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Joint Proposed Modifications to 45-Day Language Amendments to Load Management Standard Regulations

45-Day Language Proposed Amendments: Additions Deletions

Joint Proposed Modifications: Additions~~Deletions~~

§ 1621. General Provisions.

(c) Definitions. In this article, the following definitions apply:

...

(9) "Rate-approving body" means the California Public Utilities Commission in the case of investor-owned utilities, ~~such as the San Diego Gas and Electric Company, the Southern California Edison Company, and the Pacific Gas and Electric Company. It means or~~ the governing body of CCAs or publicly owned utilities such as the Los Angeles Department of Water and Power, and the Sacramento Municipal Utility Districtprovided that the Board of Water and Power Commissioners of the City of Los Angeles shall be the rate-approving body in this article for the Los Angeles Department of Water and Power.

...

(12) "Tariff" means a pricing schedule or rate plan that a utility offers to customers~~the contract between the utility and customer that specifies the components of the customer's electricity bill.~~

...

(d) Utility Plans to Comply with Load Management Standards

(1) Each utility shall submit a plan to comply with Sections 1621 and 1623 of this article to the utility's rate-approving body~~Executive Director~~ no later than six (6) months after the effective date of these standards. Such rate-approving body shall either approve the plan or return the plan to the utility for further revisions.

~~(2) The Executive Director shall review the plans and either return them to the utility for revision or submit them to the Commission for review and potential approval. The Executive Director may recommend, and the Commission may approve, a submittal on condition that the utility make specified changes or additions to the submittal, within a reasonable period of time set by the Commission. A conditionally approved plan shall not become effective until the utility makes the specified changes or additions to the submittal under review. The Commission shall approve submittals which are consistent with these regulations and which show a good faith effort to plan to meet program goals for the standards. Upon adoption of a plan by a utility's rate-approving body, the utility shall submit the plan to the Commission for review. If the Commission determines that the plan is inconsistent with the requirements of Section 1621 or 1623, the Commission shall provide recommendations to correct the deficiencies. In reviewing a plan, the Executive Director and the Commission may request additional information consistent with Sections 1621 and 1623.~~

~~(3) All proposed plan revisions must be submitted to the Executive Director for review. The Executive Director may approve plan revisions that do not affect compliance with the requirements of Sections 1621 or 1623. The Executive Director shall submit all other plan revisions to the Commission for approval.~~

~~(3)~~ Utilities shall submit to the Commission~~Executive Director~~ annual reports demonstrating their implementation of plans approved pursuant to this section. The reports shall be submitted one year after plans are approved pursuant to subsection ~~(1)~~~~(2)~~ and annually thereafter. An application for modification may include an adjustment to the calculations and computations described in Section 1623(a)(1).

(e) Exemptions, Delays, or Modifications

(1) Utilities may apply to the utility's rate-approving body ~~Executive Director~~ for an exemption from the requirements of Sections 1621 and 1623 of this article, to delay compliance with its requirements, or to modify a load management standard compliance plan. ~~The Commission may, by resolution, order a utility to modify its approved load management standard plan. Upon such order by the Commission, a utility shall submit an application to modify its plan within 90 days of the Commission's order.~~

(2) Applications for exemptions or delays in compliance with Sections 1621 and/or 1623 shall set forth the requested period during which the exemption or delay would apply and indicate when the utility reasonably believes the exemption or delay will no longer be needed. Applications for exemptions or delays shall include one or more of the following findings, which must be adopted by the utility's rate-approving body ~~The application further shall demonstrate one or more of the following:~~

(a) that despite a utility's good faith efforts to comply, requiring timely compliance with the requirements of this article would result in extreme hardship to the utility or result in inequities to any subgroup of utility customers, including, but not limited to, low-income residential customers or residential customers located in disadvantaged communities;

(b) requiring timely compliance with the requirements of this article would result in reduced system reliability, and efficiency, or safety; or

(c) requiring timely compliance with the requirements of this article would not be technologically feasible or cost-effective for the utility to implement.

(3) Applications for modifications to a utility plan approved pursuant to Section 1621(d) shall demonstrate that despite the utility's good faith efforts to implement its load management standard plan, the plan must be modified to provide a more technologically feasible or cost-effective way to achieve the requirements of this article or the plan's goals. An application for modification may include an adjustment to the calculations and computations described in Section 1623(a)(1).

(4) Upon approval of an application for modification, exemption, or delay by a utility's rate-approving body, the utility shall submit the application and approval document to the Commission for review. The Commission ~~Executive Director~~ shall review application and

approval documents ~~for exemptions, delays, and modifications~~ and make an initial determination of whether an application demonstrates the requirements of either subsection (2) or (3) above. If the Commission determines that the approved application is inconsistent with the requirements of this subdivision (e) of Section 1621, then the Commission shall provide recommendations to correct any such deficiencies. The ~~Executive Director shall then submit the application to the Commission with a recommendation of whether to approve or reject the application based on their initial determination.~~ In reviewing these applications, ~~the Executive Director and the~~ Commission may request additional information or revisions of the application from a utility consistent with Sections 1621 and 1623. ~~If a utility fails to provide information or revisions by a deadline established by the Executive Director or the Commission, the Commission may deny the application on that basis.~~

(f) Enforcement. The Executive Director may, after reviewing the matter with the utility, file a complaint with the Commission following the process set forth in Sections 1233.1 to 1233.4 or seek injunctive relief if a utility:

~~(1) Fails to adhere to its approved load management standard plan,~~

~~(2) Modifies its approved load management standard plan without approval,~~

~~(3)~~ (1) Does not provide information by a deadline reasonably established by the Executive Director or the Commission, or

~~(4) Fails to make requested revisions to its approved load management standard plan by the deadline established by the Executive Director or the Commission, or~~

~~(5)~~ (2) Violates the provisions of this article.

§ 1623. Load Management Tariff Standard.

(a) Marginal Cost Rates. This standard requires that a utility develop marginal cost-based rates, which seek to recover the full cost associated with the fulfillment of this standard, 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.

(1) Total marginal cost shall be calculated as the sum of the marginal energy cost, the marginal capacity cost (such as generation, transmission, and distribution), and any other appropriate time and location dependent marginal costs on a time interval of no more than one hour. Energy cost computations shall reflect locational marginal cost pricing as determined by the associated balancing authority, such as the California Independent System Operator, the Balancing Authority of Northern California, or other balancing authority. Marginal capacity cost computations shall reflect the variations in the probability and value of system reliability of each component (generation, transmission, and distribution). Social cost computations shall reflect, at a minimum, the locational marginal cost of associated greenhouse gas emissions.

- (2) By the deadline set forth in the utility plan adopted pursuant to Section 1621(d)~~Within one year of the effective date of these regulations~~, each utility shall apply to its rate-approving body for approval of at least one marginal cost-based rates~~in accordance with 1623(a)(1)~~, for each customer class identified in the utility's plan.
- (3) Utilities shall provide the Commission with informational copies of tariff applications when they are submitted to their rate-approving bodies.
- (b) Publication of Machine-Readable Electricity Rates. Each utility shall upload its composite time-dependent rates applicable to its customers to the Commission's Market Informed Demand Automation Server (MIDAS) database upon each of the following circumstances:
- (1) no later than three (3) months after the effective date of these standards,
- (2) each time a rate is approved by the rate-approving body, and
- (3) each time a rate changes.

The composite time dependent rates uploaded to the MIDAS database shall include all applicable time dependent cost components, including, but not limited to, generation, distribution, and transmission. The Commission maintains public access to the MIDAS database through an Application Programming Interface (API) that, provided a Rate Identification Number (RIN), returns information sufficient to enable automated response to marginal grid signals including price, emergency events, and greenhouse gas emissions. Each customer shall be able to access all rate information applicable to the customer with a single RIN assigned by the utility.

~~Marginal Cost Methodologies and Rates. 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) Support Customer Ability to Link Devices to Electricity Rates.

(1) Third-party Access. The utilities shall develop a single statewide standard tool for authorized rate data access by third parties that is compatible with each utility's system. The tool shall:

(A) Provide the RIN(s) applicable to the customer's premise(s) to third parties authorized and selected by the customer;

(B) Provide any RINs, to which the customer is eligible to be switched, to third parties authorized and selected by the customer;

(C) Provide estimated average or annual bill amount(s) based on the customer's current rate and any other eligible rate(s) if the utility has an existing rate calculation tool and the customer is eligible for multiple rate structures;

(D) Enable the authorized third party to, upon the direction and consent of the customer, modify the customer's applicable rate to be reflected in the next billing cycle according to the utility's standard procedures;

(E) ~~Ensure~~ [Incorporate reasonable](#) cybersecurity [measures](#); and

(F) Minimize enrollment barriers.

(2) The utilities shall submit the single statewide standard tool developed pursuant to Section 1623(c)(1) to the Commission for approval at a Business Meeting.

(A) The tool must be submitted within a year of the effective date of these regulations.

(B) The Executive Director may extend this deadline upon a showing of good cause.

(3) Upon Commission approval the utilities shall implement and maintain the tool developed in Section 1623(c)(1).

(4) Customer Access. No later than nine (9) months after the effective date of these standards, each utility shall provide customers access to their RIN(s) on customer billing statements and online accounts using both text and quick response (QR) or similar machine-readable digital code.

(d) ~~(c)~~ Public Information Programs. Utilities shall encourage mass-market automation of load management through information and programs. 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) No later than eighteen (18) months after the effective date of these standards, each utility shall submit to the Executive Director a list of load flexibility programs deemed cost-effective by the utility. The portfolio of identified programs shall provide any customer with at least one option for automating response to MIDAS signals indicating marginal prices, marginal greenhouse gas emissions, or other ~~Commission-approved~~ marginal signal(s) [approved by the respective rate-making](#)

[body](#) that enable automated end-use response.

(2) Within three (3) years of the effective date of these regulations, each utility shall offer to each of its electricity customers voluntary participation in a marginal cost rate developed according to Section 1623(a) ~~if such rate is approved by the utility's rate-approving body~~, or a cost-effective program ~~identified according to Section 1623(d)(1) if such rate is not yet~~ [in accordance with the utility plan](#) approved by the utility's rate-approving body [pursuant to Section 1621\(d\)](#).

(3) Each utility shall conduct a public information program to inform and educate the affected customers why marginal cost-based rates and automation are needed, how they will be used, and how these rates can save the customer money.

~~(d) Compliance. 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.~~

Note: Authority cited: Sections 25132, 25213, ~~and~~ 25218(e), ~~and~~ 25403.5, Public Resources Code. Reference: Sections [25132](#) and [25403.5](#), Public Resources Code.