

**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 Program
Years 2023-2027.

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

And Related Matters.

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

REPLY BRIEF OF THE VEHICLE GRID INTEGRATION COUNCIL

Edward Burgess
Senior Policy Director

Zach Woogen
Senior Policy Manager

VEHICLE GRID INTEGRATION COUNCIL
10265 Rockingham Dr.
Suite #100-4061
Sacramento, California 95827
Telephone: (510) 665-7811
Email: vgicregulatory@vgicouncil.org

August 11, 2023

TABLE OF CONTENTS

I. SDG&E STRONGLY DEMONSTRATED A NEED FOR THE ELECTRIC VEHICLE DEMAND RESPONSE PILOT, PARTIES SUPPORT THE PILOT DESIGN, AND CAL ADVOCATES' CONCERNS ARE INAPPROPRIATE FOR THE CONTEXT.	2
II. SDG&E'S PROPOSED EV DR PILOT SHOULD BE SCALED UP TO FILL A CRITICAL GAP IN VGI OFFERINGS WITHIN SDG&E'S SERVICE TERRITORY.	5
III. THIS PROCEEDING IS THE APPROPRIATE VENUE TO AUTHORIZE TELEMATICS-BASED EV AGGREGATION OFFERINGS, AND THE RECORD PRESENTS AN UNASSAILABLE CASE IN SUPPORT OF INCLUDING TELEMATICS AGGREGATORS IN ELRP.	5

**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 Program Years 2023-2027.

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

And Related Matters.

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

REPLY BRIEF OF THE VEHICLE-GRID INTEGRATION COUNCIL

In accordance with the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission” or “CPUC”), the Vehicle Grid Integration Council (“VGIC”) hereby submits this reply brief in the consolidated *Application of Pacific Gas and Electric Company (“PG&E”) for Approval of its Demand Response Programs, Pilots, and Budgets for Program Years 2023-2027*, and Related Matters, pursuant to the *Administrative Law Judge’s Ruling Admitting Testimony and Exhibits Into the Record and Extending Due Dates for Opening and Reply Briefs on Phase II Demand Response Issues*, issued by Administrative Law Judge (“ALJ”) Garrett Toy on June 28, 2023.

- I. SDG&E STRONGLY DEMONSTRATED A NEED FOR THE ELECTRIC VEHICLE DEMAND RESPONSE PILOT, PARTIES SUPPORT THE PILOT DESIGN, AND CAL ADVOCATES’ CONCERNS ARE INAPPROPRIATE FOR THE CONTEXT.**

In opening briefs, SDG&E, Ev.energy, Small Business Utility Advocates, VGIC, and WeaveGrid all detail the value of SDG&E’s Electric Vehicle (“EV”) Demand Response (“DR”) pilot and highlighted that SDG&E has adequately demonstrated the need for the proposed pilot.¹ SDG&E states that its EV DR pilot will “offer customers the option to optimize charging, receive incentives to offset their energy bill and to participate in demand response events that provide benefits to the grid,”² an offering that is currently lacking in SDG&E’s service territory despite the large and growing number of EVs. Meanwhile, Cal Advocates recommends that the Commission reject all of SDG&E’s proposed pilots and programs, including the proposed EV DR pilot, on the grounds that it is not cost-effective.³ VGIC acknowledges Cal Advocates’ concern over cost-effectiveness with SDG&E’s portfolio broadly. However, we note that SDG&E cites several major issues explaining why their cost-effectiveness scores are insufficient, and VGIC posits these very same issues explain why an EV DR pilot is needed at this time. These issues include customer mix and enrollment rates.⁴

SDG&E states, “Unfortunately, unlike other utilities in the state, SDG&E’s DR programs cannot rely on large industrial or manufacturing customers.”⁵ Currently, EV deployment is much larger among residential and small commercial customers than among large commercial and industrial customers, which explains SDG&E’s proposed EV DR Pilot focus on residential customers. VGIC believes the residential focus of the EV DR Pilot can therefore support improvements in program cost-effectiveness by targeting the relatively larger customer segment.

¹ Opening Brief of Ev.energy, pg 2-5; Opening Brief of Small Business Utility Advocates, pg. 7-8; Opening Brief of WeaveGrid, pg 2-6; Opening Brief SDG&E, pg. 24-27.

² Opening Brief of SDG&E, pg. 25.

³ Opening Brief of Cal Advocates, pg. 30.

⁴ Opening Brief of SDG&E, pg. 48.

⁵ *Ibid.*

In a similar vein, SDG&E states that “SDG&E’s current customer mix... is comprised of mostly small to medium commercial accounts and residential customer base, making it a challenge to find enough participating customers to shift significant load during a DR event.”⁶ As noted above, EVs are more common for residential and small commercial customers than for large C&I customers. Critically, EVs also represent a uniquely flexible load, requiring relatively minimal incremental cost and customer interaction to access. Unlike traditional DR technologies, EVs leverage embedded technologies, including vehicle telematics or networked EV chargers, to manage charging and respond to event signals. Moreover, since EVs are parked for most of the day and night, there is enough opportunity to shift load without inconveniencing customers, whereas air conditioning load control, for example, would create a noticeably different customer experience. With this in mind, VGIC believes the fact that SDG&E’s pilot focuses on residential customers supports a higher cost-effectiveness contribution to their portfolio.

While VGIC acknowledges the importance of ensuring cost-effectiveness in the DR portfolio, we believe Cal Advocates’ concern over SDG&E’s Total Resource Cost ("TRC") score is inappropriate in the specific context of SDG&E's EV DR Pilot. SDG&E's EV DR Pilot design represents a thoughtful, earnest approach to managing residential EV charging that will access load flexibility with relatively minimal costs. This reasonableness is clearly demonstrated in the record of this proceeding, including in testimony from SDG&E, WeaveGrid, and VGIC.⁷ We urge the Commission to adopt the pilot as proposed, at a minimum, and to consider VGIC’s additional proposal for program expansion.

⁶ Opening Brief of SDG&E, pg. 49.

⁷ Exhibit SDG&E-10, pg. 13-16; Exhibit WG-1, pg. 5-10; Exhibit VGIC-01, pg. 27.

II. SDG&E’S PROPOSED EV DR PILOT SHOULD BE SCALED UP TO FILL A CRITICAL GAP IN VGI OFFERINGS WITHIN SDG&E’S SERVICE TERRITORY.

As noted in Section I above, SDG&E sufficiently demonstrates the need for the EV DR Pilot, and parties overwhelmingly support the pilot design, apart from Cal Advocates, whose dissent is not specific to the EV DR pilot. Several parties further note that SDG&E’s proposed pilot could be significantly expanded to unlock greater participation and load flexibility. VGIC strongly recommends the Commission direct SDG&E to launch the proposed EV DR Pilot with a higher budget and customer enrollment target to achieve a greater impact. Critically, SDG&E currently offers Power Your Drive customers a VGI Rate, however, it provides no additional VGI offerings to customers, including residential customers who are ineligible for Power Your Drive make-ready incentives. In contrast, PG&E has launched three VGI Pilots totaling over \$12 million in funding, in recognition of the latent load flexibility inherent to EVs. The lack of VGI offerings in SDG&E service territory risks not only SDG&E’s ability to manage load but also California’s quickly fading position as a leader in VGI.

III. THIS PROCEEDING IS THE APPROPRIATE VENUE TO AUTHORIZE TELEMATICS-BASED EV AGGREGATION OFFERINGS, AND THE RECORD PRESENTS AN UNASSAILABLE CASE IN SUPPORT OF INCLUDING TELEMATICS AGGREGATORS IN ELRP.

In opening briefs, PG&E asserts that “no record exists to support VGIC’s request for telematics, and there is no opportunity for party comment, particularly when the Commission is already addressing the use of telematics as described in D.22-08-024 in R.18-12-006.”⁸ This

⁸ Opening Brief of PG&E, pg. 67-69.

statement is incorrect and should be disregarded for two reasons: this proceeding is the appropriate venue to authorize telematics-based EV aggregation offerings, and the record presents an unassailable case in support of including telematics aggregators in ELRP.

Firstly, this proceeding is indisputably the correct policy venue for proposing that an existing DR offering be expanded to include a new, low-cost participation pathway, and any assertion to the contrary should be disregarded unless sufficiently justified. While PG&E references R.18-12-006 as a related proceeding that is addressing aspects of telematics-based *rate participation*, PG&E themselves then state that the Commission directed telematics-based *DR participation* to be addressed outside of R.18-12-006.⁹ The distinction between these two telematics use cases is significant, as the former (i.e., rate participation for customer billing) is being addressed in R.18-12-006, whereas the latter (i.e., DR program modification to incorporate telematics-based load monitoring and management) is explicitly excluded from R.18-12-006.

Secondly, the record of this proceeding exists and presents a strong case for a telematics-based pathway within ELRP and, moreover, has offered several opportunities for parties to weigh in. VGIC raised the prospect of telematics-based participation in its initial application response,¹⁰ proposed telematics-based participation in opening testimony,¹¹ responded to other party remarks on the topic in rebuttal testimony and summarized the case for telematics-based participation in opening briefs. VGIC's proposal laid out across this proceeding, namely through opening and rebuttal testimony accomplished the following: (a) details the equity, customer choice, and customer cost benefits of promoting telematics-based participation, (b) incorporates California

⁹ Opening Brief of PG&E, pg. 67-69.

¹⁰ Response of VGIC, June 6, 2022, pg. 2, 4, 6-7, and 11.

¹¹ Exhibit VGIC-01, pg. 24-30.

Energy Commission-funded research and other third-party results demonstrating up to 95% off-peak charging achieved through telematics-based managed charging programs, (c) lists existing telematics participation throughout California, Colorado, New York, Massachusetts, Connecticut, Portland, and North Carolina, (d) describes the implementation details for an interim approach that should be used in the near-term in recognition of the potential that the Commission may adopt a telematics submetering protocol in the medium-to-long-term, and (e) references the established Commission precedence to support the proposed expansion. WeaveGrid and Ev.energy also provide extensive detail on the issue throughout this proceeding, namely in opening and rebuttal testimony.¹² Additionally, SCE weighed in on the issue in rebuttal testimony¹³ and SDG&E proposed telematics-based participation throughout this proceeding as part of their EV DR Pilot, discussed above in Sections I and II. In fact, PG&E appears to be the only interested party that opted not to weigh in on this issue despite the extensive back-and-forth between parties in this proceeding. With this in mind, we strongly recommend the Commission disregard PG&E's assertion that parties have had no opportunities to weigh in on the issue and that the record does not exist to support telematics-based participation, as this assertion is plainly inaccurate. Establishing telematics-based managed charging pathways remains a no-regrets portfolio enhancement, including to ELRP, to support increased EV participation in DR. VGIC urges the Commission to, at a minimum, direct utilities to modify ELRP to explicitly allow for telematics-based aggregation. The Commission should also consider how to evolve and scale telematics-

¹² Exhibit WG-1, pg. 6; Exhibit EVE-1, pg. 3.

¹³ Exhibit SCE-14, pg. 4.

based DR program participation beyond ELRP to ensure the greatest level of EV load flexibility is unlocked in support of a more efficient, reliable, and low-cost grid.

IV. CONCLUSION.

VGIC appreciates the opportunity to submit this reply brief. We look forward to further collaboration with the Commission and stakeholders on this initiative.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Edward Burgess", written in a cursive style.

Edward Burgess
Senior Policy Director
VEHICLE-GRID INTEGRATION COUNCIL

August 11, 2023