

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



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Petition of the Public Advocates Office to
Adopt, Amend, or Repeal a Regulation
Pursuant to Pub. Util. Code § 1708.5.

**RESPONSE OF
CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES TO
THE PUBLIC ADVOCATES OFFICE PETITION TO OPEN A RULEMAKING
PURSUANT TO PUBLIC UTILITIES CODE SECTION 1708.5**

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For: CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES

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The Center for Energy Efficiency and Renewable Technologies (CEERT) respectfully files this Response to the Public Advocates Office (Cal Advocates) Petition to Open a Rulemaking Pursuant to Public Utilities Code Section 1708.5 (Cal Advocates PFR), filed at the California Public Utilities Commission (Commission) on March 18, 2024 and served on March 6, 2024. This Response is timely filed and served pursuant to Rule 6.3(d) of the Commission's Rules of Practice and Procedure.

**I.
BACKGROUND**

CEERT is a nonprofit public-benefit organization founded in 1990 and based in Sacramento, California. CEERT is a partnership of major private-sector clean energy companies, environmental organizations, public health groups and environmental justice organizations. CEERT designs and fights for policies that promote global warming solutions and increased reliance on clean, renewable energy sources for California and the West. CEERT is working toward building a new energy economy, including cutting contributions to global warming, and reducing dependence on fossil fuels. CEERT has long advocated before the Commission for increased use of preferred resources and for California to move towards a clean energy future.

II. SUMMARY

Cal Advocates PFR asserts that it is requesting to open a new rulemaking:

“which would allow the Commission to consider the achievement of California’s greenhouse gas (GHG) reduction goals alongside concerns over rate affordability, reliability, and equity outcomes for demand side programs associated with demand response, and energy efficiency, including the Energy Savings Assistance (ESA) program.”¹

In part, Cal Advocates urges the Commission to develop a single rulemaking to address energy efficiency, demand response (DR) and ESA programs; Cal Advocates notes that there is no current open rulemaking addressing DR.² The proposed scope of this new proceeding would include: (1) setting goals to balance decarbonization and electrification goals with the need to keep rates just and reasonable, (2) designing budgets to ensure that decarbonization and electrification goals are met while ensuring that electric rates remain affordable, (3) analyze and adopt specific parameters of what contracts may be executed by utilities without Commission approval, and (4) evaluating performance in order to ensure that programs achieve measurable results for ratepayers.³

CEERT supports the overall goal of electrification because it offers a path towards lower electric rates. However, achievement of electrification goals will require careful resource and transmission planning, investment in modernizing grid infrastructure and the implementation of smart energy management programs. For several reasons, CEERT urges the Commission to reject the Cal Advocates Petition as explained further below.

While CEERT agrees with Cal Advocates that a new energy efficiency rulemaking is timely, it is not necessary to link review of energy efficiency programs and DR programs.

¹ Cal Advocates PFR, at p. 1.

² *Id.*, at pp. 3-4.

³ *Id.*, at pp. 5-9.

Instead, the Commission should open two (2) new, separate rulemakings to address opportunities to improve energy efficiency and DR . Energy efficiency programs and DR programs have very different designs and strategies for implementation and should be evaluated separately.

In addition, there is likely to be significant overlap between what Cal Advocates is proposing through its Petition and the current electrification proceeding (Rulemaking (R.) 24-01-018). This overlap amplifies the need for separate proceedings so that they can be optimally coordinated with electrification goals.

Lastly, any proceeding that is issued that addresses distributed energy resources (DERs) must be closely coordinated with the California Energy Commission’s (CEC’s) Distributed Electricity Backup Assets (DEBA) Program and Distributed Support Grid Support (DSGS) Program. Both of these new programs are designed to address the increased likelihood of extreme weather events and the impacts on grid reliability.

For these reasons, instead of granting Cal Advocates’ PFR, the Commission should open two new separate rulemakings, one to address energy efficiency and the other to address DR, and both of these proceedings should be coordinated with the DEBA and DSGS Programs which were established by Assembly Bill (AB) 205.

III. THE COMMISSION SHOULD OPEN TWO NEW SEPARATE ENERGY EFFICIENCY AND DEMAND RESPONSE RULEMAKINGS

CEERT agrees with Cal Advocates statement in its PFR that the current energy efficiency proceeding (R.13-11-005) is “insufficient” and that a new rulemaking is necessary.⁴ In addition, Cal Advocates correctly notes that “there is no current open rulemaking addressing demand response.”⁵ Furthermore, in Decision (D.) 23-12-005 the Commission stated that “[i]t is

⁴ Cal Advocates PFR, at p. 3.

⁵ *Id.*, at p. 4.

recommended that the Commission and the Energy Division consider opening a rulemaking shortly to address DR issues.”⁶ However, CEERT disagrees with Cal Advocates that a new rulemaking should be opened to address both energy efficiency and DR together.⁷

CEERT has continuously advocated that its “primary goals are to quickly reduce dependence on natural gas power plants, particularly those located in dense urban areas and to reduce and eliminate California’s greenhouse gas (GHG) emissions.”⁸ Energy efficiency and DR are two critical resources to assist California in moving away from reliance on gas-fired generation. As such, CEERT recommends that new proceedings should be opened immediately to properly evaluate these two distinct resources. CEERT is concerned that combining development of these resources into the same proceeding will limit their proper assessment. Two separate proceedings, with distinct sets of issues and scopes, should be opened to ensure that the most accurate and beneficial methodologies are in place.

IV. THE CAL ADVOCATES PETITION CONTAINS OVERLAP WITH THE COMMISSION’S NEW ELECTRIFICATION RULEMAKING

On January 30, 2024, the Commission issued a new rulemaking to establish energization timelines (R.24-01-018). This rulemaking was opened to implement certain provisions of Senate Bill (SB) 410 and Assembly Bill (AB) 50 “which require the Commission to establish reasonable average and maximum target energization time periods, and a procedure for customers to report energization delays to the Commission, among other requirements.”⁹ On March 28, 2024,

⁶ D.23-12-005 (Decision Directing Certain Investor-Owned Utilities’ Demand Response Programs, Pilots, and Budgets for the Years 2024-2027) which was issued in Application (A.) 22-05-002, et al. (DR Programs) on December 20, 2023, at p. 188.

⁷ Cal Advocates Proposed PFR, at p. 1.

⁸ Opening Comments of CEERT on Proposed Decision Adopting 2023 Preferred System Plan and Related Matters, and Addressing Two Petitions for Modification, submitted in R.20-05-003 (Integrated Resource Plan (IRP)) on January 30, 2024, at p. 2.

⁹ R.24-01-018, at p. 1.

Assigned Commissioner Alice Reynolds issued a Scoping Memo and Ruling in R.24-01-018 (Scoping Memo) which set forth the issues to be addressed in this proceeding.¹⁰ Many of the issues that Cal Advocates proposes to be scoped into its new proposed rulemaking are already being addressed in the electrification rulemaking (R.24-01-018), including, but not limited to, rules related to electrification goals and budgets.¹¹

Given that these issues are already being addressed in R.24-01-018 (Electrification), the Commission should reject the Cal Advocates Petition. However, in the event that the Cal Advocates Petition is granted, it must be closely coordinated with R.24-01-018 (Electrification) so that the proceedings work in tandem to control and reduce electric rates through the combination of load management and increased use of zero-emission resources.

V.

THERE MUST BE COORDINATION WITH THE CEC DEBA AND DSGS PROGRAMS

If the Commission grants Cal Advocates' PFR, or opens the two separate energy efficiency and DR rulemakings as urged by CEERT, the proceeding(s) must be closely coordinated with the CEC DEBA and DSGS Programs. The CEC DEBA Program "incentivizes the construction of cleaner and more efficient distributed energy assets that would serve as on-call emergency supply or load reduction for the state's electrical grid during extreme events."¹² The CEC DSGS Program "will offer incentives to electric customers that provide load reduction and backup generation to support the state's electrical grid during extreme events, reducing the

¹⁰ Scoping Memo, at pp. 3-7.

¹¹ Cal Advocates PFR, at pp. 5-6; R.24-01-018 Scoping Memo, at pp. 4-7.

¹² CEC DEBA Program which can be found here: <https://www.energy.ca.gov/programs-and-topics/programs/distributed-electricity-backup-assets-program>.

risk of blackouts.”¹³ Coordination with these programs will be critical to meet California’s clean energy goals.

VI. CONCLUSION

CEERT appreciates the opportunity to submit this Response to the Cal Advocates Petition for Rulemaking.

Dated: April 5, 2024

Respectfully submitted,

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¹³ CEC DSGS Program which can be found here: <https://www.energy.ca.gov/programs-and-topics/programs/demand-side-grid-support-program>.