

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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Order Instituting Rulemaking to Establish
Policies, Processes, and Rules to Ensure
Reliable Electric Service in California in the
Event of an Extreme Weather Event in 2021.

Rulemaking 20-11-003
(Filed November 19, 2020)

NOTICE OF EX PARTE COMMUNICATIONS BY POLARIS ENERGY SERVICES

April 28, 2021

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Pursuant to Rule 8.4 of the Commission’s Rules of Practice and Procedure, Polaris Energy Services (Polaris) hereby timely gives notice of the following ex parte communication.

The communication occurred on Monday, April 26, 2021. The communication was oral and included a written document. The written communication was a document entitled “Polaris Energy Services” prepared by Polaris, which was provided to Suzanne Casazza, Interim Legal and Energy Policy Advisor to Commissioner Houck prior to the meeting and which is attached hereto as Exhibit A.

The communication was initiated by Megan M. Myers, Attorney for Polaris and occurred telephonically at 1:00 p.m. with Suzanne Casazza, Interim Legal and Energy Policy Advisor to Commissioner Houck, and lasted approximately 30 minutes. Polaris timely filed and served a Three Working Days’ Notice of this communication on April 21, 2021. Present at this meeting on behalf of Polaris were David Meyers, CEO of Polaris; Lucie Jackson, VP of Programs of Polaris; and Megan M. Myers, Attorney for Polaris.

Ms. Myers began the meeting by discussing Polaris’s involvement in the extreme weather proceeding (R.20-11-003). In addition, Ms. Myers expressed Polaris’s disappointment that many of the demand response (DR) proposals, including Polaris’s agricultural DR proposal was not adopted in the March Final Decision. However, Ms. Myers stated that Polaris strongly supported

the Commission's decision to keep the proceeding open to evaluate proposals that parties submitted.

Mr. Meyers stated that agricultural DR provides demand flexibility and that it addresses equity issues. Another issue that Polaris has encountered is the conflict between time-of-use (TOU) rates and DR incentives. Mr. Meyers continued and stated that Polaris supported keeping the proceeding open. Two recommendations Polaris has for the Commission to adopt in this proceeding are: (1) a Firm Service Level (FSL) baseline for capacity bidding program (CBP) and (2) enabling AutoDR for load shift, in response to TOU rates and other pricing constructs implemented and piloted by the investor-owned utilities (IOUs) and community choice aggregators (CCAs). Ms. Jackson stated that a FSL baseline would lead to more favorable conditions for agricultural DR.

In further compliance with the instructions included in the Commissioners' Meeting Request forms, this notice has been electronically copied to Houck.Exparte@cpuc.ca.gov. As required by Commission Rules of Practice and Procedure and confirmed in the accompanying Certificate of Service, an electronic copy of this Notice has also been served on the Service List in R.20-11-003 (Extreme Weather). Additional service by U.S. Mail to the Administrative Law Judge has been temporarily suspended by the Commission.

Respectfully submitted,

April 28, 2021

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EXHIBIT A



Polaris Energy Services is the leader in Agricultural Demand Flexibility, with more than 500 irrigation pumps in California on our network and 65 megawatts of curtailable load. Polaris is an EPIC grantee with unparalleled experience and expertise at the intersection of agricultural, water and energy, and recently completed a 3-year exhaustive report on "Technologies and Strategies for Agricultural Load Management to Meet Decarbonization Goals."

Background

- Polaris supports keeping the Extreme Weather proceeding (R.20-11-003) open to consider issues and opportunities that were unaddressed in Decision (D.) 21-03-056 and to inform the next program cycle.
- Despite clear data showing its potential, D.21-03-056--along with industry and generic media--focuses heavily on easy-to-grasp, front of mind end uses and companies. We need to look for load and load flexibility where they reside. Ratepayers have spent, at the Commission's direction or with its approval, more than \$10 Million to quantify, characterize and test the agricultural demand flexibility opportunity, **showing it to be the largest resource after commercial buildings**, and to identify the steps to exploiting it by modifying existing programs or developing new market constructs.
- In addition to the size of the resource, Agricultural demand response (Ag DR) addresses another policy priority - equity. The vast majority of existing Ag DR and Demand Flexibility potential is in Disadvantaged Communities and these customers' participation in programs brings financial benefits to farmers and skills development to the workforce.

Recommendations

- The new Time of Use (TOU) rates are designed well, and we are seeing significant interest from growers. However, they are designed as alternatives to DR, not as complementary. Even customers who respond to them may be running significant loads and be unavailable to the grid when needed most. The Commission should consider our proposals or others to incentivize load to shift as much as possible and be available to shed in the remaining hours.



- Ensuring that demand flexibility is inherent in the solutions adopted is a once-in-a-generation opportunity that should not be missed. Load shift from TOU and all DR should offer automation incentives.
- The biggest obstacle to the agriculture sector participation in DR is that programs like CBP require that farmers forecast their operations up to 6 weeks in advance. Participation and performance would be higher with a baseline that measures curtailment, not forecasting prowess. The proposal Polaris submitted in this proceeding would fix this and should be adopted.