

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



FILED

Order Instituting Rulemaking to Advance
Demand Flexibility Through Electric Rates.

Rulemaking 22-07-009/27/22
(Filed July 14, 2022) 2:18 PM
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**POST-PREHEARING CONFERENCE STATEMENT OF
THE CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES**

September 27, 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

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The Center for Energy Efficiency and Renewable Technologies (CEERT) appreciates this opportunity to submit its Post-Prehearing Conference (PHC) Statement on the Order Instituting Rulemaking to Advance Demand Flexibility Through Electric Rates (OIR), pursuant to the Rules of Practice and Procedure of the California Public Utilities Commission (CPUC or Commission) and the instructions accompanying the Administrative Law Judge’s Ruling of September 1, 2022.

I.

**CEERT AGREES WITH PARTIES WHO EXPRESSED CONCERNS REGARDING
THE LENGTHY TIME PROPOSED BY THE ALJ AND SOME PARTIES TO MAKE
PROGRESS ON KEY ISSUES IN THIS PROCEEDING**

CEERT appreciated the opportunity to speak at the September 16, 2022 PHC. During the PHC, CEERT stated that, as proposed by the ALJ and some parties, the issues to be addressed in this proceeding will require “many years for the implementation of demand flexibility rates, which for CEERT raises the question of whether that scope and schedule will provide any timely meaningful relief to the electric grid challenges currently faced by this state, and as evidenced by the last several weeks.”¹ In its Opening Comments on the OIR, CEERT argued that this proceeding should be given the highest priority and that “foundational work needs to be done

¹ Reporter’s Transcript of September 16, 2022 PHC (RT), at p. 46, lines 7-17.

and it needs to be done quickly.”² Furthermore, CEERT stressed the importance of putting rates into practice as soon as possible in order to move this initiative forward more smoothly.³

As such, CEERT is concerned that the currently proposed schedules, whether by the ALJ or as put forth in a joint proposal by the utilities and certain ratepayer advocates, does not reflect the urgency with which the Commission must act to develop and implement these demand flexibility rates. Several other parties share this concern. In this regard, CEERT agrees with the California Efficiency + Demand Management Council (the Council) who urges the Commission to reject Pacific Gas and Electric Company’s (PG&E’s) proposed schedule which would likely result in a Commission decision on dynamic rate issues in 2025.⁴ CEERT concurs with the Council who “sees this timeframe as entirely too long to wait given that the state is expecting persistent capacity shortages.”⁵ Furthermore, Google Nest urges the Commission to address Phase 1 and move to Phase 2 expeditiously and “California will need every tool at its disposal to improve reliability, lower costs including dynamic rates.”⁶

CEERT recommends that the Scoping Memo adopt an expedited schedule so that rates are put into place as soon as possible in order to determine what works best for customers and what does not. CEERT believes that many of the foundational issues can be informed by and resolved by work that has already underway in advancing dynamic and real-time pricing options and pilots, as addressed further below.

² CEERT Opening Comments on OIR, at p. 4.

³ CEERT Opening Comments on OIR, at p. 4.

⁴ RT, at p. 12, lines 16-19.

⁵ RT, at p. 12, lines 19-22

⁶ RT, at p. 13, line 22 through p. 14, line 4.

II.
PHASE 1, TRACK B MUST BE MODIFIED TO ACCOUNT FOR CURRENT AND ONGOING WORK THAT IS BEING UNDERTAKEN ON DYNAMIC REAL-TIME PRICING OPTIONS AND PILOTS.

In its Response to the OIR, CEERT stated that there are several efforts occurring in individual investor-owned utility (IOU) General Rate Case (GRC) applications and other rate-related applications to develop dynamic rates.⁷ CEERT continues to recommend that this proceeding not negatively impact those efforts which were undertaken based on instruction from the Commission in D.19-03-002. As such, at the PHC, CEERT argued that Phase 1, Track B makes no mention of ongoing dynamic real time pricing activities, “which includes studies and pilot tests, nor are they embodied in any way in the questions posed.”⁸ CEERT continued and stated that “these current and ongoing dynamic rate pilot and study efforts provide the building blocks and foundation for timely achieving this OIR’s goal, and certainly should not be ignored in Phase 1.”⁹

Several parties support the inclusion of ongoing pilots and programs in the evaluation and creation of dynamic rates in this proceeding. For example, as stated at the PHC, Polaris Energy Services (Polaris) is implementing the Agricultural Demand Flexibility pilot (AgFIT) with Valley Clean Energy and TeMix.¹⁰ This is one of many pilots being developed that can inform this proceeding.

IV.
CONCLUSION

CEERT appreciates the Commission’s consideration and the opportunity to provide this Post-PHC Statement.

⁷ CEERT Opening Comments on OIR, at p. 4.

⁸ RT, at p. 46, line 17 through p. 47, line 4.

⁹ RT, at p. 47, lines 18-23.

¹⁰ RT, at p. 17, lines 2-7.

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Respectfully submitted,

/s/ MEGAN M. MYERS

Megan M. Myers

110 Oxford Street

San Francisco, CA 94134

Telephone: 415-994-1616

E-mail: meganmmyers@yahoo.com

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AND RENEWABLE TECHNOLOGIES