FILED
08/11/23
04:59 PM
A2205002

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

PHASE II REPLY BRIEF OF OHMCONNECT, INC.

Elysia Vannoy
Regulatory Affairs Manager
OhmConnect, Inc.
371 3rd Street, 2nd Floor
Oakland, CA 94607
Telephone: (415) 697-1271
Email: elysia.vannoy@ohmconnect.com

Vidhya Prabhakaran
Anna Fero
DAVIS WRIGHT TREMAINE LLP
50 California Street, 23rd Floor
San Francisco, CA 94111
Tel. (415) 276-6500
Fax. (415) 276-6599
Email: vidhyaprabhakaran@dwt.com
Email: annafero@dwt.com

Attorneys for OhmConnect, Inc.

August 11, 2023

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

PHASE II REPLY BRIEF OF OHMCONNECT, INC.

Pursuant to Rule 13.12 of the California Public Utilities Commission ("Commission") Rules of Practice and Procedure, the December 19, 2022 Assigned Commissioner's Amended Scoping Memo and Assigned Administrative Judge's Ruling on Two Motions, and the June 28, 2023 Administrative Law Judge's Ruling Admitting Testimony and Exhibits into the Record and Extending Due Dates for Opening and Reply Briefs of Phase II Demand Response Issues, OhmConnect, Inc. ("OhmConnect") respectfully submits this reply brief in Phase II of 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 ("DR") programs and budgets for 2023-2027.

The Commission should:

1. Reject SCE's proposed changes to its Capacity Bidding Program because it does not provide equitable treatment across IOU and third-party DR programs;

2. Disregard PG&E's reversal on auto enrolling unenrolling previously auto-enrolled customers in the and discontinuing auto-enrollment;

3. Reject SCE and the Public Advocates Office ("PAO") recommendation to reduce the Emergency Load Reduction Program ("ELRP") incentive; and,

4. Tie smart technology incentives to participation in a DR program as PG&E recommends, but make the incentives available through all DR program providers.

I. THE COMMISSION SHOULD REJECT SCE'S PROPOSED CHANGES TO THE CAPACITY BIDDING PROGRAM BECAUSE THEY ARE CONTRARY TO THE COMMISSION'S GUIDING DEMAND RESPONSE PRINCIPLES

SCE admits its proposed DR portfolio meets only *some* of the Commission's guiding principles from Decision ("D.") 16-09-056.[1] Notably, SCE makes no attempt to argue that its proposed DR portfolio meets the final principle:

> Demand response shall be market-driven leading to a competitive, technology-neutral, open-market in California with a preference for services provided by third-parties….[2]

This is because SCE's proposal to convert its Capacity Bidding Program from a supply side program to a load modifying program with reduced availability requirements does not comport with this final principle.[3] Programmatic changes that reduce availability and bidding requirements are not available to third-party DR programs and violate the Commission's DR principle to promote a competitive, technology-neutral, open-market in California with a preference for services provided by third-parties.[4] As such, the Commission should reject SCE's proposed changes to the CBP program and thoroughly assess each of the proposals in the IOU DR applications through the lens of D.16-09-056 by considering *all* of the DR principles, especially the final principle described above that the IOUs tends to gloss over or overlook entirely.

---

[1] SCE Opening Brief at 10.
[2] D.16-09-056 at 46 (emphasis in original).
[3] OhmConnect Opening Brief at 7.
[4] Id.

II. THE COMMISSION SHOULD DISREGARD PG&E'S REVERSAL ON UNENROLLING PREVIOUSLY AUTO-ENROLLED CUSTOMERS IN ELRP AND DISCONTINUING AUTO-ENROLLMENT

PG&E had accepted the California Efficiency + Demand Management Council's ("CEDMC") recommendation and previously proposed to unenroll existing ELRP participants that were auto-enrolled and discontinue auto-enrollment going forward.[5] However, PG&E has now backtracked and stated that it does not support ending auto-enrollment and unenrolling customers.[6] As support for its reversal, PG&E asserts that unenrolling customers may cause confusion and dissatisfaction.[7] PG&E further nonsensically characterizes it as "equitable" to continue auto-enrolling customers so "…long as previously auto-enrolled customers remain in ELRP…."[8] Nonetheless, the Commission should approve CEDMC's recommendation to unenroll previously auto-enrolled customers in ELRP and discontinue auto-enrollment by the IOUs for two reasons.

First, data from ELRP A.6 participants shows minimal net savings, which corresponds with significant free ridership.[9] The cost of this free ridership to ratepayers, including the previous residential ELRP administration and marketing budgets of over $20 million annually for 2022 and 2023, dramatically outweighs any potential confusion or dissatisfaction that might result from being unenrolled in the program.[10] Second, it is unlikely that customers will actually be confused or dissatisfied, given that most auto-enrollees are unaware of their enrollment .

[5] *See* PG&E Opening Brief at 60.
[6] PG&E Opening Brief at 60.
[7] PG&E Opening Brief at 60.
[8] PG&E Opening Brief at 60.
[9] *See generally* Reply Testimony of OhmConnect, R.20-11-003 (July 21, 2021).
[10] D.21-03-056, Attachment 1 at 21.

III. THE COMMISSION SHOULD NOT REDUCE ELRP INCENTIVES

Both SCE and PAO support reducing the ELRP incentive from $2/kWh to $1/kWh.[11] Multiple parties, including PG&E, the Vehicle Grid Integration Council, CEDMC, and OhmConnect, disagree with this proposal and support maintaining the incentive at $2/kWh.[12] The Commission should maintain the incentive level for a number of reasons. First, it is necessary to maintain the current incentive level to actually have sufficient ability to assess and evaluate the pilot program.[13] Second, competing incentives available through the Demand Side Grid Support Program will likely make that a more attractive program than the ELRP if the ELRP has a lower incentive.[14] Third, reducing the incentive level will have the likely result of reducing participation in the program.[15] Finally, maintaining the ELRP incentive supports the broader demand response market development.[16] For these reasons, the Commission should reject SCE's and PAO's proposal to reduce ELRP incentives.

IV. THE COMMISSION SHOULD TIE SMART TECHNOLOGY INCENTIVES TO PARTICIPATION IN A DR PROGRAM AND MAKE THEM AVAILABLE THROUGH ALL DR PROGRAM PROVIDERS

PG&E correctly described OhmConnect as supportive of the automatic ADR requirement. This support, however, is predicated on the program requiring participation in a DR program, inclusive of third-party DR programs, and availability of incentives through all DR program providers.[17] Both Leap[18] and OhmConnect[19] support the continuation of smart

---

[11] SCE Opening Brief at 12; PAO Opening Brief at 36-37.
[12] PG&E Opening Brief at 56-57; Vehicle Grid Integration Council at 7; CEDMC Opening Brief at 8; OhmConnect Opening Brief at 3.
[13] PG&E Opening Brief at 57.
[14] PG&E Opening Brief at 57.
[15] OhmConnect-5 at 4, lines 4-9.
[16] PG&E Opening Brief at 58.
[17] PG&E Opening Brief at 18.
[18] Leap Opening Brief at 9.
[19] OhmConnect Opening Brief at i, 3 and 16.

thermostat incentives and technical incentives, which should be made available through all DR program providers to best allow for an open and competitive market.[20] In approving IOU DR applications, the Commission should make the incentives available for redemption through all DR program providers and require participation in a DR program to receive the incentive.

V. CONCLUSION

OhmConnect made four major recommendations in its Opening Brief::

- Review all proposals through the lens of the demand response principles adopted in D.16-09-056 and reject IOU proposals that contradict the DR Principles;
- Adopt changes that facilitate customer choice and data access;
- Continue the ELRP with modifications; and,
- Extend the Smart Controllable Thermostat ("SCT") Program through 2027 with modifications.

The additional recommendations made in this brief are directly in line with those primary recommendations, which will allow the Commission to champion a customer-centric and competitive demand response market and enable California's sustainable energy future.

Respectfully submitted,

By: /s/
Vidhya Prabhakaran
Anna Fero

DAVIS WRIGHT TREMAINE LLP
50 California Street, 23rd Floor
San Francisco, CA 94111
Tel. (415) 276-6500
Fax. (415) 276-6599
Email: vidhyaprabhakaran@dwt.com
Email: annafero@dwt.com

August 11, 2023

Attorneys for OhmConnect, Inc.

[20] Opening Testimony of Ec. Council-02 (Desmond) at 22, lines 7-9.