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**State of California**  
**California Natural Resources Agency**

## **M e m o r a n d u m**

**To:** Docket 23-LMS-01

**From: Drew Bohan**  
**Executive Director**  
California Energy Commission  
715 P Street  
Sacramento, California 95814

**Date:** May 15, 2024

**Subject: Stipulated Order - SDG&E's Request for Delay of April 1, 2024, MIDAS Rate Upload Deadline, Executive Director's Initial Determination and Recommendation to Approve the Stipulated Order**

### **I. Introduction**

San Diego Gas and Electric (SDG&E) requested an extension of an April 1, 2023, deadline to upload two of its time dependent electricity rates to the California Energy Commission's (CEC) Market Informed Demand Automation Server (MIDAS) database. CEC staff engaged with SDG&E and reached consensus on reasonable time parameters and reporting requirements. The Executive Director made an initial determination and recommendation supporting this resolution, which are contained in a stipulated order to be considered at the June 12, 2024, business meeting.

### **II. Background**

On April 28, 2023, San Diego Gas & Electric Company (SDG&E) joined other load-serving entities in requesting an extension of the July 1, 2023, deadline established in the Load Management Standards (LMS) regulations (20 California Code of Regulations "CCR" section 1621, et seq.) to upload existing time-dependent rates to the CEC's MIDAS database.

During that proceeding, on May 26, 2023, SDG&E also requested that it be allowed until April 1, 2024, to upload its Vehicle-Grid Integration Rate (VGI) and Grid Integrated Rate (GIR) when it would have an automated system for the uploads in place. The VGI rate and GIR are dynamic rates for electric vehicles and are based on hourly CAISO pricing.

The CEC granted SDG&E's request in a May 31, 2023, Order, No. 23-0531-10, ("Order"), as follows:

"SDG&E pointed out that a small percentage of its customers have access to hourly dynamic prices through its Vehicle-Grid Integration (VGI) rate and Grid Integrated Rate (GIR), which are based on CAISO hourly price signals for electric vehicles. SDG&E maintains that since these customers have access to hourly price signals, and that manually uploading these rates hourly would place an unwarranted excessive burden on its staff, SDG&E should have an extension to upload these rates (which affect less than 0.01 percent of its customers) until April 1, 2024,

when SDG&E will have a system in place to upload all of its rates by automated means. CEC staff concurs with SDG&E's request for the reasons stated." Order, pp. 3-4.

"It is not technologically feasible or cost-effective for SDG&E to upload to MIDAS hourly dynamic prices offered through its Vehicle-Grid Integration (VGI) rate and Grid Integrated Rate (GIR) until it can perform automated rate uploads, which is estimated to be April 1, 2024. These rates are based on CAISO hourly price signals for electric vehicles and represent less than 0.10 percent of SDG&E's customers." Order pp. 4-5.

"SDG&E shall upload hourly dynamic prices offered through its Vehicle-Grid Integration (VGI) rate and Grid Integrated Rate (GIR) by April 1, 2024. SDG&E shall file reports of its progress towards meeting this deadline with CEC staff on July 1, 2023, October 1, 2023, January 1, 2024, and April 1, 2024." Order, p. 6.

On March 1, 2024, SDG&E requested additional time to upload its VGI and GIR rates to MIDAS:

"SDG&E believes that timely compliance with the requirement to upload hourly time dependent VGI and GIR rates by April 1, 2024, would not be cost-effective. As such, SDG&E respectfully requests an extension of the deadline to upload VGI and GIR rates until SDG&E uploads its Real-Time Pricing (RTP) import pilot rate, or until 120 days (approximately 4 months) after SDG&E's RTP import pilot rate has been approved by the California Public Utilities Commission (CPUC), whichever is sooner." SDG&E's March 1, 2024, Letter, p. 2.

SDG&E provided this justification:

"Uploading VGI and GIR rates by April 1, 2024, is not cost-effective. As mentioned above, these two rates impact a very small number of SDG&E customers – only 600 meters to be exact. This amounts to 0.045% of SDG&E's total customer population. And to comply with LMS § 1623(b) for these rates, SDG&E estimates it will cost \$450-675k annually in IT systems to support and maintain these uploads. These costs are required to support the day-ahead and day-of uploads of California Independent System Operator (CAISO) commodity and base rate hourly pricing, as well as uploads of the complex calculations supporting the VGI Distribution Critical Peak Pricing hourly adders and the VGI Commodity Critical Peak Pricing hourly adders. All these prices must be uploaded and verified on a daily basis to ensure accurate pricing. If SDG&E were to upload VGI and GIR prices on April 1, 2024, SDG&E expects it would have to spend at least \$900k of ratepayer funds before it is able to upload prices associated with the RTP pilot rate. This is a significant investment of on-going ratepayer dollars for relatively few benefiting ratepayers. Thus, due to the limited benefit and high cost of implementation, SDG&E believes compliance is not cost-effective and should be delayed until it becomes more cost-effective." SDG&E's March 1, 2024, Letter, p. 3.

"Extending the deadline as proposed would align the timing for the upload of VGI and GIR rates into MIDAS with a larger upload grouping of hourly rates, making the needed technological investments more cost-effective. SDG&E expects its proposed RTP pilot rate will make hourly, time-dependent rates available for many more, if not all, SDG&E customer classes, reaching a much more significant portion of SDG&E's customer base. SDG&E's March 1, 2024, Letter, p. 3.

"In November of 2023, the CPUC dismissed SDG&E's December 2021 application for an RTP import pilot rate, without prejudice, and ordered SDG&E to 'file a new dynamic import rate application within 90 days after the Commission issues a final decision in [Rulemaking] R.22-07-005 that provides guidance for dynamic rate applications.' The current schedule in R.22-07-

005 states that a proposed decision, with the relevant guidance, is expected in March 2024. SDG&E would then file its application for an RTP import pilot rate within 90 days of the final decision in that proceeding. Pursuant to SDG&E's request for extension proposed herein, the VGI and GIR hourly dynamic prices would be uploaded after the final decision in SDG&E's RTP import pilot rate application." SDG&E's March 1, 2024, Letter, p. 2.

"SDG&E recognizes that this request for extension seeks a delay of compliance until after forthcoming CPUC decisions are issued, and that the exact amount of time requested is uncertain. However, as detailed below, given the small number of customers impacted and the significant cost of compliance, the cost-benefit ratio for compliance for these rates is very low and will be significantly improved if SDG&E can combine compliance for these rates with compliance for its RTP pilot rate." SDG&E's March 1, 2024, Letter, p. 2.

### **III. Consensus Reached**

After SDG&E made its extension request, CEC and SDG&E staff engaged in a dialog to determine whether time and reporting conditions could be placed on an extension of the April 1 upload. CEC staff and SDG&E concur that SDG&E can upload its VGI and GIR hourly dynamic prices by October 31, 2024, in a cost-effective manner which will serve the purposes of the upload requirement, especially given the small number of customers subject to these rates, the fact that these customers currently have access to these hourly dynamic rates and the fact that SDG&E previously uploaded all of its other time-dependent rates to MIDAS in compliance with the CEC's May 31, 2023, Order. CEC staff and SDG&E also concur that SDG&E can upload test VGI and GIR hourly dynamic rates to MIDAS by September 20, 2024, to afford CEC staff and SDG&E the opportunity to verify the success of the uploads sufficiently in advance of the October 31 deadline and afford time to address any issues that might arise.

### **IV. Executive Director's Initial Determination and Recommendation**

20 California Code of Regulations section 1621(e)(2) provides that Large IOU "[a]pplications for exemptions or delays shall set forth the requested time period" and "indicate when the Large IOU reasonably believes the exemption or delay will no longer be needed." This requires a Large IOU to specify a definite time period when it requests a delay. Indefinite requests or requests conditioned on the occurrence of other events frustrate effective evaluation of the requests and do not find support in the language of the regulation.

While SDG&E's original request did not specify a definite time period for the requested delay, the approach developed by CEC staff and SDG&E would correct this by adding a reasonable, specific delay period and effective reporting requirements.

Accordingly, the Executive Director made the initial determination that SDG&E can upload its VGI and GIR hourly dynamic prices by October 31, 2024, in a cost-effective manner which will serve the purposes of the upload requirement, especially given the small number of customers subject to these rates, the fact that these customers currently have access to these rates, and the fact that SDG&E previously uploaded its other time-dependent rates to MIDAS in compliance with the CEC's May 31, 2023, Order. The Executive Director further determined that SDG&E can upload test VGI and GIR hourly dynamic rates to MIDAS by September 20, 2024, to afford CEC staff and SDG&E the opportunity to verify the success of the uploads sufficiently in advance of the October 31 deadline, affording time to address any issues that

might arise. The Executive Director's initial determination and recommendation are in the stipulated order. So are the necessary findings and terms of the order.

**V. Conclusion**

The Executive Director recommends the CEC make the findings and issue the stipulated order. The order would approve an extension of SDG&E's April 1, 2024, deadline to upload its VGI and VIR rates to MIDAS to October 31, 2024, and would require SDG&E to upload test VGI and GIR hourly dynamic rates to MIDAS by September 20, 2024, to afford CEC staff and SDG&E the opportunity to verify the success of the uploads sufficiently in advance of the October 31 deadline affording time to address any issues that might arise.



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Drew Bohan  
Executive Director  
California Energy Commission

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Date