ENERGY EFFICIENCY PROGRAMS

Integrated Demand Side Management (IDSM) References

Energy Efficiency Energy Division
California Public Utilities Commission

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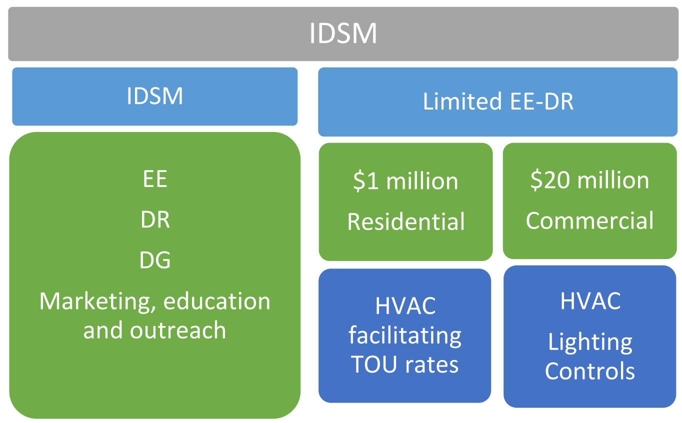
Integrated Demand Side Management (IDSM) Historical Background

The following information provides an historical background on CPUC directives for Integrated Demand Side Management (IDSM), limited EE-Demand Response (DR) integration, and multi-Distributed Energy Resource (multi-DER) IDSM for consideration with energy efficiency third-party programs. As illustrated below, limited EE-DR integration is a subset of the overall concept of IDSM.

IDSM



[Decision 07-10-032](#) required the utilities to integrate customer demand side programs, such as energy efficiency, self-generation, advanced metering, and demand response in a coherent and efficient manner in order to achieve maximum savings while avoiding duplication of efforts, reducing transaction costs, and diminishing customer confusion and directed the utilities to "undertake joint marketing of energy efficiency programs with other customer energy technologies such as demand response and solar installations."[1]

Assigned Commissioner's Ruling (Dated April 11, 2008) identified priorities for implementation of IDSM activities in the 2009-2011 timeframe:

1) Comprehensive and coordinated marketing, packaging and delivery including outreach and education of customers and presentation of program options in a unified fashion to customers;
2) Operational improvements including offering integrated audits and recommendations, combining EE, DR, distributed generation (DG), and other applicable incentives in the same project; and
3) Optimization including equipment that enables multiple DSM options (EE, DR, etc.) and provide synergy across DSM program types (page 7).

Decision 09-09-047 established specific criteria required for the development of an integrated audit tool as described in Attachment C of that decision.

Decision 12-11-015 addressed IOU concerns about including DG in IDSM efforts without dedicated funding for other demand side programs promoting DG and DR. The Decision directed IOUs to utilize appropriate EE funds as "backstop" funding of IDSM tools to ensure that they

[1] CPUC Decision (D.)07-10-032, p. 62

provide customers with information that supports all demand-side resources (such as marketing, emerging technologies, integrated audits, piloting of integrated projects, etc.), consistent with IDSM objectives (page 87). The CPUC clarified that this directive is intended to encourage IDSM-related activities such as integrated marketing, audits, pilot projects, etc., and does not require IOUs to spend EE funding on incentives for DG projects themselves.

Limited EE-DR Integration

Decision 18-05-041 addressed limited EE-DR in Section 2.4.2 and Ordering Paragraph 10. The electric IOUs must set aside at least $1 million for the residential sector and a load-share-proportional amount of $20 million for the commercial sector. The key concept is that additional DR value can be gleaned for a low incremental cost. For the residential sector, the EE-DR integration efforts should be focused, initially, on HVAC technologies and facilitating automatic response to new time-varying rates. For the non-residential sector, including small commercial customers, the EE-DR integration efforts should be focused initially on HVAC and lighting controls. For the non-residential sector, the customer must be enrolled in a DR program for at least one year post-installation, and up to 36 months if a large, deemed, or calculated incentive is involved.

Multi-DER IDSM

Decision 23-06-055 - Section 8.2 (page 77) of this Decision introduced the concept of using an energy efficiency program delivery channel to integrate a comprehensive program strategy and allow a customer to install a multi-DER project, receiving incentives through one process. It also indicated the market access approach can be used to enable IDSM opportunities (page 74). Lastly, this Decision allowed multi-DER IDSM programs to be proposed through the submission of Tier 3 advice letters for programs launched during the portfolio period (2024-2027). Portfolio Administrators (PAs) may, but are not required to, expend up to 2.5 percent, or $4 million, whichever is greater (up to $15 million) of its energy efficiency budget for the portfolio period on a pilot basis for ongoing load shifting that reduces peak consumption. This funding cannot be spent on event-based demand response, since that does not necessarily result in ongoing or permanent load shifting or load reduction. These multi-DER IDSM programs can be done separately from EE-DR integration, or they can be done in conjunction with these existing efforts.

Additional References

Additional resources on IDSM available at the following links:

- October Assigned Commissioner's Ruling (dated October 30, 2008)
- Decision 12-05-015
- Decision 14-10-046
- CPUC IDSM Homepage