

May 12, 2021

The Honorable Chris Holden
Chair, Assembly Utilities & Energy Committee
State Capitol, Room 5132
Sacramento, CA 95814



RE: Assembly Utilities & Energy Hearing: Summer Readiness

Dear Assemblymember Holden,

On behalf of the California Efficiency + Demand Management Council, I write to highlight the serious hurdles facing California's grid ahead of the critical Summer Readiness hearing.

The Council is a trade association representing a wide range of companies that provide energy efficiency and demand response services and products in California (although our organization does not include utilities). We represent companies that design, implement, maintain and evaluate energy efficiency and demand response, employing thousands of people who play an important role in California's economy.

The Council was honored to provide commentary and suggestions at last summer's hearing for how demand response, which achieved 1GW of energy savings during the August 2020 crisis, can be expanded and be in place well in advance of this summer when we unfortunately anticipate additional capacity shortfalls due to climate change. Below are four immediate steps which can be taken to allow this resource to be fully utilized:

1. Require CPUC to set near-term enforceable, peak demand procurement targets to ensure that greater levels of EE and DR resources are available to meet grid and resilience needs by summer 2021. The Council recommends a 5% target be put in place by summer 2021.
2. Require CPUC to eliminate procurement caps (currently at 8.3%) for demand response resources to ensure greater deployment.
3. Require CPUC to increase the budget for the Demand Response Auction Mechanism or DRAM – which was cut in half in 2020 (\$27M to \$14M); restore budget then link DRAM to DR procurement targets.
4. Require CPUC to overhaul rules regarding demand response resource valuation, counting, qualification, and measurement to maximize resources available to meet Resource Adequacy and grid needs

For the above reasons, CEDMC respectfully urges you to make strategic changes to our energy grid to ensure California remains a world leader in environmentally sound grid management.

Sincerely,

A handwritten signature in black ink, appearing to read "Greg Wikler". The signature is fluid and cursive.

Greg Wikler
Executive Director
California Efficiency + Demand Management Council

CC: Members, Assembly Utilities & Energy Committee