

Docket No.: A.22-05-002, A.22-05-003, A.22-05-004 (Consolidated)

Exhibit No.: \_\_\_\_\_

Date: May 12, 2023

Witness: Ed Burgess

**REBUTTAL TESTIMONY OF ED BURGESS  
ON BEHALF OF THE VEHICLE-GRID INTEGRATION COUNCIL**

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1     **I.     INTRODUCTION**

2     **Q.     Please state your name, title, and business address.**

3     A.     My name is Ed Burgess. I am a Senior Director at Strategen Consulting and the Senior  
4           Policy Director for the Vehicle-Grid Integration Council (“VGIC”). My business address  
5           is 10265 Rockingham Drive, Suite #100-4061, Sacramento, California 95827.

6     **Q.     On whose behalf are you testifying?**

7     A.     I am testifying on behalf of the Vehicle Grid-Integration Council.

8     **Q.     What is VGIC?**

9     A.     VGIC is a 501(c)6 membership-based trade association committed to advancing the role  
10           of electric vehicles (“EV”) and vehicle-grid integration (“VGI”) through policy  
11           development, education, outreach, and research. VGIC supports the transition to  
12           decarbonized transportation and power sectors by ensuring the value from flexible EV  
13           charging and discharging is unlocked to achieve a more reliable, affordable, and efficient  
14           electric grid.

15    **Q.     Who are VGIC’s current members?**

16    A.     VGIC’s members represent a broad range of transportation electrification industry  
17           leaders, including American Honda Motor Co., Inc., Enel X North America, Inc.,  
18           Fermata Energy, Ford Motor Company, General Motors, Nissan Group of North  
19           America, Nuvve Holding Corporation, Stellantis N.V., Toyota Motor North America,  
20           BorgWarner, bp pulse, Customized Energy Solutions, dcbel, FlexCharging, FLO EV  
21           Charging, FreeWire Technologies, Inc., GridWiz, Innovation Core SEI, IoTecha, Kaluza,

1 Kitu Systems, NineDot Energy, Peak Power, Qcells, Sunrun, The Mobility House,  
2 Utilidata, Veloce Energy, Inc., Wallbox USA Inc., WeaveGrid, Hoosier Energy, and  
3 Sacramento Municipal Utility District.<sup>1</sup>

4 **Q. Did you submit opening testimony in this proceeding?**

5 A. Yes.

6 **Q. Have you reviewed the opening testimonies of other parties in this proceeding that**  
7 **you wish to reply to?**

8 A. Yes.

9 **Q. What is the purpose of your rebuttal testimony?**

10 A. The purpose of my rebuttal testimony is to respond to the testimonies and proposals  
11 submitted by other parties on various issues related to Pacific Gas & Electric (“PG&E”),  
12 Southern California Edison (“SCE”), and San Diego Gas & Electric’s (“SDG&E”) 2023-  
13 2027 Demand Response Program Applications. Specifically, I will respond to testimony  
14 related to the Emergency Load Reduction Program (“ELRP”) compensation rate and the  
15 proposed establishment of a working group to address dual participation rules related to  
16 demand response (“DR”) offerings.

17 **II. SUMMARY OF RECOMMENDATIONS**

18 **Q. Can you please provide a summary of your recommendations?**

19 A. Yes.

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<sup>1</sup> The opinions expressed in this testimony reflect those of VGIC, and do not necessarily reflect the views of all of the individual VGIC member companies.

- 1 • Reject SCE’s proposal, supported by Cal Advocates, to reduce the ELRP compensation  
2 rate for customer group A.5 from \$2/kWh.
- 3 • Approve PG&E’s proposal, supported by Cal Advocates, Joint CCAs, CEDMC, and  
4 CLECA to establish a dual participation working group.

5

6 **III. RESPONSE TO CAL ADVOCATES ANALYSIS OF THE ELRP**

7 **COMPENSATION RATE AS IT RELATES TO CUSTOMER GROUP A.5:**

8 **EV/VGI AGGREGATIONS.**

9 **Q. Cal Advocates supports SCE’s proposal to reduce ELRP compensation rate from**  
10 **\$2/kWh to \$1/kWh, citing that market outcomes demonstrate adequate energy**  
11 **reduction with \$1/kWh because “during the September 2022 heat wave, [CAISO]**  
12 **DR resources did not submit a reference level change request to allow bidding above**  
13 **\$1000/MWh despite conditions allowing for bids to reach \$2000/MWh.” Do you find**  
14 **this critique relevant for ELRP group A.5 (EV/VGI Aggregations)?**

15 A. No, while this critique may apply to other ELRP customer groups, it is not applicable to  
16 group A.5. Cal Advocates explains that no CAISO Proxy DR (“PDR”) resources  
17 submitted a request to allow bidding above \$1000/MWh during the Summer 2022 heat  
18 wave, and reasons that this demonstrates a \$1/kWh ELRP compensation rate is sufficient  
19 to unlock load reductions. However, ELRP group A.5 (EV/VGI Aggregations) was  
20 established in recognition that VGI resources, including vehicle-to-everything (“V2X”) and  
21 vehicle-to-grid (“V2G”) bidirectional charging, have been underutilized in existing  
22 DR offerings, including the CAISO PDR model. The Commission stated in D.21-12-015  
23 that “the market for VGI technologies, and in particular bi-directional charging  
24 equipment, is in its early stages of development and... the ELRP pilot [is] an opportunity

1 to deploy and scale this resource.”<sup>2</sup> As such, in the case of the A.5 subgroup, the goal of  
2 the ELRP compensation rate goes beyond simply mirroring what otherwise might occur  
3 or should occur via the CAISO PDR model. Moreover, the CAISO PDR resource model  
4 does not even recognize or compensate V2G exports and, as such, it would be impossible  
5 for A.5 participants to take the actions that Cal Advocates describes. That was true in  
6 Summer 2022 and will be true going forward.

7 Additionally, the Commission recently issued Draft Resolution E-5267, in which it  
8 reiterates the justification for establishing an ELRP subgroup A.5 with special conditions  
9 to promote V2G exports.<sup>3</sup> As such, Cal Advocates’ reference to data from CAISO PDR  
10 resources should not be considered reasonable justification for reducing the ELRP  
11 compensation rate for ELRP group A.5 from the \$2/kWh initially ordered in D.21-12-015  
12 and proposed to be upheld by Draft Resolution E-5267.

13 **Q. Is the current ELRP compensation rate of \$2/kWh appropriate for ELRP group A.5**  
14 **given recent CAISO wholesale market prices?**

15 A. Yes. The Summer 2022 heat wave resulted in average CAISO locational marginal prices  
16 (“LMP”) reaching \$2,000/MWh in both the fifteen-minute and real-time markets on both  
17 September 6 and 7, and in the fifteen-minute market on September 8 and 9, as shown in  
18 Figure 1 below.<sup>4</sup> Given the CAISO price cap of \$2,000/MWh was reached on all of these  
19 days, any ELRP group A.5 customers received approximately the same level of  
20 compensation as gas peaker plants during those hours. Therefore, the \$2/kWh ELRP

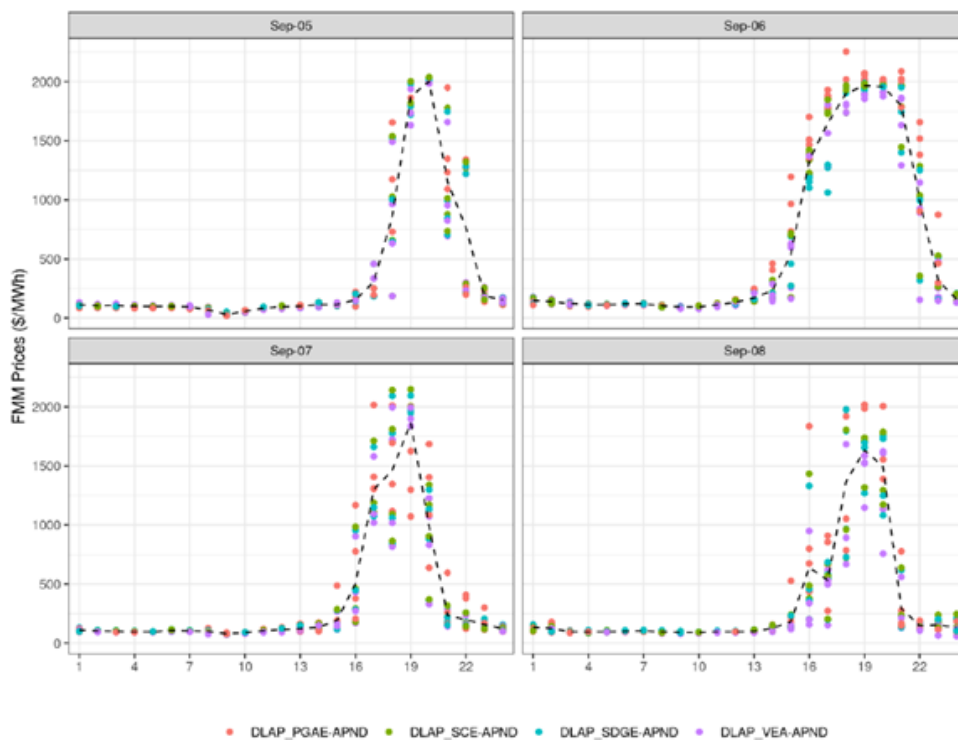
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<sup>2</sup> D.21-12-015 at 39.

<sup>3</sup> Draft Resolution E-5267 at 15.

<sup>4</sup> California Independent System Operator. *Summer Market Performance Report September 2022*. November 2, 2022. <http://www.caiso.com/Documents/SummerMarketPerformanceReportforSeptember2022.pdf>. Pg. 150.

1 compensation rate is reasonable as it provides some level of parity for VGI resources that  
2 are not otherwise able to participate in the CAISO market in direct competition with gas  
3 peaker plants. Furthermore, it's worth recognizing that this compensation is limited only  
4 to the energy value being provided. VGI resources receive no compensation for their  
5 contribution to resource adequacy – an additional form of compensation that gas peaker  
6 plants receive.



7  
8 Figure 1. September 5-8, 2022, daily Locational Marginal Price (LMP) across Default Load  
9 Aggregated Points (DLAPs), Fifteen Minute Market (FMM).<sup>5</sup>

10 **Q. How would a reduction in the \$2/kWh ELRP compensation rate impact the**  
11 **emerging VGI industry?**

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<sup>5</sup> California Independent System Operator. *Summer Market Performance Report September 2022*. November 2, 2022. <http://www.caiso.com/Documents/SummerMarketPerformanceReportforSeptember2022.pdf>. Pg. 160.

1 A. I am concerned that reducing the ELRP compensation rate would significantly undermine  
2 the Commission’s goals to support the relatively nascent VGI market and the V2X  
3 market in particular. ELRP remains the *only* large-scale, state-wide driver for EV/VGI  
4 aggregation in California, in *either* managed charging (“V1G”) or V2X bidirectional  
5 modes. Based on my conversations with VGI stakeholders, making this change without  
6 sufficient justification would send a clear signal to customers and technology providers  
7 that California has walked away from its prior commitments to deploy and utilize  
8 beneficial VGI solutions. Moreover, SCE and Cal Advocate’s proposed ELRP  
9 compensation rate reduction from \$2/kWh to \$1/kWh would represent a “bait-and-  
10 switch” for customers that have elected to install V2X bidirectional charging systems  
11 with the expectation of being compensated at \$2/kWh. Customers may have already  
12 made significant equipment investments based on the \$2/kWh detailed and advertised  
13 through the utility’s ELRP websites, which will take longer to pay off if incremental load  
14 reductions, including exports, are compensated at a lower rate. If anything, the ELRP  
15 compensation rate for A.5 should be increased (at least in the near term) to match better  
16 the level of V2G compensation being offered in other states outside of California, while  
17 helping to grow the market for an emerging reliability resource with significant potential  
18 scale.

19 **IV. RESPONSE TO PARTY ANALYSIS ON THE NEED FOR A DUAL**  
20 **PARTICIPATION WORKING GROUP AS PROPOSED BY PG&E**

21 **Q. A relatively large and diverse set of parties support PG&E’s proposal to revisit dual**  
22 **participation through a working group process. Do you agree with these parties that**  
23 **PG&E’s proposal is reasonable?**



1 A. Yes, I do agree that PG&E’s proposal to establish a dual-participation working group is  
2 reasonable. Cal Advocates, the Joint Community Choice Aggregators (“Joint CCAs”),  
3 The California Efficiency and Demand Management Council (“CEDMC”), and the  
4 California Large Energy Consumers Alliance (“CLECA”) all support PG&E’s proposal  
5 to revisit dual participation through the establishment of a working group process.<sup>6</sup>  
6 California’s many DR programs and pilots represent a complex and ever-evolving  
7 landscape of demand-side management opportunities. However, individual DR offerings  
8 often target and, in turn, yield different grid benefits. Customers seeking to leverage  
9 emerging solutions, such as VGI, can be particularly supported by addressing challenges  
10 and opportunities related to dual participation rules, as these emerging solutions were  
11 likely not taken into consideration during the last time dual participation rules were  
12 modified about 10 years ago.

13 **Q. Can you provide recommendations related to the scope and process for this working**  
14 **group?**

15 A. Yes. The overall goal of the working group should be to facilitate value stacking that is  
16 critical to the success of distributed energy resources, including EVs, in supporting  
17 demand response. Methods to differentiate and appropriately allocate the varying benefits  
18 that different demand-side offerings yield should be developed through a good-faith  
19 stakeholder working group effort. Regarding the working group process and impact, the  
20 dual participation working group should culminate in a final report containing

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<sup>6</sup> *Opening Testimony on Phase 2 2024-2027 Demand Response Programs Budget Applications*, Public Advocates Office at 2-3. *Prepared Direct Testimony of the Joint Community Choice Aggregators* at 3. *Opening Phase II Testimony of the California Efficiency + Demand Management Council* at 12. *Direct Testimony of Sam Harper on behalf of California Large Energy Consumers Association* at 28.

1 recommended modifications to DR programs and rules and any related modifications the  
2 Commission should make or direct utilities to make. This final report should be submitted  
3 to the Commission, and an opportunity for parties to file opening and reply comments on  
4 this report should follow. The final report and party comments should serve as the basis  
5 for a timely Commission Decision that adopts or otherwise addresses the recommended  
6 modifications detailed in the final report.

7 **V. CONCLUSION.**

8 **Q. Does this conclude your testimony?**

9 **A. Yes.**

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**Appendix A:**

Declaration of Ed Burgess in Support of Rebuttal Testimony on Behalf of the Vehicle-Grid  
Integration Council

**DECLARATION OF ED BURGESS IN SUPPORT OF REBUTTAL TESTIMONY ON  
BEHALF OF THE VEHICLE GRID INTEGRATION COUNCIL**

I, Ed Burgess, am the Senior Policy Director for the Vehicle-Grid Integration Council (VGIC). Having worked for VGIC since its founding in 2020, I am currently managing policy and regulatory affairs for VGIC and its 33 members. My business address is 10265 Rockingham Drive, Suite #100-4061, Sacramento, CA 95827. I declare under penalty of perjury that the foregoing facts in this document are true and correct.

Executed on May 12, 2023 at Sacramento, California.

A handwritten signature in black ink that reads "Edward A. Burgess". The signature is written in a cursive style with a prominent flourish at the end.

Ed Burgess