

DOCKETED

Docket Number:	23-LMS-01
Project Title:	Load Management Standards Implementation
TN #:	252115
Document Title:	Load Management Standards Implementation Rate Uploads with Price Modifiers
Description:	N/A
Filer:	Stefanie Wayland
Organization:	California Energy Commission
Submitter Role:	Commission Staff
Submission Date:	9/1/2023 1:00:18 PM
Docketed Date:	9/1/2023

CALIFORNIA ENERGY COMMISSION

715 P Street
Sacramento, California 95814

energy.ca.gov

CEC-70 (Revised 7/22)



IN THE MATTER OF:

*Load Management Standards
Implementation*

DOCKET NO. 23-LMS-01

Load Management Standards
Implementation: Rate Uploads

Load Management Standards Implementation Rate Uploads with Price Modifiers

Background and Discussion

On May 31, 2023, the California Energy Commission (CEC or Commission) issued Order No. 23-0531-10 (the Order) in response to applications from load serving entities to extend the July 1, 2023 deadline in the Load Management Standards (LMS) regulation (20 California Code of Regulations section 1621, et seq.). The Order provided an extension for the Large investor-owned utilities (Large IOUs) and Large community choice aggregators (Large CCAs) to upload their rates to the Market Informed Demand Automation Server (MIDAS).

One provision of the Order states, *“After working with CEC staff to resolve the issues regarding the uploads of other rates due to price modifiers, the Joint Parties [Large IOUs and Large CCAs] shall upload their remaining time-dependent rates by October 1, 2023.”* Accordingly, CEC staff has reviewed regulatory language, comments submitted to the docket 23-LMS-01, and met three times with the Joint Parties to better understand the types of rate modifiers and joint parties’ concerns, and to resolve related upload issues. The two primary issues are 1) what price modifiers, such as California Alternate Rates for Energy (CARE) and Family Electric Rate Assistance (FERA), that affect hourly volumetric electric prices and/or fixed charges should be uploaded and 2) based on this information, there may be a substantial number of rates for investor owned utilities (IOUs) to upload to MIDAS.

Title 20, Division 2, Chapter 4, Sections 1623(b) and 1623.1(c) require that each regulated party “shall upload its existing time-dependent rates applicable to its customers to the Commission’s Market Informed Demand Automation Server (MIDAS) database”.

CEC staff believes that uploading rates without price modifiers could harm ratepayers who use data from MIDAS to control energy use in their homes and businesses. Without price modifiers, users of MIDAS cannot retrieve their actual and accurate electricity prices and therefore cannot make informed decisions on when to use electricity. This could result in electricity use at non-optimal times and could increase ratepayers' electricity bill above what they would pay if the accurate prices were uploaded.

The need to upload rates with appropriate price modifiers is also underpinned by important technical and equity needs. From a technical perspective, accurate volumetric pricing for all time periods is critical for a wide range of modern, increasingly popular, and important end uses that are crucial to load flexibility and a decarbonized California grid. These end uses include, but are not limited to, smart thermostats that employ pre-cooling, smart heat pump water heaters utilizing thermal energy storage, and behind-the-meter batteries performing rate arbitrage. In these instances, the energy management controllers need to know the difference between peak and off-peak hours prices, and also the ratio of those prices. Mathematical analysis shows that excluding price modifiers, even if the price modifier itself is not time-dependent, skews the ratios of final time-dependent volumetric pricing. If skewed too much, the inaccurate ratio will alter the decision making of these end uses, harming customers.

From an equity perspective, excluding certain price modifiers or combinations of rates with price modifiers leaves a portion of California customers with less accurate pricing information than others, creating an inequity of shared information and opportunity to shift usage and save money. Worse, many customers have price modifiers precisely because they qualify for low-income or medical discounts. This exclusion of price modifiers may disproportionately hurt underserved populations and exacerbate energy inequity that California has been working diligently to tackle.

In addition, as of August 25, 2023, the large publicly owned utilities (Large POU) have uploaded their existing time-dependent rates with price modifiers as required by the LMS. This demonstrates the MIDAS is functional and can accept rates.

Conclusion

Based on LMS regulatory text and staff's analysis, the LMS do not authorize CEC staff to relax regulatory upload requirements and allow regulated parties to upload a subset of their rates with accompanying price modifiers. Staff further assesses that time-dependent rate uploads only need to include the rate and any price modifiers that affect hourly volumetric (per kWh) electricity prices. It does not include, nor require price modifiers for fixed charges because MIDAS does not store fixed, non-volumetric rate information. In addition, while including all price modifiers may result in uploading many different rates, Large POU completed the uploads of all their rates including those with price modifiers in June of 2023. The Large POU completion of this task demonstrated that it is possible to upload electricity rates with all price modifiers that affect the volumetric price, and to do so in a timely fashion.

Based on the above, and in response to the Order, all time-varying rates, including modifiers that affect the volumetric portions of those rates, must be uploaded to MIDAS by October 1, 2023.

Large IOUs may seek relief from the regulation's requirements as specified in Title 20, Division 2, Chapter 4, Section 1621(e). The regulations allow for Large POUs and Large CCAs to seek relief, but only as part of their complete compliance plans submitted to their rate approving bodies. Therefore, relief from the October 1, 2023, deadline is not available for Large POUs and Large CCAs outside the requirements of Title 20, Division 2, Chapter 4, Section 1623.1(a).