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SDG&E Comments on Proposed Amendments to Load Management Standards

Additional submitted attachment is included below.

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February 7, 2022

California Energy Commission
Docket Unit
Docket No. 21-OIR-03
715 P Street, MS-4
Sacramento, CA 95814

Subject: Comments on the Proposed Regulatory Language for the Load Management Standards (Docket No. 21-OIR-03)

San Diego Gas & Electric (SDG&E) appreciates the opportunity to provide comments on the Proposed Regulatory Language for the Load Management Standards ("Proposed Regs") released on December 22, 2021. SDG&E submits the following comments for the CEC's consideration:

I. **Utilities should have flexibility in implementing marginal cost-based rates for certain customer classes.** Utilities should have discretion to evaluate the cost-effectiveness and feasibility of making a marginal cost-based rate available to customer classes, such as lighting, before being required to offer such a rate. As an example, the majority of SDG&E's current tariff designs for lighting customers are based on an unmetered, flat monthly rate per lamp, based on wattage. This tariff design reflects the relatively inelastic electricity demand for lighting customers, who generally will have a consistent need for lighting and are less likely to respond to market signals such as marginal cost-based rates. Switching these customers to a marginal cost-based rate may result in higher bills for the customer without significant impacts on customer electricity demand.

II. **Clarification is needed on the annual reporting proposed in Section 1621(d)(4) of the Proposed Regs.** The section directs utilities to submit annual reports to the CEC Executive Director demonstrating implementation of plans approved pursuant to the section. The Proposed Regs would require utilities to submit such reports one year after plans are approved and annually thereafter. As drafted, the provision appears to require utilities to submit annual reports in perpetuity. The CEC may wish to clarify the scope of the requested reporting, as well as clarify what the benefits of an ongoing annual reporting requirement are (particularly if the intent is to continue such reporting after the date by which a utility's plan has been fully implemented).

III. **The existing role and processes of rate-approving bodies should be more clearly delineated throughout the regulation.** We appreciate the clarifications provided in Section 1621(a) of the Proposed Regs to clarify that the standards do not set rates. We agree that rate-setting authority should remain within the existing jurisdiction of rate-approving bodies, *i.e.,* the California Public Utilities Commission for the IOUs. This point could be further clarified throughout the Proposed Regs, as is delineated in the Joint Proposed Modifications to 45-Day Language Amendments to Load Management Standard Regulations that were submitted to the 21-OIR-03 Docket. In addition, staff should consider whether certain time triggers within the regulation would benefit from being attached to actions taken by the rate-approving body to allow flexibility in ratemaking processes.

Thank you for your consideration of our comments. SDG&E welcomes the opportunity to discuss these issues in greater detail and looks forward to working with Commission staff as this proceeding continues.

Sincerely,

/s/

Sarah M. Taheri
Regulatory Affairs Manager