

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



FILED

Order Instituting Rulemaking to Advance
Demand Flexibility Through Electric Rates.

Rulemaking 22-07-008/25/22
(Filed July 14, 2022) 1:19 AM
R2207005

**REPLY COMMENTS OF THE
CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES
ON THE ORDER INSTITUTING RULEMAKING TO ADVANCE DEMAND
FLEXIBILITY THROUGH ELECTRIC RATES**

August 25, 2022

V. JOHN WHITE
Executive Director
Center for Energy Efficiency and
Renewable Technologies
1100 11th Street, Suite 311
Sacramento, CA 95814
Telephone: (916) 442-7785
E-mail: vjw@ceert.org

MEGAN M. MYERS
Attorney at Law
110 Oxford Street
San Francisco, CA 94134
Telephone: (415) 994-1616
E-mail: meganmmyers@yahoo.com

For: CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Advance
Demand Flexibility Through Electric Rates.

Rulemaking 22-07-005
(Filed July 14, 2022)

**OPENING COMMENTS OF THE
CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES
ON THE ORDER INSTITUTING RULEMAKING TO ADVANCE DEMAND
FLEXIBILITY THROUGH ELECTRIC RATES**

The Center for Energy Efficiency and Renewable Technologies (CEERT) appreciates this opportunity to submit its Reply Comments on the Order Instituting Rulemaking to Advance Demand Flexibility Through Electric Rates (OIR), pursuant to Rule 6.2 of the Rules of Practice and Procedure of the California Public Utilities Commission (CPUC or Commission) and the instructions accompanying the official OIR served on July 22, 2022.

**I.
CEERT IS AMONG MANY PARTIES WHO SUPPORT
THE GOALS OF THIS PROCEEDING.**

CEERT is one of multiple parties, including, but not limited to, Bloom Energy Corporation (Bloom Energy); California Clean DG Coalition (CCDC); California Efficiency + Demand Management Council, CPower, and Leapfrog Power, Inc. (Joint Parties), California Energy Storage Alliance (CESA), Climate Center, Enel X North America, Inc. (Enel X), Environmental Defense Fund (EDF), Google Nest, Sierra Club, and Valley Clean Energy and Polaris Energy Services (VCE/Polaris), who support the ambitious goals of this proceeding.¹ Distributed energy resources (DERs) will assist in California moving away from reliance on

¹ Bloom Energy Opening Comments, at pp. 2-3; CCDC Opening Comments, at p. 1; CEERT Opening Comments, at p. 2; Joint Parties Opening Comments, at pp. 3-4; CESA Opening Comments, at p. 1; Climate Center Opening Comments, at p. 2; EDF Opening Comments, at p. 2; Enel X Opening Comments, at p. 3; Google Nest Opening Comments, at pp. 2-3; Sierra Club Opening Comments, at p. 1; and VCE/Polaris Opening Comments, at p. 8.

fossil fuel generation and real-time pricing (RTP), with dynamic rates serving as an essential part of achieving the changes envisioned by the OIR.

As such, CEERT agrees with Bloom Energy that this “proceeding offers the Commission with an opportunity for bold and decisive action to make better use of distributed energy resources capable of meeting the reliability challenges currently threatening the State.”² CEERT also supports CCDC who argues that “any rates and pilots be technology neutral to accommodate the wide range of DERs available to help meet the OIR’s objectives.”³ In addition, the Climate Center notes that “[t]o maximize DER benefits to benefits to the system, DER must have well-defined opportunities and incentives to provide those benefits.”⁴ Furthermore, CEERT concurs with EDF who “supports the development of innovative rate designs that serve the dual purpose of encouraging customers to consume electricity in a grid-beneficial manner and decreasing electricity costs for the customers that engage in that behavior.”⁵ Lastly, CEERT supports Sierra Club’s recommendation that demand flexibility rate design “should prioritize and incentivize low-cost and low-emissions energy to incent beneficial electrification.”⁶

II. CEERT AGREES WITH MULTIPLE PARTIES THAT THIS PROCEEDING MUST BE IMPLEMENTED IN A TIMELY MANNER.

CEERT is not alone in urging the Commission to act as quickly as possible in this proceeding.⁷ CESA correctly states that “it is prudent for the Commission to ensure that progress is made on enabling demand flexibility and DER deployment as quickly as possible.”⁸

² Bloom Energy Opening Comments, at pp. 2-3.

³ CCDC Opening Comments, at p. 2.

⁴ Climate Center Opening Comments, at p. 3.

⁵ EDF Opening Comments, at p. 2.

⁶ Sierra Club Opening Comments, at p. 1.

⁷ *See, e.g.*, CEERT Opening Comments, at pp. 4-5; CESA Opening Comments, at p. 3; Joint Parties Opening Comments, at p. 3; Enel X Opening Comments, at p. 4

⁸ CESA Opening Comments, at p. 3.

The faster that these rates are put into practice, the faster it will be possible to determine what works and what does not and what works best for customers. As Google Nest states “[e]xpediency is appropriate given the volume of relevant trials and literature that has already been created.”⁹ CEERT agrees with the Joint Parties’ recommendation that the Commission “should seek to conclude [the] initial phase [of the proceeding] on a timely basis because additional phases of this proceeding will be necessary to address other elements of the overall objectives, especially with regard to those pertaining to implementation.”¹⁰

III. THIS PROCEEDING MUST NOT NEGATIVELY IMPACT OTHER COMMISSION PROCEEDINGS.

Other parties agree with CEERT that this is the first overarching proceeding of its type despite the urging of numerous parties to adopt such a rulemaking in 2018.¹¹ California Solar & Storage Association (CALSSA) correctly points out that:

“The Commission decision in response to that petition expressly found that RTP rate proposals were to occur in each IOU’s individual [General Rate Case (GRC)] 2 applications. CALSSA and other parties followed that direction in participating in GRC 2 applications and offering proposals. The Commission should not reverse course and duplicate that work in the instant proceeding. Rather, the Commission can build on that work and further advance RTP with elements that have not been considered in GRCs.”¹²

CEERT share this view, especially where it took the Commission over three (3) years to issue this proceeding to reform rates and, as such, the Commission must ensure this proceeding does not negatively impact other previous and ongoing efforts being made by stakeholders that are essential building blocks for achieving the ultimate goals of this OIR. The Commission should instead learn from these rates and pilots. As CESA notes, there are numerous other rates

⁹ Google Nest Opening Comments, at p. 3.

¹⁰ Joint Parties Opening Comments, at pp. 3-4.

¹¹ *See, e.g.*, Joint Parties Opening Comments, at p. 3; California Solar & Storage Association Opening Comments, at p. 4; CEERT Opening Comments, at pp. 3-4; Enel X Opening Comments, at p. 4

¹² CALSSA Opening Comments, at p. 4.

and pilots that have been adopted by the Commission or are currently being discussed which will provide valuable insights to adoption and implementation of dynamic rates.¹³ This is echoed by Enel X who recommends that Scoping Memo Issue c. should be amended to “build upon the foundations of existing or forthcoming RTP rate options and pilots emerging from the IOUs’ GRC Phase 2 proceedings and related applications ... to result in enhanced dynamic rate options.”¹⁴

**IV.
CEERT AGREES THAT COORDINATION BETWEEN THE COMMISSION
AND THE CALIFORNIA ENERGY COMMISSION IS ESSENTIAL.**

Multiple parties, including CESA, Google Nest, and the Joint Parties, recommend coordination between the Commission and the California Energy Commission (CEC).¹⁵ Without said coordination, the investor-owned utilities (IOUs) and load-serving entities (LSEs) could be subject to contradictory compliance requirements.¹⁶ Furthermore, CEERT agrees with CESA’s recommendation that the Commission should establish a working group with the CEC.¹⁷

**V.
CONCLUSION**

CEERT appreciates the Commission’s consideration and the opportunity to provide Reply Comments on the OIR.

August 25, 2022

Respectfully submitted,

/s/ MEGAN M. MYERS
Megan M. Myers
Attorney for CEERT
110 Oxford Street
San Francisco, CA 94134
Telephone: 415-994-1616
E-mail: meganmmyers@yahoo.com

¹³ CESA Opening Comments, at p. 8.

¹⁴ Enel X Opening Comments, at p. 4.

¹⁵ CESA Opening Comments, at p. 6; Joint Parties Opening Comments, at pp. 7-8; and Google Nest Opening Comments, at pp. 4-5.

¹⁶ CALSSA Opening Comments, at p. 8 and Joint Parties Opening Comments, at p. 8.

¹⁷ CESA Opening Comments, at p. 7.