

DOCKETED	
Docket Number:	25-IEPR-03
Project Title:	Electricity and Gas Demand Forecast
TN #:	267715
Document Title:	Sam H Maslin Comments - Eddy Energy Comments
Description:	N/A
Filer:	System
Organization:	Sam H Maslin
Submitter Role:	Public
Submission Date:	11/23/2025 5:10:51 PM
Docketed Date:	11/24/2025

*Comment Received From: Sam H Maslin
Submitted On: 11/23/2025
Docket Number: 25-IEPR-03*

Eddy Energy Comments

Additional submitted attachment is included below.

California Energy Commission
Docket No. 25-IEPR-03
715 P Street
Sacramento, CA 95814

Subject: Eddy Energy, LLC Comments on the IEPR Commissioner Workshop on Load Modifier Energy Demand Forecast Results, Docket #25-IEPR-03

Eddy Energy, LLC (“Eddy”) appreciates the opportunity to comment on the Load Modifier Energy Demand Forecast Results Workshop and the policies around load modifier resources going forward.

About Eddy Energy

Eddy is a U.S. distributed energy storage development platform. Eddy works with land-owners, communities, and load-serving entities to develop fleets of stand-alone storage projects that efficiently deliver needed local reliability benefits along with peak energy-shifting necessary to integrate renewables. Eddy is based in San Francisco, CA.

The Need for Load Flexibility Resources

California has a significant need for more load flexibility. As required by Senate Bill 846 (2022), the CEC has established a load flexibility goal of 7 GW. However, according to a June 2025 CEC progress report,¹ only 3.5 GW of load flexibility exists to date, meaning California must implement another 3.5 GW of flexibility to meet its targets. The CEC report indicates that the state will not reach its 7 GW goal “without additional near-term strategies,” and that incremental flexibility growth is being driven by EVs, batteries and the DSGS program, whereas existing CAISO DR programs have been declining. With this in mind, we urge the CEC to use the load modifier function to enable a wide range of resources to contribute to load flexibility and help the state meet its goals.

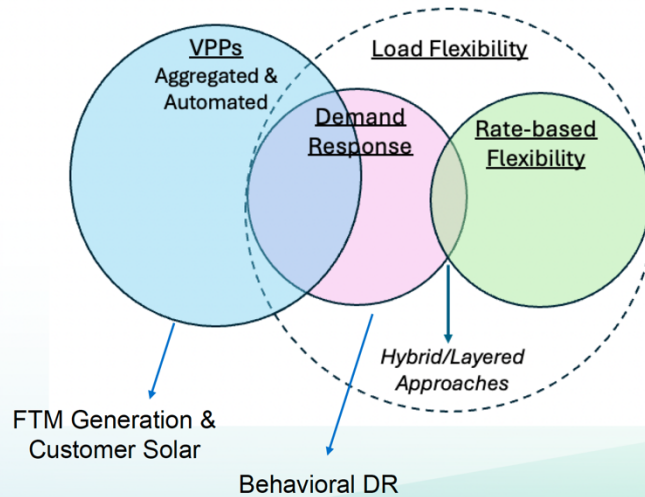
The CEC already understands that load flexibility encompasses a wide range of assets. According to the CEC’s SB 846 Report (2023), “load flexibility is the capability to **shift** or **shed** electric load or demand away from times when the electricity is expensive, polluting, and scarce to times when it is inexpensive, clean, and plentiful” (emphasis added). In the June progress report, the CEC presents the diagram below to highlight the broad nature of this load flexibility, where rates, demand response, aggregated VPPs, and both customer and FTM generation are all shown as potential contributors to load flexibility strategies.

¹ <https://www.energy.ca.gov/publications/2023/senate-bill-846-load-shift-goal-report>



Load Flexibility and VPP Overlap

Key characteristics of load flexibility strategies



Source: California Energy Commission

3

Figure 1: CEC load flexibility overview

Expanded load flexibility is needed to help the state meet its overall reliability resource targets. Electricity forecasts are steadily increasing in California, and the CPUC has ordered large new resource additions to meet load and maintain system reliability. Expanding the load-flexibility pathway through the use of load-modification for a wider set of assets will be a significant step towards maintaining system reliability and capacity.

Distributed Energy Storage Offers Significant Potential Benefits

Among the various resources that can provide load flexibility, distributed energy storage, represents a segment that can deliver significant benefits to the state by shifting local energy demand during peak periods while also delivering important system and local benefits. In fact, the CPUC's 2023 Energy Storage Procurement Study, which assessed all types of energy storage projects and the value they deliver, **found that distribution-connected storage resources were the most valuable category of energy storage resource**. The CPUC also pointed out that this was a segment in need of a pathway to market. According to the CPUC's report, "to produce net benefits to ratepayers and additional options for scalability and resource solutions, further market transformation is needed to support third-party-owned distribution-connected resources, and both existing and new resources must be positioned for multiple use applications."²

²https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/energy-storage/2023-05-31_lumen_energy-storage-procurement-study-report.pdf

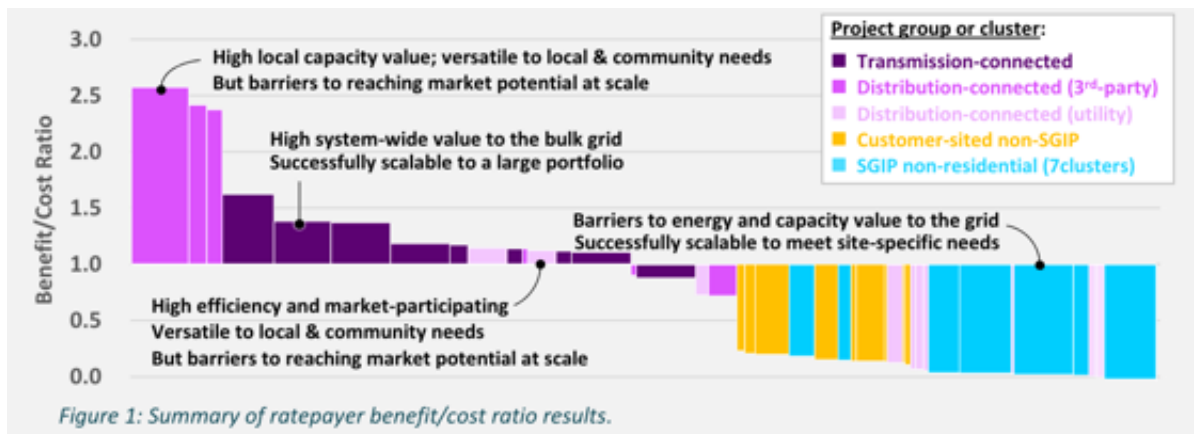


Figure 2: CPUC energy storage benefit/cost summary

The CPUC stresses that distribution-connected storage systems can provide great value because they can deliver multiple use cases to the grid. In contrast to bulk resources, they can provide both transmission *and* distribution services, as illustrated in the CPUC report by the diagram below. **Fundamentally, distributed storage reduces the local peak load, which can achieve relevant local infrastructure deferral benefits as well as contribute to reliability, as the local peak load is what drives distribution grid capacity issues that cause both outages and the need for upgrades.**

Services to Grid and Cust.		Grid Domains		
		Tran.	Dist.	Cust.
Energy & AS Markets and Products	Energy	✓	✓	✓
	Frequency Regulation	✓	✓	✓
	Spin/Non-Spin Reserve	✓	✓	✓
	Flexible Ramping	✓	✓	✓
	Voltage Support	✓	✓	✓
	Blackstart	✓	✓	✓
Resource Adequacy	System RA Capacity	✓	✓	✓
	Local RA Capacity	✓	✓	✓
	Flexible RA Capacity	✓	✓	✓
T & D Related	Transmission Investment Deferral	✓	✓	✓
	Distribution Investment Deferral		✓	✓
	Microgrid/Islanding		✓	✓
Site-Specific & Local Services	TOU Bill Management			✓
	Demand Charge Management			✓
	Increased Use of Self-Generation			✓
	Backup Power			✓

Figure 3: CPUC energy storage benefits overview

Treating distribution-connected energy storage assets as load-modifiers would enable these projects to attain much of the grid benefits identified in the CPUC study and overcome the current obstacles to realizing reliability value, or Resource Adequacy, that currently exist for this class of resources.

Large Distributed Storage Buildouts are Happening Across the Country

Many other states and large load-serving entities are recognizing the system benefits of distributed energy storage resources, and designing programs and pathways to allow them to be successfully integrated into distribution grids. Below we highlight four separate states where distributed energy storage is playing a prominent role in system procurement:

- **New York:** The VDER program, by offering a value-stack of DG benefits based on their reduction of local, circuit-level loads, has led to the development of 6 GW of DG solar, and **over 2 GW of DG storage**. These resources are incentivized to be located in load pockets, and even in specific zones where distribution infrastructure deferral benefits can be realized.
- **Washington:** Puget Sound Energy is executing an [IRP procurement](#) of **155 MW of distributed, FTM storage** over 5 years. These batteries, typically 5 MW each, are connected to the 12kV system and dispatched by a local VPP.
- **Oregon:** Portland General Electric is executing an [IRP procurement](#) of **150 MW of distributed, FTM storage** over 5 years. These batteries are virtually-paired with solar generation elsewhere in PGE's system and dispatched to provide local grid capacity.
- **Minnesota:** Xcel Minnesota has begun procuring **400 MW or more of distributed, FTM storage**. This is through their Distributed Capacity Procurement (DCP) model. DCP is designed to add system capacity by “enabling strategic, scalable deployment of distributed energy resources that can respond dynamically to evolving system needs.”³

Current Barriers Prevent Distributed Resources from Providing Reliability Benefits in CA

Reliability planning—ensuring that forecasted peak demand can be adequately served by system supply resources—is a key function of the energy demand forecast process. To this end, Eddy Energy wishes to highlight the current gaps that exist in the supply-side Resource Adequacy (RA) process, and how this prevents local, peak-modifying resources from being counted as reliability resources, thus disincentivizing them from being developed in the first place.

The RA program is driven by the concept of deliverability, which is a CAISO assessment that determines whether a given resource can deliver its output over the transmission system to system load, as well as what network upgrades are required to do so. To be counted as an RA resource, a project must be deemed ‘fully deliverable’ by CAISO. The problem is, deliverability is a transmission-oriented methodology that is not well suited to DERs in load-pockets that don't use the transmission system in the first place.

More to the point, a large share of distributed resources are prevented from even applying for deliverability due to the rules governing their interconnection. For instance, projects

³ Distributed Capacity Procurement white paper, “Unlocking Grid Value with Utility-Led DER Procurement,” SEPA, July 2025.

connecting through the Fast Track process in the WDAT are energy-only by-rule, and are thus barred from seeking RA credit. As SDG&E has eliminated the Independent Study Process in its WDAT tariff, Fast Track is the only route by which to interconnect a distribution resource, and thus this entire class of resources can never provide critical RA value under current rules.

Even WDAT projects that are eligible for deliverability face an unclear path through transmission level resource and transmission planning processes that overlook them. The CAISO's current process for allocating deliverability to WDAT projects—the DGD Allocation Process—requires the CPUC to specify the location of DERs in its resource planning process, which it has thus far failed to do.

With no workable path to receive RA credit, distribution-side resource development languishes. Developers can't invest in the development of projects that won't realize a large piece of their operational value, and load-serving entities (LSEs) can't contract and design programs around projects that don't ultimately help them meet their state-mandated RA procurement targets. This is a shame. Net load reduction is a key contributor to statewide grid reliability, and is especially needed in the context of a constrained and long-cycle bulk grid environment.

Load-Modification is an Appropriate Pathway for all Distribution-Connected Resources

Load-modification would be a beneficial and appropriate pathway for distribution-connected resources, as modification to the net load profile in load centers is what these resources actually do—and this is confirmed through their interconnection studies. The interconnection study processes for distribution-connected projects—the WDAT and Rule 21 processes—include screens that determine whether such projects backfeed energy onto the transmission system. This determination is based on the circuit and substation ratings and the actual hourly load profiles at the points of interconnection. If a project is found to cause transmission backfeed based on this local system study, it fails this screen and cannot be interconnected as-is but instead must join the cluster study process. **Resources that pass the screens have thus been confirmed to impact only local load, rather than the system at-large, and their operations are appropriately viewed as load-modifying**

Treating all DERs that pass Rule 21 or WDAT screens as load-modifying resources would thus map neatly onto the methodology and findings of the currently accepted interconnection rules. The CEC should recognize and quantify the reliability value of these load-modifying resources because they reduce overall Resource Adequacy needs.

Conclusion

Eddy Energy urges the CEC to expand the use of energy demand forecast load modifiers to encompass the operation of all DERs, including storage, both behind and in-front-of the meter. In summary, this expanded load-modification pathway would:

1. Reflect the actual peak-reducing operations of these resources in system planning and reliability processes
2. Be consistent with the eligibility rules and grid impact studies in current distribution interconnection tariffs
3. Allow LSEs to count these resources towards their RA obligation
4. Support the state in meeting its overall load-shift goals and system resource needs

It is critical that we maximize our use of the distribution grid infrastructure to deliver reliability and other vital grid benefits, just the same as we do on the transmission side.

Respectfully submitted,

Sam Maslin

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