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Intermatic Additional Comments - on Pre-Rulemaking Draft

Additional submitted attachment is included below.



Intermatic Incorporated
1950 Innovation Way, Suite 300
Libertyville, IL 60048

November 1st, 2021

Commissioner J. Andrew McAllister, Ph.D.
California Energy Commission
Dockets Office, MS-4
Re: Docket # 20-FDAS-01
1516 Ninth Street
Sacramento, California 95814

Regarding: Comments on California Energy Commission's Flexible Demand Appliance Standards Pre-Rulemaking Draft [Docket Number 20-FDAS-01, TN239896]

Dear Commissioner McAllister:

Intermatic Inc. supports and appreciates the work being performed by the California Energy Commission (CEC) and the opportunity to provide comments regarding the Flexible Demand Appliance Standards (FDAS) Pre-Rulemaking Draft.

Interoperability

According to Section 1690: Appliance Specific Standards and Requirements, all devices covered within Docket Number 200-FDAS-01 are required to be a connected device. Section 1692: Customer Consent requires manufacturers of devices subject to the FDAS article to make customers aware of their products flexible demand capabilities (FDC) and capability of energy providers or other entities ability to control the products FDC. Additionally, a manufacturers appliance is required to receive a customer's response to either opt-in or opt-out of the devices supplied FDC.

Based on the above information several questions come to mind that may require some consideration prior to implementation of a flexible demand appliance standard:

1. Will the CEC supply manufacturers additional guidance and information on how to implement interoperability between their respective appliance(s) and all applicable energy providers or other entities? Would this additional information or guidance consider each appliance manufacturer's unique solution to comply with the requirements covered under Section 1691: General Reliability and Cybersecurity Standards?
2. Will each manufacture be required to create and store the appliances end-user's personal information and their response to either opt-in or out of the FDC in a database for a specified duration of time? If so, who would be required to accrue the cost for maintaining this type of information?
3. Is there a plan or proposal for how customer consent will be handled for residents of California moving into an existing facility whose previous owners/tenants chose

to opt-in to an appliances FDC? Will the CEC or applicable parties with access to appliances FDC contact manufacturers, so they're aware of the need to push a new consent request to appliances in the field? If this situation did arise, will California or the CEC work with manufacturers for all legal filings that root from an appliances FDC agreement not being updated prior to new customer use?

4. Will minimum FDC description requirements or examples of user agreements be provided to appliance manufacturers to correctly acquire end-product user consent, that fully describes their appliances flexible demand capabilities? If the CEC revises the uses of customers appliance data, will the CEC inform manufactures to give adequate time to revise their user agreements?

Alternate Application of Flexible Demand Capabilities

Intermatic would like to propose an alternative route the CEC could consider that would ease some requirements of manufacturers who are subject to the proposed FDAS Pre-Rulemaking Draft. We believe this alternative solution could benefit both current and future manufacturers that intend to sell appliances in California, but still covers the intent and scope of this proposal. It is our hope that the final flexible demand requirements are put into effect are both manageable and achievable by appliance manufacturers of all company sizes. Consideration shall be given for manufacturers that manufacture appliances subject to the proposed pre-rulemaking draft of FDAS, but do not contain a large enough employee workforce or experience in connected device technology as defined under Section 1687.

We propose that the CEC brings all energy providers or other entities into the FDAS discussion immediately. If possible, the energy providers and other entities can cooperate to design and develop a harmonized solution or work directly to with a larger company for a solution. A potential solution that can be designed to cover a wide range of products could be a component that's intended to be retrofit to either new or currently used appliance wiring. Using the retrofit component installation requirements provided by the energy providers, appliance manufacturers could each determine the need for supplying their customers with additional installation information for use with the retrofit component.

Similar ideas and applications have already been used and incorporated throughout the United States. A prime example would be the Nest Thermostat by Google. These devices are supplied for installation at no cost to the customer, which ultimately lowers the energy consumption and cost for both them and the energy provides in the long run. Additionally, customers can receive a onetime rebate on their energy bill when they enroll in the program. A similar approach could be used for the retrofit component designed by the energy providers or other entities as they have the capabilities to provide rebates or retrofit devices directly to customers.

This alternate route will help ease demand seen by manufactures for completely new product designs and implementation, which companies may not be able to achieve by the

deadline of January 1, 2024. Having this alternate route would allow manufacturers the flexibility to use the provided retrofit solution or design and implement their own solution to comply with the pre-rulemaking draft at their own speed. This alternative route would allow manufacturers to maintain their current appliance sales in California which helps avoid or mitigate negative sales effects by the current FDC implementation. Some companies currently have minimal to no connected device technology experience and how it shall be properly design and implemented in a safe affective way. If pre-rulemaking requirements are put into effect, each individual manufacturer shall implement their own FDC solution that could negatively impact them financially. Companies with limited exposure to connected technology devices may have their own solution that meets the requirements, but the overall implementation may not provide customers as clean or fluid of an experience as those provided by experienced companies. Even though some companies with minimal IOT experience have a quality product that may function as great, if not better than their competitors, the current pre-rulemaking requirements can severely impact their sales.

We feel this alternative route can help address or ease several of the questions we've mentioned in the Interoperability portion of this letter. For example, item 3 above has a simplified approach as energy providers contain to ability of knowing when residents move to a residence/facility when energy services are transferred. This gives providers the knowledge and flag to know when a consent is request by the new customer that moved to a residence whose previous owner/tenant consented to an appliances flexible demand capability.

The current pre-rulemaking proposal requires all appliances in Phase 1 to contain flexible demand capabilities but gives customers an option to opt-out of its FDC. If customers choose to opt-out, they may only see an increase in appliance cost with potentially no true benefit to them or California, as all new appliances would require flexible demand capabilities.

Closing Remarks

Intermatic appreciates the opportunity to provide comments to the CEC for Pre-Rulemaking Draft of the Flexible Demand Appliance Standards. We hope our comments have provided insight and highlighted certain points that may require additional consideration and require an effective date extension. We are open and would look forward to continuing the discussion with the CEC on this or other topics in the future.

Sincerely,



Alexander Lopez
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