



**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

FILED

08/15/22

03:51 PM

R2207005

Order Instituting Rulemaking to Advance
Demand Flexibility Through Electric
Rates.

R.22-07-005

**OPENING COMMENTS OF OHMCONNECT, INC. ON ORDER
INSTITUTING RULEMAKING TO ADVANCE DEMAND FLEXIBILITY
THROUGH DYNAMIC RATES**

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August 15, 2022

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Pursuant to Rule 6.2 of the California Utilities Commission’s (“Commission”) Rules of Practice and Procedure, OhmConnect, Inc. (“OhmConnect”) respectfully submits these comments on the *Order Instituting Rulemaking to Advance Demand Flexibility through Dynamic Rates* (“OIR”) issued on July 22, 2022.

I. INTRODUCTION

OhmConnect appreciates Energy Division Staff’s (“ED Staff”) thoughtful and thorough white paper *Advanced Strategies for Demand Flexibility Management and Customer DER Compensation* (“White Paper”). The White Paper appropriately considers the role that third parties can play in helping customers adopt and optimize savings on dynamic rates. In considering this role, the Commission should adopt several additional scoping questions to address in this proceeding to ensure that third parties have the foundation and supporting infrastructure necessary to play the role envisioned by ED Staff in the state’s advanced demand flexibility future. Specifically, the Commission should add the following questions:

1. What policies will yield greater adoption of load-automation technologies?

2. How can the Commission ensure that third parties have access to all necessary data to help customers optimize dynamic pricing?
3. How will load shift resulting from dynamic rates be incorporated into load forecasting and the determination of resource adequacy obligations?

II. BACKGROUND

OhmConnect is a third-party demand response provider (“DRP”) founded in 2013 and headquartered in Oakland, California. OhmConnect’s free software service notifies households of impending demand response (“DR”) events and pays them for their energy reductions. OhmConnect provides DR services to primarily residential retail electric customers in California pursuant to Electric Rules 24 and 32 and is registered to participate as a DRP in the wholesale electricity market operated by the California Independent System Operator (“CAISO”).

In 2018, OhmConnect was part of a coalition of parties that filed a petition for rulemaking requesting that the Commission consider the topics of advanced dynamic rate design and demand charge reforms for the state’s three largest investor-owned utilities (“IOUs”).¹ The Commission denied the petition at the time, but encouraged the petitioners to submit proposals for real-time pricing tariffs in phase II of each of the IOU’s general rate cases (“GRC”). Since that time, OhmConnect has submitted witness testimony in both Pacific Gas and Electric Company (“PG&E”) and San Diego Gas and Electric Company (“SDG&E”) rate cases. OhmConnect was also part of the settlement agreement on real-time pricing issues recently adopted by the Commission in PG&E’s rate case.²

¹ See Petition 18-11-004, *Petition of the California Solar & Storage Association, California Energy Storage Association, Enel X, ENGIE Services, ENGIE Storage, OhmConnect, Inc., Solar Energy Industries Association, and Stem, Inc. to Adopt, Amend, or Repel a Regulation Pursuant to Pub. Util. Code § 1708.5*.

² See D.22-08-002 (adopting the January 14, 2022 settlement between the Agricultural Energy Consumers

III. COMMENTS ON THE SCOPE OF THE PROCEEDING

A. The Commission Should Consider Policies That Will Yield Greater Adoption of Load-Automation Technologies in This Proceeding.

The Commission should add the following question to the list of issues considered in scope of this proceeding: *What programs and incentives are necessary to accelerate adoption of load-automation technologies in California?*

The White Paper acknowledges that “[t]he automated/ managed response of customer loads ... is necessary to achieve the full scale and impact of the CalFUSE framework in terms of widespread adoption of demand flexibility solutions.”³ Realizing the vision for California that the White Paper lays out will require much higher levels of customer adoption of “smart” devices— technologies capable of automating customer load—than exists today. Not only do these technologies need to be commercially available, they also must be accessible and affordable in order to achieve the scale of adoption that will be needed for impactful demand flexibility. California already offers a number of customer incentives for smart devices, but there has not been a holistic effort to document and review these incentives, and evaluate whether they are truly sufficient to build the foundation for the future envisioned in the White Paper.

As part of this proceeding, the Commission should 1) develop a roadmap “to get from here to there” in terms of achieving widespread adoption of load-automating technologies; 2) identify gaps in the programs and incentives available today; and 3) develop and adopt any

Association, CLECA, California Solar and Storage Association, Enel X North America, Inc., Energy Producers and Users Coalition, Federal Executive Agencies, Ohm Connect, Inc., Cal Advocates, SBUA and PG&E on RTP Issues Including Stage 1 Pilots).

³ White Paper, at 41.

additional incentives necessary to encourage smart device adoption in support of advanced demand flexibility.

B. The Commission Should Ensure That Third Parties Have Access to All Necessary Data to Help Customers Optimize Dynamic Pricing.

The Commission should include the following question in the scope of this proceeding:

Are existing regulations, systems, and processes regarding customer data access enough to permit third parties to effectively manage a customer's experience on dynamic rates?

In discussing the role of third parties in the envisioned ecosystem, the White Paper primarily focuses on the ability of third-party energy service providers to access current and anticipated electricity prices. While access to price data is unquestionably important, it is not the only type of data that a third party may need to provide the best possible services. For example, third-party providers will need access to customer's consumption data to identify the effectiveness of their services in real-time and make necessary adjustments.

The Commission has already put in place systems to allow customers to authorize third parties access to their energy usage data for the purposes of demand response. Electric Rule 24 (for PG&E and Southern California Edison Company) and Electric Rule 32 (for SDG&E) (collectively, "Rule 24/32") facilitate direct customer participation in DR programs. Under Rule 24/32, DRPs are required to obtain customer consent to share their data through the Customer Information Service Request for Demand Response Providers ("CISR-DRP") form, either in paper format or through an electronic authorization, or "OAuth", process. Importantly, Rule 24/32 lays out the roles and requirements of both DRPs and the meter data management agents—in this case, the IOUs—when it comes to sharing and handling customer meter data and ensuring consumer protection.

The Commission should leverage the existing Rule 24/32 requirements, as well as the systems already in place to operationalize them, to allow customers to grant third parties access to their meter data for the purposes of providing energy management services related to dynamic prices. However, it remains unclear whether the existing infrastructure is sufficient, or can be used outside of facilitating direct customer participation in demand response. In this proceeding, the Commission should 1) identify all data elements that are integral to the management of dynamic rates; and 2) establish policy to ensure that third parties have timely access to all necessary data.

C. The Commission Should Clarify the Manner in Which Load Shift Resulting from Dynamic Rates Will Be Incorporated into Load Forecasting and the Determination of Resource Adequacy Obligations.

The interplay between dynamic pricing and load forecasting, and therefore, the determination of load serving entities' ("LSEs") resource adequacy ("RA") obligations should be explicitly considered and clarified in this proceeding. Today, load-modifying programs (e.g., load-modifying DR, time-of-use rates, etc.) are evaluated via the load impact protocols. The incremental impact of these programs is then used to reduce LSEs' load forecasts and RA procurement requirements. It is unclear whether dynamic rates would be treated in the same manner.

Moreover, under the current paradigm, all load-modifying programs are operated by LSEs—primarily the IOUs. While third parties can be compensated for providing supply-side resources, it is unclear whether there exists a pathway for the third parties to monetize the RA value of load-modifying programs. Third-party energy management providers should have the prominent role imagined in the ED Staff roadmap, but third parties also need clear opportunities to benefit from the RA impacts of dynamic pricing programs to make the kind of investments

