

**DOCKETED**

<b>Docket Number:</b>	21-OIR-03
<b>Project Title:</b>	2022 Load Management Rulemaking
<b>TN #:</b>	248526
<b>Document Title:</b>	OAL Approval of Revisions to the Load Management Standards
<b>Description:</b>	Office of Administrative Law Approval of Revisions to the Load Management Standards
<b>Filer:</b>	Stefanie Wayland
<b>Organization:</b>	California Energy Commission
<b>Submitter Role:</b>	Commission Staff
<b>Submission Date:</b>	1/25/2023 12:31:21 PM
<b>Docketed Date:</b>	1/25/2023

**State of California  
Office of Administrative Law**

**In re:**  
California Energy Commission

**Regulatory Action:**

**Title 20, California Code of Regulations**

**Adopt sections:** 1623.1

**Amend sections:** 1621, 1623

**Repeal sections:**

**NOTICE OF APPROVAL OF REGULATORY  
ACTION**

**Government Code Section 11349.3**

**OAL Matter Number: 2022-1206-03**

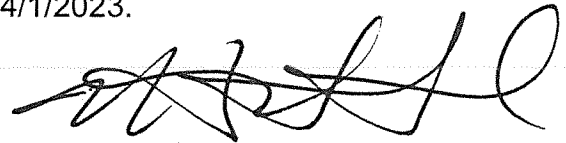
**OAL Matter Type: Regular (S)**

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In this rulemaking action, the Commission amends its electric load management standards to encourage the use of electrical energy during off-peak hours. The amended regulations define various terms. The amendments also update the procedures for the submittal of plans for approval, requests for exemptions from the requirements or delays of compliance with the requirements, and requests for modifications of approved plans. Further, the amendments address the calculations of total marginal costs and the publication of machine-readable electricity rates.

OAL approves this regulatory action pursuant to section 11349.3 of the Government Code. This regulatory action becomes effective on 4/1/2023.

**Date:** January 20, 2023



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Thanh Huynh  
Senior Attorney

**For:** Kenneth J. Pogue  
Director

**Original:** Drew Bohan, Executive Director  
**Copy:** Corrine Fishman

**REGULAR**instructions on  
reverse)

For use by Secretary of State only

STD. 400 (REV. 10/2019)

OAL FILE NUMBERS	NOTICE FILE NUMBER Z-2021-1214-02	REGULATORY ACTION NUMBER 2022-1206-035	EMERGENCY NUMBER
For use by Office of Administrative Law (OAL) only			
OFFICE OF ADMINISTRATIVE LAW  <b>Electronic Submission</b>		OFFICE OF ADMIN. LAW 2022 DEC 6 AM 11:25	
RECEIVED DATE 12/14/2021	PUBLICATION DATE 12/24/2021		
NOTICE		REGULATIONS	
AGENCY WITH RULEMAKING AUTHORITY California Energy Commission			AGENCY FILE NUMBER (If any) 21-OIR-03

**ENDORSED - FILED**  
in the office of the Secretary of State  
of the State of CaliforniaJAN 20 2023  
1:44 PM**A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)**

1. SUBJECT OF NOTICE Load Management Standards (LMS)	TITLE(S) 20	FIRST SECTION AFFECTED 1621	2. REQUESTED PUBLICATION DATE December 24, 2021
3. NOTICE TYPE <input checked="" type="checkbox"/> Notice re Proposed Regulatory Action <input type="checkbox"/> Other	4. AGENCY CONTACT PERSON corrine fishman	TELEPHONE NUMBER 916-805-7452	FAX NUMBER (Optional)
OAL USE ONLY <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn	NOTICE REGISTER NUMBER 2021, 52-Z	PUBLICATION DATE 12/24/2021	

**B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)**

1a. SUBJECT OF REGULATION(S) Load Management Standards (LMS)	1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S)
2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (including title 26, if toxics related)	
SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)	ADOPT Section 1623.1
	AMEND Sections 1621 and 1623
TITLE(S) 20	REPEAL
3. TYPE OF FILING	
<input checked="" type="checkbox"/> Regular Rulemaking (Gov. Code §11346)	<input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute.
<input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4)	<input type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h))
<input type="checkbox"/> Emergency (Gov. Code, §11346.1(b))	<input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)
	<input type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100)
	<input type="checkbox"/> File & Print <input type="checkbox"/> Print Only
	<input type="checkbox"/> Other (Specify) _____
4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1) April 5, 2022 through April 20, 2022 and, July 6 2022 through July 21, 2022 and, September 12 through September 27, 2022.	
5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)	
<input checked="" type="checkbox"/> Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a))	<input type="checkbox"/> Effective on filing with Secretary of State <input type="checkbox"/> \$100 Changes Without Regulatory Effect <input type="checkbox"/> Effective other (Specify) _____
6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY	
<input checked="" type="checkbox"/> Department of Finance (Form STD. 399) (SAM §6660)	<input type="checkbox"/> Fair Political Practices Commission <input type="checkbox"/> State Fire Marshal
<input type="checkbox"/> Other (Specify) _____	
7. CONTACT PERSON Corrine Fishman	TELEPHONE NUMBER 916-805-7452
FAX NUMBER (Optional)	E-MAIL ADDRESS (Optional) corrine.fishman@energy.ca.gov

8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE

DATE

10/12/22

TYPED NAME AND TITLE OF SIGNATORY

Drew Bohan, Executive Director

For use by Office of Administrative Law (OAL) only

**ENDORSED APPROVED**

JAN 20 2023

Office of Administrative Law

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

**§ 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 improved utility electric system equity, 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 electricity needs. These load management standards do not set rates. The standards instead require that entities subject to this article offer rates or programs structured according to the requirements established herein.
- (b) Application. Except as set forth below, eEach 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. In addition, the standards set forth in subsections 1621 and 1623 of this article apply to any Large Community Choice Aggregators (CCA) operating within the service areas and receiving distribution services from the foregoing electric utilities. Large CCAs are not subject to subsections 1622, 1624, and 1625 of this article. Section 1621 subsections (d)-(g) and Section 1623 subsections (a), (b) and (d) do not apply to either the Los Angeles Department of Water and Power, the Sacramento Municipal Utility District or to the Large CCAs. The standards set forth in Section 1623.1 apply to the Los Angeles Department of Water and Power, the Sacramento Municipal Utility District and to the Large CCAs. 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, and Large CCAs operating 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, and agricultural, but does not include street lighting. "Customer" or "customers" mean a customer or customers of a utility or Large CCA within a customer class.

(7) "Greenhouse gas" or "GHG" has the same meaning as in California Code of Regulations, Title 17, section 95802.

(8) "Large Investor-Owned Utilities" and "Large IOUs" mean the San Diego Gas and Electric Company, the Southern California Edison Company, and the Pacific Gas and Electric Company.

(9) "Large Publicly-Owned Utilities" and "Large POUs" mean the Los Angeles Department of Water and Power and the Sacramento Municipal Utility District.

- (10) “Large Community Choice Aggregators” and “Large CCAs” mean the Clean Power Alliance of Southern California, East Bay Community Energy, Marin Clean Energy, Central Coast Community Energy, Silicon Valley Clean Energy Authority, San Jose Clean Energy, Peninsula Clean Energy Authority, Clean Power SF, Sonoma Clean Power Authority, San Diego Community Power, Pioneer Community Energy, Valley Clean Energy, and any community choice aggregator that provides in excess of 700 GWh of electricity to customers in any calendar year. For community choice aggregators that become subject to these regulations after their effective date, the effective date of their compliance obligations shall be April 1 of the year after they exceed the 700 GWh threshold.
- (11) “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)(12) “Marginal cost” or “locational marginal cost” is means the change in current and 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, and marginal customer costs, or any other appropriate categories.
- (13) “Rate Identification Number” or “RIN” means the unique identifier established by the Commission for an electricity rate.
- (3)(14) “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 the Pacific 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)(15) “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)(16) “Service area” is the means any contiguous geographic area serviced by the same electric utility or CCA in which the utility supplies electricity to retail customers.
- (17) “Tariff” means a pricing schedule or rate plan that a utility or CCA offers to their customers specifying the components of the customer's electricity bill.
- (18) “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.

(19) "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).

~~(4)~~(20) "Utility" means those electric utilities to which the sections of this article apply, as specified in subsection (b).

~~(5)~~(21) "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 approval shall 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 with the provisions of this article, the Executive Director may request a utility to furnish copies 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 furnish the 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 to~~



~~subsection (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 utility shall 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 why a 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 a utility, 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 the utility, 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) Large IOU Plans to Comply with Load Management Standards

(1) Each Large IOU 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 April 1, 2023.

(2) The Executive Director shall review the plans and either return them to the Large IOU 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 Large IOU 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 Large IOU 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. In reviewing a plan, the Executive Director and the Commission may request additional information consistent with Sections 1621 and 1623.

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

(4) Large IOUs 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) Large IOUs may apply to the Executive Director for an exemption from the requirements of Sections 1621 and 1623 of this article, to delay compliance with its requirements, or to modify a load management standard compliance plan. The Commission may, by resolution, order a Large IOU to modify its approved load management standard plan. Upon such order by the

Commission, a Large IOU shall submit an application to modify its plan within 90 days of the Commission's order.

- (2) Applications for exemptions or delays shall set forth the requested period during which the exemption or delay would apply and indicate when the Large IOU reasonably believes the exemption or delay will no longer be needed. The application further shall demonstrate one or more of the following:

  - (A) that despite a Large IOU's good faith efforts to comply, requiring timely compliance with the requirements of this article would result in extreme hardship to the Large IOU,
  - (B) requiring timely compliance with the requirements of this article would result in reduced system reliability (e.g., equity or safety) or efficiency, or
  - (C) requiring timely compliance with the requirements of this article would not be technologically feasible or cost-effective for the Large IOU to implement. Applications for exemptions or delays may be supported by proposing pilot programs that demonstrate how and when a Large IOU will come into compliance with the requirements of this article.
- (3) Applications for modifications shall demonstrate that despite the Large IOU's good faith efforts to implement its load management standard plan, the plan must be modified to provide a more technologically feasible, equitable, safe or cost-effective way to achieve the requirements of this article or the plan's goals.
- (4) The Executive Director shall review applications 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. In reviewing these applications, the Executive Director and the Commission may request additional information or revisions of the application from a Large IOU consistent with Sections 1621 and 1623. If a Large IOU fails to provide information or revisions by a deadline established by the Executive Director or the Commission, the Commission may deny the application on that basis. The Commission may place conditions on its approval of plans or material plan revisions that are necessary to guarantee that the plan or plan revision will comply with Section 1621 and 1623 by a date certain.
- (f) Enforcement. The Executive Director may, after reviewing the matter with the Large IOU, file a complaint with the Commission following the process set forth in Sections 1233.1 to 1233.4 or seek injunctive relief if a Large IOU:

  - (1) Fails to adhere to its approved or conditionally approved load management standard plan,
  - (2) Modifies its approved load management standard plan without approval,

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

(4) Violates the provisions of this article.

(j)(g) Recovery of Program Costs

In its rate applications, each utility Large IOU 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 Large IOU shall not be required to commence implementation of any program required by this article until the utility's Large IOU's rate-approving body has approved the tariffs which are a part of any such program and a method for recovering the costs of the program. This does not affect any obligations Large IOUs have under Section 1623(b).

~~(k) Notwithstanding Section 2231 of the Revenue and Taxation Code, there shall 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 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-Based Rates. This standard requires that a ~~utility~~each Large IOU 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 Large IOU 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 the locational marginal cost of associated greenhouse gas emissions, 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).

(2) Within twenty-one (21) months of April 1, 2023, each Large IOU 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.

(3) Large IOUs 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. No later than three (3) months after April 1, 2023, each Large IOU shall upload its existing time-dependent rates applicable to its customers to the Commission's Market Informed Demand Automation Server (MIDAS) database. Each Large IOU shall upload all time-dependent rates, including those approved after April 1, 2023, to MIDAS prior to the effective date of the time-dependent rates each time a time-dependent rate is approved by the rate-approving body and each time a time-dependent rate changes.

The 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.

~~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 Large IOUs, Large POU's and Large CCAs shall develop a single statewide standard tool for authorized rate data access by third parties that is compatible with each of those entities' systems. 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 third parties 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 Large IOU, Large POU or Large CCA has an existing rate calculation tool and the customer is eligible for multiple rates;

(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 Large IOU's, Large POU's or Large CCA's standard procedures;

(E) Incorporate reasonable and applicable cybersecurity measures;

(F) Minimize enrollment barriers; and

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

(2) The Large IOUs, Large POU's and Large CCAs shall submit the single statewide standard tool developed pursuant to Section 1623(c)(1) to the Commission for approval at a Business Meeting.

(A) The tool must be submitted within eighteen (18) months of April 1, 2023.

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

(C) The Large IOUs, Large POU's and Large 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 Large IOUs, Large POU's and Large CCAs shall implement and maintain the tool developed in Section 1623(c)(1).

(4) Customer Access. No later than one (1) year after April 1, 2023, each Large IOU, Large POU and Large CCA shall provide customers access to their RIN(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 the Commission for approval at a Business Meeting.

~~(d) (e)-Public Information-Programs. Large IOUs 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 a public 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 April 1, 2023, each Large 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 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 forty-five (45) months of April 1, 2023, each Large IOU shall offer to each of its electricity customers voluntary participation in a marginal cost-based rate developed according to Section 1623(a) if such rate is approved by the Large IOU'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 Large IOU's rate-approving body.

(3) Each Large IOU shall conduct a public information program to inform and educate the affected customers why marginal cost-based rates and automation are needed, how they will be used, and how these rates can save the 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 25213, and 25218(e), and 25403.5, Public Resources Code. Reference: Sections 25132 and 25403.5, Public Resources Code.

### **§ 1623.1. Large POU and Large CCA Requirements for Load Management Standards.**

(a) Large POU Plans to Comply with Load Management Standards

(1) Within six months of April 1, 2023, each Large POU, and within one year of April 1, 2023, each Large CCA, shall submit a compliance plan that is consistent with this Section 1623.1 to its rate approving body for adoption in a duly noticed public meeting to be held within 60 days after the plan is

submitted. The plan shall describe how the Large POU or the Large CCA will meet the goals of encouraging the use of electrical energy at off-peak hours, encouraging the control of daily and seasonal peak loads to improve electric system efficiency and reliability, lessening or delaying the need for new electrical capacity, and reducing fossil fuel consumption and greenhouse gas emissions. The plan shall include consideration of programs and rate structures as specified in section 1623.1 (b)-(d).

(A) The plan must evaluate cost effectiveness, equity, technological feasibility, benefits to the grid, and benefits to customers of marginal cost-based rates for each customer class.

(B) If after consideration of the factors in Subsection 1623.1(a)(1)(A) the plan does not propose development of marginal cost-based rates, the plan shall propose programs that enable automated response to marginal cost signal(s) for each customer class and evaluate them based on their cost-effectiveness, equity, technological feasibility, benefits to the grid, and benefits to customers.

(C) The Large POU or the Large CCA shall review the plan at least once every three years after the plan is adopted. The Large POU or Large CCA shall submit a plan update to its rate approving body where there is a material change to the factors considered pursuant to Subsections 1623.1 (a)(1)(A) and (B).

(2) The rate approving body of a Large POU or a Large CCA may approve a plan, or material revisions to a previously approved plan, that delays compliance or modifies compliance with the requirements of Subsections 1623.1 (b)-(c), if the rate approving body determines that the plan demonstrates any of the following:

(A) that despite a Large POU's or Large CCA's good faith efforts to comply, requiring timely compliance with the requirements of this article would result in extreme hardship to the Large POU or the Large CCA,

(B) requiring timely compliance with the requirements of this article would result in reduced system reliability (e.g., equity or safety) or efficiency,

(C) requiring timely compliance with the requirements of this article would not be technologically feasible or cost-effective for the Large POU to implement, or

(D) that despite the Large POU's or the Large CCA's good faith efforts to implement its load management standard plan, the plan must be modified to provide a more technologically feasible, equitable, safe or cost-effective way to achieve the requirements of this article or the plan's goals.

(3) Commission Approval of Large POU and Large CCA Plans to Comply with Load Management Standards and Material Plan Revisions



(A) Within thirty (30) days after adoption of a plan or material plan revision pursuant to this subdivision, each large POU and Large CCA shall submit its plan to comply with the requirements of this Section 1623.1 or material plan revision to the Executive Director.

(B) The Executive Director shall review plans or material plan revisions and either return them to the Large POU or the Large CCA for changes or submit them to the Commission for review and potential approval. The Executive Director shall make an initial determination whether the plan or material plan revision is consistent with the requirements of Section 1623.1(a)(1) and (2). In reviewing plans and material plan revisions, the Executive Director may request additional information or recommend changes to make it consistent with the requirements of Section 1623.1(a)(1) and (2). The Large POU or Large CCA shall respond to requests or recommendations within ninety (90) days of receipt from the Executive Director. The Executive Director shall then submit the plan or material plan revision to the Commission with a recommendation on whether to approve it. The Commission may also request additional information and shall approve plans and material plan revisions which are consistent with Section 1623.1(a)(1) and (2), and which show a good faith effort to meet the goals listed in Section 1623.1(a)(1) and (2). The Commission may place conditions on its approval of plans or material plan revisions that are necessary to guarantee that the plan or material plan revision will comply with Section 1623.1 (a)(1) and (2) by a date certain.

(C) Each Large POU and Large CCA shall submit to the Executive Director annual reports demonstrating their implementation of plans approved pursuant to this subsection, as such plans may be revised pursuant to this subsection. The reports shall be submitted one year after plans are approved pursuant to subsection (2) and annually thereafter.

(b) Large POU and Large CCA Marginal Cost-Based Rates and Programs. Each Large POU and each Large CCA shall develop marginal cost-based rates or public programs structured according to the requirements of this article.

(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 the locational marginal cost of associated greenhouse gas emissions, 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 Los Angeles Department of Water and Power, 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).

- (2) Within two (2) years of April 1, 2023, each Large POU, and within twenty-seven (27) months of April 1, 2023, each Large CCA, shall apply to its rate-approving body for approval of at least one marginal cost-based rate, that meets the requirements of Subsection 1623.1(b)(1). Large CCAs may apply for approval of marginal cost-based rates that are offered by the Large IOUs in whose service areas the Large CCAs exist in.
- (A) Large POU's and Large CCAs shall apply for approval of marginal cost-based rates only for those customer classes for which the rate-approving body determines such a rate will materially reduce peak load.
- (B) Large POU's and Large CCAs shall provide the Commission with informational copies of tariff applications when they are submitted to their rate-approving bodies.
- (3) No later than eighteen (18) months after April 1, 2023, each Large POU and each Large CCA shall submit to the Executive Director a list of load flexibility programs deemed cost-effective by the Large POU or the Large CCA.
- (A) The portfolio of identified programs shall provide at least one option for automating response to MIDAS signals for each customer class that the rate-approving body determines such a program will materially reduce peak load.
- (B) The programs shall allow customers to respond 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).
- (4) Within three (3) years of April 1, 2023, each Large POU, and within fifty-one (51) months of April 1, 2023, each Large CCA, shall offer to each of its electricity customers voluntary participation in either a marginal cost-based rate developed according to Subsection 1623.1(b)(2), if such rate is approved by the Large POU's or Large CCA's rate-approving body, or a cost-effective program identified according to Subsection 1623.1(b)(3).
- (5) Each Large POU and Large CCA shall conduct a public information program to inform and educate the affected customers why marginal cost-based rates or load flexibility programs, and automation are needed, how they will be used, and how these rates or programs can save the customer money.
- (c) Publication of Machine-Readable Electricity Rates. No later than three (3) months after April 1, 2023, each Large POU and each Large CCA shall upload its existing time-dependent rates applicable to its customers to the Commission's Market Informed Demand Automation Server (MIDAS) database. Each Large POU and Large CCA shall upload all time-dependent rates, including those approved after April 1, 2023, to MIDAS prior to the effective date of the time-dependent rates each time a time-dependent rate is approved by the rate-approving body and each time a time-dependent rate changes.

The 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, such as price, emergency events, and greenhouse gas emissions.

(d) Enforcement. The Executive Director may, after reviewing the matter with the Large POU or the Large 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 Large POU or Large CCA:

- (1) Fails to adhere to its approved load management standard plan,
- (2) Materially modifies its approved load management standard plan without approval,
- (3) Does not provide information by a deadline established by the Executive Director or the Commission, or
- (4) Violates the provisions of this article.

(e) There shall be no reimbursement to local government entities 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 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.**