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Project Title:	Load Management Standards Implementation
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Document Title:	Extension Request Letter for MIDAS Uploads
Description:	PG&E, SDG&E, SCE, and CalCCAs request an extension to the MIDAS upload timelines. - The letter is in response to a proceeding docket that has closed (21-OIR-03) and has been replaced by an implementation-phase docket (23-LMS-01).
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April 28, 2023

Drew Bohan
Executive Director
California Energy Commission
Re: Docket No. 21-OIR-03
715 P Street
Sacramento, CA 95814-5512

Re: 21-OIR-03, 2022 Load Management Rulemaking: Request for Extension of July 1, 2023 Deadline Set By Revised Load Management Standards

Dear Executive Director Bohan:

Pacific Gas and Electric Company (PG&E), on behalf of itself and other load serving entities (LSEs) that are subject to the recently revised load management standards (LMS) (collectively, the Joint Parties),[1] writes to request your approval of an extension of the July 1, 2023 deadline set by the revised LMS for the Joint Parties to upload their existing time-dependent rates to the California Energy Commission's (CEC) Market-Informed Demand Automation Server (MIDAS) Database.

This letter follows up on a constructive conference call the Joint Parties held with Commissioner Andrew McAllister, CEC staff members, and CEC counsel on April 10, 2023, during which the Joint Parties explained their concerns about the feasibility of the July 1, 2023, deadline. This letter summarizes those concerns and proposes a path forward that combines flexibility as to the deadline with a phased approach that will allow for forward movement in the near term toward meeting the important goals set by the revised LMS.

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[1] The other parties, all of which have agreed to PG&E sending this letter on their behalf, are: Southern California Electric Company (SCE), San Diego Gas & Electric Company (SDG&E), Clean Power Alliance of Southern California (CPA), East Bay Community Energy (EBCE), Marin Clean Energy (MCE), Central Coast Community Energy (CCCE), Silicon Valley Clean Energy Authority (SVCE), San Jose Clean Energy (SJCE), Peninsula Clean Energy Authority (PCE), CleanPowerSF (CPSF), Sonoma Clean Power Authority (SCP), San Diego Community Power (SDCP), Pioneer Community Energy (Pioneer), Valley Clean Energy (VCE), and Orange County Power Authority (OCPA).

1. Background Regarding Revised LMS

On January 20, 2023, the Office of Administrative Law approved, and ordered effective as of April 1, 2023, the CEC's proposed amendments to California Code of Regulations (CCR) §§ 1621-1625, which set forth the LMS.[2] The revised LMS are intended to facilitate a statewide real-time signaling system that can be used by mass-market end-use automation to provide load flexibility on the electric grid.

Among other changes, the revised LMS set a deadline of July 1, 2023 for the Large Investor-Owned Utilities (the Large IOUs, namely PG&E, SCE, and SDG&E), the Large Publicly-Owned Utilities (the Large POUs, namely LADWP and SMUD), and the Large Community Choice Aggregators (the Large CCAs, namely any CCA that provides in excess of 700 GWh of electricity to customers in any calendar year) to upload their existing time-dependent rates to the MIDAS database.[3]

2. The Joint Parties' Concerns with the July 1, 2023 Deadline

As stated during the April 10, 2023 conference call, the Joint Parties are concerned about the feasibility of the July 1, 2023 deadline for upload of existing time-dependent rates to the MIDAS database.

This concern stems from the fact that the MIDAS Database is still in development (as discussed further below), and until it is finalized, the Joint Parties will not be able to automate the process of uploading rates to MIDAS. While manual uploads of rates are possible to some extent, large scale manual uploads are not feasible or cost-effective given the number of different rates and the personnel time required to perform such uploads.

As discussed during the April 10, 2023 conference call, the MIDAS database remains in development in important respects, preventing the Joint Parties from initiating the significant work necessary to allow for automatic uploading of rates. Current impediments to automation of uploads include the following.

(a) Until the Requirements for Rate Identification Numbers are Finalized, the Joint Parties are Unable to Develop Processes for Automated Uploads of Rates to MIDAS

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[2] *See* CEC, Docket 21-OIR-03, TN# 248526, *Office of Administrative Law Approval of Revisions to the Load Management Standards*, docketed 1/25/23, available at https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=21-OIR-03.

[3] *See* 20 CCR § 1623(b) ("No later than three (3) months after April 1, 2023, each Large IOU shall upload its existing time-dependent rates applicable to its customers to the [MIDAS] database."); 20 CCR § 1623.1(c) ("No later than three (3) months after April 1, 2023, each Large POU and each Large CCA shall upload its existing time-dependent rates applicable to its customers to the [MIDAS] database.").

Starting in November 2022, the CEC convened Working Groups to develop functional requirements for MIDAS and the format for Rate Identification Numbers (RINs). However, except for one meeting on March 30, 2023, all Working Group meetings in March 2023 were cancelled. As of the date of this letter, the CEC has not formally released the final specification for RIN construction, and MIDAS is not yet able to support all required rate components. Among some of the unresolved questions are the following:

- How should unbundled vs. bundled rates and RIN be addressed?
  - While the LSEs do not interpret LMS to require rate compilation for unbundled customer rates (made up of a Large CCA's generation rates plus the IOU's transmission and distribution rates) prior to LSE upload, if such rate compilation is required, who will build, pay for, and be responsible for maintaining a rate compilation tool?
    - There is not currently a technologically feasible process in place for the IOUs or CCAs to compile the unbundled customer rates to upload to MIDAS, either in MIDAS or otherwise.
    - The CCAs and IOUs cannot take responsibility for the accuracy of each other's rates (i.e., the CCA generation rate and the IOU transmission/delivery rate).
    - There is no system or process available to update and keep unbundled customer rates current and accurate in MIDAS when rates change, as required by the LMS regulations. The IOUs and CCAs need time to fund, create, and maintain these systems and processes.
    - The CCAs have proposed that third party automation providers build into their technology the capability to compile CCA generation and IOU transmission/delivery rates (to make up the unbundled rate). The CCAs have also proposed that MIDAS itself have the capability to compile the rate itself, which is the most efficient option given the rate compilation will all be done in one place. However, CEC staff have not responded to the CCA proposals, and the Joint Parties have no guidance on the rate compilation issue.
- Because rate modifiers can result in different generation and distribution prices for different customers, should all rate modifiers be included, or should the list be filtered based on the number of customers eligible?
- What are the examples of rate modifiers that may need different RINs because they affect volumetric charges? These include, without limitation:
  - CARE
  - FERA
  - Medical baseline (only if it affects the volumetric price)
  - Disadvantaged community discount
  - Green tariff (50% or 100%)

    - Critical Peak Pricing (e.g., SmartRate)
    - Line voltage (service voltage) levels
    - Connection type: Transmission, primary, secondary, phase service
    - Vintage year (results in different Power Charge Indifference Adjustments for different CCAs customers)
    - Location (when it affects volumetric pricing)
- How should MIDAS's current inability to accept rates with different import and export prices (e.g., DAHTRP-CEV) be addressed?
- What rate data granularity should be used?
    - For hourly rates, 8760 hours vs. 24 hours
    - For TOU rates, should this follow the same level of granularity as hourly rates?
    - Should the upload involve only the time-dependent charges of a customer rate or the entire rate, including static charges?

Even as these questions require more clarification through further effort by the Working Group, it is already clear that the numerous factors involved will likely result in an extremely high level of complexity for RIN. As an example, PG&E has approximately 36 time-dependent rates, including residential, non-residential, and agricultural. Based on the rate modifiers above, each rate could have 45 to 450 RINs, amounting to from 1620 to 16200 RINs in total, and this figure does not include the locational permutation.[4] If each RIN were required to be uploaded on a daily basis on a 24-hour interval, PG&E estimates it would need to upload 38,880 to 380,000 price intervals into MIDAS. This number could double if each unbundled customer has two RINs, one for its UDC and one for its LSE.

Only after these questions are resolved and the standards and requirements for RIN are firmly established will each of the Joint Parties be able to begin to develop the systems and processes necessary for automated uploads to MIDAS.

(b) Until Application Programming Interface Requirements are Finalized with Current Documentation, the Joint Parties are Unable to Develop Processes for Automated Uploads of Rates to MIDAS

In addition to needing to finalize guidelines for RINs and price formatting as described in the previous section, the MIDAS system needs to be stabilized and documentation updated. Initially, SCE was testing the MIDAS application programming interface (API) by uploading test data but has now paused that effort due primarily to the system being under active development with no availability of updated documentation.

[4] SDG&E has 30 commodity and UDC time dependent tariffs, spanning residential, adaptive lighting, commercial and agricultural. These equates to over 95 rate categories that SDG&E uses for billing in its systems. Factoring in the modifiers and renewable programs with these rate categories, SDG&E estimates it would need to upload anywhere from 30k to 300k price intervals into MIDAS.

For example, during the LMS Working Group Meeting 5 held on February 21, 2023, CEC staff informed stakeholders that all test data should be uploaded with "TEST" as the location code. After this meeting, SCE attempted to upload data with "TEST" in the location field as requested, but the upload failed. CEC staff made a change to the system, and subsequently "TEST" was accepted as a location code but did not appear in the LOCATION table when SCE downloaded it. Around this same time, SCE requested updated documentation, and CEC staff notified SCE that they were working on updated documentation or changelogs.

The Joint Parties are unaware of the MIDAS documentation having been updated since October 2022.[5] Based on the interactions described above, it appears that MIDAS remains under active development by the CEC.

(c) Large Scale Uploading of Rates is Not Feasible Until MIDAS Is Finalized Such that the Joint Parties Can Automate the Uploading Process

The Joint Parties will not be able to develop automated systems to upload complex pricing to MIDAS while the system is in active development and without current documentation. While manual uploads of rates may be possible to a limited extent, this is not a feasible or cost-effective broad-based solution given the time- and labor-intensive nature of such work. The discussion regarding PG&E's rates above is indicative of the magnitude of the uploading work that would be required to be performed manually, potentially on an ongoing basis to keep rate information current in MIDAS. The Joint Parties submit that it would be incongruent and counterproductive for load serving entities to be required to perform (using ratepayer funds) extensive manual uploading for a system that is intended to promote efficiency and end-use automation to provide load flexibility on the electric grid.

3. An Extension of the July 1, 2023 Deadline Is Warranted

The Joint Parties acknowledge that the revised regulations may differ with respect to the *process* for IOUs and Large CCAs to seek an extension, even though the Joint Parties' reasons for seeking the extensions are aligned. Section 1621(e) allows the IOUs to apply directly to the Executive Director for an exemption or extension of a compliance deadline, based on a showing that requiring timely compliance would cause extreme hardship, result in reduced system reliability or efficiency, or would not be technologically feasible or cost-effective.[6] While Section 1623.1(a)(2) provides Large CCAs the ability to seek approval from their rate approving body of a compliance plan that delays compliance under the regulations (based on the same criteria as the IOU request for extension),[7] the compliance plans of the Large CCAs are

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[5] See https://www.energy.ca.gov/publications/2021/market-informed-demand-automation-server-midas-documentation-version-12.

[6] *See* § 1621(e).

[7] *See* § 1623.1(a)(2) ("The rate approving body of a . . . Large CCA may approve a plan, or material revisions to a previously approved plan, that delays compliance or modifies compliance with the requirements of Subsections 1623.1(b)-(c) . . . .").

not due until April 2024.[8] Therefore, the regulations do not explicitly provide for a process for CCAs to request an extension of the July 1, 2023 MIDAS upload requirement.[9]

Nevertheless, grounds exist to extend the July 1, 2023 deadline for all of the Joint Parties to upload all existing time-dependent rates to MIDAS to nine months after the final MIDAS protocols are issued by the CEC. Requiring the Joint Parties to upload all of their existing time-dependent rates to the MIDAS database by July 1, 2023 would cause extreme hardship to, and is technologically infeasible for, the Joint Parties because (1) the requirements for RINs are still in development by the CEC, have become very complex, and automating the uploads will require significant time and resources; and (2) MIDAS API functional requirements continue to change and need to be in a stable state with current documentation before the Joint Parties can build the systems and processes needed for automated uploads. The LSEs note that the ability of the LSEs to upload all existing time-dependent rates within the proposed nine-month period is predicated on the LSEs' interpretation of the regulations that each LSE is required to upload its own time-dependent rate (i.e., that rate combination between the CCAs generation and IOUs' transmission and distribution rates is not required).

The Joint Parties therefore submit that in response to this letter, the Executive Director may (i) approve the Joint IOUs' extension request, and (ii) approve the Large CCAs' extension request without requiring individual CCA requests for extension or governing body approval, acknowledging that the Large CCAs face the same impediments to meeting the July 1, 2023 deadline as do the Joint IOUs.

4. Proposal for Alternative Timeline Involving Staged Implementation

As discussed during the April 10, 2023 conference call, given the many challenges and complexities described above, the Joint Parties ideally would prefer an extension of the deadlines set forth in 20 CCR § 1623.1(b) and 20 CCR § 1623.1(c) for uploading existing time dependent rates to MIDAS to 12 months after adoption of standards for RINs.

However, based on the feedback of Commissioner McAllister during the conference call, the Joint Parties have worked together to develop proposals for a phased implementation of the LMS over a nine-month period after the MIDAS completion that would avoid a flat extension of 12 months. For each milestone listed below during the nine-month period, each LSE will endeavor to provide the most information possible, based on technological feasibility and cost-effectiveness. The compliance parameters set forth below provide a range of the implementation capabilities of the 16 LSEs making up the Joint Parties. For all LSEs, the

[8] *See* § 1623.1(a)(1) ("Within . . . one year of April 1, 2023, each Large CCA, shall submit a compliance plan that is consistent with Section 1623.1 to its rate approving body . . . .").

[9] Despite this ambiguity, each of the Large CCAs signing on to this letter can seek approval from its respective rate approving body for an extension of the July 1, 2023 upload requirement, and can provide any such approval to the Executive Director at a later date. However, the Large CCAs submit that a blanket extension is warranted given the regulation ambiguity and the overall circumstances.

milestones established are predicated on the LSEs' interpretation of the regulations that each of the LSEs upload its own time-dependent rate (i.e., that rate combination between the CCAs' generation and IOUs' transmission and distribution rates is not required).

Specifically, the Joint Parties propose as follows:

By July 1, 2023:

- Manual Rate Uploads - Because rate uploads at this compliance milestone will be done manually, and not driven from an automated system, only the base rate(s), without modifiers, will be uploaded. For the same reasons, rate upload format will be in the most efficient manner, and likely not hourly as discussed in the MIDAS workshops. These prices will be maintained until automated solutions are developed. Depending on the LSE, the uploads will consist of the following range amongst the Joint Parties:
    - SCE, PG&E and SDG&E will provide a selection of base rate prices to MIDAS that will cover the majority of customers on time dependent rates and attempt to cover a variety of scenarios. Rates will include a selection of Residential TOU, Commercial TOU with peak demand charge and Agricultural/Pumping rates.
        - SDG&E will provide its pricing files in an excel spreadsheet to CEC staff.
        - PG&E will provide its pricing files in csv format to CEC staff.
        - SCE will manually upload its pricing files via API directly to MIDAS.
    - The Large CCAs' submissions of rate schedules will vary among each Large CCA and will range from uploading to MIDAS a selection of between one and four base rates, to creating spreadsheets or .csv files with between one and all of their time dependent rates and sending those spreadsheets or .csv files to CEC staff for upload into MIDAS. The Large CCAs will endeavor to submit rates covering a large number of customers. The rate(s) submitted will include at a minimum one vintage and one renewable energy option.

By October 1, 2023, assuming MIDAS is stable by July 1:

- SDG&E and PG&E plan to begin to upload rate/price information described above directly into MIDAS using manual processes. SDG&E and PG&E will require three months after MIDAS is stable to begin to upload rate/price information, otherwise the processes described above will continue.

CEC Issuance of MIDAS Final Protocols (Date to be provided to LSEs by the CEC):

- Party concerns described above in item 2 have been resolved, including stabilization of MIDAS development, resolution of the IOU/CEC rate compilation issue, and adoption of working group best practices for uploading rate adders and price granularity.

CEC Issuance of MIDAS Final Protocols (Date to be provided to LSEs by the CEC) plus nine months:

- All parties have completed necessary development of final automated systems to upload all prices for all time-dependent rates into MIDAS and have achieved full compliance with the LMS.

5. Conclusion

The Joint Parties appreciate the Executive Director's attention to this request and look forward to moving forward collaboratively to implement the revised LMS. We are available for further discussion and to answer any questions at your convenience, and we look forward to your response.

Sincerely,

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