

**DOCKETED**

<b>Docket Number:</b>	23-LMS-01
<b>Project Title:</b>	Load Management Standards Implementation
<b>TN #:</b>	259374
<b>Document Title:</b>	23-LMS-01_SCE_Cost Effective Load Flexibility Programs
<b>Description:</b>	23-LMS-01_SCE_Cost Effective Load Flexibility Programs
<b>Filer:</b>	Southern California Edison Company
<b>Organization:</b>	Southern California Edison
<b>Submitter Role:</b>	Applicant
<b>Submission Date:</b>	10/1/2024 11:02:30 AM
<b>Docketed Date:</b>	10/1/2024

October 1, 2024

California Energy Commission  
1516 Ninth Street  
Sacramento, CA 95814-5512  
docket@energy.ca.gov

Re: Docket No. 23-LMS-01, Load Management Standards Implementation – Southern California Edison Company’s Submission of Cost-Effective Load Flexibility Programs in Compliance with 20 CCR § 1623(d)

Dear Commissioners:

In accordance with the California Energy Commission’s (CEC) Load Management Standards (LMS), Southern California Edison (SCE) is submitting a revised list of load flexibility programs for review and approval, pursuant to Title 20, California Code of Regulations (CCR) Section 1623(d),<sup>1</sup> which states in relevant part:

- (1) No later than eighteen (18) months after April 1, 2023, each Large IOU [Investor-Owned Utility] 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.

In the above-referenced docket, the CEC issued a Staff Report on September 6, 2024, in which the CEC requested that submittals pursuant to Section 1623(d)(1) use an Excel document form with defined fields, which the CEC separately filed on the docket.<sup>2</sup>

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<sup>1</sup> The Load Management Standards (LMS) are codified in California Code of Regulations, Title 20, Sections 1621-1625. The amended regulations in section 1621(d) specifically applies to California’s “Large Investor-Owned Utilities (IOUs),” namely Pacific Gas and Electric Company, San Diego Gas & Electric Company, and SCE.

<sup>2</sup> The guidance document and Excel template provided by CEC Staff on the docket are entitled “*Compliance Assistance for Submitting Cost-Effective Load Flexibility Programs*” and “*Sample Submission Load Flexibility Programs*,” respectively.

Accordingly, SCE is providing along with this cover letter an Excel document with the format and column headings included in the guidance document posted on the proceeding docket. For context, SCE provides the following additional background information regarding its alternative cost-effective, load flexibility programs and its flexible pricing rate pilot.

### **List of alternative cost-effective, load flexibility programs**

In a draft revision of its Compliance Plan submitted to CEC Staff on May 16, 2024, SCE proposed the following alternative cost-effective, load flexibility programs:<sup>3</sup>

*In the event a marginal cost-based, full-scale RTP rate has not been approved by SCE's rate-approving bodies by January 1, 2027, SCE notes the combination of its current Template Based RTP (TB-RTP) program and its ongoing Expanded SCE Flexible Pricing Rate Pilot represent alternative dynamic pricing rate offerings to meet the compliance requirement as defined in Section 1623(d)(1)-(2). Continuing to offer these two programs to customers during the interim period is the most cost-effective approach to complying with the requirements of Section 1623(d)(1)-(2), as SCE will not be required to develop and implement new rate offerings that will only be available for approximately 10-months before being superseded by the full-scale RTP rates. SCE has already deployed the TB-RTP rate to most rate classes and currently uploads TB-RTP rates to MIDAS on a daily basis. The TB-RTP hourly pricing is updated the evening before the day the pricing is effective. All rate uploads are currently performed using a combination of semi-automated and manual processes requiring a daily user interface. The TB-RTP pricing is based on generation marginal costs, is applied hourly, with a continuous temperature-based pricing signal that adjusts hourly pricing. However, the TB-RTP rate lacks the DLAP pricing, marginal pricing for distribution and transmission, and is currently not offered to residential customers. To make up for these deficiencies, SCE will continue to enroll customers into its Expanded SCE Flexible Pricing Rate Pilot that reflects all the rate design elements required under the LMS and does not reflect the deficiencies in the TB-RTP rate. From this perspective, offering the TB-RTP rate and the Expanded SCE Flexible Pricing Rate Pilot as alternative solutions prior to the implementation of full-scale RTP rates is the most cost-effective approach.*

### **Expanded SCE Flexible Pricing Rate Pilot**

In a recent decision (D.24-01-032), the California Public Utilities Commission (CPUC) directed SCE to expand its dynamic rate pilot to enhance summer reliability benefits from June 1, 2024 to December 31, 2027. The decision further mandated SCE to propose an implementation plan for the expanded pilot.<sup>4</sup> SCE's implementation plan, filed in Advice 5273-E, was approved on August 12. In this plan, SCE proposed to onboard a new Price Engine

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<sup>3</sup> SCE would like to clarify that the list of cost-effective, load flexibility programs discussed in its draft revision Compliance Plan is intended for use if LMS-compliant rate designs are not available by January 1, 2027. This list does not represent a portfolio of programs currently available to all rate classes.

<sup>4</sup> D.24-01-032, OP 2.

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Vendor within six months of the plan's approval, after which new customers could be enrolled in the expanded pilot.<sup>5</sup> Enrolled customers would then participate in the expanded pilot from their enrollment date until December 31, 2027, unless they choose to unenroll or are otherwise unenrolled due to other circumstances.

The evaluation criteria for the expanded pilot were determined by the CPUC and can be found in Attachment C of D.24-01-032.

### **Conclusion**

SCE appreciates the review and approval of its submission and looks forward to working with the CEC and other rate approving authorities on load management and dynamic pricing initiatives. Please do not hesitate to contact me, or Robert Thomas at (626) 302-3505 or Robert.Thomas@sce.com, with any questions or concerns you may have. I am available to discuss these matters further at your convenience.

Very truly yours,

/s/

Robert Thomas

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<sup>5</sup> SCE Advice 5273-E, p. 4.