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12/01/25

04:59 PM

R2509004

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

Order Instituting Rulemaking to Enhance  
Demand Response in California.

Rulemaking 25-09-004  
(Filed September 29, 2025)

**SUBMISSION OF REPLY COMMENTS OF PACIFIC GAS  
AND ELECTRIC COMPANY**

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Dated: December 1, 2025

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**SUBMISSION OF REPLY COMMENTS OF PACIFIC GAS AND ELECTRIC  
COMPANY (U 39 E) TO THE ORDER INSTITUTING RULEMAKING  
TO ENHANCE DEMAND RESPONSE IN CALIFORNIA**

Pursuant to the Order Instituting Rulemaking to Enhance Demand Response in California (the “EDROIR”) issued on September 29, 2025, Pacific Gas and Electric Company (“PG&E”) submits its reply comments to the opening comments filed by other parties in the OIR. PG&E’s reply comments accompany this pleading as Attachment A.

Respectfully Submitted,

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# **ATTACHMENT A**

**BEFORE THE PUBLIC UTILITIES COMMISSION  
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*Order Instituting Rulemaking to Enhance  
Demand Response in California.*

Rulemaking 25-09-004  
(Filed September 29, 2025)

**REPLY COMMENTS OF PACIFIC GAS AND ELECTRIC  
COMPANY**

**I. INTRODUCTION**

Pursuant to the directions in Rulemaking (R.) 25-09-004 (EDROIR), Pacific Gas and Electric Company (PG&E) submits its reply comments to the opening comments filed on November 13, 2025, by other interested parties. PG&E's reply comments focus on issues and positions in other parties' opening comments that are of greatest interest to PG&E as well as several issues PG&E supports adding to the scope of this proceeding.

Due to the volume and variety of the issues and proposals raised in the parties' opening comments and the limited time to prepare reply comments, PG&E's reply comments do not address all of the issues in the parties' opening comments. Silence on a particular matter does not necessarily mean that PG&E agrees. PG&E reserves the right to comment on topics in this rulemaking at the appropriate time in the future.

**II. ISSUES THAT SHOULD BE EXCLUDED FROM THE SCOPE OF THIS PROCEEDING**

**A. Statewide Demand Response (DR) Program Administration Should Be Excluded from the Scope**

Cal Advocates' proposal to establish rules and standards for statewide administration of DR programs should be out of scope.<sup>1</sup> It erroneously equates the operations and potential benefits of statewide Energy Efficiency (EE) with DR programs. For example, EE pricing is not

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<sup>1</sup> Cal Advocates Opening Comments, p. 7.

subject to dynamic market fluctuation, EE is not weather dependent,<sup>2</sup> and EE programs do not operate through tariffs, which are appropriately managed only through their respective utilities. DR is sufficiently distinct from EE such that the statewide EE model cannot be applied to DR.

The Commission denied Cal Advocates' similar request lodged in the 2024-2027 DR application, where it requested statewide administration of the IOU Capacity Bidding Programs (CBP). The Commission found no evidence that restructuring IOU programs would lead to more cost-effective administration.<sup>3</sup>

Further, a 2019 review of statewide EE programs in other states showed *higher* – not lower – average program costs for statewide programs than utility-specific programs, specifically noting:

[S]tates that have statewide programs have **higher average program administrative costs** for their portfolios than states that offer only utility-specific offerings, which is the opposite of the CPUC's expectation that statewide programs should be 'realizing administrative efficiencies through the statewide administration framework.' The key takeaway is that administration type (i.e., statewide or utility-only) is not the most important driver of cost effectiveness and overall impact.<sup>4</sup>

No evidence exists to conclude statewide EE – or DR – programs are inherently more cost effective than utility-specific programs. This result, and the reality that DR is not EE, are reasons to not include this issue in scope.

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<sup>2</sup> Decision (D.)16-08-019, pp. 109-110, Ordering Paragraph (OP) 5, includes a definition of “statewide” programs and notes that “measures that are weather dependent” do not meet the definition of “statewide” programs.

<sup>3</sup> D.23-12-005, p. 76.

<sup>4</sup> Evergreen Economics, *Bottom-Up Statewide Energy Efficiency Program Composition Review*, (June 3, 2019), p. 8, (emphasis added), available at: [https://www.calmac.org/publications/Portfolio\\_Review\\_Report\\_-\\_Final\\_060319ES.pdf#:~:text=for%20statewide%20implementation%20The%20study%20research%20methods,energy%20network%20\(REN\)%20program%20managers%2C%20out%2Dof%2Dstate%20program](https://www.calmac.org/publications/Portfolio_Review_Report_-_Final_060319ES.pdf#:~:text=for%20statewide%20implementation%20The%20study%20research%20methods,energy%20network%20(REN)%20program%20managers%2C%20out%2Dof%2Dstate%20program) (accessed Nov. 24, 2025).

**B. Revisiting the Rate Design Elements of CalFUSE Should Not be in Scope for this OIR**

The California Community Choice Association (CalCCA) requests that a reconsideration of the Commission’s CalFUSE Policy Roadmap be included in this proceeding.<sup>5</sup> While PG&E agrees that “Element 1” of the CalFUSE policy roadmap, “standardize price access,” could be in scope in the this proceeding, Elements 2-6 (real time energy prices, real time capacity prices, bi-directional prices, subscriptions, and transactive pricing) are rate design issues that have already been litigated through the Demand Flexibility OIR (DFOIR) Track B Final Decision (D.25-08-049). That Decision provided guidance for real-time pricing (RTP) rate design and confirmed that RTP rate design will continue to be addressed in each IOU’s RTP applications.<sup>6</sup> It would be confusing and counterproductive to have RTP rate design issues litigated in both the investor-owned utility (IOU) RTP applications and the EDROIR, especially given that they are concurrent proceedings. Moreover, the Preliminary Scoping Memo in this proceeding specifically states that the Commission “will not address the rate design aspects of the dynamic rates being used by these systems and processes.”<sup>7</sup> For purposes of this OIR, the systems and processes that have been identified in PG&E’s 2023 General Rate Case (GRC) Phase II RTP Supplemental Testimony for current RTP design could be in scope, but RTP rate design should not.<sup>8</sup>

**C. Learnings from RTP Pilot Evaluations Should be Leveraged to Inform RTP Systems and Processes in this Rulemaking, but Not Rate Design**

CalCCA states that “this proceeding should include in scope an examination of both the mid-term and final evaluation results from the dynamic, RTP rate pilots.”<sup>9</sup> CalCCA bases its

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<sup>5</sup> CalCCA Opening Comments, pp. 9-10.

<sup>6</sup> *Decision Adopting Guidelines for Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company on Demand Flexibility Rate Design Proposals*. D.25-08-049, p. 146, OP 1-3.

<sup>7</sup> R.25-09-004, p. 8.

<sup>8</sup> PG&E Opening Comments, pp. A-11 to A-12 and Appendix.

<sup>9</sup> CalCCA Opening Comments, p.10.

request on the possibility that learnings from the pilots will impact the needed systems and processes to support RTP. PG&E welcomes any learnings from the RTP pilots that are relevant and developed in time to inform assessment of the appropriate systems and processes to support RTP, a topic that should be within scope of the EDROIR. However, PG&E stresses that learnings based on the RTP pilot evaluations relevant to informing RTP *rate design* should not be in scope of the EDROIR. Rather, these learnings should be addressed in each IOU's RTP rate application ordered by D.25-08-049.<sup>10</sup> The rate design application proceedings are the appropriate venue to identify rate design changes informed by the RTP pilot evaluations. As stated in the preceding section, it would be confusing and counterproductive to have RTP rate design litigated in two proceedings, the IOU RTP applications and the EDROIR, especially given that they are concurrent proceedings for PG&E.<sup>11</sup>

**D. Guiding Principles Should Not Include a Preference for Third-Party DR Providers**

Advanced Energy United (AEU), California Efficiency + Demand Management Council (the Council), CPower Energy LLC (CPower), The Utility Reform Network (TURN), and Voltus, Inc. (Voltus) recommend the CPUC retain this principle from D.16-09-056, "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 through performance-based contracts at competitively determined prices, and dispatched pursuant to wholesale or distribution market instructions, superseded only for emergency grid conditions."<sup>12</sup>

Elements of this principle are important, including customer ability to engage with the provider of their choice, and maintaining a competitive and technology-neutral playing field for providers. However, maintaining these elements does not need to favor third party providers.

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<sup>10</sup> D.25-08-049, p. 146, OP 1-3.

<sup>11</sup> PG&E has submitted its RTP rate design testimony in A.24-09-014.

<sup>12</sup> CPower Opening Comments, p. 6. TURN Opening Comments, p. 1. Voltus Opening Comments, p. 6.

The utilities play an important role in supporting and administering DR programs to manage reliable programs at scale and to provide appropriate incentives to their retail customers to achieve load flexibility targets. In addition, utilities are uniquely positioned to enable the close coordination and visibility into load management needed to enable grid services beyond generation grid needs, including load flexibility to support the distribution and transmission system. EnergyHub’s opening comments recognize the important role the utilities provide.<sup>13</sup> PG&E also sees its involvement in DR as crucial for these reasons and does not support having an explicit preference for services provided by third-parties or contracts.

**E. Guiding Principles Should Not Include Data Access as Proposed by AEU**

AEU proposes to include the following guiding principle: “Data access. Customers own their energy use and program participation data and have the right to efficiently provide access to their data to third parties. Utilities shall provide cost-effective access to accurate data necessary to support demand response and load flexibility.”<sup>14</sup> While customers have a right to access and use data about themselves, they do not own the data created by or stored in PG&E’s systems. The IOUs hold the customer data for provision of utility services and subject to Commission direction regarding access and use by others. Moreover, the Commission has established methods for the customers to authorize third party access to their data and may consider ways to improve that access in the DER Customer Programs OIR (R.22-11-013), Track 2.<sup>15</sup> AEU’s proposed principle for access to customer data is neither necessary nor appropriate for scope in this proceeding.

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<sup>13</sup> EnergyHub Opening Comments, p. 2.

<sup>14</sup> AEU Opening Comments, p. 8.

<sup>15</sup> In addition, other load serving entities (LSEs), such as CCAs, also hold their data on their specific customers for use in the provision of their utility energy procurement services. Access by third parties to the CCA’s customer specific data would be subject to oversight by the CCA regulating body.



**F. Development of Submetering Specifications including Accuracy Standards Should Not be in Scope of This Rulemaking**

Several parties discussed DER submetering, mainly emphasizing developing accuracy standards. The Council states, “This proceeding should also adopt meter accuracy standards for enabling technologies, especially thermal and electric energy storage, and smart thermostats.”<sup>16</sup> Similarly, Cohen Ventures said, the “proceeding should consider requirements for data quality and accuracy that would allow device data to be used in this manner.”<sup>17</sup> Tesla questions whether revenue quality meter data accuracy is needed, stating that, “[Tesla] does not believe requiring revenue grade accuracy is necessary at the level of the individual device, recognizing that for purposes of participation in Resource Adequacy programs, we would not expect individual systems to receive Resource Adequacy credit, rather we would expect large aggregations of these systems, consisting of tens of thousands of individual sites, delivering capacity.”

PG&E disagrees that this OIR is the forum to discuss and develop standards requirements for what qualifies as an eligible submeter for behind the meter DERs, or related accuracy standards either for a device or an aggregation of devices. Instead, PG&E proposes that the Commission identify or commence proceedings that would address submetering standards for all behind the meter DERs and appliances like the EV submetering protocols in D.22-08-024.<sup>18</sup>

In contrast, the use of submeters themselves will be a critical discussion topic when assessing the potential to enable dual participation and device-specific enrollments in DR or load management programs. This specific issue belongs in scope for this Rulemaking, as part of dual participation.

**G. Systems and Processes that Should Not be in Scope**

PG&E believes that the scope of systems and processes in this proceeding should be limited to dynamic rates, dual participation, and behind-the-meter device-level enrollment. All

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<sup>16</sup> The Council Opening Comments, p. 4.

<sup>17</sup> Cohen Ventures Opening Comments, p. 4.

<sup>18</sup> D.22-08-024, pp. 10-15.

issues raised in opening comments about systems and processes *outside* of these three specific areas should remain in scope for the DER Customer Programs OIR (R. 22-11-013) Track 2 Data Working Group,<sup>19</sup> and should not be included in this rulemaking.

For example, AEU’s ideas about a statewide data access platform<sup>20</sup> should be out of scope, except for the specific scope of what is needed for dynamic rates that was referred to in this rulemaking.<sup>21</sup> Thus, the CEC Single Statewide Tool, as discussed in the LSEs’ October 1, 2024 report to the CEC would be in scope since it is for dynamic rates.

System and processes are complex topics, where technical details can “make or break” a given approach. They need deep and thoughtful evaluation in a dedicated proceeding and should remain in R.22-11-013. Adding or moving the overall topic of systems and processes into this proceeding in addition to addressing this issue in R.22-11-013 would duplicate efforts, add complexity, and potentially result in conflicting Commission guidance.

The question of the quality and timing for data delivery through systems should be out of scope for this proceeding, as it is more appropriately addressed in R.22-11-013, Track 2. While Leapfrog Power, Inc.’s (Leap) has complained about data issues in the past,<sup>22</sup> it has not provided PG&E specific information that would allow for a detailed analysis of those claims.<sup>23</sup> Similar to broader considerations around systems and processes, matters related to the quality and timing of

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<sup>19</sup> The working group has already met to discuss a wide range of data access issues, including discussions of centralized data access platforms, data latency, uptime, and customer authentication and authorization processes. See <<https://www.laregionalcollaborative.com/data-working-group/#schedule>> for the working group meetings by topic (accessed Nov. 21, 2025). PG&E anticipates that these issues will continue to be addressed in that proceeding and that it is not practical to utilize the Commission’s resources to scope in the same topics in multiple proceedings.

<sup>20</sup> AEU Opening Comments, pp. 15-17.

<sup>21</sup> D.25-08-049, p. 13.

<sup>22</sup> Leap Opening Comments, pp. 6-7.

<sup>23</sup> Third parties can submit data issue forms in accordance with D.19-12-040, pp. 104-105, OP 26 to enable the utility to identify and troubleshoot data access problems.

data should be addressed in the DER Customer Programs OIR (R.22-11-013), Track 2,<sup>24</sup> rather than in this OIR.

**H. EnergyHub’s Proposal of Making the Utility the Administrator and Operator of Third Party DR Programs to Avoid Data Sharing Should be Out of Scope**

EnergyHub suggests “that there are proven ways to scale both demand-side and supply-side programs without requiring data sharing at all by allowing utilities to take on responsibility for validating customer eligibility, matching them with active SAs, submitting meter data to the CAISO and/or calculating performance based on device-level telemetry, and disbursing settlement payments to either the customer or their third-party aggregator.”<sup>25</sup>

The work in EnergyHub’s proposal are examples of administration, operation, and CAISO bidding, scheduling and settlement involved in market-integrated DR programs. PG&E performs these services for its own programs (i.e., CBP), because PG&E is responsible for them as the program administrator, DR provider, and scheduling coordinator in the CAISO. However, PG&E strongly disagrees that the utilities be required to provide these services for non-utility programs such as those sponsored by third-party DR providers and CCAs. Non-utility programs are the responsibility of the third-party or CCA, who need to handle their own administration, operation, and CAISO bidding of their programs by their scheduling coordinator. There is no basis for turning PG&E into the administrator, operator, and scheduling coordinator for non-PG&E programs. Hence, the EnergyHub proposal should be out of scope.

**I. Leap’s Request that a Stand-Alone Issue on Customer Authorization be Added to Scope Should Not be Adopted**

Leap’s opening comments mention a streamlined enrollment and data access process for the Automated Response Technology (ART) program with a single click, which Leap claims

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<sup>24</sup> Timing for data provision will need to be consistent with the Validation, Estimating and Editing (VEE) process necessary to turn initial interval data into billing quality data. Initial data is provided as quickly as available, but it is subject to revision as a result of VEE. The VEE process is outside the OIR.

<sup>25</sup> EnergyHub Opening Comments, p. 5.

could avoid the ShareMyData Process. Leap proposes that this process become a stand-alone authorization issue for this proceeding under the general topic of data transfer.<sup>26</sup> PG&E understands the important role these processes have in the customer experience and supports streamlining enrollment and data sharing processes, while adhering to data privacy policies that protect customer data from unauthorized use, misuse, and disclosure, ensuring compliance with CPUC rules, the California Consumer Privacy Act (CCPA), and other applicable regulations. PG&E's comments clarify Leap's comparison between ShareMyData and ART, and recommend that the Commission not adopt this as a separate scoping topic.

Although ART does allow enrollment of a service agreement, subject to PG&E's eligibility determination,<sup>27</sup> Leap's assertions are incorrect because the ART enrollment process itself does not provide access to customer meter usage data or other data to the extent that can be shared in ShareMyData. To obtain customer usage data, the provider in PG&E's ART program must use ShareMyData with its authentication and authorization processes. In addition, ART providers are required to complete cyber security and privacy assessments and agree to PG&E's data privacy policies in the ART provider agreement.

PG&E recommends that the Commission address this issue in the DER Customer Programs OIR (R.22-11-013) Track 2 Data Working Group to establish the procedural framework pertaining to data authorization, sharing, and access, and avoid duplication of these issues in this proceeding.

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<sup>26</sup> Leap Opening Comments, pp. 5-6. Another data transfer issue raised by Leap involves the timeliness and quality of data provided to it through the utility systems, which PG&E addresses in section II. G., above.

<sup>27</sup> Leap Opening Comments, pp. 4-5.

**J. Service Level Agreements (SLA) Should be Out of Scope for this Rulemaking**

Renew Home references Service Level Agreements (SLAs) on data access platforms for data timeliness and uptime to support customer participation and administrative efforts.<sup>28</sup> PG&E disagrees with Renew Home. An SLA is a contract between the individual third party and the utility to govern the service arrangements containing performance terms and conditions, which a third party potentially might seek to enforce as a matter of contract. PG&E maintains that SLAs for utility provided platforms are inappropriate for a regulated California energy utility.

The Commission exercises comprehensive oversight over the utility click-through process for customer data access by third parties and already has sufficient remedies available to review utility performance and to address utility noncompliance with Commission requirements. The SLA model used by top-tier cloud-based IT businesses like Amazon and Microsoft are for private commercial services for a fee. The notion that a utility's regulated service provided as part of its utility responsibilities could be changed into a private IT service approach does not reflect reality. PG&E exists and operates in a Commission-regulated environment in which private cloud-based corporations do not operate. This environment provides for comprehensive oversight of utility provided activities and services, and balances the costs involved with the level of performance possible. A private contractual measure like an SLA with performance guarantees is unwarranted and unnecessary. Instead, the Commission could adopt performance metrics based on the utilities' required steps, the costs to the utilities and customers, third-party needs, and applicable laws and regulations, and after establishing an evidentiary record.<sup>29</sup> Commission penalties and remedies for utility noncompliance are sufficient for a Commission-approved and ratepayer-funded service.

Moreover, improvements to the data delivery systems are dependent on Commission action. PG&E received Commission authorization to enhance its ShareMyData IT systems

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<sup>28</sup> Renew Home Opening Comments, p. 6.

<sup>29</sup> As an example, accuracy standards for electric meters are reflected in Electric Rule 17.

recently, including migrating ShareMyData from on-premise to cloud-based that are expected to improve performance and uptime.<sup>30</sup> The initial phase is expected to be delivered in third quarter of 2026.

**K. Updating the DR Load Impact Protocols (LIP) Should be Outside the Scope of this OIR**

Two parties propose updating the LIP. The California Energy Storage Alliance (CESA) proposes updating the LIP so that they are able to assess behind-the-meter storage resources, including systems capable of exporting to the grid.<sup>31</sup> Similarly, Tesla recommends reviewing the current LIP to ensure that the methodology does not create undue barriers or impose unnecessary requirements to recognizing the full incremental capacity of exports from behind the meter resources.<sup>32</sup> PG&E disagrees with these proposals, which are based on a misunderstanding of the LIP.

The requirements of the LIP are focused on the output needed to report in load impact studies and the issues to consider when selecting an evaluation method.<sup>33</sup> The LIP does not prescribe a specific evaluation method, but rather, allows the evaluator to select an evaluation approach that is both feasible and suitable to the particular type of DR activity.<sup>34</sup> There are twenty-seven protocols in the LIP, none of which prohibit counting exports of behind the meter resources. What limits the counting of exports today is the Commission's rule, which has not qualified DR exports for Resource Adequacy (RA).<sup>35</sup> In other words, the limitation does not come from the technical LIP calculation, but rather from how RA treats the results.

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<sup>30</sup> D.23-09-006.

<sup>31</sup> CESA Opening Comments, p. 3.

<sup>32</sup> Tesla Opening Comments, p. 6.

<sup>33</sup> D.08-04-050, p. 6.

<sup>34</sup> *Id.* p. 7.

<sup>35</sup> D.20-06-031, p. 32.

That said, PG&E agrees that the RA counting rules should be revised to allow the total impacts of behind-the-meter resources in DR to qualify for RA. PG&E requests the Commission to address DR export in the RA OIR,<sup>36</sup> not this OIR, since RA counting rules are within the scope of that proceeding.

**L. Modifications to the Avoided Cost Calculator (ACC) are Outside of the Scope of this Proceeding**

The Joint Regional Energy Networks (the Joint RENs), make several recommendations to modify the Avoided Cost Calculator (ACC).<sup>37</sup> However, as the Joint RENs acknowledge, the ACC is already being addressed in R.22-11-013, which has a robust framework established for considering updates or modifications to the ACC.<sup>38</sup> For instance, the Commission just voted out D.25-11-004 on the subject of updating the ACC. Therefore, modifications to the ACC are outside of the scope of this proceeding and should not be considered here.

**M. The Commission Should Decline to Adopt Changes to the Cost-Effectiveness Principle Proposed by Parties**

Several parties question the proposed updated guiding principle that DR resources should demonstrate clear value by delivering “measurable system and ratepayer benefits.”<sup>39</sup> Leap argues that focusing on measurability is “overly prescriptive and ignores larger guiding principles that California implicitly adopted when it moved to a competitive wholesale market.”<sup>40</sup> On the contrary, delivering measurable benefits is of paramount importance. As

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<sup>36</sup> R.25-10-003, Order Instituting Rulemaking to Oversee the Resource Adequacy Program, Consider Program Reforms and Refinements, and Establish Forward Resource Adequacy Procurement Obligations (issued Oct. 15, 2025).

<sup>37</sup> Joint RENs Opening Comments, pp. 5-6.

<sup>38</sup> Joint RENs Opening Comments, p. 6.

<sup>39</sup> AEU Opening Comments, p. 7; Joint Rens Opening Comments, p. 5; Leap Opening Comments, p. 13; the Council Opening Comments, p. 17; Renew Home Opening Comments, p. 3.

<sup>40</sup> Leap Opening Comments, p. 13.

PG&E noted in opening comments, it is very important that DR resources are affordable and result in lower rates for all customers. Measurability is necessary to calculate DR resource impact. Therefore, Leap’s modification to the principle should not be adopted or scoped into this proceeding.

AEU recommends changes to the cost-effectiveness principle that removes language about “measurable system and ratepayer benefits.”<sup>41</sup> AEU contends that this language introduces a new cost-effectiveness standard. This assertion is inaccurate. Cost-effectiveness protocols already measure these benefits – and should continue to do so. AEU’s revised language also appears to provide openings to subjective assessment of a DR resource’s value. Adopting language that allows for this would be a mistake. As mentioned above, it is essential that DR resources are affordable and reduce rates for all customers – and an objective assessment of a DR resource’s value is an essential step for ensuring this is the case. Therefore, the Commission should exclude AEU’s recommended changes from scope.

### **III. PG&E SUPPORTS THE FOLLOWING COMMENTS FROM OTHER PARTIES**

#### **A. A Separate Rate-Setting Track for Assessing any LMS-Related Statewide Systems and Processes is Appropriate and Should be in Scope**

PG&E supports CalCCA’s recommendation that a separate rate-setting track be established in the EDROIR to address funding for any statewide systems and processes related to the California Energy Commission’s Load Management Standards (LMS).<sup>42</sup> On May 24, 2024, the Joint IOUs submitted a motion<sup>43</sup> in the Demand Flexibility OIR (R. 22-07-005) to recover costs associated with implementing the CEC’s LMS requirements related to systems and

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<sup>41</sup> AEU Opening Comments, pp. 7-8.

<sup>42</sup> CalCCA Opening Comments, p. 18.

<sup>43</sup> R.22-07-005, Joint Motion of Southern California Edison Company (U 338-E), Pacific Gas and Electric Company (U-39), and San Diego Gas & Electric Company (U-902-E) for Order Authorizing Memorandum Accounts to Track Incremental Costs Incurred to Comply with California Energy Commission Load Management Standards, (May 24, 2024).



processes to support RTP rates (the CEC’s MIDAS platform and using Rate Identification Numbers, and any yet to be determined costs associated with the Statewide Tool).<sup>44</sup> That motion and more broadly cost recovery for systems and processes to support RTP were not addressed in the DFOIR. These costs should be addressed in the EDROIR in a separate rate setting track given that, as stated in the Preliminary Scoping Memo, the EDROIR “...will address the implementation of dynamic rates by developing the appropriate systems and processes.”<sup>45</sup>

**B. Including Device-Level Enrollment in Scope is Aligned with PG&E’s Opening Comments**

Several parties commented on exploring device-level enrollment and whether it should be in scope. The Council states that “there has been a growing trend whereby technology providers also act as DR providers for their customers but prefer to avoid working with the other enabling technologies that their customers may have. This has the effect of ‘stranding’ some enabling technologies because DR participants may be prohibited from enrolling with multiple DR providers.”<sup>46</sup> In addition, Cohen Ventures stated “Some demand response programs are technology specific, and limitations of the current dual participation policy may prevent customers from participating in demand response with more than one technology.”<sup>47</sup> PG&E agrees that this topic should be in scope. As the proliferation of connected smart home devices and DER technologies reaches saturation point, revised dual participation rules that permit device-level enrollments could increase per-customer DR potential, and make DR programs more cost-effective, by allowing customers with multiple technology resources to participate in different DR programs.

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<sup>44</sup> CCR Title 20 § 1623(b) covers the MIDAS and RIN requirements; CCR Title 20 § 1623(c) covers the Statewide Tool guidance.

<sup>45</sup> R.25-09-004, Order Instituting Rulemaking to Enhance Demand Response in California, (issued Sept. 29, 2025), p. 8.

<sup>46</sup> The Council Opening Comments, p. 3.

<sup>47</sup> Cohen Ventures Opening Comments, p. 4.

While PG&E agrees that this topic should be in scope, it believes that CEDMC's recommendation that the Commission establish a framework permitting customers with multiple smart technologies to participate in separate DR programs or providers whenever load curtailment is feasible, is currently premature and necessitates additional dialogue after the determination on scope for device enrollment.

### **C. Systems and Processes that Should be in Scope of This Proceeding**

Ava mentions that the following should be in scope: "Consider sharing of investor-owned utility ('IOU') distributed energy resource management system ('DERMS') signals to enable community choice aggregator ('CCA') and third-party distributed energy resource ('DER') providers to respond to distribution grid conditions and pricing signals."<sup>48</sup>

PG&E agrees with Ava that this topic should be in scope. In order to maximize the operational impact of a DER resource a distribution operator needs to (a) be aware of the resource and its operational characteristics, and know its availability including amount of dispatchable load; (b) be aware of the resource's current and known future dispatch orders, including the load dispatched, expected actual delivery, and remaining dispatchable load if any; and (c) be able to schedule a dispatch. For these reasons, PG&E believes the scope needs to be expanded beyond Ava's recommendation, to also include mutual data exchanges between a DERMS, CCAs and third-party providers, because mutual data exchanges will be necessary to operationalize third-party DERs.

## **IV. ISSUES PG&E PROPOSED THAT HAVE BROAD PARTY SUPPORT**

A significant number of parties agree that issues also proposed in PG&E's opening comments should be in scope for this Rulemaking. The specific issues upon which various parties agree will be set forth in the Joint Party Statement subject to a meet and confer

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<sup>48</sup> Ava Opening Comments, p. 3.

conference, December 9, 2025.<sup>49</sup> PG&E's general understanding of the issues with broad agreement include:

- Many parties submitted comments proposing to broaden the scope of the rulemaking by addressing integrating DR with other load management strategies.<sup>50</sup>
- Parties agree with improving DR frameworks, valuation methodologies, and enhanced coordination, including modernizing the load modifying and supply side bifurcation policy, partnering with CCAs on T&D grid services, and unlocking demand flexibility from multiple devices behind the meter.<sup>51</sup>
- There is strong support for revisiting dual participation policies, including enrollment tracking systems and processes.<sup>52</sup>
- Several parties propose to address the role of dynamic rates within the broader DR and load management solution portfolio, including evaluating their efficacy compared to DR programs.<sup>53</sup>

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<sup>49</sup> Administrative Law Judge's Ruling Setting Pre-Hearing Conference Requiring a Joint Pre-Hearing Conference Statement and Requesting Post Pre-Hearing Conference Statements (Nov. 21, 2025).

<sup>50</sup> AEU Opening Comments, pp. 9-15; Ava Opening Comments, p. 7; Cal Advocates Opening Comments, pp. 2-7; CalCCA Opening Comments, pp. 6-11; CESA Opening Comments, p. 4; Joint RENs Opening Comments, pp. 3-4; Leap Opening Comments, pp. 3-9; SCE Opening Comments, pp. 16-18, 21-22; Tesla Opening Comments, pp. 8-10; the Council Opening Comments, pp. 14-19.

<sup>51</sup> AEU Opening Comments, pp. 11-12; Ava Opening Comments, pp. 3-5; SCE Opening Comments, pp. 17-20; SDG&E Opening Comments, pp. 6-12; the Council Opening Comments, pp. 2-3; VGIC Opening Comments, pp. 4-6; Voltus Opening Comments, pp. 4-6.

<sup>52</sup> Ava Opening Comments, p. 3; Cohen Ventures Opening Comments, pp. 4-5; Enchanted Rock Opening Comments, pp. 6-7; Leap Opening Comments, p. 12; Olivine Opening Comments, pp. 5-7; Renew Home Opening Comments, pp. 4-6; SCE Opening Comments, pp. 13-14; SDG&E Opening Comments, p. 4, p. 11; the Council Opening Comments, pp. 2-3.

<sup>53</sup> AEU Opening Comments, pp. 3-4; CalCCA Opening Comments, pp. 4-5; CLECA Opening Comments, p. 6; SCE Opening Comments, pp. 16-18; the Council Opening Comments, pp. 5-6.

- Several parties discussed fuel-switching and creating a pathway in the prohibited resources policy to allow for renewable natural gas and other low-emission renewable fuels.<sup>54</sup> PG&E recommends that this topic be expanded to include a review of the prohibited resources policy in general, consistent with PG&E's opening comments.<sup>55</sup>
- SCE supports and cites Commission precedent about bridge year funding that is needed to allow time for the most impactful policy issues to be addressed and incorporated into the next DR application cycle.<sup>56</sup>

## V. CONCLUSION

PG&E's supports the inclusion in this proceeding of issues that would lead to improvements in DR and load management in California. PG&E opposes including issues that belong in another proceeding, are being addressed in other proceedings, or that are not reasonably calculated to move load management forward in a productive manner. PG&E's perspective as a utility responsible for developing, funding, administering, operating and supporting load management requires it to weigh the pros and cons for all issues on their merits for customers and all other stakeholders. PG&E requests the Commission to include in scope the topics supported in PG&E's opening and reply comments as it establishes the scope of this rulemaking.

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<sup>54</sup> Coalition for Renewable Natural Gas Opening Comments (RNG Coalition), pp. 3-4; Enchanted Rock Opening Comments, pp. 6-7; U.S. Ventures, Inc. (U.S. Venture) Opening Comments, pp. 2-3.

<sup>55</sup> PG&E Opening Comments, pp. A-15 to A-16.

<sup>56</sup> SCE Opening Comments, pp. 14-15; SDG&E Opening Comments, pp. 9-10.