DOCKETED

Docket Number:	21-OIR-03
Project Title:	2022 Load Management Rulemaking
TN #:	241385
Document Title:	Center for Sustainable Energy Comments on Load Management Standards
Description:	N/A
Filer:	System
Organization:	Center for Sustainable Energy
Submitter Role:	Public
Submission Date:	2/2/2022 5:01:34 PM
Docketed Date:	2/2/2022

Comment Received From: Center for Sustainable Energy
Submitted On: 2/2/2022
Docket Number: 21-OIR-03

Center for Sustainable Energy Comments on Load Management Standards

Additional submitted attachment is included below.

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February 2, 2022

California Energy Commission
Docket Unit, MS-4
Re: Docket 21-OIR-03
715 P Street
Sacramento, CA 95814-5512

Re: Docket No. 21-OIR-03 – Comments of Center for Sustainable Energy® regarding the Proposed Amendments to the Load Management Standards

I. INTRODUCTION

Center for Sustainable Energy® (CSE) appreciates the opportunity to comment on the Proposed Amendments to the Load Management Standards. CSE is a 25-year-old national nonprofit driven by one simple mission – decarbonize. We provide program administration, technical assistance, and policy advisement, and serve as a trusted and objective resource helping government agencies implement successful sustainable energy programs. Through our commitment to supporting the State's clean transportation and energy goals, we understand the increasing importance of load management strategies as California moves towards a carbon-free economy.

CSE applauds the California Energy Commission's (Energy Commission) efforts in developing a foundation for a customer-centric load management system through automation tools coupled with price and greenhouse gas (GHG) emissions signals. We were pleased to provide comments on the Draft Staff Report, which helped inform the proposed amendments to Load Management Standards (LMS) regulations, and reiterate our support here.[1] Specifically, we are pleased with the Energy Commission's inclusion of the Self-Generation Incentive Program (SGIP) marginal GHG emissions signal within the Market Informed Demand Automation Server (MIDAS), the emphasis on customer education and outreach programs, and continued consideration of equity as the LMS standards are implemented. In addition to our general support and previous recommendations, CSE offers the following input for the Energy Commission's consideration.

II. CONSIDER ADDITIONAL TOOLS TO EASE IMPLEMENTATION OF DYNAMIC RATES

CSE appreciates the significant steps taken by the Energy Commission through the proposed amendments to the LMS regulations to promote load management practices that will benefit the grid and customers while reducing GHG emissions. Pairing the future rollout of locational marginal pricing signals with the Energy Commission's MIDAS, a standard method for providing automation server

[1] *Center for Sustainable Energy Comments on Draft Staff Analysis of Potential Amendments to the Load Management Standards*, April 23, 2021, available at https://efiling.energy.ca.gov/GetDocument.aspx?tn=237527&DocumentContentId=70733

providers with access to their customers' rate information, and customer programs and education will be essential for the successful shift to a dynamic load management paradigm driven by customers. As such, CSE supports the four recommendations outlined in the Final Staff Report. Nevertheless, we recommend the Energy Commission continue to develop tools and resources to help ensure this new paradigm is complementary to existing strategies for reducing energy use and associated GHG emissions. Predicting the financial impact of energy efficiency measures or other distributed energy resources is critical to adoption of such technologies. The ability to forecast savings will be more difficult with higher variability of pricing throughout a given day/month/season. This directly effects measurement and verification (M&V) efforts to confidently predict financial savings and return on investment (ROI) of a particular technology. CSE's experience managing retrofit projects, specifically in the Electric Program Investment Charge (EPIC)-funded *Empowering Energy Efficiency in Existing Big-Box Retail/Grocery Stores Project (EPC-17-008)*,[2] has demonstrated the complexities associated with conducting M&V efforts when introducing time-varying rates, and day ahead or real-time pricing could further complicate estimations. As such, CSE recommends the Energy Commission work with stakeholders to develop tools, data sets, and/or best practices for estimating the potential impacts of decarbonization measures using new dynamic rates. For example, similar to how current projects often utilize Typical Meteorological Year (TMY) weather data to best predict the weather for a given year, publicly available data sets to help predict pricing at given times will add confidence to equipment performance and cost and encourage projects designed to align with grid needs and GHG emissions reductions.

III. CONCLUSION

CSE appreciates the opportunity to provide these comments regarding the Proposed Amendments to the Load Management Standards. We thank Energy Commission Staff for their hard work in laying the foundation for a customer-centric load management system to equitably increase demand flexibility on the grid in support of the State's energy reduction and climate goals.

Sincerely,

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[2] Additional project information available at https://sites.energycenter.org/bigbox/