



California Public
Utilities Commission

Workshop on Advanced DER and Demand Flexibility Management

Energy Division | February 24, 2021



A Unified Vision: Integration of Advanced Rates and Load Modifying Demand Response to Promote Flexible Load Management

- Energy Division Staff is recommending that a rulemaking be opened that features a proposal for a unified, universally accessible dynamic energy signal and attendant system wide rate reforms that seek to optimize flexible load management.
- The ground work for this staff proposal is substantial and has been informed by numerous ratesetting and demand response program proceedings, decisions and pilots over the past several years.
- Large-scale deployment strategies are needed to realize DR potential. Rate designs are needed to support clean energy goals (e.g., EV rates, port electrification rates).

Potential Benefits of Improved Integrated Strategies for System-wide Load Management

- A single, comprehensive venue to address program and policy synergies in rate design and demand response to reduce confusion and increase efficiency.
- Potential for incremental load shift and improved management of duck curve ramping and extremes
- Pricing reforms to address outdated rate design elements (e.g. demand charges) and locational rates that reflect wholesale prices and valuation of an increasingly bidirectional, transactive grid.
- Enhancement of economic value of Distributed Energy Resource (DER) investments through dynamic rate design alternatives.
- Leveraging automation technologies for improved load management and grid optimization.

Partnership with the CEC on Potential Load Management Standards Amendments

- This effort is intended to build on the substantial efforts and key pillars of the CEC in its proposed Load Management Standards Amendments (Docket 19-OIR-1) toward the development the following:
 1. A database of time-variant rate offerings (MIDAS)
 2. Standardized rate information access tool to support third-party services.
 3. Locational rates that change at least hourly to reflect marginal wholesale costs
 4. Integration of information about new time-varying rates and automation technologies into existing customer education and outreach programs.

Next Steps

- Request for stakeholder comments on today's workshop and proposal by **Tuesday, June 8.**
- Energy Division staff will evaluate and incorporate relevant feedback into its proposal.
- The Commission will consider whether to open a rulemaking to provide a venue for further addressing staff proposal and critical program and policy issues.
- Additional workshop(s) will be scheduled to offer opportunities for parties to present a range of different viewpoints and data.