

**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)

Application of SAN DIEGO GAS & ELECTRIC COMPANY (U 902-E) Requesting Approval and Funding of its Demand Response Portfolio for Bridge Year 2023 and Program Years 2024-2027.

Application 22-05-003
(Filed May 2, 2022)

Application of Southern California Edison Company (U 338-E) for Approval of Demand Response Programs and Budgets for 2023-2027.

Application 22-05-004
(Filed May 2, 2022)

RESPONSE OF THE VEHICLE GRID INTEGRATION COUNCIL

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June 6, 2022

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RESPONSE OF THE VEHICLE GRID INTEGRATION COUNCIL

In accordance with Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), the Vehicle Grid Integration Council (“VGIC”) hereby submits this response on the *Administrative Law Judge’s Ruling Consolidating Proceedings and a Setting Prehearing Conference* (“Ruling”), issued by Administrative Law Judges (“ALJ”) Garrett Toy and Manisha Lakhanpal on May 25, 2022.

I. INTRODUCTION.

A. Overview of VGIC and Response Summary

VGIC is a 501(c)6 membership-based advocacy group committed to advancing the role of electric vehicles (“EVs”) and vehicle-grid integration (“VGI”) through policy development, education, outreach, and research. VGIC supports the transition to decarbonized transportation and electric sectors by ensuring the value from EV deployments and flexible EV charging and discharging is recognized and compensated in support of achieving a more reliable, affordable, and efficient electric grid. VGIC’s response is summarized below:

- VGIC believes that EV load reductions and exports can be incentivized through optional Demand Response (“DR”) programs, including those that leverage both EV supply equipment (“EVSE”) submetering and vehicle telematics to support the grid.
- Issues to be considered:
 - ELRP customer group A.5 should be extended through 2027, but additional modifications to ELRP requirements or incentive level would be premature at this time.
 - SDG&E’s EV DR Pilot should be approved, with modifications.
 - SCE’s proposal to transition Charge Ready customers to ELRP requires further clarification.
 - Dual participation in ELRP and dynamic rates/real-time pricing (“RTP”), permitted under D.21-12-015, should be clarified.
 - SCE’s proposed Mass Market Demand Response (“MMDR”) pilot lack sufficient detail and scale. Instead, the Commission should expeditiously approve SCE’s proposed VGI Pilots.

B. VGIC believes that EV load reductions and exports can be incentivized through optional Demand Response (“DR”) programs, including those that leverage both EV supply equipment (“EVSE”) submetering and vehicle telematics to support the grid.

EVs are capable of both load reduction through managed charging (often referred to as “V1G”) or battery discharge to serve on-site load and/or export to the grid (often referred to as vehicle-to-everything or “V2X”). Collectively, V1G unidirectional charging and V2G bidirectional power flow are often called VGI services. VGIC is excited to see the continuation of opportunities for EVs to participate in DR, as well as proposals for new programs. The 2021 IEPR anticipates transportation electric load reaching 20,000 GWh in 2030 in the mid-demand scenario, representing 6.7% of 2030 electric demand, with 30,000 GWh in a high-demand scenario.¹ Shaping this load to reduce the need for overbuilding of the generation fleet, as well as the distribution and transmission systems, will be crucial to maintaining electric reliability and affordability. Well-designed DR programs and market products can be powerful tools to shape EV load profiles to help meet the net peak or other California grid needs. While each major investor-owned utility (“IOU”) offers EV-specific rates to promote off-peak charging, there are several key reasons why EV-specific DR programs are also critical to shaping EV load:

¹ CEC 2021 IEPR Volume 4 at p. 64 and Figure 35.

1. EV-specific rates nudge customers toward installing a separate meter, which results in enrollment and participation rates that are far too low to meaningfully support the grid, particularly among (i) residential customers and (ii) customers looking to leverage bidirectional chargers installed behind the meter (as oppose to on a separate service drop), for example to provide backup power to a home or business or manage demand charges.
2. There are over 1,000 distinct VGI use cases resulting from the various market segments, duty cycles, site configurations, and chargers that customers may choose.² It is critical that EV drivers and fleet customers are provided with a menu of options, including both EV-specific rates and DR programs, to ensure that they can choose and be compensated for the VGI use case that best fits their mobility needs. For some, EV-specific rates alone will be the right fit, while others may in a position to take advantage of DR programs instead or in addition to EV-specific rates.
3. For EV customers that optimize daily charging load under time-varying rates, additional load reduction and/or vehicle-to-grid exports to ease stress on the grid could be achieved through DR programs. For example, existing time-varying rates do not offer compensation for vehicle-to-grid exports, while the ELRP compensates vehicle-to-grid exports at \$2/kWh.

While VGIC is excited to see that EVs are accounted for in some of the DR program and pilot proposals, it is important to recognize that EV adoption is accelerating rapidly and, in turn, the DR capability of EVs will expand dramatically between now and the 2028-2032 DR portfolio cycle. Today, California is home to over 1 million EVs.³ By 2028, VGIC anticipates EV adoption to be very close to California's 2030 target of 8 million EVs. Meanwhile, the underlying technology needed to enable EV DR participation – EVSE and vehicles capable of reducing EV load and providing vehicle-to-grid exports – has been commercially developed, piloted, and, in most cases,

² California Public Utilities Commission. *Final Report of the California Joint Agencies Vehicle-Grid Integration Working Group*. June 30, 2020. <https://gridworks.org/wp-content/uploads/2020/07/VGI-Working-Group-Final-Report-6.30.20.pdf>. Page 15.

³ California Energy Commission. *Zero Emission Vehicle and Infrastructure Statistics*. <https://www.energy.ca.gov/data-reports/energy-almanac/zero-emission-vehicle-and-infrastructure-statistics>. Accessed June 3, 2022.

deployed at scale in other markets around the world. With this in mind, VGIC urges the Commission to take the critical opportunity before us to set California on the right path of leveraging EVs for DR. VGIC strongly believes that VGI solutions, including both V1G unidirectional charging and V2X bidirectional power flow, should be considered throughout DR programs and pilots for 2023-2027. Moreover, it is critical that California unlock EV DR participation via EVSE submetering and vehicle telematics, which is an area where California is at risk of losing its role as a VGI market leader.

II. ISSUES TO BE CONSIDERED.

A. ELRP customer group A.5 should be extended through 2027, but additional modifications to ELRP requirements or incentive level would be premature at this time.

Throughout the Emergency Reliability OIR, VGIC was strongly supportive of the ELRP pilot and, in particular, the creation of customer group A.5 for EV/VGI aggregations. As more EVs are deployed throughout the state, taking advantage of these resources to help the grid is very important as TE creates significant load growth. While EV customers may be eligible to participate in third-party DR Provider (“DRP”) portfolios or existing utility DR programs, such as the Capacity Bidding Program (“CBP”), ELRP is currently the only active DR pathway that: (1) Offers a specific group for VGI aggregations, (2) compensates for both load reduction *and* exports, (3) offers a guaranteed minimum 30 hours of dispatch, (4) allows for the use of submetering to measure the contributions of EVs that are not separately metered, and (5) allows for the virtual aggregation of separately metered EVs and site load. From a customer participation and market development perspective, ELRP is a centerpiece of California’s VGI market, especially in its role as a sole provider of compensation for V2X bidirectional power flow solutions, which are not otherwise eligible for other distributed energy resource programs and rates like the Self Generation Incentive Program or Net Energy Metering/Net Billing. From a policy and program design perspective, as highlighted by PG&E, ELRP is “a test bed for the development of nascent, grid service use cases—including the allowance of energy export, device-level submetering.”⁴ The ability for new technologies, including VGI aggregations, to be assessed as a separate group in this

⁴ PG&E Testimony 2024-2027 p.4-29, lines 14-15

program can “provide an in-depth understanding of the benefits of technologies, like energy storage and EVs.”⁵

Given the ability of ELRP to contribute to emergency reliability, create the foundational understanding and structure for future EV/VGI DR programs incorporating submetering and compensation for exports, and drive real-world customer adoption, VGIC strongly supports the extension of ELRP through 2027, especially for customer group A.5. Extending the ELRP through 2027 at this time would send an important market signal to customers and VGI solution providers alike. In addition, this extension would empower customers to make capital investments in equipment that facilitate participation in ELRP, including V2X bidirectional power flow equipment. Customers may also be more inclined to devote resources to navigating the Rule 21 interconnection process for V2X bidirectional power flow equipment if ELRP is funded through 2027 as opposed to 2025.

VGIC understands that incremental changes to ELRP may be needed as lessons are learned from actual performance, but recommends the IOUs propose modifications to marketing, outreach, and education (“ME&O”), incentive payment amounts, minimum dispatch hours, and any other features of ELRP only once more experience has been gained. VGIC is concerned with SCE’s proposal to end participation for ELRP aggregators (groups A.2, A.4, A.5, B1, and B.2) in 2026.⁶ VGIC is also concerned over SCE’s proposal to eliminate minimum dispatch hours and reduce ELRP compensation from \$2/kWh to \$1/kWh.⁷ ELRP customer group A.5 is just now being established for the first time, and it is premature to initiate these changes without first understanding how the present program design, which VGIC expects to meaningfully spur technology adoption and customer participation, is functioning. VGIC recommends additional data on ELRP enrollment and participation, as well as perspectives from aggregators, be collected and taken into consideration before modifying the current ELRP customer group A.5 minimum dispatch hours or incentive level. Notably, D.21-12-015 updating ELRP authorizes the IOUs to

⁵ PG&E Testimony 2024-2027 p.4-30, lines 28-29

⁶ SCE Testimony Exhibit 3 page 76, lines 4-6.

⁷ SCE Testimony Exhibit 3 page 76, lines 6-9.

request modifications to ELRP through a Tier 2 Advice Letter process if they wish to do so.⁸ Specifically, the Decision states: “as experience in ELRP is gained, the IOUs may seek to modify various aspects of ELRP design via an IOU-specific or joint IOU Tier 2 AL as appropriate before or by December 31 of each program year to manage program enrollment, improve program efficiency, increase potential load reduction available to ELRP, improve program value, and reduce program cost.”⁹ While extending ELRP through 2027 at this time will send a positive market signal and increase potential load reduction available to ELRP, prematurely eliminating minimum dispatch hours or incentive levels would send the opposite market signal and risk decreasing the potential load reduction available to ELRP.

As noted above, the ELRP provides valuable insight into the demand response capabilities of VGI aggregations while also enabling critical emergency load reduction. With this in mind, VGIC supports PG&E and SDG&E’s request to extend ELRP through 2027, recommends that SCE extend the ELRP for customer group A.5 through 2027, and believes SCE’s proposal to eliminate minimum dispatch requirements and reduce compensation level to \$1/kWh be deemed premature and be rejected.

B. SDG&E’s EV DR Pilot should be approved, with modifications.

SDG&E is proposing to launch a DR pilot focused on residential EVs to launch in 2024 and last 3 years. SDG&E is proposing this pilot to explore the additional benefits enabled by participating in demand response programs beyond those provided by time-of-use (“TOU”) rates.¹⁰ As proposed, this will be done by testing three incentive structures for pilot enrollment and participation, with a budget of \$3.3 million over three years and the goal of enrolling 1,000 residential EVs.

VGIC commends SDG&E for proposing this innovative pilot, particularly with its focus on direct communication with a third-party aggregator that can leverage vehicle telematics and/or

⁸ Decision 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*. Page 44.

⁹ Decision 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*. Ordering Paragraph 22.

¹⁰ SDG&E Testimony Ch 1B at p. 66

EVSE submetering to monitor and manage charging during DR events. VGIC believes it is critical to leverage both vehicle telematics and EVSE submetering for VGI/DR programs to unlock:

- (1) Residential VGI for customers without a separate meter.
- (2) V2X bidirectional power flow use cases that rely on co-mingled load, such as backup power and demand charge management.
- (3) Load reduction from a greater number of customers by incorporating a larger set of technologies.¹¹

In addition, SDG&E's proposed pilot would test a variety of incentive amounts and provide valuable insights for future VGI DR programs. However, given that SDG&E has approximately 50,000 residential EVs in its service territory,¹² VGIC strongly suggests that SDG&E expand the target number of vehicles targeted for this pilot to 4,000 vehicles and that the budget be adjusted accordingly. Specifically, VGIC offers that SDG&E's EV DR Pilot should be expanded to \$9.6 million.

D.20-12-029 or the "VGI Strategies Decision" authorized the three major IOUs to propose up to a combined \$35 million in VGI Pilots and SDG&E's presumed allocation of these authorized funds totaled \$6.3 million.¹³ Ultimately, SDG&E did not propose any VGI pilots per the July 15,

¹¹ Utilities offering both vehicle telematics and EVSE submetering pathways, as expected, have the largest list of eligible equipment and, in turn, offer the greatest amount of customer choice and access. *See*, for example, National Grid Massachusetts' Off-Peak Charging Rebate Program, which uses both telematics and networked EVSE to implement an off-peak charging rebate (https://www.nationalgridus.com/media/pdfs/billing-payments/tariffs/mae/ev_adjmt_prov.pdf); Baltimore Gas & Electric's companion evPulse (<https://landing.bge.ev-pulse.com/>) and EVsmart (<https://www.bge.com/SmartEnergy/InnovationTechnology/Pages/Residential-Charger-Rebate.aspx>) programs, which offer annual incentives for smart charging via telematics and EVSE submetering, respectively; Xcel Minnesota's EV Accelerate at Home Program that uses EVSE submetering to facilitate enrollment in EV-specific TOU rates (<https://efiling.web.commerce.state.mn.us/edockets/searchDocuments.do?method=showPoup&documentId=%7b20E1FE74-0000-C715-9765-D3D7DC10DE0A%7d&documentTitle=202010-167089-01>) and Optimize Your Charge Program that will utilize vehicle telematics to promote VGI (<https://www.weavegrid.com/post/weavegrid-expands-work-with-xcel-energy>). *See also*, <https://opiniondynamics.com/wp-content/uploads/2022/03/PGE-EV-ADR-Study-Report-3-16.pdf> and <https://sepapower.org/resource/the-state-of-managed-charging-in-2021/> which find that telematics and networked EVSEs can be complementary and are both effective strategies to manage charging.

¹² SDG&E Ch 1B at p.66 line 3.

¹³ D.20-12-029, Ordering Paragraph 14 states "The large electrical corporations shall identify any non-ratepayer potential funding sources and shall not request, in their combined applications, more than \$35

2021 advice letter deadline. VGIC believes SDG&E’s EV DR Pilot proposal design is very closely aligned with the directives in the VGI Strategies Decision. SDG&E’s EV DR Pilot would meaningfully and uniquely advance VGI because it would leverage third-party aggregators to monitor and manage charging via vehicle telematics and/or EVSE submetering, which has not yet been done in California and which represents a critical gap for the market. Moreover, SDG&E’s EV DR Pilot would present a very logical complement to the \$11.7 million PG&E VGI pilot focused on V2X bidirectional power flow recently approved in Resolution E-5192.¹⁴ As VGIC views it, SDG&E effectively deferred its VGI pilot proposal from July 15, 2021 to the present DR application. VGIC believes it would be reasonable to add the \$6.3 million in pre-authorized funds that SDG&E would have requested last summer to the present \$3.3 million EV DR Pilot request, such that SDG&E’s total funding request total of \$9.6 million.

C. SCE’s proposal to transition Charge Ready customers to ELRP requires further clarification.

SCE’s Charge Ready and Charge Ready Transport programs remain pivotal in supporting commercial customers, multi-unit dwellings, and fleets through the transportation electrification process. Under D.17-12-003, the Commission authorized SCE’s request for a two-year Charge Ready DR Pilot, which was later extended through 2022. As approved in Advice Letter 4363-E, Charge Ready DR pilot customers take service under Schedule DR-CPP, which utilizes a critical peak pricing (“CPP”) structure with year-round events.¹⁵ In its DR application, SCE requests to “transition all Charge Ready DR pilot customers to ELRP by May 2023.”¹⁶ VGIC generally supports SCE’s proposal to transition Charge Ready customers to ELRP. However, additional detail on the below items is needed:

1. Transitioning Existing Customers vs Defaulting New Customers vs Dual

Participation: It is unclear whether existing Charge Ready customers will be transitioned from DR-CPP to ELRP, new Charge Ready customers will be defaulted to

million.” In the March 16, 2021 and June 4, 2021 workshops, each IOU proposed VGI pilot budgets roughly proportionate to their load share. PG&E and SCE requested a combined \$28.7 million for VGI pilots. The remaining \$6.3 million in authorized funds was not ultimately requested by SDG&E.

¹⁴ Resolution E-5192.

<https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M474/K369/474369017.PDF>

¹⁵ See, Advice Letter 4363-E and SCE Schedule DR-CRPP.

¹⁶ SCE Testimony Exhibit 3 p. 95, line 22.

ELRP rather than DR-CPP, all customers will be enrolled in ELRP as well as DR-CPP, or some combination of these three. If dual participation with ELRP is clarified (as discussed below in Section II.D), VGIC questions whether customers would need to be *transitioned* to ELRP, or whether ELRP can simply be stacked on top of DR-CPP.

2. **Applicable ELRP Customer Group and Role of VGI Aggregators:** It is unclear whether customers will be transitioned specifically to ELRP customer group A.5 or another customer group. If customers are transitioned to ELRP customer group A.5, it is unclear how SCE will facilitate aggregator participation. For example, SCE may provide Charge Ready customers with a list of existing ELRP customer group A.5 aggregators, and the customer may choose to engage with an aggregator from that list or an aggregator that is not on that list.
3. **Updating Charge Ready to Align with ELRP V2G Equipment Requirements:** Charge Ready and ELRP have different equipment requirements, and SCE should work to align its Charge Ready requirements with ELRP requirements in order to unlock EV load reduction and exports.¹⁷ For example, customers installing vehicle-to-grid direct current (“V2G DC”) EVSE for purposes of ELRP receive a specific exemption under Rule 21: V2G DC EVSE needs to be certified to UL 1741, but not UL 1741 SA or any updated smart inverter standards.¹⁸ To ensure Charge Ready customers can meaningfully participate in ELRP, SCE should update its Approved Product List with all EVSE eligible to participate in ELRP, including V2G DC EVSE that may interconnect under the UL 1741 SA exemption detailed in Rule 21.
4. **Updating Charge Ready to Align with ELRP Submetering and Virtual Aggregation Pathways:** Additionally, ELRP Group A.5 allows for both EVSE submetering and virtual pairing of separately metered EVSE,¹⁹ while Charge Ready

¹⁷ Consistent with the goals of enabling EV DR and load reduction stated in D.20-08-045 authorizing Charge Ready 2, D.21-12-015 authorizing ELRP customer group A.5, and SCE’s request in its DR application to transition Charge Ready customers to ELRP.

¹⁸ SCE Rule 21 Section Hh., Sheet 147, footnote ii.

https://edisonintl.sharepoint.com/teams/Public/TM2/Shared%20Documents/Public/Regulatory/Tariff-SCE%20Tariff%20Books/Electric/Rules/ELECTRIC_RULES_21.pdf

¹⁹ Southern California Edison Company. *Emergency Load Reduction Program (ELRP) Pilot Group A Terms and Conditions Pursuant to California Public Utilities Commission Decision 21-03-056, 21-06-027, and 21-12-015*. https://elrp.sce.com/wp-content/uploads/sites/10/2022/04/SCE_ELRP_group_A_terms_and_conditions2022.pdf

encourages separate metering. To address this misalignment, SCE should clarify that customers may be eligible for Charge Ready make-ready/charger rebates if they are using EVSE submetering to participate in ELRP, rather than installing EVSE on a separate meter. Additionally, Charge Ready program rules should reflect ELRP rules by clarifying that site load can be virtually paired with separately metered EVSE to participate in ELRP.

- 5. Supporting Customer Choice in DR Offerings:** While VGIC generally supports ELRP as a DR pathway for Charge Ready customers, it is important to promote customer choice. As such, Charge Ready customers should be given the option to participate in DR-CPP or another DR program if they prefer to do so. While VGIC agrees customers should be defaulted to ELRP, they should be able to opt out and instead choose another DR program, including DR-CPP, CPP, CBP, third-party DRP, or any other DR offering for which they may be eligible.

VGIC generally supports SCE's proposal to transition Charge Ready customers to ELRP, but believes critical clarity is needed on the above items before the Commission should approve SCE's request.

D. Dual participation in ELRP and dynamic rates/real-time pricing ("RTP"), permitted under D.21-12-015, should be clarified.

In its Application, PG&E requests that the Commission revisit dual participation rules.²⁰ While dual participation as an overarching topic may require revisiting, VGIC is specifically seeking clarity that dual participation in ELRP and dynamic /RTP-equivalent rates is permitted per the direction in D.21-12-015 updating ELRP. VGIC recognizes that the issue of dual participation is complex and stems from a long history of Commission rulings. While it may be challenging to determine load impact, avoid double compensation, conduct forecasting, and address other dual participation issues across two different DR programs, VGIC believes dual participation across ELRP and RTP-equivalent tariffs is not only simpler but also has already been permitted in D.21-12-015. Discussion in Section 8 of D.21-12-015 states that dual participation in ELRP and RTP-

²⁰ PG&E Exhibit 2 at 2-8.

equivalent tariffs is permitted, but that dual participation in ELRP and other DR programs is not.²¹ Additionally, the Decision states (emphasis added):

“We extend the subjects that may be addressed in Tier 2 Advice Letters to include issues of dual participation between ELRP and *other DR programs* and issues of minimum dispatch hours. We clarify that a request to allow a particular dual participation option should be accompanied with an explanation and methodology to demonstrate how the Incremental Load Reduction during *overlapping events* could be attributed uniquely to ELRP participation and avoid double compensation.”²²

Given Section 8 of D.21-12-015 upholds the dual participation prohibition on ELRP and other DR programs but eliminates the dual participation prohibition on ELRP and RTP-equivalent tariff, it would follow that the above-quoted Tier 2 Advice Letter condition is relevant to dual participation of ELRP and other DR programs but *does not* apply to dual participation in ELRP and RTP-equivalent tariffs. Additionally, the use of the phrases “other DR program” and “overlapping event” suggests an overlapping DR event is of concern. An RTP tariff would not use “events” or event days but rather an hourly price signal alerted on a day-ahead basis, every day of the year.

Allowing dual participation in ELRP and an RTP tariff can be critical for certain customer types. For example, under an RTP rate, a commercial customer with a EVSE capable of providing V2X bidirectional power may reduce load to a minimum of 0 kW in response to RTP price signals during all 8760 hours of the year. Under ELRP, this same customer could export power to the grid in response to the 30 to 60 hours of ELRP customer group A.5 signal. Since ELRP is the only mechanism for compensating these exports, dual participation in both ELRP and RTP rate would not only unlock a higher level of support for the grid, but also provide more value to customers looking to adopt grid supportive solutions and, in this case, V2X bidirectional power flow capabilities.

²¹ D.21-12-015 at page 133 states (emphasis added): “We *omit* the provision in the Proposed Decision that Residential ELRP customers or ELRP group A.4 and A.5 may not simultaneously be enrolled in a critical peak pricing, SmartRate or *similar dynamic rate tariff* and enroll in the ELRP pilot, since IOUs do not have visibility into whether customers are taking service under critical peak pricing, SmartRate or similar dynamic rate tariffs.” Moreover, this modification is clearly reflected in the revisions made to Attachment 2 between the Proposed and Final Decision. See Proposed Decision Attachment 2 at p. 6 (<https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M419/K191/419191939.PDF>) and Final Decision 21-12-015 Attachment 2 at p. 6 (<https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M428/K821/428821668.PDF>).

²² D21-12-015 at pages 44-45.

However, in proceeding A.20-10-010, PG&E and CalAdvocates have both asserted that dual participation in ELRP and RTP-equivalent tariff cannot yet be enabled until such a Tier 2 Advice Letter is approved.²³ Based on their interpretation, D.21-12-015 Section 4.1.12, quoted above, would apply equally to ELRP dual participation in other DR programs and in RTP-equivalent tariff. PG&E additionally asserts that dual participation in ELRP and RTP-equivalent tariff would violate existing dual participation rules.²⁴

Therefore, VGIC seeks clarity on this aspect of D.21-12-015 and respectfully requests the Commission uphold its finding that dual participation is permitted in the case of ELRP and dynamic rates, as ELRP is a critical tool to support emergency reliability. As noted above in Section II.A, ELRP is the *only* existing pathway to compensate V2G exports, and customers who wish to participate in unidirectional V1G mode in a year-round RTP-equivalent rate should not be excluded from participating in V2G mode in ELRP. VGIC recommends the Commission provide explicit clarification in this proceeding that dual participation in ELRP and RTP-equivalent tariffs is permitted.

E. SCE’s proposed Mass Market Demand Response pilot lacks sufficient detail and scale. Instead, the Commission should expeditiously approve SCE’s proposed VGI Pilots.

VGIC generally supports SCE’s proposed MMDR pilot and the idea of exploring more dynamic DR solutions to meet California’s grid needs. VGIC agrees that it is important to study which types of technology rebates and incentive designs are most effective at incentivizing optimum dispatch and flexibility of DR resources. Many details on SCE’s pilot are yet to be released, but upon initial review VGIC is disappointed that EVs and VGI DR solutions, both V1G and V2G, are not explicitly included in the MMDR pilot.

²³ See Public Advocates Office *Prepared Rebuttal Testimony on Pacific Gas & Electric Company’s Export Compensation Proposal for Business Electric Vehicle (BEV) Customers* at 1-15 and *Pacific Gas and Electric Company Proposal for Export Compensation Mechanism for Non-Net Energy Metering Business Electric Vehicles: Rebuttal Testimony* at 2-4; accessed at <https://pgera.azurewebsites.net/Regulation/search> > “Commercial Electric Vehicle Dynamic Rate Option”

²⁴ *Pacific Gas and Electric Company Proposal for Export Compensation Mechanism for Non-Net Energy Metering Business Electric Vehicles: Rebuttal Testimony* at 2-2; accessed at <https://pgera.azurewebsites.net/Regulation/search> > “Commercial Electric Vehicle Dynamic Rate Option”.

Meanwhile, SCE's proposed VGI pilot in Advice Letter 4542-E, would have established a large-scale bring-your-own-device ("BYOD") VIG pilot specifically designed to leverage EVs in SCE service territory for load reductions. It is critical that SCE begin offering dedicated DR/VGI program participation to EV customers given that SCE's service territory has one of the densest EV populations in the nation. VGIC strongly recommends the Commission approve SCE's VGI Pilots, which are focused on the unique challenges of EVs, including overcoming the separate metering paradigm that restricts available EV load reduction as highlighted above in Sections I.B and II.B. While VGIC hopes the MMDR pilot may someday evolve into a full-scale, tech-agnostic DR program, VGIC is concerned over the limited \$1.46 million budget requested to study the technology rebates and incentive designs for all DR technologies. In contrast, SCE's residential large-scale VGI pilot requested in Advice Letter 4542-E totals \$8.04 million to better understand the specific customer response and unique attributes of leveraging EVs for DR.

Incentivizing the use of EVs in ways that benefit our grid will be crucial to ensuring long-term electric reliability more affordably. For this reason, VGIC believes it is important to implement large-scale pilots, including the large-scale residential VIG pilot requested in SCE's Advice Letter 4542-E, to determine what types of incentives or rebates are needed to unlock EV participation in demand response and what types of dispatch profiles are available at which price.

III. CATEGORIZATION, HEARINGS, AND SCHEDULE.

VGIC agrees with the categorization of the proceeding as "ratesetting" but does not have a position at this time on whether evidentiary hearings will be necessary. With respect to the schedule proposed by the three IOUs, VGIC agrees with splitting this proceeding into two phases, to allow for an expedited decision on 2023 DR program funding.

VGIC looks forward to discussing the schedule at the Prehearing Conference.

IV. CONCLUSION.

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

Respectfully submitted,

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Date: June 6, 2022