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CEC-057 (Revised 1/21)

**FINAL STATEMENT OF REASONS****Load Management Standards
OAL Z# - 2021-1214-02****UPDATE OF THE INITIAL STATEMENT OF REASONS**

In response to comments received during the 45-day public comment period, the following changes were made to the proposed regulatory language and provided for 15-day public comment from April 5, 2022 through April 20, 2022:

1) Modifications to Section 1621 General Provisions.

§ 1621(a) Staff is proposing language to specify entities covered by the proposed regulation offer rates structured according to the proposed regulation's requirements. This responds to comments that the proposed amendments could be viewed as themselves setting rates, which is the province of the ratemaking approval bodies of the utilities and community choice aggregators (CCAs) and not an intention of these regulations.

§ 1621(b) Staff is proposing to add language that refers to "Community Choice Aggregators" or "CCAs" instead of referring to them as "utilities" for drafting purposes. Staff is also proposing to add language to specify that §1621 and §1623 (the provisions of the load management standards which the proposed amendments would modify) apply to CCAs and that CCAs are not subject to the load management standards' legacy provisions (§1622, §1624, and §1625). This responds to comments that referring to the CCAs as utilities was inappropriate and could subject CCAs to portions of the load management standards that were obsolete or unsuited to them. The words "any customers of" are proposed for deletion because they are not necessary.

§ 1621(c) Staff is proposing to make several changes to the definitions which appear in this subsection of the proposed amendments.

In subsection (c)(2), "Community Choice Aggregators" are defined separately from "Utilities". For consistency, in subsection (c)(15) the term "CCAs" is proposed to be deleted from the definition of "utility" and references to "CCAs" are proposed to be added to the following other definitions in subsection (c): subsection (c)(4) "commercial customers", (c)(9) "rate-approving body", (c)(10) "residential", (c)(11) "service area", and (c)(12) "tariff". Again, in these subsections' references to CCAs are being added to refer to them by name, rather than by referring to them as "utilities".

In subsection (c)(6), a definition of “customer class” is proposed to be added to give meaning to the term which appears several times in the proposed amendments. The addition of this definition is necessary in order to identify what groups of customers may be used for rate design under the regulations.

In subsection (c)(7), a definition of “greenhouse gases” and “GHGs” is proposed to be added to give meaning to this term which is used in the proposed amendments. The proposed definition references the regulations for the California Air Resources Board’s cap and trade program and are for consistency with the Air Resources Board’s regulations.

In subsection (c)(9), the term “customer initiated” is proposed to be deleted because it is unnecessary.

In subsection (c)(11), “the Board of Water and Power Commissioners of the City of Los Angeles is the rate-approving body for the Los Angeles Department of Water and Power” is being added to identify the rate-approving body in response to comments from Los Angeles Department of Water and Power. CEC staff believed this change was necessary and appropriate due to the unique nature of the regulatory body governing the Los Angeles Department of Water and Power.

In subsection (c)(14), in response to comments from the utilities, the definition of “tariff” is being modified to mean a pricing schedule or rate plan offered to customers that specifies the components of their electricity bills. It is necessary to make this change to clearly define the term as it is used in the regulations and as how it is understood by regulated entities.

§§ 1621(d), (e), (f) and (g). Staff is proposing to make changes to these subsections to add the term “CCAs”, consistent with the proposed revision to subsection (c)(15), which would delete the term “CCAs” from the definition of “utility”. Again, in these subsections’ references to CCAs are being added to refer to them by name, rather than by referring to them as “utilities”.

2) Modifications to Section 1623 Load Management Tariff Standard.

§§ 1623(a), (b), (c), and (d). Staff is proposing to make changes to these subsections to add the term “CCAs”, consistent with the proposed revision to § 1621(c)(15), which would delete the term “CCAs” from the definition of “utility”. As above, references to CCAs in these subsections are being added to refer to CCAs by name, rather than by referring to them as “utilities”.

§ 1623(a) and (a)(2) In response to comments from utilities, staff is proposing to add the word “based” to the term “marginal cost rates” so the resulting term would read “marginal cost-based rates”. According to comments, this helps clarify what cost components can be included in rates. Staff is also proposing to add “structured according to the requirements of this article” in response to comments to clarify the

proposed amendments require certain rate structures and do not require ratemaking. Staff is also proposing to add “for approval” to clarify the resulting cost structures must be approved by the appropriate rate-making approval bodies of the utilities and CCAs. Staff is also proposing to add the term “including social costs” to § 1623(a)(1) to clarify these costs must be accounted for in marginal cost-based rate structures.

§ 1623(b) In response to comments that it is not accurate or desirable, staff is proposing to delete, “Each customer shall be able to access all rate information applicable to the customer with a single RIN assigned by the utility.” This sentence is inaccurate because a customer should have more than one RIN if they have multiple meters or multiple sites. This is necessary to ensure that all potential metered electricity uses may avail themselves of the benefits of the proposed regulations in terms of their access to the ability to flex their electricity use.

§1623(c)(1)(E) and §1623(c)(1)(G) For clarity and in response to comments, staff is proposing to change §1623(c)(1)(E) to provide the third-party access tool “incorporate reasonable and applicable cybersecurity measures” instead of “ensuring cybersecurity”. For the same reasons, staff is proposing to add a new §1623(c)(1)(G) which would require that the tool: “Be accessible in a digital, machine-readable format according to best practices and standards.” These changes are necessary to maintain the integrity of the tool, guarantee that it is not vulnerable to cybersecurity threats, and guarantee it is accessible to users.

§1623(c)(5) To ensure that once the third-party access tool is approved, it is not changed without CEC oversight, staff proposes to add the following: “Any changes to the single statewide standard tool, including changes to the terms and conditions, shall be submitted to the Executive Director for approval. The Executive Director shall submit any substantive changes to the Commission for approval at a Business Meeting.” This is necessary to maintain the integrity of the tool and ensure that it remains in its approved configuration.

In response to comments received during the 15-day public comment period, the following changes were made to the proposed regulatory language and provided for a second 15-day public comment from July 6, 2022 through July 21, 2022:

1) Modifications to Section 1621 General Provisions.

§ 1621(b) Staff is proposing language to remove a reference to community choice aggregators (CCAs) as utilities. This responds to comments stating that referring to CCAs as utilities could subject CCAs to portions of the load management standards that were obsolete or unsuited to them.

§ 1621(e)(2) Staff is proposing to add language providing applications for exemptions or delays may be supported by proposing pilot programs that demonstrate how and when a utility or CCA will come into compliance with the proposed regulatory requirements. This responds to comments seeking more flexibility in compliance options.

2) Modifications to Section 1623 Load Management Tariff Standard.

§ 1623(a)(2) Staff is proposing language to extend the deadline for utilities and CCAs to submit rate applications to their ratemaking authorities from 1 to 2 years after the effective date of the proposed regulations. This responds to comments seeking additional time to submit rate applications.

§ 1623(a)(2) Staff is proposing language to clarify the requirements for utilities and CCAs to upload time-dependent rates to the Market Informed Demand Automation Server. This responds to a comment seeking clarification.

§ 1623(b) Staff is proposing language to clarify the deadlines by which Large IOUs must publish machine-readable electricity rates to the MIDAS database, in response to comments requesting such clarification. First, Large IOUs are required to upload their existing time-dependent rates to the MIDAS database no later than three months after the regulations become effective. In addition, Large IOUs are required to upload time-dependent rates to MIDAS that are later approved prior to the effective date of the newly-approved rate. This language is necessary provide clarity for the Large IOUs on when they are required to upload existing and newly-approved time-dependent rates.

§ 1623(c)(4) Staff is proposing language to extend the deadline for inclusion of Rate Identification Numbers (RINs) on customer bills from 9 months to 1 year after the effective date of the proposed amendments. This responds to comments seeking more time for bill changes. It is necessary to afford adequate time to develop RINS and the infrastructure needed to support them, thereby enhancing customer acceptance and participation in the proposed program.

In response to comments received during the second 15-day public comment period, the following changes were made to the proposed regulatory language and provided for a third 15-day public comment from September 12, 2022 through September 27, 2022:

1) Modifications to Section 1621 General Provisions.

§ 1621(a) Staff is proposing to add language that further clarifies the amendments would require covered utilities and community choice aggregators (CCAs) to offer rates or programs structured according to the requirements of the regulation. This responds to comments that, as drafted, the proposed amendments could be viewed as only requiring the utilities and CCAs to propose rates. Staff is also proposing a change in response to a comment recognizing the amendments would increase the equity of electric generation.

§ 1621(b) In response to comments, staff proposes to amend the sequence of steps large publicly owned utilities (Large POUs) and large community choice aggregators (Large CCAs) would take to gain approval of rate structures and programs (“compliance

path”). CEC staff believed this change was necessary and appropriate due to the unique nature of the regulatory bodies governing Large POU and Large CCAs. Under this change, Large POU and Large CCAs (as defined in proposed modifications to § 1621(c), discussed below) would first take their proposed compliance plans, programs, and rate structures to their rate-approving bodies for approval and then to the CEC for its approval. Large investor-owned utilities (Large IOUs also defined in proposed modifications to § 1621(c)) would follow the compliance sequence as originally proposed. This proposed change would also be effectuated by the addition of the new proposed § 1623.1, which was added to provide the separate provisions governing Large IOUs and Large CCAs in a separate section to avoid confusion. The changes to this subsection are necessary to designate the compliance pathways the entities subject to the proposed regulations would be required to follow. Including the largest POU, IOUs and CCAs in the scope of the proposed regulations will maximize their benefits by encouraging more electricity customers to shift their electricity demand to avoid times of peak demand and on to times when renewable energy sources provide more of the electricity supply.

§ 1621(c)(6) Staff is proposing to make changes to the definition of the term “customer class” to remove the term “street lighting” from this definition. This is in response to comments stating street lighting customers are unable to flex their electricity usage because streetlights must be operated at specific times. This is necessary to ensure that the proposed regulations will apply only to customer classes that may be able to benefit from shifting their demand for electricity.

§ 1621(c)(8) This proposed staff change would define Pacific Gas and Electric Company, San Diego Gas and Electric Company and Southern California Edison Company as “Large Investor-Owned Utilities” and “Large IOUs” and would determine which path these utilities would take to comply with the amendments. This is necessary to differentiate Large IOUs from the other entities in order to clearly delineate the separate pathway for Large IOUs to comply with the proposed regulations.

§ 1621(c)(9) This proposed staff change would define the Los Angeles Department of Water and Power and the Sacramento Municipal Utility District as “Large Publicly-Owned Utilities” and “Large POU” and would determine which path these utilities would take to comply with the amendments. This is necessary to differentiate the two Large POU from the Large IOUs, in order to clearly delineate the separate pathways to comply with the proposed regulations.

§ 1621(c)(10) This proposed staff change would define Central Coast Community Energy, Clean Power Alliance of Southern California, CleanPowerSF, East Bay Community Energy, MCE, Peninsula Clean Energy Authority, Pioneer Community Energy, San Diego Community Power, San Jose Clean Energy, Silicon Valley Clean Energy Authority, Sonoma Clean Power Authority, San Diego Community Power, Pioneer Community Energy, Valley Clean Energy, and any community choice aggregator that provides in excess of 700 GWh of electricity to customers in any calendar year as “Large Community Choice Aggregators” and “Large CCAs” and would

determine which path these utilities would take to comply with the amendments. Another aspect of the proposed change would add a provision by which CCAs would become subject to the regulation if they exceed a certain threshold level of electricity they provide to their customers. This is necessary to differentiate Large CCAs from the Large IOUs in order to clearly delineate the separate pathway for the Large CCAs to comply with the proposed regulations. This change is also necessary to ensure that the CCAs that meet the largest share of the electricity demand met by CCAs are subject to the requirements of the proposed regulations and minimize the burdens on CCAs that play a smaller role in the electricity market.

§§ 1621(c)(8)-(18) Staff proposes to renumber these sections to accommodate the addition of proposed new sections §§ 1621(c)(8)-(10), as discussed above.

§ 1621(c)(14) As noted above, “the Board of Water and Power Commissioners of the City of Los Angeles is the rate-approving body for the Los Angeles Department of Water and Power” is being added to identify the rate-approving body in response to comments from Los Angeles Department of Water and Power. This is necessary to ensure that the actual rate approving body for the Los Angeles Department of Water and Power is accurately identified in the proposed regulations.

§ 1621(c)(17) would define “tariff” as a pricing schedule or rate plan that a utility or CCA offers to their customers specifying the components of the customer’s electricity bill. This is necessary to ensure that customers who wish to flex their electricity demand know the pricing options available to them. § 1621(d)-(g) Staff is proposing to add language limiting these subsections to the Large IOUs since under the compliance path proposed in § 1623.1, these subsections would no longer apply to Large POUs and Large CCAs. This is necessary to ensure that the Large IOUs, Large POUs, and Large CCAs can identify the compliance pathways that apply to them.

§ 1621(e)(2) and (3) Staff proposes to include language that would provide that delays, exemptions, or modifications to plan requirements would need to be based on considerations of safety and equity, in addition to other previously proposed factors. This is necessary because the success of the program depends on customer acceptance of the options available to shift their electricity demand. It is also necessary for making the proposed regulations technologically feasible and cost effective. Ensuring the equity, safety and reliability of the electric grid and the electricity market is crucial to the achievement of proposed regulations’ goals. Considerations of equity and safety interpret, implement and fall within the bases for granting relief found in Public Resources Code section 25403.5 upon showings of “extreme hardship, technical infeasibility, lack of cost effectiveness or reduced system reliability and efficiency.

§ 1621(e)(4) and (f)(1) Staff proposes to add language that clarifies the CEC may approve plans or material plan modifications and place conditions on that approval. The language added to section 1621(e)(4) is necessary to clarify that the Commission has flexibility to approve an application notwithstanding a failure to meet a deadline because the focus is to ensure compliance with sections 1621 and 1623. This discretion is

exercised within the context of the standard that applies to review of the applications in sections 1621(e)(2)(A) and (e)(3), which is that the Large IOU has made “good faith efforts” to comply with the regulations.

§ 1621(f)(4) Staff proposes to delete language that would be rendered unnecessary by the language proposed for addition to § 1621(e)(4).

§ 1621(g) Staff proposes to add language indicating that Large IOU cost recovery will not affect IOUs’ obligations under § 1623(b) to publish machine readable electricity rates. This change is necessary to clarify that the obligations of Large IOUs are not affected by the requirements of this section.

§ 1621(h) Because most of § 1621 would no longer apply to the POUs, staff proposes to delete this section and place it in § 1623.1(e), which would apply to the POUs.

2) Modifications to Section 1623 Load Management Tariff Standard.

§ 1623 Staff is proposing to add references throughout this section to “Large IOUs”, which would remain subject to § 1623, but delete references to “CCAs” and general references to “utilities” to be consistent with the proposed changes to § 1621(b) and the addition of § 1623.1 which would establish a different compliance path for Large POUs and Large CCAs.

§ 1623 (a)(1) In response to comments, staff proposes language to clarify total marginal cost calculations would be required to include the locational marginal cost of greenhouse gas emissions. This is necessary to ensure that decisions to flex electricity demand are able to be based on, and can maximize the potential for, limiting emissions of greenhouse gas emissions from electricity production.

§ 1623(a)(2) Staff proposes language to require Large IOUs to apply to their rate-approving bodies for the approval of one marginal cost-based rate for each customer class within a certain period of time, which was originally proposed as a two-year deadline but later amended as a twenty-one month deadline. This proposed language is necessary to bring the benefits of the new proposed rate structures to electricity consumers as early as possible and to better track the rate approval process Large IOUs will follow with the CPUC.

§ 1623(c)(1)-(4) Staff proposes to add language clarifying Large IOUs, Large POUs, and Large CCAs shall cooperate to design, implement, and maintain the statewide standard rate access tool and the rate identification number. This proposed language is necessary to make clear the requirements of the section are specific to Large IOUs, Large POUs, and Large CCAs.

§ 1623(c)(2) Staff proposes to change the submission deadline from one year to eighteen months, in order to allow more time for Large IOUs, Large POUs, and Large CCAs to submit a single statewide standard too. This change is necessary in order to

accommodate the governing structures the Large IOUs, Large POU, and Large CCAs and other practical constraints that would make it difficult to meet a one-year deadline.

§ 1623(d)(2) Staff proposes language to lengthen the time for Large IOUs to offer marginal cost rates to its customers. This is necessary in order to accommodate the regulatory structures and time frame limitations of Large IOUs.

3) Addition of § 1623.1 Large POU and Large CCA Requirements for Load Management Standards

§ 1623.1 In response to comments, staff proposes to amend the sequence of steps large publicly owned utilities (Large POU) and large community choice aggregators (Large CCAs) would take to gain approval of rate structures and programs (“compliance path”). This proposed change would be effectuated by the addition of the new proposed § 1623.1. Under this change, Large POU and Large CCAs (as defined in proposed modifications to § 1621(c), as discussed above) would first take their proposed compliance plans, programs, and rate structures to their rate-approving bodies for approval and then to the Energy Commission for its approval. Large investor-owned utilities (Large IOUs, also defined in proposed modifications to § 1621(c)) would follow the compliance sequence largely as was originally proposed. This is necessary to accommodate the differences in the rate-approving authorities the entities answer to. In the case of Large IOUs, the California Public Utilities Commission is the rate-approving authority, while in the case of the Large POU and Large CCAs, the rate-approving authorities are boards comprised of publicly elected officials. As noted in the comments by the Large IOUs and their association this difference compellingly argues from a legal and public policy standpoint that the Large POU and Large CCAs first take their proposed rates to their boards and then to the Commission for approval to minimize the delays and policy issues that would ensue by taking LMS rate applications to the elected boards multiple times before they gain acceptance. These changes were not advocated by the Large IOUs likely because of the policy guidance and regulatory activities of the CPUC in this area and because the CPUC is comprised of appointed commissioners, as opposed to publicly elected officials.

§ 1623.1(a) It is necessary to add new subsection (a) to provide clear requirements for Large IOUs submitting their load management plans to their rate-approving bodies and the CEC for review and approval under the proposed regulations. This is necessary because it will give the rate-approving bodies and CEC valuable input into and oversight over the process the utilities undertake to comply with the proposed amendments, ensure that plans to comply are complete and are developed on a timely basis. These proposed amendments are also necessary because they clearly delineate the roles that the Large POU and Large CCAs’ rate-approving bodies, Energy Commission and the Commission’s Executive Director will play in evaluating the plans. § 1623.1(a) is also necessary to provide specific and updated standards for exemptions, delays, and modifications of the LMS requirements for Large IOUs’ plans. The updates are

consistent with Public Resources Code Section 25403.5(c) which provides a process for exemptions from the LMS that allows the utility to seek a delay or exemption in implementing one or more of the adopted standards upon making the appropriate findings. This is necessary to allow for plans to be fine-tuned and to account for unforeseen circumstances that may require changes to the compliance obligations. This section is also necessary to establish standards for plans, and applications for relief that accommodate the unique circumstances that Large POU and Large CCAs face by having rate-approving bodies comprised of publicly elected officials. Considerations of equity and safety interpret, implement and fall within the bases for granting relief found in Public Resources Code section 25403.5 upon showings of “extreme hardship, technical infeasibility, lack of cost effectiveness or reduced system reliability and efficiency.

§ 1623.1(b) Subsection (b) is necessary to update and clarify the requirement for Large POU and Large CCAs related to marginal cost rates for LMS to function in a manner that meets the intent of the statute and responds adequately to public comments. In particular, the proposed amendments to this subsection are necessary to ensure that the Large IOUs and Large CCAs offer customers marginal cost marginal rates which are the key to the success of the program. Subsection (b)(1) provides the basis for how marginal cost must be determined. The marginal cost must reflect the total cost of electricity: generation, transmission, distribution, reliability, and GHG emissions. This is necessary because it defines what aspects of electricity costs the Large POU and Large CCAs must include in their calculations. Marginal prices and automation are critical components of the proposed regulations and will lead to time of use optimization of end uses of electricity, and efficient, reliable, and clean load management. Subsection (b)(2) requires that each Large POU and each Large CCA must develop at least one marginal cost rate and submit it/them to their governing body for approval. This is necessary for each Large POU and each large CCA to develop such a rate, successfully get it approved by their governing body, submit that rate to MIDAS, and then offer that rate to their customers. A 2-year compliance window is necessary based on POU comments regarding their rate-approving timelines and is reasonable for Large POU to complete this requirement in this timeframe. It is necessary to grant Large CCAs and additional three months to comply so that they may “piggyback” on the compliant rates that IOUs in whose service areas the CCAs operate in may offer. Subsection (b)(3) is necessary for the Commission to understand the Large CCAs’ and IOUs’ progress toward establishing rates and public programs consistent with the rate structure proposed in the regulations. For the same reasons, the other compliance deadlines for CCAs were extended as well. As demonstrated in their comments, IOUs do a considerable amount of research and analysis before offering rates, so it is necessary as provided in section (b)(2) that they have the ability to decline to offer marginal cost-based rates to customer classes that where such a rate would not materially reduce peak load.

Subsection (b) is also necessary to inform and educate customers of the benefits of the proposed amendments to the load management standards and how best to capitalize on them. Robust customer participation is crucial to fully realizing the intended benefits of the proposed amendments. To increase the effectiveness of the LMS and meet the purpose of the statute, it is necessary that the POU and CCAs integrate information about new time-dependent rates and automation technologies into existing customer education and outreach programs to raise customer awareness and provide access to price-responsive automation technologies and services. Existing education and outreach programs need to be updated to remain relevant and effective in light of recent load management technology and market developments. It is necessary that each entity provide their customers with at least one option for automating response to MIDAS signals so that all customers have the opportunity to benefit from load flexibility. Similarly, it is necessary that each utility provide their customers with the opportunity to voluntarily participate in a marginal cost rate. The proposed regulations provide a three-year compliance window to allow for an assessment of the cost-effectiveness of all load flexibility programs at the utility, a summary of those programs' purpose, and the submission of a list to the CEC. This is necessary because Commission staff determined three years was a reasonable amount of time to complete the required tasks and ensure the program is completed on a reasonable timeline to achieve its goals.

§ 1623.1(c) This proposed amendment is necessary to establish a database that customers of POU and CCAs can access to take advantage of the new rate structures that the proposed amendments would require. To increase statewide load flexibility, the CEC has developed the MIDAS to enable demand automation through time-dependent rates and grid status signals. The web-based service provides access to time-dependent rates in a standard machine-readable format using an application programming interface (API). An API will allow technology products and services to communicate with MIDAS via the internet. This will form the foundation for a statewide demand automation system that aggregates and publishes time-dependent rate information for utilities. With communications and automated control technologies, customers can shift electric use to take advantage of cleaner and less expensive energy. This allows customers to optimize energy use and service quality while minimizing economic and environmental impact. Advanced meters, communications, and automation technologies make this possible today. During extensive pre-rulemaking collaboration including stakeholder input, CEC staff identified the need for a statewide real-time signaling system that enables automation markets to coalesce around principles and technologies for demand flexibility. This will reduce the cost of electricity for consumers and reduce greenhouse gas emissions from electricity consumption by encouraging electricity use when zero-carbon resources are readily available. The proposed regulations provide a three-month compliance window in order to provide Large POU and Large CCAs sufficient time to gain programming expertise to upload data to MIDAS. This is necessary to ensure the program stays on a reasonable timeline, which will support decarbonization and grid reliability.

§ 1623.1(d) It is necessary to add new subsection (d) to provide more information regarding updated enforcement requirements tailored to the proposed regulations. The updated enforcement requirements explicitly reference the complaint process located in CCR Title 20, Sections 1233.1 to 1233.4. This is necessary to provide the regulated community with more clear direction regarding the actions for which the CEC may bring a complaint against an entity for noncompliance with the regulations and the CEC's complaint procedures.

§ 1623.1(e) is necessary to clarify that costs of local government entities are not reimbursable because the proposed regulations are cost-effective.

LOCAL MANDATE DETERMINATION

The California Energy Commission (CEC) has determined this action will not result in a local mandate on local agencies or school districts.

CONSIDERATION OF ALTERNATIVE PROPOSALS

The CEC has determined pursuant to Government Code section 11346.9(a)(4) that no alternative before it would be more effective in carrying out the purpose for which this action is proposed; no alternative would be as effective as and less burdensome to affected persons than the adopted regulation; and no alternative would be more cost effective to affected private persons and equally effective in implementing the statutory policy or other provision of law.

Under one alternative, the CEC considered further investment to expand the scale of demand response programs to meet the challenge of the projected higher peak hour electricity demand. Under this alternative, utilities would expand current incentive programs to reward more aggregators and customers for load control and other forms of demand response. It was determined that this alternative would be costly and provide limited demand resources and market benefits. Therefore, this alternative was not chosen.

Under a second alternative, the CEC considered not requiring the utilities and state agencies to work together to develop a single statewide standard tool to support authorized third-party automation services. In this alternative, each utility would have to either implement hourly rates and signals without a tool or develop their own tool for providing automation service providers (ASP) with access to their customers rates and the ability to act on their customers directions to change their rate. This alternative was determined to be less effective at encouraging mass market demand automation

resulting in lower customer benefits. Therefore, this alternative was not chosen. For further discussion, please see pp. 63-66 of the Final Staff Report, Analysis of Potential Amendments to the Load Management Standards, November 2021, California Energy Commission, CEC-400-2021-003-SF, which is incorporated by reference here.

The adopted regulations will not have a significant adverse economic impact on businesses, including small businesses and no alternatives were proposed that would lessen any adverse economic impact on businesses, including small businesses.

Except as discussed in the summary and response to comments, no alternatives were recommended.

INCORPORATION BY REFERENCE

The CEC did not incorporate any documents by reference.

SUMMARY OF RESPONSES TO PUBLIC COMMENTS RECEIVED

All responses to public comments, including acceptance of recommendations and justification when recommendations were not accepted, are hereby incorporated by reference to this Final Statement of Reasons, and included in the final record.