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AO Smith Corporation Comments on the California Energy Commission's Proposed Amendments to the Load Management Standards

These comments are submitted by the A. O. Smith Corporation (   A. O. Smith  ) in response to the proposed amendments to the load management standards presented by the California Energy Commission (CEC) at a public webinar held on April 12, 2021. Senate Bill 49 (SB 49, Skinner, Chapter 697, Statutes of 2019) gives CEC the authority to set flexible demand appliance standards and labeling requirements after going through the rulemaking process and meeting the statutory criteria. A. O. Smith's comments focus on the proposed requirements on utilities to help support water heaters, both residential and commercial, and their role as flexible demand appliances.

Additional submitted attachment is included below.



April 23, 2021

Commissioner J. Andrew McAllister, Ph.D.
Dr. Karen Herter
California Energy Commission
Dockets Office, MS-4
Re: 19-OIR-01
1516 Ninth Street
Sacramento, California 95814

Re: A. O. Smith Corporation Comments on the California Energy Commission's Proposed Amendments to the Load Management Standards (Docket # 19-OIR-01)

Dear Commissioner McAllister, Dr. Herter, and California Energy Commission Staff,

These comments are submitted by the A. O. Smith Corporation ("A. O. Smith") in response to the proposed amendments to the load management standards presented by the California Energy Commission (CEC) at a public webinar held on April 12, 2021. Senate Bill 49 (SB 49, Skinner, Chapter 697, Statutes of 2019) gives CEC the authority to set flexible demand appliance standards and labeling requirements after going through the rulemaking process and meeting the statutory criteria. A. O. Smith's comments focus on the proposed requirements on utilities to help support water heaters, both residential and commercial, and their role as flexible demand appliances.

A. O. Smith Corporation, with global headquarters in Milwaukee, Wisconsin, applies technology and energy-efficient solutions to products manufactured and marketed worldwide. Listed on the New York Stock Exchange (NYSE), the company is one of the world's leading manufacturers of residential and commercial water heating equipment and boilers, as well as a manufacturer of water treatment and air purification products.

Water Heating as a Flexible Demand Appliance

Heat pump water heaters and electric water heaters offer a natural ability to provide forms of thermal storage serving as a battery for the grid in both residential and commercial applications. Flexible demand water heaters are conventional electric or heat pump water heaters that have additional controls that simply allow the utility or third-party aggregator to control their energy use during the course of the day. Within a given local territory, a fleet of water heaters can be controlled to be a flexible energy storage system that can adjust the load on the grid. Given that every home in the state has a water heater, smart water heaters can play a key role in load management within the built environment and A. O. Smith

believes these proposals will have a direct impact on the facilitation of water heaters being used in load management programs.

Rate Database

A. O. Smith supports CEC's proposal for a state-wide, up-to-date rate database, where equipment manufacturers and other stakeholders can easily access the rate information needed for their equipment to accurately respond to utility program's in the applicable area. A. O. Smith also supports standardizing the format for which the rate database is compiled. This will help with ease of information transmittal to load managed equipment. By way of example, A. O. Smith recently went through the process of collecting all the different time-of-use schedules in its development work for Joint Appendix 13-compliant water heaters because thermal storage requires day ahead of pricing in addition to real-time pricing to optimize energy usage. In order to collect the rate database information, A. O. Smith worked with a third party to compile and reformat the information. The statewide rate database and standardize format would significantly simplify this process and ensure that the latest information about rates is available to equipment manufacturers. This will help optimize the benefits of load management programs to the consumers assuming the pertinent rates from utilities provide advantages for peak load reduction.

Third-Party Services

A. O. Smith supports CEC's efforts to streamline the programming efforts needed to support load managed devices. More specifically, A. O. Smith supports the need for a standardize application programming interface (API) that utilities and third-party aggregators would have to use to connect load managed devices, which would forgo utility or aggregator-specific programming necessary for end-use devices to participate in programs. A. O. Smith believes this is what CEC intended with its standard rate information access tool to support third-party services, but A. O. Smith urges CEC to consider whether additional requirements may be necessary to ensure third-party aggregators that are implementing programs on behalf of California's utilities utilize a standardized API to connect to load managed devices.

In conclusion, A. O. Smith appreciates the opportunity to provide these comments on CEC's initial proposals relating to load management mostly related to rate structures and communication. A. O. Smith supports the efforts to adopt flexible demand requirements that make it easier to facilitate load managed water heaters. Please do not hesitate to contact us further if you have any questions.

Sincerely,



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