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

REPLY BRIEF OF OHMCONNECT, INC. ON PHASE 1

Maria Belenky
Manager, Market Development
OhmConnect, Inc.
371 3rd Street, 2nd Floor
Oakland, CA 94607
Telephone: (415) 697-1271
Email: maria@ohmconnect.com

September 2, 2022

Vidhya Prabhakaran
Katie Jorrie
DAVIS WRIGHT TREMAINE LLP
505 Montgomery Street, Suite 800
San Francisco, CA 94111-6533
Tel. (415) 276-6500
Fax. (415) 276-6599
Email: vidhyaprabhakaran@dwt.com
Email: katiejorrie@dwt.com
Attorneys for OhmConnect, Inc.

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

REPLY BRIEF OF OHMCONNECT, INC. ON PHASE 1

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*, OhmConnect, Inc. ("OhmConnect") respectfully submits this reply brief regarding the applications of Pacific Gas and Electric Company ("PG&E"), Southern California Edison Company ("SCE") and San Diego Gas & Electric Company ("SDG&E") to approve demand response programs and budgets for the 2023 bridge year.

I. INTRODUCTION

In their Opening Briefs, the majority of parties either support[1] or do not explicitly oppose[2] OhmConnect's proposals (1) to create an on-ramp to economic demand response programs within the Emergency Load Reduction Program ("ELRP"); and (2) to include the Flex Alert as an ELRP trigger for all residential customers. Aside from significantly increasing the

[1] *See e.g.,* Opening Brief of the California Efficiency and Demand Management Council at 6.
[2] *See generally,* Opening Briefs of SCE, California Energy Consumers Association, Polaris Energy, and Small Business Utility Advocates.

value of the ratepayer-funded ELRP, these proposals will reduce regulatory challenges to the increased deployment of demand response resources.

However, PG&E, SDG&E and the Public Advocates Office ("Cal Advocates") continue to oppose both of OhmConnect's proposals. OhmConnect addressed the points raised by these parties in its Opening Brief, and to the extent relevant, does so again in this Reply. In short, none of the arguments these parties make warrant rejecting OhmConnect's proposals.

II. THE COMMISSION SHOULD ADOPT AN EXPLICIT ON-RAMP TO ECONOMIC DEMAND RESPONSE PROGRAMS WITHIN THE ELRP

SDG&E, PG&E and Cal Advocates fail to address the merits of inclusion of an on-ramp to economic demand response within the ELRP. Instead, they misleadingly characterize OhmConnect's on-ramp proposal as a scheme to market third-party programs. In fact, SDG&E refers to "market[ing] third party programs" seven times in two pages.[3] PG&E and Cal Advocates also repeatedly use similar terminology in discussing OhmConnect's proposal.[4] This is a disingenuous misrepresentation of OhmConnect's position.

First, OhmConnect proposes that ELRP funds be used to market *all* economic demand response programs, a fact that none of the three parties acknowledge. It bears repeating that the majority of economic demand response programs are *not* operated by third-party providers, but rather by the investor-owned utilities ("IOUs"). OhmConnect proposes that the ELRP have an explicit on-ramp to all of these programs. Demand response programs operated by non-IOU load-serving entities ("LSEs") and third-party providers should be included in this effort simply as a matter of fairness.

Second, OhmConnect proposes that all market-integrated demand response options be explicitly marketed to customers as part of ELRP outreach because ELRP funds *should* be leveraged to help prevent grid emergencies when doing so is relatively simple and does not raise overall costs. In the end, it is the desire of the Commission, the California Independent System Operator ("CAISO"), and presumably, all IOUs, that emergency grid conditions do not materialize. If some of the emergency response funds can be deployed to help accomplish this goal, then using these funds for that purpose is not "a misguided effort to have the IOUs use

[3] *See* SDG&E Opening Brief at 6-7.
[4] *See* PG&E Opening Brief at 24-25; Cal Advocates Opening Brief at 12-13.

ratepayer funds to market third party programs to customers"; it is a smart use of ratepayer funding.

Objections claiming that there is not enough time to implement the on-ramp proposal also lack merit. PG&E raises the argument that the Commission, which declined to adopt the on-ramp proposal in Phase 2 of the emergency reliability proceeding (R.20-11-003), should again decline to do so because of similar timing constraints.[5] Cal Advocates also echoes this sentiment.[6] However, the parties gloss over the fact that the proposal was not denied on the merits, but rather because the entirety of ELRP A.6 needed to be stood up between the final decision in December 2021 and the summer of 2022. This is not the present situation.

As we point out in our Opening Brief, if an entire program can be developed and implemented on that timeline, a limited additional component certainly can be as well. In fact, PG&E even recommends (again) that "the Commission defer this issue to Phase 2", notwithstanding that the timing between a decision in Phase 2 and the implementation deadline would be exactly the same as it is this year. Will PG&E once again argue, in Phase 2, that the on-ramp should be denied "because it 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"[7] by simply swapping out March 2023 to March 2024? If timing is a legitimate concern, delaying consideration of this proposal to Phase 2 will not resolve the issue PG&E purports to have.

III. THE FLEX ALERT SHOULD TRIGGER ELRP FOR ALL RESIDENTIAL CUSTOMERS

OhmConnect reiterates that different triggers for residential customers participating in the ELRP via a third-party provider versus an IOU is confusing, inequitable, and limits the potential impact of the program. Cal Advocates challenges the assertion that varying triggers for different sets of residential customers is confusing. Cal Advocates suggests that because "the IOUs are responsible for sending notifications to Group A.6 customers and the fact that a customer can only belong to one ELRP group, these notifications should not confuse any OhmConnect customers."[8] Cal Advocates misses the point. First, Power Saver Rewards (the public-facing

---

[5] PG&E Opening Brief at 24.
[6] *See* Cal Advocates Opening Brief at 12.
[7] PG&E Opening Brief at 25.
[8] Cal Advocates Opening Brief at 13.

name of the ELRP A.6), or the ability to be paid for reducing energy during a Flex Alert, is part of a statewide marketing campaign. While event alerts are indeed sent to participants only, the program as a whole is promoted much more broadly. Nothing prevents an OhmConnect customer from going online or turning on the television and seeing this message. In fact, OhmConnect customers are more likely to internalize such marketing because they already understand demand response and are primed to recognize that it is possible to be paid for saving energy. Moreover, Cal Advocates states that "[a]s SCE explains in its reply testimony, OhmConnect can send its own notifications to its customers if it is worried about customer confusion."[9] To be clear, OhmConnect does send its own messaging to customers. However, in this case, OhmConnect would need to explain to customers why they cannot receive the same incentive for saving energy during a Flex Alert as their neighbor, simply because they are not part of the "correct" ELRP sub-group. Harmonizing the ELRP trigger for all residential customers simply makes sense.

SDG&E reiterates the argument that residential customers can participate in the ELRP under sub-groups B.2, and excluding them from the Flex Alert trigger would not create the harmonized messaging that OhmConnect seeks.[10] Further, both SDG&E and PG&E argue that it is impossible to notify and dispatch residential customers separately if they are part of a proxy demand resource ("PDR") with non-residential customers.[11] Cal Advocates supports these points.[12] In our Opening Brief, OhmConnect agrees that the Flex Alert should trigger an ELRP event for all residential customers, regardless of the sub-group to which they belong,[13] and addresses how the trigger can be applied to residential customers when aggregated with non-residential participants.[14] It is simply not true that "[a]n ELRP event trigger cannot be adopted to apply only for a subset of customers in a PDR and not for the other types of customers who may be in the PDR."[15] Although OhmConnect considers this application to be eminently doable, for simplicity, the Commission might consider triggering all of ELRP Group B using the Flex Alert. The IOUs should have the discretion to do so as well for sub-groups A.1 through A.3. The IOUs

[9] Cal Advocates Opening Brief at 13.
[10] SDG&E Opening Brief at 8.
[11] *See* SDG&E Opening Brief at 8; PG&E Opening Brief at 25.
[12] *See* Cal Advocates Opening Brief at 14.
[13] OhmConnect Opening Brief at 6-7.
[14] OhmConnect Opening Brief at 7-8.
[15] PG&E Opening Brief at 25.

already have this discretion for sub-groups A.4 and A.5, as OhmConnect explains in its Opening Brief.[16]

Finally, PG&E incorrectly claims that OhmConnect did not challenge the adoption of the Group B trigger in the emergency reliability proceeding. We did and continue to do so here. For two years (until just this week), the CAISO had not issued a single day-ahead Alert (now the EEA Watch), even though there were several Flex Alerts and even a Stage 2 grid emergency in 2021. Thus, the ELRP had never been triggered for customers of third-party demand response providers. To reiterate, customers participating in IOU ELRP programs had several events in 2021, while the emergency response program was not triggered for Group B customers *even when California entered a Stage 2 emergency.* This outcome is counterintuitive and must be remedied.

PG&E requests "that the Commission deny OhmConnect's proposal to add Flex Alert as a trigger for B.1 aggregators' customers because OhmConnect is unable to provide evidence that the Commission erred in its design of ELRP subgroup B.1."[17] Cal Advocates "agrees with PG&E's observation that OhmConnect cannot show that the Commission erred in the design of ELRP."[18] These statements are a red herring and in no way address OhmConnect's substantive concerns regarding differing triggers for different sets of customers. PG&E and Cal Advocates do not address why they believe that a customer participating in the ELRP via a third-party provider cannot receive an ELRP payment during Flex Alerts, while a customer participating in the ELRP through an IOU can, even though the first customer is much more likely to be engaged because they proactively opted into a demand response program. PG&E and Cal Advocates do not state why they are not persuaded by the concern that a customer of a third-party program may hear statewide messaging around being paid for reductions during Flex Alerts and then wonder why they cannot receive the same level of compensation if they reduce load during such an alert. PG&E and Cal Advocates do not explain why they support the existing inequity whereby residential customers in sub-groups A.4 and A.5, which are, by definition, owners of either electric vehicles, batteries, or both, can receive ELRP incentive payments during Flex Alerts, while customers of third-party programs without these costly technologies cannot.

[16] OhmConnect Opening Brief at 8.
[17] PG&E Opening Brief at 26.
[18] Cal Advocates Opening Brief at 13.

Finally, PG&E and Cal Advocates fail to explain how not triggering an emergency response program for Group B customers during a Stage 2 grid emergency aligns with the ELRP objectives. Given that PG&E and Cal Advocates dismiss these concerns about the ELRP's design as not constituting evidence, it is unclear what "evidence" these parties would find sufficiently persuasive to support OhmConnect's proposal.

IV. CONCLUSION

OhmConnect respectfully asks the Commission to adopt its two common-sense proposals that will reduce existing regulatory challenges to the increased deployment of demand response resources. The implementation of these proposals will require relatively minor additional effort and no additional budget, while significantly increasing the value of the ELRP to ratepayers and the grid.

Respectfully submitted,

By: /s/______________________

Vidhya Prabhakaran
Katie Jorrie
DAVIS WRIGHT TREMAINE LLP
505 Montgomery Street, Suite 800
San Francisco, CA 94111-6533
Tel. (415) 276-6500
Fax. (415) 276-6599
Email: vidhyaprabhakaran@dwt.com
Email: katiejorrie@dwt.com

Attorneys for OhmConnect, Inc.

September 2, 2022