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**CALIFORNIA
ENERGY COMMISSION**

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California Energy Commission

STAFF REPORT

Compliance Assistance for Submitting Cost-Effective Load-Flexibility Programs

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ABSTRACT

This document provides compliance assistance to regulated parties for developing and submitting their cost-effective load flexibility programs to the California Energy Commission (CEC), as required by the amended Load Management Standards regulations. This document provides an overview of the relevant Load Management Standards, describes the CEC's compliance plan review process, and includes information that is relevant to demonstrating good faith efforts for regulated entities to meet Load Management Standards program goals.

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Introduction

This document provides an overview of the regulations and a format for regulated parties submitting their Load Management Standards (LMS) compliance filings as required by Title 20 California Code of Regulations (CCR) Sections 1623(d) and 1623.1(b)(3). (All citations are to Title 20 of the CCR unless otherwise noted.) The amended LMS do not require the California Energy Commission (CEC) to issue formal guidance. The CEC is providing this resource to assist, streamline, and clarify the process by which regulated entities can comply with regulatory requirements.

Timely compliance with the LMS regulations by the regulated entities is critical to achieving California's clean energy policy priorities, climate goals, electric grid resilience, and the reduction of Californians' energy burden. The LMS regulations lay the foundation for an automated load flexibility ecosystem in California that will be necessary to achieve 100 percent clean energy for all over the coming decades, while minimizing costs and maximizing benefits for California ratepayers.

Regulatory Overview

Requirements

The LMS regulations require each regulated entity to submit a list of cost-effective, LMS-compliant rates and programs to the 23-LMS-01 docket by October 1, 2024.

The investor-owned utilities (IOU) programs shall enable every customer to have the opportunity to enroll in at least one marginal cost-based rate. These rates shall be uploaded to the Market Informed Demand Automated Server (MIDAS) by IOUs and kept current.

Publicly owned utilities (POUs) and community choice aggregators (CCAs) shall provide at least one load flexibility program option that is cost-effective for each of their customers. Any rates and signals used by identified programs must be uploaded to MIDAS by POUs and CCAs and kept current.

Section 1623 (d)

This subsection reads as follows:

(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.

Section 1623.1 (b)

This subsection reads as follows:

(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).

Requested Submission Format

The CEC requests that submittals use the linked excel document form which uses the fields described below. For each entry row, please provide a summary for the rate or program that includes the following:

- Program Name – Identify the full name of the rate or program.
- Common Name – Indicate the program's common name.
- RIN(s) – Provide all RIN(s) that will be uploaded to MIDAS for the rate or program.
- Customer class(es) – Provide a list of customer classes that will be served by the program.
- Enrollment requirements – Provide customer qualification criteria to enroll in the program.
- Interaction with MIDAS – Describe how the program will be integrated with MIDAS.
- Start Date – Identify the program start date.
- Evaluation Criteria – Describe how the program will be evaluated. (If the program is not being evaluated this can be left blank.)
- End Date – Identify the program end date, if known.
- Description – Provide a general overview of the program.
- Reward Structure – Describe how participation benefits customers.
- Customer Outreach – Describe how customers will be informed about program availability, how to subscribe, and how to participate in load shifting.
- Cost Effectiveness – Provide information on the program's cost effectiveness.
- Program or Rate Website – Provide a link to the program or rate webpage. If no webpage exists, put N/A.

The CEC will review the list of programs provided by each regulated entity and reach out with any questions.

The CEC has provided an Excel template that should be used to streamline reporting in the requested format, including a sample submission to provide further clarity. This Excel Sample Submission Load Flexibility template is available on the 23-LMS-01 docket here.

Question and Answers About the Programs

What types of programs is the CEC looking for?

The CEC is looking for programs that use automated MIDAS signals or hourly/sub-hourly GHG emission signals. Include at least one program available to each served customer class except streetlights.

Can a time-of-use (TOU) program be submitted?

No, the load-shifting signal for the program or rate must be marginal cost-based and updated at least hourly.

Can we submit pilots, programs, and rates that are not currently implemented?

Yes, these should be submitted along with an implementation timeline and planned evaluation criteria the regulated entity would use to assess potential programs or rates.

What if we don't have plans for real-time pricing?

This issue must be addressed within each regulated entity's compliance plan. The LMS requires alternative options such as programs. Submit those alternative rates and programs in your response to this list submission requirement.

What customer classes should the submitted programs and rates cover?

Please submit current and programs and rates planned through June 2027, for residential, commercial, industrial, agricultural customers and any other non-streetlight customer. Note the customer classes served in your submission.

How can we show cost-effectiveness?

You do not need to show cost-effectiveness calculations as part of this filing. Please respond for each program or rate whether it has been determined to be cost effective. For rates and programs that have not started, please respond whether a cost-effectiveness determination is completed (and the determination) or will happen in the future.