BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company (U39E) for Approval of its Demand Response Programs, Pilots and Budgets for Program Years 2023-2027.	A.22-05-002
Application of San Diego Gas & Electric Company (U902E) Requesting Approval and Funding of its Demand Response Portfolio for Bridge Year 2023 and Program Years 2024-2027.	A.22-05-003
Application of Southern California Edison Company (U338E) for Approval of Demand Response Programs and Budgets for 2023-2027.	A.22-05-004

OPENING BRIEF OF OHMCONNECT, INC. ON PHASE 1

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August 22, 2022

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Pursuant to Rule 13.12 of the California Public Utilities Commission ("Commission") Rules of Practice and Procedure and the July 5, 2022 Assigned Commissioner's Scoping Memo and Ruling ("Scoping Memo"), OhmConnect, Inc. ("OhmConnect") respectfully submits this opening brief regarding the applications of Pacific Gas and Electric Company ("PG&E"), Southern California Edison Company ("SCE") and San Diego Gas and Electric Company ("SDG&E") to approve demand response ("DR") programs and budgets for 2023 bridge year.

I. BACKGROUND

On July 14, 2022, OhmConnect served its Opening Testimony regarding the applications of PG&E, SCE, and SDG&E (together, investor-owned utilities, or IOUs) requesting approval of their DR programs and budgets for the 2023 bridge year. In this testimony, OhmConnect broadly supported the 2023 bridge year proposals and requested two changes to the Emergency Load Reduction Program ("ELRP"). The proposed changes, which require no incremental budget, include: 1) extension of the Flex Alert trigger to residential customers participating in the

ELRP under any sub-group; and 2) implementation of an on-ramp within the residential ELRP program (sub-group A.6) to market-integrated DR. In rebuttal testimony, the California Efficiency + Demand Management Council (the "Council") supported the on-ramp proposal, noting that it is "a simple, basic step that the Commission should adopt."[1] The IOUs opposed both proposals on a variety of grounds which, as explained below, are baseless. In this Opening Brief, OhmConnect reiterates its recommendation for the implementation of these two common-sense changes and addresses the primary concerns expressed by the IOUs.

II. THE COMMISSION SHOULD MODIFY THE ELRP TO CREATE AN ON-RAMP TO MARKET- INTEGRATED DR PROGRAMS.

OhmConnect proposed to implement an on-ramp to market-integrated DR within the residential ELRP—now called Power Saver Rewards ("PSR")—to leverage the funding approved for the program to help *prevent* grid emergencies, in addition to simply responding to them, thereby increasing its value. The on-ramp proposal is simple, requires relatively little additional effort, and can be implemented within the approved budget. Specifically, between March and May of each year, ELRP administrators will use existing marketing, education and outreach ("ME&O") channels, as appropriate, to provide customers with brief, standardized and unbiased information about available DR programs administered by all entities: IOUs, non-IOU LSEs, and third-party DRPs. The effort is informational only; ELRP administrators will not be responsible for actual enrollment (if the economic DR program is not one that they administer), nor will they be required to maintain accurate information about each program outside of the on-ramp period.

[1] Reply Testimony of the California Efficiency + Demand Management Council (Exh. Council-01), at p. 8.

Clearly, the level of effort this proposal requires, relative to everything that has already been put in place to implement and manage the ELRP, is minimal. SDG&E's claim that "[i]t would impossible and unmanageable for SDG&E to list the various requirements and incentives that each of these third parties could offer customers"[2] wildly overestimates the information that would need to be collected and the role SDG&E would need to play in gathering it. As stated in testimony, once per year, each administrator would need to collect the following information from DR providers in their territory—presumably, they would already have this information for their own programs:

1. Program name
2. Brief description (2-3 sentences)
3. Any eligibility rules (e.g., type of customer or tech requirement)
4. Approximate number of events and
5. Compensation or incentive offered
6. Link to enroll

The information would be provided by the program operator to each administrator in response to an email, or an online/Google form. The administrator would not and should not be responsible for finding this information themselves and verifying its accuracy. If a DR provider does not respond to the administrator's request, the program will simply not be included in marketing. This approach is hardly "impossible" or "unmanageable." In fact, as noted by all IOUs, including SDG&E, some of this information is already collected and presented on each IOU website per D.17-12-003.[3] Providing this information would not cause "SDG&E's costs [to] rise

[2] Prepared Rebuttal Testimony of E Bradford Mantz on Behalf of San Diego Gas & Electric Company (Exh. SDGE-7A), at p. EBM-3

[3] Southern California Edison Company's (U-338-E) Testimony in Support of its Application for Approval of 2023-2027 Demand Response Programs: Exhibit 6-Phase 1 Reply Testimony (Exh. SCE-06), at p. 4; Pacific Gas and Electric Company 2023-2027 Demand Response Programs, Pilots, and Budgets - 2023 Bridge Funding Rebuttal Testimony (Exh. PG&E-3), at p. 1-10; Exh. SDGE-7A, at EBM-4.

and be passed to its ratepayers, raising the total cost of the pilot."[4] Such a statement is hyperbolic and not at all grounded in the actual proposal presented in testimony.

Importantly, the value of this proposal is not necessarily in the collection of information—the IOUs are correct that a version of this is already done pursuant to D.17-12-003—but in the sharing of market-integrated DR options as part of ELRP promotion. The existence of a static website that may or may not be seen by customers is not the same as the active marketing of the full breadth of DR options as part of the ELRP program.

The IOUs' principal concern with this proposal appears to be the propriety of using ELRP funds for an effort not directly tied to emergency response, as well as the potential dilution of ELRP messaging. SCE "...disagrees with OhmConnect's position, because using ELRP funding and resources to market other DR programs is inappropriate and could reduce the effectiveness of ELRP."[5] Similarly, PG&E "...believes it is inappropriate to use ratepayer funding authorized for the ELRP (an emergency reliability pilot) to conduct marketing on behalf of DR providers for separate market-integrated programs."[6] OhmConnect strongly disagrees that co-marketing economic DR programs as part of the ELRP is inappropriate. In fact, we believe that it is highly complementary and represents an opportunity to derive additional value from the ratepayer funding approved for the program. SCE itself appeared to have understood the value of cross-marketing reliability and economic DR programs when the residential ELRP was being debated in R.21-11-003, noting in testimony that it "…plans to cross-promote [the Whole Home Savings Program ("WHSP")] with SDP and SEP."[7] Although the WHSP was ultimately not adopted, the residential ELRP shares many of the proposal's characteristics, including automatic

[4] Exh. SDGE-7A, at p. EBM-4
[5] Exh. SCE-06, at p, 4.
[6] Exh. PG&E-3, at p. 1-10.
[7] Direct Testimony of Southern California Edison Company-Phase 2 (R.20-11-003), at p. 8.

enrollment of some residential customers and primary focus on emergency response. We recognize that not all marketing channels and education efforts may be well-suited to cross-promote market-integrated DR. The Commission should direct the IOUs to update their ME&O plans for the PSR program to indicate where cross-marketing efforts may add the most value and least disruptive to broader PSR messaging.

Finally, OhmConnect strongly recommends that this proposal be adopted in Phase 1 of this proceeding so that the on-ramp can be in place ahead of the summer of 2023. PG&E's suggestion that this issue be deferred to Phase 2 because its adoption in Phase 1 "would require changes to PG&E's planning for Residential ELRP and the Flex Alert paid media campaign by March 2023 which is already underway"[8] is not reasonable. First, the entirety of the 2022 residential ELRP offering was set up following a December 2021 decision. If it is possible to stand up an entire program in this timeframe, it is certainly possible to implement one additional, limited, component within the same amount of time. Second, given that a decision in Phase 2 of this proceeding will also likely come no earlier than the end of 2023, PG&E will have no more time to implement this proposal ahead of 2024 than it does today. Finally, given that OhmConnect's proposal was not adopted for 2022 in D.21-12-015 due to time constraints, deferring its consideration to 2024 due to time constraints once again—even though the timeline for implementation would be roughly the same whether the proposal was adopted for 2022, 2023, or 2024—is illogical and yields no benefit.

[8] Exh. PG&E-3, at p. 1-10.

III. THE COMMISSION SHOULD UPDATE THE ELRP TRIGGER FOR *ALL RESIDENTIAL CUSTOMERS* TO INCLUDE THE FLEX ALERT.

In opening testimony, OhmConnect proposed that the trigger for ELRP Group B.1 residential customers be revised to also include the Flex Alert.[9] The rationale for this change was to ensure that all residential customers have the same ELRP trigger to reduce confusion and increase the effectiveness of unified marketing. Because the Flex Alert brand is already publicly recognizable, and will be rendered even more so by statewide marketing efforts to support the Power Saver Rewards program, it makes sense that the Flex Alert trigger an ELRP event for all residential customers, regardless of the sub-group through which they participate in the program. OhmConnect proposed that this change be made for ELRP sub-group B.1 because it likely represents the majority of all ELRP residential customers outside of A.6.

In rebuttal testimony, SCE and SDG&E disagreed with this proposal, highlighting the fact that extending the Flex Alert as the trigger for Group B.1 only does not achieve the intended objective. SCE states that "there are other Group A sub-groups that include residential customers (Sub-Groups A.4. and A.5.) which OhmConnect's proposal seems to exclude."[10] While SDG&E "agrees with OhmConnect's statement that all residential customers should have the same ELRP trigger to reduce confusion and increase the effectiveness of unified marketing", it notes that "achieving that goal requires adding the Flex Alert as a trigger to both ELRP B.1 and B.2. [OhmConnect's proposal] would create an unlevel playing field between DRPs participating in B.1 and aggregators participating in B.2."[11]

OhmConnect agrees with these comments. Recognizing that residential customers can also participate in the ELRP via sub-groups A.4 (Virtual Power Plant Aggregators), A.5

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[9] Opening Testimony of Maria Belenky on Behalf of OhmConnect, Inc. (Exh. OhmConnect-1), at p. 6.
[10] Exh. SCE-06, at p. 5.
[11] Exh. SDGE-7A, at p. EBM 6-7.

(Vehicle-Grid-Integration Aggregators) and B.2 (Capacity Bidding Program Aggregators), OhmConnect proposes that *all* residential customers, participating in any sub-group of the ELRP, be triggered via the Flex Alert. This is by far the most visible and reasonable trigger for residential customers and should apply regardless of how that customer chooses to participate in the ELRP.

We recognize, as both SCE and SDG&E note in their rebuttal testimony, that some sub-groups include both residential and non-residential customers, and the DRP or IOU may find it difficult to notify and dispatch some, but not all, customers in response to a Flex Alert.[12] OhmConnect submits that this is not and should not be a barrier to the adoption of the Flex Alert trigger for all residential customers.

DRPs participating in sub-group B.1 do have aggregations of both residential and non-residential customers. While a DRP may not be able to dispatch residential customers separately in the market, e.g., if they are in a resource with commercial customers, each DRP should be able to identify residential customers, message an ELRP event to these customers, and determine their individual performance using interval meter data. If the resource of which the customer is a part is not dispatched for the same hours, but residential customers are notified of an ELRP event, their full energy delivery can be compensated at $2,000/kWh. If the resource *did* receive a market dispatch, any incremental performance that would be eligible for ELRP compensation can be roughly allocated to residential vs. non-residential customers in proportion with load.

Sub-group B.2 includes primarily commercial customers and should, by and large, not face this issue. To the extent that residential customers participate in the CBP, they do so via a separate program (residential CBP) and therefore can be notified and dispatched separately.

[12] Exh. SCE-06, at p. 5; Exh. SDGE-7A, at p. 7.

Although sub-groups A.4 and A.5 can include both types of customers in one aggregation, residential customers would most likely never need to be dispatched separately. These sub-groups already have a minimum dispatch requirement, for everyone, of 20 and 30 hours, respectively.[13] To satisfy this requirement, IOUs are permitted to "exercise discretion to dispatch the VPP [or VGI aggregation] in response to other forecasted or anticipated grid stress conditions, such as, high locational marginal prices in the CAISO markets, extreme heat waves, etc., to achieve the Minimum Dispatch Hours."[14] It is reasonable to assume that a Flex Alert is an instance where these sub-groups, in their entirety, would be dispatched anyway to achieve the minimum dispatch requirement. Formalizing the Flex Alert as a trigger for these sub-groups is common-sense, aligns for what is likely to occur anyway, and serves to harmonize the trigger for residential customers.

PG&E did not contest this proposal on the merits. In its rebuttal, PG&E simply stated that the Flex Alert trigger was adopted by the Commission in D.21-12-015 and "OhmConnect did not challenge this decision in that proceeding (R.20-11-003)."[15] Moreover, because the program is new, "OhmConnect cannot demonstrate that its claims that its proposal would improve the Flex Alert paid media campaign, minimize customer confusion, and properly value demand reductions, is reasonable."[16] First, PG&E's assertion that we were silent on the issue in R.20-11-003 is inaccurate. OhmConnect supported a Flex Alert trigger for residential customers throughout the proceeding,[17] and challenged the adoption of the day-ahead alert, now the EEA

[13] PG&E AL 6485-E, SCE AL 4708-E, SDG&E AL 3939-E, at Attachment A, p. 12.
[14] D.21-12-015, Attachment 2, pp. 5-7
[15] Exh. PG&E-3, at p. 1-11.
[16] Exh. PG&E-3, at p. 1-11.
[17] Opening Testimony of Maria Belenky on Behalf of OhmConnect, Inc. (R.20-11-003), at p. 6; Opening Brief of OhmConnect, Inc. on Phase 2- Reliability for 2022-23 - Update (R.20-11-003), at p. 8.

Watch, in comments on the proposed decision.[18] The Commission did not address OhmConnect's comments in the final decision.

Finally, the fact that the program is in its early stages does not preclude the adoption of a relatively small, common-sense modification such as the Flex Alert trigger for residential customers. One does not require years of data to assume that harmonized messaging around the need to conserve energy, and ability to be compensated for conserving energy, during a Flex Alert would be beneficial for residential customers.

IV. CONCLUSION

OhmConnect urges the Commission to adopt its two common-sense proposals. These proposals require no incremental budget and minimal additional resources, while increasing the value of the ratepayer-funded ELRP.

Respectfully submitted,

By: /s/________________________

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August 22, 2022

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[18] Comments of OhmConnect, Inc. on Phase 2 Proposed Decision Directing Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company to Take Actions to Prepare for Potential Extreme Weather in the Summers of 2022 and 2023 (R.20-11-003), at pp, 6-7.