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| Document Title: | DSGS Option 4 Response |
| Description: | Response to letter from CPUC requesting a delay in approval of DSGS Option 4 |
| Filer: | Clifford Alan Staton |
| Organization: | Renew Home |
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Renew Home

March 21, 2025

California Energy Commission
Docket Unit MS-4
715 P Street
Sacramento, CA 95814

**RE: Docket No. 22-Renew-01
Renew Home Comments on the March 17, 2025 letter from the California Public Utilities Commission**

California Energy Commission and Staff:

Renew Home respectfully submits this response to the letter submitted by the California Public Utilities Commission:

In its March 17, 2025 letter to the California Energy Commission requesting a delay in the approval of DSGS Guidelines, the California Public Utilities Commission stated:

“Option 4 in the proposed DSGS Program Guidelines included in Item 7 overlaps substantially with PG&E’s ART program, targeting the same market segments and devices, and is likely to undermine the new resource adequacy benefits and other goals of the market-integrated ART program.”

Renew Home respectfully argues that the DSGS Option 4 program does NOT substantially overlap with the PG&E ART program, and does not target the same customers. DSGS Option 4 differs from the PG&E ART program in three important respects:

1. DSGS Option 4 has limited 2 “core” hour events, whereas [PG&E’s ART Program](#) has unlimited 6 hour events.

DSGS Option 4 events are a maximum of 2 “core” hours each, and can be called only during the hours of 4-9 pm. These limitations not only make the events more appealing for thermostat customers, they are designed to have the greatest impact on reliability during grid stress events (EEA Watch+).

PG&E ART events, by contrast, can last up to 6 hours each. The 6 hour event duration in the ART program would require significant additional customer notification and authorization such that participation may be not just limited, but impossible. We know from experience that

performance degrades after 4 hours, particularly during the most important heat wave/grid stress conditions.

2) DSGS Option 4 is explicitly an emergency program well suited to smart thermostat owners, whereas ART appears to be an economic program best suited for batteries, or multiple technologies.

DSGS Option 4 is tailored to provide reliability during summer grid stress:

- Operates during California's peak demand season from May 1 - October 31.
- Events can be called during peak demand hours of 4-9 pm.
- There is a maximum of 3 dispatches per week, and the maximum number of dispatch hours per year is 60 hours.

The ART program, by contrast, has characteristics that make it extremely unattractive to the broad majority of smart thermostat customers:

- ART Dispatches are possible 365 days a year.
- Events can be called anytime within the 24 hours of a day.
- According to the ART guidelines, "There is no limit on the number of dispatches in a day or on the consecutive number of days of dispatch."

PG&E attempted to make ART more attractive to thermostat aggregators when it proposed a capacity nomination process in its December 11, 2024 Advice Letter (AL-7452-E), which would allow thermostat aggregators to not offer capacity during winter and spring months when there is minimal HVAC load. But during the summer months that the aggregator nominates capacity, thermostat customers would still be susceptible to multiple events in a day totaling 6 hours or single events of 6 continuous hours. The cohort of customers that would be participating in DSGS 4 has not expressed interest in such dispatches.

Google Nest customers who agree to the longer energy shifts and accept the terms and conditions to participate in the ART program will be prioritized for participation in ART; only those customers who do not accept those terms will be targeted to participate in DSGS.

3) The DSGS Option 4 program is statewide, including all IOU and POU territories – nearly 40 million California residents, and 13.4 million households. The ART program, by contrast, only covers PG&E’s 5.5 million customer accounts.

Renew Home would once again like to thank CEC Commissioners and staff who have worked hard over the last several months to create DSGS Option 4 – a groundbreaking program that will provide significant additional support for California grid during emergency conditions. We remain committed to the success of DSGS Option 4. We have hundreds of thousands of customers who would now have a new, less onerous, option to support the grid in line with their comfort and preferences. They can participate in the program this summer – providing substantial benefit to the grid while always remaining in control.

We continue to engage in discussions with PG&E regarding the ART program, however, we don’t think Nest Renew customers are able to participate under the current terms and conditions of the ART program.

Finally, we would like to urge the Commission to move forward quickly with DSGS Option 4. Even before this delay, the timeline was already tight to get a program up and running for this summer. Further delay threatens our ability to launch a program this summer. We respectfully request that the CEC approve the DSGS Option 4 guidelines at its April 10 Commission meeting.

Sincerely,

/s/ Cliff Staton

Cliff Staton
Vice President of Government Affairs
Renew Home