BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA



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Order Instituting Rulemaking to Enhance Demand Response in California. Rulemaking R.25-09-004 (Filed September 18, 2025)

REPLY COMMENTS OF 350 BAY AREA ON ORDER INSTITUTING RULEMAKING TO ENHANCE DEMAND RESPONSE IN CALIFORNIA

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I. Introduction

Pursuant to Rule 14.3 of the Rules of Practice and Procedure of the California Public Utilities Commission ("Commission"), 350 Bay Area respectfully submits these reply comments on the *Order Instituting Rulemaking To Enhance Demand Response in California* ("OIR"), dated September 18, 2025.

350 Bay Area strongly supports the Commission's continued efforts to integrate higher levels of Demand Response in the California grid, carrying forward the work of prior proceedings, including incorporating more of potentially avoided costs from the distribution system and transmission system, access to data needed for effective Demand Response programs, and incentives to better align Demand Response with evolving energy consumer and climate—ie public interest—priorities.

In summary,

1. This OIR should be designed to remove barriers to Demand Response

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programs and to streamline existing programs. Demand Response should be subjected to the analogous criteria for other grid resources, including reliability and predictability.

- 2. We strongly urge a centralized data platform which provides data access for needs of appropriate stakeholders for user data and system information.
- 3. Demand response programs should not "double dip" or be compensated twice. However, a Prohibition on dual participation is NOT required. This is unnecessarily bureaucratic, cumbersome, and counterproductive by unnecessarily limiting participation..

II. DESCRIPTION OF THE PARTY

350 Bay Area is a non-profit organization focused on ensuring a sustainable climate and associated environmental and economic justice for all, with a reach of over twenty-two thousand people, primarily concentrated in the nine Bay Area counties. The vast majority of 350 Bay Area's members obtain residential electrical service from Pacific Gas & Electric or from Community Choice Energy organizations. We thus comment from both an environmental and public perspective.

III. REPLY COMMENTS

1. This OIR should be designed to remove barriers to Demand Response programs and to streamline existing programs. Demand Response should be subjected to

the analogous criteria for other grid resources, including reliability and predictability.

California has stalled out on meeting the state's 7 GW demand flexibility goal. At the 2025 Demand Response Summit in Davis, several States have demand response programs which capture substantially more of the potential benefit of Demand Response for the grid than California does¹. In the survey of stakeholders that the California Energy Commission did preceding the Summit, stakeholders mentioned the multiple separate California programs which precluded capturing the full benefit of demand response due to this fragmentation. This OIR should represent a major opportunity to correct these design flaws in California's demand response programs and rethink how California uses this valuable resource. This is especially timely as our IOU electricity rates are accelerating beyond the rate of inflation and California has some of the highest electric rates on the US mainland. Demand response is one of the most rapid and effective ways to address the increasing load on the California grid due to building and space electrification and increasing loads from data centers.

We therefore concur with Advanced Energy United (United) in identifying the need for a reorientation of the proposed principles for the OIR. ..."the intent to improve and support resolution of barriers, rather than create new ones, is critical for any important resource. And the new principles remove some aspects of the 2016 principles that were valuable (e.g. commitment to a competitive, technology-neutral, open market). United believes the proposed principles should be re-cast to provide the positive vision of

¹ https://energy.ucdavis.edu/2025-california-demand-flexibility-summit/

the 2016 principles."²

California should be seeking to break down barriers to demand response and streamlining programs rather than erecting further barriers. It is not reasonable to subject demand response to more restrictive criteria than what other grid scale programs are subjected to.

2. We strongly urge a centralized data platform which provides data access for needs of appropriate stakeholders for user data and system information.

350 Bay Area agrees with Advanced Energy United in the urgency and priority of acting on a centralized statewide data approach needed for Demand Response.

As we mentioned in our opening comments and as we have argued in Data Working Groups in multiple Proceedings over the past 5 years, California should have a technically expert organization responsible for a modern statewide system for electricity user data and grid system maps, built to up to date user security and cybersecurity principles, overseen by the California Energy Commission,. Cost of such a single system would undoubtedly be lower than the current amount invested by ratepayers of the three IOUs in our currently inadequate and unaccountable IOU separate systems

3. Demand response programs should not "double dip" or be compensated twice. However, a Prohibition on dual participation is NOT required. This is unnecessarily bureaucratic, cumbersome, and counterproductive by unnecessarily limiting participation.

We agree with Renew Home and Advanced Energy United on this approach.

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² Advanced Energy United OPENING COMMENTS OF ADVANCED ENERGY UNITED ON THE ORDER INSTITUTING RULEMAKING TO ENHANCE DEMAND RESPONSE IN CALIFORNIA Nov 13, 2025

IV CONCLUSION

350 Bay Area thanks the Commission for this opportunity to submit comments on

the OIR and supports the Commission's continued efforts to leverage the enormous

opportunities provided by Demand Response to advance State goals and public interest.

We appreciate consideration of our recommendations and look forward to working with

staff and parties throughout this proceeding.

Respectfully submitted,

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Dated: November 24, 2025

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