

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

Application of Pacific Gas and Electric Company  
(U 39 E) for Approval of its Demand Response  
Programs, Pilots, And Budgets for Programs  
Years 2023-2027.

Application 22-05-002  
(Filed May 2, 2022)

And Related Matters.

Application 22-05-003  
Application 22-05-004

**COMMENTS OF THE VEHICLE-GRID INTEGRATION COUNCIL ON PROPOSED  
DECISION DIRECTING CERTAIN INVESTOR-OWNED UTILITIES' DEMAND  
RESPONSE PROGRAMS, PILOTS, AND BUDGETS FOR THE YEARS 2024-2027**

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In accordance with the Rules of Practice and Procedure, Rule 14.3 of the California Public Utilities Commission (“Commission”) and the email ruling extending comment deadline issued by Administrative Law Judge (“ALJ”) Jason Jungreis on November 22, 2023, the Vehicle-Grid Integration Council (“VGIC”) <sup>1</sup> hereby submits these comments on ALJs’ proposed *Decision Directing Certain Investor-Owned Utilities’ Demand Response Programs, Pilots, and Budgets for the Years 2024-2027* (“PD”), issued by the Commission on November 6, 2023.

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<sup>1</sup> VGIC member companies and supporters include American Honda Motor Co., Inc., BorgWarner, Enel X North America, Inc., Fermata Energy, Ford Motor Company, General Motors, Nissan Group of North America, Nuvve Holding Corporation, Stellantis N.V., Toyota Motor North America, Blue Grid, BP Pulse, Customized Energy Solutions, dcbel, Emporia, EnergyHub, Enphase, EV.Energy, FlexCharging, FLO EV Charging, FreeWire Technologies, Inc., Gridwiz, Hoosier Energy, Innovation Core SEI, IoTecha, Kaluza, Kitu Systems, Landis+Gyr, NineDot Energy, Peak Power, PowerFlex, QCells, Rythmos, Sacramento Municipal Utility District, Sunrun, Synop, The Mobility House, Inc., Utilidata, Veloce Energy, Inc., Wallbox USA Inc., and WeaveGrid. The views expressed in these comments are those of VGIC, and do not necessarily reflect the views of all individual VGIC member companies or supporters. (<https://www.vgicouncil.org/>).

## **I. INTRODUCTION**

In December 2021, the Commission issued Decision (“D.”) 21-12-015, which detailed several critical updates to the Emergency Load Reduction Program (“ELRP”) pilot, including expanding ELRP to include customer group A.5 for Electric Vehicle (“EV”)/Vehicle-Grid Integration (“VGI”) Aggregations. The Commission’s landmark decision to include EV/VGI aggregations as a sub-group eligible for ELRP represented “an opportunity to deploy and scale” VGI resources.<sup>2</sup> The Commission intent to unlock EVs as a critical resource supporting grid reliability by establishing ELRP group A.5 represents, to this date, the *only* large-scale driver for EV/VGI aggregation in California in *either* managed charging (“V1G”) or bidirectional vehicle-to-everything (“V2X”) modes. A tenet of this timely market transition support includes the minimum dispatch hours provision unique to group A.5, which provides a reliable, forecastable revenue stream for the nascent but important VGI market. While VGIC appreciates the Commission’s finding that extending and enhancing ELRP generally in this PD is appropriate, we do not believe the record of this proceeding contains sufficient justification for reducing the minimum dispatch hours provision of sub-group A.5 from 30 to 20 hours. As detailed in Section II below, the PD makes several factual errors in its discussion and justification for this proposed modification and fails to consider the associated risk-reward tradeoff.

Moreover, VGIC is seriously concerned over a growing “blind spot” in California’s ability to incentivize load flexibility from EVs through VGI strategies. Throughout the country, utility programs are tapping into smart charging capabilities embedded in both the charger and the vehicle, encouraging the widest possible set of potential customers to adopt grid-friendly charging

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<sup>2</sup> CPUC D.21-12-015. *Phase 2 Decision Directing Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company to Take Actions to Prepare for Potential Extreme Weather in the Summers of 2022 and 2023*. April 28, 2022. Pg. 39.

and discharging practices.<sup>3</sup> These programs represent a “low-hanging fruit” VGI strategy: **a relatively inexpensive pathway to incentivize a range of customers to shift load for system and/or local grid benefits.** However, as highlighted below in Sections III and IV, the PD would reject all present attempts to incorporate vehicle-based participation in the IOUs’ DR portfolio and, in doing so, California’s grid at large. VGIC questions the reasoning behind this direction, given the current lack of EV participation in grid-supportive opportunities outside of time-of-use (“TOU”) rates. Moreover, **the Commission’s continued redirection of this topic, back and forth across this proceeding and the Rulemaking (“R.”) 18-12-006 (“DRIVE OIR”), casts a harsh light on the lack of serious treatment given to this no-regrets load management strategy.** VGIC believes a clear imperative exists to advance these programs and strongly urges the Commission to develop a serious plan to address this underprioritized DR issue. VGIC offers comments, summarized below, recommending specific modifications to the Commission’s PD to enhance California’s DR efforts.

- The PD should be updated to correct the erroneous reduction of the ELRP sub-group A.5 minimum dispatch hours despite the well-established record supporting the current 30-hour provision.
- The PD should adopt SDG&E’s EV DR Pilot as a no-regrets, low-cost pathway to unlock significant EV participation in support of both system and local grid needs.
- VGIC urges the Commission to detail a pathway to consider DR or managed charging programs that include telematics-based participation as eligible.

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<sup>3</sup> See non-exhaustive list of such programs around the country in VGIC’s presentation at CPUC Telematics Workshop. *Telematics-Based Managed Charging Market Context*. VGIC. July 24, 2023. <https://static1.squarespace.com/static/5dcde7af8ed96b403d8aeb70/t/64c7f13fb23b8035f5a7e4cf/1690825023973/2023-07-24+VGIC+Presentation+to+Telematics+Workshop.pdf>

**II. THE PD SHOULD BE UPDATED TO CORRECT THE ERRONEOUS REDUCTION OF THE ELRP SUB-GROUP A.5 MINIMUM DISPATCH HOURS DESPITE THE WELL-ESTABLISHED RECORD SUPPORTING THE CURRENT 30-HOUR PROVISION.**

**A. The PD Would Correctly Extend ELRP Through 2027.**

VGIC supports the PD's finding to continue the ELRP pilot through 2027, given the continued need for tools to ensure grid reliability in the face of increasing extreme weather events and an ever-evolving electrical grid. Specifically, VGIC appreciates the proposed extension of ELRP sub-group A.5 through 2027 and the improvements made to increase participation, such as reducing the event window to 3 hours.<sup>4</sup> As detailed above in Section I and throughout this proceeding, ELRP remains the *only* significant program that California and the IOUs have at their immediate disposal to elicit flexible dispatch from the state's 1.5 million EVs.

**B. The PD Contains Factual Errors and Erroneous Claims Related to Reducing the Minimum Dispatch Hours for Sub-Group A.5.**

The PD proposes reducing the minimum dispatch hour provision for sub-group A.5 from 30 to 20 hours. This element of the PD contains four factual errors that the Commission should correct in the Final Decision. Below, VGIC also references the record of this proceeding that demonstrates that reducing the minimum dispatch hours for customer group A.5 would jeopardize the EV/VGI Aggregation customer group by restricting the opportunities for EV customers to support emergency reliability.

**First**, the PD incorrectly details party positions on the minimum dispatch hours provision for sub-group A.5. While the PD notes that PG&E initially proposed eliminating the minimum dispatch hours entirely for sub-group A.5, it fails to state that PG&E later changed this position, stating “[PG&E] agrees to withdraw its request to eliminate minimum dispatch requirements for

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<sup>4</sup> PD at 133 and 141.

A.2, A.4, and A.5 for the reasons cited by CEDMC and VGIC.”<sup>5</sup> Moreover, SDG&E testified that “it is prudent to keep all of the eligibility subgroups active, especially in Subgroups such as A.4 – VPP and Subgroup A.5 – VGI...”<sup>6</sup> This is a key perspective that the PD should reflect. VGIC recommends the Commission revise the PD to accurately reflect the positions of PG&E and SDG&E, who, in fact, *support* retaining the existing sub-group A.5 minimum dispatch hours. Appendix A contains associated redlines to the PD.

**Second**, the PD errs in insufficiently justifying the reduction of A.5’s minimum dispatch hours, as it does not cite supporting evidence contained in the record, stating only:

“Arguments in favor of removing the minimum dispatch requirements have been made by SCE, Cal Advocates and PG&E, who state that as it currently stands the minimum dispatch hours only serve to provide revenue to the DR aggregators and they have not encouraged new aggregator participation.”<sup>7</sup>

The above statement is incorrect as it relates to sub-group A.5, which did, in fact, see a new VGI aggregation participate in 2022 as detailed in Exhibit VGIC-01.<sup>8</sup> VGIC recommends redlines to address this in Appendix A.

**Third**, the PD contains erroneous implications related to the underlying intent of the sub-group A.5 minimum dispatch provision, stating:

“Some success has already been realized with the joining of aggregators in sub-groups A.4 and A.5. However, two years is not yet sufficient time to allow the industry to grow and to determine the effectiveness of these programs. We therefore keep the minimum total dispatch hours the same for sub-group A.2, but, lower the minimum total dispatch hours for sub-groups A.4 and A.5 to 15 and 20 hours, respectively.”<sup>9</sup>

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<sup>5</sup> Exhibit PG&E 8, pg. 3-6.

<sup>6</sup> Exhibit SDG&E 9 Supplemental Testimony of SDG&E Witness E Bradford Mantz, pg. EBM-46.

<sup>7</sup> PD at 141-142.

<sup>8</sup> Exhibit VGIC-01, pg. 12-14.

<sup>9</sup> PD at 142.



These statements are internally inconsistent, as the PD simultaneously asserts that there has been “some success” yet states that there has “not been sufficient time to allow the industry to grow.” The PD correctly states that there has not been sufficient time for the industry to grow, as the record supports this.<sup>10</sup> However, the explicit purpose of the minimum dispatch hours is to support the VGI market transition, as detailed in D.21-12-015, and should be used to determine “success”:

“We acknowledge that the impact of including VGI aggregation under Group A.5 is uncertain, but **we see the pilot as an opportunity to deploy and scale this resource, which will be critical in the coming years to ensure EVs can enhance reliability...** We adopt minimum VGI dispatch hours of 30 hours per season as an incentive for customers to participate in the program since they would otherwise have no assurance of receiving compensation” (emphasis added).<sup>11</sup>

Suppose success is defined even *partially* by VGI market growth, as the Commission intended in D.21-12-015, and the PD’s finding that the market has not had sufficient time to grow is also correct. In that case, the PD’s assertion that there has been sufficient success to justify this modification must be incorrect. Moreover, the EV/VGI aggregation group has not been active for two years, a state which the PD acknowledges: “VGIC in particular notes that sub-group A.5 was only instituted in late 2022 and has only one year’s worth of lessons.”<sup>12</sup> Appendix A contains recommended revisions to this section of the PD.

**Fourth**, the PD proposes to adopt a 20-hour minimum dispatch requirement that does not reflect any party proposal, and this number’s appearance in the PD is the first and only time it has been raised in the proceeding. While SCE and CalAdvocates propose eliminating the minimum dispatch requirement entirely, PG&E, SDG&E, VGIC, and CEDMC propose to retain the existing

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<sup>10</sup> See, for example, Exhibit VGIC-01 at 17 and VGIC Phase II Opening Brief at 6.

<sup>11</sup> CPUC D.21-12-015. *Phase 2 Decision Directing Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company to Take Actions to Prepare for Potential Extreme Weather in the Summers of 2022 and 2023*. April 28, 2022. Pg. 39-40.

<sup>12</sup> PD at 142.

30-hour provision.<sup>13</sup> In sum, there is no evidence in the record of this proceeding to justify the proposal to reduce the sub-group A.5 minimum dispatch provision from 30 to 20 hours.

**C. In Addition to the Above-Noted Factual Errors, VGIC Believes the Record of this Proceeding Supports Retaining the 30-Hour Minimum Dispatch Provision for Sub-Group A.5.**

The PD appears to frame this modification as an attempt to incentivize participation in the customer group.<sup>14</sup> VGIC finds this counterintuitive and questions the basis on which the PD finds that *reducing* the minimum dispatch hours would incentivize *greater* participation.

This proposed modification directly works against the program’s overall goals related to grid reliability, the market transition goals specific to customer group A.5 (i.e., as “an opportunity to deploy and scale” VGI<sup>15</sup>), and the clear goals of SB 676 and the subsequent VGI Strategies Decision D.20-12-029.<sup>16</sup> Additionally, the PD offers no consideration of the risk-reward tradeoff of this modification, nor does it detail how the record of this proceeding supports this change.

Critically, the Commission’s underlying reasoning behind establishing customer group A.5 and the 30-hour minimum dispatch provision remains true today. Nothing has materially changed about the VGI market to consider it much more mature today than in December 2021 when the Commission adopted the above statements. ELRP A.5 remains an “opportunity to deploy and scale this resource.” Moreover, the 30 hours per season minimum dispatch provision remains an “incentive for customers to participate” and offers an “assurance of receiving compensation.”

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<sup>13</sup> PD at 141-142.

<sup>14</sup> PD at 142.

<sup>15</sup> CPUC D.21-12-015. *Phase 2 Decision Directing Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company to Take Actions to Prepare for Potential Extreme Weather in the Summers of 2022 and 2023*. April 28, 2022. Pg. 39.

<sup>16</sup> SB 676, Bradford. *Transportation electrification: electric vehicles: grid integration*. October 02, 2019; CPUC D.20-12-029. *Decision Concerning Implementation of Senate Bill 676 and Vehicle-Grid Integration Strategies*. December 17, 2020.

Parties have not introduced evidence explaining how these statements are no longer applicable, nor does the PD detail how the Commission’s initial reasoning is no longer applicable.

VGIC reiterates that the 2022 ELRP season data demonstrated 760 kWh of sub-group A.5 Incremental Load Reduction (“ILR”) across all three IOUs, as detailed in Exhibit VGIC-01.<sup>17</sup> The adopted ELRP Compensation Rate of \$2/kWh results in \$1,520 of total sub-group A.5 cost from 2022.<sup>18</sup> Based on VGIC’s discussion with VGI providers and its monitoring of each IOUs’ *Quarterly Rule 21 Interconnection Reports*, we do not anticipate this cost being much higher for the 2023 ELRP season. VGIC notes this cost is extremely low compared to this PD’s combined ELRP budget of \$527.03 million.<sup>19</sup> Therefore, VGIC believes the cost risk of retaining the 30-hour provision for sub-group A.5 to be negligible.<sup>20</sup>

On the other hand, the *opportunity* that the ELRP sub-group A.5 provisions, including the 30-hour dispatch requirement, present to support the relatively nascent VGI market cannot be overstated, as detailed throughout this proceeding.<sup>21</sup> VGIC notes in its opening testimony:

“There is a meaningful amount of V2X projects in the pipeline that could be operational for the next few years of ELRP, including over 1 MW of electric school bus V2G under various stages of development... realizing these projects likely depends on both a) the Commission acting expeditiously to preserve or enhance the original terms of the A.5 subgroup (including the minimum dispatch hours), and b) the IOUs working expeditiously to interconnect these projects and eliminate unnecessary barriers to participation.”<sup>22</sup>

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<sup>17</sup> Administrative Law Judge’s Ruling Providing the ELRP Program Data for 2022 Summer Season. March 2, 2023. <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M502/K977/502977248.PDF>. Attachment A, Part 6, Page A.5. The overall Total Delivered kWh (interval positive performance) for subgroup A.5 over 32 hours in 2022 equaled 760 kWh.

<sup>18</sup> Exhibit VGIC-01, pg. 14.

<sup>19</sup> PD at 147-150. “PG&E is authorized to recover a total of \$267.62 million for ELRP from 2024-2027.” “SCE to recover \$177.77 million for ELRP costs.” “SDG&E is authorized to recover \$81.64 million for ELRP program costs from 2024-2027.”

<sup>20</sup> See, for example, VGIC-01, pg. 14.

<sup>21</sup> See, for example, VGIC-01, pg. 17.

<sup>22</sup> Exhibit VGIC-01, pg. 17.

VGIC can attest that automakers, charging equipment manufacturers, and aggregators are presently mobilizing to establish VGI solutions and projects around ELRP. Meanwhile, standards development organizations and industry collaborations are working diligently and in good faith to accelerate progress on VGI technical standards for unidirectional and bidirectional charging configurations. Prematurely reducing group A.5 minimum dispatch hours provision before customers have had a meaningful opportunity to participate with these new solutions would severely slow momentum for the entire VGI market. **This modification would send a clear regulatory signal to the emerging VGI market that California holds at best a wavering commitment to unlocking the latent grid-support capabilities of its growing fleet of EVs.**

Given the errors in the PD's discussion of this issue, the overall lack of sufficient evidence to support the proposed minimum dispatch hour reduction from 30 to 20 hours, the persistent facts underscoring the Commission's original reasoning to support this provision, the minimal real costs associated with retaining the provision, and the risk posed to the emerging VGI market alignment and technical progress, VGIC strongly recommends that the minimum dispatch hours for ELRP sub-group A.5 be maintained at 30 hours or potentially increased to signal to the VGI industry California's support for this emerging solution.

**III. THE PD SHOULD ADOPT SDG&E'S EV DR PILOT AS A NO-REGRETS, LOW-COST PATHWAY TO UNLOCK SIGNIFICANT EV PARTICIPATION IN SUPPORT OF BOTH SYSTEM AND LOCAL GRID NEEDS.**

Throughout this proceeding, SDG&E has demonstrated the need for their proposed EV DR pilot that would "manage charging times for EVs that have not signed up for EV TOU rates...either with the vehicle or the charger."<sup>23</sup> Under this pilot, EV customers who would otherwise not support the grid through smart charging would be given the option to optimize charging, lower their energy

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<sup>23</sup> PD at 157.

costs, and participate in demand response events that benefit the grid. SDG&E's proposal to implement an EV DR pilot is a no-regrets and low-cost pathway to unlock significant VGI capabilities that will benefit the grid, as supported by the overwhelming majority of parties that weighed in on the proposal.<sup>24</sup> With this in mind, VGIC is disappointed with the PD's determination to deny SDG&E's request for funding the EV DR pilot. Notably, the PD contains four key factual errors in denying SDG&E's DR Pilot.

**First**, the PD fundamentally misunderstands the pilot design and how it is distinct from SCE's Charge Ready DR pilot, stating: "SCE's Charge Ready DR pilot and other efforts by CCAs have provided ample amounts of similar data, and SDG&E has not sufficiently explained what more should be learned or how its pilot is different."<sup>25</sup> To date, the SCE Charge Ready DR Pilot has implemented a critical peak pricing ("CPP") scheme for most Charge Ready DR Pilot participants. Moving forward, new Charge Ready DR Pilot participants will likely participate in ELRP. Both offerings provide DR participation opportunities for a limited subset of EV customers with networked chargers funded through SCE's make-ready program. In stark contrast, SDG&E's proposed pilot seeks to incorporate both networked chargers *and* networked vehicles into its program, and is open to all customers, not just those supported through its make-ready program portfolio. The record of this proceeding demonstrates that allowing customers to use embedded vehicle telematics capabilities in DR programs in addition to networked chargers will result in more DR-eligible customers and, in turn, more EV DR participation.<sup>26</sup> VGIC recommends redlines

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<sup>24</sup> See, for example, EVE-1, at 3-6; WG-01, at 3-6; VGIC-01, at 26-28. The PD notes that Cal Advocates "recommended limiting the scope of the proposal," but does not state they recommended denying it outright. PD at 158.

<sup>25</sup> PD at 158.

<sup>26</sup> Exhibit VGIC-01, pg 24; Exhibit WG-1, pg 6; Exhibit EVE-1, pg 3.

in Appendix A to more accurately characterize the difference between SDG&E’s EV DR Pilot and SCE’s Charge Ready DR Pilot.

**Second**, the PD misinterprets the key difference between SDG&E’s proposed pilot and related efforts by CCAs. While CCA efforts can support leveraging vehicle telematics to respond to system-level peak and other bulk power system needs, SDG&E is uniquely positioned to identify distribution system constraints and elicit response from flexible managed charging resources accordingly.<sup>27</sup> VGIC offers redlines in Appendix A to properly characterize this key difference.

**Third**, the PD erroneously frames SDG&E’s EV DR Pilot as a matter of data collection rather than an effort to pilot a program design in a limited and cost-controlled form before launching it at full scale. SDG&E does not have any mass-market EV managed charging program or even an SB 676 pilot. Parties have proposed and the PD references no other venue for SDG&E to trial customer outreach, incentives, coordination, and the technology integrations required to tap into the latent smart charging capacity embedded in the EVs in its service territory.

**Fourth**, the PD references cost-effectiveness, stating that “given the poor cost-effectiveness of SDG&E’s portfolio, it is difficult to justify additional pilots which will produce further cost burdens on SDG&E’s ratepayers.”<sup>28</sup> VGIC agrees that cost-effectiveness is generally an important consideration for SDG&E’s legacy large-scale and mature DR programs. However, VGIC believes it is inappropriately applied to the proposed EV DR Pilot, which targets a customer segment in need of market transition support and program offerings. In fact, the PD also states that “[c]ost-effectiveness should not be the only consideration when determining whether a DR

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<sup>27</sup> See WG-1, pg 11.

<sup>28</sup> PD at 158.

program should be approved.”<sup>29</sup> As proposed, SDG&E’s EV DR pilot would be taking critical steps to launching a new managed charging program for thousands of EVs in SDG&E’s territory that are otherwise locked out of participation through networked charger (i.e., in ELRP). This is aligned with SDG&E’s effort “to become more innovative and focus on the utilization of new technology to help fit into the grid of the future.”<sup>30</sup> VGIC cannot attest to SDG&E’s ability to cost-effectively implement other legacy, large-scale DR programs, but believes that the Commission would be making a mistake to allow this innovative VGI program to be denied based on the performance of unrelated, legacy DR programs.

Moreover, Cal Advocates argues throughout the record that SDG&E’s legacy DR portfolio cost-effectiveness scores too low to merit renewal. Meanwhile, the Commission has accepted Cal Advocates “Distribution Grid Electrification Model Study and Report” into the record of R.21-06-017.<sup>31</sup> This study demonstrates a potential **\$25 billion** savings compared to the “Kevala Electrification Impacts Study: Part 1” commissioned by the Commission. This \$25 billion difference is sourced entirely through load management solutions that target distribution system capacity. SDG&E’s EV DR Pilot, given the fundamental characteristics distinguishing it from SCE’s Charge Ready DR Pilot, CCA efforts, and ELRP, has tremendous potential to unlock this *exact* category of cost savings. In other words, Cal Advocates has effectively argued in this proceeding against the *only* IOU proposal capable of reducing distribution system costs from EVs while detailing in a related proceeding (i.e., High DER OIR) the \$25 billion imperative to establish

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<sup>29</sup> PD at 196.

<sup>30</sup> SDG&E. *Application of San Diego Gas & Electric Company (U 902-E) Requesting Approval of Its Demand Response Portfolio for Bridge Year 2023 and Program Years 2024-2027*. May 2, 2022. Pg. 4.

<sup>31</sup> *Administrative Law Judge’s Ruling Soliciting Comments on Cal Advocates’ Distribution Grid Electrification Model Study and Report*. October 17, 2023. R.21-06-017. <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M520/K563/520563683.PDF>

these same types of programs. VGIC urges the Commission to acknowledge this unique benefit of SDG&E's EV DR Pilot that offers the opportunity for ratepayer cost savings from distribution system cost reductions. VGIC offers recommended redlines to address this missed opportunity in Appendix A.

**IV. VGIC URGES THE COMMISSION TO DETAIL A PATHWAY FOR CONSIDERATION OF DR OR VGI PROGRAMS THAT INCLUDE TELEMATICS-BASED PARTICIPATION AS ELIGIBLE.**

As detailed in Section III and VGIC's Opening Brief, "allowing customers to use embedded vehicle telematics capabilities to participate in DR programs in addition to the existing networked [charger] participation pathways will result in more DR-eligible equipment,"<sup>32</sup> and in turn, increase the total potential of EVs to support the grid through DR portfolio offerings. The benefits of using embedded vehicle telematics in DR have been reiterated by VGIC, SDG&E, WeaveGrid, Ev.energy, and Small Business Utility Advocates throughout this proceeding.<sup>33</sup> VGIC reiterates its statement from its Phase II Opening Brief that the record of this proceeding viewed as a whole, "makes an unassailable case for the Commission to direct each IOU to modify their proposed DR portfolios to ensure it adequately compels EV customer participation, namely through...the addition of vehicle telematics-base participation pathways (i.e., in ELRP, SDG&E's proposed EV DR Pilot, and/or other large-scale telematics-based opportunities."<sup>34</sup>

However, despite an exhaustive listing of current telematics-based programs,<sup>35</sup> considerable back-and-forth between parties throughout this proceeding highlighting the benefits and justifications for incorporating telematics-based participation into ELRP, and meetings with

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<sup>32</sup> VGIC Phase II Opening Brief, pg. 8.

<sup>33</sup> EV.energy Phase II Opening Brief, pg 2-5; Small Business Utility Advocates Phase II Opening Brief, pg. 7-8. WeaveGrid Phase II Opening Brief, pg. 2-6; SDG&E Opening Brief, pg. 24-27.

<sup>34</sup> VGIC Phase II Opening Brief, pg. 3.

<sup>35</sup> Exhibit VGIC-01, pg. 25-26.



Energy Division staff in which VGI stakeholders have responded to questions as to why there is not greater participation in ELRP, the PD rejects serious consideration of this issue. The PD asserts two factual errors as reasons in support of this rejection.

**First**, the PD states that there is “insufficient record in this proceeding to determine how telematics would be introduced to ELRP.”<sup>36</sup> This is incorrect, as parties have proposed specific pathways for incorporating telematics into ELRP. As noted in the PD, VGIC recommends that this be done on an interim basis until a full-scale telematics protocol can be developed.<sup>37</sup> Notably, this is the *exact same* mechanism that was utilized to allow EVSE submetering in ELRP before the PEV Submetering Protocol was adopted.<sup>38</sup> No party opposed this specific recommendation for an interim approach. VGIC offers redlines in Appendix A to address this error.

**Second**, the PD incorrectly asserts that this issue is being considered in multiple proceedings, as it states “it is not an efficient use of Commission resources to consider the same issue in multiple proceedings.”<sup>39</sup> However, as detailed in Exhibit VGIC-01 and reiterated throughout this proceeding, “the Commission...**clarified that D.22-08-024 applied specifically to customer billing and do not concern the utilities’ demand response programs**” (emphasis added).<sup>40</sup> VGIC expresses its concern not only over the factual error misrepresenting the distinction between telematics for rate participation and telematics for non-rate DR program participation but also over the consistent manner in which the Commission has redirected the issue of telematics-based participation in DR programs (i.e., non-rate participation). In ping-ponging stakeholders between proceedings, the Commission has continually evaded this important opportunity to

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<sup>36</sup> PD at 146.

<sup>37</sup> PD at 145.

<sup>38</sup> Exhibit VGIC-01, pg. 30.

<sup>39</sup> PD at 146.

<sup>40</sup> Exhibit VGIC-01, pg. 29, and D.22-08-024, pg. 34-36.

manage EV load through telematics-based DR program participation. VGIC stands puzzled in the face of statewide policies that drive EV adoption that proceed with a lack of accompanying EV load management strategies. VGIC urges the Commission to adopt the following recommendations:

1. The Commission should adopt the redlines in Appendix A that correct the factual errors made in the PD Section 11.1.12 characterizing this issue.
2. *Either:*
  - a. Direct the IOUs to incorporate telematics-based participation into ELRP, as detailed in Appendix A;
  - b. Establish a Phase III of this proceeding in which the Commission seeks input on the design of telematics-based EV DR participation;
  - c. Explicitly detail that telematics-based *non-rate program* participation pathways will be established in DRIVE OIR and issue a ruling in DRIVE OIR seeking party proposals to establish a suite of managed charging program offerings that leverage vehicle telematics capabilities.

## V. CONCLUSION.

VGIC appreciates the opportunity to submit these comments on the Proposed Decision.

We look forward to further collaboration with the Commission and stakeholders on this important initiative.

Respectfully submitted,

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Date: November 28, 2023

## **Appendix A: VGIC Recommended Modifications to the Proposed Decision**

*Note: Proposed changes are shown in ~~strikeout~~ and underline*

P. 141: SCE and PG&E initially proposed to remove minimum dispatch requirements for the A.2, A.4, and A.5 sub-groups. These sub-groups consist of non-residential aggregators, virtual power plant aggregators, and vehicle-grid-integration aggregators. Minimum dispatch hours were instituted for these sub-groups to provide revenue via ELRP in order to encourage development of new resources that do not yet participate in DR in California. Arguments in favor of removing the minimum dispatch requirements have been made by SCE, Cal Advocates and PG&E, who state that as it currently stands the minimum dispatch hours only serve to provide revenue to the DR aggregators and they have not encouraged new aggregator participation, outside of subgroup A.5. PG&E and SCE support removal of the dispatch requirements starting in 2026-2027, while Cal Advocates states it should be removed immediately. PG&E later withdrew its request to eliminate minimum dispatch requirements for A.2, A.4, and A.5.

P.142: “However, two years is not yet sufficient time to allow the industry to grow and to determine the effectiveness of these programs. We therefore keep the minimum total dispatch hours the same for sub-groups A.2 and A.5, but lower the minimum total dispatch hours for sub-groups A.4 ~~and A.5~~ to 15 ~~and 20~~ hours, ~~respectively.~~”

P. 158: “SDG&E has ~~not~~ adequately explained the need for a pilot on these issues. SCE’s Charge Ready DR pilot and other efforts by CCAs have provided ~~ample amounts of~~ similar data, ~~and~~ However, SDG&E has not sufficiently explained what more should be learned ~~or~~ and how its pilot is different. Additionally, ~~given despite~~ the poor cost-effectiveness of SDG&E’s portfolio, it is difficult to justify additional ~~this pilots which~~ will produce further cost ~~burdens~~ reduction on SDG&E’s ratepayers, including distribution system cost savings. SDG&E’s request for funding for this pilot is ~~denied~~ approved.”

P. 145: “There is ~~insufficient~~ sufficient record in this proceeding to determine ~~how that~~ telematics ~~would~~ should be introduced to ELRP on the same interim basis that submetering was introduced. Additionally, ~~it is not an efficient use of the~~ Commission determines DR cycle applications to be the appropriate proceeding in which to consider this issue. ~~resources to consider the same issue in multiple proceedings. We therefore decline~~ decide to address this issue here. We direct the IOUs to propose rules for telematics-based enrollment in ELRP in a Tier 2 Advice Letter within 60 days of this Decision.

### **Finding of Fact**

132. SDG&E’s proposed pilots in this application have all been denied, except for the EV DR Pilot, reducing the need for research.

134. ELRP provides unique capacity supported by BTM generation, ~~and~~ storage devices, and dispatchable EV load reduction.

###. Preserving the ELRP Sub-group A.5 minimum dispatch hour provision would support customer participation in the program.

###. Establishing vehicle telematics-based participation pathways for ELRP will support greater EV participation.

### **Conclusions of Law**

115. The minimum dispatch hours for ELRP sub-groups A.4 ~~and A5~~ should be reduced to 15 ~~and 20~~ hours, ~~respectively~~.

###. SDG&E's proposed SDG&E EV DR Pilot budget request should be approved.

###. PG&E, SCE, and SDG&E should jointly submit a Tier 2 advice letter requesting approval of a vehicle telematics-based participation pathway for ELRP.

### **Ordering Paragraphs**

### San Diego Gas & Electric Company (SDG&E) shall conduct its Electric Vehicle Demand Response Pilot (EVDRP). SDG&E is authorized to cumulatively recover \$3.33 million during calendar years 2024-2027 for its EVDRP program. SDG&E is authorized to submit a Tier 2 advice letter seeking to make its EVDRP permanent, contingent upon a showing of cost-effectiveness. SDG&E is authorized to submit a Tier 3 advice letter by December 31, 2024, seeking additional budget for its EVDRP, if necessary.

### Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E) shall jointly submit a Tier 2 advice letter within 90 days requesting approval of a vehicle telematics-based participation pathway for ELRP participants.