

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking To  
Enhance the Role of Demand Response  
in Meeting the State's Resource Planning  
Needs and Operational Requirements.

Rulemaking 13-09-011  
(Filed September 19, 2013)

**MOTION FOR PARTY STATUS OF  
ALARM.COM AND ENERGYHUB**

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In accordance with the provisions of Rule 1.4 of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”), EnergyHub and Alarm.com (“EnergyHub”, or the “Company”) respectfully moves for party status in this proceeding.

**I. DESCRIPTION OF ENERGYHUB AND ALARM.COM**

Alarm.com (www.alarm.com) provides a suite of connected home services, including substantial solutions for interactive energy management. In 2013, they completed the acquisition of EnergyHub (www.energyhub.com), a longtime leader in enabling rapid deployment of demand response and energy efficiency programs.

Today, these combined companies have nearly 2 million subscribers nationwide, with a substantial portion that have internet-connected thermostats. In fact, the remote thermostat control element of interactive services packages is one of the features most

sought after by consumers. These connected thermostats complement other energy management devices such as pool pumps, window air conditioners, dehumidifiers and water heaters.

## II. ENERGYHUB INTEREST IN THIS PROCEEDING

Alarm.com and EnergyHub are active participants in demand response programs in California. As such, the issues being discussed in this proceeding are directly relevant and material to their current and future business. Further, these companies intend to continue to innovate and develop service offerings that will provide demand response products in the future.

These companies have been active in markets around the country as a demand response aggregator. These activities include participation in the ERCOT market of Texas for several years. In 2014, they will be participants in the markets of PJM and the New York ISO as well. Additionally, they are active partners in many utility-administered demand response programs. All of these activities afford Alarm.com and EnergyHub a breadth of experience that can help inform the discussions in this proceeding and bring benefits to energy customers in the State of California.

As stated in the *Order Instituting Rulemaking to Enhance the Role of Demand Response in Meeting the State's Resource Planning Needs and Operational Requirements* issued September 25, 2013, the purpose of this proceeding is to:

- (1) review and analyze current demand response programs to determine whether and how we should bifurcate them into demand-side (customer-focused programs and rates) and supply-side resources (reliable and flexible demand response that meets system resource planning and operational requirements);
- (2) create an appropriate competitive procurement mechanism for supply-side demand response resources;

- (3) determine the program approval and funding cycle;
- (4) provide guidance for transition years; and
- (5) develop and adopt a roadmap with the intent to collaborate and coordinate with other Commission proceedings and state agencies in order to strategize the future of demand response in California.

By participating in this proceeding, EnergyHub will offer contentions related to how the needs of residential and small commercial customer classes can best be integrated into transition year programs and future demand response markets in California. Further, EnergyHub will offer contentions that will support market designs for third-party aggregators to participate in demand response markets. These contentions are pertinent to the purpose of the proceeding as noted above.

The *Order Instituting Rulemaking* of September 25, 2013 also notes that:

This Rulemaking will review and analyze current demand response programs to determine whether and how to bifurcate them as demand-side (customer-focused programs and rates) and supply side resources (reliable and flexible demand response that meets local and system resource planning and operational requirements).<sup>16</sup> Towards that end, this rulemaking will identify the criteria that should be used to distinguish demand-side and supply-side demand response resources and determine whether there is an optimal mix that should be maintained. The Rulemaking will also determine the specific roles for the utilities and demand response providers for the delivery of demand response starting in 2016.

Furthermore, this rulemaking will examine and seek stakeholder input on the following issues:

- (1) Are there any potential problems or concerns with bifurcating demand response programs into demand-side and supply-side resources?
- (2) Under a bifurcated framework, how should demand response programs or products be designed? How should existing programs evolve? Demand-side programs are load-modifiers, e.g., dynamic rates and demand response supporting programs, whose impact is reflected in the California Energy Commission's (CEC) load forecast, because the programs modify the system load shape. Supply-side resources will be those that can qualify for Resource Adequacy credits.
- (3) How could the Commission adopt a competitive procurement mechanism for supply-side demand response similar to the procurement process utilized in other

- Commission programs (e.g. Renewable Portfolio Standard)? This includes identifying the planning steps and competitive procurement process that will determine the demand response products Utilities should procure to fulfill their demand response needs while balancing the needs of customers and those of stakeholders, including the CAISO. What are the strengths and weaknesses of the Commission's procurement mechanisms and lessons learned from other Commission programs that should inform the design of supply-side demand response procurement?
- (4) What mechanisms shall the Commission develop such that local and system reliability needs forecasted by resource planners drive the development and procurement of demand response programs?
  - (5) What changes in programs (e.g. locational targeting, longer funding cycles, load increasing) and evaluation methods will create greater certainty that a demand response program can supply capacity when and where the grid needs it?
  - (6) How should the Commission determine the appropriate policy on Resource Adequacy capacity payments for demand response?
  - (7) What should be the role of the Utilities in demand response programs going forward? Should special consideration be given to each sector (residential, commercial, industrial) or other customer attributes?
  - (8) How should demand response programs be operated to be more competitive and lead to a robust demand response market?
  - (9) Are there disincentives that limit the interest of potential demand response providers (including Utilities) in demand response programs? What can the Commission do to overcome those disincentives, if any?
  - (10) How should cost-effectiveness be treated, if at all, under a competitive procurement framework for supply-side demand response?
  - (11) How does a proposed bifurcated framework with supply-side demand response enforce the loading order and ensure that demand response is procured and operated as a preferred resource before the utilities peaker power plants?
  - (12) What are the standards, technologies, and architectures needed to enable greater participation by demand response providers in the residential and small and medium-sized business customer base?
  - (13) As contemplated in the existing energy efficiency portfolio, high upfront costs act as a significant barrier to deploy additional cost-effective savings. The Commission is piloting a series of on-bill financing activities, including providing ratepayer funded Credit Enhancements. Should ratepayers provide similar Credit Enhancements in Demand Response programs to take advantage of the emerging infrastructure? If so, at what level and for what types of programs?
  - (14) What are additional ways to reduce the number of customer touchpoints between

our retail Demand Response programs with other existing Demand Side programs (i.e. Energy Efficiency and Distributed Generation)?

As stated, EnergyHub is currently active in demand response programs with investor-owned utilities in California. EnergyHub also has experience with competitive procurement of demand response in other markets of the United States. EnergyHub will offer contentions with regard to the best strategies for integrating residential and small commercial customers into utility-administered demand response programs and future demand response markets under the contemplated “bifurcated” markets.

These contentions are pertinent and directly relevant to the issues addressed in this proceeding. In particular, these contentions are relevant to the questions posed in the OIR related to competitive procurement mechanism, changes in programs, role of utilities, special consideration given to each sector, operation of competitive markets, disincentives that may limit program participation, and the standards, technologies, and architectures needed to enable greater participation by demand response providers in the residential and small- and medium-sized business customer base.

EnergyHub believes that consumer technology and home energy management solutions represent a valuable resource and are critical to demand response markets in the state. We believe that the issues addressed in this proceeding are material to our current and future business and that our participation in this proceeding will be pertinent to the issues presented.

### III. NOTICES

Service of notice, orders, and other communications and correspondence in this proceeding should be directed to EnergyHub at the address set forth below. Electronic correspondence will suffice:

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### IV. CONCLUSION

This motion for party status is filed by EnergyHub to address issues that may affect its current and future business and to provide insights from the Company's experience in the California energy market as well as experience in other state and regional markets across the United States. EnergyHub's participation in this proceeding will not prejudice any party and will not delay the schedule or broaden the scope of the issues in the proceeding. By participating, EnergyHub seeks to encourage policies that allow flexible approaches to resource management, customer participation and encourage technology innovations that will benefit the customers of the State of California.

March 10, 2014 in Brooklyn, New York.

Respectfully Submitted,

/s/ Seth Frader-Thompson \_\_\_\_\_

Seth Frader-Thompson  
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EnergyHub  
A division of Alarm.com