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California Energy Commission
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Re: Docket No. 23-LMS-01: Comments of the Large IOUs in Response to CEC's Request for Comment on the Statewide Rate Access Tool

Dear Commissioners:

Southern California Edison Company (SCE), on behalf of itself, Pacific Gas and Electric Company (PG&E), and San Diego Gas & Electric Company (SDG&E) (collectively the Large Investor-Owned Utilities or Large IOUs), submits these comments in response to the California Energy Commission's (CEC's) *Request for Comment on the Load Serving Entities' October 1, 2024 Plan for a Single Statewide Rate Access Tool*. The Large IOUs were among the Load Serving Entities (LSEs) that filed the *Initial Proposed Framework for Single Statewide Standard Tool* (SST Proposal), as required by the California Code of Regulations, Title 20, Section 1623(c). While the Large IOUs stand by the SST Proposal, several questions posed by the CEC raise important new issues, and therefore the Large IOUs appreciate the opportunity to address these issues here. Accordingly, the Large IOUs provide responses to select questions from the CEC's Request for Comment, using the original enumeration from the request as a reference.

The Large IOUs maintain that the LSE's Concept Design¹ provides the best balance between customer privacy, data security, and ease of use. In contrast to other systems that could potentially be comparable (such as Smart Meter Texas), the LSEs' Concept Design relies on the same user ID and password employed through the IOUs' authentication systems, providing higher security compared to a separate login for the SST. It also utilizes a "Click-Through" process approved by the CPUC where authorization takes place on IOU systems, but begins and ends on third-party sites. The Concept Design leverages methods and systems developed to comply with CPUC rules and regulations, to which the IOUs must adhere.

The Large IOUs recommend an incremental approach to implementing the SST, starting with only the required data sets to avoid as much duplication as possible, though the minimum data sets for the SST already entail some duplication of existing data provided by the Large IOUs. Through an incremental approach, additional features would only be added when existing features reach sufficient usage thresholds.

The Large IOUs do not have an estimate of costs for the SST, as there are no systems that are directly comparable. However, there will be expenses both to build and maintain the SST

¹ Concept Design for RIN, Rate Comparison and Rate Change Statewide Tool, Docket No. 23-LMS-01, October 1, 2024

and to adapt IOU/POU/CCA systems to enable it. Each LSE will need to have its costs approved by its regulator, whether that be the CPUC, a city council, or an independent board. Each regulator will have its own unique requirements and timetables. It is also possible that the respective regulatory bodies may change or adapt the proposals that are in front of them. For instance, the CPUC may require changes to IOU cost recovery applications to ensure that the costs are just and reasonable and to conform with the CPUC's directives that are being developed in the Demand Flexibility Rulemaking (R.22-07-005).²

The Large IOUs recommend that the CEC consider alternative funding for the SST, including taxpayer funding, other non-ratepayer funding, or third-party funding collected as fees from the users of the tool. This will alleviate concerns about using ratepayer funding and its impact on customer bills. If ratepayer funding is ultimately needed, the scope of the project should be tailored such that it reflects recent direction from the Governor to the CPUC and CEC on electricity affordability and does not unduly burden ratepayers. Further, it is important to recognize that if ratepayer funding is needed, then the timeline for implementing the SST is dependent on the CPUC's funding approval, which will likely also require CPUC alignment with the goals and design of the SST. Building CPUC alignment would likely occur through a CPUC proceeding, which takes 12-18 months on average from the date the application is docketed. Implementation work on the SST is contingent on funding approval for the Large IOUs and the other LSEs responsible for it under the LMS. The Large IOUs believe that the more the CEC is able to coordinate with the CPUC on this funding issue, the sooner the SST will likely be implemented.

Response to Questions

1. Please identify examples of other, similar software/tools that perform this kind of task. Specifically, please identify other software that authenticates a person as an eligible customer of a business that is different from the business querying the customer's information.

The following are two examples of such tools.

*CAISO Demand Response Registration System/Rule 24*³

To enable customers to participate in the California Independent System Operator (CAISO) demand response (DR) market, new enrollments with Demand Response Providers (DRPs) are processed through CAISO's Demand Response Registration System (DRRS) in order to qualify as a supply side resource for Resource Adequacy. DRRS only allows a customer to be

² CPUC Rules of Practice and Procedure Article 2.1(c) states that proposed applications schedules need to be consistent with the proposed category, including a deadline for resolving the proceeding within 18 months or less for a ratesetting proceeding.

³ Rule 24 for SCE and PG&E pertains to direct participation of Demand Response Providers in CAISO's market. The equivalent rule for SDG&E is Rule 32. See SCE Rule 24, available at: <https://www.sce.com/regulatory/tariff-books>

enrolled with one DRP in the CAISO system. After a DRP submits a customer's Service Account Number (SAN) to the DRRS, first the DRRS checks to see if the SAN is already actively listed in the DRRS, then both the Utility Distribution Company (UDC) and Load Serving Entity (LSE) serving the customer can check to see if the customer is enrolled in another Demand Response (DR) program (either with the UDC, a CCA, or third-party DRP). These enrollment checks at the Large IOUs are performed by Rule 24 staff / systems that do not share customer enrollment information with internal DR programs staff as they are seen as competitors to third-party DRPs. Rule 24 establishes requirements for IOUs that help ensure adherence to the CPUC's principles on competitive neutrality.

Greenbutton/Connect My Data systems

The Large IOUs implemented Green Button Connect (GBC) systems to share data with customers and authorized third parties. While GBC as implemented does not support the LMS features, it enables a customer to authenticate and authorize third-party businesses to access the customer's data. In GBC, the customer is authenticated strictly as the IOU customer and not as third-party customer, and third-party queries about a customer can be strictly-access controlled based on specific customer authorization.

4. Do you recommend a different approach for sharing a customer's rate information with service providers that the customer explicitly authorizes?

Other than working directly with each LSE to obtain rate information, the Large IOUs do not recommend any other approach. The authentication and authorization design proposed in the SST Proposal is the best balance between customer privacy, data security, and ease of use. Although details vary slightly between Large IOUs, the Concept Design has several benefits over alternative approaches:

a) The information a customer needs to authenticate itself in the Concept Design proposal is comparable to that required by Smart Meter Texas (SMT).⁴

b) A solution like SMT requires the customer to maintain an additional set of user IDs and passwords. Under the Concept Design proposal, the customer will authorize the release of data to the third party, but under the IOU's authentication system using the same user ID and password the customer uses at the Large IOU. This method maintains a customer user experience that is consistent with existing online services rendered by the Large IOUs. Furthermore, IOUs maintain cybersecure systems to ensure customer privacy and data security.

⁴ Smart Meter Texas is a system that allows customers within the Electric Reliability Council of Texas (ERCOT) service area to access smart meter data from their Transmission and Distribution Service Provider (TDSP) and authorize access to their data by Retail Electric Providers and Competitive Service Providers. Smart Meter Texas stores meter data for all TDSPs in the state and provides a web portal to facilitate customer authorization. Smart Meter Texas first began operating in 2010. See Understanding Smart Meter Texas, Joint Transmission and Distribution Utilities, Public Utility Commission of Texas Docket 41171, Filed Jan 17, 2014. Available at: https://interchange.puc.texas.gov/Documents/41171_3_778677.PDF

This contrasts with SMT design, where in such systems customer data is released away from IOU systems and IOUs would no longer be able to provide any assurance of cybersecure data oversight.

c) The Concept Design proposal makes it possible for a Large IOU customer to see and manage all of its data sharing authorizations, whether related to the SST or not, through an IOU facilitated feature on the IOU website. This facilitates simpler customer management of data access to external third parties and helps ensure that those third parties have been explicitly authorized.

d) The Concept Design proposal enables integration with a third party's customer authorization processes. The Large IOU's proposed design uses "Click-Through," which allows the customer authorization process to start and end at the third party's web site.⁵

e) The Concept Design proposal accommodates authorization by customers with multiple service premises, such as large retail chains, governmental agencies, etc.

f) The custody of customer data for the SST remains with the Large IOU instead of at an additional location with the SST. This allows for the Large IOUs to enforce appropriate and necessary data governance and lowers the risk of a data breach.

g) The Concept Design proposal uses OAuth2.0, which is an industry standard that secures customer data from unauthorized third-party data access.

6. Should any additional customer information (e.g., historical interval meter data) be available through the statewide rate tool? If so, what? At what frequency should any additional data be available and at what frequency should it be updated? For example, "The statewide rate tool should include hourly meter data from the customer's meter and hourly distribution-level congestion measurement for the customer's meter. These data should be updated daily such that the previous day's data is always available."

The single statewide tool requirements per the LMS specify the delivery of Rate Identification Numbers (RIN) and bill comparison related information, but no other data. Utilities already provide access to a customer's meter interval data in existing data access mechanisms; the IOUs do not support overlapping or duplicative data access channels, as they add cost to ratepayer bills for the added feature, security, operations, maintenance and support thereof. The IOUs' concerns and efforts over affordability for ratepayers is an important reason to avoid such overlapping and redundant data services that increase consumer utility bills without providing new benefits or functionality.

⁵ CPUC Resolution E-4868, <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M194/K746/194746364.PDF> (accessed 12/18/2024); D.16-06-008, p 14, <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M163/K294/163294060.PDF> (accessed 12/18/2024); D.23-09-006, <https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M520/K497/520497426.PDF> (accessed 12/18/2024).

Data that is provided should be understandable and useful to inform customer actions. Real-time pricing will include distribution prices, which would signal when distribution system capacity is or is not constrained. An hourly distribution-level congestion measure, if a suitable one were available, would add uncertainty and confusion for the customer about which signal should be used for customer response.

8. What are the privacy and security concerns for the statewide rate tool? How should they be addressed?

Privacy

Pursuant to PG&E's Electric Tariff Rule 27,⁶ all third parties using the SST would be "covered entities" under the tariff, and any data access requires separate authorization from each customer. The SST must adhere to rules authorizing access to customer and interval data in accordance with Electric Tariff Rule 27 (and applicable Commission decisions). The Joint LSE proposal for the SST, the Concept Design document, covers the rules for customer consent per Rule 27 for authorization and describes the methods to authenticate the customer for such purposes. The requirement for prior customer consent before providing access by third parties to the customer's confidential information is based on CPUC regulations and state law.

Cybersecurity

Rule 27 further addresses requirements for data security. The Concept Design is specified to allow for a sufficient level of security and privacy for customer confidential information and for cybersecurity protection to be maintained at the domain of the resource custodian. Therefore, the privacy and security aspects are assigned to the entity that can most appropriately manage those concerns consistent with the requirements of Rule 27. The third-party use of the customer's data provided with the customer's consent would be a secondary purpose under Rule 27, and responsibilities for privacy and security after the data is provided to the third party rests with the third party and its contractual arrangements with its customer.

9. How should service providers register to gain access to the statewide rate tool? What are appropriate and reasonable requirements for access (or reasons to deny access)? Are there examples that could be followed?

The IOUs assume that service providers desire a single registration scheme to access the SST once for services for all IOUs/POUs/CCAs related to the SST. Thus, per the filing, a single entity with statewide authority, such as the CEC or CPUC, should be responsible to set standards and process and maintain a registry of valid service providers. Examples of registration can be

⁶ These comments refer to PG&E's Rule 27, which details privacy and security protections for customers' energy use data. This reference is also applicable to SCE's Rule 25 and SDG&E's Electric Rule 33, which cover the same subject matter as PG&E's Rule 27 and were developed to conform with the same CPUC decisions and state laws.

drawn from Rule 25⁷ or Rule 24, such as PG&E's Share My Data service, where some rigor is applied to vet potential service providers, along with acceptance of clear Terms and Conditions for use of the system. For Rule 24, the third party serving bundled service customers needs to be registered with the CPUC. In the Concept Design proposal, IOUs/POUs/CCAs reserve the right to restrict or remove access at any time for service providers accessing the SST.

10. Does the LSEs' proposal appropriately address customer authorization? Why or why not? If not, what approaches do you recommend for ensuring the customer is authorizing the service provider to look up their rate information?

Yes, the Concept Design proposal does appropriately address customer authorization—it is similar to what the Large IOU and the CCA customers use in the existing Large IOUs' authorization process, which is centered on the OAuth2 mechanism and allows selection of multiple relevant service agreements.

11. How can the cost of development, deployment, and maintenance be reduced?

The design, feature set, and scale of the SST will ultimately determine the cost. A more limited set of initial features and waiting to add features once the SST reaches certain usage metrics may help constrain the costs of the system.

To minimize SST costs, the Concept Design proposal leverages existing IOU systems as much as possible. The IOUs have already invested significant funds in systems that allow customers to access their own data, share it with third parties, compare rate options using their historical usage, and switch to alternate rate options. Leveraging these existing systems also decreases the time to stand up the SST and limits introducing new access points that could be vulnerable to exploitation.

Building systems through an incremental approach, such as waiting to build further and more complicated features until existing ones have enough usage, can limit the potential cost of systems that may go underutilized. However, building complex systems through an incremental approach can also add to costs overall when considering the overall cost of the entire system. Creating an initial architecture for the system that accommodates potential future features can add to the cost of a minimum viable product, but can reduce the costs of future features, if they are added.

This incremental approach is included in the LSE's *Concept Design Document for the CEC LMS Single Statewide Tool*. Phase 1 one enables the delivery of RINs, Phase 2 enables the delivery of rate comparisons, and Phase 3 enables the ability to switch rates.⁸ Phase 2 could wait until there is sufficient use of Phase 1 features to justify it. Phase 3, which enables the ability to

⁷ PG&E's Electric Rule 25 pertains to the release of customer data to third parties. The equivalent rule for SCE is Rule 26 and for SDG&E it is Electric Rule 34.

⁸ Concept Design Document, p. 27.

switch rates, is likely to be the most complex and require significant utility system changes. As customers can already change their rates online through utility websites, it is reasonable to weigh the cost of duplicating this functionality through the SST versus the benefit it is assumed to provide to customers.

12. Roughly, what is the total cost you would expect for developing, implementing, and maintaining the statewide rate tool? What experience or examples do you base your estimate on?

The Large IOUs do not have an estimate of costs for the SST. Many costs will be dependent on the development of more detailed plans, and the issuance of a Request for Information (RFI) may be required before estimating potential costs. The Large IOUs are not aware of any comparable system that offers similar features that could serve as the basis for a potential cost comparison.

13. Do you support the terms and conditions in the LSEs' submission? If not, what changes would you recommend?

The terms and conditions that were attached to the SST Proposal were submitted by the LSEs as our initial draft. The LSEs indicated the draft is subject to additional work and is an initial, preliminary set of proposed terms and conditions, which are subject to further review and discussion. The final terms and conditions will depend on the final design and operation of the SST as approved by the CEC and the Parties' respective regulatory or governing bodies.⁹

14. What are appropriate limitations or requirements for data sharing, retention, storage, and privacy?

CPUC Electric Rule 27 requires proper management of customer access and data for privacy and security under data security for data held by the IOUs and for primary use. Data sharing and privacy are inherent to Rule 27, and as the Concept Design of the SST was designed to adhere to Rule 27, it adequately supports those requirements. Data storage and retention is governed by its purpose, and thus governed by the IOUs/POUs/CCAs per policy requirements appropriate to the nature of the data. The Concept Design allows for application of those individual data storage and retention policies by design through the use of an API gateway for the SST that links back to IOU/POU/CCA systems that provide core functionality – each organization can apply the necessary and required level of management on the data.

Third parties who have received data with the customer's authorization for use by the third party as indicated in LMS, i.e., a secondary use per Electric Rule 27, would be subject to applicable state law.

⁹ SST Proposal, p. 11.

15. The load management standards put responsibility for building and maintaining the statewide rate tool with the utilities and CCAs. Is there a more efficient way to build the tool or achieve its goals?

The Joint IOUs recommend that a single third party, selected through a competitive process, build and administer the tool. Developing and maintaining the SST, as it is being contemplated here, is a complex undertaking that will require a single experienced coordinator. This coordinator would ensure consistent data management requirements to incorporate extensive data streams from 18 separate LSEs while providing access to sensitive customer information through secure authorization per the Concept Design Document. Additionally, the coordinator would maintain the information technology systems that would be needed to support the SST and ensure that the tool's functionality is maintained through software and other technological updates.

An example of a state agency with appropriate jurisdiction that leverages a single coordinator to compile and provide broader Statewide access to utility customer information is seen in the CPUC's [California Distributed Generation Statistics](#).¹⁰ Through this online system, which is operated under the CPUC's oversight, the IOUs currently deliver interconnection data on customer-sited solar and storage to a company (Energy Solutions) that compiles the data, quality checks it, ensures the data is formatted and represented consistently across the IOUs, and makes the data available to the public. The data provided through this system is public and much less complex than what is being contemplated for the SST. Nonetheless, the experience with California DG Statistics site demonstrates the importance of having a single coordinator to ensure data consistency across the three IOUs who participate in the California DG Statistics (PG&E, SDG&E, and SCE).

16. How useful do you expect the tool to be to users, for example automation service providers? What are the most valuable use cases for the tool? Should costs be imposed on automation service providers to cover usage or for a service level agreement to help cover the cost of maintenance?

It is unclear how useful the tool will be to automation service providers (ASPs) as noted in the SST Proposal submitted by the Joint LSEs.¹¹ Chief among those concerns is affordability and how useful will the tool be given its cost. Since the LSEs designed the tool to leverage existing functionality as much as possible, it remains to be seen if ASPs will find the tool useful beyond what is already available.

There are also concerns with how much the ASPs will be involved with the development of the tool. Will they participate in piloting the tool? Will they have an interest in the tool

¹⁰ Resolution E-5030, Authorizing Energy Division to Oversee Contracts for Work Required to Maintain and Expand the California Distributed Generation Statistics Website.
<https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M322/K704/322704036.PDF>

¹¹ Initial Proposed Framework for Single Statewide Tool, Docket No. 23-LMS-01, October 1st, at 3.

without being provided an opportunity to experiment, explore and perform fit-for-market analysis? Of course, adding those opportunities and building in a feedback loop to respond to ASP recommendations will add to the development cost.

To help mitigate those costs, some or all the costs of the tool should be recovered from ASPs. The SST Proposal outlines two methods to charge ASPs. The first is to encourage charging ASPs/third parties for the SST features and functions. And the second method is to directly charge ASPs/third parties for use of the SST.¹²

17. What should be the funding source for the development and maintenance of the tool?

The Large IOUs acknowledge that funding for the development and maintenance of the tool is a complex issue. In this section, we discuss some of the challenges with an LSE-funded approach and instead encourage the CEC to prioritize alternative funding options, including funding from other non-ratepayer sources and/or third parties collected via fees for use of the tool.

Securing LSE funding and defining a final SST scope will be challenging given the lack of unified regulatory authority over the LSEs subject to the LMS. The processes applicable to the LSEs in each LSE category for funding approval must be obtained through disparate governing authorities, each with its own standards, processes, and scheduling requirements. Numerous independent Boards and City Councils represent the governing authority for CCAs, with funding decisions made on a fiscal cycle. POUs receive funding approval through their respective Boards, also on a fiscal year basis. And for the Large IOUs, funding approval is received through the CPUC pursuant to Code Sections 451 and 454¹³, which require the CPUC review evidence for and against funding requests through a formal proceeding in order to determine if rate recovery of the funding request is reasonable and prudent.

Each governing authority will apply its own review standards to the proposed statewide tool, potentially leading to changes in scope that are consistent with the LMS regulation but divergent from the SST scope approved by the CEC. For example, the IOUs must file an application with the CPUC seeking authority to recover funding associated with the SST. The application for cost recovery will describe a dynamic pricing framework approved by the CEC that incorporates the SST, MIDAS, and LMS compliant dynamic rate structures as key contributors to the overall cost and scope. Because the CPUC is responsible for ensuring all rate

¹² Concept Design for RIN, Rate Comparison and Rate Change Statewide Tool, Docket No. 23-LMS-01, October 1st, at 16.

¹³ Public Utilities Code Sections 451 and 454 require that utilities subject to CPUC oversight obtain CPUC approval for rates and charges, and that the CPUC determine that those rates and charges are just and reasonable. See also Decision 15-12-020 (“Pursuant to Pub. Util. Code § 451 all rates and charges collected by a public utility must be “just and reasonable,” and a public utility may not change any rate “except upon a showing before the commission and a finding by the commission that the new rate is justified.” (§ 454.) The Commission requires that the public utility demonstrate with admissible evidence that the costs it seeks to include in revenue requirement are reasonable and prudent. The Commission is charged with the responsibility of ensuring that all rates demanded or received by a public utility are just and reasonable.”).

recovery requests received from the IOUs are just and reasonable, the CPUC will open proceedings to review the IOU proposals under its own standards of evidence and policy guidance. Ultimately, the IOUs expect that the CPUC will assess the value provided by the SST to an IOU's ratepayers relative to the cost those ratepayers are absorbing in order to fund the IOU's share of the SST's cost. The proceeding will likely include new considerations from parties that have not been active in the LMS but have been active in the Demand Flexibility Rulemaking (DFOIR), R.22-07-005, where the CPUC is exploring dynamic pricing rates under a pricing framework that differs from the LMS framework. The differences are primarily in the areas of how the prices are generated, delivered, and stored; the level of required LSE involvement; subscription and transactive elements; bi-directional rates; and how customers interact with the dynamic prices and associated services. While the rate designs for the LMS and DFOIR are similar, the differences in these core elements are significant. The broader common interest shared by parties in the DFOIR and LMS proceedings regarding the affordability of electricity, along with policy differences between agencies, is likely to result in portions of each framework being adopted into a single framework that the CPUC deems just and reasonable. Such an outcome may prompt another round of review at the CEC if certain priorities have been descoped through the CPUC process, resulting in further uncertainty regarding costs and scope.

Due to these challenges, the Joint IOUs request that the CEC pursue greater coordination with the CPUC to jointly define the scope of a dynamic pricing framework. This will allow a more accurate estimation of the budget and identification of potential funding sources. The need for coordination between the CEC and CPUC is especially relevant given the Governor's recent Executive Order¹⁴ requiring the CEC and the CPUC to identify programs they oversee that are unduly burdening ratepayers. With respect to the CEC, the Executive Order states:

The California Energy Commission is directed to examine all electric ratepayer-funded programs it oversees or administers and to identify any programs, and any other regulations that may be unduly adding to rates, for which the electricity system benefits may not be justified by the costs they impose on electric ratepayers, or whose funding might more appropriately come from a source other than ratepayers. The commission shall report to me by January 1, 2025, the results of its analysis and its recommendations for statutory and/or regulatory changes, including the modification or elimination of any Underperforming or underutilized programs and whether any ratepayer funds in any programs remain unused and can be considered for possible return to ratepayers.

Understanding a clearer scope for the SST is imperative for LSEs to be able to estimate associated costs of the tool, which, as described above for the IOUs, must then be reviewed by the CPUC to assess whether said costs should be deemed just and reasonable. Consistent with the Executive Order, this consideration should ensure that costs for implementing the SST are not unduly burdening ratepayers. Given the focus on addressing electric affordability for all Californians, and to reduce future cost burden for electric ratepayers, the Large IOUs strongly

¹⁴ Executive Order N-5-24, Issued October 30, 2024. Available at: <https://www.gov.ca.gov/wp-content/uploads/2024/10/energy-EO-10-30-24.pdf>

urge the CEC to prioritize the identification of non-ratepayer funding sources that could support the development of the SST.

If LSE funding of the SST is the result of such deliberations, the CEC's coordination with the CPUC and other governing bodies must ensure allocation of costs across the LSEs is equitable and based on cost causation. As discussed in the Joint LSE SST Submittal, the California Legislature and the CPUC have provided guidance regarding cost allocation¹⁵ across LSEs that can inform how SST-related costs are allocated. The adoption of these established cost allocation principles will help determine the allocation of costs throughout the lifecycle of the SST. Thus, foundational costs and ongoing maintenance costs can be appropriately allocated across the LSE categories, while functions specific to any one category of LSE can be allocated to the applicable category.

The Joint IOUs recognize third-party funding sources are a potential solution. This option would require a robust review to determine the potential viability of the SST as an energy service solution. If successful, third-party funding could relieve ratepayers of the burden for paying the development and ongoing maintenance costs of the SST. However, this outcome is dependent on an SST providing real financial value to third parties, thus ensuring their continued engagement with the tool. To the extent third parties do not realize value in the SST and the CEC has not mandated participation in the tool, third parties will not use the SST, potentially developing different platforms to serve their purposes. Because of this potential outcome, the Joint IOUs urge the CEC to consider overall flexibility and universal utility of the SST when determining funding sources.

18. Should the tool incorporate all initially envisioned features or should the feature set be adjusted? For example, "Rate change capability is nice to have, but not required for my company's load flexibility and VPP offerings. We would benefit more by having additional customer and grid data available through the tool."

As described in the Large IOUs response to question 11, a phased approach where additional features are added only once initial features achieve enough usage can limit the exposure to sunk costs in the event the SST does not achieve desired levels of usage. The initial phase can be limited to providing customer RINs (which enable the use of MIDAS) and a decision to proceed with Phase 2, providing bill comparisons, can be based on usage levels and projected costs. Phase 3, the ability to switch rates through the SST, is expected to be the most complex and incur the greatest costs. Providing customer RINs is also a reasonable starting point as it is the most basic feature to implement.

The Large IOUs recommend against expanding the features beyond those already called for in the LMS. Additional features should be added contingent on hitting certain usage thresholds of the initial feature set. If further customer and grid data is desired, as referenced in the question, the SST could provide a map of data available from the Large IOUs and

¹⁵ SST Proposal, pp. 19-21.

instructions for accessing it. This would help to facilitate data access without duplicating existing systems available to customers.

19. If the statewide rate tool is not developed, what effects do you expect this to have on automation service providers, electricity customers, and statewide adoption of load flexibility?

Although Automation Service Providers represent an important contributor to load management in California, the reality is that the majority of utility customers are not being actively managed by an Automation Service Provider, and the statewide adoption of load flexibility will be dependent on broader adoption beyond just an ASP customer base. ASPs currently operate by working directly with their customers, which is an option that can still be done today and in the future. It remains to be seen if a statewide system application like SST would make things easier for wider adoption of automated load flexibility. The costs to enable this expanded functionality will need to be weighed against the benefits of the broader customer base that will potentially be funding the costs of this initiative, and if those costs are justifiable, given affordability concerns.

That being said, the Joint IOUs welcome further assessment of the utility of the Statewide Tool for Automation Service Providers and electricity customers relative to current channels for accessing customer rate information.

20. Do you have any concerns about equity or equal access? If so, how can these be addressed?

The IOUs interpret this question as concerned with equity or equal access for lower income or disadvantaged community-based customers. The concept of the SST is to enable third party ASPs to use the SST to obtain customer consent and authorization to receive customer specific information, manage the customer's energy usage through automation, and change rates for the customer. The ASPs' marketing to retail customers, acquisition of customers, and management of their usage via the SST is not subject to regulatory oversight or control. The ASPs can decide whom they want and whom they do not want to serve. The ASPs' individual choice about whom to sign up via the SST might encompass a specific segment of retail customers as opposed to all retail customers. In theory, if an ASP signs up a customer, the ASP should be motivated to manage the customer's load in conjunction with a rate that fits the load management strategy, to the benefit of both the customer and the ASP.

Access by customers directly to the SST probably will be primarily by commercial and industrial customers who can self-aggregate and manage their loads, possibly across multiple service accounts and locations. Residential and other smaller customers will also have access to the SST, which serves the goal of equity and equal access.

ASPs may have other alternatives to the SST, such as programs sponsored and funded by the LSEs or the CEC, or even the ASP's own program, which may support ASP use of customers

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and automation to manage customer load. Therefore, the SST alone may not provide a complete picture of equity for customers.

Conclusion

The Large IOUs appreciate the CEC's consideration of these comments and look 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 at (626) 302-3505 or Robert.Thomas@sce.com. Contacts for the other Large IOUs are: PG&E (Jennifer Privett at (916) 698-8033 or jennifer.privett@pge.com) and SDG&E (Sarah Taheri at (916) 708-7409 or staheri@sdge.com). We are available to answer questions and discuss these matters further at your convenience.

Very truly yours,

/s/ Robert Thomas

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