

DOCKETED	
Docket Number:	23-LMS-01
Project Title:	Load Management Standards Implementation
TN #:	254278
Document Title:	CPUC Comments on CEC Commissioner Workshop
Description:	N/A
Filer:	System
Organization:	California Public Utilities Commission
Submitter Role:	Public Agency
Submission Date:	1/31/2024 2:49:20 PM
Docketed Date:	1/31/2024

*Comment Received From: California Public Utilities Commission
Submitted On: 1/31/2024
Docket Number: 23-LMS-01*

Comments on CEC Commissioner Workshop

Additional submitted attachment is included below.



January 31, 2024

Via Electronic Filing

California Energy Commission
715 P Street
Sacramento, CA 95814

**RE: Commissioner Workshop on Load Management Standards Implementation
Docket No. 23-LMS-01**

I. INTRODUCTION

The Public Advocates Office at the California Public Utilities Commission (Cal Advocates) appreciates the opportunity to provide comments on the California Energy Commission's (CEC) Commissioner Workshop on Load Management Standards (Workshop). The CEC held the Workshop on Wednesday, January 17, 2024, and participants discussed the status of the implementation of the amended Load Management Standards (LMS) and the development of the Single Statewide Tool (Tool).¹ The Workshop presenters included third party providers, a representative for the community choice aggregators (CCAs), and the Investor-Owned Utilities (IOUs). Cal Advocates requests that the CEC consider the following comments and recommendations in forthcoming discussions on LMS implementation for a Tool:

- Cal Advocates supports cost effective, and data driven LMS compliance.
- Cal Advocates shares many of the concerns raised by the Joint IOUs² and CCAs regarding ambiguity surrounding the scope of the Tool.
- Cal Advocates recommends that the CEC provide information on what sources of funding have already been utilized for Load Serving Entity (LSE) LMS compliance and what funds would be available for the Tool.
- Cal Advocates recommends that development and implementation of the Tool start with a representative group of LSEs and interested parties, followed by phased implementation for remaining LSEs.

¹ Title 20 California Code of Regulations section 1623(c), specifies that “the large investor own utilities, large publicly owned utilities and large community choice aggregators develop a single statewide tool for authorized rate data access by third parties that is compatible with each of those entities’ systems.”

² The Joint IOUs include Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E) and Southern California Edison Company's (SCE).

II. DISCUSSION

A. Cal Advocates supports cost effective, and data driven LMS compliance.

The CEC should prioritize cost effectiveness in developing the Tool and should not rush implementation based on preliminary results from dynamic rate pilots. The preliminary results of the PG&E and Valley Clean Energy (VCE) AgFIT pilot, and SCE's Dynamic Rate pilot are insufficient to indicate success in supporting system reliability. The preliminary results lack statistical significance and reflect a number of confounding external factors.^{3,4} These factors include the limited sample size of participants and the short time frame of the pilots. The CEC should not rely on the initial results of the demand flexibility pilots to support a hurried implementation of the LMS Tool and other related efforts.⁵

B. Cal Advocates shares many of the concerns raised by the Joint IOUs and CCAs regarding the ambiguity surrounding the scope of the Single Statewide Tool.

The CEC should clarify the scope and parameters of the Tool, so that developers have a clear direction. Cal Advocates shares several of the questions raised by the Joint IOUs.⁶ For example, the LMS is not clear if the development of the Tool should provide rate data at the customer meter, address, or account level. Additionally, the Joint IOUs raised a broader issue about the status of existing rate calculation tools following implementation of the Tool.⁷ Cal Advocates is concerned that providing multiple rate tools to customers with different results would not be cost effective and would create customer confusion. For example, if a PG&E customer uses both PG&E's already available rate plan comparison tool⁸ and the forthcoming Tool, it is not clear that the results would match, or whether the customer would understand which rate would provide them with the most benefits. The CEC should evaluate the already existing rate calculation tools to benchmark which features can be leveraged and what changes should be made to comply with the LMS.

³ Midterm Evaluation of Valley Clean Energy's Agricultural Pumping Dynamic Rate Pilot (VCE Evaluation), published December 22, 2023, at 35 & 37. Mid-Term Evaluation of Southern California Edison's Dynamic Rate Pilot (SCE Evaluation), published December 22, 2023, at 3.

⁴ VCE Evaluation, at 21, 24, & 30. SCE Evaluation, at 3.

⁵ Workshop, at 09:40 and 2:08:27. Noting the need for the rollout of LMS to be expeditious and fast, respectively.

⁶ Workshop, at 2:06.

⁷ Workshop, at 2:07.

⁸ As an example, PG&E offers a rate plan comparison: <https://www.pge.com/en/account/rate-plans/find-your-best-rate-plan.html>

C. Cal Advocates recommends that the CEC provide information on the amount and funding sources that are expected to be made available for LSE LMS compliance and the Single Statewide Tool.

During the workshop, there was a general consensus that the funding and resources the CEC is providing for the Tool remains an open question. A CEC representative stated that certain funding for LMS compliance can be made available to LSEs upon request,⁹ but provided no guidance on the process to obtain funding for the Tool, nor the amount of funding available. The CEC should provide more information regarding the expected sources of funding for LSEs to develop the Tool and the details LSEs should include in their requests for Tool development funds.

As noted in the workshop, sources of funding are still unclear and must be determined in order to proceed with LMS implementation.¹⁰ The CEC has asked that the IOUs develop the Tool, but has not provided any detail on cost sharing or cost recovery. This Tool will be used by all LSEs, including publicly owned utilities and CCAs,¹¹ therefore the current lack of detail on cost sharing or recovery could result in the IOUs' use of ratepayer funds to develop a Tool used by non-IOU ratepayers, which is inappropriate and inconsistent with the intent of the Legislature to prevent unjust and unreasonable charges to ratepayers.¹² Cal Advocates therefore recommends that the CEC prioritize the use of its public funds rather than IOU ratepayer funds.

D. Cal Advocates recommends that development and implementation of the Single Statewide Tool start with a representative group of LSEs and interested parties, followed by phased implementation for remaining LSEs.

Several stakeholders during the workshop indicated the need for more guidance in the form of a working group process to proceed with the Tool. Cal Advocates agrees and recommends that the CEC convene a working group with a representative group of LSEs and other interested parties work through some of the technical specifics. Then, a larger working group should solicit feedback from all interested stakeholders.

Furthermore, to promote a smooth rollout of the Tool and allow revisions to improve its effectiveness, the Tool should be developed and implemented in stages of smaller scope and scale, rather than including all stakeholders at the outset. This staged rollout should include a testing period with some LSEs and interested stakeholders before the Tool is available to the public, followed by a staggered addition of more LSEs and features. This phased approach will be more manageable compared to including all stakeholders throughout the entire development

⁹ Workshop, at 29:42. Stefanie Wayland of the CEC notes that “regulated parties will need to request and receive funding.”

¹⁰ Workshop, at 02:05:13-02:07:46.

¹¹ Title 20 California Code of Regulations section 1623(c).

¹² P.U.C. § 451. “All charges demanded or received by any public utility, or by any two or more public utilities, for any product or commodity furnished or to be furnished or any service rendered or to be rendered shall be just and reasonable. Every unjust or unreasonable charge demanded or received for such product or commodity or service is unlawful.”

and implementation process. A phased approach for the Tool's development and adoption would allow revisions based on experience gained in the process, resulting in a more efficient process overall. The Tool should be scaled to incorporate all LSEs on a longer timeline and allow for the establishment of a more rigorous cost basis. This means that as the Tool is scaled, LSEs can learn from one another about how to include and maintain their rates in the Tool.

The CEC, in coordination with the representative LSEs and other interested parties, should consider modifications to the timeline to accommodate for a more staged approach to developing and implementing the Tool.

III. CONCLUSION

Cal Advocates looks forward to the continued cooperation with CEC in advancing demand flexibility. Cal Advocates supports cost effective, and data driven compliance with the LMS. The CEC should provide more guidance for developers of the Tool to get started, and more information on funding options to develop the Tool. Lastly, LMS development and implementation should be done in stages to ensure manageability and minimal confusion for all stakeholders.

If there are any questions regarding these comments, please reach out to Cindy Li at XL2@cpuc.ca.gov.

Sincerely,

/s/ MIKE CAMPBELL

Mike Campbell
Assistant Deputy Director
for Energy, Public Advocates Office