April 23, 2021

Email to: docket@energy.ca.gov
Docket Number: 19-OIR-01
Subject: CESA's Comments on the Draft Staff Report: Analysis of Potential Amendments to the Load Management Standards

Re: Comments of the California Energy Storage Alliance ("CESA") on the Draft Staff Report: Analysis of Potential Amendments to the Load Management Standards

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The California Energy Storage Alliance (CESA) appreciates the opportunity to comment on the Draft Staff Report: Analysis of Potential Amendments to the Load Management Standards ("Report") developed by the California Energy Commission (CEC). CESA recognizes the leadership of the CEC in planning for policies and practices that will enable California to achieve its goal of a 100% zero-carbon grid by 2045. As noted by the CEC in the Report, the utilization and coordination of supply- and demand-side solutions is fundamental to accomplish said target; thus, CESA supports the potential amendments included in the Report and looks forward to continued collaboration with stakeholders on any future Load Management Standards (LMS) revisions.[1]

CESA, a 501(c)(6) organization representing over 100 member companies across the energy storage industry, is supportive of the Report set forth by the CEC staff. Specifically, CESA is glad to see the continued inclusion of real-time rates, energy storage systems in all its forms, and automation-enabling technologies in the LMS and consideration of customer perspective in the potential amendments. In the face of a rapidly changing energy landscape and increased grid reliability emergencies caused by extreme weather events, CESA believes that the LMS and potential amendments detailed in the Report reflect a prudent approach to leveraging the inherent flexibility of distributed energy resources (DERs), including energy storage systems and electric vehicles.

CESA is pleased to see the CEC staff uphold its finding that dynamic pricing is critical to California's load management strategy. CESA is especially supportive of the requirement that the electric utilities develop and apply for approval of hourly or sub-hourly marginal cost rate schemes for each customer class by March 31, 2023. This will surely encourage the uptake and fully harness the benefits of DERs. The current time-of-use (TOU) structure, while a step in the right direction, does not provide signals that are sharp enough to impact customer behavior or granular enough to encourage customers to provide additional grid value through the adoption of automation and/or smart DER technologies, such as battery or thermal storage or vehicle-grid integration (VGI) resources (*e.g.*, smart managed charging, vehicle-to-grid [V2G]).

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[1] Report at 1.

CESA agrees with the CEC staff's notion that the development of a wide array of dynamic pricing schemes would allow the State to use existing generation in a more efficient manner, limit wasteful curtailment, and promote more widespread adoption of DERs and automation platforms that would further assist managing loads and increase the elasticity of customer demand. To this end, CESA urges the CEC to adopt the potential amendments and continue its push for an innovative statewide LMS strategy.

In conclusion, CESA maintains its strong support for the CEC's LMS, including the potential amendments as well as the continued focus on requiring utilities to develop advanced rate schemes by March 31, 2023. CESA believes dynamic pricing schemes are fundamental to encourage the deployment DERs as they continue to provide ratepayer value and operational certainty. CESA appreciates the opportunity to provide these comments and feedback on the Report. We look forward to continued collaboration with the CEC and other stakeholders in this proceeding.

Sincerely,

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