

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



Order Instituting Rulemaking to
Advance Demand Flexibility Through
Electric Rates.

FILED

12/02/22

04:59 PM

Rulemaking 22-07-005^R2207005

(Filed September 27, 2022)

**COMMENTS OF TEMIX INC. ON ASSIGNED COMMISSIONER'S
PHASE 1 SCOPING MEMO AND RULING**

Edward G. Cazalet, Ph.D.
CEO
TeMix Inc.
221 Main Street, #360
Phone: 408-631-2772
Los Altos, CA 94023
E-mail: ed@temix.com

Dec 2, 2022

**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)

**COMMENTS OF TEMIX INC. ON ASSIGNED COMMISSIONER'S
PHASE 1 SCOPING MEMO AND RULING**

TeMix Inc. is pleased to submit the following Comments of the TeMix Inc. on Assigned Commissioner's Phase I Memo and Ruling on the *Order Instituting Rulemaking to Advance Demand Flexibility Through Electric Rates* ("OIR") issued on July 22, 2022, with an effective date of July 14, 2022, known as CalFUSE.

TeMix is a California transactive energy services company that has led in the creation of standards and tariffs and in development and demonstration of secure, scalable platforms for dynamic pricing and transactive energy.

Currently, TeMix is providing information technology and consulting services for two demonstration projects of the CPUC's CalFUSE initiative: one with Southern California Edison (SCE), and the other with Valley Clean Energy (VCE) and Pacific Gas and Electric (PG&E), authorized by Rulemaking 20-11-013.

I. Introduction

TeMix is pleased to see such a high level of interest in this rulemaking. TeMix's comments on the invited questions follow:

1. Should the Commission adopt the staff proposal for modifying the electric rate design principles applicable to all electric rates of the large investor-owned electric utilities? Why or why not?

Yes. The staff proposal for modifying the electric rate design principles will reduce the costs for California to meet its clean energy and electrification goals. This can only be achieved by CalFUSE rates with dynamic prices and subscriptions that help customer loads to better follow variable generation while recovering costs for all distribution and load serving entities.

2. Should the Commission adopt the staff proposal for new demand flexibility design principles applicable to all demand flexibility rates of large investor-owned electric utilities? Why or why not?

Yes. The staff proposal new demand flexibility principles will reduce the costs for California to meet its clean energy and electrification goals. This can only be achieved by CalFUSE rates with dynamic prices and subscriptions that help customer loads to better follow variable generation while recovering costs for all distribution and load serving entities.

3. How should the Commission support the implementation of the amendments to the California Energy Commission's Load Management Standards? a. When and how should the large investor-owned utilities be required to file applications for approval of compliant rates? b. Are there any existing investor-owned utility tariffs or pilot rates that comply with the requirements for a dynamic, marginal cost-based rate?

The SCE and VCE/PG&E CalFUSE pilots both comply with the requirements for a dynamic, marginal cost-based rate. Funding should be provided to these two pilots to fully integrate their rates with the CEC MIDAS platform.

4. Should the Commission expand any of the existing dynamic rate pilots as a near-term solution to benefit system reliability? a. If so, which pilots should the Commission expand and why? b. How should any of the expanded pilots be modified (e.g., duration, size, eligibility criteria, reporting/evaluation requirements, rate design, cost recovery)?

The SCE CalFUSE pilot should be fully funded to support participation by all interested CCAs in the SCE service territory. As soon as possible, the experimental tariff should be made available without shadow billing to reduce the complexity of the pilot and speed its adoption by

all parties including device vendors, automation service providers and all customers with flexible devices and especially electric vehicles and distributed storage. Equivalent pilots should be initiated with PG&E and SDG&E and their CCAs.

The agricultural pumping pilot by PG&E and VCE should be expanded to other IOUs and CCAs and to incorporate other flexible devices such as electric vehicles and distribution storage.

5. Beyond the six-element California Flexible Unified Signal for Energy (CalFUSE) policy roadmap proposed by Energy Division staff, what alternate proposals for hourly, marginal cost-based rates should the Commission consider to enable widespread adoption of demand flexibility and support the implementation of the amendments to the California Energy Commission's Load Management Standards?

The six-element CalFUSE roadmap can fully support hourly marginal cost-based rates for widespread adoption of demand flexibility.

II. Conclusion

TeMix applauds the Energy Division for its initiative. This CalFUSE approach is consistent with current policy and will greatly reduce the complexity of tariffs and programs, especially with increasing renewables, storage, and electrification of transportation.

Dated: December 2, 2022

Respectfully submitted,

/s/ Edward G. Cazalet

Edward G. Cazalet, Ph.D.
CEO
TeMix Inc.
221 Main Street, #360
Los Altos, CA 94023
Tel:408-621-2772
E-mail: ed@temix.com