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**Supplemental Comments of the Joint POUs on the 2nd 15-Day
Language Revisions to the LMS Regulations**

Additional submitted attachment is included below.



September 10, 2022

Docket Unit
California Energy Commission
Docket No. 21-OIR-03
715 P Street, MS-4
Sacramento, CA 95814

RE: Supplemental Comments of the Joint Publicly Owned Utilities on the 2nd 15-Day Language Revisions to the Regulatory Language for the Load Management Standards [CEC Docket No. 21-OIR-03]

Dear Commissioner McAllister and Commission Staff,

The California Municipal Utilities Association, Los Angeles Department of Water and Power, and Sacramento Municipal Utility District (collectively the “Joint POU”) respectfully submit these supplemental comments to the California Energy Commission (Commission) on the proposed *Second 15-Day Language Revisions to the Regulatory Language for the Load Management Standards* (2nd 15-Day Language), issued on July 6, 2022.

In the interest of supporting the Commission’s efforts in this proceeding, the Joint POU have continued to consider potential revisions to the 2nd 15 Day Language that would enable the load management standard program to be successful without infringing on the ratemaking authority of publicly owned utility (POU) governing boards. With this goal in mind, the Joint POU have developed Joint Proposed Modifications to the 2nd 15-Day Language (Revised Joint POU Proposal), which is provided as Attachment A to these comments. In these supplemental comments, the Joint POU describe why the Commission should revise the proposed regulations consistent with the Revised Joint POU Proposal.

I. SUPPLEMENTAL COMMENTS ON 2ND 15-DAY LANGUAGE

The Revised Joint POU Proposal recommends distinguishing the POU regulation by adding a new Section 1623.1, which would only be applicable to the affected POU. Section 1623.1 would differ from the existing proposed requirements by having the POU first submit a compliance plan to its own governing board for approval. Once the compliance plan is approved by the POU governing board, the POU would then submit it to the Commission for approval. The Commission’s review and approval would focus on whether the POU had followed the process outlined in the new section 1623.1. Additionally, the proposed new Section 1623.1 would allow the POU governing board to approve a program as an alternative to a tariff, if the

governing board determines that a tariff was not appropriate based on considerations of cost effectiveness, equity, technological feasibility, benefits to the grid, and benefits to customers. Finally, the new Section 1623.1 would authorize the POU governing board to adopt a compliance plan that either delays the compliance requirements or modifies the compliance requirements, if the POU governing board makes findings based on specified factors. As described below, these changes will both lead to a more successful program and significantly reduce administrative burdens.

A. The Revised Joint POU Proposal Would Reduce the Administrative Burden of the Load Management Standard Program for both POU's and the Commission.

As currently proposed in the 2nd 15-Day Language, the affected POU's would need to (i) develop a compliance plan to present marginal cost-based rate proposals for all rate classes to their governing boards, (ii) submit the plan for Commission approval, (iii) go through the entire tariff development process for each rate class, consistent with the requirements of Section 1623, and (iv) present those tariffs to their governing board for adoption. The POU would need to go through this multi-year process even if the POU staff knows that the tariffs are not cost-effective for all rate classes or that implementation is not feasible. While the 2nd 15-day Language includes narrow exemptions, both the POU's compliance plan and the determination of exemptions would be subject to the Commission's discretionary approval. The only role for the POU governing board in the current structure is at the very end of the process, and only in the capacity of approving or rejecting the tariffs. This structure is likely to lead to significant wasted resources for both the POU and Commission, diverting those resources away from other programs that are proving effective in moving the State toward its decarbonization goals.

The best way to streamline this process is to have the POU governing board provide direction *early* in the process rather than at the end. The Commission would continue to have a clearly defined oversight role, as it would still review the POU compliance plans for consistency with the requirements in the newly proposed Section 1623.1 and would retain the ability to seek enforcement. The Commission would also have the ability to recommend changes. However, the direction and expertise of the POU governing board would be reflected in developing plans to comply with the Load Management Standards, such that the POU would spend its time and resources developing rates or programs that are more likely to be approved by its governing board and successfully implemented and adopted by its customers.

B. The Revised Joint POU Proposal Would Result in POU Programs Being Implemented on a Shorter Timeframe and Would Make POU Programs More Likely to Be Successful.

The currently proposed regulations acknowledge the authority of the affected POU governing boards to ultimately reject the proposed load management tariffs, but do not authorize the POU governing boards to implement programs as alternatives to tariffs without first going through the

tariff development process. This structure makes it more likely that program implementation would be delayed. While a POU could also seek from the Commission a modification of the requirements, the process proposed in 2nd 15-Day Language substitutes the Commission's judgment for that of the POU governing board, creating uncertainty as to whether the modified requirements would ultimately lead to a tariff that is approved by the governing board and successfully implemented.

The Revised Joint POU Proposal would make the load management standard more likely to be successful by empowering the POU governing boards to approve modifications to the requirements or to implement programs instead of tariffs, if the POU governing boards make certain findings. This would make it much less likely that a POU governing board would outright reject the entire tariff or program, and more likely that a slightly modified structure would be implemented. Further, the POU governing board is much more likely to understand options and structures that are most likely to succeed with its customer base. For example, the POU governing board may direct the POU to utilize a phased roll-out that allows for testing different options and making adjustments based on lessons learned. A program that evolves in this way and ultimately transitions to a tariff may be more successful for a specific POU than simply moving straight to a tariff. By giving the POU governing board the ability to provide this direction initially, the Revised Joint POU Proposal makes it more likely that a load management mechanism will be broadly adopted and accepted by customers.

C. The Revised Joint POU Proposal Would Allow for Greater Input from the POU Communities and Engagement by POU Customers.

The Revised Joint POU Proposal would also provide an early opportunity for the POU customers to weigh in on the best structure for implementing these load management standards. By having the POU governing board approve the compliance plan, the customers and community served by the POU can directly engage at that early stage, meaning that the plan will be more reflective of what the participants will actually want in a successful program. By facilitating early customer engagement, the Revised Joint POU Proposal will be more likely achieve the Commission's overall goals.

II. CONCLUSION

The Joint POUs appreciate the opportunity to provide these supplemental comments to the Commission. Thank you for your time and attention to these comments.

ATTACHMENT A

*Revised Joint Proposed Modifications to
2nd 15-Day Language Revisions to
Load Management Standard Regulations*

45-Day Language Proposed Revisions: Additions ~~Deletions~~
15-Day Language Proposed Revisions: Additions ~~Deletions~~
2nd 15-Day Language Proposed Revisions: Additions ~~Deletions~~

Revised Joint POU Proposed Modifications: Additions ~~Deletions~~

Title 20. Public Utilities and Energy
Division 2. State Energy Resources Conservation and Development Commission
Chapter 4. Energy Conservation
Article 5. Load Management Standards
Sections 1621 -1625

§ 1621. General Provisions.

- (a) Purpose. This article establishes electric load management standards pursuant to Section 25403.5 of the Public Resources Code. These standards establish cost-effective programs and rate structures which will encourage the use of electrical energy at off-peak hours and encourage the control of daily and seasonal peak loads to result in improved utility electric system efficiency and reliability, will lessen or delay the need for new electrical capacity, and reduce fossil fuel consumption and greenhouse gas emissions, and will thereby lowering the long-term economic and environmental costs of meeting the State's electricity needs. These load management standards do not set rates. The standards instead require that entities subject to this article offer rates structured according to the requirements established herein.
- (b) Application. Except as set forth below, e~~E~~ach of the standards in this article applies to the following electric utilities: Los Angeles Department of Water and Power, San Diego Gas and Electric Company, Southern California Edison Company, Pacific Gas and Electric Company, and Sacramento Municipal Utility District, ~~as well as. In addition, the standards set forth in subsections 1621 and 1623 of this article apply to any Community Choice Aggregators (CCA) operating within the service areas and receiving distribution services from the foregoing electric utilities. CCAs are not subject to subsections 1622, 1624, and 1625 of this article. Subsections 1621(d)-(h) and Section 1623 do not apply to either the Los Angeles Department of Water and Power or the Sacramento Municipal Utility District. The standards set forth in Section 1623.1 apply to the Los Angeles Department of Water and Power and Sacramento Municipal Utility District. The California Energy Commission has found these standards to be technologically feasible and cost- effective when compared with the costs for new electrical capacity for the above-named electric utilities., including and any customers of ~~including and any customers of~~ CCAs operating within the service areas of such electric utilities.~~
- (c) Definitions. In this article, the following definitions apply:
- (9)(1) "Building type" means the classification of a non-residential building in accordance with the following table: California Code of Regulations, Title 24, Part 2, Chapter 3 of the California Building Code.

Building	Description
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Type	
1	Office
1.1	Small (0-30,000 sq. ft.)
1.2	Med (30,000-200,000 sq. ft.)
1.3	Large (200,000 + sq. ft.)
1.3.1	Low rise (two or less stories)
1.3.2	Highrise (three or more stories)
2	Retail
2.1	Retail - General
2.1.1	Small (1-9,000 sq. ft.), detached
2.1.2	Small (1-9,000 sq. ft.), attached
2.1.3	Med (9,000-20,000 sq. ft.), detached
2.1.4	Med (9,000-20,000 sq. ft.), attached
2.1.5	Med (9,000-20,000 sq. ft.), enclosed mall
2.1.6	Large (20,000 + sq. ft.), detached
2.1.7	Large (20,000 + sq. ft.), attached
2.1.8	Large (20,000 + sq. ft.), enclosed mall
2.1.9	Highrise department store (three or more stories)
2.2	Retail - Food
2.2.1	Small (1-5,000 sq. ft.)
2.2.2	Large (5,000 + sq. ft.)
3	Restaurants
3.1	Fast Food
3.2	Sit-down
4	Storage Buildings
4.1	Conditioned
4.2	Unconditioned
5	Hotels and Motels
5.1	Large (50,000 + sq. ft.)
5.2	Small (less than 50,000 sq. ft.)
6	Schools
6.1	Elementary/pre-schools
6.2	Jr. high/high-schools
6.3	Jr. colleges/trade schools
6.4	Colleges/universities
7	Public assembly buildings
7.1	Auditoriums
7.2	Theaters
7.3	Sports arenas
8	Health care facilities
8.1	General hospitals
8.2	Research hospitals
8.3	Mental hospitals
8.4	Convalescent hospitals/homes
9	Computer facilities
10	Auto repair and service stations

(2) "Community choice aggregators" or "CCAs" means entities as defined in Public Utilities Code section 331.1.

~~(6)~~(3) "Central air conditioner" means any residential electric air conditioner which delivers cooled air through ducts to rooms.

~~(8)~~(4) "Commercial customers" means those customers of a utility or CCA who run any business described in Standard Industrial Classification Groups 40 through 86, and 89 through 99, and which do not treat sewage or manufacture goods or provide other process-oriented services.

~~(i)~~(A) "Large commercial customers" are those businesses whose demand for electricity equals or exceeds 500 kilowatts.

~~(ii)~~(B) "Small commercial customers" are those businesses whose demand for electricity is less than 500 kilowatts.

~~(40)~~(5) "Conditioned Space" means an enclosed space within a building that is directly conditioned or indirectly conditioned, consistent with California Code of Regulations, Title 24, Part 6, section 100.1(b). ~~the space, within a building which is provided with a positive heat supply or positive method of cooling.~~

~~(6)~~ "Customer class" means a broad group of customers used for rate design. Customer classes include but are not limited to residential, commercial, industrial, agricultural, and street lighting.

~~(7)~~ "Greenhouse gas" or "GHG" has the same meaning as in California Code of Regulations, Title 17, sections 95102 and 95802.

~~(8)~~ "Large IOUs" means the San Diego Gas and Electric Company, Southern California Edison Company, and Pacific Gas and Electric Company.

~~(9)~~ "Large POUs" means the Los Angeles Department of Water and Sacramento Municipal Utility District.

~~(6)~~~~(8)~~(10) "Load management tariff" means a tariff with time-dependent values that vary according to the time of day to encourage off-peak electricity use and reductions in peak electricity use.

~~(7)~~~~(9)~~(11) "Marginal cost" or "locational marginal cost" ~~is~~ means the change in current and committed future electric system utility cost that is caused by a customer initiated change in electricity usage supply and demand during a specified time interval at a specified location. ~~Total marginal cost may be divided into the commonly known categories of marginal energy, marginal capacity, and marginal customer costs, or any other appropriate categories.~~

~~(8)~~~~(10)~~(12) "Rate Identification Number" or "RIN" means the unique identifier established by the Commission for an electricity rate.

~~(3)~~~~(9)~~~~(11)~~(13) "Rate-approving body" means the California Public Utilities Commission in the case of investor-owned utilities, ~~such as the San Diego Gas and Electric Company, the Southern California Edison Company, and the Pacific Gas and Electric Company.~~ It means or the governing body of CCAs or publicly owned utilities such as the Los Angeles Department of Water and Power, and the Sacramento Municipal Utility District. For purposes of this article, the Board of Water

and Power Commissioners of the City of Los Angeles is the rate-approving body for the Los Angeles Department of Water and Power.

~~(4)(10)(12)(14)~~ (11)(13)(15) "Residential" means any family dwelling within the utility's or CCA's service area which uses electricity for noncommercial purposes as defined in the utility's or CCA's terms and conditions of service.

~~(2)(11)(13)(15)~~ (12)(14)(16) "Service area" ~~is the~~ means any contiguous geographic area served by the same electric utility or CCA. ~~in which the utility supplies electricity to retail customers.~~

~~(12)(14)(16)~~ (13)(15)(17) "Tariff" ~~means the contract between the utility and customer that a pricing schedule or rate plan that a utility or CCA offers to their customers specifying the components of the customer's electricity bill.~~

~~(13)(15)(17)~~ (14)(16)(18) "Time-dependent rate" means a rate that can vary depending on the time of day to encourage off-peak electricity use and reductions in peak electricity use. Time-of-use, hourly, and sub-hourly rates are time-dependent rates.

~~(14)(16)(18)~~ (15)(17)(19) "Time-of-use rate" means a rate with predefined prices that vary according to the time of day, the season, and/or the day type (weekday, weekend, or holiday).

~~(1)(15)(17)(19)~~ (2)(11)(13)(15) "Utility" means those electric utilities to which the sections of this article apply, as specified in subsection (b), ~~and any CCA serving customers within the service area of any of those specified electric utilities.~~

~~(5)(16)(18)(20)~~ (4)(12)(14)(16) "Water heater" means any residential electric water heater except those which provide hot water to heat space or those which operate within electric dishwashers.

(d) ~~Review and Approval of Utility Submittals. These load management standards require utilities to submit various plans to the Executive Director. All such submittals shall be reviewed by the Executive Director, and shall be subject to approval by the full Commission. The Executive Director shall complete his review of such submittals and shall report to the Commission within thirty calendar days after receipt as to whether the submittal is consistent with the provisions of this article. Within thirty calendar days after the Executive Director renders his report, the Commission shall, following a public hearing, approve or disapprove the submittal. The Commission may also approve a submittal on condition that the utility make specified changes or additions to the submittal, within a reasonable period of time set by the Commission. A conditional approval shall not take effect until the utility makes the specified changes or additions to the submittal under review. The Commission shall approve submittals which are consistent with these regulations and which show a good faith effort to plan to meet program goals for the standards.~~

~~If the Commission disapproves a submittal, the utility shall be notified of the specific reasons for such disapproval, and the utility shall submit a revised submittal for review by the Executive Director in accordance with the provisions of this subsection.~~

(e) ~~Information Requests. In order to facilitate his review of a utility's compliance with the provisions of this article, the Executive Director may request a utility to furnish copies of any information in the utility's possession which is relevant to its implementation of these standards, including any tariff proposals and associated information which it submits to its rate approving body. The Executive Director may set a reasonable period of time within which the utility must supply the requested information.~~

~~If any document which is requested by the Executive Director contains proprietary information or trade secrets, the utility shall only be required to furnish the document to the Executive Director, if the Commission has established procedures, after a public hearing, for the protection of such proprietary information or trade secrets.~~

- ~~(f) Revisions of Approved Plans. Each time a utility significantly revises any plan or part of a plan required by this article, that was previously approved by the Commission, it shall submit this revised plan for review and approval pursuant to subsection (d) above. Such revised plan shall not be valid until it is approved by the Commission. If the Executive Director believes that new technologies, the state of the economy or other new information warrant revisions to plans which have already been approved, he shall request the utilities to make the appropriate revisions as part of their next annual report or within 90 days, whichever comes later. If the Executive Director issues such a request, the utility shall submit a revised plan for review and approval pursuant to subsection (d) above.~~
- ~~(g) Modifications to Program Goals. If, during the planning or execution of any program required by this article, a utility, despite its best good faith efforts, believes that it cannot achieve one or more of the program goals set forth in the various sections of this article or that a program is not cost-effective, the utility may submit a report to the Commission explaining the reasons therefore, and indicating when the utility believes that it could achieve the program goal or goals, or suggesting alternative goals. If based upon the utility report, or its own studies, the Commission finds that there are good and sufficient reasons for the utility not being able to achieve the goal or goals, the Commission shall modify any previously approved goal for that utility to one that is feasible and costeffective for the utility to achieve.~~
- ~~(h) Utility Request for Exemptions.
 - ~~(1) A utility may, at any time after the effective date of this article, apply to the Commission for an exemption from the obligation to comply with any or all of these standards. Any such application shall set forth in detail the reasons why a denial of the application by the Commission would result in extreme hardship to the utility, or in reduced system reliability and efficiency, or why the standard or standards from which the exemption is sought would not be technologically feasible or cost-effective for the utility to implement. The application shall also set forth the period of time during which the exemption would apply, and shall indicate when the utility reasonably believes the exemption will no longer be needed.~~
 - ~~(2) Within 30 days after receipt of any such application, the Commission shall hold a hearing to consider whether there is sufficient information contained in the application to justify further hearings on the merits. If the Commission finds that the application does not contain sufficient information, it shall dismiss the application, and notify the utility of the specific reasons for the dismissal. The utility may thereafter submit a revised application in good faith.~~
 - ~~(3) If the Commission finds that the application does contain sufficient information, it shall schedule such further hearings as may be necessary to fully evaluate the application.~~
 - ~~(4) If, after holding hearings, the Commission decides to grant an exemption to a utility, the Commission shall issue an order granting exemption. The order shall set forth findings and specific reasons why the exemption is being granted.~~~~

- (i) ~~Noncompliance. The Executive Director may, after a review of the matter with the utility, file a complaint with the Commission, alleging that the utility is not in compliance with the provisions of this article:~~

- ~~(1) If the utility is not conducting a program in conformance with the provisions of its approved plan;~~
~~(2) If the utility fails to provide a required submittal in a timely manner; or~~
~~(3) If the utility fails to make requested changes or additions to any such submittal within a reasonable time.~~

(d) **Large IOU Utility** and CCA Plans to Comply with Load Management Standards

- (1) Each **Large IOU utility** and CCA shall submit a plan to comply with Sections 1621 and 1623 of this article to the Executive Director no later than six (6) months after the effective date of these standards.
- (2) The Executive Director shall review the plans and either return them to the **Large IOU utility** or CCA for revision or submit them to the Commission for review and potential approval. The Executive Director may recommend, and the Commission may approve, a submittal on condition that the **Large IOU utility** or CCA make specified changes or additions to the submittal, within a reasonable period of time set by the Commission. A conditionally-approved plan shall not become effective until the **Large IOU utility** or CCA makes the specified changes or additions to the submittal under review. The Commission shall approve submittals which are consistent with these regulations and which show a good faith effort to plan to meet program goals for the standards. In reviewing a plan, the Executive Director and the Commission may request additional information consistent with Sections 1621 and 1623.
- (3) All proposed plan revisions must be submitted to the Executive Director for review. The Executive Director may approve plan revisions that do not affect compliance with the requirements of Sections 1621 or 1623. The Executive Director shall submit all other plan revisions to the Commission for approval.
- (4) **Large IOUs utilities** and CCAs shall submit to the Executive Director annual reports demonstrating their implementation of plans approved pursuant to this section. The reports shall be submitted one year after plans are approved pursuant to subsection (2) and annually thereafter.

(e) Exemptions, Delays, or Modifications

- (1) **Large IOUs utilities** and CCAs may apply to the Executive Director for an exemption from the requirements of Sections 1621 and 1623 of this article, to delay compliance with its requirements, or to modify a load management standard compliance plan. The Commission may, by resolution, order a **Large IOU utility** or CCA to modify its approved load management standard plan. Upon such order by the Commission, a **Large IOU utility** shall submit an application to modify its plan within 90 days of the Commission's order.
- (2) Applications for exemptions or delays shall set forth the requested period during which the exemption or delay would apply and indicate when the **Large IOU utility** or CCA reasonably believes the exemption or delay will no longer be needed. The application further shall demonstrate one or more of the following:

~~(aA)~~ that despite a Large IOU's utility's or CCA's good faith efforts to comply, requiring timely compliance with the requirements of this article would result in extreme hardship to the utility or CCA,

~~(bB)~~ requiring timely compliance with the requirements of this article would result in reduced system reliability and efficiency, or

~~(cC)~~ requiring timely compliance with the requirements of this article would not be technologically feasible or cost-effective for the utility or CCA to implement.
Applications for exemptions or delays may be supported by proposing pilot programs that demonstrate how and when a utility or CCA will come into compliance with the requirements of this article.

(3) Applications for modifications shall demonstrate that despite the Large IOU's utility's or CCA's good faith efforts to implement its load management standard plan, the plan must be modified to provide a more technologically feasible or cost-effective way to achieve the requirements of this article or the plan's goals.

(4) The Executive Director shall review applications for exemptions, delays, and modifications and make an initial determination of whether an application demonstrates the requirements of either subsection (2) or (3) above. The Executive Director shall then submit the application to the Commission with a recommendation of whether to approve or reject the application based on their initial determination. In reviewing these applications, the Executive Director and the Commission may request additional information or revisions of the application from a utility or CCA consistent with Sections 1621 and 1623. If a Large IOU utility or CCA fails to provide information or revisions by a deadline established by the Executive Director or the Commission, the Commission may deny the application on that basis.

(f) Enforcement. The Executive Director may, after reviewing the matter with the Large IOU utility or CCA, file a complaint with the Commission following the process set forth in Sections 1233.1 to 1233.4 or seek injunctive relief if a Large IOU utility or CCA:

(1) Fails to adhere to its approved load management standard plan,

(2) Modifies its approved load management standard plan without approval,

(3) Does not provide information by a deadline established by the Executive Director or the Commission, or

(4) Fails to make requested revisions to its approved load management standard plan by the deadline established by the Executive Director or the Commission, or

(5) Violates the provisions of this article.

~~(j)(g)~~ Recovery of Program Costs

In its rate applications, each Large IOU utility or CCA shall seek to recover the full costs associated with conducting each program required by this article from the class of customers which the program most directly affects. The Large IOU utility or CCA shall not be required to commence implementation of any program required by this article until the Large IOU utility or CCA's rate-approving body has approved the tariffs which are a part of any such program and a method for recovering the costs of the program.

~~(k)(h) Notwithstanding Section 2231 of the Revenue and Taxation Code, there There~~

~~shall be no reimbursement to local government entities (i.e., the Los Angeles Department of Water and Power and the Sacramento Municipal Utility District) for the costs of carrying out the programs mandated by these standards, because the Commission has found these standards to be cost-effective. The savings which these entities will realize as a result of carrying out these programs will outweigh the costs associated with implementing these programs.~~

Note: Authority cited: Sections 25132, 25213, and 25218(e), and 25403.5, Public Resources Code. Reference: Sections 25132 and 25403.5, Public Resources Code.

§ 1622. Residential Load Management Standard. – No Changes

§ 1623. Load Management Tariff Standard.

- (a) Marginal Cost Rates. This standard requires that each Large IOU utility and CCA develop marginal cost-based rates, using a recommended methodology or the methodology approved by its rate approving body, when it prepares rate applications for retail services, structured according to the requirements of this article and that the Large IOU utility or CCA submit such rates to its rate-approving body for approval.
- (1) Total marginal cost shall be calculated as the sum of the marginal energy cost, the marginal capacity cost (generation, transmission, and distribution), and any other appropriate time and location dependent marginal costs, including social costs, on a time interval of no more than one hour. Energy cost computations shall reflect locational marginal cost pricing as determined by the associated balancing authority, such as the California Independent System Operator, the Balancing Authority of Northern California, or other balancing authority. Marginal capacity cost computations shall reflect the variations in the probability and value of system reliability of each component (generation, transmission, and distribution). Social cost computations shall reflect, at a minimum, the locational marginal cost of associated greenhouse gas emissions.
 - (2) Within ~~one (1)~~ two (2) years of the effective date of these regulations, each Large IOU utility and CCA shall apply to its rate-approving body for approval of at least one marginal cost-based rate, in accordance with 1623(a)(1), for each customer class.
 - (3) Large IOUs Utilities and CCAs shall provide the Commission with informational copies of tariff applications when they are submitted to their rate-approving bodies.
- (b) Publication of Machine-Readable Electricity Rates. No later than three (3) months after the effective date of these standards, eEach Large IOU utility and CCA shall upload its existing ~~composite~~ time-dependent rates applicable to its customers to the Commission's Market Informed Demand Automation Server (MIDAS) database ~~upon each of the following circumstances:~~. Each Large IOU utility and CCA shall upload all time-dependent rates, including those approved after the effective date of these standards, to MIDAS prior to the effective date of the time-dependent rates each time a time-dependent rate is approved by the rate-approving body and each time a time-dependent rate changes.
- ~~(1) no later than three (3) months after the effective date of these standards,~~
 - ~~(2) each time a rate is approved by the rate approving body, and~~
 - ~~(3) each time a rate changes.~~

~~The composite time -dependent rates uploaded to the MIDAS database shall include all applicable time -dependent cost components, including, but not limited to, generation, distribution, and transmission. The Commission maintains public access to the MIDAS database through an Application Programming Interface (API) that, provided a Rate Identification Number (RIN), returns information sufficient to enable automated response to marginal grid signals including price, emergency events, and greenhouse gas emissions. Each customer shall be able to access all rate information applicable to the customer with a single RIN assigned by the utility.~~

Marginal Cost Methodologies and Rates. Within six months after the Marginal Cost Pricing Project Task Force (which is jointly sponsored by the CEC and CPUC under an agreement with the Federal Department of Energy) makes its final report available to the public, and the Commission approves it by resolution, a utility submitting a general rate filing to its rate approving body shall include marginal cost based rates in such filing which have been developed by using at least one methodology recommended by the Task Force, except that if a utility's rate approving body has approved a marginal cost methodology, a utility may substitute the approved methodology for one recommended by the Task Force.

~~If at any time subsequent to the Commission's approval of the Task Force report, the utility's rate approving body approves a marginal cost methodology which is substantially different from any of the methodologies recommended by the Task Force, the utility shall so inform the Commission, and shall explain the nature of and the reasons for these differences.~~

~~In addition to marginal cost based rates which it develops using a methodology recommended by the Task Force report for that utility or approved by its rate approving body, the utility may also submit marginal cost based rates which it develops using any alternative methodology that it deems appropriate.~~

~~The utility may also submit other rates or tariffs which it deems appropriate.~~

~~Nothing in this section shall prevent the Commission from recommending the approval of marginal cost methodologies different from those used by a utility to any rate approving body.~~

(c) Support Customer Ability to Link Devices to Electricity Rates.

(1) Third-party Access. The **Large IOUs utilities** and CCAs shall **collaborate with the Large POUs to** develop a single statewide standard tool for authorized rate data access by third parties that is compatible with each **Large IOU's utility's** and CCA's system. The tool shall:

- (A) Provide the RIN(s) applicable to the customer's premise(s) to third parties authorized and selected by the customer;
- (B) Provide any RINs, to which the customer is eligible to be switched, to third parties authorized and selected by the customer;
- (C) Provide estimated average or annual bill amount(s) based on the customer's current rate and any other eligible rate(s) if the **Large IOU utility** or CCA has an existing rate calculation tool and the customer is eligible for multiple rate structures;
- (D) Enable the authorized third party to, upon the direction and consent of the customer, modify the customer's applicable rate to be reflected in the next billing

- cycle according to the Large IOU's utility's and CCA's standard procedures;
- (E) ~~Ensure~~ Incorporate reasonable and applicable cybersecurity measures; ~~and~~
- (F) Minimize enrollment barriers.; and
- (G) Be accessible in a digital, machine-readable format according to best practices and standards.
- (2) The Large IOUs, Large POUs, utilities and CCAs shall submit the single statewide standard tool developed pursuant to Section 1623(c)(1) to the Commission for approval at a Business Meeting.
- (A) The tool must be submitted within one (1) year of the effective date of these regulations.
- (B) The Executive Director may extend this deadline upon a showing of good cause.
- (C) The Large IOUs, utilities and CCAs shall describe a single set of terms and conditions they intend to require of third parties using the single statewide standard tool.
- (3) Upon Commission approval the Large IOUs utilities and CCAs shall implement and maintain the tool developed in Section 1623(c)(1).
- (4) Customer Access. No later than ~~nineone~~ (91) ~~months~~year after the effective date of these standards, each Large IOU utility and CCA shall provide customers access to their RIN(s) on customer billing statements and online accounts using both text and quick response (QR) or similar machine-readable digital code.
- (5) Any changes to the single statewide standard tool, including changes to the terms and conditions, shall be submitted to the Executive Director for approval. The Executive Director shall submit any substantive changes to the Commission for approval at a Business Meeting.
- (d) ~~(e)~~ Public Information Programs. The Large IOUs Utilities and CCAs shall encourage ~~mass-~~ market automation of load management through information and programs. As soon as a utility's rate approving body has adopted a tariff in accordance with a recommended or approved marginal cost methodology, the utility shall conduct a public information program which shall inform the affected customers why marginal cost based tariffs are needed, exactly how they will be used and how these tariffs can save the customer money.
- (1) No later than eighteen (18) months after the effective date of these standards, each Large IOU utility and CCA shall submit to the Executive Director a list of load flexibility programs deemed cost-effective by the Large IOU utility or CCA. The portfolio of identified programs shall provide any customer with at least one option for automating response to MIDAS signals indicating marginal cost-based rates, marginal prices, hourly or sub-hourly marginal greenhouse gas emissions, or other Commission-approved marginal signal(s) that enable automated end- use response.
- (2) Within three (3) years of the effective date of these regulations, each Large IOU utility and CCA shall offer to each of its electricity customers voluntary participation in a marginal cost rate developed according to Section 1623(a) if such rate is approved by the Large IOU's utility's or CCA's rate-approving body, or a cost-effective program identified according to Section 1623(d)(1) if such rate is not yet

approved by the Large IOU's utility's or CCA's rate-approving body

(3) Each Large IOU utility and CCA shall conduct a public information program to inform and educate the affected customers why marginal cost-based rates and automation are needed, how they will be used, and how these rates can save the customer money.

(d) Compliance. A utility shall be in compliance with this standard if all of the utility's rate applications are prepared in accordance with the provisions of subsection (b) above, and the utility provides informational copies of its applications to the Commission.

Note: Authority cited: Sections 25132, 25213, and 25218(e), and 25403.5, Public Resources Code. Reference: Sections 25132 and 25403.5, Public Resources Code.

§ 1623.1 Large POU Requirements for Load Management Standards.

(a) Large POU Plans to Comply with Load Management Standards

(1) Within six months of the effective date of these regulations, each Large POU shall submit a compliance plan to its rate approving body for adoption in a duly noticed public meeting that is consistent with this Section 1623.1. The plan shall describe how the Large POU will meet the goals of encouraging the use of electrical energy at off-peak hours, encouraging the control of daily and seasonal peak loads to improve electric system efficiency and reliability, lessening or delaying the need for new electrical capacity, and reducing fossil fuel consumption and greenhouse gas emissions. The plan shall include consideration of programs and rate structures as specified in Subsections 1623.1 (b)-(d).

(A) In developing the plan, the rate approving body of the Large POU must consider cost effectiveness, equity, technological feasibility, benefits to the grid, and benefits to customers of marginal cost-based rates for each customer class.

(B) If the plan does not include development of marginal cost-based rates after consideration of the factors in Subsection 1623.1(a)(1)(A), the rate-approving body shall consider the cost-effectiveness, equity, technological feasibility, benefits to the grid, and benefits to customers of programs that enable automated response to marginal cost signal(s) for each customer class.

(C) The Large POU shall review the plan at least once every three years after the plan is adopted. The Large POU shall submit a plan update to its rate approving body where there is a material change to the factors considered pursuant to Subsections 1623.1 (a)(1)(A) and (B).

(2) The rate approving body of a Large POU may approve a plan, or material revisions to a previously approved plan, that delays compliance or modifies compliance with the requirements of Subsections 1623.1 (b)-(d), if the rate approving body determines that the plan demonstrates any of the following:

(A) that despite a Large POU's good faith efforts to comply, requiring timely compliance with the requirements of this article would result in extreme hardship to the Large POU.

(B) requiring timely compliance with the requirements of this article would result in reduced system reliability, equity, safety or efficiency,

(C) requiring timely compliance with the requirements of this article would not be technologically feasible or cost-effective for the Large POU to implement, or

(D) that despite the Large POU's good faith efforts to implement its load management standard plan, the plan must be modified to provide a more technologically feasible, equitable or cost-effective way to achieve the requirements of this article or the plan's goals.

(3) Commission Approval of Large POU Plans to Comply with Load Management Standards

(A) Within thirty (30) days after adoption of a plan or material plan revision pursuant to this subdivision, each large POU shall submit its plan to comply with the requirements of this Section 1623.1 to the Executive Director.

(B) The Executive Director shall review the plans and make an initial determination of whether the plan is consistent with the requirements of Subsections 1623.1(a)(1 and 2). In reviewing these plans, the Executive Director may request additional information or recommend revisions of the plan to a Large POU consistent with Section 1623.1. The Large POU may respond to requests or recommendations within ninety (90) days of receipt from the Executive Director. The Executive Director shall then submit the plan to the Commission with a recommendation of whether to approve the plan based on their initial determination.

(C) The Commission shall approve submittals which are consistent with this Section 1623.1, and which show a good faith effort to plan to meet the goals listed in Subsection 1623.1(a)(1).

(D) Each Large POU shall submit to the Executive Director annual reports demonstrating their implementation of plans approved pursuant to this subsection, as such plans may be revised pursuant to this subsection. The reports shall be submitted one year after plans are approved pursuant to subsection (2) and annually thereafter.

(b) Large POU Marginal Cost Rates and Programs. Each Large POU shall develop marginal cost-based rates or public programs structured according to the requirements of this article.

(1) Total marginal cost shall be calculated as the sum of the marginal energy cost, the marginal capacity cost (generation, transmission, and distribution), and any other appropriate time and location dependent marginal costs, including social costs, on a time interval of no more than one hour. Energy cost computations shall reflect locational marginal cost pricing as determined by the associated balancing authority, such as the Los Angeles Department of Water and Power, the Balancing Authority of Northern California, or other balancing authority. Marginal capacity cost computations shall reflect the variations in the probability and value of system reliability of each component (generation, transmission, and distribution). Social cost computations shall reflect, at a minimum, the

- locational marginal cost of associated greenhouse gas emissions.
- (2) Within two (2) years of the effective date of these regulations, each Large POU shall apply to its rate-approving body for approval of at least one marginal cost-based rate, in accordance with Subsection 1623.1(b)(1).
- (A) Large POUs shall apply for approval of marginal cost-based rates only for those customer classes for which the rate-approving body determines such a rate will materially reduce peak load.
- (B) Large POUs shall provide the Commission with informational copies of tariff applications when they are submitted to their rate-approving bodies.
- (3) No later than eighteen (18) months after the effective date of these standards, each Large POU shall submit to the Executive Director a list of load flexibility programs deemed cost-effective by the Large POU.
- (A) The portfolio of identified programs will provide at least one option for automating response to MIDAS signals for each customer class that the rate-approving body determines such a program will materially reduce peak load.
- (B) The programs shall allow customers to respond to MIDAS signals indicating marginal cost-based rates, marginal prices, hourly or sub-hourly marginal greenhouse gas emissions, or other Commission-approved marginal signal(s).
- (4) Within three (3) years of the effective date of these regulations, each Large POU shall offer to each of its electricity customers voluntary participation in either a marginal cost-based rate developed according to Subsection 1623.1(b)(2), if such rate is approved by the Large POU's rate-approving body, or a cost-effective program identified according to Subsection 1623.1(b)(3).
- (5) Each Large POU shall conduct a public information program to inform and educate the affected customers why marginal cost-based rates or load flexibility programs, and automation are needed, how they will be used, and how these rates or programs can save the customer money.
- (c) Publication of Machine-Readable Electricity Rates. No later than three (3) months after the effective date of these standards, each Large POU shall upload its existing time-dependent rates applicable to its customers to the Commission's Market Informed Demand Automation Server (MIDAS) database. Each Large POU shall upload all time-dependent rates, including those approved after the effective date of these standards, to MIDAS prior to the effective date of the time-dependent rates each time a time-dependent rate is approved by the rate-approving body and each time a time-dependent rate changes.
- The time-dependent rates uploaded to the MIDAS database shall include all applicable time-dependent cost components, including, but not limited to, generation, distribution, and transmission. The Commission maintains public access to the MIDAS database through an Application Programming Interface (API) that, provided a Rate Identification Number (RIN), returns information sufficient to enable automated response to marginal grid signals, such as price, emergency events, and greenhouse gas emissions.

(d) Support Customer Ability to Link Devices to Electricity Rates.

(1) Third-party Access. The Large POU's shall collaborate with the Large IOUs and CCAs to develop a single statewide standard tool for authorized rate data access by third parties that is compatible with each utility's system, as set forth in 1623(c)(1).

(2) Upon Commission approval of the tool, the Large POU's shall, as soon as feasible, implement and maintain the tool developed in Subsection 1623.1(d)(1).

(3) Customer Access. No later than one (1) year after the effective date of these standards, or as soon as feasible after implementation of the tool pursuant to Subsection 1623.1(d)(2), each Large POU shall provide customers access to their RIN(s) on customer billing statements and online accounts using both text and quick response (QR) or similar machine-readable digital code.

(4) Any changes to the single statewide standard tool, including changes to the terms and conditions, shall be submitted to the Executive Director for approval. The Executive Director shall submit any substantive changes to the Commission for approval at a Business Meeting.

(e) Enforcement. The Executive Director may, after reviewing the matter with the Large POU, file a complaint with the Commission following the process set forth in Sections 1233.1 to 1233.4 or seek injunctive relief if a Large POU:

(1) Fails to adhere to its approved load management standard plan,

(2) Materially modifies its approved load management standard plan without approval,

(3) Does not provide information by a deadline established by the Executive Director or the Commission, or

(4) Violates the provisions of this article.

(f) There shall be no reimbursement to local government entities for the costs of carrying out the programs mandated by these standards, because the Commission has found these standards to be cost-effective. The savings which these entities will realize as a result of carrying out these programs will outweigh the costs associated with implementing these programs.

Note: Authority cited: Sections 25132, 25213, and 25218(e), and 25403.5, Public Resources Code. Reference: Sections 25132 and 25403.5, Public Resources Code.

§ 1624. Swimming Pool Filter Pump Load Management Standard. – No Changes.

§ 1625. Non-Residential Load Management Standard. – No Changes.