

<b>DOCKETED</b>	
<b>Docket Number:</b>	21-OIR-03
<b>Project Title:</b>	2022 Load Management Rulemaking
<b>TN #:</b>	241454
<b>Document Title:</b>	Los Angeles Department of Water and Power Comments - LADWP's Response to CEC's Notice of Proposed Action for the Load Management Standard Regulations
<b>Description:</b>	N/A
<b>Filer:</b>	System
<b>Organization:</b>	Los Angeles Department of Water and Power
<b>Submitter Role:</b>	Public Agency
<b>Submission Date:</b>	2/7/2022 3:31:02 PM
<b>Docketed Date:</b>	2/7/2022

*Comment Received From: Los Angeles Department of Water and Power  
Submitted On: 2/7/2022  
Docket Number: 21-OIR-03*

**LADWP's Response to CEC's Notice of Proposed Action for the Load Management Standard Regulations**

*Additional submitted attachment is included below.*

**BEFORE THE STATE OF CALIFORNIA ENERGY RESOURCES  
CONSERVATION AND DEVELOPMENT COMMISSION**

In the matter of:	)	Docket No. 21-OIR-03
	)	
	)	
<i>2022 Load Management</i>	)	RE: Notice of Proposed
<i>Rulemaking</i>	)	Action for the Load
	)	Management Standards
	)	Regulations
	)	

**COMMENTS FROM THE LOS ANGELES DEPARTMENT OF WATER AND POWER TO THE  
CALIFORNIA ENERGY COMMISSION ON THE NOTICE OF PROPOSED ACTION FOR THE LOAD  
MANAGEMENT STANDARDS REGULATIONS**

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**INTRODUCTION**

The Los Angeles Department of Water and Power (LADWP) appreciates the opportunity to provide comments to the California Energy Commission (Commission) regarding *the Notice of Proposed Action for the Load Management Standards Regulations* (California Code of Regulations Title 20 §§ 1621, 1623).

The City of Los Angeles (City of LA) is a municipal corporation and charter city organized under the provisions set forth in the California Constitution. LADWP is a proprietary department of the City of LA, pursuant to the Los Angeles City Charter, whose governing structure includes a mayor, a fifteen-member City Council, and a five-member Board of Water and Power Commissioners (Board). LADWP is the third largest electric utility in the state, one of five California Balancing Authorities, and the nation’s largest municipal utility, serving a population of over four million people within a 478 square mile service territory that covers the City of LA and portions of the Owens Valley. LADWP exists to support the growth and vitality of the City of Los Angeles, its residents, businesses and the communities we serve, providing safe, reliable and cost-effective water and power in a customer-focused and environmentally responsible manner.

## SPECIFIC COMMENTS

First, LADWP expresses support for the Commission's load management end goals and the concept of statewide, real-time signaling. However, LADWP remains concerned about equity, cybersecurity, and technical feasibility in implementing the Load Management Standards as currently proposed. Similarly, LADWP reiterates its concern regarding ratemaking jurisdiction.

LADWP submitted comments during the informal Load Management Rulemaking (Docket: 19-OIR-01) on March 16, 2020 and April 23, 2021; the issues highlighted in those comments are still relevant items for LADWP's implementation of the proposed Load Management Standards.

In addition, LADWP supports the comments submitted by the California Municipal Utilities Association (CMUA), including the *Joint Proposed Modifications to 45-Day Language Amendments to Load Management Standard Regulations*.

### I. LADWP'S CLEAN ENERGY GOALS

LADWP's past and current initiatives demonstrate its commitment to transitioning to a carbon-free grid, in accordance with landmark State legislation, such as Senate Bill 100, while simultaneously maintaining reliability in the face of climate change, population growth, and transportation electrification.

To this end, starting in 2017, LADWP contracted with the National Renewable Energy Laboratory (NREL) to conduct a study on pathways for attaining 100% renewable energy for the City of LA. This state-of-the-art study, known as LA100, examined numerous scenarios over a varying range of assumptions regarding load electrification, customer demand, and transmission investments. The final report was publicly released in March 2021, with study results projecting the attainment of 100% clean-energy as early as 2035. Following the release of the LA100 results, Mayor Eric Garcetti and the L.A. City Council set a goal for LADWP to achieve 100% carbon-free energy by 2035. With this ambitious grid transition underway, LADWP sees demand flexibility as a valuable tool to complement clean energy production and procurement while addressing future load growth challenges.

### II. JURISDICTIONAL CONCERNS

LADWP's primary concern with the Commission's proposed amendments lies in the regulatory language regarding the rate setting process. Even though the Commission's proposed regulations do not set specific rates, by requiring a specific rate structure, the proposed regulations infringe upon the ratemaking authority of LADWP's Board and associated governing structure. Further, the proposed regulations are inconsistent with both the existing language of Public Resources Code 25403.5, which purportedly sets forth the authority and duty of the

Commission to adopt Load Management Standards, and the context and legislative history of that statute. Therefore, LADWP reasserts that the longstanding and continuing ratemaking authority of the California Public Utilities Commission for investor-owned utilities, and of local governing bodies for publicly-owned utilities, including LADWP, must be respected and maintained. For LADWP, the decision about what rates to design and when lies within the jurisdiction of LADWP's Board. With regard to the proposed regulations, LADWP believes that a reasonable resolution is possible.

### **III. POTENTIAL RESOLUTION TO JURISDICTIONAL CONCERNS**

In particular, LADWP finds that the proposed revisions submitted by CMUA for this public comment period present a viable solution that would allow LADWP to comply with the regulations. CMUA's revisions recognize each utility governing body's authority to approve load management implementation, including plans for compliance and timeframes. The revisions also allow the governing board to approve certain exemptions based on constraints, including inequities, technological feasibility, and cost-effectiveness. The proposed CMUA changes would allow each governing body to act based on its insights into the unique constraints and opportunities specific to each utility consistent with the ratemaking authority afforded to each governing body.

LADWP, like the Commission, recognizes the benefits that load management will provide in improving grid reliability and lowering greenhouse gas emissions as the State moves toward a clean energy future. LADWP believes CMUA's proposal would allow LADWP to meet the goals of the Load Management Standards within its specific capabilities.

### **CONCLUSION**

LADWP is grateful for the opportunity to participate in the rulemaking process and looks forward to continue working with the Commission to help shape appropriate and effective regulations that will benefit the health, safety, and security of all California residents. If you have any questions, please contact me at (213) 367-2525, or Mr. Scott Hirashima at (213) 367-0852.

Dated: 02/07/2022

Respectfully Submitted,



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