

Docket No.: R.20-11-003  
Exhibit No.: \_\_\_\_\_  
Date: 9/10/2021  
Witnesses: Maria Belenky  
Commissioner: Marybel Batjer  
ALJ: Brian Stevens and Sarah R. Thomas

**REPLY TESTIMONY OF MARIA BELENKY  
ON BEHALF OF OHMCONNECT, INC.**

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1 **I. INTRODUCTION**

2 My name is Maria Belenky, and I am the Market Development Manager at OhmConnect,  
3 Inc. (“OhmConnect”). I provided my credentials, experience, and statement of qualifications as  
4 part of my opening testimony. I also described OhmConnect.

5 In this reply testimony, I recommend that the Commission:

- 6 1. Design the expanded Emergency Load Reduction Program (“ELRP”) to include  
7 an explicit on-ramp to advanced Demand Response (“DR”) programs to  
8 maximize load reduction;
- 9 2. Specify that customers automatically enrolled in the ELPR must have no barriers  
10 to enroll in another DR program;
- 11 3. Adopt a premium payment for energy reductions by low-income customers and  
12 customers residing in disadvantaged communities; and,
- 13 4. Permit third-party DR providers to administer smart technology incentives for  
14 their customers.

15  
16 **II. THE COMMISSION SHOULD DESIGN THE EXPANDED ELRP TO INCLUDE**  
17 **AN EXPLICIT “ON-RAMP” TO ADVANCED DR PROGRAMS TO MAXIMIZE**  
18 **LOAD REDUCTION.**

19 Several parties highlight in opening testimony that automatically enrolling customers in a  
20 primarily behavioral DR program will not yield the results that Energy Division (“ED”) Staff  
21 desire. Southern California Edison Company (“SCE”), for example, cites its experience with the  
22 Peak Time Rebate (“PTR”) program, which was transitioned from an opt-out to an opt-in  
23 offering in 2012 when “program results showed that customers who were defaulted onto PTR  
24 without notification did not significantly reduce load.”<sup>1</sup> SCE concludes: “[i]t has learned from  
25 past experience that mass defaults into behavioral DR programs do not garner the expected

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<sup>1</sup> Direct Testimony of SCE-Phase 2 (“SCE Opening Testimony”), at 8.

1 customer actions and results in extensive free ridership.”<sup>2</sup> San Diego Gas & Electric Company  
2 (“SDG&E”) describes its own PTR rollout similarly by noting that “there were significant issues  
3 with free-ridership and the program was quickly changed from default to opt-in.”<sup>3</sup> While the  
4 Commission may reap some limited benefit by providing a simple and light-touch option for  
5 households that would otherwise not participate in DR to be compensated for conserving energy  
6 during times of grid stress, these prior experiences highlight that such a program is unlikely to be  
7 cost-effective.

8           Moreover, defaulting all customers into a program operated by investor-owned utilities  
9 (“IOUs”) will negatively impact non-IOU DR programs. The Commission should heed Marin  
10 Clean Energy’s (“MCE”) warning that ED Staff’s proposal could have “long-term, anti-  
11 competitive impacts on non-IOU DR programs” and that “[a]ny such ‘monopolization’ of DR  
12 programs with the IOUs would limit innovation in creating new demand flexibility opportunities  
13 for customers.”<sup>4</sup> Instead, the Commission should adopt an approach that supports innovation  
14 and customer choice, and maintains a level-playing field among all DR providers, whether IOU,  
15 non-IOU load serving entity, or third party.

16           To increase the program’s value and preserve customer choice, an expanded ELRP  
17 should serve as an active “on-ramp” to higher-engagement, higher-impact, and automated DR  
18 programs. Several parties support this concept in their testimony. For instance, Recurve  
19 proposes a tiered program, where higher tiers represent higher levels of engagement, noting: “[i]f  
20 positioned alongside other, more proactive demand response interventions it could accelerate

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<sup>2</sup> *Ibid.*

<sup>3</sup> Prepared Phase 2 Direct Testimony of SDG&E Regarding Demand-Side Actions to Reduce Peak and Net Peak Demand in 2022 and 2023, at 20.

<sup>4</sup> MCE Prepared Direct Testimony of Alice Havenar-Daughton in Rulemaking 20-11-003 (“MCE Opening Testimony”), at 1-4.

1 enrollments into higher tiers of action.”<sup>5</sup> Similarly, Google Nest “encourages the Commission to  
2 prioritize customer enrollment in paid, automated DR programs....”<sup>6</sup>

3 Recurve’s proposal is promising and should be given serious consideration. An even  
4 simpler and more effective approach is to offer customers the option to choose a higher-value  
5 DR program during an “open enrollment” period. As described further in my Opening  
6 Testimony, during open enrollment, the program administrator(s) would educate households on  
7 the value of DR and provide standardized, unbiased information on all available advanced DR  
8 options, including those operated by LSEs and third-party programs. This education and  
9 outreach effort could be done cost-effectively by leveraging utility bill inserts and through  
10 development of a web portal that displays the various advanced DR options (IOU and non-IOU)  
11 and the default ELRP option. If a customer does not proactively choose a higher value and more  
12 advanced DR program during open enrollment, that customer would then be automatically  
13 enrolled in the default ELRP. This approach maximizes total potential load reduction and the  
14 overall value of the program to ratepayers, the grid, and the State.

15 **III. THE COMMISSION MUST SPECIFY THAT CUSTOMERS AUTOMATICALLY**  
16 **ENROLLED IN THE ELRP MUST HAVE NO BARRIERS TO ENROLL IN**  
17 **ANOTHER DR PROGRAM.**

18 Some parties demonstrate a concerning lack of understanding regarding whether  
19 customers automatically enrolled in the expanded ELRP concept proposed by ED Staff would  
20 face delays or other challenges if they enrolled in another DR program later. For example, SCE  
21 notes that an expanded ELRP that automatically enrolls customers “would be a future

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<sup>5</sup> Comments and Testimony of Recurve Analytics, Inc in Response to ALJ Stevens Email Ruling of August 16, 2021 Regarding Staff Concept Proposals for Summer 2022 and 2023 Reliability Enhancements, at 13.

<sup>6</sup> Opening Phase II Prepared Testimony and Exhibits of Aaron Berndt on Behalf of Google LLC, at 8.

1 recruitment barrier for customers, IOUs, and Demand Response Providers (DRP) because every  
2 customer would have to unenroll from the ELRP program before they could enroll on another  
3 DR program.”<sup>7</sup> MCE expresses similar concerns—citing OhmConnect’s earlier reply to the  
4 proposals made by Pacific Gas and Electric Company (“PG&E”) and California Environmental  
5 Justice Alliance (“CEJA”)<sup>8</sup> in this proceeding—noting that “automatic enrollment program  
6 design would create a significant market barrier to DR program development, cause increased  
7 customer confusion, have a limiting effect on the potential load reduction impact for certain  
8 customer segments, and discriminate against non-IOU DR providers.”<sup>9</sup> PG&E, on the other  
9 hand, asserts that “[c]ustomers do not have to ‘unenroll’ in order to join other DR programs or  
10 dynamic rates because they are not registered with PG&E as with traditional DR programs.”<sup>10</sup>

11 If the expanded ELRP is adopted as proposed, the Commission must explicitly address  
12 this disenrollment issue. Specifically, the Commission should clarify that customers defaulted  
13 into the ELRP will neither be required to proactively unenroll from the program nor face any  
14 delays or friction if they enroll in another DR option.

15 From the customer perspective, being automatically enrolled in the ELRP should not  
16 alter, make lengthier, or render more difficult, the experience of enrolling in another DR  
17 program. Any barrier to switching DR providers risks locking in customers in lower-value DR,  
18 results in attrition, and substantially reduces the benefits of the program overall. These barriers  
19 can be customer-facing or related to back-end processes. Indeed, the Commission should ensure

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<sup>7</sup> SCE Opening Testimony, at 65-66.

<sup>8</sup> In response to OhmConnect’s concerns, CEJA has since revised its proposal to remove the requirement that a customer proactively opt-out of the Just Flex Rewards program.

<sup>9</sup> MCE Opening Testimony, at 3-3.

<sup>10</sup> PG&E Emergency Reliability Order Instituting Rulemaking Opening Testimony, at 2-9.

1 that DR program enrollment and disenrollment processes minimize, if not eliminate, points of  
2 frustration for the customer — not just for the proposed expanded ELRP, but for all DR  
3 programs.

4 **IV. THE COMMISSION SHOULD ADOPT A PREMIUM PAYMENT FOR ENERGY**  
5 **REDUCTIONS BY LOW-INCOME CUSTOMERS AND CUSTOMERS**  
6 **RESIDING IN DISADVANTAGED COMMUNITIES.**

7 The Commission should follow CEJA’s recommendation that low-income and  
8 disadvantaged communities (“DACs”) be adequately compensated for reducing energy  
9 consumption during ELRP events.<sup>11</sup> These customers pay a higher share of household income for  
10 energy, and so the Commission can more likely incentivize energy reductions from these  
11 customers with higher payments. The Commission should ensure a premium to low-income  
12 customers and customers residing in DACs. For example, instead of the \$1/kWh payment for  
13 energy savings proposed by ED Staff, the payment could be increased to \$2/kWh.

14 **V. THE COMMISSION SHOULD PERMIT THIRD-PARTY DR PROVIDERS TO**  
15 **ADMINISTER SMART TECHNOLOGY INCENTIVES FOR THEIR**  
16 **CUSTOMERS.**

17 In its opening testimony, SCE proposes to alter how a customer can claim a rebate for  
18 purchasing a smart thermostat. Specifically, SCE intends to offer the rebate up-front as an  
19 instant discount for all smart thermostats purchased in its marketplace, rather than as an after-  
20 purchase rebate. The Commission should adopt SCE’s proposal to modify its Programmable  
21 Communicable Thermostat (“PCT”) Incentive Program if revised to:

- 22 1) allow customers of eligible third-party DR programs to claim the incentive; and,
  - 23 2) grant third-party DR providers the ability to administer the incentive in the same  
24 manner.
- 25

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<sup>11</sup> See Prepared Phase 2 Testimony of Dan Sakaguchi, MS, on behalf of the CEJA on R.20-11-003, at 3.

1 SCE correctly notes offering an up-front rebate for a smart thermostat will increase  
2 uptake “by removing an adoption barrier some customers may have with paying the full upfront  
3 cost of a thermostat.”<sup>12</sup> Importantly, an instant discount will also allow the customer to sidestep  
4 the rebate application process, which can be confusing and lengthy. However, to be eligible for  
5 the instant discount, SCE also proposes that the customer first enroll in its Smart Energy  
6 Program (“SEP”). By conditioning eligibility for an instant discount on enrollment in its own  
7 DR program, SCE unfairly disadvantages customers who wish to enroll in another eligible DR  
8 program.<sup>13</sup> Rather, the Commission should require that the instant discount SCE proposes  
9 should be provided to customers of *all* eligible DR programs.

10 Because IOUs do not know whether a customer enrolls in a non-IOU DR program at the  
11 time of purchase, third-party providers must be able to administer the incentive directly. As  
12 described in depth in the testimony of the Joint Parties,<sup>14</sup> third-party DRPs should have the  
13 ability to offer the incentive directly, either as a rebate or instant discount, using their own  
14 messaging and platform. Increasing the number of avenues that a customer can use to claim the  
15 incentive—and including the customer’s own DR provider as one such avenue—will greatly  
16 simplify the incentive claims process and increase uptake. The Commission should adopt the  
17 Joint Parties’ proposal.

18 The Commission’s overarching objective should be to increase the uptake of load  
19 automating devices among customers enrolled in DR programs statewide. The barriers to device  
20 adoption—including paying the full up-front cost during purchase—are not unique to customers

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<sup>12</sup> SCE Opening Testimony, at 28.

<sup>13</sup> D.17-12-003 expanded eligibility for these rebates to customers of third-party DR programs not assessed for cost-effectiveness.

<sup>14</sup> See Opening Phase 2 Prepared Testimony of the Joint Parties (California Efficiency + Demand Management Council, ecobee Inc., Leapfrog Power, Inc., and Oracle), at 20-25.



1 of SCE's SEP. Thus, the Commission should adopt the solution described in our opening  
2 testimony, and outlined in greater detail by the Joint Parties, to benefit a larger segment of  
3 customers.

4 **VI. CONCLUSION AND VERIFICATION**

5 **1. Q: Was this material prepared by you or under your supervision?**

6 A: Yes, it was.

7 **2. Q: Insofar as this material is factual in nature, do you believe it to be**  
8 **correct?**

9 A: Yes, I do.

10 **3. Q: Insofar as this material is in the nature of opinion or judgment, does it**  
11 **represent your best judgment?**

12 A: Yes, it does.

13 **4. Q: Do you adopt this testimony as your sworn testimony in this**  
14 **proceeding?**

15 A: Yes, I do.

16 **5. Q: Does this conclude your reply testimony?**

17 A: Yes.

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/s/  
Maria Belenky  
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