



**BEFORE THE PUBLIC UTILITIES COMMISSION**

**OF THE**

**STATE OF CALIFORNIA**

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**Order Instituting Rulemaking to Enhance  
Demand Response in California.**

**Rulemaking 25-09-004**

**(Filed September 18, 2025)**

**OLIVINE, INC. REPLY COMMENTS ON OPENING COMMENTS  
ON ORDER INSTITUTING RULEMAKING  
TO ENHANCE DEMAND RESPONSE IN CALIFORNIA**

Elizabeth Reid  
Chief Executive Officer  
Olivine, Inc.  
2120 University Avenue  
Berkeley, CA 94704  
888.717.3331 office  
E-mail: breid@olivineinc.com

Nora Sheriff  
Buchalter, A Professional Corporation  
425 Market Street, 29th Floor  
San Francisco, CA 94105-2491  
415.227.3551 office  
nsheriff@buchalter.com

Counsel for Olivine, Inc.

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Olivine, Inc. (Olivine) submits these reply comments on the *Order Instituting Rulemaking To Enhance Demand Response In California* (OIR) issued on September 29, 2025.

**I. INTRODUCTION**

Olivine submits these Reply Comments on Opening Comments on the Order Instituting Rulemaking to Enhance Demand Response in California (R.25-09-004) issued on September 29, 2025. These Reply Comments build on Olivine’s Opening Comments, and respond to themes raised by other parties and by Energy Division’s Staff Proposal on Guiding Principles for Demand Response. We appreciate the opportunity to participate in this effort and look forward to being a party in this proceeding.

**Company overview and business structure**

Olivine is a California-based provider of demand response (“DR”), virtual power plant (“VPP”), and distributed energy resource (“DER”) enablement services. Our work spans two distinct but complementary lines of business:

- A VPP / DR aggregation business that contracts with customer-sited resources and flexible loads; and

- A utility and public-agency services business that provides program implementation and administration services, as well as market operations support.

In California, Olivine has supported DR and load flexibility initiatives for 15 years, including implementation and integration support for multiple Commission- and CEC-jurisdictional programs, as well as CAISO market participation for demand-side resources.

### **Track record and experience in current programs**

Olivine occupies a unique position in the California DR ecosystem: we have real-time visibility into the practical challenges facing aggregators as well as into the requirements and constraints of utilities, state agencies, and the CAISO. This vantage point informs our comments, although our internal governance maintains a strict separation between our business units.

### **Purpose of these Reply Comments**

The purpose of these Reply Comments is to identify areas of agreement, flag points of concern or partial disagreement, and offer suggestions that would benefit this process overall.

## **II. COMMENTS**

### **A. Areas of Agreement.**

Olivine supports many of the themes that recur across parties' Opening Comments:

#### **DR / VPPs are essential for RA and reliability**

Parties across the spectrum—including IOUs, CAISO, CCAs, consumer advocates, and third-party providers—recognize that demand-side flexibility is necessary to meet the State's electrification, reliability, and affordability objectives. DR and VPPs are uniquely positioned to provide fast responding and upgrade-deferring capacity without long lead times.

### **Policies must evolve beyond legacy event-based DR**

Olivine agrees that California's DR framework must move beyond traditional event-only, summer-peaking constructs towards more multi-hour and multi-season use cases, and should integrate with dynamic rates and price-based load flexibility, an increased utilization of aggregations of behind-the-meter (BTM) storage, vehicle-to-grid, and controllable loads.

### **Addressing dual participation should be within the scope of this proceeding**

Multiple parties call out the need to revisit dual participation rules, which today create substantial friction and unnecessary exclusions—especially for multi-asset participation and DER portfolios that could provide multiple distinct services. Olivine agrees that this proceeding is the appropriate venue to modernize these rules, supported by robust telemetry and M&V.

### **Proceeding coordination is important**

Parties consistently emphasize the need to coordinate this OIR with RA reforms, dynamic rate implementation, distributed energy resource (DER) cost-effectiveness, transportation electrification, and CAISO's DDEMI initiative. Olivine strongly supports this view.

### **Limiting reliance on back-up generators ("BUGs")**

Several parties, as well as Energy Division's Staff Proposal, highlight the need to ensure DR contributes to clean energy and air quality goals, rather than increasing dependence on fossil back-up generation. Olivine agrees that DR should primarily mobilize load flexibility and clean DERs, with any remaining BUG participation limited, transparent, and subject to clear environmental bounds.

### **Recognition of the capabilities of exporting DERs and aggregated portfolios**

Multiple parties suggest that the Commission should adopt a more expansive, forward-looking view of demand response that fully incorporates exporting capabilities of BTM storage and other DER resources, rather than limiting DR to meter level load reduction alone.

#### **B. Points of Concern or Partial Disagreement.**

##### **Risk of overly stringent standardization proposals**

Olivine supports the direction of improved standardization in data formats, telemetry, and M&V, but shares the caution expressed by several parties that “standardization for its own sake” can be counterproductive. Overly rigid or prescriptive requirements could lock in specific technologies, excluding innovative providers, and force costly rewrites of existing systems without clear benefits. Instead, the Commission should articulate clear performance and interoperability goals while allowing multiple compliant implementation pathways that meet common accuracy, security, and usability standards.

### **III. GUIDING PRINCIPLES FOR ENHANCED DEMAND RESPONSE**

#### **A. Support for the Commission’s Overall Direction.**

Olivine supports updating the 2016 Guiding Principles to reflect the transformed DER and DR landscape. Like many parties, we believe the new principles should reaffirm a *positive vision* for DR and demand flexibility—similar to the 2016 framework—while updating the details to address current challenges around RA, data, and coordination.

#### **B. DR Must be Predictable, Reliable, and Cost-Effective—In Context.**

Olivine agrees with other parties that DR must be sufficiently predictable and reliable to be integrated into planning, RA counting, and real-time operations. However, we echo the

concern that expectations for DR should be aligned with those applied to other resource types and tailored to the characteristics of specific DR products.

**C. DR Must Support California’s Energy and Environmental Goals.**

Olivine supports the proposed principle that DR programs and resources must support the State’s energy and environmental goals, with only strictly limited reliance on fossil generators.

**D. Proposed Additional or Revised Principles.**

**Incorporate technology neutrality and non-proprietary standards**

Codify that DR policies and data / telemetry standards should:

- Be technology-neutral, focusing on performance and outcomes; and
- Use open, publicly available, or industry-standard protocols where possible, rather than vendor-specific solutions.

**Add a principle on M&V and scalability**

Create a principle that M&V methods should accurately reflect DR performance and be scalable and operationally feasible for aggregations of many small devices, and allow for advanced methods where they improve accuracy and reduce administrative burden.

In implementing this principle, the Commission should consider, at a high level, how ELRP and DSGS telemetry and M&V practices can serve as a starting point—without presuming that those designs are the final word for future RA-accredited DR offerings.

**IV. DATA ACCESS AND INTEROPERABILITY AS A STAND-ALONE PRINCIPLE**

Olivine agrees with parties that data access and interoperability should be elevated from a supporting detail to a *stand-alone* guiding principle.

## **V. DUAL AND MULTI-PROGRAM PARTICIPATION**

Multiple parties highlighted dual-participation rules as central to this proceeding. It is important to distinguish between impermissible double-counting and legitimate multi-use of the same device or site. A single resource can appropriately provide multiple services addressing local distribution needs, so long as the performance is not committed twice for the same reliability obligation in the same hour—and telemetry and settlement rules make clear which program “owns” the performance in each interval.

## **VI. IMPLEMENTATION ROADMAP AND COORDINATION**

Drawing on the outline provided in the OIR and by other parties, Olivine suggests that the Commission structure implementation over the next 12–24 months around three focused workstreams:

### **Clarify DR definitions and finalize Guiding Principles**

- Update the DR definition to explicitly encompass exporting DERs and VPPs that combine net-load reduction and export.
- Adopt revised Guiding Principles incorporating technology neutrality, customer choice, data access, and M&V scalability.

### **Launch targeted working groups / technical tracks on:**

#### **a. Dual and multi-program participation**

- Develop a modernized dual-participation framework, including registration, telemetry, and settlement rules, informed by CAISO DDEMI and CEC programs such as DSGS.



**b. DR / RA valuation and Locational Incentive Prices (“LIPs”) for exporting DERs**

- Refine RA counting methodologies for DR resources, including exporting DERs and VPP portfolios, in coordination with the RA OIR.
- Explore locational or granularity-based incentives that align DER deployment with distribution and RA needs.

**c. Telemetry and submetering standards**

- Extend the EVSE submetering standards adopted in D.22-08-024 to other appropriate common DR devices allowing multiple compliance pathways.

**Coordinate with CAISO and CEC on system and data requirements**

- Align DR reforms with CAISO’s DDEMI timelines so that CPUC-authorized products and RA counting rules match CAISO participation models.
- Coordinate data and dynamic-rate-related system changes with CEC’s Load Management Standards to avoid duplicative buildouts by utilities, CCAs, and third-party providers.

**VII. CONCLUSION**

Olivine appreciates the Commission’s leadership in opening this OIR at a pivotal time for California’s clean energy transition. As demand grows from electrification and new large loads, and as customer-sited DERs continue to proliferate, DR and VPPs must evolve from a niche, emergency-only tool into a core component of the state’s resource mix.

Drawing on our organization’s experience supporting programs such as ELRP and DSGS, Olivine urges the Commission to adopt guiding principles and implement steps that scale reliable, predictable capacity, including DER portfolios. The Commission should protect

customers and improve affordability through program design, streamlined enrollment, and data access. At the same time, the Commission should advance California's decarbonization and equity goals by prioritizing clean, customer-centric DR portfolios, limiting reliance on fossil back-up generation where feasible, and ensuring that low-income and hard-to-reach customers can meaningfully participate in benefits.

Olivine appreciates the opportunity to offer these reply comments on the Order Instituting Rulemaking.

Respectfully submitted,

Buchalter, A Professional Corporation

By:



Nora Sheriff  
Counsel for Olivine, Inc.

December 1, 2025