

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

Order Instituting Rulemaking to
Advance Demand Flexibility
Through Electric Rates.

Rulemaking 22-07-005
(Filed July 14, 2022)

**REPLY COMMENTS OF THE VEHICLE-GRID INTEGRATION COUNCIL ON
PROPOSED DECISION ON TRACK B STAFF PROPOSAL TO EXPAND EXISTING
PILOTS**

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In accordance with the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”) and the email ruling extending comment deadline issued by Administrative Law Judge (“ALJ”) Stephanie Wang on December 22, 2023, the Vehicle-Grid Integration Council (“VGIC”) hereby submits these reply comments on *Proposed Decision to Expand System Reliability Pilots of Pacific Gas and Electric Company (“PG&E”) and Southern California Edison Company (“SCE”) (“PD”)*.

I. MULTIPLE PARTIES IDENTIFY THE IMPORTANCE OF AUTHORIZING SUFFICIENT FUNDING TO SECURE THE AUTOMATION SERVICE PROVIDER PARTICIPATION THAT IS CENTRAL TO THE SUCCESS OF THE EXPANDED PILOTS.

The expanded PG&E AgFIT and SCE Dynamic Rate Pilots are structured such that automation service providers (“ASPs”) are required to facilitate the participation of customer-owned equipment in the pilots, enable the equipment to respond to dynamic rates and thus, provide benefits to the grid. As such, ASPs, also called aggregators in other contexts, play a key role to the success of these pilots. Without their buy-in and support, the pilots will not flourish, reach enrollment targets and demonstrate value in supporting grid decarbonization, reliability, and affordability goals.

With the expanded pilots, the intent is to bring in new ASPs, new customer rate classes and an expanded set of customer assets/equipment. Bringing in new ASPs that service new types of customer assets/equipment, such as electric vehicles (“EVs”) and electric vehicle supply equipment (“EVSE”), may require the ASP to develop new software and technology to support the integration of the customer-owned equipment into the pilots. Sufficient funding mechanisms and revenue are needed to entice ASPs to undertake this development effort and provide their services to retail customers and the grid throughout the pilots. This is particularly important for emerging technologies and customer-owned equipment like bidirectional vehicle-to-everything (“V2X”) EVSE, where the underlying technology, integrations, and data flows are not nearly as developed as, say, smart thermostats.

Several parties also detailed the importance of financial incentives for ASPs, including Gridtractor, California Efficiency + Demand Management Council, Leapfrog Power Inc., and OhmConnect Inc. (collectively, “Joint Parties”) and PG&E.¹ It is worth noting that current SCE Dynamic Rate Pilot is not currently considered a go-to option for EV/EVSE aggregators/ASPs, despite eligibility not being limited to a certain customer group (as is the case for AgFIT which, to date, has not been open to residential or medium-/heavy-duty EV customers). Gridtractor describes this dynamic in more detail:

“the SCE DR Provider (DRP) Mid-term evaluation elaborated on the lack of business model fit for prospective ASPs and these insights mirror issues raised in the Working Group 2 Proposal to Address Third Party Needs. SCE’s evaluation states:...’SCE found in their discussions with these parties [ASPs] that the business models for many of these entities did not align with the limited value proposition that participating as an ASP in the Pilot provided.’ By contrast, the VCE AgFIT model, in which a small number of

¹ Opening Comments of Gridtractor at pg 6-7; Opening Comments of Joint Parties at pg 5-6; Opening Comments of PG&E at pg 11.

commercial partners are offered sufficient revenue predictability to develop the necessary technologies...has demonstrated the best results so far...”²

Gridtractor reiterates the importance of supporting ASPs, recommending, “he Commission should encourage PG&E to build on the model that has demonstrated the greatest potential so far.”³ Joint Parties also explain the value of ensuring ASP participation, offering that “ASPs also need to understand the business value proposition over the long run to justify the time, energy, and cost of participating in a pilot program. Certainty that the State’s financial support over a three-year program is as fundamental to obtaining the ASPs’ commitments as are the financial incentives provided to electric customers.”⁴ Lastly, PG&E expresses its concern, given its experience with AgFIT and close working relationship with ASPs, that “...[T]he PD proposed budget significantly reduces the incentives budget from \$10.0 million to \$3.6 million. The incentives budget was intended to cover both incentives for customers and for third-party/ASP technology enablement and integration. On its own, \$3.6 million is unlikely to support any substantial ASP enablement costs. If dual participation is not allowed and other incentives are unavailable, ASPs may not participate in the pilot.”⁵

VGIC strongly agrees with these parties that the revenue opportunities and incentives for ASPs are crucial to the success of the expanded pilots. Moreover, this funding is particularly important for new players, such as EV charging aggregators, and other new technology providers to develop the necessary software and integration technology, and support the ongoing participation of these customers in the expanded pilots. VGIC urges the Commission to ensure

² Opening Comments of Gridtractor at pg 7.

³ Opening Comments of Gridtractor at pg 7.

⁴ Opening Comments of Joint Parties at pg 5-6.

⁵ Opening Comments of PG&E at pg 11.

sufficient funding is included in the expanded pilot budgets to meaningfully support ASPs, particularly for technologies that are relatively nascent, like real-time price-responsive managed charging platforms and bidirectional V2X charging aggregators.

II. CONCLUSION.

VGIC appreciates the opportunity to submit these reply comments on the Proposed Decision to Expand System Reliability Pilots of PG&E and SCE. We look forward to further collaboration with the Commission and stakeholders on this initiative.

Respectfully submitted,

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