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PG&E Comments RE IEPR Workshop on Progress Toward the Load-Shift Goal

Additional submitted attachment is included below.

Pacific Gas and Electric Company

Josh Harmon
CEC Liaison
State Agency Relations

1415 L Street, Suite 280
Sacramento, CA 95814
(628) 777-4138
Joshua.Harmon2@pge.com

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California Energy Commission
Docket Number 25-IEPR-05
715 P Street
Sacramento, CA 95814

RE: CEC IEPR Commissioner Workshop on California's Progress Toward the Load-Shift Goal

Pacific Gas and Electric Company (PG&E) appreciates the opportunity to comment on the California Energy Commission's (CEC) Integrated Energy Policy Report (IEPR) Commissioner Workshop on California's Progress Toward the Load-Shift Goal, held on June 25, 2025. The workshop demonstrated strong alignment across stakeholders in recognizing the importance of load flexibility for California's grid, emphasizing the need for it to become more reliable, predictable, and integrated in our energy planning and operations. However, the workshop also highlighted that we still have work to do to achieve the state's load flex goal and that there will need to be substantial structural changes to meet this target.

PG&E strongly supports growing our load flexibility portfolio to meet California's decarbonization goals and we firmly believe that load flexibility can and should improve energy affordability in the process. A comprehensive approach to optimizing generation, infrastructure, and load management will ensure that these efforts are undertaken in a least-cost manner while driving towards the state's net-zero carbon energy system goal by 2045. Below we offer comments we hope will help the CEC more effectively drive towards our shared goals.

A load factor metric must be approached carefully due to trade-offs such as equipment strain, maintenance challenges, and the need for broader grid upgrades.

During the workshop, the concept of using a load factor as a metric to assess the success of load flexibility to reduce infrastructure investment costs was discussed. PG&E recommends that this idea be considered carefully. While a higher load factor could indicate a more efficiently utilized system, relying solely on this metric could lead to unintended consequences. For example, efforts to boost load factor in certain circumstances might increase overall costs, such as shortening equipment lifespans or limiting opportunities to take assets offline for maintenance. Ongoing infrastructure updates, such as the replacement or upgrading of aging assets, will remain essential for a range of reasons, and load flexibility alone is insufficient to meet these requirements. As such, load factor should be considered within the context of other metrics and costs.

In addition, load flexibility that reduces infrastructure investment expenditure requires cost savings and visibility for planners and operators of the grid. First, load flexibility that is utilized to defer, bridge, or avoid transmission and distribution infrastructure investments should be more affordable than the

infrastructure solution. Second, these resources should also be reliable and visible to the IOUs as Distribution System Operators (DSOs). To realize their full value, DSOs must be able to understand what grid service(s) are available, their performance under different conditions, and their ability to respond to operational signals – regardless of who administers them.

Achieving this future state will require foundational changes to the current load flexibility ecosystem of load flexibility programs to allow IOU visibility into non-IOU programs and load flexible resources as well as an IOU-centric approach that exhibits clear alignment between the CPUC and CEC.

Market barriers that the CEC is tracking should include reforms to the CPUC's dual participation rules, which limit how customers can provide greater load flexibility with different loads/DERs or incremental capacity. PG&E recommends that the CEC and CPUC work together on reforms to these rules.

PG&E recommends adding CPUC dual participation rules to the list of market barriers that prevent customers from participating in multiple programs for different technologies or grid services. While the rules ensure the same load reduction cannot be compensated more than once by different programs, while properly attributing load impacts, they can also be limiting for customers who have multiple load flexible technologies.

Today's ecosystem of load flexible programs also allows for a wide range of administrators, including the IOUs, CCAs, and the CEC, but there are no mechanisms to administer and enforce dual participation rules or understand program eligibility across entities. As a result, customers can potentially be paid twice for participating in multiple programs where dual participation is not tracked, which can harm affordability. Alternatively, customers participating in a technology-specific program may be limited from providing load flexibility with multiple technologies or for a greater range of grid needs. These needs include load flexibility for system, transmission, and distribution grid services, as well as peak load shed and daily load shifting.

PG&E recommends that the IEPR report include a solution for the CPUC and CEC to collaborate with stakeholders to reform dual participation rules and promote visibility into load flexibility programs across entities. This visibility would help protect ratepayer funds, unlock greater load flexibility, and would help enable resources to respond to both bulk system and distribution grid needs.

PG&E cautions that statewide data platforms could be duplicative of existing platforms and could result in an inefficient use of ratepayer and taxpayer funds.

PG&E understands the appeal of statewide data platforms over individual IOU systems, but we are also concerned about the potential costs, risks, and duplication of efforts that can come from trying to build statewide tools when there are existing tools in place. PG&E cautions that a centralized data platform model inherently fails to address the core issues raised by third parties regarding data access challenges (i.e., "missing data"). PG&E also has concerns regarding appropriate cost allocation of developing, maintaining, and updating these existing and newly contemplated data platforms while considering affordability for our ratepayers.

PG&E's ShareMyData (SMD) platform is an existing data access tool for customer-authorized data sharing that provides much of the scope of what other states include in their centralized data platforms, and at a much larger scale than many of the examples presented in the workshop. Distribution and retail market structures differ across states and regulatory domains, meaning that centralized data platform

concepts and models from other states may not be directly relevant to California. PG&E supports enhancing its existing systems where use cases are cost effective and is actively participating in the Track 2 Data Working Group of the CPUC's DER Customer Programs OIR, which is assessing data access issues that limit growth in DER customer programs.[1] PG&E recommends that the CEC work closely with the CPUC on this track of the proceeding to ensure a coordinated effort prior to recommending development of any new centralized data repository.

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PG&E appreciates the opportunity to comment on this workshop and looks forward to continuing to collaborate with the CEC. Please reach out to me if you have any questions.

Sincerely,

Josh Harmon
State Agency Relations

[1] R.22-11-013.