

February 22, 2022

CPUC Energy Division Tariff Unit
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Re: Protest of the California Energy Storage Alliance to Advice Letter 6485-E of Pacific Gas and Electric Company, Advice Letter 4708-E of Southern California Edison Company, and Advice Letter 3939-E of San Diego Gas and Electric Company

Dear Sir or Madam:

Pursuant to the provisions of General Order 96-B, the California Energy Storage Alliance (“CESA”) hereby submits this Protest to the above-referenced Advice Letter 6485-E of Pacific Gas and Electric Company, (“PG&E”), Advice Letter 4708-E of Southern California Edison (“SCE”) Company, and Advice Letter 3939-E of San Diego Gas and Electric Company (“SDG&E”), *Emergency Load Reduction Program Pilot Terms and Conditions of Southern California Edison Company, Pacific Gas and Electric Company, and San Diego Gas & Electric Company in Compliance With Decisions 21-12-015 and 21-12-069* (“Joint Advice Letter”) submitted on January 31, 2022.

I. INTRODUCTION.

On December 6, 2021, the Commission issued Decision (“D.”) 21-12-015 along with attached guidance that adopted a number of proposals as part of Phase 2 of the Emergency Reliability proceeding, Rulemaking (“R.”) 20-11-003, in order to address system reliability risks for Summers 2022 and 2023. Upon consideration of the needs analysis in the face of extreme weather events, the Commission authorized incremental procurement as well as modifications to a number of demand response (“DR”) programs already in place or adopted as pilots in the Phase 1 Decision, D.21-03-056. Among the proposals adopted in the Phase 2 Decision were many related to the Emergency Load Reduction Program (“ELRP”), where the Commission expanded the ELRP and made further modifications to increase participation and provide additional clarifications. Specifically, changes were made to lower minimum size thresholds for participation and relax certain dual participation requirements to increase the pool of customers. Further, the combination of a higher compensation rate (from \$1/kWh to \$2/kWh) and minimum dispatch hours is intended to provide more revenue certainty and increase the value proposition for ELRP participation.

Importantly, the Commission took reasonable and smart steps to potentially mobilize the export capabilities of single-site and aggregated distributed energy resources (“DERs”) in the

ELRP, beginning with the adoption of new eligible customer groups in D.21-03-056 and further refined through the accommodation of battery submeters to evaluate performance in D.21-12-015. CESA welcomed and supported many of the aforementioned modifications to the ELRP, which would better reflect export-capable energy storage performance and invite greater participation from customers with behind-the-meter (“BTM”) energy storage or hybrid resources.

However, upon reviewing the Joint Advice Letter, CESA finds that the investor-owned utilities (“IOUs”) fail to provide clarity on how sub-metering will be accommodated and used to determine incremental load reduction (“ILR”) and settlement payments. The IOUs’ terms and conditions are totally lacking in this regard. Moreover, a lack of clarity surrounding the treatment of sub-metering in determining baselines will leave questions for customers and aggregators surrounding their ELRP participation. CESA thus submits this protest on the following grounds:

- The IOUs should provide flexibility for Group A.4 VPP aggregators to negotiate sub-metering protocols for standalone storage devices.
- The IOUs should establish minimum sub-metering standards that are “deemed approved” in the absence of any utility/aggregator negotiation.
- Considerations for using sub-meters to determine baselines should be further specified.

II. THE IOUS SHOULD PROVIDE FLEXIBILITY FOR GROUP A.4. VPP AGGREGATORS TO NEGOTIATE ON SUB-METERING PROTOCOLS FOR STANDALONE STORAGE DEVICES.

While CESA was excited to see the inclusion of options for sub-metering for Groups A.4 and A.5 in D.21-12-015, we are disappointed to see that specifications surrounding the implementation of sub-metering, particularly for Group A.4, are not included in the Joint Advice Letter. Instead, the Group A Terms and Conditions for each IOU attached to the Joint Advice Letter include phrasing indicating, “the baseline method may be used with submetering once the CPUC has approved submetering protocols”¹ for both Groups A.4 and A.5. Only SCE specifies that for Group A.4, sub-metering may be used, “[i]f accepted by SCE.”²

¹ Joint Advice Letter Attachment A at 15.

See also, “Once the CPUC adopts EVSE sub-metering standards and requirements and is accepted by SCE, an EVSE meter or EVSE sub-meter if the EVSE is taking service through the host site meter, may be used to determine the ILR for ELRP settlement.”

See also Joint Advice Letter Attachment F at 10: “The baseline method [for Group A.4] stated above may be used in conjunction with submetering once the CPUC has approved submetering protocols.” Also, “Once the CPUC has approved submetering protocols and is accepted by SDG&E, an EVSE meter or EVSE sub-meter if the EVSE is taking service through the host site meter, may be used to determine the ILR for ELRP settlement.”

² Joint Advice Letter Attachment D at 16.

Meanwhile, for Group A.5 for vehicle-grid integration (“VGI”) aggregations, the Ordering Paragraph (“OP”) 27 states that electric vehicle supply equipment (“EVSE”) “shall meet applicable standards established by the Commission for EVSE meters and sub-meters.” The decision references the final electric vehicle (“EV”) sub-metering protocol submitted by the IOUs in R.18-12-006. This protocol was submitted in December 2020 but has yet to be approved. While CESA supports the timely approval of this protocol and clarifications surrounding how any adopted protocol can be expanded to non-residential EVSE, the resolution of this matter is wholly out of scope for the purposes of these advice letters. As CESA understands it, the adoption of an EVSE sub-metering protocol is not or should not be a gating factor for A.5 customer participation seeking to use sub-metering methods, especially when these sub-meters are used for DR settlement (not billing) and because some eligible EVSEs may still participate by using separately-metered utility revenue-grade meters.

Notwithstanding the above concerns and questions related to A.5 customer participation, CESA does not understand the applicability of “approved submetering protocols” in determining A.4 participation using sub-metering methods. To CESA’s knowledge, there is no specification of sub-metering protocols for stationary storage devices eligible for sub-metering in Group A.4. D.21-12-015 does not provide additional guidance on specific sub-metering protocols that should be followed, and CESA is unaware of any open proceedings currently evaluating sub-metering protocols for stationary storage devices. In effect, the IOUs would thus be essentially denying the option and use of sub-metering methods for Group A.4. Therefore, the Joint Advice Letter does not contain the “details necessary to implement the ELRP guidelines set forth [...], including [...] Incremental Load Reduction measurement, and settlement” as directed by OP 7.

Contrary to the IOUs’ assertions, CESA believes that Commission approval of sub-metering protocols and requirements is unnecessary since ELRP is a pilot program intended to test new approaches to maximizing response from demand-side resources, and thus necessitates a flexible approach. Given the urgency of getting resources to participate in ELRP this summer, allowing for robust participation of existing resources will be critical. Furthermore, aggregations consisting of hundreds of small resources do not necessarily require accuracy at each individual device in order for the aggregation as a whole to be accurately measured, since a large number of small measurement errors will tend to cancel each other out if each error is random in direction. For this reason, the Commission should afford aggregators and utilities flexibility to work out individual sub-metering arrangements for group A.4, as suggested in SCE’s Advice Letter. This flexibility should be detailed in the Terms and Conditions of Group A.4 for all utilities, which may be done by adopting language similar to that of SCE, stating that the IOUs have discretion to negotiate and accept a sub-metering methodology proposed by an aggregator.

III. THE IOUS SHOULD ESTABLISH MINIMUM SUB-METERING STANDARDS THAT ARE “DEEMED APPROVED” IN THE ABSENCE OF ANY UTILITY/AGGREGATOR NEGOTIATION.

In addition to allowing VPP aggregators and utilities to work out individual sub-metering arrangements on a case-by-case basis, the IOUs should also establish standard metering requirements that are “deemed approved,” and do not require additional negotiation. To establish that standard, the IOUs should look to the metering requirements in place from the California Independent System Operator’s (“CAISO”) Meter Generator Output (“MGO”) model that could be used as a basis for ELRP sub-metering needs. Rather than waiting for Commission approval of sub-metering protocols and requirements, which is not even up for consideration for stationary energy storage devices in any proceeding to CESA’s knowledge at this time, the IOUs should specify the minimum acceptable sub-metering requirements and configurations necessary to calculate ILR settlements for A.4 customers, inclusive of exports. To establish a “deemed approved” sub-metering standard, the Terms and Conditions for Group A.4 could include minimum:

- Sub-metering Certification Standards, such as ANSI C12.1
- Sub-metering Data Communications Standards and Security Requirements
- Sub-metering Data Transfer Protocols
- Other technical specifications needed to enable ILR measurement and settlement

At this time, CESA does not believe that subtractive billing considerations are necessary for ELRP implementation, given that stationary storage devices are not subject to different import rates, and because ELRP compensation is the same for both load reduction and customer export. By establishing a clear pathway for sub-metering, while allowing for additional flexibility and negotiation, VPP aggregators will be able to use the sub-metering pathway for ELRP. As highlighted below, sub-metering will provide clearer insight into the contributions of storage devices during ELRP events.

IV. CONSIDERATIONS FOR USING SUB-METERS TO DETERMINE BASELINES SHOULD BE FURTHER SPECIFIED.

In D.21-12-015, it is stated that for Groups A.4 and A.5 sub-meters may be used to determine ILR, implying that they will also be used to determine the baselines for these groups.

For Group A.4, Attachment Two states that “[t]he above baseline method may be used *in conjunction* with a meter or a sub-meter embedded within a storage system [*emphasis added*].”³ In the Joint Advice Letter, each IOU has similar phrasing surrounding baselining using sub-meters.⁴ However, there is no specification surrounding whether baselines will solely be based on sub-meter data measuring storage device imports and exports, or whether onsite customer load patterns will also be considered. Measuring at the sub-meter will directly measure the performance of the storage device during event days versus its non-event-day performance and more accurately measure additional contributions. However, measuring device exports at the sub-meter does not indicate whether that energy was used for onsite load reduction, customer exports to the grid, or other onsite load patterns. CESA believes that creating baselines based solely on the sub-meter is appropriate for ELRP, given that measuring at the device gives the most accurate insight into how the storage system is performing during the ELRP event, relative to non-event-day performance, and/or how much energy is being provided to the system via a combination of load reduction and exports. This should be further clarified in the Joint Advice Letter.

For Group A.5, a similar phrase is included in Attachment Two, “[a]n EVSE meter, or EVSE sub-meter if the EVSE is taking service through the host site meter, may be used to determine the ILR for ELRP settlement.”⁵ This phrase is also echoed in the Joint Advice Letter.⁶ Taking a baseline from the separate EVSE meter or sub-meter would provide insight into typical charging patterns. However, as outlined in D.21-12-015 and the Joint Advice Letter, VGI aggregations will be able to export to the host site to reduce host site load. There is no clarification surrounding whether host load will be considered in baselining. As with sub-metering in Group A.4, CESA believes that it is more appropriate to create baselines solely based on the charging/discharging patterns measured at the EVSE meter or submeter. While this seems to be the intention of the Decision, explicit language in the Terms and Conditions outlined in the Joint Advice Letter will reduce confusion.

³ D.21-12-015, Attachment 2 at 15.

⁴ See Joint Advice Letter Attachment A at 15, Joint Advice Letter Attachment D at 16, Joint Advice Letter Attachment F at 10.

⁵ D.21-12-015, Attachment 2 at 15.

⁶ See Joint Advice Letter Attachment A at 15, Joint Advice Letter Attachment D at 16, Joint Advice Letter Attachment F at 10.

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V. **CONCLUSION.**

CESA appreciates the opportunity to submit this Protest in response to the Joint Advice Letter and looks forward to collaborating with the Commission and the IOUs to better enable participation in the ELRP in the Summers of 2022 and 2023.

Respectfully submitted,



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Service list of R.20-11-003