PHASE 2 – RELIABILITY FOR 2022-23 – UPDATE:
REPLY PREPARED TESTIMONY OF
JOINT DEMAND RESPONSE PARTIES
(CPower and Enel X North America, Inc.)

Rulemaking 20-11-003
2021 Extreme Weather Event Reliable Electric Service
Phase 2 – Reliability for 2022-23 - Update

September 10, 2021
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>I. EXECUTIVE SUMMARY</strong></td>
<td>1</td>
</tr>
<tr>
<td><strong>II. REPLY OF JOINT DR PARTIES TO PHASE 2 TESTIMONY</strong></td>
<td>3</td>
</tr>
<tr>
<td>OF OTHER PARTIES ON 2022-23 DEMAND REDUCTION</td>
<td></td>
</tr>
<tr>
<td>A. Base Interruptible Program</td>
<td>3</td>
</tr>
<tr>
<td>B. Capacity Bidding Program</td>
<td>4</td>
</tr>
<tr>
<td>C. Demand Response Auction Mechanism</td>
<td>6</td>
</tr>
<tr>
<td>D. Qualifying Capacity for Demand Response</td>
<td>7</td>
</tr>
<tr>
<td>E. Emergency Load Reduction Program</td>
<td>8</td>
</tr>
<tr>
<td>F. UNIDE</td>
<td>11</td>
</tr>
<tr>
<td>G. Prohibited Resources</td>
<td>12</td>
</tr>
<tr>
<td><strong>III. CONCLUSION</strong></td>
<td>14</td>
</tr>
<tr>
<td><strong>APPENDIX A: RULE 13.7(e) COMPLIANCE STATEMENTS:</strong></td>
<td></td>
</tr>
<tr>
<td>Jennifer A. Chamberlin, Marc R. Monbouquette</td>
<td></td>
</tr>
</tbody>
</table>
I. EXECUTIVE SUMMARY

Exhibit JDRP-4 is the reply prepared testimony of the Joint Demand Response (DR) Parties in “Phase 2 – Reliability for 2022-23 – Update” (Phase 2) of Rulemaking 20-11-003 (2021 Extreme Weather Event Reliable Electric Service (“Extreme Weather”)). Exhibit JDRP-4 builds on Exhibit JDRP-3, the Joint DR Parties’ Phase 2 Opening Testimony, in providing the Joint DR Parties’ response to the Phase 2 Opening Testimony of certain other parties on ways to source additional peak and net peak demand reduction in 2022-2023. In doing so, Exhibit JDRP-4, like Exhibit JDRP-3, continues to follow the direction and scope of issues identified in the Phase 2 Amended Scoping Memo issued on August 10, 2021; the ALJ’s Email Ruling on Staff Guidance for Phase 2 testimony issued on August 11, 2021; and the ALJ’s Email Ruling on a Staff Concepts Proposal Document for Comment in Phase 2 testimony issued on August 16, 2021.

By Exhibit JDRP-4, based on the Joint DR Parties’ experience, expertise, and analysis identified in Exhibit JDRP-3 and herein and as further supported by Exhibits JDRP-1 and JDRP-2, the Joint DR Parties continue to strongly recommend that the Commission adopt and/or take the actions identified in Exhibit JDRP-3 at pages 2 through 4 and 29 through 31 in its Phase 2 decision in R.20-11-003 expected to be issued on November 18, 2021 and, in turn, incorporate those recommendations by reference herein. Based on the Joint DR Parties’ analysis of the Phase 2 Opening Testimony of other parties that follows in this Exhibit JDRP-4, the Joint DR Parties further recommend that the Commission additionally adopt or take the following actions in that decision:

1. Approve the SDG& proposals to offer a CBP Elect program option along with program incentive changes and order SCE to offer a CBP Elect program option.

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1 Phase 2 Amended Scoping Memo, at p. 6.
2. Require all three IOUs to implement an uncapped adjustment factor in CBP baselines to better reflect DR customer contributions during extreme grid conditions.

3. Adopt an ELRP pilot that provides monthly capacity payments, minimum dispatches, and performance requirements to encourage robust participation from customers with behind-the-meter resources, along the lines of California Solar & Storage Association’s (CALSSA’s) "Group C" proposal or California Energy Storage Alliance’s (CESA’s) "Enhanced Storage Backed Demand Response" proposal.

4. Pilot a DR qualifying capacity methodology for 2022 and 2023 that would collateralize unproven resources.

5. Adopt TeMix, Inc.’s (TeMix’s) proposal to offer a white-labeled license to its “RATES” platform to provide expedited access to dynamic pricing options along the lines of Energy Division’s “UNIDE” proposal.

6. Make changes to Resolution E-4906 that would remove resources that fuel switch to California Energy Commission (CEC) - approved renewable fuels from the prohibited resources categorization.
II.
REPLY OF JOINT DR PARTIES TO PHASE 2 TESTIMONY
OF OTHER PARTIES ON 2022-23 DEMAND REDUCTION

A. BASE INTERRUPTIBLE PROGRAM

Q. Describe Pacific Gas and Electric’s (PG&E’s) proposal to increase incentives for the Base Interruptible Program (BIP).

A. PG&E proposes to increase BIP compensation by $1/kWh from May to October for at least the 2022 and 2023 delivery season. Similar to the Joint DR Parties’ observations, PG&E reasons that such an increase is needed to encourage enrollment, recognize greater opportunity costs facing customers, and to reduce program attrition. \(^2\)

Q. Do you agree with this recommendation?

A. The Joint DR Parties agree with the direction of this recommendation, but instead recommend that the Commission adopt its proposal to increase incentives for all investor-owned utility (IOU) BIP tariffs by 30%, and decrease Excess Energy Charges by 75%. This will address the enrollment and attrition challenges that both the Joint DR Parties and PG&E have identified, while increasing the program’s attractiveness for large consumers relative to the Emergency Load Reduction Program and encouraging robust performance across a multi-day grid emergency. This is because, under the current penalty regime, a single instance of poor performance can erase most of a customer’s program earnings, which in turn removes the financial incentive to curtail on subsequent event days.

Q. Do other parties also propose a reduction in BIP penalties (Excess Energy Charges)?

A. Yes. This recommendation is echoed by Polaris Energy Services (Polaris), which identified BIP penalties as contributing to program attrition within the agricultural DR segment following the 2020 outages. \(^3\) Similarly, Voltus, Inc. (Voltus) identifies the disparity between BIP penalties for third-party aggregated resources – ranging

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\(^2\) PG&E Phase 2 Opening Testimony, at p. 4-2 (PG&E (Thorne)).

\(^3\) Polaris Phase 2 Opening Testimony, at pp. 4, 7 (Polaris (Meyers)).
between $6 - $8.40 / kWh – and penalties faced by BIP customers that direct-enroll with IOUs – set at the locational marginal price (LMP) – and argues that all BIP penalties be set at the LMP.  

Q. Do you support Voltus’s recommended LMP Excess Energy Charge?

A. Applying the Joint DR Parties’ proposed 75% derate to the $6-$8.40 / kWh penalty range would result in Excess Energy Charges of $1.50 - $2.10 / kWh. With the California Independent System Operator (CAISO) seeking to increase the energy market price ceiling from $1,000 to $2,000 / MWh, this would effectively put our recommendation in line with that of Voltus.

B. CAPACITY BIDDING PROGRAM

Q. First, do you continue to support the analysis and recommendations made by the Joint DR Parties on the IOU Capacity Bidding Program (CPB)?

A. Yes. However, the Joint DR Parties' have additional recommendations in response to the Phase 2 Opening Testimony of other parties on the CPB.

Q. What are those?

A. To begin with, the Joint DR Parties applaud San Diego Gas and Electric Company’s (SDG&E’s) proposal to add an Elect option to SDG&E’s CPB program. However, however, while the Joint DR Parties are not opposed to SDG&E’s proposed methodology for implementing its CPB Elect program option, we note that SDG&E witness Mantz inaccurately characterizes how PG&E’s CPB Elect program is implemented. In this regard, SDG&E witness Mantz testifies: “The set price options offered by PG&E allows the aggregator to select a price of $200, $400, or $600 for the customers they are nominating for the Elect Day-Ahead or Day-Of option; the utility can, in turn, bid that resource into the corresponding CAISO market at those prices.” Yet, in fact, PG&E’s CPB Elect program option actually allows the aggregator to set a market bid price for each Proxy Demand Resource (PDR)

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4 Voltus Phase 2 Opening Testimony, at pp. 5-6 (Voltus (Guernsey)).
5 SDG&E Phase 2 Opening Testimony on Demand-Side Demand Reductions (Exhibit (Ex.) SDGE-8), at pp.9-11 (SDG&E (Mantz)).
6 Id., at p. 9.
resource, and this price can be changed with three days’ notice – there are no
preset market integration price options as SDG&E proposes.

The SDG&E CBP Elect program option is less flexible than PG&E’s option, but it is
still a significant enhancement to SDG&E’s CBP program. Additionally, SDG&E has
proposed changes to the incentive levels that the Joint DR Parties believe will be
well-received by customers in the service territory and support program growth.

Q. Are there other CBP Proposals made in the Phase 2 Opening Testimony of other
parties to which the Joint DR Parties also wish to respond?

A. Yes. First, the Joint DR Parties join in the recommendation made in the Phase 2
Opening Testimony of the Joint Parties (California Efficiency + Demand
Management Council (CEDMC), ecobee, Inc., Leapfrog Power, Inc., and Oracle) for
the Commission to order Southern California Edison Company (SCE) to also add a
CBP Elect program option,⁷ in addition to approving SDG&E’s CBP Elect program
proposals, as testified above. The Joint DR Parties’ experience is that the PG&E
CBP Elect program has been well-received by customers and that it has resulted in
increased program enrollment and retention.⁸

Second, the Joint DR Parties note and emphasize that the Joint Parties have offered
a proposal that echoes the recommendation made by the Joint DR Parties in their
Phase 2 Opening Testimony⁹ regarding the use for CBP of the alternative baseline
adjustment option allowed by CAISO that has been authorized for calculating
Demand Response Auction Mechanism (DRAM) capacity performance in Decision
(D.) 21-03-056 in this proceeding. Like the Joint Parties, the Joint DR Parties urge
the Commission to direct that this alternative (uncapped) baseline adjustment factor
option be utilized in the IOUs’ CBP programs and strongly support the entirety of the
Joint Parties’ proposal in this regard, as follows:

“The Joint Parties request the Commission specify that the CAISO’s
alternative baselines are applicable to the calculation of CBP capacity

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⁷ Joint Parties Phase 2 Opening Testimony, at p. 31 (Joint Parties (Wikler))
⁸ PG&E Advice Letter 5799-E, Attachment 1, at pp. 16-17
⁹ Joint DR Parties Phase 2 Opening Testimony, at pp. 12-13 (Joint DR Parties
(Chamberlin/Monbouquette)).
incentive payment and DRAM contract payments. Because the alternative
day-of adjustment factor is currently only approved by the CAISO for use
in 2021, the Joint Parties request that the Commission request the CAISO
to extend its alternative day-of adjustment factor for the May-October 2022
and 2023 periods.10

C. DEMAND RESPONSE AUCTION MECHANISM

Q. What is the Joint DR Parties’ position on the opposition stated by PG&E, SCE, and
the Public Advocates Office (PAO) in their respective Phase 2 Opening Testimony to
the Staff Concept Paper proposals on expanding the use of Demand Response
Auction Mechanism (DRAM) in 2022 and 2023?11

A. The Joint DR Parties are not surprised to see PG&E, SCE, and PAO12 oppose either
a supplemental 2022 DRAM solicitation or an expanded budget for 2023
solicitations. These three entities have been opposed to DRAM expansions both
during Phase 1 of this proceeding and within proceedings specifically addressing
Demand Response issues and programs, including DRAM.

In this regard, opposition by PG&E, SCE, and PAO to an expanded DRAM dates
back to 2019, when these parties initially argued that there would be no resource
need and DRAM budgets should not be expanded. The Commission responded to
these positions by ultimately reducing DRAM budgets for the 2020-2023 period by
nearly 50 percent.

As has been shown by the actions of this Commission in this proceeding and of the
Governor’s office by Executive Order; California had in 2020, and continues today to
have, a resource shortage. Further, actions authorized by the Commission in Phase
1 of this proceeding have not yet produced the resource results, from DR or other
resources, hoped for and needed to ensure no resource shortfalls for 2021-2023.

In these circumstances, the Joint DR Parties continue to reiterate their own findings,
as well as the conclusions reached by other industry experts, including those who
develop DR resources, that Commission authorization of additional DRAM

10 Joint Parties Phase 2 Opening Testimony, at p. 31 (Joint Parties (Wikler)).
11 Staff Concepts Proposal Document, Section 2A (ALJ’s Email Ruling (August 16, 2021)).
12 PG&E Phase 2 Opening Testimony, at p. 6-1 (PG&E (Oreizy)); SCE Phase 2 Opening
Testimony, at p. 69 (SCE (Coher)); PAO Phase 2 Opening Testimony, at pp. 2-1 – 2-3 (PAO
(Castello)).
procurements is one of the best ways to bring additional DRAM capacity both to market and to CAISO for economic integration in the dispatch stack.\(^\text{13}\)

In response to concerns raised by PG&E, SCE, and PAO that resources might not show up if contracted, the Joint DR Parties believe that those concerns are addressed by the Staff Concepts Proposal Document proposing penalties to be applied in these incremental procurements for capacity contracted for that does not materialize on supply plans.\(^\text{14}\) Moving forward with supplemental DRAM procurements with penalties for not providing contracted capacity balances a least-regrets, clean capacity procurement with incentives for resources to show up. The Joint DR Parties also note that it is just DR that is accused of not always being available on time after being contracted for, but, in fact, it is utility-scale procured generation (fossil and renewable) and storage that also suffer from not being developed as planned or face unplanned outages. Nevertheless, it is only Demand Response, and not any other resource, that these parties say simply should not be procured. Such a position, based on resources not showing up, is not justified for DR alone, and, again, is adequately remedied by the Staff Concepts Proposal Document proposal.

D. QUALIFYING CAPACITY FOR DEMAND RESPONSE

Q. What is your position on the proposal by Voltus, Inc., that, for summer 2022, the Commission should pilot allowing aggregators to qualify new resources and post financial assurance when non-LIP resources are utilized for Resource Adequacy for summer 2022?

A. The Joint DR Parties find Voltus’s proposal intriguing and believe it has merit, as it is similar to the Joint DR Parties’ proposal to relax the Load Impact Protocol requirement to qualify resources for non-DR program RA. Collateralizing unproven resources, rather than going through a lengthy Load Impact Protocol process, is a method used in most organized markets. It provides both a financial incentive for a

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\(^{13}\) See, e.g., Joint Parties Phase 2 Opening Testimony, at pp. 14-18 (Joint Parties (Wikler)); California Energy Storage Alliance (CESA) Phase 2 Opening Testimony, at p. 55 (CESA (Noh)); CEERT Phase 2 Opening Testimony, at pp.1, 3 (CEERT (Caldwell)); Voltus Phase 2 Opening Testimony, at p. 3 (Voltus (Guernsey)); Advanced Energy Economy (AEE) Phase 2 Opening Testimony, at p. 6 (AEE (Garcia)).

\(^{14}\) Staff Concepts Proposal Document, supra, Section 2.b, iv.
DR provider to only take positions it feels confident it can recruit performing
customers to deliver on, as well as allows for a rapid resource development and
market integration.

As Voltus testifies:

“Voltus proposes that the collateral commitment be $2,500/MW and that
the collateral be forfeited if resources do not perform or otherwise cover
their obligation to provide Resource Adequacy. This is comparable to the
$2,400 financial assurance posted in MISO [MidAtlantic Independent
System Operator] for an untested load-modifying resource.”15

The Joint DR Parties, therefore, support the piloting of this methodology as an
addition to capacity already applied for and established in the 2022 LIP process and
further recommend that the pilot be expanded to 2023 as well so that more certainty
about DR resource development and procurement can be brought to the market.

E. EMERGENCY LOAD REDUCTION PROGRAM

Q. What was your main recommendation in Opening Testimony regarding the
Emergency Load Reduction Program (ELRP)?

A. The Joint DR Parties argue that the main improvement to attract meaningful
participation in the ELRP would be to ensure a predictable revenue stream, through
either a capacity or reservation payment or a minimum number of dispatches. .

Q. Did other parties make similar recommendations?

A. Yes. California Solar & Storage Association (CALSSA),16 California Energy Storage
Alliance (CESA),17 AEE,18 Sunrun, Inc. (Sunrun),19 and Voltus20 similarly identify
ELRP’s lack of predictable compensation as a barrier to meaningful participation in
ELRP.

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15 Voltus Phase 2 Opening Testimony, at p. 10 (Voltus (Guernsey)).
16 CALSSA Phase 2 Opening Testimony, at pp. 2-3(CALSSA (Heavner)).
17 CESA Phase 2 Opening Testimony,, at 49 (CESA (Noh)).
18 AEE Phase 2 Opening Testimony, at pp. 3-4 (AEE (Garcia)).
19 Sunrun Phase 2 Opening Testimony, at p. 16 (Sunrun (Sherman)).
20 Voltus Phase 2 Opening Testimony, at p. 7 (Voltus (Guernsey)).
Q. Did any of these parties put forth detailed proposals on how this situation could be ameliorated?

A. Yes. CALSSA for instance proposes an ELRP “Group C” for customers with BTM solar and storage to participate individually or through an aggregator on an opt-in basis. Group C would entail 50 hours of guaranteed dispatch, effectuated through a fixed day-ahead energy price trigger (ranging from $255 to $290 / MWh depending on the IOU), and would extend options for a capacity-style payment as either a fixed monthly $/kW payment (set at the Cost of New Entry) based on an aggregator’s committed load reduction within a portfolio, or a $1/kWh energy payment to the aggregator on top of the performance payment that accrues to the individual customer.  

CESA proposes two out-of-market / non-RA programs that seek to bolster demand-side contributions to net peak. First, an Enhanced Storage-Backed Demand Response (ESB-DR) program that would entail a $1.20 / W capacity reservation payment (reflecting the Cost of New Entry) for a “base” four-hour storage system, split 50/50 between up0front and ongoing incentives similar to the Self-Generation Incentive Program (SGIP) structure, a $750 / MWh trigger, dual enrollment, and open to any customer with battery energy storage, thermal energy storage, permanent load-shifting, V2X, and other DERs that can meet the performance requirements. Second, a Permanent Load Reduction Incentive Program that would provide incentives to DERs that can permanently reduce customer load during the net load peak hour to a specified load level in support of identified emergency reliability needs.

Both the CALSSA Group C proposal and CESA ESB-DR proposal, along with other parties, recommend settlement by data at the battery inverter, similar to the CAISO’s Meter Generator Output baseline methodology. Both proposals would also entail a performance obligation in exchange for the monthly capacity payment, and would be

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21 CALSSA Phase 2 Opening Testimony, at pp. 4-11 (CALSSA (Heavner)).
22 CESA Phase 2 Opening Testimony, at pp. 56-72 (CESA (Noh)).
23 Id., at pp. 72-79.
24 CESA Phase 2 Opening Testimony, at pp. 53-55 (CESA (Noh)), CALSSA Phase 2 Opening Testimony, at p. 7 (CALSSA (Heavner)).
“penalized” for non-performance in the form of an aggregator not being able to collect the latter in the case of non-performance during events.\textsuperscript{25}

Q. Do you support these approaches?

A. Yes. The CALSSA Group C proposal (with the fixed monthly capacity option) and CESA ESB-DR proposal appear to be very similar in nature. Both would entail a monthly capacity payment based on the Cost of New Entry and a set strike price that, depending on the exact price target, would result in a predictable amount of dispatches.

The Joint DR Parties recommend that the Commission adopt this basic program design as a standalone pilot, to be available throughout the same ELRP pilot term, through 2026. We also see this providing a comparable venue for Staff’s proposed EV / VGI aggregation pilot, given the latter’s proposed minimum number of dispatches. For all intents and purposes, the VGI pilot could be combined with this offering, with the up-front incentive to support V2X-capable EVSE deployment (as called for in the Joint DR Parties’ Phase 2 Opening Testimony) instead achieved by a monthly bill credit proposed by VGIC, which mimics a capacity payment though is more structured as a technology incentive.\textsuperscript{26}

Q. Would you make any modifications?

A. The Joint DR Parties would make a few suggested modifications or clarifications to the envisioned, “combined” CALSSA-CESA program, based on certain inclusions or omissions in those parties’ testimony. First, the Commission should clarify that the program is available to all customer segments, and not just residential customers, as (seemingly) suggested by CALSSA.\textsuperscript{27} Second, it should be clarified that BTM storage exports are eligible to collect compensation as part of the program, which was not imminently clear through CESA’s description of the program as being Enhanced Storage-Backed “Demand Response.”

\textsuperscript{25} CESA Phase 2 Opening Testimony, at p. 66 (CESA (Noh)), CALSSA Phase 2 Opening Testimony, at pp. 8-9 (CALSSA (Heavner)).

\textsuperscript{26} VGIC Phase 2 Opening Testimony, at pp. 14-15 (VGIC (Burgess)).

\textsuperscript{27} See, e.g., CALSSA Phase 2 Opening Testimony, at pp. 5, 7, 8 (CALSSA (Heavner)).
Finally, CALSSA suggests that “customers with dual enrollment will be compensated only under ELRP for performance during ELRP events.” This makes sense, and would effectively cap a PDR’s bids for the curtailment portion of the load drop at the “Group C” strike price. However, it also makes sense to cap a dual participating customer’s Group C capacity payment at the incremental election above any supply-side DR commitment.

Q. Do you have any final points on the ELRP?

A. Yes. The Joint DR Parties strongly support CESA’s call for the Commission to order an expedited interconnection review for provisional export permits for existing non-exporting storage sites, to enable full participation in ELRP. We also support CESA’s general call for increased interconnection staffing at the IOUs to oversee swift integration of new resources that can provide much needed supply through Summer 2023.

F. UNIDE

Q. Are you familiar with the concept of “UNIDE” and can you explain its meaning?

A. Yes. “UNIDE” stems from work by the Commission’s Energy Division to develop a proposal to facilitate widespread flexible demand management through a dynamic rate solution called UNIDE. “UNIDE” stands for a rate signal that is “unified, universal, dynamic, and economic.”

Q. In the Joint DR Parties’ Phase 2 Opening Testimony, you expressed support for the Staff’s Agriculture Flexible Demand Pilot and recommended that any experimental rate is offered more broadly, to other customer classes and enabling technologies. Do any other parties share this opinion?

A. Yes. TeMix, Inc. (TeMix) proposes to license its “RATES” platform architecture server to any load serving entity to enable access to UNIDE-informed dynamic prices, in service of the Commission’s quest to decrease

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28 CALSSA Phase 2 Opening Testimony, at p. 9 (CALSSA (Heavner)).
29 CESA Phase 2 Opening Testimony, at pp. 39-44 (CESA (Noh)).
31 TeMix Phase 2 Opening Testimony, at pp. 2-4 (TeMix (Cazalet)).
demand during net peak hours. The RATES platform was used in a CEC-funded EPIC pilot with SCE that provided the basic structure for the Energy Division’s UNIDE proposal.

Q. Do the Joint DR Parties support this approach and do you have an opinion on how this could be implemented?

A. Yes. The RATES platform could provide a relatively turn-key / quick turn “rate engine” to handle the computation of load serving entity (LSE)-specific time varying rate schedules that are pushed to both customers and devices, and also used for customer billing purposes. At a minimum, the RATES server could be used to generate hourly generation prices based on CAISO wholesale energy market prices, and replace the generation component of customers’ Otherwise Applicable Tariffs. Of course, integrating this with LSEs’ billing systems could be challenging, but the Commission should consider temporary manual billing pathways to enable this on an expedited basis, until necessary system upgrades could be completed.

To help prove out the state’s vision, and as highlighted in TeMix’s Opening Testimony, customers and devices would be able to access those time varying rate schedules through the CEC’s Market Informed Demand Automation Server, or MIDAS, platform, which was recently launched.

G. PROHIBITED RESOURCES

Q. What is your position on proposals by PG&E and Enchanted Rock, LLC (Enchanted Rock) that fossil resources be at least temporarily allowed in the Base Interruptible Program (BIP)?

A. The Joint DR Parties certainly agree with these parties that utilization of prohibited resources in BIP and potentially other DR programs would result in more capacity

32 TeMix Phase 2 Opening Testimony, at p. 2 (TeMiX (Cazalet)).
34 PG&E Phase 2 Opening Testimony, at p. 4-3 (PG&E (Thorne)); Joint Parties Phase 2 Opening Testimony, at p 30 (Joint Parties (Wikler)); Enchanted Rock Phase 2 Opening Testimony, at p. 2 (Enchanted Rock (Yu)).
available in 2022 (Enchanted Rock) and 2023 (PG&E and Enchanted Rock).

However, the Joint DR Parties also recognize that this is antithetical for the
greenhouse gas (GHG) emission reduction goals set by the State. Given the
resource constraints, a temporary lifting of this ban, in order to capture the use of
existing generation resources in a reliable and committed manner in a DR program,
rather than a voluntary manner as provided for in the Emergency Load Reduction
Program (ELRP), may be appropriate.

Q. Are there other, more environmentally sensitive ways to capture the resiliency of
these behind-the-meter generators in DR programs?

A. Yes. The Joint DR Parties, Joint Parties and Enchanted Rock recommended in their
respective Phase 2 Opening Testimony that California Energy Commission (CEC) -
approved renewable fuels used in behind the meter generators should per permitted
in DR programs and that these resources should be removed from the “prohibited
resources” lists.

Resolution E-4906 calls for generation using renewable fuels approved by the
California Air Resource Board (CARB) to be exempt from Prohibited Resources
status. Unfortunately, CARB has never taken any action on renewable fuels for
generation. The CEC, however, has a robust process for certifying renewable fuels
under the Renewable Portfolio Standard. This Commission could easily adopt these
CEC-approved renewable fuels, instead of relying on CARB to take action.

To achieve that end, only two small modifications would need to be made, and
should be made by the Commission, to Resolution E-4906. Namely, the Joint DR
Parties recommend that Finding of Fact 102 could be modified, with a corresponding
change on page 78 in the discussion section, as follows:

102. If a fuel has received renewable certification from the California
Energy Commission Air Resources Board, it is exempt from the
prohibited resource policy in D.16-09-056.

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35 Joint DR Parties Phase 2 Opening Testimony, at pp. 27-28 (Joint DR Parties (Chamberlin/
Monbouquette); Enchanted Rock Phase 2 Opening Testimony, at pp. 2-3 (Enchanted Rock
(Yu)).
36 Resolution E-4906, Finding of Fact 102.
III. CONCLUSION

The Joint DR Parties, as supported by their Phase 2 Opening Testimony (Exhibit JDRP-3) and this Phase 2 Reply Testimony (Exhibit JDRP-4), continue to strongly recommend that the Commission adopt and/or take the actions identified in Exhibit JDRP-3 at pages 2 through 4 and 29 through 31, in its Phase 2 decision in R.20-11-003 expected to be issued on November 18, 2021. In addition, based on the above analysis of the Phase 2 Opening Testimony of certain other parties, the Joint DR Parties would additionally recommend the following actions also be taken in that decision:

1. Approve the SDG& proposals to offer a CBP Elect program option along with program incentive changes and order SCE to offer a CBP Elect program option.

2. Require all three IOUs to implement an uncapped adjustment factor in CBP baselines to better reflect DR customer contributions during extreme grid conditions.

3. Adopt an ELRP pilot that provides monthly capacity payments, minimum dispatches, and performance requirements to encourage robust participation from customers with behind-the-meter resources, along the lines of California Solar & Storage Association’s (CALSSA’s) "Group C" proposal or California Energy Storage Alliance’s (CESA’s) "Enhanced Storage Backed Demand Response" proposal.

4. Pilot a DR qualifying capacity methodology for 2022 and 2023 that would collateralize unproven resources.

5. Adopt TeMix, Inc.’s (TeMix’s) proposal to offer a white-labeled license to its “RATES” platform to provide expedited access to dynamic pricing options along the lines of Energy Division’s “UNIDE” proposal.

6. Make changes to Resolution E-4906 that would remove resources that fuel switch to California Energy Commission (CEC) - approved renewable fuels from the prohibited resources categorization.
APPENDIX A

Rule 13.7(e) Compliance Statements

Jennifer A. Chamberlin
Marc R. Monbouquette
RULE 13.7(e) COMPLIANCE STATEMENT OF JENNIFER A. CHAMBERLIN

Q1  Please state your name and business address.

A1  My name is Jennifer A. Chamberlin, and my business address is 2475 Harvard Circle, Walnut Creek, California 94597

Q2  Are your statements regarding your employment, professional, and educational background and your participation in California Public Utilities Commission proceedings the same as you testified in Appendix A of the Joint DR Parties’ Opening Prepared Testimony in Phase 2 – Reliability for 2022-23 – Update in Rulemaking (R.) 20-11-003 (Exhibit JDRP-3) served in this proceeding on September 1, 2021?

A2  Yes, they are.

Q3  What is the purpose of your testimony today?

A3  The purpose of my testimony today is to jointly sponsor with Joint DR Parties’ witness Marc R. Monbouquette (Enel X North America, Inc.) Exhibit JDRP-4, the Reply Prepared Testimony of the Joint DR Parties in Phase 2 – Reliability for 2022-23 – Update of R.20-11-003 (Extreme Weather).

Q4  Was Exhibit JDRP-4 prepared by you or under your supervision jointly with Mr. Monbouquette?

A4  Yes.

Q5  Are the statements made in your testimony, Exhibit JDRP-4, including your answer to Question 2 above, true and correct to the best of your knowledge and belief?

A5  Yes.

Q6  To the extent that Exhibit JDRP-4 contains expressions of opinion, do they represent your best professional judgment?

A6  Yes.
Q7 Under penalty of perjury, do you adopt Exhibit JDRP-4 as your sworn testimony in Phase 2 of R.20-11-003 (Extreme Weather)?

A7 Yes.

Q8 Does this conclude your Rule 13.7(e) compliance statements?

A8 Yes, it does.
Q1 Please state your name and business address.

A1 My name is Marc R. Monbouquette, and my business address is 360 Industrial Road, San Carlos, CA 94070.

Q2 Are your statements regarding your employment, professional, and educational background and your participation in California Public Utilities Commission proceedings the same as you testified in Appendix A of the Joint DR Parties’ Opening Prepared Testimony in Phase 2 – Reliability for 2022-23 – Update in Rulemaking (R.) 20-11-003 (Exhibit JDRP-3) served in this proceeding on September 1, 2021?

A2 Yes, they are.

Q3 What is the purpose of your testimony today?

A3 The purpose of my testimony is to jointly sponsor with Joint DR Parties’ witness Jennifer Chamberlain (CPower) Exhibit JDRP-4, the Reply Prepared Testimony of the Joint DR Parties in Phase 2 – Reliability for 2022-23 – Update of R.20-11-003 (Extreme Weather).

Q4 Was Exhibit JDRP-4 prepared by you or under your supervision jointly with Ms. Chamberlin?

A4 Yes.

Q5 Are the statements made in your testimony, Exhibit JDRP-4, including your answer to Question 2 above, true and correct to the best of your knowledge and belief?

A5 Yes.

Q6 To the extent that Exhibit JDRP-4 contains expressions of opinion, do they represent your best professional judgment?

A6 Yes.
Q7  Under penalty of perjury, do you adopt Exhibit JDRP-4 as your sworn testimony in Phase 2 of R.20-11-003 (Extreme Weather)?

A7  Yes.

Q8  Does this conclude your Rule 13.7(e) compliance statements?

A8  Yes, it does.