

# **SB 100 Demand Scenarios: Demand Flexibility (DF) Resource Potential**



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# Agenda

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- Purpose and Context
- Overview of Current Work
- Methodology and Sources
- Inputs for Production Cost Modeling
- Demand Flexibility Potential Results



# Acronyms and Initialisms

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**AAEE** – Additional Achievable Energy Efficiency

**AAFS** – Additional Achievable Fuel Substitution

**TE** – Transportation Electrification

**CAISO** – California Independent System Operator

**CARB** – California Air Resources Board

**CEC** – California Energy Commission

**CPUC** – California Public Utilities Commission

**BTM** – Behind the meter

**DF** – Demand Flexibility

**DS** – Demand Scenario

**PCM** – Production Cost Model

**LSG** - Load Shift Goal

**LBNL** - Lawrence Berkeley National Lab

**SF** = Single Family

**MF** = Multi-Family

**HHU** = High Hydrogen Use



# Past CEC & Interagency efforts analyzing Demand Flexibility Potential

Keeping the lights on and emissions low!

- In 2020, the CEC engaged Guidehouse to develop a tool with which to *estimate statewide potential for demand flexibility*.
- First iteration of the D-Flex Tool customized for **setting California's LSG** under Senate Bill 846 in 2023
- CEC facilitated an interagency working group to use the D-Flex tool for analysis of load shift potential and development of policy recommendations



# New Use for D-Flex Tool for DS & SB 100

- Generate potentials for each hour of the year for use in the PCM
- Establish operation parameters (e.g., limited flex events in a day)
- Cost estimates for D-Flex options
- Not directly comparable to a load modifier

## D-Flex Tool Basics

- Shed/Shift across multiple technologies
  - Four Sectors
  - 34 building types/segments
  - DERs such as EVs and BTM storage
- Draws on existing research from LBNL (supported by CPUC)



# DF Potential Development

*Note potential estimates are only for event-based, economically-dispatched programmatic interventions, not dynamic rates/CalFUSE*

## DF Tool Functionality Overview

### 1. Hourly Gross Load and Capacity Estimates

Estimate magnitude of resource that can be leveraged for DF:

- **Gross building load** by end use, including EV charging
- **Available capacity** from BTM battery and EV V2X resources

### 2. Apply DF Parameters and Assumptions

Calculate **hourly load reduction potential** for 34 DF options using:

- **Eligibility/Capability Percentage**
- **Participation Percentage**
- **Unit Impacts Load Dispatch**

### 3. Group and Simplify Results for use in PCM

Simplify DF tool outputs for use in the PCM:

- **Group 34 DF options into 7 resources**
- **Group resources into PAs**
- **Develop average 24-hour profiles by month**



# Caveats on the D-Flex Tool

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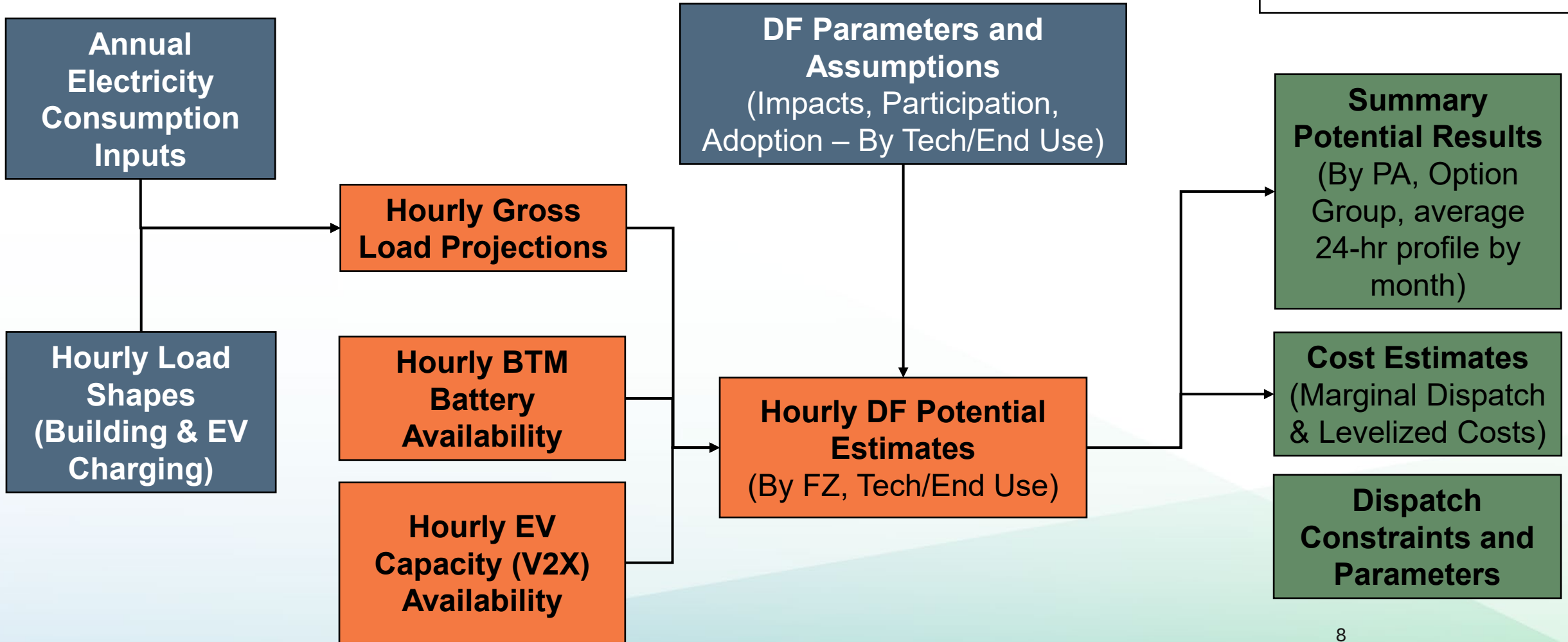
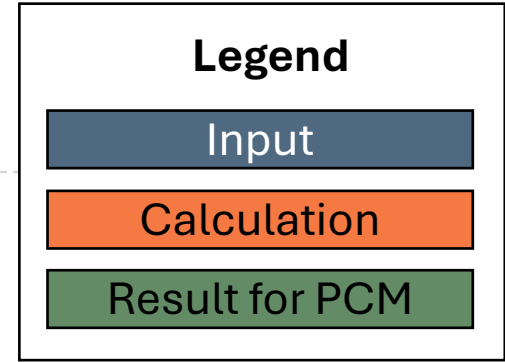
- DF potentials represent availability estimates of load reduction or load shifting that could be realized in future programmatic constructs.
  - By itself, it does not contain any predictions about when or to what extent DF resources are dispatched or utilized.
- DF resources are one component of the resource mix in the PCM for the SB 100 modeling.
- The final SB 100 analysis will likely contain only a portion of the potential load shed/shift resources as selected by the PCM.



# DF Potential Flowchart

**Goal: Forecast Hourly DF Potential Resource “Availability”**

Granularity: Forecast Zone (FZ), Sector, Size, Building Type, End Use



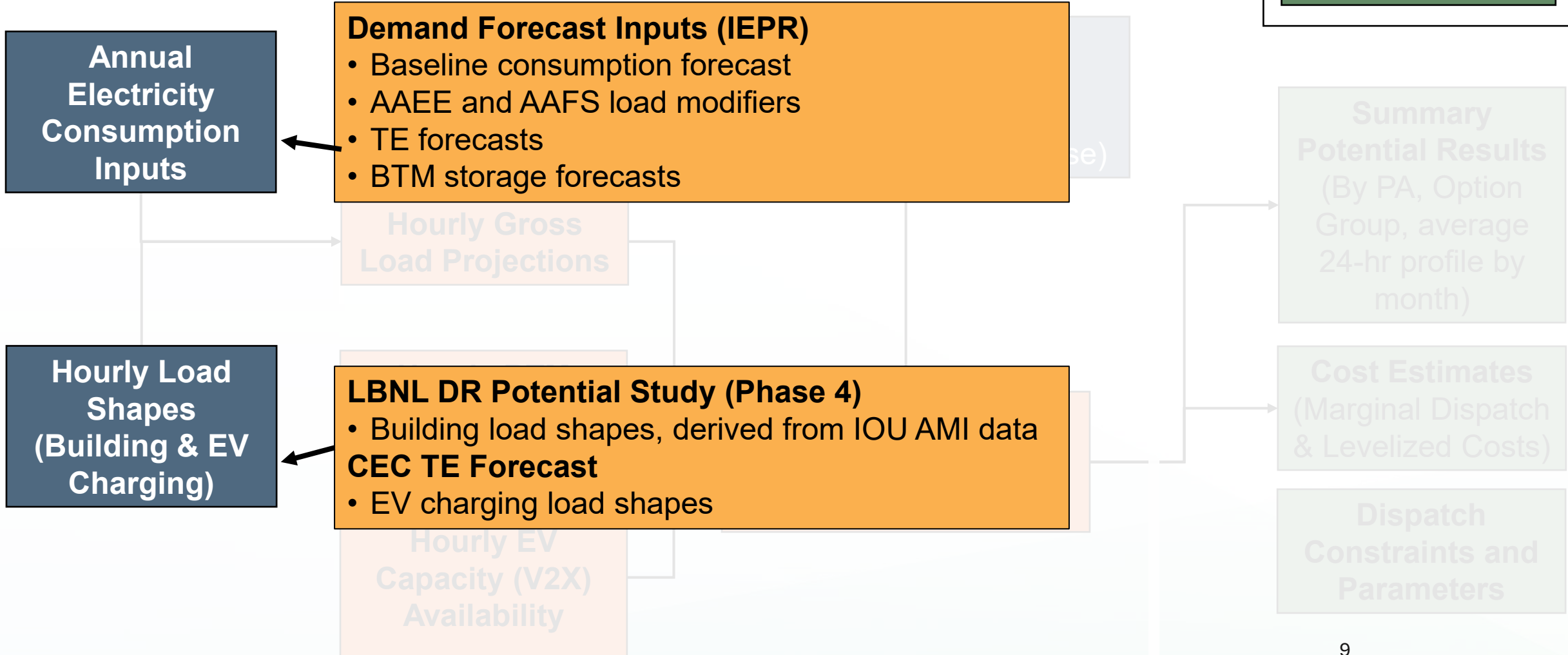
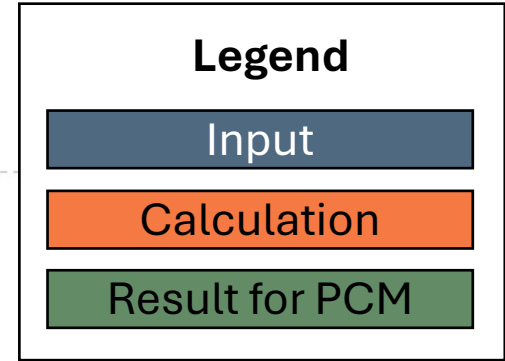




# DF Potential Data Sources [1]

**Goal: Forecast Hourly DF Potential Resource “Availability”**

Granularity: Forecast Zone (FZ), Sector, Size, Building Type, End Use

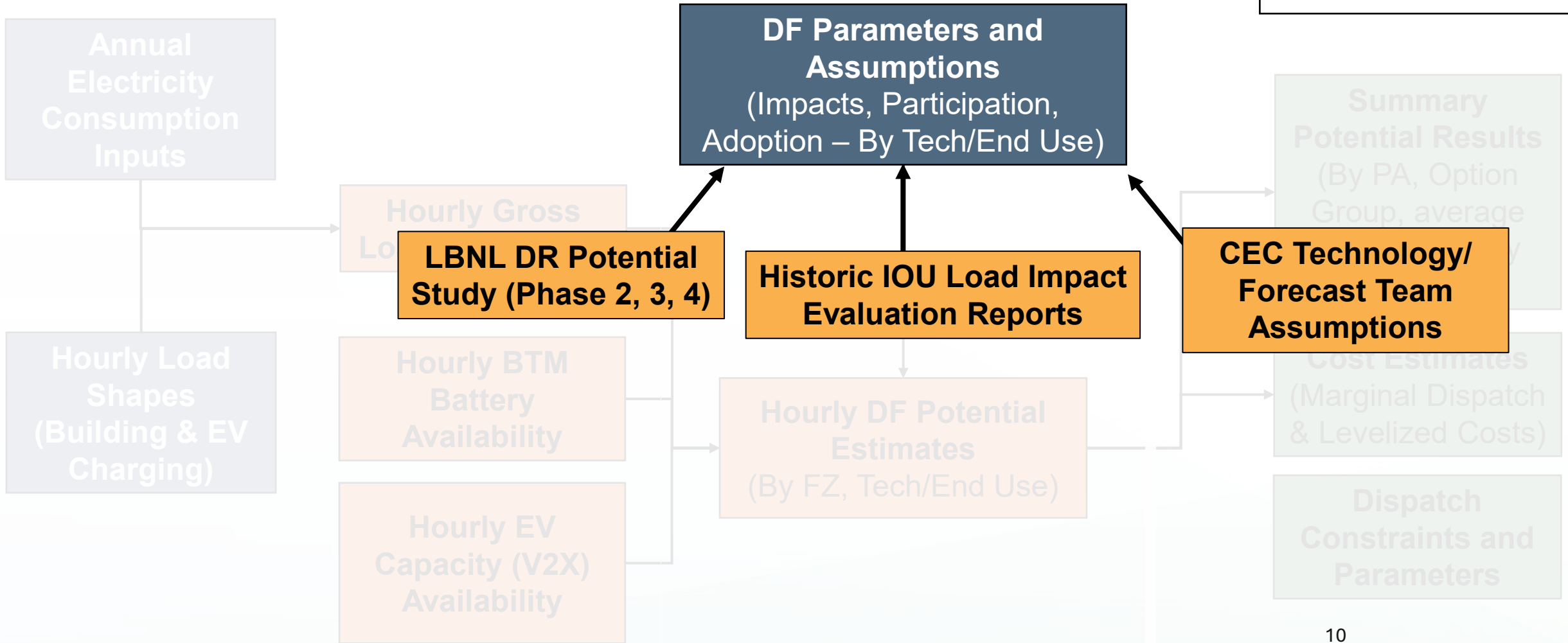
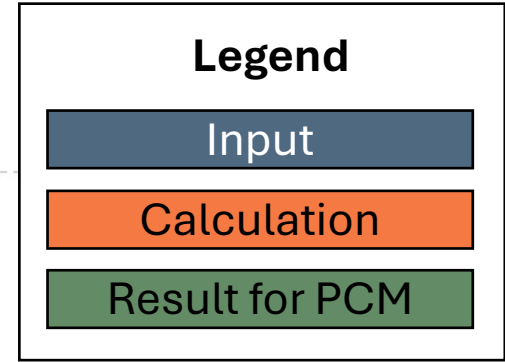




# DF Potential Data Sources [2]

**Goal: Forecast Hourly DF Potential Resource “Availability”**

Granularity: Forecast Zone (FZ), Sector, Size, Building Type, End Use

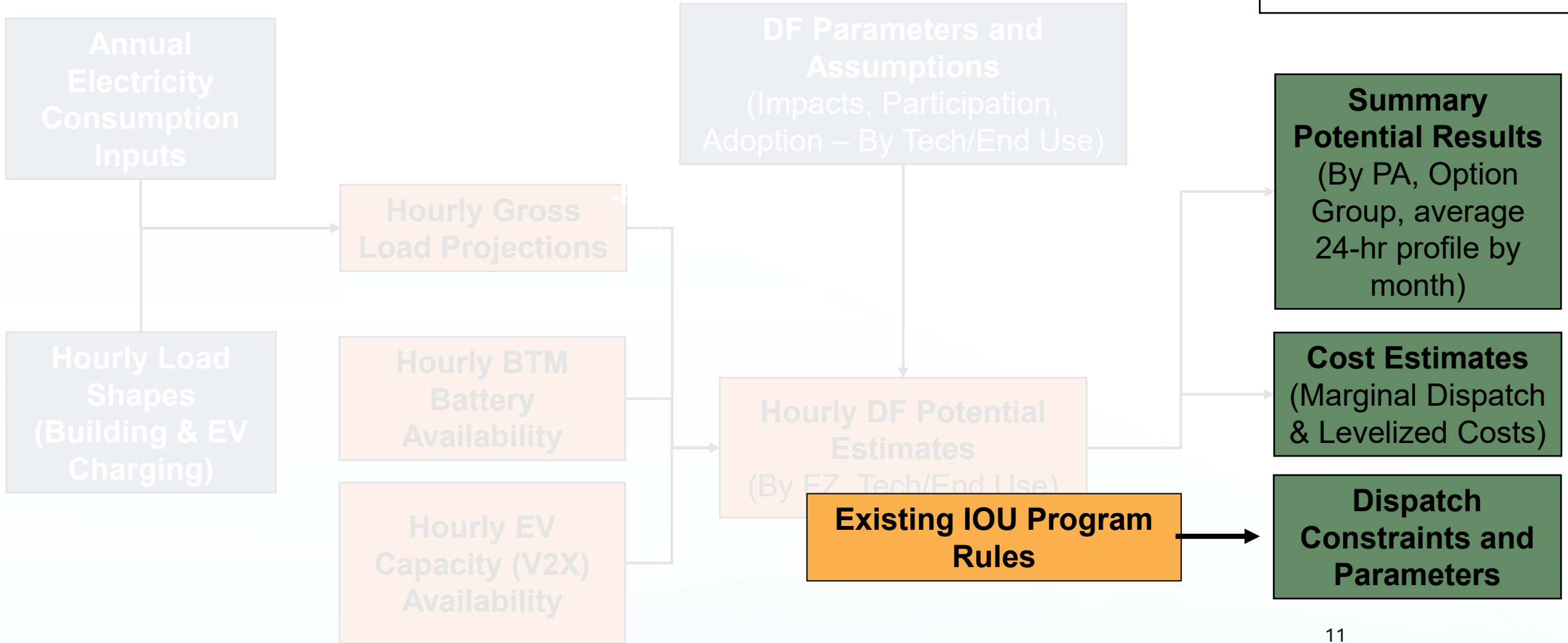
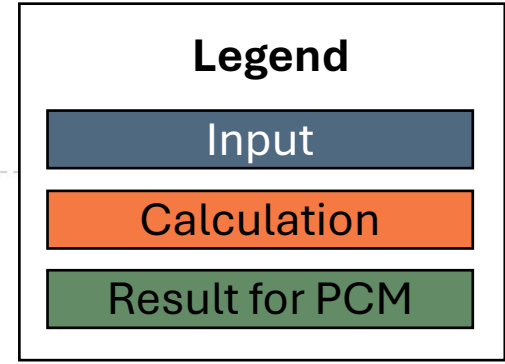




# DF Potential Data Sources [3]

**Goal: Forecast Hourly DF Potential Resource “Availability”**

Granularity: Forecast Zone (FZ), Sector, Size, Building Type, End Use





# LBNL Phase 4 Potential Study

End Use	DR Measure
HVAC	Programmable communicating thermostat
HVAC	HVAC Direct Load Control Switch
HVAC	Manual thermostat adjustment
Dishwasher	Internal connection for remote control
Dishwasher	Manual delay cycle
Washer	Internet connection for remote control
Washer	Manual delay cycle
Dryer	Internet connection for remote control
Dryer	Manual delay cycle
Refrigeration	Internet connection for remote control
Refrigeration, Freezer	Smart power outlet

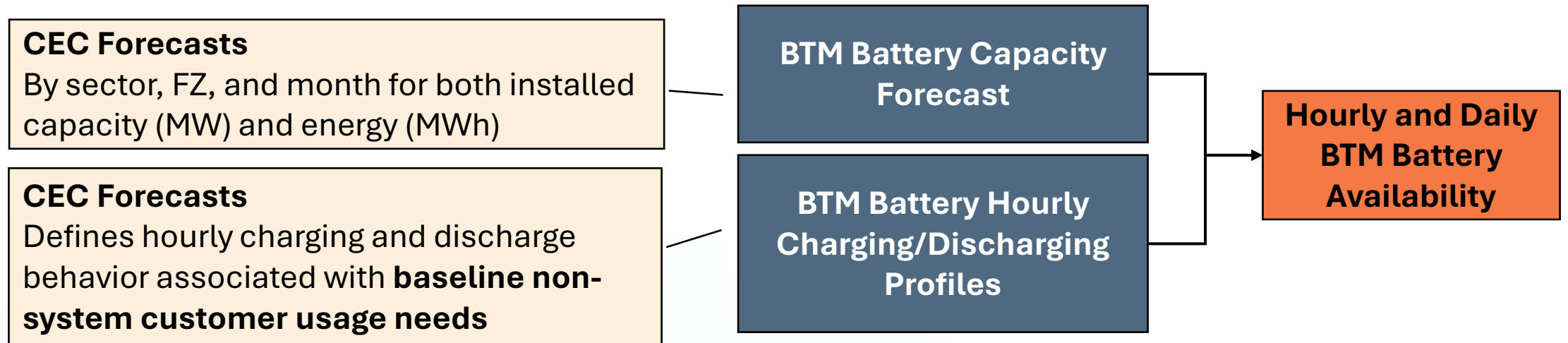
- List of end use and enabling technology DF options & eligibility assumptions
- Shed fractions (unit impacts)
- Participation rates
- Cost assumptions

\*Gerke, B, et al. *The California Demand Response Potential Study, Phase 4: Report on Shed and Shift Resources Through 2050*. May 2024. Lawrence Berkeley National Laboratory. Report Number LBNL-2001596. <https://eta-publications.lbl.gov/publications/california-demand-response-0>.



# BTM Existing Battery Availability

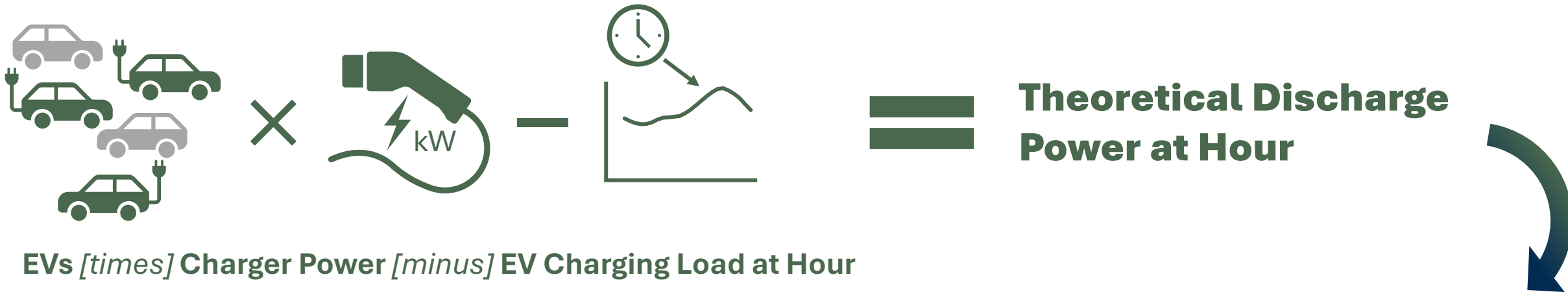
- The DF potential analysis considers potential only from **existing** BTM battery resources that are expected to be installed for **customer needs**, such as **daily TOU arbitrage**, **back-up**, or **resiliency**.



- Battery **capacity** that is **not** used for pre-existing customer needs within a given **hour**, according to the baseline charging and discharging profiles, is considered available for grid dispatch.
- Battery **energy** that is **not** used for pre-existing customer needs within a given **day** is considered available for grid dispatch, subject to a **reserve margin** of 25%. The reserve margin assumes that customers will be unwilling to fully discharge the full extent of their battery nameplate energy capacity for operational, degradation, and backup purposes.



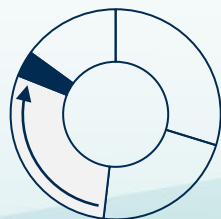
# EV Capacity (V2X) Availability



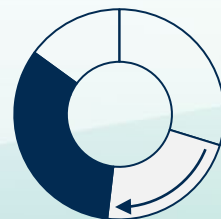
**Functional V2X Dispatch Potential at Hour**



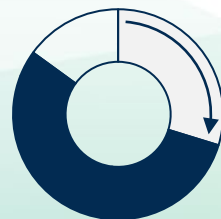
% EV Drivers Participating in V2G Program



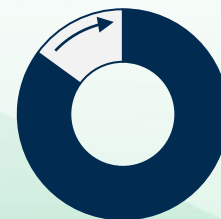
% EVs/Sites with Technical Capabilities



% EVs Plugged In



% EVs at Suitable V2G Site at Hour





# Results of Potentials Are Summarized and Grouped for PCM Use

## Option Groups

DF Tool Output

Ag-Auto-DR-Pumping Control	Ind-HVAC Control
Ag-ELC-Switch-Pumping Control	Res-CLC-HVAC-Switch
Water-Supply/WW-pumping control	Res-HVAC-Thermostat
Ag-Battery Dispatch	Com-Lighting control
Com-Battery Dispatch	Com-Other_End Uses Control
Ind-Battery Dispatch	Com-Refrigeration control
Res-Battery Dispatch	Com-Intergeneration TES
EV-Electric Buses-Charging Control	Ind-Lighting control
EV-HDV-Charging Control	Ind-Process Control
EV-LV-Charging Control	Ind-Refrigeration control
EV-MD-Charging Control	Res-Appliances Control
EV-Electric Buses-V2X	Res-Lighting Control
EV-HDV-V2X	Res-Other end uses control
EV-LV-V2X	Com-CLC-Cooler-Heating Switch
EV-MD-V2X	Com-Water Heating Add-on CTA 2045 control
Com-CLC-HVAC-Switch	Com-Water Heating Smart Water Heater
Com-HVAC-EMS	Res-CLC-Water Heating-Switch
Com-HVAC-TES	Res-Water Heating Add-on CTA 2045 control
Com-HVAC-Thermostat	Res-Water Heating Smart Water Heater

**34 Individual DF Options**

## 7 Option Groupings

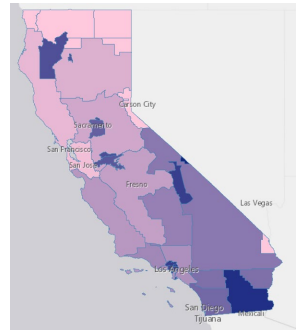
- Ag Pumping
- Battery – Non-Res
- EV Charging
- HVAC
- Battery – Res
- EV V2X
- Other

Grouped based on similarities in end use, magnitude of potential, and common programmatic constructs

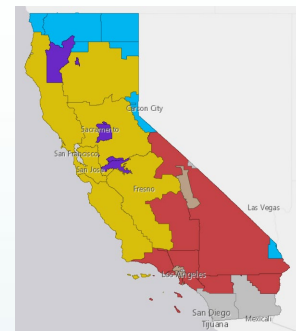
PCM Input

## Geographic Granularity

DF Tool Output



**20 FZs**



**7 PAs**

PCM Input

## Hourly Averaging

DF Tool Output

**Full 8760 hourly results per year**

- Option Group (7)
- Planning Area (7)
- Year (2023-2050)

**Average 24-hour potential by month (288 values per year)**

- Option Group (7)
- Planning Area (7)
- Year (2023-2050)

PCM Input



# Cost Estimates for PCM

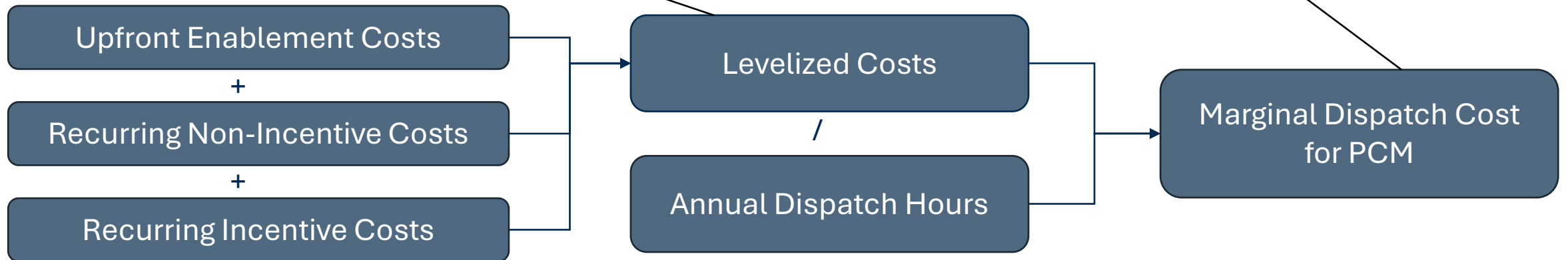
First, the DF Tool calculates **levelized costs (\$/kW)** to represent all costs for DF resource availability.

Includes **upfront enablement, recurring non-incentive costs, and recurring incentive** cost components.

Sourced from the LBNL Phase 4 Study.

The Tool calculates **marginal dispatch costs (\$/MWh)** to represent the “bid” cost for a resource. Calculated by spreading the levelized cost over an **assumed number of dispatch hours** in each year.

Marginal dispatch costs (\$/MWh) are utilized by the PCM.







# Dispatch and Load Shift Parameters

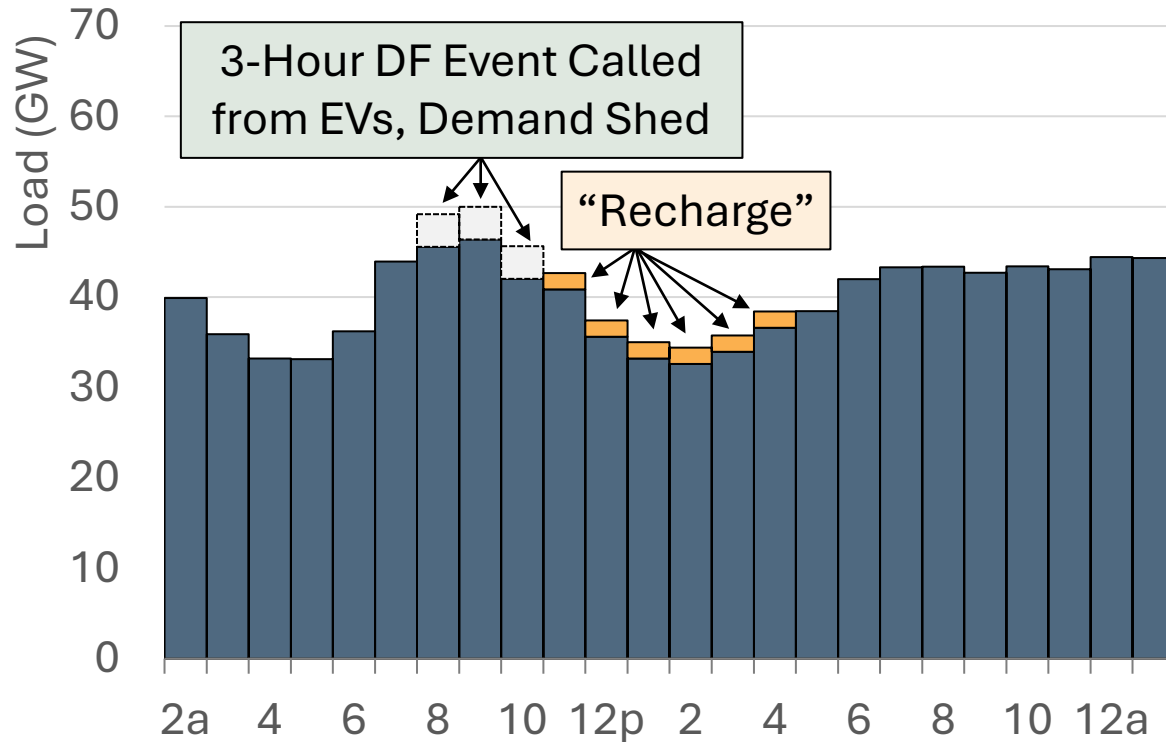
- Limited customer willingness to curtail/shift
- Dispatch constraints based on physical characteristics of technologies

Option	Max Hours per Dispatch	Max Dispatches per Day	Max Dispatches per Month or Year	Load Shift Timing
Ag Pumping	6	1	10/month, 30/year	Up to 8 hours before dispatch
BTM Battery (Res)	4	2	50/season, 100/year	Up to 6 hours after dispatch
BTM Battery (Nonres)	4	2	50/season, 100/year	Up to 6 hours after dispatch
EV Charging	4	2	50/season, 100/year	Up to 6 hours after dispatch
EV V2X	4	1	50/season, 100/year	Up to 6 hours after dispatch
HVAC	4	1 (Summer) 2 (Winter)	25/season, 50/year	2-hour pre-cool, 6-hour snapback
Other	6	1	72/year	Up to 4 hours before and after dispatch

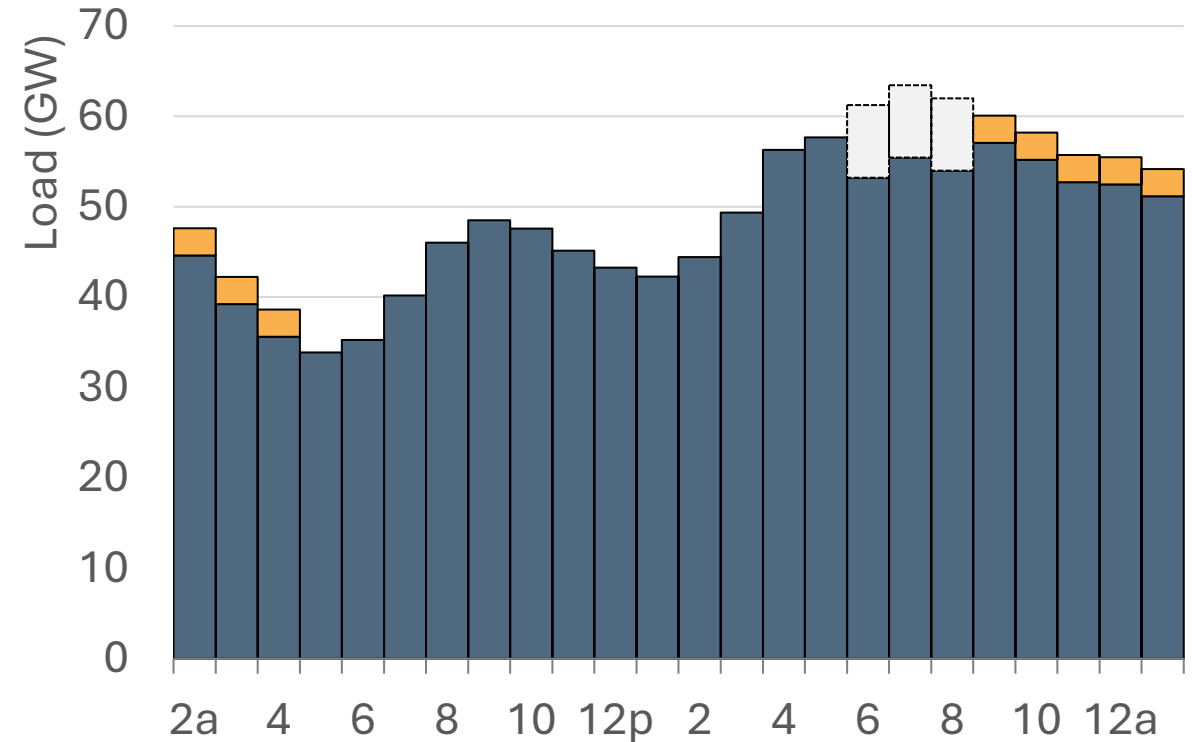


# Example Demand Flex and “Recharge” Event

### Reference Scenario December Day, 2040



### Reference Scenario September Day, 2040



**In earlier hours of the day, there is less EV potential, leading to less EV flexibility during winter peaks**



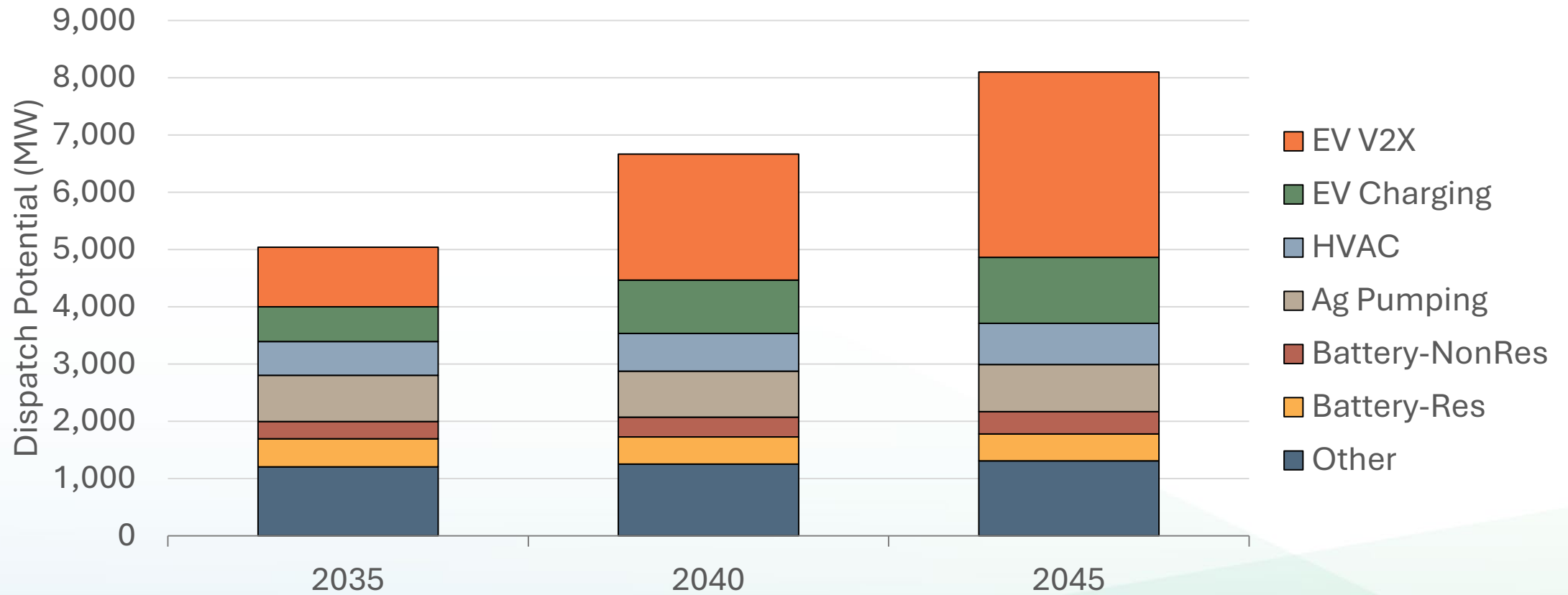
# DF Scenarios

	Input	Policy Scenario (Moderate DF)	Policy Scenario with High DER & High DF Augmentation	HHU Policy Scenario (Moderate DF)
Demand Scenario Inputs	AAEE 3 Adjustment	AAEE 3	AAEE 4 (res/com) AAEE 3 (all other)	AAEE 3
	AAFS Adjustment	AAFS 4	AAFS 4	AAFS 4
	TE Adjustment	Policy Scenario TE	Policy Scenario TE	Policy Scenario with HFS
	BTM Battery Forecast	2023 IEPR	Augmented Forecast	2023 IEPR
Demand Flexibility Inputs	EV V2X LD Applicability	SF Only	SF + MF + Commercial Fleet	SF Only
	EV V2X Plugged-In Factor	50%	65%	50%



# DF Potential Results (Policy Scenario with Moderate DF)

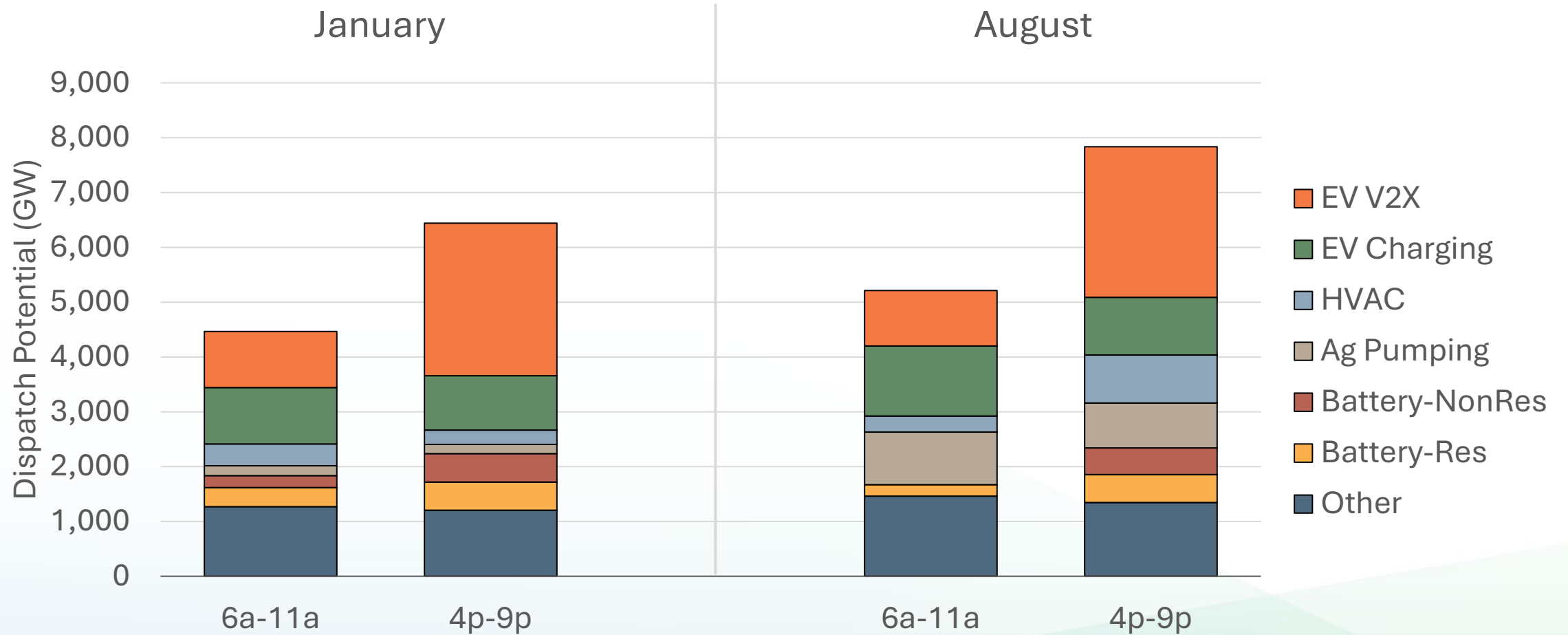
Average Potential Across 4PM - 9PM Hours



**Long-Term potential growth dominated by EVs**



# Seasonal Variation at Key Times During the Day (2045)



**Winter and Early Hours Have Less Potential than Summer Later Hours**

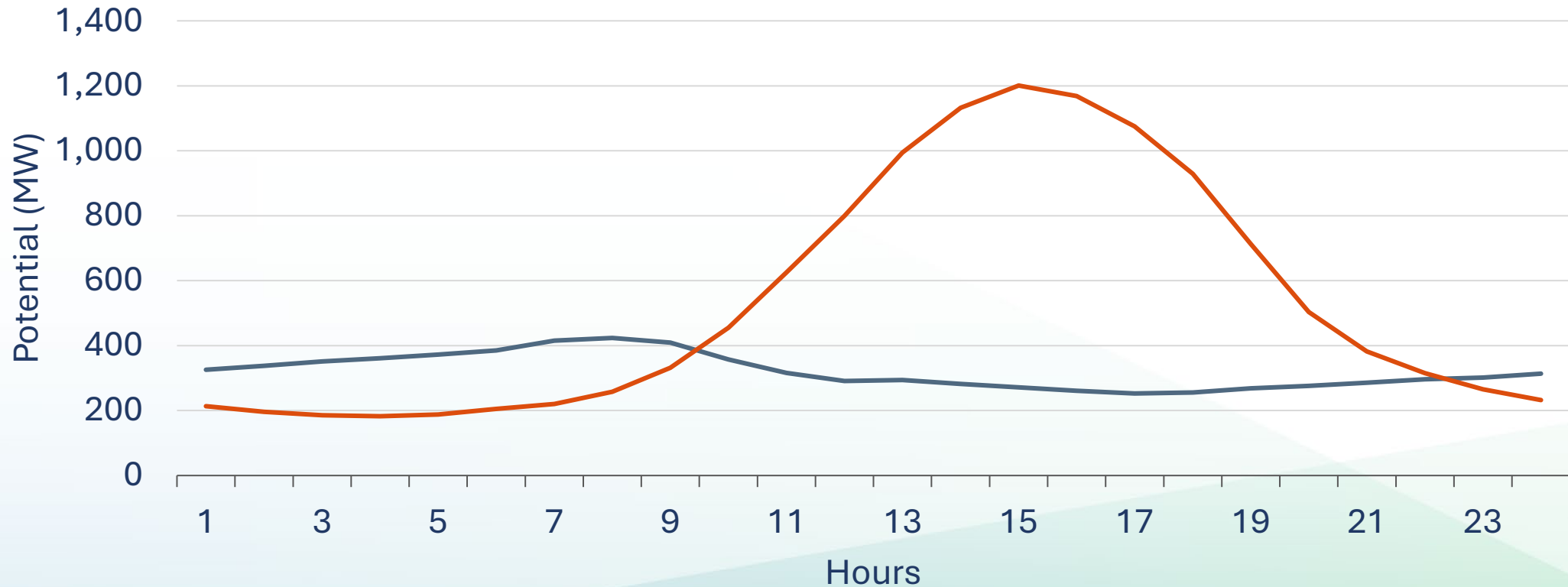


# HVAC Seasonal and Hourly Variation

Large hourly dispatch shape change between summer and winter for HVAC.

Average potential, Policy Scenario with DF, 2045

— Winter (January) — Summer (August)

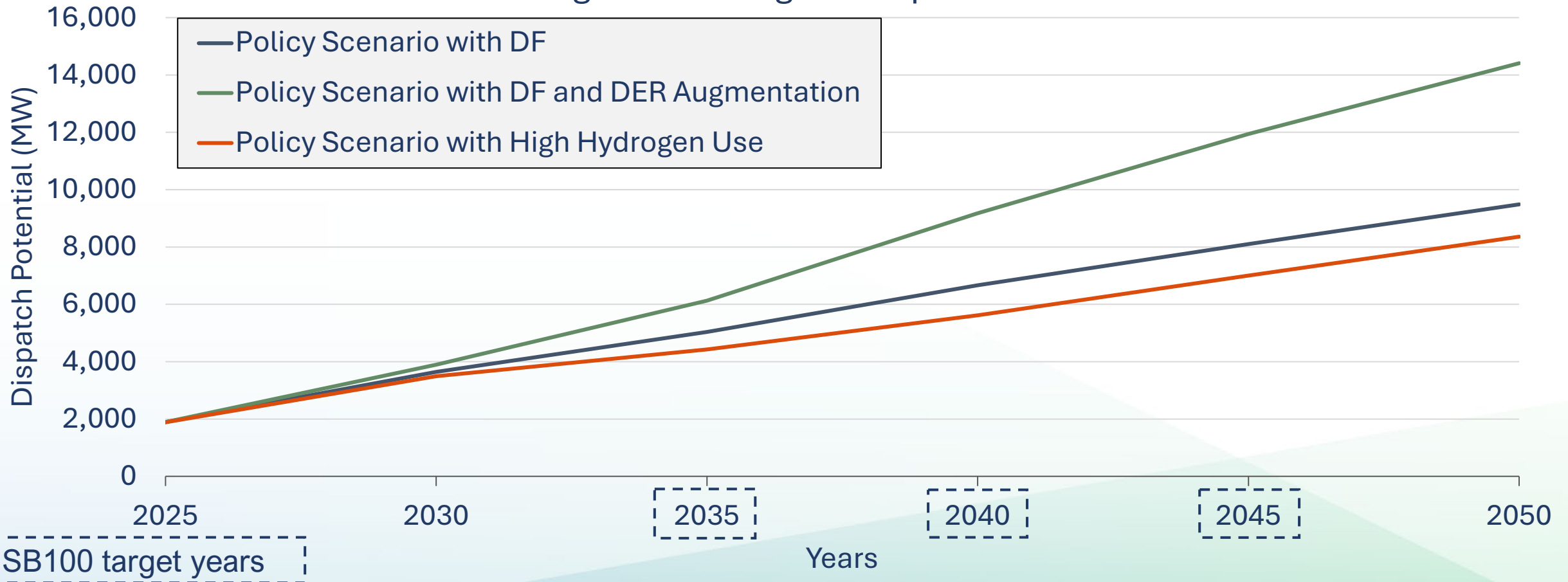




# Potential by Scenario

The primary driver of differences between scenarios are in the **BTM Battery** and **Electric Vehicle (Managed Charging and V2X)** Options

Average across August 4-9 pm hours

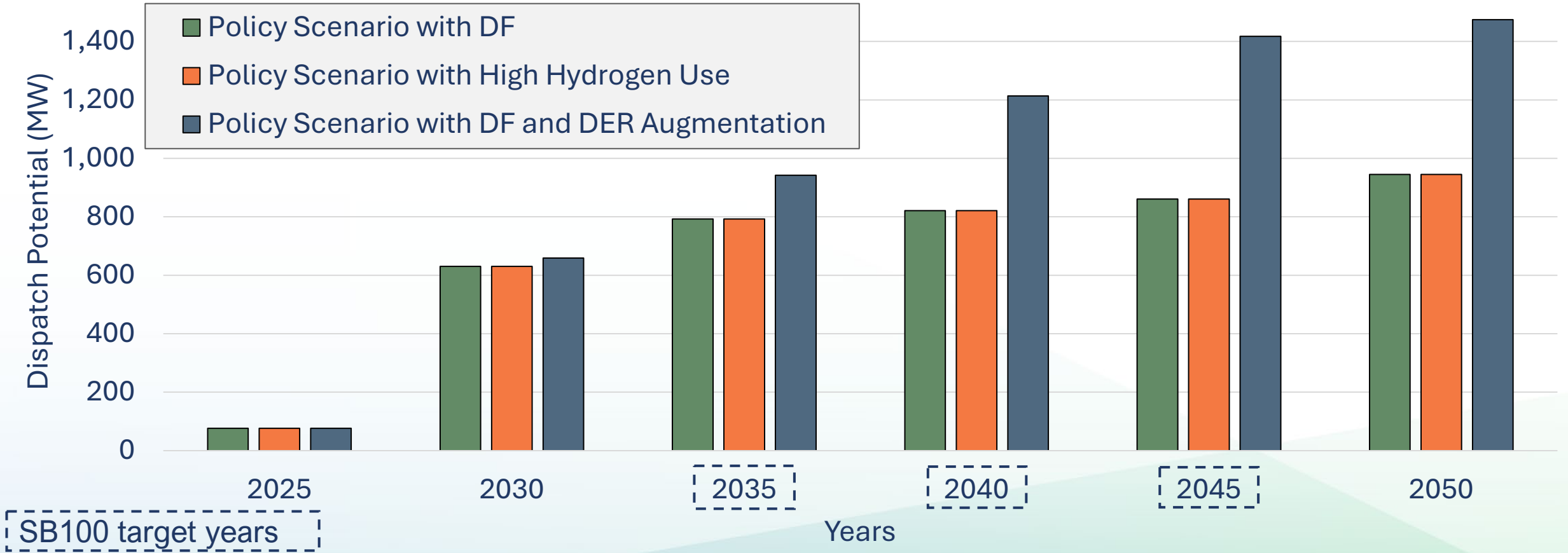




# BTM Battery Scenario Comparison

Scenarios with **DER Augmentation** include a higher forecast of installed BTM batteries, primarily from the residential sector.

Battery average across August 4-9 pm hours

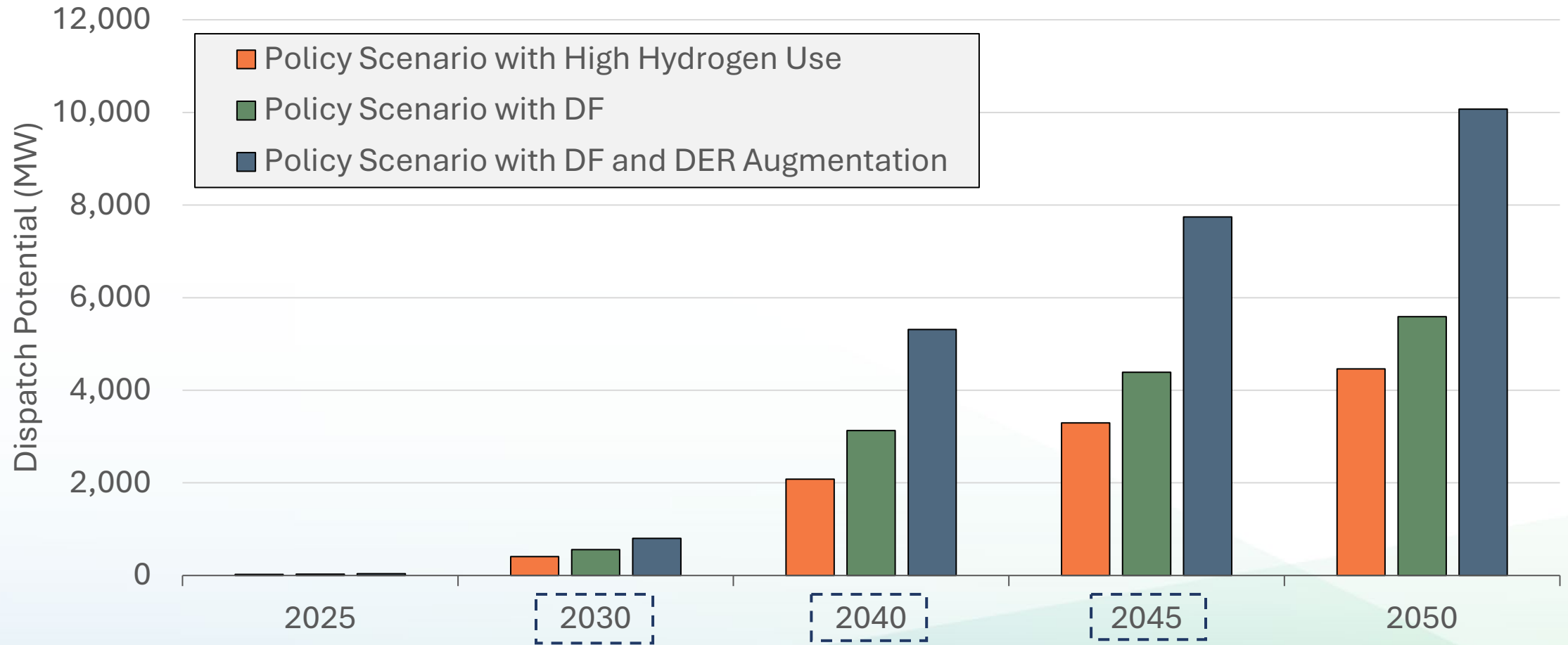






# EV Scenario Comparison

EV average across August 4-9 pm hours



SB100 target years



# Key Takeaways

- The expanded D-Flex tool allows for full 8760 load flex potentials for a given demand scenario
- D-Flex tool outputs are potentials, not actual load or load modifiers
- The “realization” of potentials depends on PCM selections and resource mixes.
- The largest contributor to potential is the EV category
- Seasonal factors play a role
  - Summer hours 12-19 have high HVAC potential
  - Winter hours 6-10 have lower total potential, critical hours of expected heating loads in the demand scenarios



**Thank You!**

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# SB 846 (2022) Language

## SEC. 4.

Section 25302.7 is added to the Public Resources Code, to read:

**25302.7.** *By June 1, 2023, the commission, in consultation with the Public Utilities Commission and the Independent System Operator, shall **adopt a goal for load shifting to reduce net peak electrical demand** and shall adjust this target in each biennial integrated energy policy report prepared pursuant to Section 25302 thereafter. In developing this target, the commission shall consider the findings of the 2020 Lawrence Berkeley National Laboratory report on the Shift Resource through 2030 and other relevant research. The commission, in consultation with the Public Utilities Commission and the Independent System Operator, shall **recommend policies to increase demand response and load shifting that do not increase greenhouse gas emissions or increase electric rates.***