

DOCKETED	
Docket Number:	21-OIR-03
Project Title:	2022 Load Management Rulemaking
TN #:	244173
Document Title:	VCE Comments
Description:	N/A
Filer:	System
Organization:	Valley Clean Energy (VCE)
Submitter Role:	Public
Submission Date:	7/21/2022 4:54:52 PM
Docketed Date:	7/21/2022

Comment Received From: Mitch Sears
Submitted On: 7/21/2022
Docket Number: 21-OIR-03

VCE Comments

Additional submitted attachment is included below.



Board of Directors

Dan Carson
Davis City Council

Wade Cowan
Winters City Council

Lucas Frerichs
Davis City Council

Jesse Loren
Chair
Winters City Council

Gary Sandy
Yolo County Board of
Supervisors

Don Saylor
Yolo County Board of
Supervisors

Tom Stallard
Vice Chair
Woodland City Council

Mayra Vega
Woodland City Council

July 21, 2022

Commissioner Andrew McCallister
California Energy Commission

Submitted Electronically

Re: VCE Comments on 2022 Load Management Rulemaking; 21-OIR-03

Dear Commissioner McCallister,

I am writing on behalf of Valley Clean Energy (VCE), a community choice aggregation (CCA) program serving Yolo County, to share our experience in implementing a UNIDE (CalFUSE) based hourly dynamic rate pilot approved in late 2021 as part of the CPUC's summer reliability proceeding (R.20-11-003). The AgFit pilot is designed to send understandable and actionable price signals to agricultural customers to incentivize the shift of flexible irrigation pumping away from daily load peaks – particularly in summer. VCE has become a strong advocate for the exploration of dynamic price signals as an important tool to “shave the peaks and fill the valleys” of the demand curve and supports the Commissions overall objectives of the Load Management Rulemaking.

We hope the following high-level observations, based on our efforts to design and launch the AgFit pilot, are helpful as the Commission considers the Load Management proposal. As the AgFit pilot matures over the next three years our learnings will increase and be documented and shared in a more formal manner with regulatory agencies and other interested parties.

- Rates are just one of several critical components. It is early in our process but based on the pilot design concept and earlier CEC EPIC funded research by our pilot partner Polaris, VCE observes that rates must be matched with adequate customer support and automation to gain meaningful participation. Our customer recruitment field work to date has provided early validation of this observation. Well designed and targeted rates alone are not likely to achieve the reliability and climate goals that the Rulemaking is designed to address. Without a strategy to meet the customer (or their devices) “where they are at” the participation in our pilot would have been limited or non-existent. We encourage the Commission to give careful thought to this design issue and incorporate the support, resources, and flexibility LSE's will need for successful design and implementation.
- More important to focus on where there is early opportunity. The LBNL study referenced below identifies where the most load shift potential exists in California¹ – which was a key driver for VCE's decision to focus on agricultural pumping in its pilot proposal. The draft Rulemaking framework does not appear to make a distinction based on opportunity-based loading order. Based on VCE's experience with the effort/resources needed to develop a single rate, this broad-based implementation strategy introduces unnecessary risk to the ultimate success of the Load Management framework. VCE recognizes that transportation and building electrification also represent large opportunities for load shift and should be included in the consideration of early priorities. Based on our early experience, VCE believes that a more targeted approach that builds practical knowledge would help mitigate risks associated with scaling this novel rate making approach. VCE suggests that the Commission consider setting up multiple large-scale pilots focused on priority sectors across the state

¹ Lawrence Berkley National Laboratory, *The California Demand Response Potential Study, Phase 3: Final Report on the Shift Resource through 2030*, July 2020. Available at: <https://emp.lbl.gov/publications/california-demand-response-potential>.



designed to achieve meaningful gains in reliability and GHG reductions while expanding the learning and developing best practices for scaling implementation of dynamic rates.

- Do not underestimate the time/resources/expertise necessary to implement at scale. VCE has the benefit of the most experienced dynamic rate design team in the State along with the support and focus of the CPUC's subject matter experts and still it is a challenge to launch a small pilot program. VCE fully supports the Load Management and CalFUSE objectives but encourages the Commission to carefully consider within its scaling strategy whether the expertise/resources could be cultivated under the timelines outlined in the draft Rulemaking, even with the latest implementation flexibility measures that have been added. Avoiding a poorly performing dynamic pricing roll out should be a key consideration for the Commission.
- Tailor approach to the type of LSE. Some LSE's are better positioned for early implementation than others based various factors including load distribution and profile (e.g. a high proportion of VCE's load is in the agricultural sector). The Commission should consider a self-selection based approach to early participation by LSE's. This would identify needed champions in the LSE community to generate momentum behind this ambitious proposal, develop deeper learnings for development of best practices, and reveal gaps in ability/resources before a full scale roll out. VCE recognized the value of exploring the concept as it relates to its agricultural load which is our on-ramp for consideration of broader application of the concept. We suspect other LSE's, and specifically CCA's with their rate setting autonomy, will also recognize the opportunity and step forward in a collaborative way if given the option.

Suggested considerations.

- Provide adequate customer and automation support
- Focus on key sectors first
- Pilot and Phase Implementation
- Expand the scaling strategy to include how to build out the expertise/resources necessary for a successful wide-spread rollout
- Tailor implementation approach to the type of LSE

Again, VCE hopes its practical experience in designing/implementing a dynamic rate pilot will be helpful to the Commission as you consider this important framework. We support the Commission's efforts to take on this critically important topic and thank you and your fellow Commissioners for your leadership. We are available to the Commissioners and Commission staff if we can answer questions or be of support.

Sincerely,

Mitch Sears
Executive Officer
Valley Clean Energy

cc: California Energy Commissioners