Comments (Cont.)

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Implications for the Future Energy Usage

Google's push into agent AI with Mariner and Gemini 2.0 underscores the shift toward creating AI tools that act not only act as assistants but also as independent problem-solvers. If successfully scaled, Mariner could reshape interactions across industries, from e-commerce to education. One can envision in the very near future the wide-spread use by customers of advanced AI agents to carry out their instructions, order or directions (e.g., buy/sell transactions or load shift responses) automatically, based on customer defined preferences. The CEC needs to anticipate these changes as it considers the technology and platform choices that can deliver the highest value for energy consumers over the long run.

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2025 Legislative Calendar

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FEBRUARY							
	S	M	T	W	TH	F	S
Wk. 4							1
Wk. 1	2	3	4	5	6	7	8
Wk. 2	9	10	11	12	13	14	15
Wk. 3	16	17	18	19	20	21	22
Wk. 4	23	24	25	26	27	28	

MARCH							
	S	M	T	W	TH	F	S
Wk. 4							1
Wk. 1	2	3	4	5	6	7	8
Wk. 2	9	10	11	12	13	14	15
Wk. 3	16	17	18	19	20	21	22
Wk. 4	23	24	25	26	27	28	29
Wk. 1	30	31					

Feb. 17 Presidents' Day observed.

Feb. 21 Last day for bills to be **introduced** (J.R. 61(a)(1), J.R. 54(a)).

Mar. 31 Cesar Chavez Day observed.

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2025 Legislative Calendar

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APRIL							
	S	M	T	W	TH	F	S
Wk. 1			1	2	3	4	5
Wk. 2	6	7	8	9	10	11	12
Spring Recess	13	14	15	16	17	18	19
Wk. 3	20	21	22	23	24	25	26
Wk. 4	27	28	29	30			

Apr. 10 **Spring Recess** begins upon adjournment (J.R. 51(a)(2)).

Apr. 21 Legislature reconvenes from Spring Recess (J.R. 51(a)(2)).

MAY							
	S	M	T	W	TH	F	S
Wk. 4					1	2	3
Wk. 1	4	5	6	7	8	9	10
Wk. 2	11	12	13	14	15	16	17
Wk. 3	18	19	20	21	22	23	24
Wk. 4.	25	26	27	28	29	30	31

May 2 Last day for **policy committees** to hear and report to fiscal committees **fiscal bills** introduced in their house (J.R. 61(a)(2)).

May 9 Last day for **policy committees** to hear and report to the Floor **nonfiscal** bills introduced in their house (J.R. 61(a)(3)).

May 16 Last day for **policy committees** to meet prior to June 9 (J.R. 61(a)(4)).

May 23 Last day for **fiscal committees** to hear and report to the **Floor** bills introduced in their house (J.R. 61(a)(5)).

Last day for **fiscal committees** to meet prior to June 9 (J.R. 61(a)(6)).

May 26 Memorial Day observed.

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CA Energy Efficiency Jobs Report 2024

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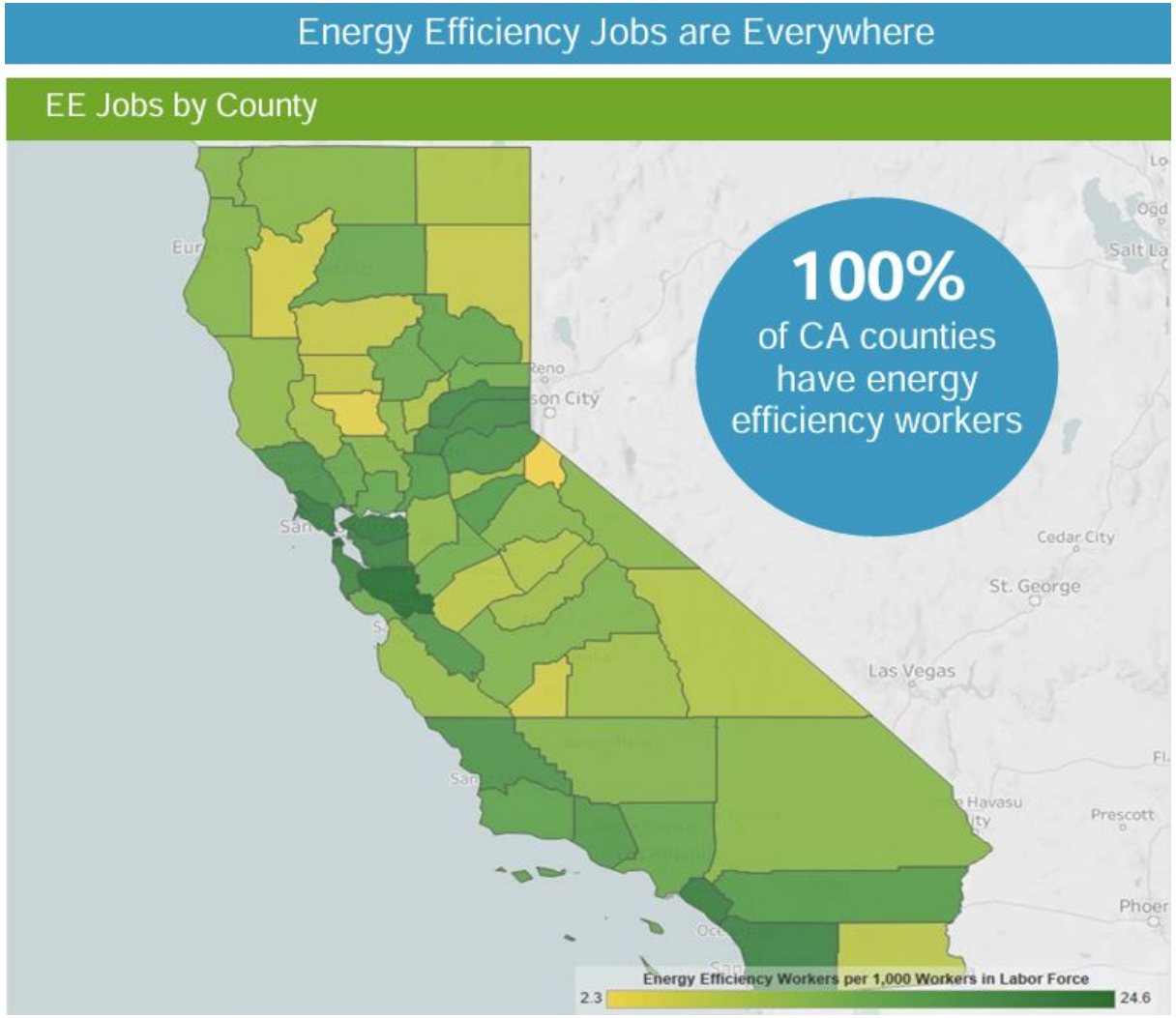

For CEDMC Members who engage with legislators, local governments and communities, this report provides valuable, detailed job figures for:

- 27 Metropolitan Areas
- 40 State Senate Districts
- 80 State Assembly Districts, and
- 53 Congressional Districts.

Link to Report: [Energy Efficiency Jobs in America 2024]

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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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Discussion and Questions

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Thank You!

Please contact us if you have any questions.

Joe Desmond – jdesmond@cedmc.org
Kira Kimick – kkimick@cedmc.org

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