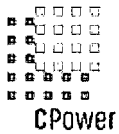




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PROJECT NO. 52373

REVIEW OF WHOLESALE ELECTRIC MARKET DESIGN	§ §	PUBLIC UTILITY COMMISSION OF TEXAS
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**COMMENTS OF
ENERWISE GLOBAL TECHNOLOGIES, LLC (dba CPower)**

Enerwise Global Technologies (EGT) d/b/a CPower files these Comments in response to the Commission's Questions for Comment filed in this proceeding on August 2, 2021. CPower is one of the largest providers of demand response (DR) and distributed energy resources (DER) operating throughout the United States both in organized markets and in utility programs. In Texas, CPower participates by managing commercial and industrial customer loads and resources in the Emergency Response Service (ERS) program, provides Responsive Reserve Services (RRS) through Load Resources (LR) and participates in several Transmission Utility DR programs. CPower offers comments from this perspective on how this Commission can enhance the ability of demand response and customer sited DERs to play a role in grid resilience and reliability.

Comments

- 1. Describe existing and potential mechanisms for residential demand response in the ERCOT market.**
CPower defers to residential demand response providers to provide additional details.
- 2. What market design elements are required to ensure reliability of residential demand response programs?**

The keys to expanding the use of demand response, load management and customer DER utilization as grid reliability resources are proper and consistent incentive signals, rational

measurement and performance metrics, regulatory stability so that participants and DR/DER providers can make resource investments, and metering/telemetry requirements that balance the need for grid visibility to customer response and the cost and actionability of the data flow. These elements support reliable demand response from all customer classes and support investments in both customer resources and demand response automation.

A key benefit of demand response is that the resource can be built to respond to virtually any set of requirements – fast start, long duration, frequent utilization, covering many or all hours of the day if the needs of the system and of the resources are known and demand response providers recruit and contract with customers to create a resource that is built and stands ready to meet a particular need when dispatched.

3. How should utilities' existing programs, such as those designed pursuant to 16 TAC §25.181, be modified to provide additional reliability benefits?

Existing TDU programs support adoption of enabling technologies that carry both energy efficiency and demand response benefits for both residential customers and businesses in Texas. Under 16 TAC §25.181 these programs are focused on their energy efficiency benefits, and there has not been sufficient focus on the demand response program and associated grid reliability benefits that can be provided through load flexibility.

CPower makes three recommendations to improve the demand response benefits of these programs:

- Expand the program budgets. Budget expansion is a fast step that can be taken quickly by this Commission to signal the need for customer load engagement to help provide grid resiliency.
- Expand the program from the current summer only program periods to have winter program participation windows. Winter Storm Uri demonstrated that Texas can face winter grid instability that is as or more significant than that seen during Texas summers.
- Consider setting a specific reliability demand response goal under these programs that is additive to the energy efficiency benefits. The Advanced Energy Management Alliance (AEMA) in previous comments had supported a goal of developing this program and its resources to enhance reliability in grid emergencies and respond to high prices in the

wholesale market, with a goal of a demand response program that can cut at least 10% of summer and winter peak loads. CPower supports this approach.

4. Outside of the programs contemplated in Question 3, what business models currently exist that provide residential demand response?

CPower defers to residential demand response providers to provide additional details.

5. What changes should be made to non-residential load-side products, programs, or what programs should be developed to support reliability in the future?

CPower has several initial recommendations to expand the utilization of the dispatchability and flexibility in customer loads and DERs to support grid reliability:

- The Commission should take the least regrets action of expanding the ERS budget to ensure additional business and residential demand response is committed and available to provide grid support.
- The Commission should consider expanding the existing ERS program to include additional longer lead time dispatch options – to expand the ability of certain customer to participate – and consider whether the ERS program could also include program options with different and earlier dispatch triggers to provide additional layers of customer provided resiliency.
- Accelerate the adoption of the ERCOT Contingency Reserve Service (“ECRS product”), which will allow demand response to participate in spinning reserve without an expensive under-frequency relay. This product has been delayed from 2022 to 2024.
- Support and accelerate the adoption of Load Resources participation in Non Spin Ancillary services by supporting ERCOT NPRR 1093 and approving it if brought before the Commission.
- Demand Response and DER should be explicitly permitted in any newly developed ancillary services offerings designed to promote grid reliability, and the rules for the new ancillary services should not create barriers to their participation.
- To promote economic demand response and at the same time provide ERCOT visibility into available load flexibility, Non LSE Demand Response providers should be able to aggregate

and bid load response into ERCOTs Security Constrained Economic Dispatch (SCED) market to allow more seamless market participation. The current market rules, as a practical matter, permit only LSEs to manage load resources in SCED, greatly depressing the visibility and participation of load flexibility across all customer classes.

Conclusion

CPower appreciates the opportunity to provide these Comments and looks forward to working with the Commission and other interested parties on these issues.

Respectfully submitted,

/s/ Jennifer Chamberlin

Jennifer Chamberlin

Executive Director, Market Development

Enerwise Global Technologies dba CPower

Jennifer.Chamberlin@CPowerEnergyManagement.com

Office: 925-433-2165

Cell: 925-890-9174

Executive Summary

As Texas grapples with market design measures to enhance grid reliability, it is critical that the Commission not look only at how to enhance and support the supply side of the grid equation. Demand response and customer sited DER are a critical lever to promote grid resilience. CPower makes the following recommendations:

- Adopt guiding principles for expanding customer-sited resources include clear and consistent price signals, known dispatch conditions, reasonable performance and measurement metrics and cost-effective metering and telemetry requirements.
- Expand the ERS program to immediately increase the pool of flexible load resources available to ERCOT.
- Expand Transmission Utility DR programs – both in budget and to having both summer and winter program participation.
- Permit and encourage DR and customer-sited DER resources to participate in all ancillary services – current and future.
- Develop mechanisms to allow DR/DER aggregators, not just LSEs, to participate in SCED to provide ERCOT greater visibility into the economic load flexibility available to them from all customer classes.