

April 17, 2014

Senator Alex Padilla, Chair
Senate Committee on Energy, Utilities and Communications
State Capitol
Sacramento, CA 95814

Re: SB 1414 (Wolk) Demand Response—SUPPORT

Dear Senator Padilla,

The Clean Coalition supports SB 1414 (Wolk), which will ensure that regulators and utilities use Demand Response (DR) to meet system needs, and affirm the state’s existing Loading Order mandate to use cost-effective DR before fossil resources.

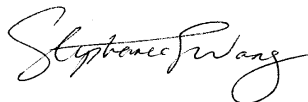
DR programs rely on voluntary changes to the usage patterns of customers. These programs directly save consumers money through lower energy bills, and indirectly save consumers money by reducing the need for investment in costly and polluting “peaker” power plants. Although demand response can be one of the most cost-effective ways for California to meet its greenhouse gas emissions goals, the State lags behind much of the nation in implementing DR programs that capture the full range of benefits of DR.

The Clean Coalition is a California-based nonprofit organization whose mission is to accelerate the transition to renewable energy and a modern grid through technical, policy, and project development expertise. The Clean Coalition drives policy innovation to remove barriers to procurement, interconnection, and realizing the full potential of integrated distributed energy resources, such as distributed generation, advanced inverters, DR, and energy storage. The Clean Coalition also works with utilities to develop community microgrid projects, that demonstrate how optimized portfolios – with high levels of local renewable energy balanced by intelligent grid solutions like demand response and storage – can maintain or improve grid reliability.

Demand Response programs and energy efficiency are at the top of California’s loading order, which requires utilities to plan to procure all available cost-effective, reliable, and available energy efficiency, DR, and renewables before conventional power plants. However, when planning to make investments to meet electrical demand requirements in their Resource Adequacy studies, utilities are only required to plan out investments in generation. SB 1414 corrects this oversight and requires the utilities to also plan for meeting system needs with DR.

DR can play a vital role in reliably meeting system needs at a reasonable cost while meeting California’s climate change and renewable energy goals. We are pleased to support SB 1414 and appreciate your attention to enabling California’s clean and secure energy future.

Sincerely,



Stephanie Wang, Policy Director
Clean Coalition

cc: Members, Senator Lois Wolk; Members, Senate Committee on Energy, Utilities and Communications