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Title 20. Public Utilities and Energy
Division 2. State Energy Resources Conservation and Development Commission
Chapter 4. Energy Conservation
Article 5. Load Management Standards

February 14, 2020

§ 1623. Load Management Tariff Standard.

(a) This standard requires that retail electricity providers ~~a utility~~ develop rates based on marginal costs, submit such rates to rates, using a recommended methodology or the methodology approved by its rate-approving body when it prepares rate applications for retail services, and that the utility ~~submit such rates to its rate-approving body, and to the CEC,~~ and make them publicly available for access by customers and their devices. Fixed charges, rebates, and taxes associated with electric service are not subject to this standard. The purpose of this standard is to provide granular economic signals that enable increased demand flexibility through customer automation of loads, with the goal of moving electric demand away from system load peaks, and toward times of surplus renewable power.

(b) Marginal Costs Methodologies and Rates. Marginal costs are defined as the cost (\$/MWh) of serving the next increment of electricity demand in the relevant load area, consistent with existing grid constraints and generators' ability to deliver energy to meet that demand.

(1) Retail Electricity Rates. To ensure efficient economic signals required for optimal load management, all retail electricity rates shall be based on the marginal cost of electricity, and shall recover the costs associated with the set of customers who elect that rate.

(2) Real-time Tariff. For the purpose of this standard, a real-time tariff is one that incorporates a retail electricity rate that updates at least hourly based on (i) a day-ahead or real-time energy market prices, and (ii) electric distribution conditions to reflect marginal costs at the ZIP code [or secondary transformer] level. Prior to July 1, 2022, each electricity provider shall submit at least one real-time tariff per sector: electric vehicle, residential, commercial, industrial, and agricultural.

(3) Universal Real-time Tariff. Before July 1, 2023, each electricity provider shall submit a real-time tariff that can be offered universally to all customers in all sectors. Compliance with this paragraph fulfills the requirements of paragraph (2).

~~Within six months after the Marginal Cost Pricing Project Task Force (which is jointly sponsored by the CEC and CPUC under an agreement with the Federal Department of Energy) makes its final report available to the public, and the Commission approves it by resolution, a utility submitting a general rate filing to its rate-approving body shall include marginal cost based rates in such filing which have been developed by using at least one methodology recommended by the Task Force, except that if a utility's rate-approving body has approved a marginal cost methodology, a utility may substitute the approved methodology for one recommended by the Task Force.~~

~~If at any time subsequent to the Commission's approval of the Task Force report, the utility's rate-approving body approves a marginal cost methodology which is substantially different from any of the methodologies recommended by the Task Force, the utility shall so inform the Commission, and shall explain the nature of and the reasons for these differences.~~

~~In addition to marginal cost based rates which it develops using a methodology recommended by the Task Force report for that utility or approved by its rate-approving body, the utility may also submit marginal cost based rates which it develops using any alternative methodology that it deems appropriate.~~

~~The utility may also submit other rates or tariffs which it deems appropriate.~~

~~Nothing in this section shall prevent the Commission from recommending the approval of marginal cost methodologies different from those used by a utility to any rate-approving body.~~

- (c) ~~Public Information Program. Electricity providers shall ensure that information regarding existing and future rates is accessible to the public and their devices. As soon as a utility's rate-approving body has adopted a tariff in accordance with a recommended or approved marginal cost methodology, the utility shall conduct a public information program which shall inform the affected customers why marginal cost based tariffs are needed, exactly how they will be used and how these tariffs can save the customer money.~~

(1) Data and Methods. Prior to the fifth business day of each month, retail electricity providers shall submit to the CEC, for aggregation and publication, a current database of prices and calculations for all approved rates.

(2) Communications. Electricity providers shall publish all non-tiered, time-dependent rates using the January 2020 version of OpenADR 2.0b (IEC 62746-10-1 ED1), unless the CEC adopts by rule a later version.

(3) Public Campaign. Within 30 days of adopting a real-time tariff, electricity providers shall launch a public information campaign to inform customers why real-time rates are needed and how participants on real-time tariffs can save money.

- (d) ~~Compliance. Review and approval of submitted tariffs and data shall be carried out in accordance with the provisions of § 1621(d). The electricity provider shall implement its tariffs within 30 days of approval by the CEC and the provider's rate-approving body. A utility shall be in compliance with this standard if all of the utility's rate applications are prepared in accordance with the provisions of subsection (b) above, and the utility provides informational copies of its applications to the Commission.~~