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SCP Load Management Standards Compliance Plan

Additional submitted attachment is included below.

Sonoma Clean Power Load Management Standards Plan



January 28, 2026

Table of Contents

EXECUTIVE SUMMARY	3
1. ABOUT SCP	4
2. LMS REQUIREMENTS AND TIMELINE	4
3. CCA RATE DESIGN PROCESS	5
ASSESSMENT OF TECHNICAL FEASIBILITY	6
ASSESSMENT OF MARGINAL COST-BASED RATE FEASIBILITY IN SCP SERVICE TERRITORY.....	6
4. COST-EFFECTIVENESS ASSESSMENT	8
5. CURRENT LOAD FLEXIBILITY PROGRAMS.....	11
5.1 EQUITY AND ACCESSIBILITY	13
5.2 EVENT-BASED DEMAND RESPONSE STRATEGY.....	14
5.3 MEASUREMENT AND VERIFICATION	14
5.4 YEAR ONE RESULTS (2022)	15
5.5 YEAR TWO RESULTS (2023)	16
5.6 EVENT PERFORMANCE RESULTS (2024-2025)	16
5.7 PROGRAM IMPACT & INVESTMENT	16
5.8 FUTURE YEARS AND STRATEGIC CONSIDERATIONS (2025-2029)	18
JUSTIFICATION FOR EXEMPTION FROM USE OF MIDAS SIGNALS.....	19
PLAN FOR FUTURE EVALUATION	19
6. SINGLE STATEWIDE TOOL DEVELOPMENT	20
7. CONCLUSION	20
APPENDIX A: SCP REWARDS – PARTICIPATION PATHWAYS & INCENTIVE STRUCTURES.....	21
APPENDIX B: SCP REWARDS – ENROLLMENT PATHWAYS, PERFORMANCE & REWARDS BY YEAR	22

Executive Summary

The goals of the California Energy Commission's (CEC) Load Management Standards (LMS) regulation are to 1) encourage the use of energy at off-peak hours; 2) promote load flexibility; 3) encourage the control of daily and seasonal peak loads to improve grid reliability; 4) lessen or delay the need for new electrical capacity; 5) reduce fossil fuel consumption and greenhouse gas emissions. To achieve these goals, the LMS regulation requires California's Load Serving Entities (LSEs), including Investor-Owned Utilities (IOUs), Publicly Owned Utilities (POUs), and Community Choice Aggregators (CCAs), to develop and propose rate structures that correlate to hourly marginal costs.

Recognizing the potential constraints of developing marginal cost-based rates, the regulation provides that if a CCA determines that proposing new such rates would not materially reduce peak load, the CCA may instead offer cost-effective load flexibility programs. These may include programs that allow customers to automatically respond to hourly or sub-hourly marginal cost-based rates, marginal prices, or greenhouse gas (GHG) signals from the CEC-maintained Market Informed Demand Automation Server (MIDAS) database. Specifically, CCAs may request delay or modify compliance with such requirements if they can show that despite good faith effort, the LMS requirements must be modified to provide a more technologically feasible, equitable, safe, or cost-effective way to achieve the goals of the LMS regulation.

Sonoma Clean Power (SCP) strongly supports the intent and goals of the LMS regulation and has been working towards parallel goals through its Integrated Resource Plan, where we are striving to match hourly demand with GHG-free resources from its power supply by 2030. SCP will continue to pursue additional methods to achieve these goals through its SCP Rewards (Rewards) demand-response program, while also evaluating new programs and pilots.

SCP's LMS plan includes evaluation of the specified marginal cost-based rate structures and programs as described in the LMS regulation with respect to cost-effectiveness, equity, technological feasibility, and benefits to the grid and customers. In this filing, SCP demonstrates achievement of the objectives of the LMS regulation with its existing time-dependent rates, and current and planned portfolio of load flexibility measures.

SCP's existing rate structures, coupled with current and planned load flexibility programs and pilots, already capture a substantial portion of the available load shift benefits sought in LMS regulations. A thorough evaluation by staff has determined

that implementing new and complex hourly marginal price-based rate structures by July 1, 2027 would not result in material or cost-effective reductions in peak load relative to SCP's existing time-dependent rates and programs.

SCP will continue to offer its current load flexibility programs and will reevaluate rate and program designs as they continue to be informed by the program operations and results. Accordingly, SCP will include any such findings in the next update of its LMS plan.

1. About SCP

Sonoma Clean Power is the community choice aggregator for Sonoma and Mendocino counties, excluding the cities of Ukiah and Healdsburg, which have existing municipal utilities. SCP serves a population of about a half-million, with energy demand split roughly in half between residential and non-residential customers. In downtown Santa Rosa, SCP operates the only Advanced Energy Center (renamed to SCP Customer Center) in the United States dedicated to helping customers transition to 100% renewable energy for their homes, businesses, and vehicles. SCP is also the only power provider in California offering 100% renewable energy generated within its service territory twenty-four hours per day, every day of the year.

2. LMS Requirements and Timeline

In 2022, the LMS were amended to augment statewide demand flexibility and support California's climate policies through the adoption of renewable energy generation technologies.¹ These revised standards are applicable to major entities such as large investor-owned utilities, large publicly owned utilities, and twelve large CCAs providing over 700GWh of electricity annually. SCP falls into this latter category.

The LMS regulation encompasses four distinct areas:

1. Ensuring the accuracy of existing and future time-varying rates in MIDAS, which is both publicly accessible and machine-readable.
2. Developing a standard rate information access tool to support third-party Demand Response and Load Management services.

¹ California Energy Commission. "Load Management Fact Sheet." Accessed February 2024. https://www.energy.ca.gov/sites/default/files/2022-10/Load_Management_Fact_Sheet_ADA.pdf

3. Creating and submitting location marginal price-based rates that change at least hourly to reflect marginal wholesale costs.
4. Integrating information about new time-varying rates and automation technologies into existing customer education and outreach programs.²

Section 1623.1(b)(2) of the regulation directs CCAs to seek approval from their Boards for at least one dynamic rate for each customer class in cases when its rate-approving body determines such rate will materially reduce peak load. The application must be submitted within two years of the regulation effective date, or by April 1, 2025. Approved rates would be implemented the following year, or by April 1, 2026, per section 1623.1(b)(4).

Section 1623.1(a)(1) first requires each CCA to evaluate, as part of its plan, the cost effectiveness, equity, technological feasibility, benefits to the grid, and benefits to customers, of dynamic rates for each customer class. After this evaluation, CCAs may instead propose and evaluate specified programs and/or delay or modify compliance with the LMS requirements.

LMS allows CCAs, with their governing board's approval, to either create their own rates and/or programs or to participate in already existing IOU rate and program offerings. The following sections of this document explain how SCP intends to meet the objectives stipulated by LMS.

3. CCA Rate Design Process

CCAs governing boards have jurisdictional responsibility over setting rates on behalf of their customers. Public Utilities Code Section 366.2(c)(3) provides that CCAs retain jurisdiction for setting rates for the electricity they purchase on behalf of their communities. This localized control empowers CCAs to develop energy programs, determine pricing structures, and prioritize renewable energy sources according to the preferences and goals of the communities they serve. SCP sets rates locally through a transparent process involving community stakeholders and board members representing each community served by SCP. Local rate-setting reflects the region's economy and geography and allows for input from customers and communities served.

² California Energy Commission. "Load Management Standards." Accessed February 2024. <https://www.energy.ca.gov/programs-and-topics/topics/load-flexibility/load-management-standards>

Assessment of Technical Feasibility

The development of a marginal rate is technologically feasible at this time. All LSEs maintain ability to access power costs, load profiles, and energy consumption data across all customer classes.

Part of this design process includes providing Rate Identification Numbers (RINs) into customer billing statements per Section 1623(c)(4). Currently, the large IOU whose territory a CCA exists in acts as the CCA's billing agent - in SCP's case, the billing agent is PG&E. SCP is actively working with both SMUD and PG&E to provide its RINs to customers in their billing statements.

Technology is currently available to customers so that they may take advantage of such rates. However, while it is clear the technology to implement a marginal rate exists, it remains unclear how this technology will be adopted, and at what speed. The pace of technology adoption will influence the cost-effectiveness and viability of any future marginal rates. For example, if too few customers decide to install customer side technology, this will have an immediate impact on scalability, thereby impacting the cost effectiveness associated with developing and administering a new rate structure.

Assessment of Marginal Cost-based Rate Feasibility in SCP Service Territory

SCP, like other CCAs, establishes generation rates for customers. SCP's customer base is shared with Pacific Gas & Electric (PG&E). Customers therefore pay PG&E's rates for transmission, distribution, public purpose programs, nuclear decommissioning, wildfire insurance, wildfire hardening, and other similar charges.

Section 1623.1(b)(2) states that a CCA's marginal cost-based rate can mirror that of the IOU serving the area in which the large CCA exists. At the time of this plan's submission, PG&E's dynamic rate program is undergoing early implementation and evaluation. Assuming that such rates are adopted for all customer classes, SCP will be able to assess whether it could adopt those same rates as is for its own customers, following a determination as to whether those rates would be proven as cost effective, equitable, technologically feasible, and beneficial to its own customers.

SCP works with the Sacramento Municipal Utilities District (SMUD) to provide back-office services, which includes rate design implementation and billing services. To develop its own marginal rate, SCP, through SMUD, would need to develop a real-time pricing index that obtains data from California Independent System Operator (CAISO) markets and integrate that data into SMUD's system. As determined through discussion with SMUD, uploading daily marginal rate pricing currently takes

approximately three days. And while this problem is likely to be streamlined over time, it remains a large roadblock to understanding how this will be implemented. PG&E provides hourly or sub-hourly usage data to SCP via SMUD, with a minimum delay of 48 hours after the usage occurs. This data is delivered through the Share My Data platform, which PG&E uses to transmit customer interval usage to SCP via SMUD. However, use of Share My Data to date has led SCP to conclude that regularly occurring system issues resulting in missing data for specific dates or customers paired with a cumbersome process to retrieve missing data currently renders the system unfit for SCP's specific use in Rewards.

Additionally, SCP's service area includes the City of Sebastopol, which previously enacted an ordinance rejecting SmartMeters. Although PG&E has begun installing SmartMeters in Sebastopol, many meters remain legacy devices. These older meters do not support interval data, meaning SCP cannot receive detailed usage information. Furthermore, some commercial customers are still on meters that do not transmit interval data electronically. Without a SmartMeter, neither PG&E nor SCP customers can participate in a demand response or a dynamic rate program.

To be cost effective, the new system's cost of development and continued monitoring when combined with customer benefit would need to be greater than the current program's ability to drive customer savings. Some of the identified costs for developing such a system include staff time, pilot program development, customer information system upgrades, new software and device rollout, and additional continued program administration. There are also intangible costs, such as customer satisfaction, which result from increasing billing complexity and exposing customers to greater rate fluctuation. Benefits would include avoided energy and capacity costs by creating more responsive customers; additional potential environmental benefits may be achieved by reducing demand through targeted price signals aligning with periods of low- or zero-carbon electricity generation.

Equity requires customer access to the benefits of adopting such a rate while reducing potential negative outcomes. While customers could see reduced rates if able to appropriately respond to marginal pricing signals, this benefit could easily shift to a burden if customers are unable to adjust usage in parallel with price fluctuations. SCP is particularly concerned with the potential impact exposure to hourly rates could have on customers who are unable to shift their load to meet pricing fluctuations. Such customers often tend to be smaller businesses or residential. It is also critical to note that residential customers comprise subsets of disadvantaged and/or vulnerable households, such as those utilizing the California Alternate Rates for Energy (CARE) program, Family Electric Rate Assistance program

(FERA), and/or Medical Baseline customers. These customer groups generally consume less electricity in total and are often less able to take advantage or capture a proportional share of benefit from more granular rate schedules designed to optimize bill savings through further, regular reductions in energy consumption.

4. Cost-effectiveness Assessment

In conducting a cost-effectiveness assessment for SCP Rewards, Sonoma Clean Power has consulted with SMUD to leverage transferrable values, assumptions and methodologies utilized in the cost-effectiveness analyses within SMUD's Revised LMS Compliance Plan.³

SMUD's analysis indicates that enabling a modest real-time pricing (RTP) pilot would require multi-million-dollar investments before any benefits could be realized. SMUD quantified one-time upfront costs of approximately \$17.7 million and ongoing annual costs of \$1.0 million to implement dynamic hourly/sub-hourly rates, covering system upgrades to billing and meter data management, bill presentment redesign, pricing tools and software licensing, customer education and marketing, data storage, and program management.⁴ This analysis by SMUD does not constitute the additional costs SCP will have to bear to have SMUD set up real time pricing for SCP as a CCA. All the upgrades SMUD is required to make for its municipal customers will need to be rebuilt for SCP under a new contract at significant costs to SCP ratepayers. This would, at a minimum, include new electronic data interface channels between PG&E and the CCA, custom designed system upgrades to billing, bill presentment, data storage, testing, and significant ongoing maintenance costs.

When these fixed costs are spread across SMUD's scenario with pilot enrollment of 3,000 customers, the per-enrollee implementation burden is approximately \$5,900 upfront and \$330/year ongoing. Under the 10,000-customer pilot, these costs remain substantial at roughly \$1,770 upfront and \$100/year ongoing per enrollee.⁵ The enrollment scenarios utilized in SMUD's analysis represent 0.5% and 1.6% participation, respectively. The same per-enrollee numbers in either SMUD scenario represent a proportionally higher participation rate in SCP's service area (approximately 1.3% and 4.2%, respectively) due to the significantly smaller number of meters in SCP's service area. SCP's analysis therefore utilizes a per-enrollee

³ Docket 23-LMS-01, SMUD Revised LMS Compliance Plan, submitted June 18, 2025

⁴ Ibid (Figure 31, p. 51; Figure 38, p. 59)

⁵ Ibid (Values derived from Figure 31, p. 51)

implementation cost in lieu of a percentage-based enrollment metric, thereby enabling a direct comparison between SMUD and SCP metrics.

SMUD's experience further indicates that the path from pilot inception to broad enrollment in complex rate designs typically spans about seven years, reflecting the scale of technology development, testing, customer tool creation, and education campaigns required for successful adoption.⁶ Importantly, even after accounting for modeled benefits, SMUD found that offering dynamic hourly pricing would result in net annualized losses of \$2.4-\$3.7 million, primarily due to high fixed implementation costs combined with realistic participation and incremental peak-reduction levels.⁷

Currently, SCP Rewards comprises 812 smart thermostats, 378 daily managed EVs and 184 event-based EV chargers, with some homes participating with more than a single technology type; final distinct meter counts include 1,226 enrollees across device types. This smaller number of participants requires a downscaled approach to ensure cost-effectiveness. To date, the annual per-enrollee cost to administer Rewards within its universe of automated devices comprises a base \$60 annual participation incentive in addition to \$30 in thermostat management fees, \$15 in API fees per smart thermostat, and, if applicable, \$36 per EV charger in API fees plus \$36 in EV charger management fees; this results in an annual per-enrollee totals ranging between \$105 - \$132. This is substantially below the per-enrollee cost burden identified by SMUD for a 3,000 device RTP pilot and between 5 - 32% more expensive than the 10,000 enrollee pilot, depending on customer technology choices; the high end (+32%) estimate is directly associated with participation in the SCP Rewards EV charging program, which manages load to optimize both grid and carbon emission reduction benefits.

SCP expects similar or higher per-customer costs given its smaller scale and the need to replicate analogous billing system integrations, customer-facing tools, and education programs. SCP anticipates significantly less natural scalability for demand response and load management programs deployed within its service area compared to SMUD, given SMUD's larger customer base (~674,500⁸ vs. SCP's ~236,000 customer accounts) and presence as a publicly owned utility without programmatic competition from an IOU. SCP is therefore advancing a multifaceted acceleration strategy designed to build upon and leverage existing Rewards

⁶ Ibid (Executive Summary, pp. 7-8; Rate Development pp. 16-18)

⁷ Ibid (Executive Summary, pp. 7-9; Section 4.4.2, pp. 49-60)

⁸ Sacramento Municipal Utility District. 2024 Annual Report, 5 Year Summary < https://www.smud.org/-/media/About-Us/Newsletters/Reports-and-Statements/2024-Annual-Report/2024AnnualReport_5YearSummary.ashx>

investments to scale program development within a lower density, but geographically extensive, service area.

With the California Energy Commission's recent award of \$4,995,640 to SCP from Group 1 of GFO-23-309, Virtual Power Plant Approaches for Demand Flexibility (VPP-FLEX), SCP aims to expand the automated load management components of Rewards by deploying more than 8,500 distributed energy resource integrations, including batteries, smart thermostats, and EV chargers; this target expects to enable a total load shift of 4 MW within the project period ending in 2029. Events will continue to be called during times of peak grid stress and correspondingly high wholesale prices and marginal emissions. Through continued investment and programmatic growth in the Rewards program resulting from VPP-FLEX, SCP aims to achieve a 20% cost recovery for newly deployed devices by the end of 2028; this is due to \$2 - \$3 million of SCP procurement cost avoidance achieved, measured against the \$6 million of CEC grant funds and SCP's provided match. This assessment does not yet include projected customer bill savings. Additionally, SCP aims to pursue further opportunities to increase cost-effectiveness of Rewards by pursuing ongoing internal operational improvements and potential integration with state programs and/or new tariffs.

SCP's existing Rewards program already delivers measured, pay-for-performance peak reductions at known incentive rates, without imposing system-wide billing complexity or exposing customers to hourly bill volatility. By extrapolating from SMUD's cost-effectiveness analysis, SCP concludes that switching to an RTP pilot would be a high-cost redirection of resources at this time that does not guarantee expanded load reduction benefits or savings to customers. SCP thereby echoes SMUD's conclusion that continued investment in proven load-flexibility pathways and rate structures currently aligns more closely with the LMS objectives of cost-effectiveness, equity, customer experience, and technological feasibility.⁹ Additionally, SCP concludes that the successful implementation of the VPP-FLEX grant program expansion provides holistic opportunities to accelerate adoption of smart devices and DER integrations, augment existing outreach, engagement and education efforts under a trusted and recognized program structure and proactively establish future pathways for advanced automation under future program scenarios.

⁹ Docket 23-LMS-01, SMUD Revised LMS Compliance Plan, submitted June 18, 2025 (See discussion of bill volatility and customer equity considerations in Section 4.4.3 and 4.4.5, pp. 66–79).

5. Current Load Flexibility Programs

SCP offers an evolving suite of load flexibility programs bundled within Rewards. This approach enables SCP to absorb the complexity of demand response program details and enables customers to save money while contributing to grid reliability, reducing GHG emissions, and decreasing energy consumption during peak demand hours.

Program Overview

Rewards is SCP's flagship event-based demand response program that was relaunched in 2022. Since its 2022 relaunch, SCP Rewards has grown to serve nearly 14,000 participants, representing approximately 6.8% of all SCP residential meters, with plans to expand to commercial customers in 2026-2027. SCP Rewards serves as a critical tool to demonstrate the collaborative impact that can be made when fleet participants are working collectively toward a common goal.

Rewards provides multiple participation options that include automated demand response using integrated and dispatchable smart thermostats and EV chargers, as well as a behavioral demand response option known as SCP Alerts. Of the nearly 14,000 participants, less than 0.5% are currently enrolled with dispatchable devices (e.g., EV chargers, smart thermostats); this limits large-scale adoption of MIDAS-signaled dynamic pricing mechanisms that relies on automated device dispatch. SCP Alerts allows customers to participate without the need for additional technologies by allowing customers to choose how they will reduce electricity use in their home when asked to do so in response to a peak demand event.

The goal of SCP Rewards is to use cumulative customer efforts to address grid reliability issues. These issues are caused by coincident peak demand that exceeds available generation resources or that incurs higher than typical costs due to congestion in the distribution system. In addition, the program aims to inform and educate participants about the importance of when electricity is used and empowers participants to make a difference using whatever method they choose to reduce use during peak demand conditions or to utilize smart technologies to allow SCP to adjust settings to support grid reliability.

Participant Benefits

SCP Rewards participants receive two primary benefits:

- **Financial Incentives:** Households earn performance-based participation awards at the end of each active event season (May through October). The SCP Rewards program offers residential customers \$2 per kilowatt for reduced usage, using CAISO's high 5 of 10 baselining methodology for each individual meter. Additionally, participants receive technology incentives that reduce out-of-pocket expenses for installing smart devices capable of receiving dispatch signals during periods of high grid demand.

- **Energy Education:** Through ongoing outreach, educational materials, and a customer portal that allows participants to monitor their results, enrolled households gain valuable insights into their energy use patterns. This feedback creates greater awareness of energy habits that can influence behavior for a lifetime and may prepare customers for future access to real-time pricing impacts on their usage habits.

Customers are notified of energy-saving events through SCP Alerts, or their devices are automatically managed through an established Distributed Energy Management System (DERMS). The incentive structure is designed to be pay-for-performance but is not yet graduated to match marginal costs. The current pay-for-performance structure aligns with the LMS vision and represents a major evolution from the flat reward commonly deployed in traditional demand response programs. Appendix A details the pathways and incentive structures for Rewards. Customer-facing program information can be found on SCP's website.¹⁰

5.1 Equity and Accessibility

The behavioral demand response program option, SCP Alerts, provides a means for participation available to customers across socio-economic classes and culturally diverse groups throughout SCP's service territory. The initial launch of Alerts in 2022 was offered to all income qualified customers enrolled in the CARE/FERA programs. To maximize the ability of this program to support grid needs, SCP also targeted the program to the top 10% of electricity users.

Unlike other offerings available, no upfront investment in technology is needed to participate, allowing customers to engage with the "best fit" program option and earn rewards for participation without upfront costs or penalty for non-participation. Participants are encouraged to decide on their own how they intend to reduce energy use during the event. SCP staff provide pragmatic advice on useful strategies to reduce use which include delaying laundry and dishwasher cycles, adjusting thermostat settings, and limiting plug loads during peak demand events.

Under the SCP Alerts program option, participants are notified via text, email, or voice call when a peak demand event is expected which expands participation to customers who may not use a mobile device or have access to the internet. Communication with customers in their preferred language and communication method is critical to building a program with the greatest access and engagement and that is equitable to all SCP customers. All materials are provided in both English

¹⁰ Sonoma Clean Power, Rewards web page: <https://sonomacleanpower.org/gridsavvy-rewards>

and Spanish. Participants can log on to a customer portal to review their performance from prior events.

5.2 Event-Based Demand Response Strategy

Load forecasts from the CAISO are compared to local load forecasts to prioritize event days and help determine when higher than expected demand is anticipated.

Specifically, SCP Rewards employs two dispatch strategies:

- **Event-Based Dispatch:** Activated in response to high electricity demand, supply constraints (e.g., wildfires, generator outages), or periods of high emissions. These events occur several times per month, typically between May and October.
- **Daily Resource Management:** Encourages energy use during periods of high renewable generation, particularly midday when solar energy is most abundant. This strategy aligns with Time-of-Use (TOU) rates to promote low-carbon charging and reduce peak load.

SCP leverages its DERMS to manage dispatch, utilizing CAISO peak load forecasts and locational marginal pricing to optimize curtailment. DERs are engaged via direct application programming interface (API) communication with manufacturers or through customer notifications via the DERMS platform.

The SCP Alerts program option also requires that any Energy Emergency Alerts (EEA) issued by the CAISO, commonly known as a “Flex Alert,” be included as an event to participants in the program. These events can include longer durations and can be issued on multiple days. SCP Alerts can ensure even greater awareness during these critical Flex Alerts to ensure that California can keep the lights on when load shifting is the last available tool to reduce grid stress.

Enrolled SCP customers are notified to limit the use of electricity during a specified event window, generally between 6-8pm during the months of May through October. Notifications for events are sent up to 24 hours prior to an event when possible.

5.3 Measurement and Verification

The SCP Alerts program option provides customers with the ability to participate without installing any technology behind the meter. The only requirement is that the customer has a PG&E installed SmartMeter.

The SmartMeter allows SCP to measure energy use during the event. In collaboration with Uplight, SCP evaluates historic interval data for all participating SCP customers and determines what use would be expected on a typical day. Qualified shed uses CAISO's high 5-of-10 baselining methodology which averages the highest five usage days from the previous 10 days (weekend or weekday dependent) to determine usage of a typical non-event day. The interval data from the scheduled event window is compared against the average to determine the usage reduction during the event.

Customers earn rewards of \$2/kWh of load shed, using a pay-for-performance methodology similar to the LMS intent, during an event to be paid out by check or bill credit at the end of the season or donated to a local community partner non-profit. Rewards deviates from other similar demand response program incentive structures that set an arbitrary monthly incentive, not dependent on actual measured performance; this structure closely aligns with the intended incentive framework of the LMS.

5.4 Year One Results (2022)

Initial program option outreach for SCP Alerts featured letters and postcards and offered a \$25 enrollment incentive provided via an e-gift card. Testing was conducted to identify what type of external messaging was most effective to encourage customers to open the envelope and engage with the program and reviewers concluded that there was no significant difference in the level of engagement based solely on the envelope design. Outreach materials were offered in English and Spanish. Enrollment was simplified to increase accessibility and was made available both as an online form and as a hard copy, mailed version for customers that wished to participate but lacked access to, or familiarity with, computer-based applications.

During the 2022 event season, approximately 2,000 people enrolled in SCP Alerts. Approximately 5% of participants requested communication in Spanish. The per event average load shed reached 500 kW (0.5 MW) and the season total reached 35,000 kWh of qualified shed. The average earned reward was \$38.00.

The 2022 event season included an unprecedented heat wave that spanned August 31st through September 9th. During this time, CAISO called daily Flex Alerts from 4-9pm and Alerts participants were notified directly that the grid was experiencing higher than expected demand and that help was needed to ensure power was not interrupted for any of California's electricity users.

In 2022, SCP Alerts stood as an example of what could be accomplished by similar programs once scaled. Although only a small part of a larger effort, programs such as

SCP Alerts offer critical learnings necessary to create a non-generation solution that reduces the chances of rolling blackouts or the firing of diesel generators to meet demand during critical grid conditions.

5.5 Year Two Results (2023)

To continue the success seen during the 2022 event season, SCP launched a 2023 season enrollment campaign. During this period, the SCP Alerts program option was promoted to all SCP customers who were not enrolled in a competing program or had already enrolled in the previous year.

The program grew to over 7,200 participants during the 2023 event season. While 2023 did not include events in response to CAISO issued Flex Alerts, participants successfully shed 3,000 kW (3.0 MW) during events that were forecasted to have higher than expected demand.

5.6 Event Performance Results (2024-2025)

The 2024 season demonstrated significant growth in both participation and performance, with individual events achieving peak reductions exceeding 4.5 MW. In 2025, the program achieved 4.7 MW of cumulative electricity reduction during an exceptionally mild cooling season and across various enrollment pathways, representing maintained progress toward grid reliability goals. Participation, program performance, and earned rewards details for all years are provided in Appendix B.¹¹

5.7 Program Impact & Investment

Since its 2022 relaunch, SCP Rewards has successfully built trust and engagement within the participant fleet. The program's achievements include:

- **Market Transformation:** Deploying over 5,000 smart EV chargers across SCP's service territory, supporting transportation electrification and California's load flexibility targets.
- **2025 Performance:** Achieving 4.7 MW of cumulative electricity reduction across various enrollment pathways.

To date, SCP's investment in a flexible DERMS, development of a webstore and customer portal, enrollment and equipment incentives, integration fees, and ongoing participation incentives ensures an ability to scale Rewards and add integrated and dispatchable devices and pathways to the program in coming years.

¹¹ As of December 2025, staff is completing final review of all SCP Rewards outcomes for the 2025 season.

This approach has been foundational to building a fleet capable of mitigating reliability issues and shaping SCP's load to match clean electricity supply, while generating valuable data on participant behavior and motivation.

Table 1. SCP Rewards All Hands Response Participation During Multiday Events

Event Date	Total Shed (kW)	Total Shift (kWh)	Event Duration (Hours)
8/15/2023	2579	5158	2
8/16/2023	2645	5290	2
7/2/2024	2665	5329	2
7/3/2024	2953	5905	2
9/3/2024	3198	6395	2
9/4/2024	4375	8751	2
9/5/2024	4773	4953	1
10/1/2024	2750	5499	2
10/2/2024	3094	6188	2

Table 1 provides a key insight into SCP Rewards’ customer engagement success over time; multiday Rewards events have yielded increased hourly load shed resulting in greater total load shift during subsequent days.¹² SCP believes the presence of this trend throughout the growth and expansion of the Rewards program validates its operational effectiveness and scalability. Increased participation on subsequent days of multiday demand response events serves as a critical indicator of participant engagement and trust in the SCP Rewards’ program. The trend itself highlights strong customer engagement and adaptability, as participants quickly learned how to respond and recognize the benefits and value of participation.

The 2023 and 2024 event seasons demonstrated that effective load shed can be implemented even outside of critical need. High participation rates during a temperate year in a coastal region of California further illustrate the role that Rewards plays in maintaining deployable load shed. SCP has identified that consistent program messaging provides a present and visible touchpoint useful in engaging with and educating customers on the importance of load flexibility; a recognizable program with visible touchpoints represents a key component of multimodal demand response. Under this model, customer awareness represents an indispensable lever to limit the worst outcomes when the grid is unable to meet the demands of Californians.

¹² As of December 2025, SCP Rewards event data for the 2025 season is still preliminary and under review; final values are expected in early 2026.

This result reflects the value of the existing Rewards communication strategy and incentives. Messaging to customers aims to emphasize that a response is simple and achievable, and that the value of resulting incentives is meaningful to customers. Further refinements to this messaging will continue to evolve with the program.

5.8 Future Years and Strategic Considerations (2025-2029)

The forward-facing strategy of Rewards aims to expand and develop this critical tool using the existing foundation and operational approach. The funding and technology deployment strategies enabled through the VPP-FLEX award aims to enroll an additional 7,500-8,500 automated devices within SCP's service area to significantly increase fleet size and load shifting potential within the region.

SCP's goal with Rewards is to drive greater customer engagement by understanding key messaging and technological impacts through a robust educational component and measuring performance data over the short-, medium-, and long-term. Using the participants' preferred communication methods and/or technologies of choice, SCP will continue to expand messaging and outreach. SCP's engagement strategy is designed to identify and understand the most effective approaches to customer engagement for the purpose of mobilizing load flexibility when the grid need is the greatest.

SCP believes that the multifaceted strategy underpinning Rewards enables the program to encourage human behavior and motivation that prompt real action, and that the resulting learnings may one day inform future deployments of real-time pricing models.

Concerns Regarding Platform Migration

Analysis and feasibility of adopting MIDAS signal integration with SCP's existing DERMS will be evaluated in future years. At this time, SCP maintains that a broad program redesign to adopt MIDAS real-time pricing dispatch automation would forfeit current program impacts and dispatch strategies. Migrating all participants to a different management tool due to limitations of SCP's current DERMS would be operationally disruptive and strategically counterproductive. Such a fundamental change would:

- Compromise the utility of SCP's existing DERMS, which is designed for the management and dispatch of multiple technologies and manufacturers, and hosts enrollment in both automatic demand response (ADR) and behavioral demand response (BDR) pathways without limitations on fleet size.

- Jeopardize the success of SCP's awarded VPP-FLEX grant, which aims to add over 7,500 dispatchable devices and increase fleet performance by 4 MW—effectively doubling the Rewards program's impact.
- Significantly hinder SCP's objective to expand load flexibility under a single DERMS platform, as stated under the VPP-FLEX performance plan.

With SCP's 2026 program performance target of 7 MW, a system overhaul at this stage would substantially impede progress toward that goal. The current infrastructure and operational framework have proven effective in building participant trust, achieving measurable load reductions, and supporting California's broader grid reliability objectives.

Justification for Exemption from Use of MIDAS Signals

In 2025, participation remains limited for smart devices due to multiple factors, including a lack of awareness and understanding, trust, and empowerment; each of these factors is especially notable among renters. As of July 2025, Rewards maintains a fleet of 812 smart thermostats, 378 daily managed EVs, and 184 EVs participating regularly in event-based demand response. Due to the small number of integrated automated devices, SCP is unable to cost effectively leverage MIDAS. However, SCP maintains a plan to reassess when enrollment reaches scale.

SCP will reevaluate cost effectiveness when integrated devices reach 5% of residential meters (approximately 10,000 devices) and reliable program load shift capacity reaches 10MW during a single peak demand event. Adapting the program to align with LMS at this time would require a complete redesign of the current DERMS platform hosted by Uplight, which is not feasible given current constraints. Instead, SCP intends to incorporate LMS requirements into negotiations with future DERMS vendors, ensuring that transition capabilities are built into new platforms from the outset. This approach will significantly reduce the overhead costs associated with future program transitions.

Plan for Future Evaluation

As previously discussed, SCP applied for and was awarded \$4,995,640 in grant funding from the Electric Program Investment Charge VPP-FLEX solicitation to address participation barriers identified through implementing Rewards in prior years. SCP's approved project focuses on expanding automated smart devices in Rewards in low-income and disadvantaged communities. Rewards will remain an active and growing program through the grant which ends March 2029. The results from the VPP-FLEX grant and Rewards at large will be detailed in on-going

deliverables to the CEC including the final report due October 2028 and will likely increase participation to reach the defined threshold to reexamine cost effectiveness of utilizing MIDAS under a future program iteration as described previously.

6. Single Statewide Tool Development

Sonoma Clean Power has been working with the other regulated LSEs on creating the statewide RIN tool pursuant to 20 CCR Section 1623(c). A proposed plan for the tool was submitted to the CEC for review on October 1, 2024. We will continue to work with the other LSEs and the CEC to implement and maintain the statewide RIN tool in a timely manner subject to the tool's approval by the Commission.

7. Conclusion

SCP strongly supports the goals of the CEC's revised Load Management Standards. With the direction of SCP's board, staff will continue to offer programs that meet the aims of LMS while monitoring their impact. In addition to supporting the aim of the program, SCP applauds CEC staff for proactively carving out various avenues by which LSEs can contribute to LMS goals. Providing LSEs with the opportunity to develop cost-effective programs in addition to narrowly requiring real time rates will support continued innovation in these programs.

Appendix A: SCP Rewards - Participation Pathways & Incentive Structures

Sonoma Clean Power Rewards					
Goal: 9 MW by March 2029 (reliable load shed)					
Daily Managed - Residential only		Peak Demand Event-Based Demand Response - Residential and Commercial			
Automated Management		Behavioral Demand Response (BDR)	Automated Demand Response (ADR)		
Telematics	EV Chargers	Installed Smart Meter (AMI)	Smart Thermostats	EV Chargers	
Continuous optimization based on grid conditions and price signals		Voluntary load shed based on peak demand signaled requests	Automatic load shift/shed based on direct signals sent to integrated equipment		
Bring Your Own Device or EV		N/A	Bring Your Own Device	Purchase in SCP Rewards Marketplace	Bring Your Own Device
\$100 Enrollment Incentive		\$25 Enrollment Incentive	\$200 Enrollment Incentive	\$100 Point-of-Sale/ \$100 Enrollment Incentive	\$100 Enrollment Incentive
\$5/month for 1 or more smart charging sessions \$5/month bonus for 3 or more daytime charging sessions	\$5/month for 1 or more smart charging sessions \$5/month bonus for 3 or more daytime charging sessions	\$2/kWh Annual Performance Incentive (measured using CAISO approved high 5 of 10 baselining methodology)	\$5/month Participation Incentive (maximum 1 per account)	\$5/month Participation Incentive (maximum 1 per account)	\$5/month Participation Incentive (maximum 1 per account)

Appendix B: SCP Rewards - Enrollment Pathways, Performance & Rewards by Year

Program Year	2022	2023	2024	2025 ¹³
ENROLLMENT BY PATHWAY				
Behavioral Demand Response (BDR)	2,009	7,669	12,529	15,043
Smart Thermostats (ST)	0	353	533	812
EV Charging (EVSE)	0	1,363	1,446	562 ¹⁴
Unenrolled (BDR, ST, EVSE)	82	384	663	1997
Total Active Participants (end of active year)	1,927	9,001	13,845	14,420
PROGRAM PERFORMANCE				
Total Seasonal Cumulative Load Reduction (MW)	9	28	59	54
Maximum Event Load Reduction (MW)	0.7	3.3	4.7	4.8
Average All-Hands Load Reduction Per Event (MW)	0.55	2.6	3.4	4.1
Average Device-Only Load Reduction Per Event (MW)	N/A	0.33	0.27	0.33
Number of All-Hands Events	17	10	16	12
ANNUAL CUSTOMER REWARDS				
Equipment/Enrollment Incentives	\$ 83,778.00	\$ 302,331.00	\$ 148,007.00	Pending
Performance Payouts	\$ 72,141.00	\$ 149,300.00	\$ 244,168.00	Pending
Total Incentives Distributed	\$ 155,919.00	\$ 451,631.00	\$ 392,175.00	Pending

¹³ As of December 2025, SCP Rewards event data for the 2025 season is still preliminary and under review; final values are expected in early 2026.

¹⁴ In January 2025, 1,134 manufacturer-enrolled EV charging devices were removed from the program due to the Enel X bankruptcy, which eliminated dispatch capability for affected devices.