DOCKETED	
Docket Number:	26-OIR-01
Project Title:	Rulemaking to Improve Implementation and Expand Participation Under the Load Management Standards
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Document Title:	Order Instituting Rulemaking Proceeding
Description:	Order No: 26-0408-06
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CALIFORNIA ENERGY COMMISSION

In the Matter of Order Instituting Rulemaking to Improve Implementation and Expand Participation Under the Load Management Standards (Docket No. 26-OIR-01)

ORDER Instituting Rulemaking to Improve Implementation and Expand Participation Under the Load Management Standards

ORDER NO: 26-0408-06

I. PURPOSE

In 2022, the State Energy Resources Conservation and Development Commission ("California Energy Commission" or "CEC") amended the Load Management Standards ("LMS", Title 20, California Code of Regulations ("CCR", section 1620, et seq.)) to increase statewide demand flexibility in support of California's goal of achieving a carbon-free electricity grid.

While the 2022 LMS regulatory update established a foundation enabling access to load flexibility across California, implementation experience and stakeholder engagement have identified opportunities to improve effective implementation and expand participation among ratepayers and third-party service providers.

The CEC institutes this proceeding pursuant to Public Resources Code sections 25210, 25213, 25216, 25216.5(c)-(d), 25218(d)-(e), 25224, 25402(a)-(b), 25402(c), 25403, and 25403.5, and Title 20, CCR, sections 1220 - 1225.

II. AUTHORITY

This action is proposed under the authority of Public Resources Code section 25403.5, which directs the CEC as follows:

> (a) The commission shall … adopt standards by regulation for a program of electrical load management for each utility service area. In adopting the standards, the commission shall consider, but need not be limited to, the following load management techniques:
>
> 1. Adjustments in rate structure to encourage use of electrical energy at off-peak hours or to encourage control of daily electrical load. Compliance with those adjustments in rate structure shall be subject to the approval of the Public Utilities Commission in a proceeding to change rates or service.

2. End use storage systems which store energy during off-peak periods for use during peak periods.

3. Mechanical and automatic devices and systems for the control of daily and seasonal peak loads.

Through the Public Resources Code, the Legislature has also given the CEC the authority to:

- set energy standards for buildings (sections 25402(a)-(b), 25402.1 - 25402.5);
- establish and enforce efficiency and demand flexibility standards for new appliances (sections 25402(c), 25402(f));
- recommend consideration by the California Public Utilities Commission (CPUC) and publicly-owned electric utilities of rates and other price-related practices (sections 25216.5(c), 25403, and 25403.5); and
- fund a wide variety of energy efficiency and research & development programs (e.g., sections 25410-25449.4, 25601-25602, 25620-25620.9, 25630-25650); and
- hold any hearings and conduct any investigations necessary to carry out the Warren-Alquist State Energy Resources Conservation and Development Act (section 25210); and
- adopt rules and regulations as needed to carry out the Warren-Alquist State Energy Resources Conservation and Development Act (sections 25213 and 25218(e)).

III. SCOPE OF THIS PROCEEDING

The CEC hereby institutes a rulemaking proceeding to consider amendments to the LMS regulations authorized under Public Resources Code Section 25403.5. This rulemaking will consider amending the existing load management standards. Including such possibilities as:

1. creation of a data repository or data sharing infrastructure,

2. standardizing data formats and communication protocols,

3. amending or replacing the single statewide standard tool requirement in 20 CCR section 1623(c), and

4. removing obsolete LMS regulations.

The CEC has considered the application of the California Environmental Quality Act (CEQA) to the proposed Order Instituting Rulemaking and concluded that adoption of this Order is not a “project” under Public Resources Code Section 21065 because it initiates a regulatory proceeding and does not approve a specific project. In the alternative, the action is exempt pursuant to CEQA Guidelines Sections 15307, 15308, and 15061(b)(3).

IV. PUBLIC PARTICIPATION

The CEC encourages public participation in this proceeding. Any person present at any workshop or hearing will have a reasonable opportunity to make oral comments on the subject matter. Petitions to intervene are not necessary. At this time, no specific dates have been established for Requests For Information (RFI), workshops or public hearings associated with this rulemaking. Staff anticipate convening an initial workshop in 2026 to present preliminary information and receive stakeholder input. Additional workshops, RFIs, or hearings may be scheduled, as necessary, to collect further data, solicit comments, and support the development of the rulemaking record.

The executive director, in conjunction with the public adviser, will ensure that this order and any notices of hearings and workshops are distributed to all interested persons and that drafts of the regulations are made available sufficiently in advance of workshops, interim hearings, and final adoption by the CEC to allow timely participation. When new information is posted in this proceeding, an email will be sent to those on the Flexible Demand Appliances and Load Management and Demand Response subscription list. To receive these notices, sign up for subscriptions and manage existing subscriptions at https://www.energy.ca.gov/subscriptions.

For additional information please contact the CEC Public Advisor at (800) 822-6228 or via e-mail at publicadvisor@energy.ca.gov.

V. APPROVED AND ADOPTED this 8th day of April 2026, by the following vote:

AYE: Gunda, McAllister, Gallardo, Skinner
NAY: NONE
ABSENT: Hochschild
ABSTAIN: NONE

CERTIFICATION

The undersigned Secretariat to the CEC does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly approved and adopted by the affirmative vote of the CEC at a meeting held on April 8, 2026.



Kim Todd
Secretariat