

**State of California
Office of Administrative Law**

In re:
California Energy Commission

Regulatory Action:

Title 20, California Code of Regulations

Adopt sections: 1623.1

Amend sections: 1621, 1623

Repeal sections:

**NOTICE OF APPROVAL OF REGULATORY
ACTION**

Government Code Section 11349.3

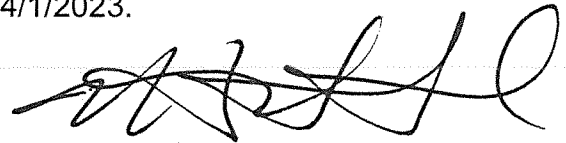
OAL Matter Number: 2022-1206-03

OAL Matter Type: Regular (S)

In this rulemaking action, the Commission amends its electric load management standards to encourage the use of electrical energy during off-peak hours. The amended regulations define various terms. The amendments also update the procedures for the submittal of plans for approval, requests for exemptions from the requirements or delays of compliance with the requirements, and requests for modifications of approved plans. Further, the amendments address the calculations of total marginal costs and the publication of machine-readable electricity rates.

OAL approves this regulatory action pursuant to section 11349.3 of the Government Code. This regulatory action becomes effective on 4/1/2023.

Date: January 20, 2023



Thanh Huynh
Senior Attorney

For: Kenneth J. Pogue
Director

Original: Drew Bohan, Executive Director
Copy: Corrine Fishman

REGULAR

instructions on reverse)

For use by Secretary of State only

STD. 400 (REV. 10/2019)

OAL FILE NUMBERS	NOTICE FILE NUMBER Z-2021-1214-02	REGULATORY ACTION NUMBER 2022-1206-035	EMERGENCY NUMBER
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OFFICE OF ADMINISTRATIVE LAW	
Electronic Submission	
RECEIVED DATE 12/14/2021	PUBLICATION DATE 12/24/2021
NOTICE	

OFFICE OF ADMIN. LAW
2022 DEC 6 AM 11:25

ENDORSED - FILED
in the office of the Secretary of State
of the State of California

JAN 20 2023
1:44 PM

AGENCY WITH RULEMAKING AUTHORITY California Energy Commission	AGENCY FILE NUMBER (If any) 21-OIR-03
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A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

1. SUBJECT OF NOTICE Load Management Standards (LMS)	TITLE(S) 20	FIRST SECTION AFFECTED 1621	2. REQUESTED PUBLICATION DATE December 24, 2021
3. NOTICE TYPE <input checked="" type="checkbox"/> Notice re Proposed Regulatory Action <input type="checkbox"/> Other	4. AGENCY CONTACT PERSON corrine fishman	TELEPHONE NUMBER 916-805-7452	FAX NUMBER (Optional)
OAL USE ONLY <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn	NOTICE REGISTER NUMBER 2021, 52-Z	PUBLICATION DATE 12/24/2021	

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S) Load Management Standards (LMS)	1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S)
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2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (including title 26, if toxics related)
SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)
ADOPT Section 1623.1
AMEND Sections 1621 and 1623
REPEAL
TITLE(S) 20

3. TYPE OF FILING			
<input checked="" type="checkbox"/> Regular Rulemaking (Gov. Code §11346) <input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4) <input type="checkbox"/> Emergency (Gov. Code, §11346.1(b))	<input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute. <input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)	<input type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h)) <input type="checkbox"/> File & Print <input type="checkbox"/> Other (Specify) _____	<input type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100) <input type="checkbox"/> Print Only

4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)
 April 5, 2022 through April 20, 2022 and, July 6 2022 through July 21, 2022 and, September 12 through September 27, 2022.

5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)
<input checked="" type="checkbox"/> Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a)) <input type="checkbox"/> Effective on filing with Secretary of State <input type="checkbox"/> \$100 Changes Without Regulatory Effect <input type="checkbox"/> Effective other (Specify) _____

6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY
<input checked="" type="checkbox"/> Department of Finance (Form STD. 399) (SAM §6660) <input type="checkbox"/> Fair Political Practices Commission <input type="checkbox"/> State Fire Marshal <input type="checkbox"/> Other (Specify) _____

7. CONTACT PERSON Corrine Fishman	TELEPHONE NUMBER 916-805-7452	FAX NUMBER (Optional)	E-MAIL ADDRESS (Optional) corrine.fishman@energy.ca.gov
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8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE 	DATE 10/12/22
TYPED NAME AND TITLE OF SIGNATORY Drew Bohan, Executive Director	

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ENDORSED APPROVED
JAN 20 2023
Office of Administrative Law

Title 20. Public Utilities and Energy
Division 2. State Energy Resources Conservation and Development Commission
Chapter 4. Energy Conservation
Article 5. Load Management Standards
Sections 1621 -1625

§ 1621. General Provisions.

- (a) Purpose. This article establishes electric load management standards pursuant to Section 25403.5 of the Public Resources Code. These standards establish cost-effective programs and rate structures which will encourage the use of electrical energy at off-peak hours and encourage the control of daily and seasonal peak loads to result in improved utility electric system equity, efficiency, and reliability, will lessen or delay the need for new electrical capacity, and reduce fossil fuel consumption and greenhouse gas emissions, and will thereby lowering the long-term economic and environmental costs of meeting the State's electricity needs. These load management standards do not set rates. The standards instead require that entities subject to this article offer rates or programs structured according to the requirements established herein.
- (b) Application. Except as set forth below, eEach of the standards in this article applies to the following electric utilities: Los Angeles Department of Water and Power, San Diego Gas and Electric Company, Southern California Edison Company, Pacific Gas and Electric Company, and Sacramento Municipal Utility District. In addition, the standards set forth in subsections 1621 and 1623 of this article apply to any Large Community Choice Aggregators (CCA) operating within the service areas and receiving distribution services from the foregoing electric utilities. Large CCAs are not subject to subsections 1622, 1624, and 1625 of this article. Section 1621 subsections (d)-(g) and Section 1623 subsections (a), (b) and (d) do not apply to either the Los Angeles Department of Water and Power, the Sacramento Municipal Utility District or to the Large CCAs. The standards set forth in Section 1623.1 apply to the Los Angeles Department of Water and Power, the Sacramento Municipal Utility District and to the Large CCAs. The California Energy Commission has found these standards to be technologically feasible and cost-effective when compared with the costs for new electrical capacity for the above-named electric utilities, and Large CCAs operating within the service areas of such electric utilities.
- (c) Definitions. In this article, the following definitions apply:
- (9)(1) "Building type" means the classification of a non-residential building in accordance with the following table: California Code of Regulations, Title 24, Part 2, Chapter 3 of the California Building Code.

Building Type	Description
1	Office
1.1	Small (0-30,000 sq. ft.)
1.2	Med (30,000-200,000 sq. ft.)
1.3	Large (200,000 + sq. ft.)
1.3.1	Low rise (two or less stories)
1.3.2	Highrise (three or more stories)
2	Retail
2.1	Retail - General
2.1.1	Small (1-9,000 sq. ft.), detached
2.1.2	Small (1-9,000 sq. ft.), attached
2.1.3	Med (9,000-20,000 sq. ft.), detached
2.1.4	Med (9,000-20,000 sq. ft.), attached
2.1.5	Med (9,000-20,000 sq. ft.), enclosed mall
2.1.6	Large (20,000 + sq. ft.), detached
2.1.7	Large (20,000 + sq. ft.), attached
2.1.8	Large (20,000 + sq. ft.), enclosed mall
2.1.9	Highrise department store (three or more stories)
2.2	Retail - Food
2.2.1	Small (1-5,000 sq. ft.)
2.2.2	Large (5,000 + sq. ft.)
3	Restaurants
3.1	Fast Food
3.2	Sit-down
4	Storage Buildings
4.1	Conditioned
4.2	Unconditioned
5	Hotels and Motels
5.1	Large (50,000 + sq. ft.)
5.2	Small (less than 50,000 sq. ft.)
6	Schools
6.1	Elementary/pre-schools
6.2	Jr. high/high schools
6.3	Jr. colleges/trade schools
6.4	Colleges/universities
7	Public assembly buildings
7.1	Auditoriums

7.2	Theaters
7.3	Sports arenas
8	Health care facilities
8.1	General hospitals
8.2	Research hospitals
8.3	Mental hospitals
8.4	Convalescent hospitals/homes
9	Computer facilities
10	Auto repair and service stations
11	Miscellaneous

(2) "Community choice aggregators" or "CCAs" means entities as defined in Public Utilities Code section 331.1.

(6)(3) "Central air conditioner" means any residential electric air conditioner which delivers cooled air through ducts to rooms.

(8)(4) "Commercial customers" means those customers of a utility or CCA who run any business described in Standard Industrial Classification Groups 40 through 86, and 89 through 99, and which do not treat sewage or manufacture goods or provide other process-oriented services.

(i)(A) "Large commercial customers" are those businesses whose demand for electricity equals or exceeds 500 kilowatts.

(ii)(B) "Small commercial customers" are those businesses whose demand for electricity is less than 500 kilowatts.

(10)(5) "Conditioned Space" means an enclosed space within a building that is directly conditioned or indirectly conditioned, consistent with California Code of Regulations, Title 24, Part 6, section 100.1(b), the space, within a building which is provided with a positive heat supply or positive method of cooling.

(6) "Customer class" means a broad group of customers used for rate design. Customer classes include but are not limited to residential, commercial, industrial, and agricultural, but does not include street lighting. "Customer" or "customers" mean a customer or customers of a utility or Large CCA within a customer class.

(7) "Greenhouse gas" or "GHG" has the same meaning as in California Code of Regulations, Title 17, section 95802.

(8) "Large Investor-Owned Utilities" and "Large IOUs" mean the San Diego Gas and Electric Company, the Southern California Edison Company, and the Pacific Gas and Electric Company.

(9) "Large Publicly-Owned Utilities" and "Large POUs" mean the Los Angeles Department of Water and Power and the Sacramento Municipal Utility District.

- (10) “Large Community Choice Aggregators” and “Large CCAs” mean the Clean Power Alliance of Southern California, East Bay Community Energy, Marin Clean Energy, Central Coast Community Energy, Silicon Valley Clean Energy Authority, San Jose Clean Energy, Peninsula Clean Energy Authority, Clean Power SF, 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. For community choice aggregators that become subject to these regulations after their effective date, the effective date of their compliance obligations shall be April 1 of the year after they exceed the 700 GWh threshold.
- (11) “Load management tariff” means a tariff with time-dependent values that vary according to the time of day to encourage off-peak electricity use and reductions in peak electricity use.
- (7)(12) “Marginal cost” or “locational marginal cost” is means the change in current and committed future electric system utility cost that is caused by a customer initiated change in electricity usage supply and demand during a specified time interval at a specified location. Total marginal cost may be divided into the commonly known categories of marginal energy, marginal capacity, and marginal customer costs, or any other appropriate categories.
- (13) “Rate Identification Number” or “RIN” means the unique identifier established by the Commission for an electricity rate.
- (3)(14) “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 District. For purposes of this article, 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.
- (4)(15) “Residential” means any family dwelling within the utility's or CCA's service area which uses electricity for noncommercial purposes as defined in the utility's or CCA's terms and conditions of service.
- (2)(16) “Service area” is the means any contiguous geographic area serviced by the same electric utility or CCA in which the utility supplies electricity to retail customers.
- (17) “Tariff” means a pricing schedule or rate plan that a utility or CCA offers to their customers specifying the components of the customer's electricity bill.
- (18) “Time-dependent rate” means a rate that can vary depending on the time of day to encourage off-peak electricity use and reductions in peak electricity use. Time-of-use, hourly, and sub-hourly rates are time-dependent rates.

(19) "Time-of-use rate" means a rate with predefined prices that vary according to the time of day, the season, and/or the day type (weekday, weekend, or holiday).

~~(4)~~(20) "Utility" means those electric utilities to which the sections of this article apply, as specified in subsection (b).

~~(5)~~(21) "Water heater" means any residential electric water heater except those which provide hot water to heat space or those which operate within electric dishwashers.

~~(d) Review and Approval of Utility Submittals. These load management standards require utilities to submit various plans to the Executive Director. All such submittals shall be reviewed by the Executive Director, and shall be subject to approval by the full Commission. The Executive Director shall complete his review of such submittals and shall report to the Commission within thirty calendar days after receipt as to whether the submittal is consistent with the provisions of this article. Within thirty calendar days after the Executive Director renders his report, the Commission shall, following a public hearing, approve or disapprove the submittal. The Commission may also 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 conditional approval shall not take effect 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.~~

~~If the Commission disapproves a submittal, the utility shall be notified of the specific reasons for such disapproval, and the utility shall submit a revised submittal for review by the Executive Director in accordance with the provisions of this subsection.~~

~~(e) Information Requests. In order to facilitate his review of a utility's compliance with the provisions of this article, the Executive Director may request a utility to furnish copies of any information in the utility's possession which is relevant to its implementation of these standards, including any tariff proposals and associated information which it submits to its rate approving body. The Executive Director may set a reasonable period of time within which the utility must supply the requested information.~~

~~If any document which is requested by the Executive Director contains proprietary information or trade secrets, the utility shall only be required to furnish the document to the Executive Director, if the Commission has established procedures, after a public hearing, for the protection of such proprietary information or trade secrets.~~

~~(f) Revisions of Approved Plans. Each time a utility significantly revises any plan or part of a plan required by this article, that was previously approved by the Commission, it shall submit this revised plan for review and approval pursuant to~~