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**EnergyHub Comments on CPUC Letter Regarding DSGS Program Guidelines, 4th Ed**

*Additional submitted attachment is included below.*



VIA E-FILING

April 1, 2025

California Energy Commission  
Docket No. 22-RENEW-01

Re: Comments in response to CPUC Letter Regarding the Adoption of the Proposed Draft Demand Side Grid Support (DSGS) Program Guidelines, Fourth Edition

Dear Commissioners and Staff,

EnergyHub respectfully submits these comments in support of DSGS Program Guidelines, Fourth Edition. The California Public Utilities Commission (CPUC) requested a delay in approval of these guidelines in its March 17, 2025, letter to the California Energy Commission. In this letter, the CPUC asserts that Option 4 of the DSGS program overlaps with PG&E's newly approved ART program and therefore undermines the resource adequacy benefits of that program. EnergyHub respectfully disagrees and urges the CEC to approve DSGS Option 4 in time to provide incremental capacity relief for the upcoming summer. We share more about our perspective below.

EnergyHub is a leading provider of clean energy software and services that unlock the full potential of distributed energy resources (DERs), with over 1.6 million devices and more than 2GW of flexible capacity under management. EnergyHub's grid-edge Distributed Energy Resource Management System (Edge-DERMS) and program services enable utilities and grid operators to leverage and control customer-owned distributed energy resources (DERs) including residential batteries, connected thermostats, and electric vehicles.

**I. EnergyHub is exploring the ART Program, but has no plans to participate in it for this Summer.**

In California today, EnergyHub provides resource adequacy via both CAISO-administered programs and utility-run "Bring Your Own Thermostat" programs. We participate in Southern California Edison's "Smart Energy Program," which is a supply-side program that is integrated with CAISO and can be dispatched based upon CAISO market awards. Additionally, we provide Resource Adequacy to CAISO via our "Power Savers California" program, which includes a portfolio of smart thermostats and EVSEs

that are qualified as Proxy Demand Resources, in partnership with CPUC/CAISO-approved Demand Response Providers. The majority of the automated devices contained within our Power Savers California program are located in PG&E's territory.

EnergyHub greatly appreciates PG&E's work to create technology-neutral tariffs that help facilitate participation as a supply-side RA resource. However, because EnergyHub already participates in CAISO as an RA-qualified PDR within PG&E's territory, we have not strongly considered whether PG&E's ART Program offers a more compelling alternative.

The ART program requires compliance with the same CAISO rules that apply to PDRs. However, EnergyHub is evaluating whether we can leverage customers within our existing Power Savers California program, that are currently unable to participate due to missing data requirements, within the ART program, although this would require a fair amount of administrative, operational, and potentially product development work to transition those customers to ART. We have not yet performed the analysis of the work involved, and therefore have no plans or ability to participate in ART ahead of the Summer 2025 season. We also note that ART would only help us better manage customers that are eligible for our *existing* program – it would not open up a pathway for new, currently ineligible customers, as we describe in more detail below.

## **II. EnergyHub views DSGS Option 4 as incremental to, and not competitive with, ART due to differences in the program design.**

While we continue to applaud PG&E for developing ART, and are eager to further explore the potential under that program, we agree with other parties that have highlighted how the ART Program and DSGS serve different purposes and provide different grid services. The distinctly different program designs and requirements between ART and DSGS Option 4 necessarily result in distinct customer segments. In particular, customers that desire the higher compensation available through ART should be willing to accept the more stringent participation requirements relative to DSGS, as well as any additional requirements imposed during the enrollment process, all which have been outlined by other parties in recent comments.

Particularly when it comes to scaling mass market DR programs, EnergyHub's considerable experience shows that any friction that can be taken out of the customer enrollment process yields huge benefits. In this respect, DSGS Option 4 offers two key

advantages relative to ART, which EnergyHub views as a direct consequence of not being a CAISO-integrated program:

- First, DSGS Option 4 allows participant performance to be calculated and settled based on device-level telemetry versus meter-level AMI data. While this approach is common in many “Bring Your Own Thermostat” Programs, it is not allowed by CAISO today. This means that aggregators and OEMs that stream high-quality data directly from customers’ devices already have access to the data they require to facilitate customers’ participation into DSGS Option 4.
- Second, and partly as a result of this, DSGS Option 4 allows for customers that have already authorized the control of their device and the sharing of their device-level data under certain pre-approved conditions, that comply with DSGS Option 4’s participation requirements, to participate without having to accept additional Terms and Conditions.

These two features of DSGS Option 4 result in hundreds of thousands of customers that have smart thermostat devices in their homes being immediately eligible to participate. Furthermore, as far as EnergyHub can discern, nothing about DSGS Option 4 would in any way preclude, inhibit, or disincentivize customers from participating in any IOU- or CAISO-administered program, ART or otherwise, at any point in the future.

In fact, DSGS Option 4, through requirements that EnergyHub would consider both robust and best-practice, enables large-scale participation in a program that can contribute meaningfully to the stability and affordability of California’s grid. ART, and other IOU and CAISO programs, provide a path for the market integration of customers in exchange for higher compensation. Aggregators are naturally incentivized to offer participation into programs that pay more, and customers that desire more payment and don’t mind potentially more frequent, longer adjustments to their thermostats (or other devices) are likely to participate in those market-integrated programs. It is possible that DSGS could even be a “gateway” into participation in market-integrated programs, as other parties have offered as a possibility as well.

### **III. EnergyHub is readying for DSGS Option 4 participation, and delays to approval will impact our ability to deliver emergency capacity to California’s grid this Summer.**

As a final matter of practicality, EnergyHub urges the CEC to be mindful of timelines. EnergyHub is actively investing in participation in DSGS Option 4, and part of this investment includes hiring additional, likely California-based resources to help manage the requirements of the program. Any delay in DSGS Option 4 approval past the April 10

Business Meeting creates additional risks and uncertainty, that EnergyHub must absorb if we desire to continue developing readiness to participate in this program.

We are eager to participate in DSGS Option 4 as soon as it is approved, and believe we could enroll up to 100,000 participants for the upcoming Summer. These are participants that would otherwise be stranded from participation in existing DR programs and have no pathway to participate in ART today. EnergyHub greatly appreciates the CEC Commissioners and staff who have worked to develop DSGS Option 4 as a complement to existing DR participation options in California, and is standing by to deliver incremental emergency capacity to the California grid.

Sincerely,

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