BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking Regarding Policies, Procedures and Rules for the Self-Generation Incentive Program and Related Issues.	Rulemaking 20-05-012 (Filed May 28, 2020)

OPENING COMMENTS OF THE CALIFORNIA EFFICIENCY + DEMAND MANAGEMENT COUNCIL AND LEAPFROG POWER, INC. ON PROPOSED DECISION RETURNING SELF-GENERATION INCENTIVE PROGRAM FUNDS TO RATEPAYERS AND IMPLEMENTING THE GREENHOUSE GAS REDUCTION FUND SELF-GENERATION INCENTIVE PROGRAM AND OTHER PROGRAM MODIFICATIONS

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I. INTRODUCTION

The California Efficiency + Demand Management Council ("The Council")[1] and Leapfrog Power, Inc. ("Leap") respectfully submits these Opening Comments on the Proposed Decision Returning Self-Generation Incentive Program Funds to Ratepayers and Implementing the Greenhouse Gas Reduction Fund Self-Generation Incentive Program and Other Program Modifications ("Proposed Decision" or "PD"), mailed in this proceeding on August 29, 2025. These Opening Comments are timely filed and served pursuant to Rule 14.3 of the Commission's Rules of Practice and Procedure and the instructions accompanying the Proposed Decision.

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.[2] 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

[1] The views expressed by the California Efficiency + Demand Management Council are not necessarily those of its individual members.

[2] 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.

DER policies, programs, and technologies to create sustainable jobs, long-term economic growth, stable and reasonably priced energy infrastructure, and environmental improvement.

Leap is a DR Provider ("DRP") founded in 2017 and headquartered in Sacramento, 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").

III. THE COMMISSION SHOULD ADDRESS THE LIMITED NUMBER OF DR PARTICIPATION OPTIONS

The Proposed Decision adopts an exemption of the Self Generation Incentive Program ("SGIP") DR participation requirement for low-income customers by finding it "unreasonable to expect…low-income customers to not be able to progress from SGIP RRF to incentive payment due to the current lack of qualified DR in some territories."[3] If the Commission's justification for this exemption is the absence of qualified DR programs, the Commission could address the problem by simply clarifying and expanding its definition of what constitutes a qualifying DR program. This would increase the benefits delivered by the SGIP and provide greater value to all of the ratepayers who fund the program.

As a guiding principle, the Commission should seek to maximize the ratepayer benefits derived from the SGIP while ensuring that participation in the program by all participating customers, regardless of income level, is not disproportionally impacted in a negative manner. Pacific Gas and Electric Company's ("PG&E's") July 15 comments included a reproduction of Figure 6-105 from the 2023 SGIP Evaluation that illustrated clear and significant benefits of DR participation in Sub-group A.4 of the Emergency Load Reduction Program ("ELRP") by SGIP participants. When comparing the event day performance of SGIP participants enrolled and unenrolled in the ELRP, the difference in performance between the two categories of participants

[3] Proposed Decision, at p. 24.

appeared to be at least 3-4 kW per battery during events.[4] It stands to reason that the Commission would want to maximize enrollment in DR programs to realize these obvious and significant incremental benefits that come with DR participation.

To realize these greater benefits, the Commission should improve SGIP participants' access to a qualifying DR program by clarifying and expanding its definition for what makes a program "qualified." The Council and Leap note with concern that there seems to be some confusion among load serving entities ("LSEs") as to exactly how the qualifying DR program criteria that were adopted in D.23-12-005 and D.24-03-071 are to be interpreted. As the Proposed Decision notes, PG&E Advice Letter ("AL") 7486-E, Southern California Electric Company ("SCE") AL 5491-E, SCE AL 5500-E, and Peninsula Clean Energy ("PCE AL 41-E were all rejected for failure to meet the criteria adopted in D.23-12-005.[5] Additionally, to the Council's knowledge, PG&E AL 7458-E, San Diego Gas & Electric Company ("SDG&E") AL 4569-E, Center for Sustainable Energy ("CSE") AL 165-E, and Clean Energy Alliance ("CEA") AL 12-E remain suspended. This high rate of rejection and suspension appears to indicate general confusion among investor-owned utilities ("IOUs") and LSEs, as well as Commission staff, over what these criteria are. At face value, the criteria adopted in D.23-12-005 are very clear, but their modification and interpretation in D.24-03-071 has lacked transparency, which has created a barrier to LSEs trying to efficiently expand the number of qualifying DR options.

An important example of such a lack of transparency is the claim in D.24-03-071 that participating in third-party Resource Adequacy contracts is too complex to justify their inclusion as qualifying DR programs.[6] There was no discussion in the decision of exactly what characteristics of a program cause it to be too complex, so DR providers have been unable to address this purported complexity so as to gain qualification status. In reality, DR providers have a financial interest in facilitating the simplest enrollment process as possible in order to attract more new customers. Furthermore, many, if not most, DR participants do not know what DR program or Resource Adequacy contract they are participating in when they enroll with a DR provider – they enroll based on the DR provider's participation parameters.

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[4] Comments of Pacific Gas and Electric Company to Commissioner's Ruling regarding Requirement to Comply with Recently Adopted Rules for Participation in An SGIP Qualifying Demand Response Program, submitted in this proceeding on July 15, 2025, at p. 2.
[5] Proposed Decision, at p. 23.
[6] D.24-03-071, at p. 74.

Rather than make isolated modifications to the SGIP's DR participation requirement in this decision, the Commission should revisit this issue in a more comprehensive manner. In its July 15 comments, PG&E recommended that a workshop be held "bringing together stakeholders from the DR, SGIP, and RA programs, to discuss the current limitations on implementing the DR enrollment requirement of D.24-03-071 and to recommend improvements to clarify, streamline, and strengthen DR enrollment."[7] This is a very reasonable proposal that the Commission should adopt as long as the scope of the workshop includes a reassessment of what is a qualified DR program. Pulling together all affected stakeholders to discuss a comprehensive solution to this problem would hopefully eliminate this existing confusion and reduce participation barriers to all SGIP participants, which would maximize ratepayers benefits that are delivered by the SGIP.

IV. MAINTAINING THE DR PARTICIPATION REQUIREMENT WITH MORE DR PARTICIPATION OPTIONS WOULD INCREASE SGIP BENEFITS

The Proposed Decision exempts low-income participants from the DR participation requirement "due to the current lack of qualified DR in some territories."[8] However, it overlooks the fact that these same gaps impact non-low-income participants just as much as low-income participants, the latter of which are not exempted from this requirement. The Proposed Decision provides an overview of existing options in PG&E's, SCE's, and SDG&E's service areas and explicitly states that not all customers are able to access these options. Though PG&E's Automated Response Technology ("ART") Program provides options for bundled and unbundled participants, SCE's Capacity Bidding Program ("CBP") does not guarantee that residential aggregators will be available, and SDG&E's Critical Peak Pricing program is for bundled customers only.[9]

The Proposed Decision cites the Council and Leap's joint recommendation to expand qualifying DR programs to all community choice aggregator ("CCA") DR programs and third-party Resource Adequacy contracts but does not address why this suggestion is not appropriate.[10]

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[7] Comments of Pacific Gas and Electric Company to Commissioner's Ruling regarding Requirement to Comply with Recently Adopted Rules for Participation in An SGIP Qualifying Demand Response Program, submitted in this proceeding on July 15, 2025, at pp. 5-6.
[8] Proposed Decision, at p. 24.
[9] *Id.*, at pp. 23-24.
[10] *Id.*, at p. 22.

On the contrary, other parts of the Proposed Decision cite the added benefits to all ratepayers of DR participation. Specifically, the Proposed Decision states, "For all non-RSSE ratepayer budgets, these funds are intended to provide more benefit to non-participating ratepayers. Therefore, the Commission finds it reasonable to expect applicants to non-RSSE ratepayer budgets to still comply with the DR participation requirements."[11]

This statement is confusing because, by maintaining a narrower list of qualified DR programs than the criteria in D.23-12-005 would allow, the Commission is actually preventing customers from enrolling in the DR programs that would allow them to provide the benefits that the Proposed Decision cites to non-participating ratepayers. As referenced above, there are quantifiable benefits of having SGIP customers participate in a DR program, but these benefits will not be realized if those customers have no eligible DR programs to enroll in with their SGIP devices; indeed, without eligible programs, would-be SGIP participants will likely never receive those devices through the SGIP in the first place. In this statement, the Proposed Decision acknowledges that SGIP funds are intended to provide benefits to non-participating ratepayers; the best way to ensure this occurs is to expand the list of qualified DR programs to include options that all customers have access to.

V. CONCLUSION

In the Proposed Decision, the Commission made clear that they place a premium on accessibility to the Residential Solar and Storage Equity ("RSSE") funds – that because these funds are meant to be accessible to all low-income customers, a DR program requirement that restricts access to these funds should be exempted. A similar premium on accessibility is not recognized for other SGIP participants, who are still required to enroll in a DR program even though a qualified program does not always exist. The Proposed Decision justifies this different treatment by stating that SGIP participant enrollment in a DR program provides more benefits to non-participants. If this is true (and the Council and Leap agree that it is), then it follows that the Commission should work to structure the DR requirement so that all SGIP participants have options to enroll in. The Council and Leap therefore urge the Commission to revisit its DR requirement through a stakeholder process as proposed by PG&E and revise its list of qualified programs so as to maximize SGIP's benefits to non-participants.

[11] Proposed Decision, at p. 22.

The Council and Leap appreciates the opportunity to provide Opening Comments on the Proposed Decision and requests that the Proposed Decision be modified for the reasons stated above. Those needed modifications to the Proposed Decision are included in Appendix A (Proposed Modifications to Findings of Fact, Conclusion of Law, and Ordering Paragraph) attached and incorporated by reference hereto.

Dated: September 18, 2025

Respectfully submitted,

/s/ JOSEPH DESMOND

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APPENDIX A

THE CALIFORNIA EFFICIENCY + DEMAND MANAGEMENT COUNCIL AND LEAPFROG POWER, INC. PROPOSED FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDERING PARAGRAPHS FOR THE PROPOSED DECISION RETURNING SELF-GENERATION INCENTIVE PROGRAM FUNDS TO RATEPAYERS AND IMPLEMENTING THE GREENHOUSE GAS REDUCTION FUND SELF-GENERATION INCENTIVE PROGRAM AND OTHER PROGRAM MODIFICATIONS

The California Efficiency + Demand Management Council ("the Council") and Leapfrog Power, Inc. ("Leap") propose the following modifications to the Findings of Fact, Conclusions of Law, and Ordering Paragraphs of the Proposed Decision Returning Self-Generation Incentive Program Funds to Ratepayers and Implementing the Greenhouse Gas Reduction Fund Self-Generation Incentive Program and Other Program Modifications ("Proposed Decision"), mailed in R.20-05-012 ("SGIP") on August 29, 2025.

Please note the following:

- A page citation to the Revised Proposed Decision is provided in brackets for each Finding of Fact, Conclusion of Law, or Ordering Paragraphs for which a modification is proposed.
- Added language is indicated by **bold type**; removed language is indicated by **bold strike-through**.
- A new or added Finding of Fact, Conclusion of Law, or Ordering Paragraph is labeled as "**NEW**" in **bold,** underscored capital letters.

PROPOSED FINDINGS OF FACT:

NEW Some SGIP participants are unable to access a demand response program to meet the participation requirement.

PROPOSED CONCLUSIONS OF LAW:

3. [37-38] The Commission finds it reasonable to adopt the following modifications to SGIP:

   a. ~~**All residential low-income customers applying to the RSSE budget are exempted from the requirement to participate in a qualifying demand response program.**~~

   b. SGIP PAs can propose to modify the SGIP Handbook and application process to implement changes from the existing PA and Program Performance Reports and other M&E reports to improve program performance using a Tier 3 advice letter if the language was required by a Commission decision.

   c. PAs can continue to propose modifications to the SGIP Handbook language using a Tier 2 advice letter if the proposed language was required by a Resolution or added by advice letters.

NEW. A working group should be convened for all interested parties to determine what demand response programs should qualify for the participation requirement.

PROPOSED ORDERING PARAGRAPHS:

NEW. The Energy Division is directed to convene a working group this fall to develop recommendations for what demand response programs should be qualified to meet the participation requirement. The working group will submit recommendations to this service list no later than December 31, 2025.