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Comments of Missiondata Coalition on Load Management Standards

Additional submitted attachment is included below.

MISSION:DATA

April 23, 2021

Via Website Submittal

California Energy Commission
1516 Ninth Street, MS-29
Sacramento, CA 95814-5512

Docket No. 19-OIR-01, "Load Management Rulemaking"

RE: **Comments of Mission:data Coalition on Analysis of Potential Amendments to the Load
     Management Standard**

Mission:data Coalition ("Mission:data") is a national coalition of technology companies delivering data-enabled, energy management services and solutions. With 30 member companies representing over $1.0 billion per year in sales, Mission:data advances "energy data portability" policies across the country so that consumers can access innovative new services to help them manage their energy usage and costs. Examples of new services include "no-touch" virtual energy audits, alerts when energy use deviates from norms, and home automation systems that manage energy usage during peak demand periods.

It is particularly gratifying to see the draft Load Management Standards because Mission:data has supported several of its key components in the past. In 2015, Mission:data strongly supported CEC's AB758 Existing Building Energy Efficiency Action Plan in part because Strategy 2.1 established a goal to standardize utility rate information state-wide. In the 20 years since the California electricity crisis, the Public Utilities Commission ("CPUC") has not taken action to require the investor-owned utilities ("IOUs") to publish machine-readable tariff data, with the resulting burden for keeping tariff databases accurate and up-to-date falling on distributed energy resource ("DER") providers. Mission:data is therefore pleased to see concrete action on this front reflected in the Load Management Standards.

Overall, Mission:data strongly supports Staff's March 23, 2021 Analysis of Potential Amendments to the Load Management Standard ("Staff Report"). Nonetheless, we think certain modifications are appropriate in order to strengthen the proposed changes to help ensure their effectiveness over the long term, as we further explain below.

1. Greater specificity around the customer experience is necessary

The Staff Draft correctly apprehends that a major barrier to adoption state-wide will be the ability for customers to easily grant authorization to their devices, appliances or energy management systems to access the electric rates that are applicable to their home or business. Mission:data supports the proposed modifications to § 1623(d) that require IOUs and community choice aggregators ("CCAs") to provide a "standard API [application programming interface]" to streamline third parties' access to customers' rate information. Nevertheless, we wish to underscore that the average customer has absolutely no idea what an electric rate is; that multiple rates might apply to their home or business; and how such information could be easily accessed. Indeed, the success of load management in California depends upon shielding customers from the complexities underlying their rates and the identification of applicable rates. This is especially true of unbundled customers served by CCAs, for these customers' applicable electric rate is actually two rates – one distribution rate (from their IOU) and one supply rate (from their CCA).

The first step for a customer wishing to optimize, say, a water heater will be for the water heater company to ask the customer what electric rate applies to them. Of course, the customer will not know, and the customer will look to the water heater company (or the installer) to identify the source of the correct rate information. This is where the first challenge occurs: Should a residential customer ask his or her IOU or CCA for this information?

The answer to that question is complex and depends upon many factors, such as the customer's address and whether the customer receives bundled or unbundled service (for example, a customer may live within a CCA territory but has opted out of CCA service). The challenge is compounded by an underlying asymmetry that is an artifact of California energy policy: CCAs know their customers' applicable IOU distribution rates, but the reverse is not true – the IOU does not necessarily know the applicable CCA rate for a given customer.

Mission:data's assumption is that it is absolutely necessary to hide such complexity from customers in order to prevent them from being "caught in the middle" between two organizations, their IOU and CCA, as they navigate unfamiliar topics. The best way to avoid this all-too-common circumstance is to provide for a "behind-the-scenes" process – one that goes beyond the current API functionality specified in the Staff Draft – that ensures customers can be directed to their correct LSE the *first time* they make an authorization attempt. This "one and done" functionality ensures that customers are spared from making authorization attempts at the wrong LSE, saving considerable time and hassle for customers. As it stands now, the API functionality specified in § 1623(d) ensures that large numbers of customers across California will make one authorization attempt that is ultimately futile. The customers to which we are referring are those served by a CCA but who are not aware of their CCA service; such

customers will attempt an authorization at their IOU, only to be told that the IOU does not have the CCA's rate information.

Before presenting a possible solution, Mission:data wishes to again underscore the criticality of an easy-to-use process to the long-term success of the Load Management Standards. Studies have found order-of-magnitude variations in consumer participation in various demand management programs based upon the level of difficulty in enrolling. For example, a study by EnergyHub quantified the impact of different online enrollment processes for demand response programs. In cases where the enrollment was simple, electronic and accomplished in a single step, 40% of consumers responding to an email solicitation enrolled. However, when the process was difficult, involved multiple steps and required consumers to provide information they did not have easily on hand, the participation rate dropped to 3%.[1] The level of ease-of-use impacts enrollment by literally an order of magnitude.

The solution that Mission:data proposes is twofold. First, there is a state-wide API service, administered by the Energy Commission, that provides a list of possible load-serving entities ("LSEs") based upon geographic coordinates. This is the first step to narrowing the search for the correct LSE. Second, an API-based one-time passcode ("OTP") system provided by IOUs and CCAs that allows service providers to quickly and automatically determine what entity is the customer's LSE based upon address or telephone number. This ensures that service providers do not direct customers to an IOU inappropriately, therefore avoiding a frustrating and ultimately futile "wild goose chase" for customers.

The way this automated process would work is the following, described from the customer's perspective:

1. The consumer installs a smart device and installs the app (say, for a water heater).
2. The app asks the consumer to type in their phone number or address. (In the background, the app calls the Energy Commission's API for possible LSEs based on geographic coordinates – address or smartphone GPS location. Then the app makes a request using phone number or address to the CCAs' API or, if the customer is not within a CCA territory, the appropriate IOU or municipal utility API).
3. The consumer receives a text message from their LSE saying if they want to share their RIN with this service provider.
4. The consumer types in the code.
5. Done. The rate identification number ("RIN") is shared via API from the LSE to the device.

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[1] Optimizing the demand response program enrollment process." White paper by EnergyHub, Inc. dated April, 2016. Available at http://www.energyhub.com/blog/optimizing-demand-response-enrollment

From this point onward, the service provider can build a streamlined customer experience that uses the rate identification and other functionalities described in § 1623(d). This small, behind-the-scenes capability is critical to ensuring widespread customer adoption of load management tools across California.

To be clear, Mission:data does not believe this functionality should cause IOUs to reveal the LSE of their medium or large commercial customers on Direct Access. We understand that such information may be viewed as sensitive and proprietary. Therefore, the functionality should be limited to residential and small commercial customers who are not Direct Access customers.

To address this API functionality in the rules, we have provided suggested modifications to § 1623(d) in our redline below.

2. Ongoing rate selections by customers must be published to devices – even after move-outs – in order to ensure the long-term success of load management

Next, Mission:data notes that the proposed language in § 1623(d) does not require utilities or CCAs to provide as part of their "RIN Access Tool" API *ongoing* access to rate changes made by customers over time. For example, a customer may decide to change from one rate to another, depending upon the options available to them by their LSE. If a customer's newly-selected rate is not published to the customer's devices and appliances in a timely and automated manner, there is a significant risk that these devices will no longer optimize for cost savings. Put another way, it is very unlikely that customers will, after changing their rate, remember to manually update each device in their home or business accordingly. To prevent such devices from becoming "orphans" and responding to outdated rate signals, continuous updates over time must be published.

To be clear, Mission:data does not propose that *all* authorizations must be ongoing for an indefinite term. Instead, we believe that service providers should present to the customer the option for either a one-time authorization or an ongoing authorization depending upon the nature of the application. Optionality is important, particularly because some appliances like water heaters are stationary and ongoing access to rate information is critical, whereas other devices may be movable by tenants as they move between rental properties, and a one-time authorization could be more appropriate. The term of the authorization (one-time or ongoing) can be specified to the customer in a text message in step #3 described above, to which the customer must consent.

To accommodate all of the topics described above, please see our modifications to § 1623(d) described below. Staff's proposed changes are in underline, and Mission:data's proposed additions are in **bold**:

(d) Rate Identification Number (RIN) Access Tool. On or prior to **March 31, 2023, the Commission shall implement a centralized, automated method for service providers to determine possible load-serving entities based on geographic coordinates. On or prior to March 31, 2023,** utilities shall implement a statewide standard API for ~~authorized~~ rate access by **authorized** third parties. **The utility API tools shall support the following:**

(1) ~~The~~ API responses shall be immediate and follow modern and established best practices;

(2) Provision of a standardized API that permits service providers to query a customer's load-serving entity based upon customer telephone number, address, email address, or account number (all options shall be provided), thereby allowing service providers to direct customers to grant authorizations at the proper load-serving entity. Such functionality shall apply to non-direct access customers;

(3) Provision of automated authorization methods to share customer rate information with the consent of the customer via one-time passcodes or a similarly streamlined approach that leverages the automated load-serving entity lookup method in (3) above; and

(4) Transmission of ongoing rate updates, such as customer switching to other rates, to customer-authorized third parties, including to fixed appliances where utility account closures shall not terminate the authorization to share ongoing rate updates.

 The API shall provide authorized parties with the following...

3. Implementation dates should be synchronized to March 31, 2023

Finally, Mission:data recommends that all implementation dates should be set to March 31, 2023. Although Mission:data would like to see implementation earlier, we acknowledge that March 31, 2023 was established in the draft rule as a deadline for utilities to file tariff applications and offer rates based on marginal grid signals. We therefore believe that rate data, API development and customer education should also have deadlines set to March 31, 2023.

Thank you for the opportunity to provide comments.

Respectfully submitted,

April 23, 2021   _____/s/_____

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