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California Energy Commission  
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**Supplemental Information Regarding Potential Amendments to the Load Management Standards Submitted by ecobee, Inc.**

ecobee submits this letter to provide three items of supplemental information in support of its earlier comments regarding the California Energy Commission's Load Management Rulemaking, docketed on April 23, 2021.<sup>1</sup> ecobee continues to support the Commission's goal of updating its decades-old Load Management Standards in order to facilitate the implementation of the flexible load management technologies needed to achieve California's emissions reduction targets in a cost-effective manner. We hope the information below will prove helpful as the Commission works toward that important goal.

Visibility of Flexible Load Resources for Grid Operators

In our April 23 comments, ecobee stressed the importance of establishing a mechanism to provide visibility for utilities and other grid operators such as the California ISO (CAISO) to know where and in what amounts customer load is changing when an Automation Service Provider (ASP) responds to rate signals as contemplated in the draft Staff Report.<sup>2</sup> As one potential model for such a mechanism, we cited a pending proceeding where the Arizona Corporation Commission has directed the Arizona Public Service Company (APS) to establish a tariff providing for the aggregation of distributed storage and demand-side resources based on their provision of capacity, demand reduction, load shifting, locational value, voltage support, and ancillary and grid services, among other operating characteristics, and also directed that the tariff should provide compensation to the suppliers of these services. As we previously noted, this type of tariff can provide a platform for utility programs to enter into contracts with ASPs directly implementing load management that allow for communication regarding the timing, location, and amount of customer load shifting.

APS has now issued a request for proposals (RFP) for provision of the specified Distributed Demand-Side Resources (DDSRs) in order to inform its tariff design, including generic energy and capacity resources and locational resources to relieve peak-season

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<sup>1</sup> ecobee Comments on "Draft Staff Report: Analysis of Potential Amendments to the Load Management Standards" (Apr. 23, 2021) ("April 23, 2021 Comments").

<sup>2</sup> *Id.* at 2-3.

capacity constraints on specific distribution feeders.<sup>3</sup> The utility's explanation of the context for this RFP confirms that Arizona is seeking to follow a path similar to California, by utilizing a combination of:

clean energy resources and flexible capacity resources to maintain system reliability, particularly during summer system peak load times, in an environment of continued customer growth, expiring wholesale contracts, and increased customer adoption of DDSRs. APS must be able to respond to changes in customer demands or supply needs in real time, and APS seeks to develop a portfolio of resources that will enable it to do so.<sup>4</sup>

The list of technologies eligible for the RFP include several that have been identified as candidate flexible load resources in this proceeding, including smart thermostats, water heating controls, electric vehicle chargers, and others.<sup>5</sup> All types of products would be compensated at a fixed capacity and/or energy value.<sup>6</sup>

We highlight the issuance of this RFP to note that APS seeks to procure these demand-side resources through a "load management agreement" with participating vendors that sets forth key contract terms such as performance requirements. APS's practical approach of procurement through streamlined contracts with resource providers is well-suited to ensure it has visibility (and appropriate input into) into the size, timing, and characteristics of flexible load resources. We continue to encourage the Commission to consider a similar mechanism as part of the implementation of revised Load Management Standards in California.

### Streamlined Use of the Rate Identification Number Access Tool

The Draft Staff Report in this proceeding recognizes that Automation Service Providers (ASPs) cannot facilitate customer load management without knowing "the timing and prices of their assigned electricity rate to respond appropriately," and therefore proposes establishing a standardized statewide Rate Identification Number (RIN) Access Tool to allow customers to authorize third-party ASPs to access the applicable RIN on the customer's behalf.<sup>7</sup> However, the Draft Staff Report does not specify the steps an ASP must take to carry out this process. ecobee's April 23, 2021 Comments highlighted the need to ensure that this mechanism is as frictionless as possible for a customer, and here we seek to provide supplemental information as to how to carry out such an approach.

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<sup>3</sup> ACC Docket No. E-01345A-19-0148, APS, 2021 Distributed Demand-Side Resources Request for Proposals – Draft (May 20, 2021), available at <https://docket.images.azcc.gov/E000013623.pdf?i=1621588041667>.

<sup>4</sup> *Id.* at 4.

<sup>5</sup> *Id.* at 7-8.

<sup>6</sup> *Id.* at 12.

<sup>7</sup> Draft Staff Report, Analysis of Potential Amendments to the Load Management Standards (January 2021) at 13-14.

Our experience has been that one of the main obstacles to tapping into the value of flexible load management technologies is the prevalence of cumbersome enrollment mechanisms that require customers to provide information that is not easily accessible, such as a utility account number.<sup>8</sup> We have therefore previously urged the Commission to adopt an approach to implementing the RIN Access Tool that does not similarly require a customer to provide arcane information to an ASP.<sup>9</sup> As noted in the Draft Staff Report, the RIN Access Tool would partly be designed to address the issue that “less tech-savvy or hard to reach customers” aren’t able to easily determine their applicable rate and provide it to an ASP.<sup>10</sup> Indeed, ecobee’s earlier comments in this proceeding highlighted that a significant proportion of all customers are likely to have difficulty identifying what utility tariff they’re on.<sup>11</sup> The Commission should not expect those same customers to provide an ASP with other obscure information such as a utility account number in order to enable utilization of the RIN Access Tool. ecobee stresses that the solution proposed here should not be worse than the problem itself.

In our April 23, 2021 comments, we pointed to Smart Meter Texas (SMT) as an example of successful implementation of a streamlined mechanism that has greatly increased customer participation rates in demand response compared to more laborious enrollment processes in other jurisdictions.<sup>12</sup> Here we provide additional details regarding the SMT approach to inform the Commission’s consideration of this issue.

The SMT data repository was established over a decade ago through a collaborative effort among a range of stakeholders including Texas utilities, the Public Utilities Commission of Texas (PUCT), retail energy providers, in-home device manufacturers, and consumer advocates, as a statewide clearinghouse for smart meter data and associated customer information.<sup>13</sup> In 2017, the PUCT initiated a proceeding to update the business requirements for SMT. In the course of this effort, stakeholders recognized that burdensome requirements for customer authorization and enrollment with a service provider had resulted in low utilization of SMT.<sup>14</sup> Accordingly, the parties entered into a unanimous settlement to update and streamline the business requirements for SMT, including by allowing any SMT user to

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<sup>8</sup> April 23, 2021 Comments at 4-5.

<sup>9</sup> *Id.*

<sup>10</sup> Draft Staff Report at 13.

<sup>11</sup> See ecobee Comments on the Draft Load Management Standards (Mar. 16, 2020) at 2-3.

<sup>12</sup> April 23, 2021 Comments at 4-5.

<sup>13</sup> Understanding Smart Meter Texas - Version 2.0 (Nov. 3, 2014), available at [http://www.ercot.com/content/wcm/key\\_documents\\_lists/27280/FINAL\\_Understanding\\_Smart\\_Meter\\_Texas.pdf](http://www.ercot.com/content/wcm/key_documents_lists/27280/FINAL_Understanding_Smart_Meter_Texas.pdf).

<sup>14</sup> See PUCT Docket No. 47472, Joint Motion to Admit Stipulation (Jan. 29, 2018), Ex. F, Supplemental Direct Testimony in Support of Stipulation of Mona Tierney-Lloyd at 2-3.

access certain customer premise information, including the customer’s unique “Electric Service Identifier ID” (ESI ID) for a given address.<sup>15</sup>

This approach has proved effective in facilitating demand response participation, without requiring individual customers to hunt down their ESI ID or navigate other needlessly burdensome enrollment requirements. SMT enables third party ASPs to look up the applicable ESI ID for customers using their address.<sup>16</sup> The ESI ID can then be provided to ERCOT to measure and verify event impacts.<sup>17</sup>

We believe this type of streamlined system would likewise be appropriate for ASPs seeking a customer’s rate information through the proposed RIN Access Tool. This would increase participation by reducing friction for customers to provide load flexibility resources by enabling them to check a box or enable a feature in an ASP’s app that indicates to the ASP that they want an automated response.<sup>18</sup> The rest of the work then would be left to the ASPs to access the appropriate rate information using the RIN tool if it can be matched using the address of the premise, similar to SMT.

### Direct Utility Implementation of Load Flexibility Incentive Programs

ecobee’s April 23, 2021 Comments highlighted the need to ensure that any CEC action to realize the benefits of flexible load management technologies through ASPs is accompanied by the establishment of utility programs that actually incentivize customer adoption of such technologies.

On May 20, 2021, the California Public Utilities Commission (CPUC) voted to adopt a proposed decision in R. 13-20-005 that shifts the goal-setting and cost-effectiveness evaluation methodologies for utility energy efficiency programs to a new “total system benefit” framework that focuses on long-duration GHG reductions and grid benefits, versus

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<sup>15</sup> See PUCT Docket No. 47472, Joint Motion to Admit Stipulation (Jan. 29, 2018), Ex. A, Attachment 1, SMT 2.0 Business Requirements (Business Requirement 20 allowing any SMT user to display / export / download / transfer premise information).

<sup>16</sup> See SMT 2.0, Retail Electric Provider (REP), Competitive Service Provider (CSP), ERCOT, PUCT, and TDSP User Guide (Mar. 25, 2021) (explaining how to view premise attributes for a given customer); ESI ID Lookup, ESI ID Lookup By Address and Zip Demo, [http://www.esiids.com/screen\\_shots/demo\\_esiids\\_xml.html](http://www.esiids.com/screen_shots/demo_esiids_xml.html) (example of tool for querying SMT by address to look up customer ESI IDs).

<sup>17</sup> ERCOT, Emergency Response Service Technical Requirements and Scope of Work February 1, 2021 through May 31, 2021, available at <http://www.ercot.com/services/programs/load/eils>.

<sup>18</sup> As noted in ecobee’s prior comments, the more onerous enrollment process for California’s Demand Response Auction Mechanism, requiring customers to provide utility account numbers, led one participating DR provider to experience an enrollment rate of just 3% of eligible, targeted California customers versus an enrollment rate over 40% for the equivalent program in Texas. April 23, 2021 Comments at 4-5 & footnote 8.



simple first-year kilowatt-hour, kilowatt, and therm savings.<sup>19</sup> This new approach will take effect by January 2024.

ecobee is encouraged by the CPUC's recognition of the need to holistically evaluate the cost-effectiveness of utility energy efficiency programs in a way that will recognize the benefits of load management technologies in shifting load to reduce GHG emissions and overall system costs. However, we note that the CPUC's decision does not expressly require California utilities to establish programs that would directly incentivize customer adoption of the technologies essential to actually automating customer load management, or support the utilization of automated load management technologies in conjunction with the RIN Access Tool and MIDAS system proposed in the Draft Staff Report. It remains in the CEC's hands to take the additional step of providing a specific directive in *this* proceeding that ensures California utilities will move forward with programs that fully realize the potential benefits of the updated Load Management Standards. We urge the CEC to provide a directive in the amendment of the Load Management Standards for utilities to establish programs to incentivize deployment of cost-effective load flexibility technologies as described in Chapter 10, section D.2 of the Draft Staff Report.<sup>20</sup>

ecobee thanks the Commission for considering this supplemental input and looks forward to continuing its active participation in this proceeding.

Sincerely,

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<sup>19</sup> CPUC Press Release, CPUC Better Aligns Energy Efficiency Programs to Reduce GHG Emissions, Support Equity, and Increase Grid Stability (May 20, 2021), <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M385/K242/385242131.PDF>.

<sup>20</sup> April 23, 2021 Comments at 6.