

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



FILED

Order Instituting Rulemaking to Advance
Demand Flexibility Through Electric Rates.

Rulemaking 22-07-003/02/22
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**OPENING COMMENTS OF
POLARIS ENERGY SERVICES
ON ASSIGNED COMMISSIONER'S PHASE 1 SCOPING MEMO AND RULING**

December 2, 2022

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Polaris Energy Services (Polaris) appreciates this opportunity to submit its Opening Comments on the Phase 1 Scoping Memo and Ruling (Phase 1 Scoping Memo), issued in this proceeding on November 2, 2022. These Opening Comments are timely filed and served pursuant to the Rules of Practice and Procedure of the California Public Utilities Commission (CPUC or Commission) and the instructions accompanying the Phase 1 Scoping Memo.

I.

BACKGROUND

Polaris is the leader in agricultural DR and load management. Polaris manages a network of 500+ irrigation and water conveyance pumps connected in the field to Polaris Pump Automation Controllers (PAC) gateways and third-party irrigation management systems--that represent 75 MW of peak demand. Polaris aggregates irrigation pumping load in the Baseload Interruptible (BIP) and Capacity Bidding Program (CBP) programs.

Polaris is the largest developer of AutoDR projects in California, by megawatts deployed and incentives paid and completed a three-year, \$2.8 Million research and development project funded by the California Energy Commission (CEC) to develop *‘Technologies and Strategies for Agricultural Load Management to Meet Decarbonization Goals’* and won the CEC’s California Energy Visionary Awards, Best in Dynamic Buildings and Grid. The project included deep

qualitative and quantitative analysis to develop program and market designs and recommendations for improving agricultural demand response program execution.

A Transactive Energy (dynamic pricing) pilot was conducted that achieved shift of two thirds of afternoon ramp hour load from participating irrigation pumps. As a result of its success in demand response and load shift, to provide demand flexibility in response to the 2020 heat storm, Polaris was invited by CEC to propose a non-competitive scope for additional technology deployment, which began in 2021. In December 2021, the Commission approved an Agricultural Demand Flexibility pilot for Valley Clean Energy (VCE) that Polaris designed and is implementing with VCE and additional partners.

II. POLARIS SUPPORTS EXPANSION OF EXISTING DYNAMIC RATE PILOTS

Throughout this proceeding, Polaris has recommended that the Commission consider expansion of dynamic rate pilots, particularly the Agricultural Demand Flexibility Pilot (AgFIT) which Polaris is implementing with VCE and TeMix.¹ As such, Polaris is pleased to see that Phase 1 – Track B of this proceeding will specifically address expansion of dynamic rate pilots.² Polaris specifically responds to Question Number 4 set forth in the Phase 1 Scoping Memo.

Question 4: Should the Commission expand any of the existing rate pilots as a near-term solution to benefit system reliability?

Yes, the Commission should expand any existing dynamic rate pilots as a near-term solution to benefit system reliability.

¹ See, e.g., VCE and Polaris Opening Comments on OIR, at p. 2.

² Scoping Memo, at p. 6.

Question 4a: If so, which pilots should the Commission expand and why?

Polaris recommends expanding the AgFIT Pilot which “is designed to send understandable and actionable price signals to agricultural customers to shift flexible irrigation pumping load away from daily load peaks – particularly in summer when reliability is threatened.”³ This Pilot has already demonstrated that approximately 40% of participating customer load was shifted off-peak during the first 1.5 months in comparison to 2021 load. Furthermore, as stated during the Prehearing Conference (PHC) in this proceeding, Polaris stated that “[w]hile we’re in the first year of the pilot, AgFIT has already demonstrated that with proper qualification, automation deployment, strong pricing encroaching, agriculture customers will shift significant load.”⁴ Polaris also recommends that the voluntary AgFIT Pilot be expanded to other service areas on an opt-in basis by load-serving entity (LSE). This Pilot will address pressing reliability needs and the provided benefits must be captured as soon as possible.

Question 4b: How should any of the expanded pilots be modified (e.g., duration, size, eligibility criteria, reporting/evaluation requirements, rate design, cost recovery)?

Polaris agrees with recommendations set forth by VCE and California Community Choice Association (CalCCA) which are being submitted concurrently with Polaris’s Opening Comments. These recommendations to modify the AgFIT Pilot include the following: duration (5 years), size (500 MW), and eligibility criteria (broad and inclusive). In addition, Polaris agrees that reporting and evaluation should be based on results prepared by third-parties with guidance and input from Energy Division and participating LSEs.

Polaris believes that the rate design for modifying and expanding AgFIT should be based on Polaris’s CEC EPIC Pilot, based on RATES with adjustments for agricultural pumping.

³ VCE and Polaris Opening Comments on OIR, at p. 2.

⁴ Reporter’s Transcript (RT) for PHC, at p. 17, lines 7-12.

There is also a need to maintain the timing of price signals with an emphasis on the importance of week ahead signals.

III. CONCLUSION

Polaris appreciates the Commission's consideration and the opportunity to provide Opening Comments on the Phase 1 Scoping Memo.

Dated: December 2, 2022

Respectfully submitted,

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