



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

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Demand Response in California.

Rulemaking 25-09-004

SOUTHERN CALIFORNIA EDISON COMPANY'S (U 338-E) REPLY COMMENTS ON
ORDER INSTITUTING RULEMAKING TO ENHANCE DEMAND RESPONSE IN
CALIFORNIA

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I.

INTRODUCTION

Pursuant to Ordering Paragraph (OP) 7 of the California Public Utilities Commission (Commission or CPUC) Order Instituting Rulemaking (OIR or Rulemaking) issued September 29, 2025, Southern California Edison Company (SCE) respectfully submits these responses to the three questions and appended Guiding Principles in the Rulemaking. The Rulemaking solicits party comments on the Preliminary Scoping Memo and identified issues. Parties are invited to comment on whether there are additional issues or details that should be included in the scope; whether any specific issues previously addressed or underway in other Commission proceedings require coordination with this Rulemaking; and whether the proposed appended Guiding Principles should be adopted or if any modifications are needed. SCE looks forward to continuing to collaborate with the Commission and the parties in this Rulemaking to enhance demand response (DR) in California.

Opening comments were filed on November 13, 2025 by 33 parties including 350 Bay Area, Advanced Energy United, Ava Community Energy, California Independent System Operator Corporation (CAISO), California Community Choice Association (CalCCA), California Energy Storage Alliance (CESA), California Large Energy Consumers Association (CLECA), California Solar and Storage Association (CalSSA), Carrier Global Corporation, Coalition for Renewable Natural Gas, California Energy Efficiency + Demand Management Council (CEDMC), Cohen Ventures dba Energy Solutions, CPower, Enchanted Rock, EnergyHub, Enphase Energy, Joint Regional Energy Networks (Joint RENs), Leapfrog Power, Mobility House, Olivine, Pacific Gas & Electric Company (PG&E), Public Advocates Office (Cal Advocates), Renew Home, Small Business Utility Advocates (SBUA), SCE, San Diego Gas & Electric Company (SDG&E), Tesla, The Utility Reform Network (TURN), U.S. Venture, The Utility Consumers' Action Network (UCAN), Vehicle-Grid Integration Council (VGIC), Voltus, Vote Solar, and WeaveGrid.

II.

DISCUSSION

SCE will not repeat its opening comments here, but notes that multiple parties broadly agree with several of the issues that SCE raised. In these reply comments SCE notes other party's opening comments with which SCE agrees, and also discusses party-proposed issues that should not be included in the proceeding's scope. SCE also notes that its silence on issue areas should not be construed as indicating either support or disagreement. Broadly, SCE supports policy discussions that will advance and support a robust set of demand response and load flexibility resources, enhances customer choice and access, furthers third parties' ability to support customers in delivering grid services and supports customer affordability.

To summarize SCE's reply comments, the final scope should:

- Authorize one or more bridge years
- Broaden the traditional understanding of DR and its value to the grid
- Develop common definitions of load management/flexibility
- Set rules that encourage load-modifying DR
- Clarify how dynamic rates can complement DR without supplanting DR resources
- Update dual participation while balancing jurisdictional and risk management
- Consider statewide systems and processes and avoid utility-specific issues
- Establish open, non-proprietary standards for communication protocols
- Consider Real Time Pricing evaluations
- Not include cross-cutting customer data access issues
- Not consider statewide DR administration

A. The Commission Should Follow its Precedent to Authorize One or More Bridge Years

CLECA,¹ PG&E,² and SDG&E³ propose that the Commission consider bridge funding to ensure continuity of programs and reduce administrative burden while the ongoing proceeding develops and updates policies which may be impactful to investor-owned utility (IOU) applications. SCE agrees. PG&E highlighted previous Commission consideration of overlapping DR policy setting activities and application deadlines, noting that in R.13-09-011 (2013 DR Rulemaking), “while issuing a rulemaking, DR applications were delayed and bridge funding issued.”⁴ PG&E also noted more recent precedent in R.20-11-003 “In 2021, during a rulemaking to ensure reliable electric service during extreme weather events (R.20-11-003), the Commission granted a six-month extension of time to file DR applications and eventually approved one year of bridge funding.”⁵

SCE concurs that the Commission’s actions in the 2013 DR Rulemaking are a useful basis for which the Commission can look to for an efficient resolution of bridge funding issues. In that proceeding several parties recommended during the Prehearing Conference that the Commission authorize two-year bridge-funding (2015-2016). The November 14, 2013 Scoping Memo established multiple phases, the first of which was set to settle bridge funding issues.⁶ Two months later, in January,

¹ CLECA Opening Comments, p. 4 (“The timeline of this Rulemaking may overlap with the 2028-2032 DR program cycle, for which applications are to be filed later next year. The Commission may want to consider one or more bridge funding years to ensure program continuity as important policy principles are developed in this Rulemaking.”).

² PG&E Opening Comments, pp. A-19-A-20 (stating “because the preliminary schedule 35/ does not anticipate a final decision until the month before the applications are due, a Commission decision to extend the filing date of the application or to adopt a bridge funding mechanism is a reasonable possibility. This Rulemaking is the appropriate venue to solicit comments regarding these solutions, and to issue a timely ruling that addresses this scheduling overlap.”).

³ SDG&E Opening Comments, p. 15 (“SDG&E also notes that filing a full application for a single year is not a practical solution. This was done for 2023, and it required substantial effort from both the Commission/ED staff as well as SDG&E, and for limited benefit. Managing such a filing while the DR OIR remains active would be especially burdensome. Therefore, SDG&E respectfully requests the option to file for a shorter-term “bridge year” through a truncated proceeding if warranted by the schedule and scope of this proceeding. This would allow SDG&E to adjust programs and request new budgets as needed.”).

⁴ PG&E Opening Comments, p. A-20.

⁵ *Ibid.*

⁶ Rulemaking (R.) 13-09-011, Joint Assigned Commissioner and Administrative Law Judge Ruling and Scoping Memo dated November 14, 2013, *available at* <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M081/K543/81543436.PDF>.

2014 the Commission issued a Decision (D.) approving two-year bridge funding,⁷ and separately issued a Ruling providing specific guidance.⁸ The guidance provided a limited procedural path for IOUs to propose program improvement changes without the need for filing bridge year applications. In May 2014, the Commission issued a Decision approving program improvements and funding.⁹

SCE encourages the Commission to consider replicating this efficient path to authorizing bridge year funding, while allowing some opportunity for IOUs to propose necessary program improvements or other changes. Specifically, SCE recommends the Scoping Memo be issued early in Quarter 1, 2026 and include a dedicated rate-setting track to resolve if and how bridge funding should be effectuated. The procedural schedule should include the issuance of guidance to IOUs on what program, budget, or other issues are permissible to be included in IOU bridge year proposals, similar to the 2013 DR Rulemaking process.

B. The Rulemaking Should Address How DR Can Provide Enhanced Grid Services as Part of a Broader Portfolio

Multiple parties noted that the Rulemaking scope should include a broader understanding of DR than as historically considered in previous DR decisions and proceedings. SCE agrees, and suggests that the proceeding should develop policies to reflect how DR resources should be coordinated as part of a portfolio of load or demand flexibility resources and opportunities to advance grid services and affordability. PG&E states that “[b]roadening the scope of this Rulemaking to facilitate greater coordination across policies for technologies that can respond to load management signals, and enhance program offerings like VPPs and dynamic rates, more holistically bridges these gaps than if the rulemaking is solely focused on DR.”¹⁰ CALSSA argues that “[d]emand response programs should be

⁷ D.14-01-004, Decision Approving Two-Year Bridge Funding for Demand Response Programs, dated January 24, 2014.

⁸ R.13-09-011, Order Instituting Rulemaking to Enhance the Role of Demand Response in Meeting the State’s Resource Planning Needs and Operational Requirements.

⁹ D.14-05-025, Decision Approving Demand Response Program Improvements and 2015-2016 Bridge Funding Budget, dated May 19, 2014.

¹⁰ PG&E Opening Comments, p. A-5.

recategorized as “grid services” and/or “virtual power plant (VPP)” programs to not limit programs to load reduction only.”¹¹ Tesla¹² and Advanced Energy United¹³ make related statements.

It is likely that parties will have differences of opinion on the extent to which DR can and should be broadened to deliver additional benefits, how those benefits should be valued, and how DR should be coordinated with other resources to provide load management benefits.¹⁴ However, there does appear to be thematic consensus among the parties referenced above that taking a strictly narrow view of the scope in this DR Rulemaking, focusing almost exclusively on the traditional dispatch of DR for peak load shed during system peak hours, would miss an important opportunity to recognize and advance DR in concert with other strategies to manage load and provide benefits to the grid. A broader approach is also necessitated by the Commission’s viewpoint that dynamic rates are by definition DR,¹⁵ or a DR initiative.¹⁶

C. The Rulemaking Should Develop a Common Understanding and Definitions of Load Flexibility

Multiple parties discuss the need to incorporate load or demand flexibility concepts and programs directly into the Rulemaking, with some proffering new naming conventions. As discussed above, SCE agrees that stakeholders and the Commission should address related issues and coordination in this Rulemaking, but also stresses the need to first establish a common understanding and set of definitions related to load management in the DR context.

¹¹ CALSSA Opening Comments, p. 4.

¹² Tesla Opening Comments p. 4 (“opportunities to utilize these resources in a more targeted way, to address distribution system needs, and provide other grid services beyond system capacity also become increasingly viable.”).

¹³ Advanced Energy United Opening Comments, p. 2 (“[T]argeted distribution system services as an operational tool are one of the main use cases and potential benefits of dispatchable DR.”).

¹⁴ In this reply, SCE does not repeat its discussion of the relationship between three related load management approaches – traditional DR, dynamic rates, and load flexibility programs. *See* SCE Opening Comments, pp. 13-15.

¹⁵ Rulemaking, p. 1.

¹⁶ *Id.*, p. 10.

Specifically, SCE agrees with CalCCA that “[w]ith different approaches to load flexibility and DR arising, it becomes more important to define and categorize them so that all stakeholders have the same understanding.”¹⁷ PG&E also makes the important argument that “[t]his Rulemaking presents a valuable opportunity to develop the rules that will help unlock the potential value of flexible load resources” and therefore should be renamed the “Load Management OIR.”¹⁸ SCE takes no position at this time on the specific naming conventions, but agrees with these parties’ insights that parties must first come to a common understanding of the relevant terms and their relationship to one another, and develop a common set of naming conventions and definitions.

D. The Rulemaking Should Analyze and Encourage Load-Modifying DR Resources

Multiple parties comment on the value of load-modifying/non-market integrated DR. CAISO stated “[a]lthough the CAISO does not model out-of-market DR programs in its market systems, these programs still represent meaningful sources of demand flexibility. At scale, these programs can have noticeable impacts to CAISO demand and market outcomes.”¹⁹ Energy Solutions “recommends the Commission consider how to best encourage participation in both load modifying, non-market-integrated demand response resources, as well as supply-side, market-integrated demand response.”²⁰ CEDMC proposes a new Guiding Principle that “Supply Resources and Load Modifying DR are equally valuable in supporting reliability.”²¹ SCE agrees with these parties. As the Rulemaking adopts or amends policies about the “valuation methodologies and evaluation metrics” of DR resources, it should also include load-modifying/non-market integrated resources in its scope as load modifying resources, such as dynamic rates and flexible load management programs, becomes more prevalent.

¹⁷ CalCCA Opening Comments, p. 11.

¹⁸ PG&E Opening Comments, pp. A-4-A-5.

¹⁹ CAISO Opening Comments, p. 3.

²⁰ Energy Solutions Opening Comments, p. 5.

²¹ CEDMC Opening Comments, p. 18.

E. Dynamic Rates Should Complement DR but Not Supplant It

The Rulemaking speaks to a broadened approach to DR that defines dynamic rates as by definition DR,²² or a DR initiative.²³ CEDMC,²⁴ EnergyHub,²⁵ and Advanced Energy United²⁶ state that while dynamic rates are designed to influence customer behavior to shift load and can complement DR, dynamic rates should not supplant existing DR resources and programs. SCE remains supportive of the promise of dynamic rates, but also cautions the Commission and parties to allow time for the active pilots and related activities to demonstrate their value. The Commission should continue to support a healthy and fully funded suite of DR programs and resources and not assume that dynamic rates can provide the same value, with the same reliability, and at the same needed moments in time as existing DR.

F. Reforming Dual Participation Proposals Must Adhere to CAISO Jurisdictional Rules and Support IOU Risk Management

The Commission should revisit or reform dual participation rules,²⁷ but some of the issues raised by parties, or their stated preferred policy proposals, conflict with CAISO market requirements, particularly for market-integrated DR resources. Specifically, under CAISO's rules and procedures, Demand Response Providers (DRPs) are prohibited from registering Service Accounts in CAISO's Demand Response Registration System (DRRS) more than once; meaning unless the CAISO changes

²² Rulemaking, p. 1.

²³ *Id.*, p. 10.

²⁴ CEDMC Opening Comments, p. 4 (“[T]hough dynamic rates are intended to motivate load shifting, this should not preclude the development of load shift DR programs (either as tariffed DR programs or bilateral contracts) which can be stood up more quickly than large scale customer enrollment in dynamic rates.”).

²⁵ EnergyHub Opening Comments, pp. 10-11 (urging the Commission “to continue recognizing the value of actively managed demand response programs, even in the context of dynamic rates. We believe it would be premature to assume that dynamic rates will deliver the same load shifting ability of DR programs and that there will always be a strongly complimentary role for active and passive programs to play together.”).

²⁶ Advanced Energy United Opening Comments, p. 2 (stating “variable rates cannot wholly replace DR programs and markets. ... Variable rates remain a complement to an actively managed distribution grid that dispatches distributed resources to meet grid needs in a way that prices alone cannot, at least in the foreseeable future.”).

²⁷ See SCE Opening Comments, p.10. *Accord* Energy Solutions, p. 4; Advanced Energy United, p. 9; Renew Home, p.7; CEDMC, p. 2; Enchanted Rock, LLC, p. 4; RNG Coalition, p. 4; PG&E, p. A-9; CLECA Comments, p. 4; SDG&E Comments p. 3.

their DRRS and rules, customers with multiple controllable devices cannot participate with more than one DRP. Multiple parties proposed that rules should be developed so that a customer with multiple Distributed Energy Resources (DERs) could participate in multiple DR programs and/or with multiple DRPs.²⁸

Certain topics, such as counting exports, should be addressed under the CAISO and CPUC's resource adequacy (RA) rules. Valuing and compensating energy exports in the CAISO wholesale energy market is a topic currently being addressed in the CAISO's Demand and Distributed Energy Market Integration (DDEMI) initiative and was also a topic that the CPUC directed parties to further refine when it stated:

[T]here are several questions that need to be addressed before further consideration. In particular, the proposal does not address how the Commission should ensure that the load reduction capability of DR resources during the AAHs [Availability Assessment Hours] is not compromised with expanded eligibility, and what the measurement and verification process should be for estimating QC [Qualifying Capacity] outside the AAHs.

As such, we encourage further refinement of the proposal to address the following issues: (1) how to ensure that the availability and load reduction capability of the DR resource during the AAHs is not compromised with expanded offerings outside of the AAHs, (2) the measurement and verification methodology for estimating QC values outside of the AAHs, (3) any updates needed for the application of DR resources' MCC [Maximum Cumulative Capacity] bucket cap, and (4) implications on the CAISO's operational requirements and constraints (including the interaction with the CAISO MOO [Must Offer Obligation] and supply plan showings).²⁹

The CPUC and CAISO should align in its valuation of exporting resources, particularly if these resources are going to count for RA, as differing rules and valuation methods will cause issues for Load Serving Entities (LSEs) (*e.g.*, if CPUC rules value exports by behind-the-meter energy storage devices greater than CAISO's rules, an LSE may meet their RA obligation under the CPUC's rules but not the CAISO's rules and may still be deficient under the CAISO's counting methodology).

SCE supports examining dual participation rules in this Rulemaking with the Commission, CAISO, and market participants to explore solutions that meet third-party needs while ensuring

²⁸ CALSSA Opening Comments, p. 4; CEDMC, p. 3; Energy Solutions, p. 4; Energy Hub, p. 9.

²⁹ See D.25-06-048, pp. 80-81.

operational reliability and managing risk that will drive to an effective and balanced approach that supports innovation without compromising system performance.

In SCE's Load Management Standards (LMS) Compliant Dynamic Rates application (consolidated into proceeding A.24-12-008), SCE included a dual participation proposal that was informed by discussion with the CAISO. While this Rulemaking litigates DR dual participation issues, SCE recommends the Commission consider an interim solution which allows dual participation between dynamic rates and DR programs, with safeguards in place as proposed by SCE in A.24-12-008. An interim solution would avoid hindering the nascent state of dynamic rates, with participants made aware that future rule changes may be required. This interim process will allow the state to gain real world experience with the benefits of dual participation.

G. SCE Agrees with Parties Who Argue for Addressing Certain Dynamic Rates Systems, Processes and Data Issues in This Proceeding

In opening comments, CalCCA proposes that systems and processes required by the CEC's Load Management Standards (LMS), including the "Price Machine" and "Single Statewide Tool" (SST) should be addressed in this proceeding³⁰ and that "the Commission should consider adding a ratesetting track to consider funding for Commission and CEC required data systems for RTP and LMS."³¹ Relatedly, PG&E mentions that the scope should acknowledge cost categories related to systems and processes, notes that the cost of implementing these systems and processes can be substantial, and anticipates that actual budgets and cost recovery will take place in subsequent applications.³² SCE agrees with CalCCA's recommendation to discuss statewide multi-LSE systems and processes within this proceeding. However, SCE remains concerned that addressing IOU-specific systems and processes within this OIR, rather than within the IOUs' dynamic rate applications, could either delay a decision in the IOUs' applications for Dynamic Rates, or require subsequent implementation/funding applications from the IOUs, which would need to be approved before implementation of these new

³⁰ CalCCA Opening Comments, p. 8.

³¹ *Id.*, p. 18.

³² PG&E Opening Comments, p. A-12.

complex rates and supporting systems is to begin. Additionally, discussing IOU-specific systems and processes in one proceeding while considering the rates to be supported by those systems and processes in another proceeding may result in misalignment between the requirements of the rate design, and the approved systems and processes resulting in gaps where processes are absent or extraneous processes created without need.³³ That said, if the Commission finds it reasonable to consider IOU-specific systems and processes in this OIR, it should also provide a plan for funding those activities through a ratesetting track within this proceeding – this would enable an efficient path for timely implementation.

H. SCE Agrees that Communication Protocols Used for Dynamic Rates Should Follow Open Standards

In its opening comments, Olivine mentions that the lack of standardization creates barriers to DR deployment and notes the significant breadth of systems needed to support Dynamic Rates, including the implementation of price signals.³⁴ In SCE's dynamic rate pilot, SCE has already experienced specialization of Automation Service Providers (ASPs) which is a direct result of standards being used for load control. The result is that one ASP may be able to modify the loads of one manufacturer of electric vehicles, but not able to modify the loads of other types of equipment (HVAC, pumping, lighting) or even modify the loads of EVs from other manufacturers. SCE has already experienced impacts from closed standards for communication protocols of pricing signals, or device control, and is concerned that use of closed standards can at best increase the cost for implementation or ongoing load management and at worst result in an overly complex environment where there is little participation. SCE agrees with Olivine that communications protocols developed to support Dynamic Rates, including price signals which need to be communicated through various means, (API, SMS, Web, etc.) and consumed by energy management systems, devices, and customers directly, should follow open, non-

³³ See, e.g., SCE's September 5, 2025 Post-Prehearing Conference Statement in A.24-12-008, p. 4. The Proposed Track 2 Schedule for SCE's proposed dynamic rates includes a decision to be issued in Q1 2027 at earliest. Because the rate design approved in that proceeding should be known before all supporting systems and processes are determined in this OIR, the soonest this OIR could conclude that discussion is likely Q2 2027. Determining systems and processes any sooner risks results which include gaps or extraneous processes.

³⁴ Olivine Opening Comments, p. 6.

proprietary, standards so that customers, third parties, and devices themselves can freely receive and respond to price signals.

I. Only the Mid-term Real Time Pricing (RTP) Evaluation Should be Considered in This Proceeding

CalCCA recommends considering the results of the RTP pilot evaluations to provide insights to DR policies.³⁵ SCE agrees that the RTP evaluations will provide valuable insights to the discussion of systems and processes for Dynamic Rates if the scope of Dynamic Rates falls within this proceeding. However, SCE recommends that only the mid-term evaluation be considered, because waiting for the final evaluation in March 2028 may unnecessarily delay the discussion on systems and processes and therefore the implementation of dynamic rates.³⁶

J. General Customer Data Access Issues are not DR-Specific and are Being Addressed in Other Venues

In opening comments, multiple parties bring up the potential of expanding the scope of the proceeding to include general customer data access and accessibility issues. SCE supports processes that will increase data access process efficiency while ensuring customer privacy and informed consent to data sharing. However parties such as CEDMC,³⁷ VGIC,³⁸ Leap,³⁹ and Advanced Energy United⁴⁰ raise challenges they see and make arguments for process and policy changes that cut across likely all customer program and data-related proceedings, and are not specific to DR. CEDMC, for example, discusses the need for the standardized creation of data authorization processes at “technology industry standards”,⁴¹ and Leap, VGIC and Advanced Energy United argue for reforms to data access processes

³⁵ CalCCA Opening Comments, pp. 9-10.

³⁶ The mid-term and final evaluation reports are expected to be released on August 1, 2026 and March 1, 2028 respectively. *See* D.24-01-032, Conclusion of Law (COL) 37.

³⁷ CEDMC Opening Comments, pp. 4, 13-14, 17.

³⁸ VGIC Opening Comments, p. 5.

³⁹ Leap Opening Comments, pp. 5-6.

⁴⁰ Advanced Energy United Opening Comments, pp. 6, 16-18.

⁴¹ CEDMC Opening Comments, p. 13.

as they are a hindrance to customer enrollment in programs in general.⁴² While customer data efficiency, accuracy, privacy and related matters are relevant to DR they are also relevant to a host of other programs and proceedings outside of R.25-09-004. SCE recommends that cross-cutting issues related customer data access not be included in this Rulemaking's scope as they risk duplicative efforts and the creation of specialized rules that may not be well suited for this cross-cutting issue. SCE encourages the Commission and stakeholders to continue these efforts in R.22-11-013, including through the Data Working Group. Further, expanding the Rulemaking scope to include general customer data access issues would jeopardize the ability of the Commission to issue timely Decisions(s) on the other complex topics that will be included in scope.

K. The Commission Should Not Adopt Cal Advocates' Recommendation to Scope Rules and Standards for the Statewide Administration of DR Programs into this Proceeding

The Commission should *not* scope statewide administration rules and standards into this Rulemaking to meet the Commission's second and third DR guiding principles as advocated by Cal Advocates.⁴³ Contrary to Cal Advocates' assertion,⁴⁴ utilities' DR programs do not meet the definition of "statewide" using EE as the guidance or basis. The Commission defined statewide as "[a] program or subprogram that is designed to be delivered uniformly throughout the four large investor-owned utility service territories" and "[l]ocal or regional variations in incentive levels, measure eligibility, or program interface are not generally permissible" and "[s]ome, but not all, downstream (at the customer level) approaches are also appropriate for statewide administration" and "[s]tatewide programs are also designed to achieve market transformation."⁴⁵ DR "statewide" programs do not meet any of these criteria or requirements; while the name of the programs may be the same or similar, the program designs all differ between the three service territories.

⁴² Leap Opening Comments, p. 6.; VGIC Opening Comments, p. 5; Advanced Energy United Opening Comments, p. 6.

⁴³ Cal Advocates Opening Comments, p. 7.

⁴⁴ *Id.* (stating that the Commission "should use statewide EE guidance as the basis to establish the rules and standards to introduce the statewide administration of DR programs."). *See also* D.16-08-019, pp. 50-67.

⁴⁵ D.16-08-019, OP 5, pp. 109-110.

For example, the Capacity Bidding Program (CBP) or Capacity Bidding Elect Program (CBP-E) offered in SCE, PG&E and SDG&E's service territories are open to different types of customers; SCE and PG&E's programs allow enrollment of residential customers, whereas, SDG&E's is for non-residential customers only. Further, the Commission already determined that statewide administration of CBP is not appropriate. In D.23-12-005, Conclusion of Law (COL) paragraph 52 stated "[i]t is not reasonable to require statewide administration of the CBP."⁴⁶ Similarly, while SCE and PG&E each operate a Base Interruptible Program (BIP), these programs are administered differently and have different incentive levels; therefore, per D.16-08-019,⁴⁷ does not meet the definition of a statewide program.

Cal Advocates proposed statewide implementation of DR Emerging Markets & Technology (EM&T), DR Marketing, Education, and Outreach (ME&O) and other DR programs "that could also benefit from statewide administration, to pursue similar administrative and cost efficiencies as it did in EE."⁴⁸ First, SCE is unaware of evaluations that have affirmatively determined that statewide administration has led to increased benefits for EE Emerging Technology Program (ETP), EE ME&O, and other statewide EE programs, therefore, applying this EE statewide administration mechanism to DR is premature. In February 2026, EE Program Administrators will include a proposal of their statewide assessment process in their EE Business Plan applications.⁴⁹ That assessment could be informative of the efficacy of the EE statewide administration model.

Moreover, EE ETP differs from DR EM&T. According to the CPUC Emerging Technology Program (ETP) webpage, ETP "evaluates emerging and underutilized energy efficiency (EE) technologies for possible inclusion into the portfolio" and it is ETP's goal "to serve as a pipeline to deliver emerging technologies (ETs) to ratepayer-funded EE Programs to meet the state's energy reduction needs." DR EM&T facilitates the development and deployment of innovative and flexible demand response-enabling technologies, software, and system applications that encourage cost-effective

⁴⁶ D.23-12-005, COL 52.

⁴⁷ D.16-08-019, OP 5.

⁴⁸ D.23-12-005, COL 52.

⁴⁹ *Id.*, COL 7.

customer participation and sustainable performance in SCE's DR programs, incentives, and time-variant rates. In summary, EE measures evaluated by the EE ETP may eventually become EE measures that produce EE savings and could be eligible for EE rebates or incentives; whereas, DR EM&T researches and tests services and products, assesses advanced communications protocols, and evaluates DR-enabled end use systems in use with SCE's systems including SCE's Demand Response Automation System (DRAS), our transmission and distribution grid management systems, and other SCE-specific software and IT systems.

In addition, statewide DR ME&O is already administered by a single IOU per D. 21-03-056, D.21-12-015, and D.23-12-005, which directed SCE to contract with DDB San Francisco to perform the statewide Flex alert Paid Media campaign. Moreover, it is not appropriate to create a statewide administrator for DR program ME&O because this funding is for program-specific marketing, education and outreach activities, such as sending customized customer retention communications or targeted communications to enroll customers in certain DR programs. For instance, SCE will send information about its air-conditioner (A/C) cycling program (i.e., Summer Discount Plan Program or SDP) to high-usage customers with central A/C, as these customers would likely provide the highest benefits to SDP. For the reasons above, the Commission should not include Cal Advocates' recommendation to scope rules and standards for the statewide administration of DR programs into this Proceeding.

III.

CONCLUSION

SCE appreciates the opportunity to submit these reply comments and looks forward to working with the Commission, the CAISO, the CEC, and all stakeholders to enhance demand response in California.

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