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Comments on the Third 15-day Proposed Revisions for the 2022 LMS Rulemaking

Hello,
Please see attached and kindly let me know if you have any questions or would like additional information. Thank you.

Additional submitted attachment is included below.

Pacific Gas and Electric Company™

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September 27, 2022

California Energy Commission
Efficiency Division - Buildings Energy Efficiency Standards Program
Commissioner Andrew McAllister
Docket No 21-OIR-03
715 P Street
Sacramento, CA 95814

RE: Pacific Gas and Electric Company Comments on the California Energy Commission's Third 15-Day Public Comment Period Proposed Revisions to the Load Management Standards Regulations (Docket Number 21-OIR-03)

Dear Commissioner McAllister:

Pacific Gas and Electric Company (PG&E) appreciates the opportunity to comment on the proposed regulatory language to update the Load Management Standards (LMS) Regulation released by the California Energy Commission (CEC) on September 12, 2022.[1] Iterating on previous comments, PG&E supports the development of utility programs that reduce peak electricity demand and help balance California's energy supply and demand to ensure grid reliability. PG&E also supports the development of automated demand flexibility and more dynamic rates as a load management tool to help meet the State's climate goals.

This comment letter seeks clarification on the section related to marginal cost approval. PG&E asks the CEC to provide some clarifications and modifications in the following language:

Section 1623. Load Management Tariff Standard (d) (1) states, *No later than eighteen (18) months after the effective date of these standards, each large Investor-Owned Utility (IOU) shall submit to the Executive Director a list of load flexibility programs deemed cost-effective by the large IOU. The portfolio of identified programs shall provide any customer with at least one option for automating response to the Market Informed Demand Automation Server (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.*

[1] CEC's Proposed Regulatory Language for the Load Management Standards Regulations. September 12, 2022. Notice of Third 15-Day Public Comment Period Proposed Revisions to the Load Management Standards

PG&E requests that the CEC clarify "Commission," highlighted above on Section 1623, and its specific and exclusive reference to the California Public Utilities Commission (CPUC). If that is not the case, PG&E respectfully asks the CEC to further elaborate on the definition of a marginal signal(s).

On Section 1623. Load Management Tariff Standard (c) (D) Support Customer Ability to Link Devices to Electricity Rates states, *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 large IOU's, large POU's or large Community Choice Aggregation (CCAs) standard procedures.*" PG&E would like to draw attention to a potential issue with (D) that may lead to customer confusion and angst and suggests that the CEC facilitates a discussion with stakeholders to appropriately address possible challenges and conflicts likely to be created by (D).

Because utility rates apply at a customer's account level, allowing a third party, which may represent one individual technology within a customer's facility, while another entity controls a different technology, could lead to customer confusion and inconvenience. For example, a smart thermostat manufacturer/vendor may want to change a residential customer's rate to Time-of-Use (TOU), but the same customer who owns an electric water heater may want to change the customer rate to E-ELECTRIC, while their electric vehicle (EV) manufacturer may want to change the same customer's rate to EV-2. Although rates would not be changed without customer consent, the average customer may not be able to understand the pros and cons associated with each of the rate options in tandem, as provided for in requirements (b) and (c) in the same section.[2] PG&E suggests that the CEC hosts a workshop with stakeholders to determine whether the customer directly, or a third party, should be the entity responsible for requesting rate-specific modifications for the customer. And, if it is a third party, what criteria should be used to enable a given rate be changed for the specific customer.

PG&E appreciates the opportunity to comment on the proposed regulatory language and looks forward to working with the CEC and the CPUC on this rulemaking. Please reach out to me with any questions.

Sincerely,

Licha Lopez
State Agency Relations

[2] (B) "Provide the RINs applicable to the customer's premise(s) to third parties authorized and selected by the customer;" and (C) "Provide estimated average or annual bill amount(s) based on the customer's current rate and any other eligible rate(s) if the large IOU, large POU or larger CCA has an existing rate calculation tool, and the customer is eligible for multiple rates."