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on 15-Day Language Revisions to Regulatory Language for Load Management Standards

Additional submitted attachment is included below.

April 20, 2022

Docket Unit
California Energy Commission
Docket No. 21-OIR-03
1516 Ninth Street, MS-4
Sacramento, CA 95814

RE: Comments of the Joint Publicly Owned Utilities On the 15-Day Language Revisions to the Regulatory Language for the Load Management Standards [CEC Docket No. 21-OIR-03]

Dear Commissioner McAllister and Commission Staff,

The California Municipal Utilities Association, Los Angeles Department of Water and Power, Northern California Power Agency, Sacramento Municipal Utility District, and Southern California Public Power Authority (collectively the "Joint POUs") respectfully submit these comments to the California Energy Commission (Commission) on the proposed *15-Day Language Revisions to the Regulatory Language for the Load Management Standards* (15-Day Language), issued on April 5, 2022. The Joint POUs continue to strongly support the purpose of these regulations and the Commission's goals in this proceeding. An effective load management standard program can be a valuable tool to help cost-effectively integrate the large amounts of additional renewable and zero-carbon resources into the grid that are needed to achieve the state's environmental goals.

While the Joint POUs support the purposes of these proposed regulations, the 15-Day Language does not address fundamental problems with the structure of the proposed regulations that will severely hamper the likelihood of this program being successful. The proposed regulations significantly infringe on the ratemaking authority of the relevant regulatory entities because the Commission is given the primary authority over the tariff development and adoption process, including the granting of any exemptions, modifications, or delays regarding the utilities' load

management tariffs. The only role envisioned for the various rate-approving bodies is to either fully approve or fully reject the tariffs that are developed pursuant to a Commission-approved plan and that follow the structure and include the specific rate components approved by the Commission. This approach has a high risk of failure because the utility will only be authorized to present load management tariffs to its rate-approving body on the timeline and with the modifications pre-authorized *by the Commission*. If the rate-approving body makes a different determination from the Commission (even only to a small degree), the result will be a rejection of the program in its entirety rather than a simple modification or delay. Given that the utility ratemaking process is typically very costly and lasts for years, this outcome would waste resources that could otherwise have been put toward developing a program that is tailored to the utility's customers, the policies of the rate-approving body, and the technological capability of the utility.

As an alternative to the current proposed regulations, the Joint POUs recommend a structure where the Commission approves the utility compliance plans, but where each utility's rate-approving body can adopt an exemption, modification, or delay to the load management tariffs at any point in the tariff-development process. Any such adopted exemption, modification, or delay would be submitted to the Commission for approval as part of an updated compliance plan. Should the Commission make a finding of any deficiencies, that finding would be reported to the rate-approving body, which would then make a final determination. Such a structure preserves a primary role for the Commission in overseeing this program, while avoiding directly infringing on the ultimate ratemaking authority of these rate-approving bodies and compromising the final adoption and implementation of the tariff. Further, this structure is more likely to lead to a successful program because the utilities will be able to take load management tariffs to their rate-approving bodies that are already reflective of those entities' determinations regarding: (i) the rate classes for which such a program will be cost-effective and feasible; (ii) the timeline necessary for implementing a successful program; and (iii) the appropriate structure for the program based on what is technologically feasible for the utility. Rather than only having the option to fully reject the entire slate of load management tariffs, the rate-approving body can simply adopt a modified program.

The Joint POUs have collaborated to develop a proposed set of redlines to the 15-Day Language clarifying that the rate-approving bodies have the authority to adopt exemptions, modifications, and delays early in the process, subject to a review by the Commission, while preserving as much of the existing proposed regulatory structure as possible. This joint proposal is included as Attachment A to these comments. The following section describes some of the key changes in this joint redline.

I. COMMENTS ON 15-DAY LANGUAGE

A. The Commission Should Amend Section 1621(d)(2) to Clarify that the Commission Will Approve Plans that are Consistent with an Adopted Exemption, Modification, or Delay.

The Joint POUs recognize potential benefits to having the Commission oversee the compliance plans of the utilities, as currently set forth in the proposed regulations. However, as described above, clarifying that the rate-approving bodies have the ultimate authority to approve any exemptions, modifications, or delays is necessary to avoid infringing on the ratemaking authority of those entities and to support the success of the program. Clearly delineating the roles such that the Commission approves compliance plans and the rate-approving bodies adopt exemptions, modifications and delays would strike an appropriate balance that would serve the program objectives well.

Consistent with this alternate approach, Section 1621(d)(2) should be amended to clarify that the Commission will approve a plan that is consistent with the regulations, *subject to any exemption, delay, or modification that has been adopted by the utility's rate-approving body*. If an exemption, modification, or delay is adopted after a plan has already been approved, the utility would apply for approval of a plan revision. This proposed change is reflected in Attachment A.

B. The Commission Should Amend Section 1621(e) to Clarify that the Utility's Rate-Approving Body has the Final Authority to Approve any Exemption, Modification, or Delay Regarding a Load Management Tariff.

An essential change to the current proposed regulations is that the Commission must clarify that the rate-approving bodies have the final authority to adopt any exemption, modification, or delay to the load management tariffs. Such a structure has multiple benefits, including: (i) maintaining the proper roles for the Commission and rate-approving bodies; and (ii) making it more likely that the load management tariffs or programs will ultimately be approved by the rate-approving bodies. This is also a reasonable change given that the Commission acknowledges that the utility rate-approving bodies have the ultimate authority to reject the load management tariffs. Therefore, these rate-approving bodies *should also have the lesser authority* to modify or delay the programs or to approve partial exemptions, such as exempting certain rate classes.

An additional benefit is that this structure would avoid the potential for confusion created by the current proposed regulations as to what occurs if there is a disagreement between the Commission and a rate-approving body. For example, if the Commission were to deny a utility's application to modify some aspect of its load management tariff that is needed because the utility determined that the program was otherwise not cost-effective, then the utility would be required to present the un-modified set of tariffs to its rate-approving body. However, as proposed, if the rate-approving body were to reject these proposed load management tariffs due to the program not being cost-effective, there would be conflict between the determinations of the Commission

and the rate-approving body, and the proposed regulations do not provide any direction on how *or even if* such disagreement is resolved. Such a scenario would create confusion regarding whether the utility had met the requirements of Sections 1621 and 1623 and if any subsequent actions would be required by that utility.

The Joint Proposal included in Attachment A clarifies that this decision-making process is carried out *by the rate-approving body*. As proposed in Attachment A, the utility would still need to apply to the Commission for approval to revise its compliance plan, so that the plan would be consistent with the adopted exemption, modification, or delay. Such application would include a clear description of the rationale relied on by the utility's rate-approving body for adopting the exemption, modification, or delay. If the Commission determined that any part of the adoption of the exemption, modification, or delay was inconsistent with the requirements of Sections 1621 or 1623, then the plan would not be adopted by the Commission, and the Commission's determination would be reported to the rate-approving body for a final determination. However, consistent with the rate-approving body's ultimate authority, this final determination would control the final compliance obligation of the utility.

C. The Commission Should Amend Sections 1623(a)(2) and (d)(2) to Clarify that the Timing and Load Management Tariff Obligations are Subject to Any Adopted Exemption, Modification, or Delay.

Consistent with the alternate approach described above, both Sections 1623(a)(2) and (d)(2) should be amended. Specifically, these sections would need to be modified to clarify that the specified timing and load management tariff obligations would be subject to any exemption, delay, or modification that has been adopted by the utility's rate-approving body. Additionally, Section 1623(d)(2) should be amended to clarify what the utility's actual obligations are under these regulations. Section 1623(d)(2) states:

> Within three (3) years of the effective date of these regulations, each utility and CCA shall offer to each of its electricity customers voluntary participation in a marginal cost rate developed according to Section 1623(a) if such rate is approved by the utility's or CCA's rate-approving body, or a cost-effective program identified according to Section 1623(d)(1) if such rate is not yet approved by the utility's or CCA's rate-approving body.

This section could be read to imply that if a utility's rate approving body has not taken action on load management tariffs, then that utility ***must*** offer an equivalent program to its customers without the authorization of its rate-approving body. Such a conclusion is not supported by any other direction in these regulations, is contrary to the express provisions as proposed in Section 1621(a), and is inconsistent with the Commission's role in this process. To eliminate any potential confusion, the Commission should delete the phrase: "if such rate is not yet approved by the utility's or CCA's rate-approving body."

II. CONCLUSION

The Joint POUs appreciate the opportunity to provide these comments to the Commission. Thank you for your time and attention to these comments.

ATTACHMENT A

Joint Proposed Modifications to

15-Day Language Revisions to

Load Management Standard Regulations

Joint Proposed Modifications to 15-Day Language Revisions to Load Management Standard Regulations

45-Day Language Proposed Revisions: Additions ~~Deletions~~
15-Day Language Proposed Revisions: Additions ~~Deletions~~
Joint Proposed Modifications: Additions ~~Deletions~~

Title 20. Public Utilities and Energy
Division 2. State Energy Resources Conservation and Development Commission
Chapter 4. Energy Conservation
Article 5. Load Management Standards Sections 1621 -1625

The proposed new language appears as underline (example) and proposed deletions appear as strikeout (~~example~~). Existing language appears as plain text. Proposed new 15-day changes appear as double underline (example) and proposed deletions appear as double strikeout (~~example~~).

§ 1621. General Provisions.

~~(a)~~ Purpose. This article establishes electric load management standards pursuant to Section 25403.5 of the Public Resources Code. These standards establish cost-effective programs and rate structures which will encourage the use of electrical energy at off-peak hours and encourage the control of daily and seasonal peak loads to ~~result in~~ improve~~d utility~~ electric system efficiency and reliability, ~~will~~ lessen or delay the need for new electrical capacity, and reduce fossil fuel consumption and greenhouse gas emissions, ~~and will~~ thereby lowering the long-term economic and environmental costs of meeting the State's electricityneeds. These load management standards do not set rates. The standards instead require that entities subject to this article offer rates structured according to the requirements established herein.

~~(b)~~ Application. Each of the standards in this article applies to the following electric utilities: Los Angeles Department of Water and Power, San Diego Gas and Electric Company, Southern California Edison Company, Pacific Gas and Electric Company, and Sacramento Municipal Utility District~~, as well as~~. In addition, the standards set forth in subsections 1621 and 1623 of this article apply to any Community Choice Aggregators (CCA) operating within the service areas and receiving distribution services from the foregoing electric utilities. CCAs are not subject to subsections 1622, 1624, and 1625 of this article. The ~~California Energy~~ Commission has found these standards to be technologically feasible and cost~~-~~ effective when compared with the costs for new electrical capacity for the above-named electric utilities., including ~~any customers of~~ CCAsoperating within the service areas of such electric utilities.

~~(c)~~ Definitions. In this article, the following definitions apply:

~~(9)~~(1) "Building type" means the classification of a non-residential building in

accordance with ~~the following table:~~ California Code of Regulations, Title 24, Part 2, Chapter 3 of the California Building Code.

~~Building Type~~	~~Description~~
~~1~~	~~Office~~
~~1.1~~	~~Small (0-30,000 sq. ft.)~~
~~1.2~~	~~Med (30,000-200,000 sq. ft.)~~
~~1.3~~	~~Large (200,000 + sq. ft.)~~
~~1.3.1~~	~~Low rise (two or less stories)~~
~~1.3.2~~	~~Highrise (three or more stories)~~
~~2~~	~~Retail~~
~~2.1~~	~~Retail -General~~
~~2.1.1~~	~~Small (1-9,000 sq. ft.), detached~~
~~2.1.2~~	~~Small (1-9,000 sq. ft.), attached~~
~~2.1.3~~	~~Med (9,000-20,000 sq. ft.), detached~~
~~2.1.4~~	~~Med (9,000-20,000 sq. ft.), attached~~
~~2.1.5~~	~~Med (9,000-20,000 sq. ft.), enclosed mall~~
~~2.1.6~~	~~Large (20,000 + sq. ft.), detached~~
~~2.1.7~~	~~Large (20,000 + sq. ft.), attached~~
~~2.1.8~~	~~Large (20,000 + sq. ft.), enclosed mall~~
~~2.1.9~~	~~Highrise department store (three or more stories)~~
~~2.2~~	~~Retail -Food~~
~~2.2.1~~	~~Small (1-5,000 sq. ft.)~~
~~2.2.2~~	~~Large (5,000 + sq. ft.)~~
~~3~~	~~Restaurants~~
~~3.1~~	~~Fast Food~~
~~3.2~~	~~Sit-down~~
~~4~~	~~Storage Buildings~~
~~4.1~~	~~Conditioned~~
~~4.2~~	~~Unconditioned~~
~~5~~	~~Hotels and Motels~~
~~5.1~~	~~Large (50,000 + sq. ft.)~~
~~5.2~~	~~Small (less than 50,000 sq. ft.)~~
~~6~~	~~Schools~~
~~6.1~~	~~Elementary/pre-schools~~
~~6.2~~	~~Jr. high/high schools~~
~~6.3~~	~~Jr. colleges/trade schools~~

~~6.4~~	~~Colleges/universities~~
~~7~~	~~Public assembly buildings~~
~~7.1~~	~~Auditoriums~~
~~7.2~~	~~Theaters~~
~~7.3~~	~~Sports arenas~~
~~8~~	~~Health care facilities~~
~~8.1~~	~~General hospitals~~
~~8.2~~	~~Research hospitals~~
~~8.3~~	~~Mental hospitals~~
~~8.4~~	~~Convalescent hospitals/homes~~
~~9~~	~~Computer facilities~~
~~10~~	~~Auto repair and service stations~~
~~11~~	~~Miscellaneous~~

(2) "Community choice aggregators" or "CCAs" means entities as defined in Public Utilities Code section 331.1.

~~(6)~~(3) “Central air conditioner” means any residential electric air conditioner which delivers cooled air through ducts to rooms.

~~(8)~~(4) “Commercial customers” means those customers of a utility or CCA who run any business described in Standard Industrial Classification Groups 40 through 86, and 89 through 99, and which do not treat sewage or manufacture goods or provide other process-oriented services.

~~(i)~~(A) “Large commercial customers” are those businesses whose demand for electricity equals or exceeds 500 kilowatts.

~~(ii)~~(B) “Small commercial customers” are those businesses whose demand for electricity is less than 500 kilowatts.

~~(10)~~(5) “Conditioned Space” means an enclosed space within a building that is directly conditioned or indirectly conditioned, consistent with California Code of Regulations, Title 24, Part 6, section 100.1(b).~~the space, within a building which is provided with a positive heat supply or positive method of cooling.~~

(6) “Customer class” means a broad group of customers used for rate design. Customer classes include but are not limited to residential, commercial, industrial, agricultural, and street lighting.

(7) “Greenhouse gas” or “GHG” has the same meaning as in California Code of Regulations, Title 17, sections 95102 and 95802.

~~(6)~~(8) “Load management tariff” means a tariff with time-dependent values that vary according to the time of day to encourage off-peak electricity use and reductions in peak electricity use.

~~(7)~~(9) “Marginal cost” or “locational marginal cost” ~~is~~ means the change in currentand ~~committed~~ future electric system ~~utility~~ cost that is caused by a

~~customer~~ ~~initiated~~ change in electricity ~~usage~~ supply and demand during a specified time interval at a specified location. ~~Total marginal cost may be divided into the commonly known categories of marginal energy, marginal capacity, andmarginal customer costs, or any other appropriate categories.~~

~~(8)~~(10) "Rate Identification Number" or "RIN" means the unique identifier established by the Commission for an electricity rate.

~~(3)~~~~(9)~~(11) "Rate-approving body" means the California Public Utilities Commission in the case of investor-owned utilities, ~~such as the San Diego Gas and Electric Company, the Southern California Edison Company, and thePacific Gas and Electric Company. It means~~ or the governing body of CCAs or publicly owned utilities ~~such as the Los Angeles Department of Water and Power, and the Sacramento Municipal Utility District~~. For purposes of this article, the Board of Water and Power Commissioners of the City of Los Angeles is the rate-approving body for the Los Angeles Department of Water and Power.

~~(4)~~~~(10)~~(12) "Residential" means any family dwelling within the utility's or CCA's service area which uses electricity for noncommercial purposes as defined in the utility's or CCA's terms and conditions of service.

~~(2)~~~~(11)~~(13) "Service area" ~~is the~~ means any contiguous geographic area servicedby the same electric utility or CCA. ~~in which the utility supplies electricity to retail customers.~~

~~(12)~~(14) "Tariff" means ~~the contract between the utility and customer that~~a pricing schedule or rate plan that a utility or CCA offers to their customers specifying~~ies~~ the components of the customer's electricity bill.

~~(13)~~(15) "Time-dependent rate" means a rate that can vary depending on the time of day to encourage off-peak electricity use and reductions in peak electricity use. Time-of-use, hourly, and sub-hourly rates are time-dependent rates.

~~(14)~~(16) "Time-of-use rate" means a rate with predefined prices that vary according to the time of day, the season, and/or the day type (weekday, weekend, or holiday).

~~(1)~~~~(15)~~(17) "Utility" means those electric utilities to which the sections of this article apply, as specified in subsection (b)~~, and any CCA serving customers within the service area of any of those specified electric utilities~~.

~~(5)~~~~(16)~~(18) "Water heater" means any residential electric water heater except those which provide hot water to heat space or those which operate within electric dishwashers.

~~(d) Review and Approval of Utility Submittals. These load management standards require utilities to submit various plans to the Executive Director. All such submittals shall be reviewed by the Executive Director, and shall be subject to approval by the full Commission. The Executive Director shall complete his~~

~~review of such submittals and shall report to the Commission within thirty calendar days after receipt as to whether the submittal is consistent with the provisions of this article. Within thirty calendar days after the Executive Director renders his report, the Commission shall, following a public hearing, approve or disapprove the submittal. The Commission may also approve a submittal on condition that the utility make specified changes or additions to the submittal, within a reasonable period of time set by the Commission. A conditional approvalshall not take effect until the utility makes the specified changes or additions to the submittal under review. The Commission shall approve submittals which are consistent with these regulations and which show a good faith effort to plan to meet program goals for the standards.~~

~~If the Commission disapproves a submittal, the utility shall be notified of the specific reasons for such disapproval, and the utility shall submit a revised submittal for review by the Executive Director in accordance with the provisions of this subsection.~~

~~(e) Information Requests. In order to facilitate his review of a utility's compliance withthe provisions of this article, the Executive Director may request a utility to furnishcopies of any information in the utility's possession which is relevant to its implementation of these standards, including any tariff proposals and associated information which it submits to its rate-approving body. The Executive Director may set a reasonable period of time within which the utility must supply the requested information.~~

~~If any document which is requested by the Executive Director contains proprietary information or trade secrets, the utility shall only be required to furnishthe document to the Executive Director, if the Commission has established procedures, after a public hearing, for the protection of such proprietary information or trade secrets.~~

~~(f) Revisions of Approved Plans. Each time a utility significantly revises any plan or part of a plan required by this article, that was previously approved by the Commission, it shall submit this revised plan for review and approval pursuant tosubsection (d) above. Such revised plan shall not be valid until it is approved by the Commission. If the Executive Director believes that new technologies, the state of the economy or other new information warrant revisions to plans which have already been approved, he shall request the utilities to make the appropriate revisions as part of their next annual report or within 90 days, whichever comes later. If the Executive Director issues such a request, the utilityshall submit a revised plan for review and approval pursuant to subsection (d) above.~~

~~(g) Modifications to Program Goals. If, during the planning or execution of any program required by this article, a utility, despite its best good faith efforts, believes that it cannot achieve one or more of the program goals set forth in the various sections of this article or that a program is not cost-effective, the utility may submit a report to the Commission explaining the reasons therefore, and~~

~~indicating when the utility believes that it could achieve the program goal or goals, or suggesting alternative goals. If based upon the utility report, or its own studies, the Commission finds that there are good and sufficient reasons for the utility not being able to achieve the goal or goals, the Commission shall modify any previously approved goal for that utility to one that is feasible and cost-effective for the utility to achieve~~

~~(h) Utility Request for Exemptions.~~

~~(1) A utility may, at any time after the effective date of this article, apply to the Commission for an exemption from the obligation to comply with any or all of these standards. Any such application shall set forth in detail the reasons whya denial of the application by the Commission would result in extreme hardship to the utility, or in reduced system reliability and efficiency, or why the standard or standards from which the exemption is sought would not be technologically feasible or cost-effective for the utility to implement. The application shall also set forth the period of time during which the exemption would apply, and shall indicate when the utility reasonably believes the exemption will no longer be needed.~~

~~(2) Within 30 days after receipt of any such application, the Commission shall hold a hearing to consider whether there is sufficient information contained in the application to justify further hearings on the merits. If the Commission finds that the application does not contain sufficient information, it shall dismiss the application, and notify the utility of the specific reasons for the dismissal. The utility may thereafter submit a revised application in good faith.~~

~~(3) If the Commission finds that the application does contain sufficient information, it shall schedule such further hearings as may be necessary to fully evaluate the application.~~

~~(4) If, after holding hearings, the Commission decides to grant an exemption to autility, the Commission shall issue an order granting exemption. The order shall set forth findings and specific reasons why the exemption is being granted.~~

~~(i) Noncompliance. The Executive Director may, after a review of the matter with theutility, file a complaint with the Commission, alleging that the utility is not in compliance with the provisions of this article:~~

~~(1) If the utility is not conducting a program in conformance with the provisions of its approved plan;~~

~~(2) If the utility fails to provide a required submittal in a timely manner; or(3) If the utility fails to make requested changes or additions to any such submittal within a reasonable time.~~

(d) Utility and CCA Plans to Comply with Load Management Standards

(1) Each utility and CCA shall submit a plan to comply with Sections 1621 and 1623 of this article to the Executive Director no later than six (6) months after the effective date of these standards.

(2) The Executive Director shall review the plans and either return them to the utility or CCA for revision or submit them to the Commission for review and potential approval. ~~The Executive Director may recommend, and the Commission may approve, a submittal on condition that the utility or CCA make specified changes or additions to the submittal, within a reasonable period of time set by the Commission. A conditionally approved plan shall not become effective until the utility or CCA makes the specified changes or additions to the submittal under review.~~ The Commission shall approve submittals which are consistent with these regulations, subject to any exemption, modification, and/or delay adopted pursuant to Section 1621(e), and which show a good faith effort to plan to meet program goals for the standards. In reviewing a plan, the Executive Director and the Commission may request additional information consistent with Sections 1621 and 1623.

(3) All material~~proposed~~ plan revisions must be submitted to the Executive Director for review. The Executive Director may approve plan revisions that do not affectcompliance with the requirements of Sections 1621 or 1623. The Executive Director shall submit all other plan revisions to the Commission for approval.

(4) Utilities and CCAs shall submit to the Executive Director annual reports demonstrating their implementation of plans approved pursuant to this section. The reports shall be submitted one year after plans are approved pursuant to subsection (2) and annually thereafter.

(e) Exemptions, Delays, or Modifications

(1) The rate approving body of a Utility or CCA may, in a duly noticed public meeting, adopt ~~Utilities and CCAs may apply to the Executive Director for~~ an exemption from or modification to the requirements of Sections 1621 and 1623 of this article~~,~~ or a ~~to~~ delay to compliance with its requirements~~, or to modify a load management standard compliance plan. The Commission may, by resolution, order a utility or CCA to modify its approved load management standard plan~~. Upon adoption of any such exemption, modification, and/or delay by a utility's or CCA's rate-approving body, ~~such order by the Commission, a~~ the utility or CCA shall submit an application to the Executive Director pursuant to Section 1621(e)(4) to modify its plan within 90 days of the rate-approving body's adoption~~Commission's order~~.

(2) Any ~~Applications for~~ exemption~~s~~ or delay~~s~~ adopted by a utility's or CCA's rate-approving body shall set forth the ~~requested~~ period during which the exemption or delay ~~would~~ appl~~y~~ies ~~and indicate when the utility or CCA reasonably believes the exemption or delay will no longer be needed~~. In adopting an exemption or delay, the utility's or CCA's rate-approving body

shall make one or more of the following ~~findingsThe application further shall demonstrate one or more of the following~~:

(a) that despite a utility's or CCA's good faith efforts to comply, requiring timely compliance with the requirements of this article would result in extreme hardship to the utility or CCA or result in inequities to any subgroup of utility customers, including, but not limited to, low-income residential customers or residential customers located in disadvantaged communities,

(b) requiring timely compliance with the requirements of this article would result in reduced system reliability, ~~and~~ efficiency, or safety or

(c) requiring timely compliance with the requirements of this article would not be technologically feasible or cost-effective for the utility or CCA to implement.

(3) In adopting a~~Applications for~~ modification~~s~~, the utility's or CCA's rate-approving body shall make a finding~~shall demonstrate~~ that despite the utility's or CCA's good faith efforts to implement the requirements of Sections 1621 and 1623 of this article, these requirements ~~its load management standard plan, the plan~~ must be modified to provide a more technologically feasible, equitable, or cost-effective way to achieve the purpose set forth in Section 1621(a)~~requirements of this article or the plan's goals~~.

(4) Upon adoption of an exemption, modification, and/or delay by the utility's or CCA's rate-approving body, the utility or CCA shall submit to the Executive Director an application to modify the utility's or CCA's plan consistent with the adopted exemption, modification, and/or delay. The Executive Director shall review the application to modify the utility's or CCA's plan~~s for exemptions, delays, and modifications~~ and make an initial determination of whether an application demonstrates the requirements of either subsection (2) or (3) above. The Executive Director shall then submit the application to the Commission with a recommendation of whether to approve or reject the application based on their initial determination. If the Commission does not approve an application to modify the utility's or CCA's plan because the adopted exemption, modification, and/or delay is inconsistent with the requirements of this subdivision (e) of Section 1621, then the Commission shall notify the utility or CCA and specify the basis for such determination. The utility's or CCA's rate-approving body may modify the previously adopted exemption, modification, and/or delay or may otherwise respond to the Commission's determination, after consideration at a duly noticed public meeting. The plan adopted by the utility's or CCA's rate-approving body after consideration of the Commission's determination shall be reported to the Commission and shall constitute the final approved plan for purposes of meeting the requirements of Sections 1621 and 1623, subject to any future amendments by the utility's or CCA's rate-approving body. In reviewing these applications, the Executive Director and the Commission may request additional information or revisionsof the application from a utility or CCA

consistent with Sections 1621 and 1623. ~~If a utility or CCA fails to provide information or revisions by a deadlineestablished by the Executive Director or the Commission, the Commission may deny the application on that basis.~~

(f) Enforcement. The Executive Director may, after reviewing the matter with the utility or CCA, file a complaint with the Commission following the process set forth in Sections 1233.1 to 1233.4 or seek injunctive relief if a utility or CCA:

(1) Fails to adhere to its approved load management standard plan,

(2) Modifies its approved load management standard plan without approval by the Commission or by final determination by its rate-approving body pursuant to Section 1621(e)(4),

(3) Does not provide information by a deadline established by the Executive Director or the Commission, or

~~(4) Fails to make requested revisions to its approved load management standardplan by the deadline established by the Executive Director or the Commission, or~~

(5) Violates the provisions of this article.

~~(j)~~(g) Recovery of Program Costs

In its rate applications, each utility or CCA shall seek to recover the full costs associated with conducting each program required by this article from the class of customers which the program most directly affects. The utility or CCA shall notbe required to commence implementation of any program required by this article until the utility's or CCA's rate-approving body has approved the tariffs which area part of any such program and a method for recovering the costs of the program.

~~(k)~~(h) ~~Notwithstanding Section 2231 of the Revenue and Taxation Code, there~~ Thereshall be no reimbursement to local government entities ~~(i.e., the Los Angeles Department of Water and Power and the Sacramento Municipal Utility District)~~ for the costs of carrying out the programs mandated by these standards, because the Commission has found these standards to be cost-effective. The savings which these entities will realize as a result of carrying out these programs will outweigh the costs associated with implementing these programs.

Note: Authority cited: Sections 25132, 25213, ~~and~~ 25218(e), and 25403.5, Public Resources Code. Reference: Sections 25132 and 25403.5, Public Resources Code.

§ 1622. Residential Load Management Standard. – No Changes

§ 1623. Load Management Tariff Standard.

(a) Marginal Cost Rates. This standard requires that ~~a~~each utility and CCA develop marginal cost-based rates~~, using a recommended methodology or the methodology approved by its rate-approving body, when it prepares rate applications for retail services,~~ structured according to the requirements of this article and that the utility or CCA submit such rates to its rate-approving body for approval.

(1) Total marginal cost shall be calculated as the sum of the marginal energy cost, the marginal capacity cost (generation, transmission, and distribution), and any other appropriate time and location dependent marginal costs, including social costs, on a time interval of no more than one hour. Energy cost computations shall reflect locational marginal cost pricing as determined by the associated balancing authority, such as the California Independent System Operator, the Balancing Authority of Northern California, or other balancing authority. Marginal capacity cost computations shall reflect the variations in the probability and value of system reliability of each component (generation, transmission, and distribution). Social cost computations shall reflect, at a minimum, the locational marginal cost of associated greenhouse gas emissions.

(2) Within one (1) year of the effective date of these regulations, each utility and CCA shall apply to its rate-approving body for approval of at least one marginal cost-based rate, in accordance with 1623(a)(1), for each customer class, subject to any modification, exemption, and/or delay adopted by the utility's or CCA's rate-approving body pursuant to Section 1621(e).

(3) Utilities and CCAs shall provide the Commission with informational copies of tariff applications when they are submitted to their rate-approving bodies.

(b) Publication of Machine-Readable Electricity Rates. Each utility and CCA shall upload its composite time-dependent rates applicable to its customers to the Commission's Market Informed Demand Automation Server (MIDAS) database upon each of the following circumstances:

(1) no later than three (3) months after the effective date of these standards,

(2) each time a rate is approved by the rate-approving body, and

(3) each time a rate changes.

The composite time dependent rates uploaded to the MIDAS database shall include all applicable time dependent cost components, including, but not limited to, generation, distribution, and transmission. The Commission maintains public access to the MIDAS database through an Application Programming Interface

(API) that, provided a Rate Identification Number (RIN), returns information sufficient to enable automated response to marginal grid signals including price, emergency events, and greenhouse gas emissions. ~~Each customer shall be able to access all rate information applicable to the customer with a single RIN assigned by the utility.~~

~~Marginal Cost Methodologies and Rates. Within six months after the Marginal Cost Pricing Project Task Force (which is jointly sponsored by the CEC and CPUC under an agreement with the Federal Department of Energy) makes its final report available to the public, and the Commission approves it by resolution,a utility submitting a general rate filing to its rate-approving body shall include marginal cost based rates in such filing which have been developed by using at least one methodology recommended by the Task Force, except that if a utility's rate-approving body has approved a marginal cost methodology, a utility may substitute the approved methodology for one recommended by the Task Force.~~

~~If at any time subsequent to the Commission's approval of the Task Force report,the utility's rate-approving body approves a marginal cost methodology which is substantially different from any of the methodologies recommended by the Task Force, the utility shall so inform the Commission, and shall explain the nature of and the reasons for these differences.~~

~~In addition to marginal cost based rates which it develops using a methodology recommended by the Task Force report for that utility or approved by its rate approving body, the utility may also submit marginal cost-based rates which it develops using any alternative methodology that it deems appropriate.~~

~~The utility may also submit other rates or tariffs which it deems appropriate.~~

~~Nothing in this section shall prevent the Commission from recommending the approval of marginal cost methodologies different from those used by a utility to any rate-approving body.~~

(c) Support Customer Ability to Link Devices to Electricity Rates.

(1) Third-party Access. The utilities and CCAs shall develop a single statewide standard tool for authorized rate data access by third parties that is compatible with each utility's and CCA's system. The tool shall:

(A) Provide the RIN(s) applicable to the customer's premise(s) to third parties authorized and selected by the customer;

(B) Provide any RINs, to which the customer is eligible to be switched, to thirdparties authorized and selected by the customer;

(C) Provide estimated average or annual bill amount(s) based on the customer's current rate and any other eligible rate(s) if the utility or CCA has an existing rate calculation tool and the customer is eligible for multiple rate structures;

(D) Enable the authorized third party to, upon the direction and consent of the customer, modify the customer's applicable rate to be reflected in the next billing cycle according to the utility's and CCA's standard procedures;

(E) ~~Ensure~~ Incorporate reasonable and applicable cybersecurity measures; ~~and~~

(F) Minimize enrollment barrier~~s~~.; and

(G) Be accessible in a digital, machine-readable format according to best practices and standards.

(2) The utilities and CCAs shall submit the single statewide standard tool developed pursuant to Section 1623(c)(1) to the Commission for approval at aBusiness Meeting.

(A) The tool must be submitted within ~~a~~one (1) year of the effective date of these regulations.

(B) The Executive Director may extend this deadline upon a showing of good cause.

(C) The utilities and CCAs shall describe a single set of terms and conditions they intend to require of third parties using the single statewide standard tool.

(3) Upon Commission approval the utilities and CCAs shall implement and maintain the tool developed in Section 1623(c)(1).

(4) Customer Access. No later than nine (9) months after the effective date of these standards, each utility and CCA shall provide customers access to theirRIN(s) on customer billing statements and online accounts using both text and quick response (QR) or similar machine-readable digital code.

(5) Any changes to the single statewide standard tool, including changes to the terms and conditions, shall be submitted to the Executive Director for approval. The Executive Director shall submit any substantive changes to theCommission for approval at a Business Meeting.

(d) ~~(c)~~ Public ~~Information~~ Program~~s~~. Utilities and CCAs shall encourage mass-market automation of load management through information and programs. ~~As soon as a utility's rate-approving body has adopted a tariff in accordance with a recommended or approved marginal cost methodology, the utility shall conduct apublic information program which shall inform the affected customers why marginal cost based tariffs are needed, exactly how they will be used and how these tariffs can save the customer money.~~

(1) No later than eighteen (18) months after the effective date of these standards,each utility and CCA shall submit to the Executive Director a list of load flexibility programs deemed cost-effective by the utility or CCA. The portfolio of identified programs shall provide any customer with at least one option for automating response to MIDAS signals indicating marginal cost-

based rates, marginal prices, hourly or sub-hourly marginal greenhouse gas emissions, or other Commission-approved marginal signal(s) that enable automated end- use response.

(2) Within three (3) years of the effective date of these regulations, each utility and CCA shall offer to each of its electricity customers voluntary participation in a marginal cost rate developed according to Section 1623(a) if such rate is approved by the utility's or CCA's rate-approving body, or a cost-effective program identified according to Section 1623(d)(1) ~~if such rate is not yet approved by the utility's or CCA's rate-approving body~~, subject to any exemption, modification or delay approved by the utility's governing body pursuant to Section 1621(e).

(3) Each utility and CCA shall conduct a public information program to inform andeducate the affected customers why marginal cost-based rates and automation are needed, how they will be used, and how these rates can savethe customer money.

~~(d) Compliance. A utility shall be in compliance with this standard if all of the utility's rate applications are prepared in accordance with the provisions of subsection (b) above, and the utility provides informational copies of its applications to the Commission.~~

Note: Authority cited: Sections 25132, 25213, ~~and~~ 25218(e), and 25403.5, Public Resources Code. Reference: Sections 25132 and 25403.5, Public Resources Code.

§ 1624. Swimming Pool Filter Pump Load Management Standard. – No Changes.

§ 1625. Non-Residential Load Management Standard. – No Changes.