

**Comments of the Southern California Edison Company, San Diego Gas & Electric Company, and Pacific Gas and Electric Company (together Joint IOUs or IOUs) on the California Energy Commission's Committee Draft Report on Proposed Load Management Standards, including Chairman Pfannenstiel's Revisions**

The Joint Investor Owned Utilities (IOUs) would like to recognize the significant work accomplished by the California Energy Commission (CEC's) Energy Efficiency Committee towards the development of the CEC's Efficiency Committee Draft Report on Proposed Load Management Standards<sup>1</sup> (Draft Report) in this proceeding. The CEC's efforts working with the California Public Utilities Commission, investor-owned utilities, publicly-owned utilities, technology representatives and other parties in the development of load management standards for the State of California provides a constructive framework to move state policy forward.

In addition, Chairman Pfannenstiel's proposed revisions<sup>2</sup> provide significant improvements to LMS-1, LMS-2, and LMS-6 of the Draft Report. Chairman Pfannenstiel's workshop comments on her alternatives explained her goal of modifying certain LMS drafts to recognize the rate-making jurisdiction of other agencies, such as the CPUC.<sup>3</sup> The IOUs agree with the Chairman, and recommend replacing the original language in LMS-1, LMS-2, and LMS-6, with Chairman Pfannenstiel's revisions. Those revisions will be the draft standards on which the IOUs make their specific comments.

With that clarification, the IOUs provide their comments to LMS 1, 2, 4, 5, 6 and 7, (see our specific comments in the appendix to this narrative). The IOUs already are undertaking the vast majority of these activities under CPUC-approved programs. The IOUs also have edited the standards and have provided language to allow the standards to be consistent in their application of the provisions for IOUs, clarify roles, responsibilities, and corrections as needed. We note that LMS-6 is incomplete and reserve full comment until the Appendix that contains the PCD Reference Design is made available. We also reject LMS-3 at this time, for the reasons note below.

Specifically, with regards to LMS-3, the IOUs understand the CEC's interest in providing customers timely information about utility costs, prices, emergency or other system conditions upon which they can act to be demand-responsive. There are many means of providing such information including those already approved by the CPUC. IOU rates and how they are implemented are subject to CPUC jurisdiction and the IOUs are concerned that the CEC is overlapping with the CPUC in this area. In sum, the IOUs are concerned that the CEC may have not fully considered all options and implications for this standard, and respectfully wish to make the following recommendations to the Committee today.

1) The IOUs and other parties have been working with the technology industry on an appropriate open communications standard for future demand response systems and enabling technologies, in collaboration with OpenHan. We are well down the path of

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<sup>1</sup> <http://www.energy.ca.gov/2008publications/CEC-400-2008-027/CEC-400-2008-027-CTD.PDF>

<sup>2</sup> [http://www.energy.ca.gov/load\\_management/documents/2008-12-10\\_workshop/2008-12-10\\_pfannenstiel\\_LMS\\_Revisions.PDF](http://www.energy.ca.gov/load_management/documents/2008-12-10_workshop/2008-12-10_pfannenstiel_LMS_Revisions.PDF)

<sup>3</sup> The CPUC has jurisdiction to establish the terms and conditions of service by the IOUs, including retail rates and programs such as energy efficiency.

developing standards that have been identified as provisions in LMS-3. The IOUs believe that the "Open" committees are the best approach for these standards, rather than specific technology standards. We believe that LMS-3 in its present form is both restrictive and redundant to the current open standards proceedings in OpenHAN and should not be adopted.

2) The CEC must avoid mandating or giving preference to specific technology platforms, such as the communication media upon which LMS-3 is currently based (e.g. RDS and broadband). This approach introduces serious questions about the potential for impeding a competitive open market. The CEC should avoid defining specific system specifications, and should allow for market optionality based on existing open protocols.

3) The OpenHAN protocol (SmartEnergy Profile) is more appropriate for the mass market classes, and should not be disadvantaged by CEC actions in its LMS-3 nor supplemented by a parallel system where OpenHAN is available. Recent IOU activities, including the advancements in OpenHAN protocol development may have been overlooked by the CEC. We question the need for an additional and redundant communication standard that has yet to demonstrate its efficacy and cost effectiveness.

In summary, the IOUs find that the LMS-3 standard is not acceptable, and there are fundamental issues that cannot be resolved by our comments. The IOUs agree with Commissioner Rosenfeld's comments about the need to convene workshop participants with subject matter expertise in this area to address the standards and technology issues raised by LMS 3, and to modify the draft LMS 3, as appropriate. We recommend that we address our concerns and provide our recommendations more fully at that workshop at the earliest convenience.

## Appendix A

### Specific Joint IOU Edits and Comments to the California Energy Commission Energy Efficiency Committee Proposed Load Management Standards

#### LMS-1 through LMS-7

(Edits and Comments in red font  
and strikethrough font)

## **LMS-1. Advanced Metering Infrastructure (AMI) Schedule**

**Note: The Joint IOUs adopt and support Chairman Pfannenstiel's alternate language below as a replacement for the original language of LMS-1, with the following changes.**

**Purpose:** To promote the transition to advanced meters where the adoption of advance metering infrastructure is cost-justified.

**Applicability:** The provisions of this standard will apply to all California utilities unless [1] they have already met the provisions through complying with the requirements of the California Public Utilities Commission (CPUC) or their local governing boards or [2] they are specifically exempted by the Energy Commission's Executive Director.

### **Provisions:**

[1] Each utility shall prepare and submit to the Energy Commission's Executive Director a business plan regarding the adoption of AMI. The plan shall describe and estimate the costs and benefits of adopting AMI for all customer classes, including the potential impacts of demand response. The plan shall include an implementation schedule.

[2] If the business plan concludes that AMI is either not feasible or not cost-effective, the Energy Commission will undertake a workshop to assess the consistency of the underlying data with information used in the approved business plans of other utilities. If, after due consideration of the data, the Energy Commission concurs that the AMI is either not feasible or not cost-effective, the utility will prepare an updated business plan in 2 years.

[3] If the Energy Commission concludes that the adoption of AMI by the utility is both feasible and cost-effective, the Executive Director will so report to that utility's governing board.

[4] The capabilities of the AMI System being considered for adoption must meet minimum capabilities to:

- a. Support a wide range of price responsive rates;
- b. Support system application that promote energy efficiency, improve operating performance, reduce theft, and enhance forecasting.

**Effective Date:** Compliance with this article shall be enforceable 6 months after the Load Management Standards are filed with the Secretary of State.

### **IOU Comment:**

The Joint IOUs support Commissioner Pfannenstiel's alternate language for LMS 1 as indicated above. In accordance with exemption [1] in the Applicability of LMS-1, the Joint IOUs stipulate that they currently meet the requirements of the CPUC and are exempt from all provisions of this standard. Any denial of this exemption based on CPUC compliance exceeds the CEC's authority.

## LMS-2. Dynamic Electricity Rates

**Note:** The Joint IOUs adopt and support Chairman Pfannenstiel's alternate language below as a replacement for the original language of LMS-2, with the following changes.

**Purpose:** To promote rate designs that support the state's objectives of providing cost-based price signals to all consumers to reduce peak electricity consumption, improve system load factor, manage load during supply shortfalls, efficiently allocate costs among consumers, encourage energy efficiency, and reduce costs.

**Applicability:** ~~This~~ The provisions of this standard will apply to all utilities in California that have AMI capability unless [1] they have already met the provisions through complying with the requirements of the California Public Utilities Commission (CPUC) or their local governing boards or [2] they are specifically exempted by the Energy Commission's Executive Director.

### Provisions:

[1] All utilities must offer a menu of time-differentiated rates to all customers who have advanced meters. The rate offerings must include time-of-use rates, critical peak pricing rates, and real time pricing rates.

[2] The California Public Utilities Commission or the local governing boards, as appropriate, will authorize, for each customer class, the applicable price level for these rate forms.

[3] Utilities will provide extensive education and promotional material, including print and electronic information, to assist the customers in deciding (a) whether or not to elect a time-differentiated rate, (b) which rate would be most appropriate, and (c) how to best take advantage of the rate selected. ~~The Energy Commission and the Public Utilities Commission must approve the investor-owned utilities' level of effort in this regard.~~

[4] For all customers of POUs ~~and non-residential customers of IOUs,~~ at least each customer class.

~~[5] Once the constraints of AB1X are removed, dynamic rates will be implemented for the residential customers of the IOUs according to the CPUC implementation schedule as set forth in Decision 08-07-045~~

**Effective Date:** Compliance with this article shall be enforceable 6 months after the Load Management Standards are filed with the Secretary of State.

### IOU Comment:

The Joint IOUs support Commissioner Pfannenstiel's alternate language for LMS 2 as indicated above, and provide edits as indicated in red and strikethrough font.

As edited, in accordance with exemption [1] in the Applicability of LMS-2, the Joint IOUs stipulate that they currently meet the requirements of the CPUC and are exempt from all Provisions of this standard. Any denial of this exemption based on CPUC compliance exceeds the CEC's authority.

The IOUs also disagree with the statement in the CEC Draft Report on Proposed Load Management Standards that "...there is no evidence to suggest that PTR provides a transition to dynamic pricing". (p. 42) Evidence was presented in CPUC proceedings that show that PTR provides demand response

impacts comparable to CPP<sup>4</sup>. Although PTR is not a substitute for dynamic pricing, PTR will provide a bridge that will build residential customer awareness of the time attribute of electric supply and demand.

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<sup>4</sup> (SDG&E AMI testimony, A.05-03-015, Chapter 6, "Demand Response Benefits: July 14, 2006 Amendment", pp. SG-17 to SG-22 and SCE Rebuttal Testimony Supporting Edison SmartConnect™ Deployment Funding and Cost Recovery: Demand Response, pp. 8-11)

### **LMS-3. Statewide Time-Differentiated Rate Broadcast**

**Note: The Joint IOUs reject LMS-3 and reserve comment at this time until a working group can be convened to address our issues – no changes have been made to the original language at this time but the IOUs reserve the right to provide recommendations at a future workshop**

**Purpose:** To establish a standard method for transmitting current rate and reliability information to customers.

**Applicability:** This article will apply to all utilities in California.

**Effective Date:**

Compliance with this article shall be enforceable upon the first day of availability of time-differentiated rates (or any other form of dynamic rate) to utility customers, and six months after the Load Management Standards are approved by the Secretary of State.

Each utility shall adopt an open protocol, Internet compatible, information model (Information Model) for communicating all time differentiated rate and demand response event signals. This Information Model shall be based on the Open AutoDR (*date & version*) standard developed by the Lawrence Berkeley Laboratory Demand Response Research Center, and shall be submitted to the Executive Director for approval. This Information Model shall be incorporated as a required feature in all time differentiated tariffs and in the rules and governance for all demand response options.

The utility shall keep its published rate information current and refreshed as often as necessary to provide customers with the ability to react in a timely manner to changes in rate and reliability status.

All utilities shall provide two modes of access to this published information, without additional charges:

1. Through an RDS (a.k.a., RBDS) broadcast signal from an OpenADR client residing at utility-approved radio stations.
2. Through direct access as an OpenADR client via the Internet.

Each utility may provide additional modes of access to the published information via other means using any non proprietary communication protocol, and may charge for such additional services. Providing additional modes of access shall not relieve the utility of the obligation to provide information via RDS and Internet as specified above.

**IOU Comment:**

**The IOUs reject LMS-3, as discussed in the opening comments accompanying this appendix.**

#### **LMS-4. Home Energy Rating System Information**

**Purpose:** To require utilities to provide their customers with information about the Home Energy Rating System, designed to promote the use of in home energy audits and subsequent cost effective energy efficiency improvements.

**Applicability:** ~~This article~~ The provisions of this standard will apply to all utilities in California unless [1] they have already met the provisions through complying with the requirements of the California Public Utilities Commission (CPUC) or their local governing boards or [2] they are specifically exempted by the Energy Commission's Executive Director.

**Effective Date:** Compliance with this ~~article~~ standard shall be enforceable 30 days after both these Load Management Standard and Home Energy Rating System standards are filed with the Secretary of State.

#### **Provisions:**

Each utility shall provide the following information to its customers:

1. How to contact Home Energy Rating System providers.
2. The type of energy use information available through in - home audits.
3. How to calculate the benefits of energy improvements.
4. Costs and financial assistance for audits.
5. Availability of financing options for home energy improvements.

#### **IOU Comment:**

The IOUs extensive CPUC-approved energy efficiency programs already serve the goals reflected in this LMS. As edited, in accordance with exemption [1] in the Applicability of LMS-4, the Joint IOUs so note that they currently meet the requirements of the CPUC and are exempt from all Provisions of this standard. Any denial of this exemption based on CPUC compliance exceeds the CEC's authority.



## **LMS-5. Existing Building Peak Energy Efficiency Improvements**

**Purpose:** To require utilities to develop and expand programs that encourage cost effective energy efficiency improvements in existing building stock within their service territory.

**Applicability:** ~~This article would apply to all utilities in California.~~ The provisions of this standard will apply to all utilities in California unless [1] they have already met the provisions through complying with the requirements of the California Public Utilities Commission (CPUC) or their local governing boards or [2] they are specifically exempted by the Energy Commission's Executive Director.

**Effective Date:** Compliance with this article shall be enforceable 30 days after the Load Management Standards are filed with the Secretary of State.

Within six months of the effective date of these standards, each utility shall submit to the Executive Director a proposal for a Building Efficiency Information Gateway program.

### **Provisions:**

The program shall:

1. Target buildings with the greatest potential for energy savings.
2. Compile energy use data to identify those customers meeting specific targeting criteria.
3. Provide feedback on customer energy use through utility websites.
4. Provide online building energy audit information in a multi level format that allows customers to explore their energy use patterns, options for saving energy, and comparisons to other customers. Additional levels of energy audits (for example, over the phone, in person) should be provided to targeted and/or interested customers.
5. Coordinate energy ratings with utility incentives programs.
6. Connect customers with energy efficiency upgrade financing programs administered by the utility or other institutions.
7. Provide customers with energy efficiency program marketing materials through bill stuffers, media campaigns, or other proven means.

### **IOU Comment:**

The IOUs extensive CPUC-approved energy efficiency programs already serve the goals reflected in this LMS. As edited, in accordance with exemption [1] in the Applicability of LMS-5, the Joint IOUs so note that they currently meet the requirements of the CPUC and are exempt from all Provisions of this standard. Any denial of this exemption based on CPUC compliance exceeds the CEC's authority.

## **LMS-6. Enabling Technology Adoption Program**

**Note:** The Joint IOUs adopt and support Chairman Pfannenstiel's alternate language below as a replacement for the original language of LMS-6, with the following changes.

**Purpose:** To provide customers who have elected to participate in a utility rate or demand response program with adequate information about the availability of technology that will facilitate responses.

**Applicability:** ~~This standard will apply to all utilities that have installed AMI or offer demand response programs.~~ The provisions of this standard will apply to all utilities in California unless [1] they have already met the provisions through complying with the requirements of the California Public Utilities Commission (CPUC) or their local governing boards or [2] they are specifically exempted by the Energy Commission's Executive Director.

### **Provisions:**

[1] Utilities that offer time-differentiated rate or demand response programs must provide customers with easy to understand information about available technologies that will facilitate their response.

[2] The technologies may take any form, such as programmable communicating thermostats, pool pump controls, appliance controls, whole-home automation systems, and will be readily available from retail sources. The PCD's shall follow the Reference Design summarized and cited in an appendix to this Standard.

[3] Utilities may choose to provide financial incentives for customers to take advantage of appropriate technologies.

[4] As the availability of relevant technologies is expected to increase significantly following installation of AMI and adoption of time differentiated rates, the utilities must make a good faith effort to update their information offerings and to maintain, on their websites, current listings of the available technologies

**Effective Date:** Compliance with this standard will be enforceable six months after the Load Management Standards are filed with the Secretary of State.

### **IOU Comment:**

The Joint IOUs support Commissioner Pfannenstiel's alternate language for LMS 6 as indicated above. As edited, in accordance with exemption [1] in the Applicability of LMS-6, the Joint IOUs so note that they currently meet the requirements of the CPUC and are exempt from all Provisions of this standard. Any denial of this exemption based on CPUC compliance exceeds the CEC's authority.

The Joint IOUs also note that the appendix containing the PCD Reference Design Standard has not been released, and the IOUs reserve the right to provide additional comments once they have reviewed the standard.

## **LMS-7. Customer Access to Meter Data**

**Purpose:** ~~To establish the legal standing customer access for of customers regarding meter data collected by utilities about including electrical use and billing information.~~

**Applicability:** ~~This article will apply to all utilities in California.~~ The provisions of this standard will apply to all utilities in California unless [1] they have already met the provisions through complying with the requirements of the California Public Utilities Commission (CPUC) or their local governing boards or [2] they are specifically exempted by the Energy Commission's Executive Director.

**Effective Date:** Compliance with this article shall be enforceable 30 days after the Load Management Standards are filed with the Secretary of State.

### **Provisions:**

Utilities shall conduct customer research to develop forms of information display and analytical tools that effectively communicate time - varying rates to customers and allow them to formulate load shedding strategies.

Each utility shall provide each customer (and their designated third party representatives) with access to the customer's historical consumption data over the previous 12 calendar months. This shall include data up to and including the hour 24 hours prior to the request. Data shall be provided without additional charges.

Data shall be made available via a secure internet accessible web site.

The data shall be provided in a format that supports customer education and understanding of energy consumption patterns, the variable cost of energy, efficiency opportunities, and demand response programs.

Physical (paper) copies of consumption data shall be available to the customer and their designated third party representatives for a reasonable fee. The fee shall be no larger than necessary to cover the cost of handling and shipping the physical document.

Utilities shall not deny access to real time or near real time information to customers who pay the utility fee for access.

Utilities shall provide prompt service to those customers who desire access to real time or near real time information.

For services requiring the scheduling of a site visit by utility service personnel, 30 calendar days from the date of request to completion of service is considered prompt.

For services that do not require the scheduling of a site visit by utility service personnel, seven calendar days from the date of request to completion of service is considered prompt.

Consumers retain ownership of the access rights to any and all data collected by utilities. Specifically, the utilities must obtain permission from the customer before releasing data relating to that customer to any party outside of the utility.

**IOU Comment:**

The IOUs CPUC-approved metering and billing programs already serve the goals reflected in this LMS. The IOUs also note that they are already subject to CPUC rules which require prior customer consent for release of data to third parties.

As edited, in accordance with exemption [1] in the Applicability of LMS-7, the Joint IOUs so note that they currently meet the requirements of the CPUC and are exempt from all Provisions of this standard. Any denial of this exemption based on CPUC compliance exceeds the CEC's authority.

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