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08/15/23

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R2207005

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Advance Demand Flexibility Through Electric Rates.

Rulemaking 22-07-005

ADMINISTRATIVE LAW JUDGE'S RULING ON TRACK B STAFF PROPOSAL TO EXPAND EXISTING PILOTS

This ruling requests party comments on the attached Track B staff proposal to expand existing pilots to support near-term summer reliability (Staff Proposal) by September 8, 2023 and reply comments by September 28, 2023.

1. Background

On November 2, 2022, the assigned Commissioner issued a scoping memo and ruling (Scoping Memo) that established the issues in scope and schedule for Phase 1 of this proceeding. The Scoping Memo included the following Track B issue: should the Commission expand any of the existing dynamic rate pilots as a near-term solution that will benefit system reliability?

The Scoping Memo also requested party comments on this issue. Several parties commented that the Commission should extend and expand the following pilots approved in Decision (D.) 21-12-015: (a) the Valley Clean Energy (VCE) agricultural pumping dynamic rate pilot (VCE AgFIT Pilot) in the service territory of Pacific Gas and Electric Company (PG&E), and/or (b) the Southern California Edison Company (SCE) dynamic rate pilot (SCE Dynamic Rate Pilot). Each of these dynamic rate pilots were authorized in D.21-12-015 as near-term solutions for summer reliability issues.

2. Questions for PG&E, SCE, and CCAs

This section of the ruling directs PG&E and SCE and invites community choice aggregators (CCAs) to provide comments on the following questions.

1. PG&E and SCE are each directed to: (a) provide estimated costs for additional administration of implementation for the Expanded Pilots (as described in the Staff Proposal), including a table with a breakdown of costs by category, and (b) comment on whether non-ratepayer sources of funds are available to provide additional automation incentives beyond those authorized in D.21-12-015 (e.g. Energy Commission grants).
2. SCE is directed to provide the following data on the SCE Dynamic Rate Pilot: (a) the current number of participants in the pilot and associated megawatts of load available for shifting, and (b) to the extent available, any other analyses or data reflecting pilot performance to date.
3. VCE and other CCAs interested in participating in the Expanded Pilots are invited to comment on the amount of ratepayer funding that would be required to enable unbundled customers in their service areas to participate in the Expanded Pilots, if any. The comments on ratepayer funding should include a table with a breakdown of costs by category (e.g. administration, incentives) and whether non-ratepayer sources of funds are available to cover implementation costs or provide additional automation incentives.

3. Questions for Party Comments

All parties are invited to comment on the following questions about the attached Staff Proposal. Parties should provide supporting explanations for their responses to each of the questions below.

1. Should the Commission authorize Expanded Pilot Proposal #1 to extend the VCE AgFIT Pilot, remove the participation cap, and expand eligibility to all agricultural customers in PG&E territory?

- a. Please comment on whether the initial results of the VCE AgFIT Pilot indicate that the pilot has been successful at supporting system reliability to date. (*See the attached interim evaluation report.*)
 - b. Do you support the staff proposal modifications to eligibility for the pilot?
 - c. Do you support the staff proposal modifications to the duration and/or size of the pilot?
 - d. Do you recommend additional marketing, education, and/or outreach for this pilot? If so, please provide details and a proposed budget.
 - e. Do you agree with the staff estimates of the costs of expanding and extending the pilot?
 - f. Do you support the proposed timing of implementation of the Expanded Pilot (starting June 2024)?
2. Should the Commission authorize Expanded Pilot Proposal #2 to expand eligibility of the VCE AgFIT Pilot to certain commercial and residential customers in PG&E territory with no participation cap?
- a. Do you support the proposed modifications to eligibility for the pilot?
 - b. Do you support the proposed modifications to the duration and size of the pilot?
 - c. Do you recommend additional marketing, education, and/or outreach for this pilot? If so, please provide details and a proposed budget.
 - d. Do you agree with the proposed estimates of the costs of expanding and extending the pilot?
 - e. Do you support the proposed timing of implementation of the Expanded Pilot (starting June 2024)?

3. Should the Commission authorize Expanded Pilot Proposal #3 to extend the duration of the SCE Dynamic Rate Pilot and expand pilot eligibility?
 - a. Do you support the proposed modifications to eligibility for the pilot?
 - b. Do you support the proposed modifications to the duration of the pilot?
 - c. What changes, if any, are necessary to enable CCA customers to participate in this pilot?
 - d. Do you recommend additional marketing, education, or outreach for this pilot? If so, please provide details and a proposed budget.
 - e. Do you agree with the proposed estimates of the costs of expanding and extending the pilot?
 - f. Do you support the proposed timing of implementation of the Expanded Pilot (starting June 2024)?
4. Please comment on the proposed evaluation requirements that would apply to the three Expanded Pilots in the Staff Proposal.
5. Please comment if any existing Commission requirements or utility program rules may impede customer participation in any of the Expanded Pilots, and if so, explain how such requirements should be modified for the purpose of pilot participation.

6. Are the proposed modifications to the VCE AgFIT Pilot and SCE Dynamic Rates Pilot consistent with the Commission's Rate Design Principles and Demand Flexibility Design Principles? If not, please provide specific ways to make the proposed modifications consistent with these principles.

IT IS SO RULED.

Dated August 15, 2023, at San Francisco, California.

/s/ STEPHANIE WANG

Stephanie Wang
Administrative Law Judge

ATTACHMENT A
Staff Proposal on Existing
Dynamic Rate Pilot Expansion

ATTACHMENT B
Preliminary Assessment of VCE's Agricultural
Pumping Dynamic Rate Pilot