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SkyCentrics comments on hourly prices in response to Ethan Matthes

As a participant in the Cal Flex Hub, where we are studying how to assist everyone in CA to be able to take advantage of hourly prices in a standardized and automated way, we can easily see how the comments from Ethan Matthes seem to make sense and to be well-reasoned. We want to say from the outset that we agree with Ethan's concerns. We do not want any particular group in CA to be unduly burdened, and especially unfairly burdened by the move to hourly prices. More debate and research are critical to determining good policy.

In the interim, we want to add the following to the debate, in particular looking at the grid as a whole. We have the research results from decades of fixed prices. This has been the status quo. Often, fixed prices prevent people from saving money for the following reasons: (1) when loads are more flexible, the costs of operating a system go down because the peaks become less 'peaky' and less frequent. For example, in the MASS report called "State of Charge" the state of MASS reported that from 2013-2015, the top 1% of peak electricity use cost MASS ratepayers 8% of their yearly spend, and the top 10% of peak electricity use cost ratepayers 40% of their annual spend. Thus, with dynamic prices to reduce the 'peaks,' EVERYONE should be able to save some money, and those on dynamic rates can save even more. Sticking with the flat rates we have had for decades is a way to guarantee over-investment in the grid, more carbon output (fewer renewables), and higher average bills. In other words, hourly prices should encourage changes in the grid which will reduce the cost of delivering electricity for everyone, even if everyone cannot easily adopt electric loads that respond automatically to hourly prices.