

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

**REPLY COMMENTS OF ADVANCED ENERGY UNITED  
IN RESPONSE TO ADMINISTRATIVE LAW JUDGE’S RULING SEEKING COMMENTS ON DEMAND  
RESPONSE STAFF PROPOSAL ON BRIDGE YEAR FUNDING AND MODIFYING THE SCHEDULE FOR  
THE BRIDGE YEAR FUNDING ISSUE**

**1. Introduction**

Advanced Energy United (United) appreciates the opportunity to submit these reply comments on the *Administrative Law Judge’s Ruling Seeking Comments on Demand Response Staff Proposal on Bridge Year Funding and Modifying the Schedule for the Bridge Year Funding Issue* issued on March 10, 2026, and on the *Administrative Law Judge’s Ruling Modifying Schedule on Bridge Funding Issue and Posing Supplemental Questions*, issued on April 8, 2026.

**2. Support for extending ELRP**

United notes that all three IOUs support extending ELRP Subgroups A.4 and A.5 funding for the 2028-2029 timeframe. United agrees with PG&E’s synopsis of its rationale: “ELRP serves an important role as an emergency reliability tool during periods of extreme system grid stress. PG&E also believes that the bridge period presents a valuable opportunity to use ELRP to continue learning about the performance and operational characteristics of emerging load-flexibility resources, consistent with the Commission’s interest in data-based policy development. In addition, PG&E notes that the future scope, budget, and duration of the CEC’s Demand Side Grid Support (DSGS) pilot is uncertain, and that maintaining a modified ELRP

provides continuity of emergency load-flexibility capabilities until successor programs or market-integrated mechanisms are available to meet this system need.”<sup>1</sup>

PG&E notes the robust participation and performance of Subgroup A.4 and the importance of Subgroup A.5 for creating a pathway for greater Vehicle Grid Integration (VGI) participants, including through dual participation in the VGI Pilot and its successor and CAISO market integration.

SCE is aligned with United’s opening comments in asserting that, “extending ELRP through the bridge period will provide continuity and allow clean distributed energy resources (DERs) - which potentially may depart DSGS - the opportunity to enter SCE’s portfolio in order to avoid the loss of critical flexible load shifting MW.”<sup>2</sup> SCE notes their expectation that up to 50,000 customers – representing as much or more than 100 MW – may transfer from the DSGS program to ELRP. While United has vigorously supported DSGS as a robust program proving out DER participation as a market-informed emergency resource and providing an onramp to more market-integrated participation pathway as barriers are addressed in this proceeding and the CAISO’s DDEMI initiative, we agree it is absolutely critical that ELRP provide a “soft landing” for these substantial and capable resources during the interim if the DSGS budget is significantly constrained.

SDG&E notes that elimination of ELRP would leave SDG&E without any emergency demand response program at all.<sup>3</sup> SDG&E notes that the performance of ELRP resources during grid emergency events were relatively significant, and in at least one event were “higher than the ex-post load reduction provided by any other individual SDG&E demand response program that has operated over the past 10 years.”<sup>4</sup> Finally, SDG&E cautions that while current Resource Adequacy forecasts for 2028 and 2029 do not indicate current reliability concerns, historically these concerns have arisen on relatively short notice and the Commission has found it necessary to issue orders for additional DR resources on short notice.

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<sup>1</sup> PG&E at p. 3-4

<sup>2</sup> SCE at p. 14

<sup>3</sup> SDG&E at p. 8

<sup>4</sup> Ibid p. 9-10

VGIC correctly notes that ELRP Group A.5 is the only utility program that enables both managed charging and bidirectional charging from EVs to support emergency grid needs. No other demand response or rate-based offering currently provides this functionality, and none are expected to be available after 2027.”<sup>5</sup> PG&E notes ELRP Subgroup A.5 is required for its VGI Pilot participants and should be continue until a suitable replacement can be identified.<sup>6</sup> Given the potential and importance of managed and bidirectional charging in the relatively near-term<sup>7</sup> it is extremely important to maintain program continuity for customers and providers.

### **3. Maintain ELRP compensation and minimum dispatch; consider expanding triggers**

Regarding funding levels, both PG&E and SDG&E proposed carrying forward the 2027 annual budget level into 2028 and 2029, while SCE requested authorization to transfer unspent Integrated Demand Side Management funds into ELRP, representing approximately \$52M in additional funding above its current budget level.<sup>8</sup> Given the uncertainty around DSGS funding, and the potential that ELRP may experience material increases in participation both from DSGS and as technology adoption including VGI increase, providing funding flexibility though budget rollovers and transfers is warranted.

Regarding compensation structure, United strongly supports maintaining the current energy payment rate and minimum dispatch hours structure. This minimum structure is essential to maintaining commercial viability for customers. While not a capacity payment, much less a subsidy as asserted by Cal Advocates, this structure is absolutely necessary to ensuring that customers participate and ensuring that resources are available when called upon.

In the event that the compensation level is reduced, United strongly urges the Commission to consider increasing the minimum number of dispatches and expanding the triggers for dispatch

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<sup>5</sup> VGIC at p. 4

<sup>6</sup> PG&E at p. 4

<sup>7</sup> The California Energy Commission recently estimated that roughly 9,100 MW of vehicle-to-home capacity could be available by 2030, and 1,500 MW of managed charging or V2G capacity could be available during peak hours by 2035. The CEC estimates that EV flexibility becomes the largest modeled source of demand flexibility in California’s SB 100 planning scenarios, and bidirectional charging delivers about 3 times the value of unidirectional managed charging. California Energy Commission. (2026, March). *A roadmap to unlocking the benefits of bidirectional charging*.

<sup>8</sup> SCE at p. 16

events, to maintain the economic rationale for customers and aggregators to commit resources to participate in this important program.

In opening comments, parties suggested several additional ELRP triggers that would provide beneficial grid reliability and affordability outcomes. For instance, Voltus<sup>9</sup> recommended examining high wholesale market prices, high temperatures, or high demand forecasts. Leap also suggested tying dispatch to high day-ahead market prices,<sup>10</sup> as well as using ELRP dispatch to address distribution-level constraints.<sup>11</sup> PG&E also supports expanding dispatch triggers to address localized distribution needs and market-integrated net export.<sup>12</sup>

However, while PG&E recommends expanding dispatch triggers and increasing the cap on annual dispatch hours – recognizing the opportunity for greater beneficial use of the resource – they also propose to reduce minimum dispatch hours because recent weather and grid conditions have not met the emergency triggers.<sup>13</sup> United notes that expanding the available triggers addresses this concern with greater system benefit, while reducing the minimum dispatch hours would have the significant adverse effect of making the program commercially unviable and reducing the benefits.

#### **4. Support integrating priority policy modifications during bridge years through Advice Letters**

In opening comments, Enchanted Rock proposed certain priority policy modifications that should be implemented as expeditiously as possible, including through modifications of existing programs during the bridge years. These issues include dual participation and prohibited resource policy.<sup>14</sup> Importantly, these issues are already in scope of this proceeding.<sup>15</sup>

United seconds this proposal, because these priority issues have direct and immediate relevance to existing programs, and modifications can be applied in the near term. Simply put, if revisions

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<sup>9</sup> Voltus at p. 5

<sup>10</sup> Leap at p. 7

<sup>11</sup> Leap at p. 5

<sup>12</sup> PG&E at p. 5

<sup>13</sup> PG&E at p. 4-5

<sup>14</sup> ERock at p. 3

<sup>15</sup> Assigned Commissioner's Scoping Memo and Ruling (Feb 12, 2026) at p. 2-3

to these policy barriers can be decided in the near term, they should be implemented as soon as possible.

To this end, we note that both PG&E and SCE recommended the use of advice letters to implement timely changes to DR programs during the bridge years to align “with evolving policy, market, and system needs.”<sup>16</sup> SCE also recommends that the bridge funding decision need not be delayed to enable program modifications, but can be incorporated as decided through advice letter filings.<sup>17</sup> Thus, the Commission should prioritize addressing dual participation and prohibited resource policy, and implementing any changes in ongoing programs through advice letter filings.

## **5. Conclusion**

Advanced Energy United appreciates the opportunity to submit these reply comments.

Respectfully Submitted,

May 21, 2026

*/s/ Brian Turner*

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<sup>16</sup> PG&E at p. 7

<sup>17</sup> SCE at p. 17-18