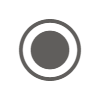
**Demand Flexibility OIR (R.22-07-005) Workshop on Track B Working Group Proposals-20231017\_093950-Meeting Recording**

October 17, 2023, 4:39PM

3h 30m 47s

 **Madduri, Parimalram "Achintya"** 0:04  
And so just to note to everyone on the call.

 **Madduri, Parimalram "Achintya"** started transcription

 **Wang, Stephanie** joined the meeting

 **Madduri, Parimalram "Achintya"** 0:15  
OK.  
So good morning.  
My name is Achintya madduri.  
I'm a senior analyst with the retail rates team and and I'm joined by many of our Energy Division colleagues, including the the MY Supervisor, Paul Phillips, Masoud Fude and Ankit Jane, also senior analysts with the retail rates team.  
And I also wanted to note that although Gupta, the supervisor of the demand response team, is here along with senior analysts analyst Gene Lamming, Jeff Litaker and I may be missing some others.  
But nonetheless, I wanted to know that both the demand response teams and the retail rates teams are in attendance and have been working actively on this rulemaking.  
So those are the E staff present.  
I'll quickly go over the agenda.  
We we are going to be having a just a few short remarks from staff laying the umm like the introduction and and and the motivation for today's workshop followed by remarks from CC staff.  
Stephanie Wieland, who is the lead of the load management standards, will be presenting some remarks from CEC with regards to the working groups.  
The working group reports and and and CC's perspective on on how the working group reports proposals interact with the load management standards with CCS, adopted load management standards.

 **Younes, Amin** joined the meeting

 **Madduri, Parimalram "Achintya"** 1:50  
Umm, the first presentation will be from Saha and C4A T and this will be in regards to the barriers and needs of low income and disadvantaged communities.  
As a reminder, this workshop, per the ALG.  
Wongs Scoping memo was for all for presenting the working group reports proposals from the various parties that did present those proposals, as well as to allow for consideration of the barriers and needs of low income and disadvantaged communities.  
So say so representatives from say Hi and see for a T will be providing their perspective on that to the stakeholders of this rulemaking.  
Following that, we will jump into the Working Group 1 proposals.  
There were three proposals provided working for Working Group 1 Energy Division staff.

 **33c3cb4e-5148-4ec6-a576-8f54eea5136b** joined the meeting

 **Madduri, Parimalram "Achintya"** 2:43  
Uh.  
Uh the joint, IU's and Microgrid Resources coalition?  
I'll talk through what the difference between the work two working groups for those stakeholders that have not that are not familiar, but just as a refresher, following that we will have a the proposal parties from working group to present their proposals.  
These will be energy division staff and team mix are in joint the joint proposal for manager division staff and teammates presented by Energy Division staff regarding the price machine and transactive system and subscription manager followed by the joint IUS along with their CCAS regarding how regarding the issues of CCA and enablement for demand, flexibility rates and then lastly the third parties and their proposal for enabling third parties role when it comes to demand flexibility rates.  
So it's a packed agenda.

 **Alex Colteryahn** joined the meeting

 **Madduri, Parimalram "Achintya"** 3:40  
We're we're trying to keep individual presentations to half an hour, so about 20 minutes for presentations and and some short Q&A to follow.  
So we will be trying to be pretty strict on the time because there's a lot to get through.  
We the intent of today's presentations are high level overview of the various proposals that report has the report.  
The working group report with the detailed proposals has been served to the work, to the rulemaking, to the, to the service list of the rulemaking and the comments to the report are due next month.

 **Chetna Smith** joined the meeting

 **Madduri, Parimalram "Achintya"** 4:20  
So with that, let me just go into some some overview of this of this rulemaking and and and this and the intent of the proposals that will be presented at the workshop.  
The overall summary and goals of this rulemaking are to develop policies to achieve widespread customer adoption of automated demand flexibility solutions throughout the state with with the goals of reducing long term system cost through more efficient pricing of electricity, UM and and also to develop scalable solutions that accommodate participation by both bundled and unbundled customers.

 **Steve Barrager** joined the meeting

 **Jeanne Armstrong** joined the meeting

 **Madduri, Parimalram "Achintya"** 4:54  
Further this this rulemaking is also has a goal of ensuring that iOS comply with CECS adopted load management standard amendments for hourly cost based rates.  
That should be available to all customers within a few years.  
So jumping right in the scoping memo, per the scoping memo, there were two working groups kicked off working group ones and Working Group 2 in November of last year.

 **Sheila Hallstrom** joined the meeting

 **Madduri, Parimalram "Achintya"** 5:22  
And the purpose of the working groups Working Group One was to propose guidance for demand, flexibility, design.  
So this the goal of their proposals for this, that we're to be developed in this working group or to propose a set of guidelines for all demand, flexibility, RAID design applications going to be filed by large IUS after adoption of this guidance of the guidance that is in these proposals including great design applications necessary to comply with the CCS load management standards, these guidelines should align with the electric rate design and demand flexibility, design principles that have already been adopted in this proceeding.  
I won't go through these specific sub issues one by one, but I think those will be made clear as as the party, as the party proposals are.  
I walked through.  
Similarly, we had a working group, two with a which was focused on systems and processes for access for price and responding to price signals.

 **Ainspan, Malcolm** joined the meeting

 **Jean** joined the meeting

 **Madduri, Parimalram "Achintya"** 6:22  
The purpose of this working group was to propose systems and processes needed for access to prices and responding to price signals, such as the computation of dynamic electricity prices, billing and settlement.  
The systems and processes that are being proposed by the parties of the working group too, and a proposals are to be designed to support widespread adoption of demand, flexibility rates comply with the SEC's load management standards and align with the Commissions electric rate design principles and demand flexibility, rate design principles.

 **Karen Schmidt** joined the meeting

 **Madduri, Parimalram "Achintya"** 6:56  
So that's a very high level overview.  
We will be going more into depth on the various sub issues, but with those remarks out of the way, I did want to turn on the turn the stage over to Stephanie Wayland from the CC for for CEC staff to present some opening remarks.  
But I guess before I do that, I I wonder I should check if there's any questions.

 **Brad Heavner** left the meeting

 **Madduri, Parimalram "Achintya"** 7:24  
Please feel free from to raise your hand for questions or the chat is also an option, so I'll just wait a minute while I stop sharing and.  
Umm.  
Well, Stephanie Wieland is is getting set up.  
OK, I don't see any hands or any questions.  
OK.  
Hi.  
So I could started.  
Yes, please go ahead, Stephen.  
So Stephanie Whelan, lead of the load management standards for CC?

 **Nihal Shrinath, Sierra Club** joined the meeting

 **Madduri, Parimalram "Achintya"** 8:06  
Umm, please go ahead, Stephen.  
Yeah.  
Thanks for thanks for giving us a little bit of time.

 **Wayland, Stefanie@Energy** 8:11  
To talk today, you know, as we were able to review the draft proposals submitted to the for this demand flexibility O IR, we noticed that they don't all fully align with the requirements of the load management standards and also the process that's required to seek extensions or modifications of that standard which would need to go through the CEC, Umm.  
And So what we wanted to do was I'm what I'm gonna do is just take a real quick look at the requirements that are in the load management standards.  
I'm not going to address specifically the issues that we did find in the in the interest of time basically, but I just wanna review the the four primary requirements for the load management standards.

 **Lidicker, Jeffrey** joined the meeting

 **Wayland, Stefanie@Energy** 8:58  
The first is the Midas database, so that is requiring the IUS to maintain the accuracy and existing of existing in future time dependent.  
Umm.  
Rates in the publicly available Midas rate database, so the IO use of uploaded a lot of rates to that.

 **Steve Barrager** left the meeting

 **Wayland, Stefanie@Energy** 9:17  
Thank you.  
For what we've got so far, and there's gonna be some new ones to go, probably some more to go, especially related to this, the whole point of the Midas database as it relates to this demand flexibility, working group and process is is as the the sort of price server that gives gives the prices from the utilities out to people who need them and devices who need them, devices that need them to control electricity use based on the the new rates.  
Second part is to provide a single third party tool, a single tool that works across all the named utilities, which is the three big IUS and and several Pius and Ccas that basically allow a way for third parties to look up rate information and also to change the rates that people are on.  
This particular tool could be designed as a pathway for CCA's to change their customers rates with, you know, customer authorization.  
So if this is a desired outcome, umm, you know, CC staff is hoping that the CCA's and others involved in in this process also, and the IUS get involved in the development of the RIN tool or the statewide tool create lookup tool in order to make sure that the the needs of the CCA is are being met both for changing rates and and all the rest of it.  
The third part is for hourly rate designing and submitting hourly rates.

 **Edward Randolph (Guest)** joined the meeting

 **Wayland, Stefanie@Energy** 11:02  
Those are gonna be locational and they could be at Delap, but we know that there's a lot more value available by reducing needs for distribution or transmission grid grid uploads.

 **Steve Barrager** joined the meeting

 **Wayland, Stefanie@Energy** 11:16  
If the locations are smaller than delapp, so we'd love to see at the CEC a location location pricing that's smaller than D Delap.  
That said, that's not explicitly required by the LED management standard.  
And then the 4th part is customer education, basically making sure the customers know that this it the Disney rates and technologies are available to them. Umm.

 **Edward Randolph (Guest)** left the meeting

 **Wayland, Stefanie@Energy** 11:42  
So really quick, the timelines was one of the main things where we saw misalignment between some of the some of the proposals and the the load management standards regulation as they have been adopted upcoming some of the upcoming deadlines that this ring tool is required to be submitted to the CEC by October 1st of next year and primarily related to this are the two rates points which are seven and 10 on here.

 **Byron Kaufman - Grid Science (Guest)** joined the meeting

 **Wayland, Stefanie@Energy** 12:16  
So the utility, the IOU's, are required to submit proposals for these locational hourly dynamic marginal cost based rates to the CPU C by January of 2025 and then to implement them by January of 2027.  
And then I just wanted to make a few notes about the Midas server.  
So the Midas server is that grid implementation server.  
This is developed as part of the load management standards at the CEC.  
It's up and operational.  
We have a lot of data in there now, umm and so it's available at this Midas API.  
Umm.  
Site.  
Welcome to come take a look.  
Register for it if you like and you can get and if.  
If you're a programmer, you can get all the right data based through this.  
So one thing on what do you wanna mention is related to transactive signals.

 **Igor Tregub** joined the meeting

 **Wayland, Stefanie@Energy** 13:09  
The Midas was not designed to support the actual transactions that would need to happen.  
That would go through another platform, such as the team mix platform or another one that's developed.  
Umm, but the Midas can still show the prices that are result of those transactions, so those those would still go into Midas and still be available to the users if they were, if they needed them.  
So that's basically it for me.  
I wanted to just do a real high level overview.  
Thank you very much for the opportunity to talk today.  
Thank you very much, Stephanie.

 **Madduri, Parimalram "Achintya"** 13:49  
And we do have a OK.  
It looks like there's some hands raised.  
Are you are you open to taking a couple of questions in the time in the few minutes remaining?  
Umm yeah, I can.  
I can do a couple.  
OK, so it looks like Jeff Dituri from SDG and E has their hand up.  
Yeah.  
Hi, Stephanie, just a quick question.

 **DeTuri, Jeff N** 14:13  
Did any of the proposals meet the LMS requirements?  
I mean also the LMS requirements as far as far as we're able to.

 **Wayland, Stefanie@Energy** 14:24  
The figure to ascertain the staff proposal did meet the LMS requirements.  
Umm, the CPSC staff are proposal.  
The Cal fuse proposal?  
Umm, we didn't.  
The other ones didn't really meet the requirements.  
That said, we did not do a super thorough review of all of the all of these proposals based on the just based on staff availability.  
Unfortunately, we wanted to do a better review, but we did a pretty good review, but it wasn't there may be what I wanna say is there may still be some some minor things, but it did look like the staff proposal was fully in alignment with the LMS.  
OK.  
Thank you.  
Thanks, Stephanie.

 **Madduri, Parimalram "Achintya"** 15:17  
He umm, there appears to be a question in chat from young Bregier from PG and EI.  
Think asking if the working group submitted to SC and August in meet LMS or the LMS compliance plans did not show pathway towards LMS compliance and yeah so the LM.

 **Wayland, Stefanie@Energy** 15:36  
Must compliance plans that we received from the from the IOU's don't as as as John mentioned, a lot of water is gone under the bridge since August.  
They do not match up with the with the draft, Umm, report for this for this.  
So when I'm talking about this, I'm talking about the draft proposals submitted for this O IR through the the CPU COYR not the compliance plans.  
OK.  
Thank you.  
Those are still under review with got it.  
OK.  
Thank you for that.

 **Madduri, Parimalram "Achintya"** 16:14  
I don't see any other hands raised or questions in the chat.  
So I think we can we can transition to the next item on the agenda.  
And so we we we're a little bit, we're a little bit early.  
So I don't know if Melissa craziness at Kuznets and Shannon Lazarov from C4 at and say how respectively our ready or we could give a few minutes break for everyone.  
I think this is Melissa.  
I'm here but she.

 **Melissa Kasnitz** 16:50  
You know, was gonna speak first, OK?  
And yeah, this is this is Shawna Lazaro.

 **Bird, Heather@Energy** left the meeting

 **Shana Lazerow** 16:58  
I'm.

 **Wayland, Stefanie@Energy** left the meeting

 **Shana Lazerow** 16:59  
I'm ready, so unless books need a stretch break, I mean it could also facilitate a little morning breathe moment.  
But I I would certainly be ready to the talk.  
Well, yeah, I think we could we.

 **Madduri, Parimalram "Achintya"** 17:15  
You should get going.  
The stretch break is very compelling, but I I imagine we may need one later on because we do have a packed agenda.  
So if you all don't mind and and you're welcome to present if you have anything to do so, or if you're just talking, please.

 **Karen Schmidt** left the meeting

 **Madduri, Parimalram "Achintya"** 17:29  
I'll turn it over to you.  
Thank you.  
Thank you so much.  
I am just talking.

 **Shana Lazerow** 17:34  
Yeah.  
And I really appreciate the opportunity to just talk with all of you 100 plus folks this morning.  
And I especially appreciate the chance to come in right at the start of this agenda to talk about the barriers that residents and esj communities are facing as we look down the barrel of dynamic rates coming in.  
And I feel like this is a really important a moment because the barriers that I'm gonna be talking about really are structural.  
And so the dynamic rates that are being designed have to be designed and with an understanding at the start of that design that these barriers exist, they're part of the energy use topography and in California.  
And so designing without keeping that in mind is going to lead to, you know, failures and real penalties that you know, our communities are already facing, far too many hardships and.  
And so if you've been reading the the documents in this proceeding, you've already seen some of Sahas listing.  
I wanted to walk through some of them out loud this morning and then turn to some of the equity principles that Sahad developed out.  
And then I'll turn the mic over to Melissa.  
I'm not planning to talk for a full 10 minutes.  
So and the and the first of these structural barriers is the very low homeownership rates that we see in our communities in California and what that means for dynamic rates is that the extent that we are expecting residents, residential users of electricity to be able to make changes to their home, to make changes to their appliances and to engage with dynamic rates and those choices are not options for many, many residents in our communities just because they don't have the autonomy over their homes and and even for long come home homeowners, many of the expectations that we have about choices to make home improvements are not really relevant for homeowners.

 **Doherty, Patrick** left the meeting

 **Jin, Sarah** joined the meeting

 **Coughlan, Claire** joined the meeting

 **Saxe, William** left the meeting

 **Shana Lazerow** 20:24  
Many of our programs that rely on rebates and aren't accessible and basic home maintenance is a huge challenge.

 **Deang, Paul I** left the meeting

 **Shana Lazerow** 20:35  
And so that's the first barrier.  
2nd Barrier is a lot of us talked about this a lot during the epidemic.  
The lack of access to reliable Internet, so broadband reliable Wi-Fi on which is necessary in so many parts of our lives now, but especially for any kind of automated response to to happen, we have to.

 **Alice Kilduff** joined the meeting

 **Shana Lazerow** 21:08  
Acknowledge and understand that there are swaths of our ESFJ communities that do not have access, so programs that are more behavioral are more accessible.  
Programs that rely on automated systems less accessible.

 **Magie, Andrew** joined the meeting

 **Hari** joined the meeting

 **Shana Lazerow** 21:27  
I'm 3rd, just the basic fact that in ESTJ communities and there's a lot less ability for residents to shift their load.

 **Edward Randolph (Guest)** joined the meeting

 **Shana Lazerow** 21:39  
Whatever best intentions are and people in our communities have less job flexibility and often are holding multiple jobs where they have less autonomy over the hours that they work and therefore the hours that they are at home to be using electricity and homes are much more crowded.

 **Rita Liotta-FEA** joined the meeting

 **Shana Lazerow** 22:01  
And so we have people coming in and out to work different shifts and different jobs, juggling school, juggling family responsibilities and who need to use electricity when they are able to be at home.  
4th linguistic isolation.  
The maps of on call Enviros screen show that communities where English has other spoken not at all in households or not as a first language.

 **Younes, Amin** left the meeting

 **Shana Lazerow** 22:36  
And are those rates are much, much higher in the top 25% most impacted communities in California.  
So when we're talking about something as complex as dynamic rates and taking that information, which is really hard to understand in English and.  
At translating it accurately and adequately for our many different language speakers is a huge barrier.  
And lastly, a our communities are very priced responsive.  
These are low income communities and we risk having people forgo the power that we need in order to live safe and healthy lives, and because there is a, you know, a a price pressure and that could promise to to save some money.

 **Sheila Hallstrom** left the meeting

 **Shana Lazerow** 23:41  
And so those are the the barriers that I wanted to highlight on Sahas behalf.  
I think I skipped over the part where I introduced myself.  
Hi all, I'm shawna Lazaro.  
I use she her pronouns.  
I'm the legal director at communities for a better environment.  
We are a member organization of Sahab and I represent Sahara in this proceeding.  
So in this proceeding, we really appreciated the development of some principles and around rates.  
We felt that there was a lack of principles that really honed in on the the need to center equity in dynamic rates.  
And so we supplemented the principles that the preceding and has adopted, and I wanted to quickly walk through them as one of the ways that this proceeding can can anchor itself to equity to addressing some of the barriers as we develop dynamic rates.  
And so there are only four principles, even though identified 5 barriers.  
The first of these is we need to target investments so that ESFJ resident residents are able to participate in dynamic rates.  
And so this is moving the money so that residents and EJ communities are able to participate and #2 we have to take into account the differences among ESTJ communities among residents and ESTJ communities.

 **Mann, Ryan (Enel North America - USA)** left the meeting

 **Shana Lazerow** 25:30  
And so there's definitely been conversation about different climate zones.  
We have to acknowledge that there are different housing types that we see in ESTJ communities and there are other factors and some of which I mentioned in the barriers section that affected ability to participate in dynamic grades.  
And so we have to sort of center the fact that one size will never fit all for these communities and we need to really ground ourselves in local decision making, #3I we absolutely must have bill protections for for residents in ESFJ communities as we shift into dynamic rates.

 **Jin, Sarah** left the meeting

 **Shana Lazerow** 26:20  
And so whether folks choose to participate or not participate, we need to make sure that bills do not go up for the communities where the hardships are already being so severely felt by rate increases.

 **Ben Schwartz (Clean Coalition)** joined the meeting

 **Shana Lazerow** 26:37  
And lastly, among our principles.

 **Amanda Myers Wisser (Guest)** joined the meeting

 **Shana Lazerow** 26:42  
We need these rates to do a lot for our energy system and one of these things is to shift load so that we can see reductions in the use of polluting resources that are impacting ESFJ communities and and so oftentimes that can mean something as simple as shifting the system peak, just smoothing it out so that we don't see ramping in our, in our gas fleet, which disproportionately impacts disadvantaged communities in California and we can target dynamic rates in specific ways.  
One of the ways that they have proposed in most recent comments was to target education to the big energy consumers that are located in a near disadvantaged communities and so that so long as these dynamic rates are never paired with, you know, a sort of demand response that would include combustion resources so that we could see impacts in local areas.

 **Faber, Clay** left the meeting

 **Koepf, Cara** joined the meeting

 **Shana Lazerow** 28:03  
This is an area that I think implicates a bunch of different proceedings in at the PC as well as multi agency conversations, but I feel like dynamic rates need to be anchored to a degree in this as well.  
And so that concludes my comments.  
I see it didn't quite make it under 10 minutes, but I am happy to pass the mic over to Melissa at this point.  
Or I see a question how would you like to proceed?  
Well, why don't we, why don't we?

 **Madduri, Parimalram "Achintya"** 28:40  
We have Melissa speak as well and then we can I think we can take questions for both of you at the end.  
That probably would be more effective.  
Thank you so much.  
Thank you.  
I don't have slide.

 **Melissa Kasnitz** 28:52  
It's either so you'll just have to listen to me speak.  
I support what Shawna was describing.  
I just want to add that low income and vulnerable customers do not exist only in identify disadvantaged communities.  
So we need to take into consideration the needs of those low income and vulnerable customers wherever they're located.  
Some of the targeted local benefits, like trying to improve air quality and Dax is very appropriate, but things like build protection and those impacts need to be considered more broadly.  
I'm Melissa Kusnitz, legal director at Center for Accessible technology.  
We represent the interests of utility customers with disabilities and medical needs.  
This community is also disproportionately low income, so we also look out for the needs of low income customers more broadly and people with medical needs often have some of the least elastic demands for electricity.  
And if it's used to power medical devices or other necessities to maintain health and safety, see for 80 recognizes that the legislature has charged to the Commission with adopting optional demand flexibility, or RTP rates for all customer classes.  
This.  
But with that said, there's substantial challenges and hazards associated with these demand flexibility rates for low income and vulnerable customer groups and see for a T has addressed many of them in filings and in conjunction with the working group meetings.

 **Faber, Clay** joined the meeting

 **Melissa Kasnitz** 30:45  
But just to highlight some of them, which have already been flagged some and others perhaps not, we've already received an overview of why individual residential customer response to demand flexibility rates might be particularly challenging for low income and vulnerable customer groups to add to the list that have already been identified, these households are more likely to move frequently and to have household members who come in and out.

 **Saxe, William** joined the meeting

 **James Whooley** left the meeting

 **Melissa Kasnitz** 31:23  
This makes the proposals for subscriptions based on historical usage or options based on historical usage much more challenging.  
I didn't see any of the proposals identify any mechanism for developing subscriptions or options for customers who do not have a historical usage pattern, and I also didn't see any way to change subscriptions or to educate customers that they might consider changing subscriptions if the number of members of in their household changes, which would likely change their usage patterns.  
So even with the proposals on tap, that's just a gap for customers who might have.  
Less stable energy usage patterns.  
Shanna talked about the lack of flexible load, the fact that people are more likely to rent.  
There are also issues that housing stock is perhaps more likely to need upgrades before a certain smart appliances could even be considered. Umm.

 **33c3cb4e-5148-4ec6-a576-8f54eea5136b** left the meeting

 **Melissa Kasnitz** 32:39  
Then there are the challenges to understanding complicated demand, flexibility or RTP rates.  
Whether that's a language challenge which is very valid for many communities, for customers with disabilities that impact their ability to use standard forms of communication, there are also challenges.  
And then even for customers who speak English as their first language, education levels and communication challenges may still remain.  
There's talk about relying on trusted messengers, which see for AT fully supports, but the level of challenge in communicating what demands on customers are required by RTP or demand flexibility rates are extremely substantial and a headline saying work with trusted messengers is great, but there's nothing fleshed out on how exactly you would do that and make it work.

 **Hari** left the meeting

 **Marquez, Alejandro "Alex"** joined the meeting

 **Melissa Kasnitz** 33:48  
Also, targeted education doesn't solve for these other issues about housing stock and household membership and lack of elasticity.

 **Tom Beach (Guest)** joined the meeting

 **Melissa Kasnitz** 33:55  
So even if customers do understand it doesn't provide the benefit to those customers that.  
Policymakers are hoping or will be associated with these types of rates.  
There's also very little in the proposals that are on the table about winners and losers.  
The IOU's, to recognize the risk of self selection bias with opt in RTP rates, and they also acknowledge that that creates a risk that, umm, whatever is learned through opt in rates will not in fact be replicable if these demand flexibility rates are then applied more broadly, because the people who opt in obviously are gonna be the ones who are the most likely to believe that they can make appropriate changes.

 **Daniel Douglass** joined the meeting

 **Melissa Kasnitz** 34:51  
And so that's an issue that needs to be taken up by all stakeholders.  
Cause what you get from the first self selecting group is not gonna be the same as what you get from the population as a whole.  
And there's also very little discussion in what's on the table about under collection of revenue.  
Umm, so people who can't benefit from these rates?  
There's a lot of discussion saying, OK, fine, they don't need to opt in, but to the extent that we're using ratepayer money to implement these rates and we're also providing a bill savings to those customers who do opt in, the customers who can't participate are then going to be expected to chip in to make up for those revenue shortfalls and those costs.  
I understand that the intent overall is to bring system costs down through demand, flexibility rates and everyone hopes that will be the case.  
But in the short term, current revenue requirements and upfront costs risk being piled on to existing ratepayers and enhancing affordability challenges.  
And that may be the most.  
Problematic for those customers least able to benefit from these braids.  
Umm.  
Finally, because I I think I'm over stepping my time, I wanna note the IOU's stepping Stones proposal.  
With a some support not for necessarily the specifics, because a lot of the elements of what the IOU's have put forward right now, like defaulting all remaining customers to TOU and increasing differentials actually face some of the same challenges that have been raised here about demand flexibility rates.  
But the notion that there should be options other than demand Flex RTP rates put forward for those customers who can't really participate in this sort of most complex proposal certainly should be given ongoing attention.  
This can't be an all or nothing scenario and there need to be ways to encourage customers to act, to help support the grid without putting them at risk of bearing substantial penalties if the action being sought is beyond their capabilities.  
I'll leave it at that.  
Thank you everyone for listening.  
Thank you very much Melissa. So.

 **Madduri, Parimalram "Achintya"** 37:59  
Can get some questions.  
I see a little Gupta I from energy division.  
Hello please go ahead.  
Thank you, chantia. Thank.

 **Gupta, Aloke** 38:09  
Thank you for the overview of the various concerns and issues we need to keep in mind, but to EG and low income communities.

 **Sheila Hallstrom** joined the meeting

 **Gupta, Aloke** 38:23  
I want to highlight two points and and you know curious about your reactions and a lot of those two points.  
So one is that you know you, you, Melissa, you raised concerns about participant versus nonparticipant benefits on you know TOU versus the dynamic weights.  
So there is a key difference.  
Well, with respect to tear, you versus a dynamic rate behavior here, at least in the cab fuse proposal, the premise for the hourly price generation is that it is based on scarcity principle.  
That is, the higher the load relative to available capacity, meaning congestion.  
Umm, a higher the price?  
Umm.  
So in that scenario, it would.  
The impact would presumably be different from TRU in that if some participants on the call fuse rate shift load away from the congested periods.  
Umm, the pricing would come down and other participants that are not shifting.  
Lord would also benefit from the lower prices because now the congestion level is reduced, so that's one point.  
The second point is there's at least one data point from Illinois real time pricing market where the ratepayer advocate themselves advocated that low income customers should be encouraged to go on real time pricing because they found in their studies that even with no behavior change or low income, customers save on RTP.  
Now if that data point was authored bound to apply to a car fuse rate, would that.  
I I'm just curious, how would that impact your considerations about what to do with dynamic rates on an opt in basis.  
So go ahead.  
Umm.  
There's lots of data out there and I I.

 **Melissa Kasnitz** 40:30  
I'm sure there are data points supporting both sides of all of the points of concern if low income.  
If rates are structured so that low income customers are structural benefit ours.  
That obviously reduces the challenges, but it doesn't actually solve any of the problems that the rates are then intended to solve.  
Four if low income customers don't change their usage patterns at all and their bills go down, you haven't alleviated congestion.  
Uh, you haven't solved your ramp.  
I support efforts to increase affordability for low income customers, but.  
Structural winners and losers?  
Well, important to consider for policymaking reasons are completely beside the point for the problem that these rates are intended to solve.  
So obviously I'd rather low income customers be structural benefits than structural losers, but that doesn't actually say anything about the success of demand, flexibility rates and solving problems that they're intended for.

 **Ron Liebert (Guest)** joined the meeting

 **Melissa Kasnitz** 41:44  
Ohh OK so just a part.

 **Gupta, Aloke** 41:46  
Love.  
So I I take your point on the structure versus the on the structure point, but can can you also react to the first point about the difference between the design of TOU and the scarcity principle underlying the call fuse dynamic weight that I mean the premise of calculus proposal is that it is not necessary for all participants to shift.  
It is important for some participants to shift and so that all other non participants.  
I should not say nonparticipant other users of the dynamic rate that are not shifting load would also benefit.  
No, I have you thought about that.  
And what's your reaction to that?  
Yeah.  
No, I hear what you're saying and.

 **Melissa Kasnitz** 42:36  
That's a valid point.  
I don't have the capability to to do and analysis at all, and certainly not on the spot for how much shifting needs to happen for for folks to benefit.  
So it's a completely valid point.  
It should be considered as part of the mix, but again I don't know that it's solves the concerns that are raised here.  
Umm so.  
The more information the better about models that are out there, but beyond that I can't say anything particularly responsive.  
Sorry.  
Good that?  
That's fine also so.

 **Gupta, Aloke** 43:14  
Thank you for this comment.  
So I'll send you back to you.  
Thank you, Luke and I.

 **Madduri, Parimalram "Achintya"** 43:21  
I think I I I did wanna just quickly flag that there.  
There were some details in the Energy Division staff proposal regarding, you know, the issue of how subscriptions could be designed.  
Alternatively to using historical usage shape, which I think would address some of the concerns that were raised by you, Melissa.  
So I love closely. Yeah.  
And I've just encourage a lot of material there.  
There's a lot there and this is again, this is just meant to be an intro.  
I I think I I was curious.  
I I did hear some.  
I'm here's something from you with regards to the TLU rates as well and and the potential concerns with even TLU rates where with much higher differentials.

 **Stein, Jeff** joined the meeting

 **Madduri, Parimalram "Achintya"** 44:09  
Because I think if.  
And I if the Commission were to consider both an opt in RTP rate, this is again no to be noted very clearly that what is being considered is an opt in program with no need for with no expectation of any participation from any particular segment of customers.  
It's entirely on an opt in basis, but nonetheless with if that was coupled with more cost reflective tofu rates, I mean those certainly states, other other regulatory commissions have adopted QU rates with substantially higher differentials.

 **Hari** joined the meeting

 **Madduri, Parimalram "Achintya"** 44:48  
We're talking about four to 1/5 to one peak to off peak differentials, so I would be curious from both, say house perspective and from I see four 80s perspective if some of these concerns that you've highlighted would still bear true if till you rates were indeed more cost reflective as as we know that they're not in as they're currently being offered to customers.

 **Erica Keating** joined the meeting

 **Madduri, Parimalram "Achintya"** 45:13  
Ohh like I can take your question.

 **Melissa Kasnitz** 45:15  
Two different ways.  
One is if those TLU rates with greater differentials were the only option to a demand flex rate, would that make the demand flex rate look better in comparison?  
And I guess the answer is maybe umm if I the question is whether that sort of much more aggressive T OU rate is wise policy.  
My I'm one of the old timers here and I was part of the residential rate reform proceeding that initiated the move to default T OU for most residential customers and the concerns very much like they are now are about customers who do not have the ability to shift their loads outside of peak times and the result being that they are facing punitive bill increases because they do not have the capacity to act in the way that these rates are supposed to incent.  
You can only incent to do customers to do things that are within their capabilities.  
To do so, if that's when people are home, and that's when kids need to do their homework on the computer.  
And that's when dinner needs to get cooked.  
And that's when all of these things need to happen, and you don't have the money for more efficient appliances.  
And your landlord isn't responsive to increasing your insulation, and all of these challenges that we've talked about increasing rate differentials for T OU rates or forcing people onto those rates isn't going to get you.

 **Tiell, Oriana** joined the meeting

 **Melissa Kasnitz** 46:59  
Load shift.  
It's just going to create hardship for the folks who now are facing the bill impacts of those changed rates without the ability to respond in the way that the rates are intended to incent them to respond.  
I I thank you.  
Thank you for.

 **Madduri, Parimalram "Achintya"** 47:19  
Yeah.  
I'd and I don't know if, Sean, I wanted to say something as well.  
I did, yes.

 **Shana Lazerow** 47:24  
And very much agree with what Melissa said.  
I did want to also add that one of the things that Sahai is and is it really I I hope strongly coming through that we're asking for is exactly the sort of comparison between impacts of dynamic rates and impacts of tofu rates that you're asking us to hypothesize about and right.  
So the the pilot information so far doesn't really answer that question.  
And some of the barriers that are that I identified to you rates don't present because you don't need to have automated response.  
So some of the barriers that exist really do, and you know, for folks who have the predictability of these hours or that particular hour is going to be the really expensive hour every day, they may be able to shift, but they're load around.  
We don't know what kind of hardship that is going to cause.  
If that happens to also be the hour when you know people need to be using their appliances that are choosing not to because it is just too expensive and so whether that means you know that the temperature inside their homes is just going to be, you know, like unlivable for the month anyway.

 **Jeff S** joined the meeting

 **Shana Lazerow** 48:52  
You see where that line is heading, but I would say we need the comparison and the predictability of two you rates is actually potentially less punitive than dynamic rates where you have to have, you know, all of your use automated and connected to Wi-Fi or some kind of remote control.

 **Erica Keating** joined the meeting

 **Shana Lazerow** 49:18  
OK.  
Thank you.  
I I.

 **Madduri, Parimalram "Achintya"** 49:21  
It see some hands up.  
I, Paul Phillips, had at his hand out, but I guess I don't know if you wanted to say something, but it's well, I I think it's just a general comment.

 **Wang, Stephanie** left the meeting

 **Madduri, Parimalram "Achintya"** 49:32  
Yeah.  
Thank you.  
I I think it's already.

 **Phillips, Paul S.** 49:34  
And sort of covered here, but I just wanted to, I mean we're talking about here Shannon and Melissa and I totally appreciate your perspective.  
It's one of our most our biggest concerns in this proceeding.

 **David G Rivers** left the meeting

 **Phillips, Paul S.** 49:44  
Right is how to sort of crack the nut of encouraging participation by low income and disadvantaged and esj community folks to achieve, to accrue the benefits right of more advanced rates while also shielding them from some of the risks.

 **Wang, Stephanie** joined the meeting

 **Phillips, Paul S.** 49:58  
And it's just, you know, it's just an unfortunate difficult principle that the the higher the risk, the higher the reward.  
Obviously that's we're introducing here with the call.  
Fuse system is the ability for the system to as a portfolio essentially to achieve cost reduction benefits through the kind of synergistic feedback loop between enhanced demand flexibility and devices and wholesale prices, right.

 **Marisa Williams** left the meeting

 **Marisa Williams** joined the meeting

 **Schenck, Lauren** joined the meeting

 **Phillips, Paul S.** 50:23  
And wholesale market conditions.  
And so I think, umm, I just wanna be clear without going too far.  
Yeah, we could.  
You know, we could sit here and discuss modeling variability and factors that go into this.  
It's very complex, as you know, but I think in general I just wanna be very clear that we're extremely sensitive to this, to this group of folks.

 **Haro, Chelsea (Contractor)** left the meeting

 **Phillips, Paul S.** 50:42  
We're extremely sensitive internally to what it means to try to slowly approach this problem as sort of carefully and with great fragility as we can to ensure that we do the best that we can for this Community.  
So it's definitely, I mean, we are not gonna just roll out these things as you know, as you hopefully know, we're not gonna roll out our TP or her dynamic pricing in any general sense on a on a mandatory basis or default basis for the communities that you represent.

 **Faber, Clay** left the meeting

 **Phillips, Paul S.** 51:08  
That's not gonna happen now.  
It may not happen ever, but I mean we do though need to, I think start to walk down the pathway of ensuring that this process of exposing all customers to some level of risk and having even if it means having some belts and suspenders of third party intervention to help these customers and or you know technological intervention and or subsidization of some sort got to occur at the beginning as a form of training wheels.

 **Symonds, Jason** joined the meeting

 **Haro, Chelsea (Contractor)** joined the meeting

 **Phillips, Paul S.** 51:34  
I think we do need to start the process of exposing all customers to this risk in a healthy way.  
So anyway, that's a more broad based approach to the discussion, but I just wanted to let you know that we are not running headlong into this problem, thinking that we're gonna default your constituents onto these rates right away or something.

 **Rose Monahan - Sierra Club** joined the meeting

 **Phillips, Paul S.** 51:52  
Anyhow, thank you though for your comps.  
I appreciate you being.  
I appreciate that.  
Thank you.  
We do have a couple more questions, so maybe we'll try.

 **Madduri, Parimalram "Achintya"** 52:00  
Had to take them quick because we lost whatever time window we gained earlier.  
But Eva Molnar, please go ahead from SE.  
Yeah.  
Thanks.  
So first.

 **Eva Molnar** 52:12  
Soft thanks.  
Umm, Shana and Melissa for your comments.  
Uh, thoughtful comments on this topic.  
It it's definitely been on my mind.  
I think the thing I I wanted to say, well, the first thing I want to say was around time of use rates.  
And Melissa, I don't know if you know this because you were commenting about the higher tofu differentials, but we did see E did see for their two U defaults.  
When we looked at our 5:00 to 8:00 PM rate, which has higher differentials, we found that there was a higher load shift amongst those customers.  
There was also a bill savings amongst those customers, including low income and it was across all climate zones actually.  
So we did see very favorable results for differential, but the shorter time.

 **Melissa Kasnitz** 52:59  
Time correct, correct, correct. Yeah.

 **Eva Molnar** 53:02  
As the five to eight?  
Yeah.  
Compared to the four to nine very, very hot to me, positive findings from that perspective that you know, we were able to influence behavior, you know, in a in a positive way.  
So I I see that see that as a plus.  
The thing on my mind with and I think Shana, you might have mentioned this is the thing on my mind with dynamic rates is the predictability.  
You lose some of that, especially if you're basing it on historical usage, so I am I am concerned about this target audience participating on this pilot.  
That doesn't mean that they shouldn't, by the way.  
Your first customer on our flexray pilot was a low income is a low income customer.  
So far they're saving.  
So which is good, but you know as we see over time like if we have a hot summer, they may not be saving right?  
They may be.  
They may get a huge bill if it's a hot summer, and so I'm.  
I'm very concerned and I and I hear you know, Shana, your comment about Bill protection.  
So you know there's needs to be a balance to that too, though, right?  
And so one of the things on my mind not to be answered today is, you know, is this the right rate for for customers?

 **Sheila Hallstrom** left the meeting

 **Eva Molnar** 54:20  
Of course we don't wanna exclude anyone, but I I wanna be cautious, especially when I hear about investments so customers can participate as I don't wanna invest a lot of money to give customer equipment and then find that they're actually losing money.  
And in worse shape on it.  
Right.  
So that that's one scenario don't want, but I definitely want to like learn more about, you know how customers can benefit on these rates.  
So it's I.  
I just say it as a balancing act.  
You know, that's great comments to hear and we just have to figure out, you know, when is I'm just, you know, I just wanna be very cautious and I appreciate Paula's comments about like a slow approach towards towards this particular topic.  
That's it.  
Thank you.  
I appreciate that if I can just.

 **Melissa Kasnitz** 55:08  
Say the reality.  
Unfortunately though, is trying to learn and experiment with things.  
Is doing that in real time with real people who may not have a lot of flexibility.  
And so if policymakers implement something that everyone tries very hard to make right, and it turns out it doesn't work the way everyone hoped it would, that has real impact on real people and their bills, and especially those who are on the edge.

 **501e6cdc-d738-4598-ab24-3a3ca56ee6b6** joined the meeting

 **Buckley, Catherine** joined the meeting

 **Melissa Kasnitz** 55:40  
It's a lot harder to just shrug your shoulders and say, whoops, I guess that didn't have the result that we wanted.  
Umm, so that has to be part of the mix as well.  
So we are getting overtime.

 **Madduri, Parimalram "Achintya"** 55:53  
Eric. Claire.  
I could you just make maybe make a comment perhaps and and then we could move on to the next speaker.  
Skype Room for 3:50 area.  
Thanks.  
I'll try to be.

 **Claire Broome 350 Bay Area (Guest)** 56:07  
The right, but I think this is a really important topic and I really appreciate what Sean and Melissa have shown us in terms of the barriers and also possible solutions.  
However, the whole point of the demand flexibility proceedings is to really try to get the benefits for all ratepayers as we face electrification and potentially hugely increase transmission and distribution costs.  
And so to the extent we can use demand flexibility to mitigate peak capacity, it will be a benefit for all ratepayers.  
Also, I take Shane's point that using demand flexibility to decrease gas plant usage in disadvantaged communities is a huge objective and a real potential for optimized demand flexibility.  
So it it really is a question to Shana, particularly umm, you know, I hear you that there's real challenges in disadvantaged communities.  
Should we be modeling and paying attention to effective bill protection or some kind of default rate design to protect low income, you know, rather than constraining overall programs, you know, minimizing the T OU differential or limiting demand flexibility programs, maybe the strategy might be to think more strategically about bill protection and default rate options.

 **Mark S Martinez** joined the meeting

 **Claire Broome 350 Bay Area (Guest)** 58:03  
I love that conversation.  
I wanna ignore.

 **Shana Lazerow** 58:05  
College that we're over time and say that that is definitely a big conversation to have.  
Yeah, we'll we'll have to put up in on it and maybe we can review.

 **Madduri, Parimalram "Achintya"** 58:16  
That this after we have a chance to go through the proposal.  
But thank you so much, Claire, for that comment and thank you so much, Melissa and Shana for for your presentations and for your for presenting your thoughts.  
Thank you for having us early on in the.

 **Melissa Kasnitz** 58:30  
Panda.  
Alright, I will switch over.  
So now.

 **Madduri, Parimalram "Achintya"** 58:35  
We're going to go back to the working group proposals.  
Let me just get this on there.  
OK, I hope everyone can see the slides that are on there.

 **Coughlan, Claire** left the meeting

 **Madduri, Parimalram "Achintya"** 58:57  
So I will be walking through again.  
This is going to be a very high level overview of the energy division proposal for Working Group One, but I'll be walking through the specific questions that this working group was tasked to answer and then Energy division staff proposal and I want to make sure that it's clear to everyone the staff proposal is a distillation of the Ed White Paper and Cal Fuse proposal that was.  
Released last year in June of last year, it does incorporate some of the comments and feedback from the working group discussion.

 **99b7b1d3-1c20-44c7-ad14-7129707b6597** left the meeting

 **Madduri, Parimalram "Achintya"** 59:33  
So it's it's a slight.  
Some slight tweaks have been made, and and all of that is part of the report, but that sort of a a bit of a preamble to to set everyone's expectations and and make sure everyone on the same page.

 **Robert Perry** left the meeting

 **Madduri, Parimalram "Achintya"** 59:49  
So the first question for Working Group A proposals was how should wholesale market prices be incorporated into demand, flexibility, price signals and and the staff proposal suggests that energy marginal energy costs.  
Uh, with regards to marginal energy costs, initial demand flexibility to rates for all classes can use the day ahead lab prices.  
Distribution system with regards to distribution system losses.  
The MEC component of the of the rate should be adjusted to recover distribution system losses.  
This component should be.  
This is the energy division proposal suggests this component should be a quadratic function of net distribution system load or utilization, so that those losses are concentrated into periods of higher utilization.

 **Robert Perry** joined the meeting

 **Madduri, Parimalram "Achintya"** 1:00:34  
Further, I am enhancing the signal to load flexibility and also reflecting the nature of losses which do tend to be in in some part quadratic as a function of load and then the last element of the proposal is with regards to day off market prices.  
There were.  
There was a lot of deliberation about day off versus day ahead and at the Energy division.  
Staff proposal suggests that I should offer a pilot on a pilot cases with day off real, real time settlement prices.  
The next question was what options should be provided to help customers plan and manage their bills?

 **Marisa Williams** joined the meeting

 **Madduri, Parimalram "Achintya"** 1:01:16  
For example, customer load shapes, subscriptions, forward transactions, build protections.

 **Udwin, Trevor** joined the meeting

 **Madduri, Parimalram "Achintya"** 1:01:22  
The Energy division proposal suggests that for that, with regards to customer load, shape suggests customer load shapes subscriptions that they demand flexibility.  
Arrays should include load shape subscriptions to incorporate a hedge against extended periods of very high market prices, which cannot necessarily be mitigated by load shifting.

 **Marisa Williams** joined the meeting

 **Madduri, Parimalram "Achintya"** 1:01:42  
Umm.  
Large versus small scale customers should be treated differently.  
The staff proposal suggests that the subscription approach towards large for large customers should be the same as that has been adopted by Georgia Power, Oklahoma Gas and electric companies.  
These are, uh, these are utilities with long standing RTP programs for their large customers where they do utilize and I the the idea of load shape subscriptions, they call them different things.  
Charger power calls them customer baseline load I'm I think Oklahoma Gas and Electric also says the same thing, but these have been very effective at providing a baseline hedge, ensuring appropriate embedded cost recovery and then allowing for any shifts on the margin to be marginally priced for the larger customers.  
I'm for smaller customers.  
The same approach can be used or simplified.  
Alternatives can be explored that provide the same functionality and and these two issues are explored in depth.  
The proposal talks through where how adjustments with subscriptions could be done or should not be done and how for small customers, especially those that may not have information, that proposal presents a variety of options and I'll quickly talk through those in in the subsequent slides.

 **Fong, Donna (Marketing)** left the meeting

 **Madduri, Parimalram "Achintya"** 1:03:04  
Lastly, but transactive pricing IOU applications should include an optional transactive pricing program for customer classes that are able to schedule their loads on a forward or week ahead basis in response to forecasted price.  
Umm, the ad fit pilot, which was approved in summer reliability rulemaking in Valley Clean Energy Service territory for for agricultural pumping customers and incorporates week ahead prices and and the this has been a successful element of the pilot add customers especially those that are scheduling their operations and loads utilize those week ahead prices they lock in the price they lock in their schedules based on the price that's offered on a week ahead basis and that's been a big factor if that success of the success of that pilot and so the staff proposal suggests that there are certain classes for whom this would similarly be important and that those classes should be prioritized so not all customers not all classes but certain specific end uses umm just quickly walking through what what our customer specific baseline subscriptions their their the idea is that there's a certain level of usage at certain load shape of usage on a daily basis that is provided pre purchased so this is pre purchasing that electricity at a prior so this could be a tier price and any usage that if the customer is measured usage matches exactly their pre purchase price they pay no additional cost uh dollars at the end of the month their bill is essentially the Bill of of their of their pre purchased subscription but then any any any change from from that subscription usage from that subscription shape is either build or credited at the real time price.  
So if a customer has a subscription that incorporates that includes 2 kilowatts of load during two kilowatts of demand during the peak period.  
So from 5:00 PM to 8:00 PM, for instance, if they use less than two kilowatts, they would get paid whatever the dynamic prices at that hour.  
If they use more than two kilowatts, they'd have to pay the whatever the dynamic price is within the hour, but only for the portion above that level for that particular hour.  
And so this is a the the some of the benefits are this ongoing shadow build with the ability to improve over the prior to terrace.  
It's a form of paying for your load shape and this has been used as I've mentioned by Georgia Power and Oklahoma Gas Electric as a.  
Since the very beginning of their real time pricing program, and they attributed the success of their very large and very effective real time pricing program to the idea of subscriptions or customer baseline loads as they call them.  
Umm, but with regards to the Ed staff recommendation that we, we Ed staff suggest that the the subscription should be customers class specific at the risk of repeating myself for large energy users, we believe that the that the approach that has already been tried out by other utilities is there is the right place to start or small energy users.  
We do need simplified approaches that achieve multiple objectives.  
Again, the goal of the subscription is to provide a hedge against a sustained extreme price event.  
So during the working group, many stakeholders stopped about, for instance, in the November and December of last year, how the energy prices were higher because of the tightness and the gas market.  
And this was both the floor of the energy price as well as the ceiling of the energy price.  
And so subscription is essentially that it's a seasonal adjustment that ohh it's a seasonal protection element.  
So the customers can still take advantage of the the difference between the low price and the high price without having to, uh, you know, have their their total bills go up in in that particular month for instance.  
So it's sort of spreads, it spreads it across as a hedge does across a larger time span and the next portion of it is to recover the necessarily embedded cost fairly.  
We appreciate that there are certain costs that I do need to be recovered from all customers appropriately and and regardless of, you know, necessarily how they respond to the dynamic price and and that's sort of one of the one of the benefits of something like a subscription the, the, the they provide a strong signal that incentivizes load shift on a daily basis.

 **Jerri Strickland** joined the meeting

 **Madduri, Parimalram "Achintya"** 1:07:42  
And so so the suggested option for low income customers from the Energy Division staff proposal is the an ex post subscription that is a predetermined profile, but the quantities can be adjusted to match the actual metered usage.

 **Tony Brunello** joined the meeting

 **Marisa Williams** left the meeting

 **Madduri, Parimalram "Achintya"** 1:07:57  
So essentially a pay for your load shape approach.  
There are other options that were highlighted in the report that I think I could also perform the same function and so those those are all highlighted in in the Energy division staff proposal in the Working Group report.

 **501e6cdc-d738-4598-ab24-3a3ca56ee6b6** left the meeting

 **Marisa Williams** joined the meeting

 **Madduri, Parimalram "Achintya"** 1:08:21  
I wanted to highlight that one of the elements that was one of the tools that was provided to the stakeholders of the working group was a tool, but that was developed by LBNL that allows for subscription evaluation of subscription design.  
So and and the finding from from their tool is that they do subscriptions mitigate against structural bill impacts.  
So the idea is that if there is a way to.  
Umm.  
Essentially, ensure that customers that don't you know shift their usage are are built for the majority of their usage on on on, on a, on their traditional tariff.  
Then there's the limits, the structural impacts, so limits the dynamic rates, creating structural winners or losers relative to the current step school.  
So this tool is available for all customers and I'm sorry for all stakeholders to use and I would again highlight that this is something that I that settlers are interested in in, in valuating a proposals make use of.  
Question C was how should the timing of customer exports be aligned with grid needs to reduce GHG emissions?  
Reduce curtailment of renewable energy and enhanced system reliability.  
The Energy Division staff proposal highlights that export compensation is a very important aspect of the dynamic of demand flexibility rates and that all demand flexibility tariffs should include price based compensation from exports from all eligible behind the meter resources and that the way to also enable the most effective use of export capable have a DRI is through having the the dynamic price be symmetric which is the import and export price should be symmetric and this is something that a subscription coupled with symmetric prices allows for or or coupling subscriptions with symmetric prices is is one way that it it again addresses potential structural impacts or overcompensation issues and so we believe that symmetry in the price allows for easier scheduling of customer devices that then there is less information required.  
There's there's no need for necessarily a a whole manager to know ahead of time what the various different loads than the home are doing.  
Each individual device, should it would effectively perform the best if it were to respond to the price.  
So question D how should demand flexibility design?  
Consider the barriers and needs of low income and disadvantaged communities and advance the commissions ESTJ action plan goals.  
The the Energy division proposal highlights that applications, IE applications, should consider how how tariffs support progress towards ESG goals and specifically highlights whether access to these demand flexibility rates and the design of the demand flexibility rates, what impact that will have on 0 emission vehicle adoption, how that will impact the supplementary programs for local reliance, how how, how, how, how they facilitate access to customer protections and also assess the differentiated response to dynamic prices between low income and other customers.

 **Sabrinna Soldavini** joined the meeting

 **Schmitt, Edwin "Eddie"** left the meeting

 **Madduri, Parimalram "Achintya"** 1:11:54  
Was how should demand flexibility rates be designed to ensure that to enable all LSC's to have the option to participate and with with regards to this question, the proposal suggests the following elements, the proposal suggests that there should be a uniform delivery component for bundled and unbundled customers, so there should be the delivery component that the distribution rate and the transmission rate should be should be the same and equivalent for for both bundled and unbundled customers there should be an optionality for CA generation grades.  
ECS should be able to either design their own dynamic generation rate or use the IRU dynamic generation rate for their customers, recognizing that certain Ccas may elect to design their own rates, and certain CCAS may elect to use the same rate as the IUS, provide their bundled customers, and and furthermore, the report suggests recommends that I'm sorry, the proposed proposal recommends that the collaboration between IUS and CCAS is necessary to streamline build protection management options so the IE applications to include proposal for how the iOS will work with the CA for the customer built protection management elements of demand flexibility rates example for example the subscription design, the transactive feature, so there should be a plan as part of the application from the IUS to ensure that CCA's can CC customers are given the full suite of features that bundled customers are are made available are are made available for bundled customers.

 **Larry FEA (Guest)** left the meeting

 **Eva Molnar** left the meeting

 **Madduri, Parimalram "Achintya"** 1:13:31  
Umm.  
And this is the last one.  
Apologies for the small text.  
There's a there's a quite a few elements to this one, so question F how should demand flexibility rates be designed to comply with the SEC's amendments, load management standards?  
And as was mentioned by Stephanie Wayland from CC staff earlier, this includes these rates have to include a variety of of components that are to be time differentiated, including the marginal energy cost, the marginal generation capacity cost, the marginal distribution capacity cost and also marginal transmission capacity cost.  
So the Energy division staff proposal.  
A suggest that there that that all of these components should be included in in in the ICU applications for for demand flexibility rates.  
Because if these rates are designed to be compliant with the CCC LMS, the indeed should be compliant with the ACMS and should include all their components that are specified with regards to generation capacity.  
These are some more specifics about how those those components should price components should be designed.  
The staff proposal suggests that generation capacity cost should be designed to recover all long run marginal costs and that the prices should be scarcity price curves that are a function of capacity utilization, and they should include both a peak and a ramp or flex capacity component for the price and the report, I'm sorry the proposal and the report highlights the importance of of the flex component and and its impact on a on reduced curtailment of renewables and reduced ramping emissions from uh from from the gas peakers that that are currently being used to meet the ramping needs.  
And so the the illustration there below is is is indicated indicates what what those scarcity prices should look like.  
The formulation of of how energy division staff believes those those prices should be formulated as provided in the proposal as well.  
Umm, just as a high line.  
You know, there's this is, this is an A comparison of of different approaches that were presented in the working group.  
So for instance, for the day ahead RTP rate that PG and E that the Commission has authorized for PG and E roughly speaking, 56% of the rate is is the energy commodity costs.  
So those would be passed through if the wholesale market cost and about 12% is is of the revenues are associated with the marginal generation capacity costs the and then about 32% are the revenue neutral adder.  
So these are for these are to make the rates revenue neutral and and often are called the non to recover what are often called non module costs and so there was a lot of discussion about how these non marginal costs should be incorporated into these demand flexibility rates and you know for example there the teammates suggested one of the parties in the rulemaking suggested that those those prices that all prices should be should be flexed and and and then that there should be a ramp price as well and so that creates a very different price signal than if if those some of those costs were to be made flat in this case would be around $0.05 per kWh across all hours and and if if you know if if the the generation capacity price were were the only one that was considered rather than peak capacity cost was the only one considered so highlighting different different approaches that were presented in the working group here but to get everyone up to speed umm then this is the the last element how should and continuing on the question for distribution capacity all peak related marginal distribution capacity cost should be included in the distribution price of the dynamic rate again and this should be a scarcity priced a a a scarcity price based signal based on local system capacity and this could start at the substation or circuit in terms of the circuit utilization the Energy division staff proposal also suggests that starting out at the Delap level could be a good initial point so if the the but but nonetheless in terms of the the revenue components we the proposal does suggest that all peak related marginal distribution capacity cost should be included with regards to transmission capacity I use our uh encouraged to apply for marginal cost based transmission rate at their next to rate case in order to meet the LMS deadline for compliance.

 **Tony Brunello** left the meeting

 **Alex Colteryahn** left the meeting

 **Madduri, Parimalram "Achintya"** 1:18:29  
Lastly, with non marginal costs, the staff proposal suggests that non marginal costs could be included in the dynamic capacity price if they're not collected as part another part the rate so.  
For example, it those normal components could be entirely part of the subscription and and not part of the dynamic rate.

 **Deang, Paul I** joined the meeting

 **Madduri, Parimalram "Achintya"** 1:18:49  
But they could also be part of the of the of the of the flat price signal and or or there could be some some fixed fixed charge, but but there's there's optionality there and it it's important to recognize that those that you know the choices that are made have have implications.

 **Marisa Williams** left the meeting

 **Madduri, Parimalram "Achintya"** 1:19:11  
And so I think the staff proposals suggest that that, that some portion of those costs could be included in order to again, umm, provide a more sustained uh incentive and and to recover those costs in a manner that that achieves certain load ship goals.  
For instance, and from a policy perspective.  
Umm, I will stop there and at time so maybe I can take one question.  
If if there is one before turning it over to the IUS and and we can always revisit these proposals with for questions later on.  
But if there's one question if anyone wants to raise their hand, we can.  
We can take one before turning it over to the IUS.  
Seeing none, I guess we're back on time.

 **Rose Monahan - Sierra Club** left the meeting

 **Madduri, Parimalram "Achintya"** 1:20:13  
I I think I'll just end by before turning it over the iOS by encouraging the stakeholders to look through the working group proposals and not just ours, but all the all the proposals that were presented there is a lot of material there.

 **Chesler, Jamie** left the meeting

 **Stephen Campbell** left the meeting

 **Madduri, Parimalram "Achintya"** 1:20:24  
But I think these proposals and the in the report reflect a lot of the hard work and thinking that went into the working group, and there was very active participation from many stakeholders.

 **Chesler, Jamie** joined the meeting

 **Madduri, Parimalram "Achintya"** 1:20:37  
So with that, I will stop sharing and turn it over to the joint IUS.

 **Paul Centolella (Guest)** left the meeting

 **Reuben Behlihomji** 1:20:50  
Jimmy, are you gonna be sharing our slides?  
No.  
Just turn my camera on so you guys can see me.  
Unfortunately, I'm sitting in the office lighting's not very, very good, so I'll be turning my camera off.  
But Yan and I will be tag teaming on this presentation.  
Uh, good morning to everyone.  
Thank you for giving us the opportunity to actually go through our proposal.  
What we're presenting here today is the way that the presentation is organized is that we have an initial introduction on the objectives of our presentation.

 **Barr, Amy** left the meeting

 **Reuben Behlihomji** 1:21:26  
We touched a little bit upon the purpose of working Group One.  
We'll we'll discuss the pricing proposal that we included a Spotify working Group, one joint IU proposal and then that will feed into a broader discussion on the stepping stones approach, the suite of proposals that we think effectuate a long term pathway to dynamic rates and RTP rates.  
You know, we'll touch upon a little bit on the insights that we expect to to gain and learn through the expanded pilots and then we'll end with with a refresh to look at the timeline and how the pilots, the DFIR CPU, C decisions and the LMS, uh, generally layout on our plan to 112027.  
So with that, Jamil, can you move to the next slide and yarn, please jump in and and add context or color to any of the slides.  
As I as I go through them as well.  
OK.  
Thanks and same to you when I get them.

 **Grygier, Jan** 1:22:31  
My skirt over here, you.

 **Reuben Behlihomji** 1:22:34  
See the the objectives of our presentation.  
Essentially, to talk a little bit about what our working Group One proposal are as being the joint IOU's Working Group.  
One proposal, it adds some we've added some inclusions in this presentation that assume the timely approval of the expanded pilots as we have proposed in PG and E's comments on the ALJ August 13th ruling.  
We also include some additional information for our discussion as well as insight on the seas.

 **Claire Broome 350 Bay Area (Guest)** joined the meeting

 **Reuben Behlihomji** 1:23:09  
He's almost compliance plans that each other use submitted on October 2nd, 2023.  
Umm.  
PG is included a note on this line that talks a little bit about how they will be executing the expanded pilot proposals in conjunction with some of their existing pilots that they have and all things said delays and modifications to the proposals would change the IOU's recommendations accordingly.

 **Claire Broome 350 Bay Area (Guest)** left the meeting

 **Reuben Behlihomji** 1:23:38  
And because we're dealing with the kicking of timelines as we think through what the pilot's going to help us learn aren't joined IOU proposals in the DFR, CPC, the decisions stemming from them complemented by our execution and compliance plans of the CCLS, there's a lot of time dependencies.

 **Brandon Sanders** left the meeting

 **Reuben Behlihomji** 1:23:58  
So we have to add that in there that ohh you.  
You can have a public effect on on timing and implementation depending on assumptions made on when decisions will be in play and how proposals will be vetted through certain applications.

 **0cf299be-0580-43b2-a394-63b0b9dc4ccb** joined the meeting

 **Reuben Behlihomji** 1:24:16  
Next slide please.  
I'm gonna run through this really quickly.  
This essentially draws on the scope of working Group One we joined IOU's.  
Basically, were inherently encouraged by the fact that the the CPC has considered a broad spectrum of factors in the in in both working Group One and Working Group two as we fashioned our proposals for both what we think we want to do from a rate design standpoint as it pertains to procedural applications as well as how we think we can best execute on the CC's load management standards.  
So joined IOU's essentially develop these proposals.  
It was informed by exhaustive vetting and discussions in the different working Group One sessions, as well as Working Group 2 sessions where we receive feedback presented thought through and went through what at least I describe as as the rather involved process in terms of thought share both within between the I use the energy division, the spec as well as other stakeholders morning this process.  
Next slide please.  
On this slide the this the slide is rather worthy.  
So I'm I'm going to go through like key takeaways and and what you see here is essentially are ohh a recap of what the joint I use proposed for an RTP pathway and and some of the pricing elements that we we discussed and read it through in our proposals.  
More essentially, we we recognize the need for dynamic pricing on three or four, I should say, 4 pricing elements.

 **Reyes Lagunero, Jennifer (Law)** left the meeting

 **Reuben Behlihomji** 1:26:08  
There's the generation pricing, there's distribution pricing, there's transmission pricing and then last but not least is the considerations of how exports would be praised in, in this world, the dynamic rates.  
So I'll touch on generation really briefly again, yeah, I'll jump in as you need to.

 **June Bote** left the meeting

 **Reuben Behlihomji** 1:26:26  
But what the IO use proposed here is that we would we would out the door, use day ahead, pricing from the Kaiser was a means of reflecting model energy costs with the intent of testing prospectively in our pilots both the effectiveness and the value and from day off pricing and the irony is essentially in R GRC's we we define generation costs in two forms basically energy as well as capacity, the capacity adder for dynamic pricing is still hinged to capacity cost methodologies discussed in each.  
Each I OU is just that in our traditional rate making traditional rate design, we do a lot of that on the TLU basis here.  
You're trying to fashion.  
Is a chunkier described previously some form of a ohh economic function scarcity prize that allows recovery in some reasonable manner across the entire load duration curve.

 **Kathleen McManus** left the meeting

 **Reuben Behlihomji** 1:27:28  
In this case, the net code the our use of proposed that out the door, we don't scale our our capacity answers to no authorized revenue requirements and instead use just pure marginal costs as the basis of both energy as well as capacity and the price signal and then consider various options of how we can get achieve revenue neutrality and in in the joint value proposals we've leveraged some of the thinking that was discussed in the working groups, but we've retained certain flexibility on what the best mechanism is as each IRU determines the optimality of how they want these prices presented to their customers.  
Over here we've we've articulated 1 construct which is a FLAP T OU revenue neutral adder that gets added if needed after the subscription is priced.  
Anything you wanna add to this Yan?  
Before I met them. Yes.  
Yeah, actually I.

 **Grygier, Jan** 1:28:29  
Sure, I did.  
Thank you.  
On on the, on the pricing on with regard to no scaling, umm I wanted to point out sort of the the reasoning for that and that gets at something, Melissa Kuznets was bringing up.  
So thank you for for doing that.  
Essentially, if you do scale the costs and put them and to increase the differentials beyond marginal costs, then anyone who shifts load will effectively save more than they're saving you the utility.  
So in particular, well off person who owns two power walls, say, or two saanens or LG whatever.  
Could shift quite a few kilowatt hours in in a day.  
They might save $20.  
The utilities would only save $10.  
Everybody else has to pick up that extra $10, and you multiply that by however many people are doing that.  
So if you do scale the costs and go more than marginal, effectively you are shifting the cost burden onto the people who are not able to shift.  
And so we think that is felt really bad idea.  
Thanks.  
Thank you again.  
Umm on this should be.

 **Reuben Behlihomji** 1:29:52  
Fusion pricing, I'll talk a little bit about what SE is doing in our pilot.  
So in the pilot, we are actually pricing distributions dynamically at the circuit level.

 **Reyes Lagunero, Jennifer (Law)** joined the meeting

 **Reuben Behlihomji** 1:30:04  
So essentially, if you think about it, we identify a customer, we identify the circuit, the customers on, we extract the load shape of that circuit and then price it using and price function.  
On the distribution system, the shape of the flight price function right now for SEO pilot is tied directly to the circuit load shape using the price function and then all of the layers of car.  
So see energy or sees have certain methodologies that very articulate peak distribution costs versus grid distribution costs.  
And so in this particular case, we're taking all distribution costs and shaping it for recovery through that dynamic price function, which is shaped at the circuit load profile, we achieve revenue neutrality by essentially scaling that cost recovery to overall system level load.  
And we achieved that revenue, that revenue neutrality by developing basically unique UPMC scalers for each circuit that we are pricing for the particular customer or groups of customers.

 **Eric Woychik** joined the meeting

 **Reuben Behlihomji** 1:31:10  
I know PG and E and SDG have also different perspectives on how best to to price distribution for their pilots.  
You'll see that.  
Describe your in the asterisk ohm, but it is it is an evolving team where we expect to learn more.  
Both of the efficacy of pricing, the shape of pricing and then the load response to cross our price elasticity of the load to distribution prices as we fashion them through the pilot.  
Umm, the second bullet says that the cost study will be conducted and determine how distribution RTB can be effective.  
So most most most people who have been involved in rate assignment realize that when we start shaping dynamic prices and we look at dynamic prices both on the distribution side as well as on the generation side, the peaking Ness of the generation price go has an overamplified effect on the overall price that the customer sees.  
That's just the way the price curve is shaped, and I think what what we are trying to gain through the pilots as well is basically look at how much of the price signals influenced by the generation price and how much of the price that price is influenced by distribution and the addition of the incrementality of load response now by the distribution and the effectiveness of it.  
Basically, uh.  
It's it's, it's important for us to to have that learning irrespective of what we finally do in the implementation of distribution prices because then also helps us decide the granularity, like how deep do you wanna go on the distribution topography to actually price the distribution price curve.  
One of the one of the elements that we've discussed internally is that as you think about distribution prices today, distribution prices are unique and constant and applicable to all customers on the system.

 **01595101-0924-4568-8521-46df7cfd56da** joined the meeting

 **Reuben Behlihomji** 1:33:10  
In uniform form, we don't differentiate distribution prices and so and to maintain that same level of equity and parity there, there has to be some adjustment on the price curves that we we represent and there will be something that we will potentially learn through and flush out in the pilot as well.  
So I'll pause here again and see if John wants to add anything to that discussion.

 **Brandon Sanders** joined the meeting

 **Reuben Behlihomji** 1:33:37  
No, I'm fine, thanks.

 **Grygier, Jan** 1:33:39  
Thank you.  
Now trans.

 **Reuben Behlihomji** 1:33:42  
Commission prices the transmission is is an interesting it's an interesting dimension because it's it's cross jurisdiction.  
A lot of what we do on the transmission side, we, we fashion and vet through in our work filings.  
We also recognize that the CPU C has keen interest on how transmission retail prices are designed and we are accommodating of both considerations with the with the notion that at this time for transmission pricing largely most of the IU have a a predefined retail design construct that has been in place for a while and so much as we change the the pricing approach to transmission one, we recognize the cross jurisdictional approvals that we needed.

 **Symonds, Jason** left the meeting

 **Reuben Behlihomji** 1:34:28  
And so we say, OK, that's something that we have to study.  
We have to better understand at a minimum we can stop with the OU pricing for transmission and then figure out how we how do we, how do we then.  
Umm.  
Go from TU pricing to dynamic pricing in preparation of what we have to finally achieve for the CCMS requirements in January of twenty 27th.  
The train, each IO user regulatory processes are slightly different, though somewhat generally similar.  
The timings of our regulatory proceedings also change, which is why a lot of what can happen in the transmission space may be influenced by each of our own regulatory schedules.  
Initial offerings via proposed should not have an RTP component in transmit transmission.  
We prefer to 1st think through and test at OU basis through cost studies or studies that can supplement, but here you form of transmission pricing before then.  
First I should I should say before then diving into a more dynamic hourly overlay of pricing is dictated through RTP or dynamic waits.  
A pause there again and see if anyone has any inputs.

 **Grygier, Jan** 1:35:50  
For now, thanks.  
Thank you.

 **Reuben Behlihomji** 1:35:54  
Export pricing we we have landed on the fact that export pricing should be based on marginal cost only PG EI believe has the see see EV export rate using Marshall cost most likely compensates exports at it cost on the margin that likely mitigates or at least minimizes cross subsidies should you have to design pricing for exports on the grid.

 **Coughlan, Claire** joined the meeting

 **Reuben Behlihomji** 1:36:24  
Ohh, we're not opposed to including a marginal TND component in the export pricing curve like like we've discussed on both the distribution as well as the transmission side.  
I think they are learnings along the way that we probably gain that'll get us more prepared and inline with inclusion of TND costs in export pricing.  
And then last but not least, subscription rates, if you if you apply 100% subscription does allow for some symmetry in RTB prices.  
Otherwise, you might have to think through exports versus imports.  
It's separate prices.  
With that, we'll move to the next slide.  
Yeah.  
So I think you're, yeah, this is where you, you and I will again jointly do this.  
But you can you can take on some of the components that I've discussed on the dynamic grids and RTP.  
But generally, I'll introduce this line and I'll talk about what what we what we're trying to present as a joint EU proposal in working Group One is that the pathway to RTB RTMP can be multidimensional.  
And in that multidimensional pathway, while RTP is a goal, we should not no limit or include constructs that might also get us get us and our customers more acclimated along the way to a final or event eventual disposition of dynamic prices across different classes of customers.  
So here we touch touch a little bit upon some considerations of what we can do on the TLU rate sign and primarily one is defaulting eligible customers from child rates today who are on tiered rates today too.  
Tea you rates, I think that's a good first step to be getting customers acclimated to some level of time dependent pricing.  
Uh, the second one is looking at Peter off peak ratios and bringing them more aligned with Marshall costs where they are not.  
And then effectuating that change through each I use rate proceedings on the dynamic rates we say we think about dynamic rates more as a suite.  
There's CPP, which is critical peak pricing.  
There's variable peak pricing.  
There is the considerations of how CCA's would would be involved and and how processes would evolve.  
For Cpas to also consider their own critical peak pricing programs, ohm and then last but not least is as we think about and continue to implement pilots, you're thinking about it more from a standpoint of what we want to learn from those, those pilots, the insights we gain, how those insights across iOS can result in a more comprehensive and robust implementation of RTP rates in the future.

 **Shana Lazerow** left the meeting

 **Sheila Hallstrom** joined the meeting

 **Reuben Behlihomji** 1:39:31  
Ohh, you're appreciative of the of the energy divisions.  
Lean on expanding those pilots and enhancing those learnings.  
So an acknowledgement to the team working on this and suggesting that expansion because there is a lot to learn and we want to make sure that while we're keeping our learnings in mind, we also keeping our learnings of our customers in mind through that process.  
Uh.  
Pause.  
You'll give you on the mic to see if he wants to add anything more before we move on to the next slide.  
Uh, sure.

 **Grygier, Jan** 1:40:04  
So one thing I I noticed that I had a bit of a conversation going back and forth with the chat.  
Umm.  
With Colin from Leap and and other folks about.  
Event Windows and so on that are current CPP event windows are or five hours long for the nine I mentioned that it's much more effective if they're shorter.  
So that's one thing that one can do.  
I'm in dynamic rates to get both more response from customers but also reduce the sort of pain from customers that nobody wants to turn off their condition for five hours but for two hours you could pre call for an hour and then let it get warmer and then turn it back on again.  
It's a lot easier.  
I'm.  
I'd also say that that's an advantage for RTP in general because you don't have to respond to, you know, a a big a big window there either you could just take the top two hours.  
I mentioned that that's something I would personally do if I got under the RTP rate.  
Umm, I just worry about the top two hours and not worry about it.  
Any of the other ones and we were actually asking customers about that in some of our surveys.  
How many?  
How many pieces would you want to know about?  
Umm, would you just want the top hour, the top two hours and so on?  
So I just wanted to add a bit of color there.  
Thank you, Ryan.

 **Reuben Behlihomji** 1:41:36  
Jamila, you can go to the next slide please.  
OK, umm this is yours and I'll let you take the mic and I'll jump in.  
OK. Thanks.  
Ohh, hold on.

 **Grygier, Jan** 1:41:48  
Other words on this slide, umm and I don't want to go through all of them.  
Umm.  
But I will point out that, umm, first of all, with the expanded pilots and.  
I you know that we're we're looking at large number of customer classes, a large number of rates, especially wide geographic area, most of California, let's face it.  
And so we're hoping that we'll be able to get hundreds or even thousands of customers involved in these pilots.

 **Buch, Daniel** joined the meeting

 **Grygier, Jan** 1:42:21  
And so there are actually a lot of things with that kind of scale, getting some feedback somewhere.  
Umm that one could learn and so here are some of the ones that that.

 **Josh Gerber** left the meeting

 **Grygier, Jan** 1:42:35  
Yeah, I use have have pointed out in in our response to the expanded pilots ruling.  
Umm, I do want to emphasize one of them #4 there is whether the energy capacity and distribution marginal costs are fully recovered.

 **Ashkan Rahimi Kian** joined the meeting

 **Grygier, Jan** 1:42:53  
We agree.  
With the SSJ representatives that that's an important point to make sure that that the costs are actually recovered through RTP rates and that is something that we will be piloting.  
And As for #5, the bill protection we also see is really critical to having the success of our rates, not just it yesterday customers, but customers in general.  
But we also want to, you know, make sure that customers understand what it means and how how they're reacting to it.  
And so on.  
And I'd also say that in terms of the last point.  
Because a large proportion of the load in California is in CA territories, we really want to involve CCA's in in these pilots, we had a number of CCA's express interest in, and yeah, I don't know who's on.  
Who's on?  
Still got the mic on, but anyway in the GRC 2 pilots which we hope to be able to pause so that we won't get overlap with these expanded pilots that have a lot more of the, you know, LMS elements in them and and the all these elements.

 **Jean** left the meeting

 **Grygier, Jan** 1:44:23  
But but anyway, so we hope that CCA will also be able to join us in, in, in the expanded pilots.  
So I think pretty don't see any questions, but if there are any about those particular?  
Components that we want to measure, we could get into those maybe at the end, umm or we can go out to the next slide which is very so, yeah, I got it.  
OK, I I'm.

 **Madduri, Parimalram "Achintya"** 1:44:56  
They have.  
That maybe this is not a quick question but but I think I I did wanna hone in on a comment that you made about you know cost will or won't be recovered.

 **Kimaya Abreu, Voltus** joined the meeting

 **Madduri, Parimalram "Achintya"** 1:45:08  
Umm.  
Maybe I'm missing something, but even on a TU rate right, like let's just say you, you know customer adopted and automation technology and shift it all there and load to off peak and mass all the customers did.  
I mean, the IAU would recover less from their customers because they would have been using their existing system more efficiently.  
So I'm.  
I'm not sure if I understand what under recovery means in a context of a marginal cost rate, which is what the IUS are proposing.  
So well, one way to.

 **Grygier, Jan** 1:45:42  
Think of it is the worst structural benefit us and structural losers.  
So that's one piece of it.  
Alright, if if customers just shift over from a TU rate to RTP and save money, but don't change anything, then effectively you know where we reducing the revenue recovery.  
So that is 1 issue that's under that rubric.  
There's a a much more complex thing.  
Which is which is not really spelled out in in this slide, which is that you have to worry about.  
Umm, uh, double counting and this isn't related to being on on on dual participation.  
This is related to.  
Especially the on the subscription.  
If the OAT is being changed the following year because prices were high in, you know, year one and then the RTP customers have kind of already paid for it by by being on the RTP rate, you have to make sure that you're you're not sort of I think giving them double compensation that they're making money twice through the era ERA.  
Appreciate, process or getting dinged twice, so that's a potentially really complicated thing.  
That's that's really a part of that.  
OK.  
But if a customer?

 **Madduri, Parimalram "Achintya"** 1:47:17  
Or I mean, maybe very simplistically, if a customer were to shift their load in response to a marginal cost based signal, umm I I I don't think that should be considered under recovery.  
I mean, is there any basis for it doesn't seem like that's how we consider that to be under recovery under TRU rates, correct.  
Yeah, yeah, if that's.

 **Grygier, Jan** 1:47:40  
Actually, what?  
What they're doing, and they were they were covering the wide amount on the TLU and that and they're they're now shifting under RTP, which is indeed marginal cost based as as we.  
Propose, then yes, they should.  
They shouldn't be any undercover in that way.  
But era can complicate matters and we wanna make sure that that doesn't mess it up.  
Thank you.  
For the next one, this is all the stuff that's happening.  
It's not. It's by.  
Not even all the stuff that's happening, but it's a whole bunch of the stuff that's happening just to sort of get into, uh, the criticality of the timelines that are going on here.  
So I want to start off with the green stuff in the top left.

 **Rachel McMahon** left the meeting

 **Grygier, Jan** 1:48:34  
So we have sort of mandated requirements that are showing up in the top, umm.  
Sort of timeline in the middle there and when we're aiming to get pilot results in in the bottom, but to start off with the green, the green stars, umm, we have A to in order to launch the expanded pilots by June of 20 of 2024 which we wanted to be able to do.

 **Claire Broome 350 Bay Area (Guest)** left the meeting

 **Grygier, Jan** 1:49:07  
Mostly to be able to actually provide some load shift and.

 **Claire Broome 350 Bay Area (Guest)** joined the meeting

 **Grygier, Jan** 1:49:13  
Benefits for next summer?  
Umm, but also just to get things going as fast as possible to get get some results, we really do need a decision.  
By December. Uh.  
So that's one sort of critical piece in there in terms of the pilot results, we will be getting some pilot results bottom left under the BSE flex and a gfit pricing on the other hand, those only gonna be, I believe for 8 customers because I think Edison currently has 2 customers and in the AG fit, we now have six bunch of essay IDs or service IDs because each customer may have more than one pump, but it's literally still only 6 customers.

 **Kasman, Robert** left the meeting

 **Melissa Kwong** joined the meeting

 **Grygier, Jan** 1:50:02  
So to be getting a little information in December, but let's face it, that's not a whole lot umm.  
However, for PG and E in the orange, there will be submitting our GRC 2 application in about a year and so effectively we'll have to be submitting that application before we have, you know, any real results from any of the expanded pilots and and indeed not much from the ones that are going on now.  
And that that application is likely to take about 18 months.  
That's that's what we're estimating, which takes us into 2026.  
Meanwhile, before that's finished.  
The full scale RTP proposals are are supposed to be presented at the CPU C before that decision comes out.  
If it does, if you do get a GRC decision in March, it would take about 12 months to implement in our app and use full billing system.  
And so, uh, the the white hand, orange and sorry arrow points out that PG is proposing to start off with the same shadow billing that we'll be using for pilots for the so called real rates LMS compliant rates to to start in 2027.

 **Rose Monahan** joined the meeting

 **Rachel Bryant** left the meeting

 **Grygier, Jan** 1:51:35  
Now what we don't have in here is the requirements to to get a transmission.  
Uh.  
Whoops, transmission pricing in there?  
Umm, that would happen in late 2026 for PG and E and so we're hoping to get the fully LMS compliant rates indeed in place by 2027.  
And then the the other load Management Strategies Act as sort of a backstop on that, but basically the takeaway from this slide is that aid, there's a whole lot going on in this space over the next few years.

 **Eva Molnar** joined the meeting

 **Grygier, Jan** 1:52:20  
And B there are quite a few really critical time junctures where we need to have decisions made in order to get launch things to to get to the goal of January 2027 with rates that customers actually understand and respond to and that reduce costs for all customers, which is what we really looking for.

 **Deang, Paul I** left the meeting

 **Grygier, Jan** 1:52:46  
So that's the end of our main presentation.  
We have some extra slides in the appendix.  
Umm, but I think we could go to questions now if if there are any.  
Gene.  
Uh, yes, I can. Now yes.  
Do you know?

 **Jeanne Armstrong** 1:53:17  
John with Sia and so looking at that last slide, which yes, that makes my head spin, but.  
I'm a little confused from looking at the report you the proposal, it seemed like you all.  
Will you, all being the utilities were going to seek umm some sort of extension of the January 2027 deadline from the CEC here in this slide?  
It seems like if if everything comes together as it has on the slide, you would make the 2027 deadline.  
So so which which is it?  
Are you are you guys seeking up extension or are you trying to get this done by January 2027?

 **Chiu, Albert** left the meeting

 **Jeanne Armstrong** 1:54:05  
Uh, at least for PG and E we are tried.

 **Grygier, Jan** 1:54:07  
The ladder we are trying to get it done by January 27th and then and then we'll have a a.  
We'll seek an extension if we need it.  
Uh.  
The other utilities I think are in a different situation.  
They have different timelines, so their GRC's and they're building systems and everything else.  
So I could like move and.  
At least speak to Edison situation there, but the pigeon E where you know if if the stars all aligned we might get there.  
It's kind of thing.  
So we put that down.  
Appreciate that we've been.  
I'm gonna.

 **Jeanne Armstrong** 1:54:44  
Put you on the spot.  
You know, Gene, I think for us we.

 **Reuben Behlihomji** 1:54:48  
If the stars do align, we we want to make the 2027 no, they consistent with what we've proposed in the DFIR on the design construct of the rates that will go live in 2027.

 **Kimaya Abreu, Voltus** left the meeting

 **Reuben Behlihomji** 1:55:04  
Uh, we are a little bit apprehensive because of the timing.  
If our GRC and then needing to do an RDW potentially to file these these particular rates?  
Umm, but the target right now is that if we do need an extension, we'll have a better understanding of it towards let's say, the middle of next year.  
Right now, we're we're hoping that we can meet that that date.  
OK.  
And so I can, yeah.

 **Jeanne Armstrong** 1:55:36  
How can I follow up with with another question?  
So when when you say meeting the 2027 date, this would be a real time for just for all three components of the rate generation, distribution, transmission or just partial. Yep.  
Yep, that would be all free.

 **Grygier, Jan** 1:55:53  
OK, there isn't room on this slide, but everything in there.  
Ohm.  
Yes, that we have in our in our, in our LMS compliance report we we talk about you know how how we see the transmission piece of this working out but that that just came out a few days ago.  
So yeah, read that.  
Yet sorry.  
Yep.  
Anyway, I'll have to point you to that one.  
Sorry and and and and Ruben is at.

 **Jeanne Armstrong** 1:56:21  
The same you were trying for all three or just partial.  
No, we we'd probably do 3.

 **Reuben Behlihomji** 1:56:27  
Ohm, the piece?  
That's a little bit tricky for us.  
Gene is the is the cross to jurisdictional approval and the timing is such umm and you know Tom is aware of this because we also have a requirement stemming from the stipulation in the in the EB proceeding, yeah on on testing and and doing transmission studies we presented a transmission study in our 2021 JRC look we are we are internally trying to figure out how best to make it happen.  
I just don't have a phone answer right now.  
OK, it's just tricky right now it does.  
It given everything that's on the plate right now, it's getting to be a little bit tricky.  
I understand, OK.

 **Jeanne Armstrong** 1:57:13  
Thank you.  
Sorry, can I jump in as well?

 **Eva Molnar** 1:57:16  
This is Eva from SEIU Umm, so I know this chart on here shows the PG any example of of a 12 month implementation for SE it is going to take longer than 12 months to implement because of the real time capability and we don't have that system hooked up to our billing system that would be able to pull in rates.  
So we're estimating it would take longer than this.  
So I know of course our goal is to be compliant with with the, you know, CC requirements, but as far as putting this into our system, the way this works I I am struggling with how to make that work.

 **Jeanne Armstrong** 1:58:01  
Thank you.

 **Madduri, Parimalram "Achintya"** 1:58:10  
Umm, it looks like we have a couple.  
Uh, yeah, a little, Gupta.  
And I think there's a question in chat also that I did want to highlight.  
So maybe I look 1st and then the question from chat.  
One of the chart is from another party.

 **Gupta, Aloke** 1:58:25  
There's let's do that first, OK? Uh.

 **Madduri, Parimalram "Achintya"** 1:58:29  
Well, I'll start at the bottom from Lucas Auto.

 **Chetna Smith** joined the meeting

 **Madduri, Parimalram "Achintya"** 1:58:33  
Is it possible to also hear SDG and E's perspective on the CPU CCC, dynamic rates?  
Regulatory regulatory timelines similar to what has been articulated by SCE and PG and E So can someone from San Diego provide, umm, opine on that?

 **DeTuri, Jeff N** 1:58:54  
Do this jetari from SDG and E uh.  
So you know, we're a little bit farther behind in that PG and E and SCE already have approved real time pricing pilots and St Genie is you know our pilot was held and it looks like based on the proposed decision that we're going to be waiting for the demand flexibility working group to uh inform and provide guidance on what that real time pricing pilot is.

 **Chetna Smith** left the meeting

 **Chesler, Jamie** left the meeting

 **DeTuri, Jeff N** 1:59:27  
So that pushes our timeline out even further.

 **Madduri, Parimalram "Achintya"** 1:59:38  
OK.  
Thanks.  
Uh hello.  
Did you want to go ahead?

 **Chetna Smith** joined the meeting

 **Madduri, Parimalram "Achintya"** 1:59:45  
Uh, sure.  
So this is a question actually for.

 **Gupta, Aloke** 1:59:47  
Ruben uh umm Ruben is still here?

 **Alex Colteryahn** joined the meeting

 **Gupta, Aloke** 1:59:53  
Yes, I am right.  
So the joint proposal on on the generation capacity component being marginal cost only.  
So the question is the misunderstanding.  
You know Edison does UPMC today.  
So what is that distance reasoning for dropping that and switching to marginal cost only?  
It's the the the way we.

 **Reuben Behlihomji** 2:00:22  
You're thinking about it is that we can we can achieve revenue neutrality alok through either the subscription or using the EPMC on the dynamic right.  
And we're we're we're not at a firm spot to say which ones are better right now until we get more learnings from the enrollment we have.  
But in the pilot today, we're doing what you're describing, which is we're taking the generation capacity cost and you've just scaled it using an E PMC scaler.  
Umm, but there are different ways to get to that endpoint of revenue neutrality.  
No, we we don't know what's the best way, but hopefully the pilots will help us along the way.  
OK, alright, thank you all.

 **Gupta, Aloke** 2:01:05  
Not one more question.  
Uh, this is on the distribution portion of your slide.  
There was a comment about maintaining average prices to be the same on each circuit and and there was an assertion that that's because that that's somehow equals equity.  
OK, so if there are different loads on the circuits.  
Why should the average prices be the same?  
So I think the way we think about it a little.

 **Reuben Behlihomji** 2:01:38  
Is that you the different loads on the circuits will give you different shapes of the prices, but as you normalize for an expectation of price on that circuit, you can normalized to an average price right?  
So you each circuit can have very like a circuit can peak at 10:00 o'clock in the morning and another circuit can peak at 4:00 o'clock in the evening.  
The shapes can be completely different, but you can still normalize to an average price in order to maintain the balance of what that average price is paid by all the customers on your system.  
Ohh but as an alternative instead of Maine.

 **Gupta, Aloke** 2:02:18  
Maintaining average prize if the objective was to maintain.  
Revenue requirements based on OAT.  
Umm, would that be considered acceptable in your mind?

 **Sheila Hallstrom** left the meeting

 **Gupta, Aloke** 2:02:36  
You'll have to unpack.  
You just say that again. Hello.

 **Reuben Behlihomji** 2:02:38  
Sorry, I mean instead of maintaining average.

 **kay aikin (Guest)** joined the meeting

 **Gupta, Aloke** 2:02:40  
Prices.  
Umm if the if the objective was yeah, you know, recover the same revenue as before, OK.

 **Reuben Behlihomji** 2:02:51  
Would that be equitable in your mind?

 **Gupta, Aloke** 2:02:53  
I think you would like you would end up in.

 **Reuben Behlihomji** 2:02:55  
About and again I don't.  
I I've not looked at both options, but I I suspect you might end up with the same place.  
Well, I mean, you know, the assumption is that.

 **Gupta, Aloke** 2:03:07  
You know the two circuits have different loads.

 **kb** joined the meeting

 **Gupta, Aloke** 2:03:12  
So anyway I I guess.

 **Buckley, Catherine** left the meeting

 **Gupta, Aloke** 2:03:14  
Uh.  
Because when you, when you when you're revenue when you're.

 **Reuben Behlihomji** 2:03:18  
When you're driving for the the tricky part about circuit pricing, Luke is that when you're driving for revenue neutrality, the question is what are you driving towards right?  
Traditional rate designs, as always, designed revenue neutral to the class.  
But now when you have a price for a circuit, especially if you're going down to that granularity in is an example.  
If I had hundred residential customers and 20, you know, medium commercial customers, one large power customer, are you designing the revenue neutral for each class there or you designing it revenue neutral, the circuit assuming that everyone on the system is being that same price, those are the things we're we're hoping to flush through in the pilot like we don't, we're still in the process of thinking through those determinations.

 **Gupta, Aloke** 2:04:12  
I I think I like it.

 **Grygier, Jan** 2:04:14  
If I could and and Ruben, if I could jump in as well.  
Another another perspective.  
On this is so so you you you describe the comment as as making the average price of the same equals.

 **Cody Morgan Taylor** joined the meeting

 **Grygier, Jan** 2:04:34  
I forget it.  
Umm equals equity if not exactly that it equals equity.  
But, umm, what?  
We don't want is for a customer on a constrained circuit to be paying more on on average over the year than a customer on an unconstrained circuit.  
You know, just because they're on a constrained circuit, they didn't.  
They didn't know that it was constrained where they moved there, right?  
Umm, they have no control over what's going on.  
One of them might have had their local transformer upgraded last year, and there's plenty of headroom and the other one is near end of life and it's getting close to the edge.  
The the customer on the on the circuit with an older transformer should not suddenly be paying more than than the customer on a new one.  
But what we do want is, umm, the customer where on on a circuit where it could make.  
I a difference?  
That the that the circuit is close to getting overloaded.  
Perhaps not only would it have a peek at a different time, but perhaps the different difference between the peak and the off peak would be higher.  
So that on average it would be the same, but it would be sort of spikier.  
Umm, but as we've been said, we're we're thinking these things through UM, PG and Edison have also tried to sort out, you know, what granularity to use PG and E had proposed this idea of having a circuit clusters, you know, 50 or 60. Umm.  
Clusters of and each one would have around 50 or 60 circuits in it that are all similar, umm.  
And So what could do it that way to reduce the just the volume of a forecast that you have to use and so on this, there's a lot to figure out still because we're all really coming at this almost from scratch.  
San Diego's had some experience with it on their power drive pilot, which turned out to be very difficult.  
A lot of people lost a lot of hair on on that one, but but it's still really early days on on distributions.  
So there's there's a lot to still figure out.  
And one of the things although here.

 **Reuben Behlihomji** 2:07:02  
Where of this young?  
Just so you know, is we're in S e-file that we're we're thinking of now, testing prices just at the A bank level because we have fewer A banks, it gives us sufficient grip location granularity, we think and it gives us a good enough pool of customers that can then be, you know, exposed to a uniform price under that a bank system.

 **Iezza, Robert W** left the meeting

 **Reuben Behlihomji** 2:07:25  
But just wanted you to be aware of that is from.  
OK, just apart.

 **Grygier, Jan** 2:07:30  
Approximately how many?  
Banks, do you have?  
What kind of granularity is like give you and and use a round Number right now about 100.

 **Reuben Behlihomji** 2:07:37  
OK, cool.  
So that it's the same order.

 **Grygier, Jan** 2:07:39  
Magnitude I guess is PG is thinking of.  
Yeah, different way of of doing it.  
Yeah.  
Thank you.  
Thank you.

 **Coughlan, Claire** joined the meeting

 **Madduri, Parimalram "Achintya"** 2:07:51  
Option and chat from Samuel Golding with regards to SCE compliance plan, so maybe we do.  
To paraphrase I I don't know if Ruben can.  
If you can see the message in chat, I don't want to have to read it all out, but to paraphrase, there's an.  
It seems like they're quoting from the compliance plan and and where I see suggests that it will require an exemption to the elems timeline to wear full scale.

 **Claire Broome 350 Bay Area (Guest)** left the meeting

 **Claire Broome 350 Bay Area (Guest)** joined the meeting

 **Madduri, Parimalram "Achintya"** 2:08:22  
RTP rates will be made available to customers in 20322033.  
Should the flexible pricing rate pilot be extended and so could SCE, please clarify why it appears to be requesting that the CC give them an extra five years to offer LMS compliant RTP rates.  
Is that an exemption or could you clarify so you know the the way we're thinking about it?

 **Reuben Behlihomji** 2:08:44  
This would be at least, I'm proposal on.  
The pilot expansion is to look at an extension for one year and then exercise A2 year option if we need it.  
Through the pilots, I was hoping that we would have had by now a bigger proof enrolled customers which we have in, in all honesty, we really jumpstarted enrollments on our pilots.  
You know, in the summer of this year, so where we stand today versus where we want to be as a stretch goal is giving us some degree of concerns.  
So which is why you said you heard me say that the intent is we'll try and figure out how best to navigate through the pilot expansion for one year, see if we need those additional two years, if we need those additional 2 years as we are going through the pilot, then we will need that additional time for the elements as well.  
So I think it's it's just the.  
We're at a point where we don't have much experience, but we're hoping that now that we've we've vetted through the processes.  
Uh, the the enrollment process and then the learning process becomes more stabilized.  
I don't know if that helps, but trying to add some context to that that what what you're reading in the compliance and.  
So you are you are actually asking.

 **Samuel Golding** 2:10:13  
For an exemption to the timeline requirements that is going to be up to five years, if it's a three year pilot extension, most likely yes.  
OK.  
And then if it proves ultimately to just be a one year pilot extension, could you clarify what sort of LMS timeline exemption you'd be requesting in that case the way we've done is we've scaled the.

 **Reuben Behlihomji** 2:10:39  
Extension for both the amount of pilot extension as well as implementation timelines that we need for both of the CPC, like running through a proposal as well as implementing.  
So I think without without having the numbers in front of me, I would say they would be scalable in either direction.  
So you'd see that symmetry where if you drop down two years, you'll see the LMS requirement extension also drop down by a somewhat similar amount like 2/3 \* 5 equals, yeah, yeah.  
Something something and and you.  
You you're hearing me say it in this manner because I'm.  
I'm hoping that this year as well as next gives us a lot more learnings to be at a definitive spot for 2027.  
It's just that as we stand here today, you know, August 2023, Samuel, we're you're still not there.  
Hmm.  
OK.  
Yeah.  
And this is Eva from SE.

 **Eva Molnar** 2:11:42  
When you think about the timeline, you know and this kind of Harkins back to what John said with like it's an 18 month application timeline and then it's two.  
So that's 18 months plus, you know from the SCC estimate we're estimating about two years because there's a lot of systems we have to integrate with and and pull in real time data for.  
So it's actually quite it's more complex than our average launch that we have that from the point you file an application, it's 3 1/2 years.  
So go live.  
So, you know, think of it that way.  
So even if we were to, you know, file an application today which wouldn't be feasible here, we are 2023, that's still, you know, barely, barely making it right.  
Like for 1127, we'd have to file and like six months in order to make it.  
Yeah, PG and is compliant.

 **Samuel Golding** 2:12:36  
As planned, by the way, I had a very useful kind of Gantt chart in the back, but I didn't see any sort of kind of timeline visualization or summary like that for Edison.  
UM.  
I think we had some only mentioned it because it would be extremely useful.  
Yeah, I should take.

 **Eva Molnar** 2:12:57  
The look and see what what is in this particular presentation for that that particular Gantt chart to see.  
I know we did file a timeline in our CC compliance plan, but it's probably not to the level.

left the meeting

 **Eva Molnar** 2:13:09  
I know that's not to the level of detail of the Gantt chart, so I can take a look and see what we have and here I thought we included in one Samuel your your.

 **Albert Tapia** left the meeting

 **Reuben Behlihomji** 2:13:19  
Saying that the the the compliance plan did not include a a timeline.  
I didn't see one.  
There's a timeline in in the compliance plan.

 **Eva Molnar** 2:13:29  
It's absolutely, but it's not a Gant chart.  
Ohh OK right.  
Yeah, I'm.  
I'm kind of.

 **Samuel Golding** 2:13:36  
Take a look at what PGA provided in their appendix and you'll see what I'm saying is is kind of the most useful structure to to provide to help everyone else see all the angles.  
I I did want to mention that.

 **Madduri, Parimalram "Achintya"** 2:13:53  
You know the AED staff proposal which mentioned the pilot extension, the pilot extension and we make note that the intent of these pilots is is not necessarily umm that uh that that those rate offerings have to wait until the pilots are finished.

 **Reyes Lagunero, Jennifer (Law)** left the meeting

 **June Bote** joined the meeting

 **June Bote** left the meeting

 **Madduri, Parimalram "Achintya"** 2:14:11  
I mean the the intent of the pilots is to support near term goals, including reliability.

 **Dwight Phelps** joined the meeting

 **Madduri, Parimalram "Achintya"** 2:14:16  
And so the existing pilots and and, you know authorized pilots will likely have midterm evaluations.  
They there's already evaluations that are coming that are due sooner than that.  
I so you know I I think it would be.  
Maybe we don't want to go too far into it, but I I think I'm.  
I'm.  
I'm at least still a little bit confused as to why.  
There would have to be the end of the pilot plus some number of years for an application to be submitted.  
Could could SE.

 **Reyes Lagunero, Jennifer (Law)** joined the meeting

 **Madduri, Parimalram "Achintya"** 2:14:56  
React to that.

 **Eva Molnar** 2:15:01  
So this this is eval start and then I'll jump.  
Yeah.  
So once again I'm.  
I'm just backing into that.  
You know the if we want something by 112027 and it takes 18 months for an application and we're saying it's taking, it would take two years to launch.

 **Chetna Smith** left the meeting

 **Eva Molnar** 2:15:20  
So that means that to have that ready by 127, we would need to have already.  
Actually, we would have need to already filed our application in order to make that timeline.  
So you could leverage the the midterm mid year report the the downside on that is you only have we only have one year of information, you wouldn't see a year over year uh, it kind of analysis to see if people because I I think you'll find that folks benefit in year one.  
What I'm concerned about is we'll folks have sustained benefits on real time pricing moving forward with the subscription model that's based on historical usage.  
So I think that that's really important to have ideally before you.  
Uh, you know, have that proceeding.  
But yeah, you'll have learnings after the midterm.  
That's that's just my perspective.  
I don't know Ruben, how you how you feel about that?  
No, I think I think backing into the.

 **Reuben Behlihomji** 2:16:24  
Time line is is essentially how we see it and.  
I know we're going to receive guidance agent here from the Commission.  
This part of this IR, but I think the real exhaustive wedding may come in the actual application.  
We don't know what to expect there or the duration or what that wedding is gonna look like.  
A stakeholders engage and get more involved in that proceeding.  
About it wrong and you can correct me, but I'm thinking that the OCR is gonna give us guidance.  
We actually fill them up.  
What we do, what we intend to do, what's in our design as well as an implementation standpoint in the application and I'm more likely than not convinced that application is going to draw a live stakeholders into the conversation, right? Right.

 **Sabrinna Soldavini** left the meeting

 **Reuben Behlihomji** 2:17:19  
OK, fair enough.

 **Madduri, Parimalram "Achintya"** 2:17:20  
Thank you for that clarity.  
And then can I ask a question?

 **Eva Molnar** 2:17:24  
Because I know Samuel, you mentioned a Gantt chart.  
I'm just looking at the file that Johnson and I'm not sure which one.  
Like which chart in particular you're referring to in this?  
In this presentation it no, it's it wouldn't be in this presentation.

 **Grygier, Jan** 2:17:40  
It would be in our elems compliance plan.  
Ohh.  
In the LMS.  
OK, got it.

 **Eva Molnar** 2:17:44  
But yeah, we'll take a look.  
Oh, actually I know it looked but but.

 **Grygier, Jan** 2:17:49  
It stand up too, but I just wanted to add 1 little thing that's relevant to this discussion is that.  
You know, these are these are set up to be, you know, the proposal, the LED's proposal is that these be 3 year long pilots.  
I think it's really gonna be critical.  
That would be able to make midcourse corrections as we learn things in in the beginning of the pilots as as we have in the activate you know there's the advice .1 and Agit .2.  
So we're calling it where they have different subscription types and.  
Different prices and and so on.  
And so we really feel that in order to learn things, it's going to be hard enough to to, to manage all this.  
But being able to.  
Tweak the the systems, the processes, the customer communications, and so on.

 **Hari** left the meeting

 **Grygier, Jan** 2:18:51  
UM as the pilots go along, it's gonna be a really important too to maximize the amount that we can.  
We can learn from these things.  
Umm, that also implies that we may end up with, you know, shadow billing for a longer period than we want necessarily I'm and that the the final rates you know the the rates they get implemented even if we make the LMS deadline or not the same as the ones you know the ones in January 1 of 2027 may not be exactly the same as the ones in 2028 because we might have learned things in late 2026 that we didn't have time to implement and so on.

 **Jerri Strickland** left the meeting

 **Grygier, Jan** 2:19:36  
So, umm, we're gonna be definitely building the plane hopefully before it's flying, but it'll be tight and being able to flex you into pilots is gonna be really important.

 **Lucas Utouh** left the meeting

 **June Bote** joined the meeting

 **Grygier, Jan** 2:19:53  
Sorry, alok.  
Yeah.  
Yeah.  
And and we'll just take a look and click.

 **Madduri, Parimalram "Achintya"** 2:19:57  
There and then we do have to break for lunch after that.  
Yeah.  
Thank you. Yeah.

 **Gupta, Aloke** 2:20:03  
And I wanted to follow up on your last comment about the not not the last comment, the comment on on average prices on different circuits. Umm.  
Uh, the you seem to be saying that the the customer experience on a constraint circuit should be similar to customer experience on an unconstrained circuit for from in order to have equity.  
Umm.  
And that that sounds like an argument for utilities should get to upgrade every circuit whenever there's a need to, to avoid inconveniencing customers.  
Is that what we're saying?

 **Reuben Behlihomji** 2:20:50  
Yeah.  
Ah, thanks.  
Yeah.  
Yeah, I would.

 **Grygier, Jan** 2:20:55  
Put it that way.  
So in terms of the customer experience, I'm not saying the customer experience will be exactly the same because one customer would have, you know, a bigger differential between peak and off peak.

 **Brian Alward** joined the meeting

 **Grygier, Jan** 2:21:09  
And Mike, maybe at a different time than another one who was on an unconstrained circuit, it's just that the average prices would be the same over a year or a number of years.  
So that's I I think that's a different, you know, wrinkle on that.  
Umm, that does not imply that.  
Not quite sure where you were going on the other one that the utilities should upgrade all of the circuits.

 **Marisa Williams** joined the meeting

 **Grygier, Jan** 2:21:38  
We can't be upgrading all of the circuits that costs way too much money and we want to upgrade circuits only when they are needed.  
Umm, but.  
You know, especially as we're we're piloting things, uh, we are not gonna have, you know, 50% of the load on on circuits under RTP pricing by 2026.  
It's it's just what we're testing things.  
And in that testing, we want to make sure that customers are not.  
I'm not disadvantaged economically for being on one circuit versus another.

 **Streib, Tysen** 2:22:27  
It is that from.  
Yeah.  
I just wanted to jump in with a couple more things.  
I'm one one of the strong reasons why we think that it is, is fair to have the same average price.  
One of them you mentioned before, which is the customer didn't choose where they where they live, where they have their operations or so forth.  
Umm.  
Or that they they didn't have that information when but when starting so having one circuit, you know where the where the prices are much higher all the time because they happen to be a constrained circuit that doesn't necessarily make sense.  
And the other thing is, is that the the timing of our circuit upgrades you know can be lumpy and customers don't have a choice of when PG or the other utilities does the upgrade and after that upgrade happens and they're no longer on a constrained circuit, why should they stop paying for that upgrade?

 **Karen Herter** joined the meeting

 **Streib, Tysen** 2:23:43  
You know, if a customer is on an unconstrained circuit, it's because the utility has put in those upgrades and has increased the capacity.  
The those capacity costs need to be paid for.  
So just because you're on unconstrained circuit doesn't mean you shouldn't be paying for capacity upgrades.  
So that makes sense.  
Or if you are on a constrained circuit and your capacity upgrades are in the future, you know you should.  
It doesn't matter if an upgrade just happened or is just about to happen, your prices shouldn't change.  
Uh, based upon that timing?

 **Madduri, Parimalram "Achintya"** 2:24:32  
I think we really should take the last question from Claire and then take a break.  
So, Claire broom, you can get to have the last question.  
Thanks. Umm.

 **Claire Broome 350 Bay Area (Guest)** 2:24:45  
Bro in 350 Bay Area, I appreciate a chance, yet you're raising the fact that there is some time urgency to moving ahead with this.

 **Chiu, Albert** joined the meeting

 **Claire Broome 350 Bay Area (Guest)** 2:24:55  
So it's helpful to have a discussion about what is or is not necessary for compliance with the LMS.  
Another time to tenancy issue that I wanna be sure we don't lose.  
Tom Beach put a question in the chat earlier about getting a timeline from the IOU's on their approach to FERC about.  
About transmission.  
Rates that might have some time variability, so maybe not before lunch, but I think it would be helpful to hear from the IOU's.  
What is their timeline for addressing that suggestion in the Ed Staff proposal?  
Thanks and and I I may.

 **Madduri, Parimalram "Achintya"** 2:25:47  
Make the executive decision that this is something that we should, uh, visit at at the end of the agenda.  
We do have some time set aside for Q&A and I think this would be a a, a great place to start off.  
So I I will make note of that question and I think it would probably be best for us to at least get 25 minutes for lunch before we're back here.

 **Ainspan, Malcolm** left the meeting

 **Madduri, Parimalram "Achintya"** 2:26:13  
Umm but yeah, I think we'll we'll make note of that question.  
Thank you for that question, Claire.

 **01595101-0924-4568-8521-46df7cfd56da** left the meeting

 **Madduri, Parimalram "Achintya"** 2:26:16  
Broom and and I think we will and Tom Beach and we we will have the IU's opine on that at the end of the scheduled presentations.  
So we'll we'll be back at 12:30.  
We will have microgrids resources coalition presenting their working group.  
One proposal that will be the last working group.  
One proposal and then we will transition to working Group 2 proposals.

 **Tiell, Oriana** left the meeting

 **Alexis Rizo** left the meeting

 **Madduri, Parimalram "Achintya"** 2:26:40  
So thank you everyone and and see you shortly.

 **Ted Tayavibul** left the meeting

 **Steve Barrager** left the meeting

 **Reyes Lagunero, Jennifer (Law)** left the meeting

 **Karen Herter** left the meeting

 **Jeanne Armstrong** left the meeting

 **Melissa Kwong** left the meeting

 **June Bote** left the meeting

 **Stephen Gunther** left the meeting

 **Elizabeth Reid** left the meeting

 **Alcides Hernandez** left the meeting

 **Eva Molnar** left the meeting

 **Eric Woychik** left the meeting

 **kb** left the meeting

 **Marisa Williams** left the meeting

 **Rose Monahan** left the meeting

 **Coughlan, Claire** left the meeting

 **Wang, Stephanie** left the meeting

 **Collin Smith | Leap (Guest)** left the meeting

 **Reuben Behlihomji** left the meeting

 **0cf299be-0580-43b2-a394-63b0b9dc4ccb** left the meeting

 **McCutchan, Melanie** left the meeting

 **Dwight Phelps** left the meeting

 **Streib, Tysen** left the meeting

 **Claire Broome 350 Bay Area (Guest)** left the meeting

 **Au, Andrew** left the meeting

 **Nihal Shrinath, Sierra Club** left the meeting

 **Tyson Siegele** left the meeting

 **Edward Randolph (Guest)** left the meeting

 **Ben Schwartz (Clean Coalition)** left the meeting

 **Udwin, Trevor** left the meeting

 **Saxe, William** left the meeting

 **Ron Liebert (Guest)** left the meeting

 **Cathy Yap (Guest)** left the meeting

 **Igor Tregub** left the meeting

 **Kalia Mitchell-Silbaugh** left the meeting

 **Robert Perry** left the meeting

 **kay aikin (Guest)** left the meeting

 **Koepf, Cara** left the meeting

 **Amanda Myers Wisser (Guest)** left the meeting

 **Madduri, Parimalram "Achintya"** 2:44:44  
I'm gonna give a little bit more time for lunch.  
I'm gonna give 12:45 because I think we went a little bit long, so I just am putting up the adjusted time.  
I hope that's OK.  
Just a 15 minute delay in the start.

 **Kasman, Robert** joined the meeting

 **kay aikin (Guest)** joined the meeting

 **Jeanne Armstrong** joined the meeting

 **Rose Monahan** joined the meeting

 **Mathai-Jackson, Grady (Law)** joined the meeting

 **June Bote** joined the meeting

 **Elizabeth Reid** joined the meeting

 **Kalia Mitchell-Silbaugh** joined the meeting

 **Eva Molnar** joined the meeting

 **Cathy Yap (Guest)** joined the meeting

 **June Bote** left the meeting

 **Kimaya Abreu, Voltus** joined the meeting

 **Collin Smith | Leap (Guest)** joined the meeting

 **Robert Perry** joined the meeting

 **Streib, Tysen** joined the meeting

 **Au, Andrew** joined the meeting

 **Kimaya Abreu, Voltus** left the meeting

 **Kalia Mitchell-Silbaugh** left the meeting

 **Claire Broome 350 Bay Area (Guest)** joined the meeting

 **Kimaya Abreu, Voltus** joined the meeting

 **McCutchan, Melanie** joined the meeting

 **Au, Andrew** left the meeting

 **Marisa Williams** joined the meeting

 **Albert Tapia** joined the meeting

 **Wang, Stephanie** joined the meeting

 **Reuben Behlihomji** joined the meeting

 **Wang, Stephanie** left the meeting

 **Cathy Yap (Guest)** left the meeting

 **Cathy Yap (Guest)** joined the meeting

 **Foudeh, Masoud** left the meeting

 **Ben Schwartz (Clean Coalition)** joined the meeting

 **Esther Ruiz-Muniz** joined the meeting

 **Madduri, Parimalram "Achintya"** 3:00:47  
Right.  
Are you planning on sharing your screen?

 **Alexis Rizo** joined the meeting

 **Larry FEA** joined the meeting

 **Baird Brown** 3:01:47  
Let me let me call him and he's apparently.

 **kay aikin (Guest)** 3:01:50  
I think I think he's muted.  
Yeah, it seems that way.  
I will call him and get him on because I want him to do the presentation.  
I don't wanna do it right.  
I apparently I can't get ahold of him.  
He's not answering his phone.  
We have a few more minutes so.

 **Madduri, Parimalram "Achintya"** 3:02:42  
Or I hopefully he will turn on the the scanner at that time.  
Other ways to get a hold.

 **kay aikin (Guest)** 3:02:49  
Them.  
I'll try.  
I'll shoot him an email.  
Just.  
Yeah, that's.  
I was gonna do too.  
OK.  
Yeah, he's obviously there.

 **Daniel, Rebekah** left the meeting

 **Wang, Stephanie** joined the meeting

 **Foudeh, Masoud** joined the meeting

 **kay aikin (Guest)** 3:04:12  
Bird, can you hear us?

 **Baird Brown** 3:04:18  
We do say something.  
No.  
We were trying to get your attention, but I think.

 **Madduri, Parimalram "Achintya"** 3:04:24  
I think you might have had the speaker muted.  
We will.  
You Are you ready to present?  
I can turn it over to you.  
Ohh, I think we can.  
I can give a few words of intro, but we should I wanted to make sure we were ready to go.

 **Baird Brown** 3:04:46  
You.  
You can't hear.

 **Madduri, Parimalram "Achintya"** 3:04:50  
Three, now I do.  
OK. Alright, good.  
Yeah.  
OK.  
I'll.  
I'll go ahead and and get get things started.  
Just confirming that you will be presenting correct, you will be put it in the chat, but that's OK yeah.

 **Baird Brown** 3:05:06  
And I also send it by an email earlier, but I will and and K can will join me to sort of add commentary as we go but OK.  
But all on the slides.  
OK.  
So let me let me take things off.

 **June Bote** joined the meeting

 **Madduri, Parimalram "Achintya"** 3:05:20  
Umm hi everyone.  
Welcome back to the afternoon session of of today's workshop.  
We'll be having our last working Group 1 presentation from Microgrids resources coalition with Beard Brown and Kate Aiken.  
And so I will turn it over to them.  
Hey, I will uh share his.

 **Baird Brown** 3:05:42  
So assuming that it works ohm, see.

 **Kalia Mitchell-Silbaugh** joined the meeting

 **Baird Brown** 3:06:00  
What?

 **kay aikin (Guest)** 3:06:08  
Chat.

 **Baird Brown** 3:06:10  
Do you have it now or not?  
You're good there.  
OK. Umm.  
So I just thanks for giving us the opportunity to present here.  
And I just as sort of a note at the beginning that the Microgrid Resources Coalition is a fairly small organization.  
It has a, you know, a handful of staff members, all of whom are consultants who do other things with their lives, including me.  
And so we we haven't brought to it the resources that either the Commission staff or or the IOU's can bring to it.  
And if we've left out some details, that's probably why.  
Umm, but we'll.  
We'll try and respond to questions as best we can. Umm.

 **Au, Andrew** joined the meeting

 **Baird Brown** 3:07:11  
Ooh.

 **Reyes Lagunero, Jennifer (Law)** joined the meeting

 **Baird Brown** 3:07:13  
Umm, why is that not advancing?  
Umm.

 **kay aikin (Guest)** 3:07:24  
Ah, OK.

 **Baird Brown** 3:07:28  
So to begin with.  
We approached this with a number of goals in mind.  
One was to save money for all customers.  
Umm, using low cost Dr Energy to shape load and reduce peak price?  
To protect the grid, reduce outages, reduce operating costs.  
Umm to use markets to price services to the grid and that that's that seems to be unique to our proposal.

 **Robert Perry** left the meeting

 **Jain, Ankit** left the meeting

 **Baird Brown** 3:08:05  
We think that's the best way to avoid cost shifting, but we can talk about that.

 **Robert Perry** joined the meeting

 **Baird Brown** 3:08:10  
And finally, to take full advantage of customer resources, let them compete in the market as equals all the time, not sort of in rare events.

 **Robert Perry** left the meeting

 **Baird Brown** 3:08:22  
And that that's what underlies our hopes for this proceeding.  
This uh slide shows on the left, a sort of a cartoon of the regular tariff and the breakdown between energy and capacity and fixed charges.

 **Robert Perry** joined the meeting

 **Baird Brown** 3:08:43  
We know that's not the exact breakdown, but it it it's rough it it came from one of the IUS in one of their presentations originally.  
And what we're suggesting as a variable rate is that we would keep the two bottom categories intact and just use actual wholesale prices for the energy component.  
And we note and it's it's consistent with what we've heard already today that the KALFUS proposal is to.  
Instead, give a credit against the legacy rate based on the wholesale price plus certain capacity costs allocated to high stress hours.  
So our strategy is that the customer pays for capacity and fixed costs for all their purchases.  
They pay the wholesale energy price for purchases during the when they're actual variable price, as opposed to when they're operating under an option or a a a subscription, and the customer the receives the market energy price for Dr and export.  
One of the effects of this is that Dr and exports well, first of all demand response and and Dr exports have the same value as one another for the grid operator.  
You know, they're all the same to the kaiso and we think they should receive a uniform incentive and that that incentive should basically be the market price.  
That way, anytime you're paying that it may be substituting for other resources, but it's not raising utility costs.

 **Au, Andrew** left the meeting

 **Au, Andrew** joined the meeting

 **Baird Brown** 3:10:41  
Umm.  
And then just as an example, if you've got a battery discharging that's offsetting customer load, and then you increase the level of discharge to where it starts to make an export.  
Umm, under our proposal it makes no difference in the price it's receiving.  
That's unlike all the others, umm.  
And customers participate in the market as equals in all hours, and that's something that we think is critical to move forward to for the grid of the future.  
By contrast, are the different proposals Cal, fuse and and and the utilities to somewhat lesser extent.

 **Amanda Myers Wisser (Guest)** joined the meeting

 **Baird Brown** 3:11:29  
As I understand it, provide capacity bonuses to flexible resources and in a sort of back of the envelope calculation, those can be up to four times the wholesale price in addition to the wholesale price.  
So from our point of view, this is a cost shift and you know the customers aren't permitted committed to providing resource adequacy.  
They wouldn't qualify to provide resource adequacy and if you pay that much, you know full capacity cost to those folks, umm, they're getting kind of more than they deserve in the in the larger market scheme and it reduces the benefits for all the other customers, which was one of the principal reasons for doing this.  
We know that when the governor asked for voluntary reduction last September, about 7% of load responded and that solved the problem.  
So if if the variable price was five times the wholesale price, that would add 35% to the hourly cost for that hour.  
So that's the and I've seen nothing in any of the other proposals that tries to quantify.  
Umm, what the cost might be and and how they would get shared, but at least in our view of the things that can't be revenue neutral, you have to have this kind of an add or that the utilities referred to and it might not be small, but I guess we don't really know ohm because many more customers will shift in response to the to the incentive and so be paid high prices and not many customers will end up paying the low prices.

 **Stephen Campbell** joined the meeting

 **Baird Brown** 3:13:20  
So that the the result of the low variable prices, so the result will be that you know they those two sets of payments wouldn't otherwise offset each other and equal the average cost.

 **Chesler, Jamie** joined the meeting

 **Baird Brown** 3:13:37  
So we also proposed a distribution cost adjustment.  
Umm, the.  
That reflects congestion on the distribution system.  
There's a similar proposal in the KALFUS proposal and at least a a dipping of the toe in it in the utility proposals.  
Umm, there are two major differences between those proposals.  
Umm, we use a simple market or we propose a simple market, not an invented capacity price, so that that would in fact adjust.  
In other words, if if people start responding to that price, so the congestion is reduced, that price would drop.  
You know, rather than being a fixed price in advance for the day with, you know that is based on annual capacity charges, umm.  
And we also suggest, as a matter of simplifying calculation and implementation, that the price be calculated locally, not centrally.  
That doesn't require it doesn't require two way communications.

 **Erica Keating** joined the meeting

 **Baird Brown** 3:14:50  
That doesn't mean it can't be communicated.  
The ultimate price to the customer.  
Can't go to a central Oasis and and be available that way to customers, but in any event it the mechanics of doing the calculation we think are much simpler and more secure if they function through the, you know, local calculation at the nodes on the way down.  
Having said nodes on the way down, this can be implemented gradually as needed.

 **Eric Woychik** joined the meeting

 **Baird Brown** 3:15:26  
We agree with the utilities that, umm, you know, we need to sort of observe how much value we think we will get out of implementing it at deeper and deeper levels.  
We certainly suggest that it be implemented at least at the LDA level, UMM.  
Because a sent a separate function of this kind of pricing adjustment would also allow that if there really is a overall shortage of generation, it would simply raise the price above the wholesale energy price.

 **Steve Barrager** joined the meeting

 **Baird Brown** 3:16:06  
To the extent that you know there aren't more resources to respond without cutting into reserve levels so that that's an important feature that we hope will will work. Oops.  
Umm, the the way we suggest that happen is that you use umm.  
I'll I'll pricing sub software at each substation or however many layers down the system you go, and the pricing software can train on system behavior so that it predicts with increasing accuracy the local price adjustments needed to limit substation flows within substation capacity.  
It probably not perfect and you want.  
You may want you know, some additional standby capacity at those local levels, but that that's the the principle purpose of doing this and customers don't have to bid and they don't have to.  
You know, they didn't have to be too late.  
Communication between the customer and the and the grid.  
All they do is respond to prices by adjusting their load or exports upper down and you know they are.  
They're building controls and will return to that thought in a little bit.  
Boom.  
Umm.  
And then and this is probably the thing we were kind of most concerned about, about the cult Cal fuse proposal, we suggest not a subscription, but a purchase option as a hedge.  
So the customer would pay their regular tariff rate within averaged energy price up to a level based on past usage and make it leader that we're not proposing a fixed and final way to set that level.  
We understand that adjustments might be needed or helpful and there are also considerations that you could take for instances giving low income customers you know some cushion in their level.  
On the one hand, and and on the other hand.  
Giving large users some deduction from their past ever juices, which I think actually the Georgia and Oklahoma examples didn't try to give a full usage a subscription option, but something quite a bit lower so that there was a lot of incentive to keep managing above that level.  
So you know that there are lots of things that can be done there and but so far as we've heard, we haven't heard lots better ways to begin than beginning with past usage.

 **Baum, Kayla** left the meeting

 **Marisa Williams** left the meeting

 **Baird Brown** 3:19:04  
But we'll we're happy to talk about how that works and then you get the the really important feature from our point of view of the option is the customer only pays for what it uses uses.  
Now that's what happens right now with all the other tariffs that the utility has.  
Umm.  
And we don't see why this should be different usage.  
Below option level is paid the wholesale price usage above option level pays the wholesale price and again you're always paying the entire fixed and capacity charges.  
Uh, for every kilowatt you buy, but you're not paying them for a bunch of kilowatts you don't use, so that takes away some of the sting that the subscription brings.

 **Willie Calvin** left the meeting

 **Baird Brown** 3:19:55  
I setting the option level as I said it has the same uses, but I agree with earlier comments, the hedge needs to be good enough, not perfect.  
So the idea is, you know, if if things happen like Texas only, where it likely to have it too hot than too cold.  
Umm, you know, you're not suddenly paying the full price wholesale price for all of your power.  
You know, you might be paying it for five or 10% of your power, but that's that's a pretty good hedge and we don't have to make it perfect to have it work well.

 **Iezza, Robert W** joined the meeting

 **Baird Brown** 3:20:35  
Umm yeah OK.  
I thought you were waving your hand.  
Yeah.  
The what we see the subscription doing is causing a bunch of distortion.  
It basically requires payment for the full subscription, whether it's used or not, which eventually becomes a full requirements demand charge or fixed charge.  
Umm, I guess this could be attractive for the utilities that in effect they've pre sold their entire revenue requirement for the year.  
But compared to what's going on in the other working group or the other track of this, uh, uh, working this LIR, which is, you know, trying to set fixed charges that graduate with income, it seems to me to be marching in the opposite direction to uh.

 **June Bote** left the meeting

 **Baird Brown** 3:21:34  
So to provide DVR, a customer must give up its prepaid subscription to get an incentive payment, which reduces effectively reduces the incentive and has this odd effect of.  
Resulting in a higher incentive for export demand response, which since they're going to be comparatively fewer resources or customers that are really able to export as opposed to, you know, temporarily reduced demand, that seems like an inappropriate outcome.  
Umm.  
I'm gonna talk a bunch about equity issues.  
We certainly agree with basically everything that was said in the first presentation at the beginning of this a a working group session.  
Umm.  
And there are some kinds of.  
I demand flexibility, terrorists and I'm thinking of the the Valley Clean Energy AG fit.  
One where you know you've got a single resource that you're pumps and and you know you can basically plan your usage a week ahead and you know you can do that by hand if you need to.  
Umm at before you get very far along, even with most of the proposals that we have on the table from staff in the IOU's, we think that smart management is going to make much more sense.

 **Dwight Phelps** joined the meeting

 **Baird Brown** 3:23:11  
Sense.  
And if people aren't there to manage having a smart manage, you know, device to manage, you know, avoids that problem.

 **Albert Tapia** left the meeting

 **Baird Brown** 3:23:21  
The the cost of smart thermostats and home management devices are low and coming down and we that I to the extent it makes sense for folks and they want to participate, we strongly urge the Commission to adopt programs to assure availability for low income customers.  
Having said that, it you know it just may not make sense for everybody to participate.

 **Chesler, Jamie** left the meeting

 **Baird Brown** 3:23:50  
And umm, that's not necessarily a disadvantage and you know it's it's.  
From our point of view, I mean, you know if if if somebody with a larger state can turn off their pool heater, well, I I don't wanna give them a larger than fare reward in terms of the energy price for doing that.  
And I think that's important.  
But you know, the fact that not everybody is able to do that is probably something that the rate by itself can't solve.  
Umm.  
Master meters for multifamily housing we mentioned allow collective response from the whole complex, which allows for greater aggregate savings.  
But we only proposed that, you know, in a circumstance where the actual benefits can be allocated through private metering.  
We just think that given the current regulatory situation, it's easier to do that than it is to UM, try some other means of coordinating the efforts of all the folks within.

 **Saxe, William** joined the meeting

 **Baird Brown** 3:25:08  
A community of housing.  
Uh and.  
Last but not even slightly least, the large capacity bonuses that we talked about earlier reduced the savings for others.  
And so we're we're strongly looking for the right price, not the biggest price in order to.  
Uh, I'll make sure that this is benefit for everybody.  
Umm, I think there's sort of wide agreement on LSE participation.  
They should be able to create their own tariffs.  
Their energy mix may be different.  
They're lying.  
Losses may be different if if their resources to home, umm, the one thing that we suggest is that to the extent we implement a local congestion adjustment, either ours or anybody else's, that should basically be faced by all customers.  
So there's not a a.  
Disconnect in paying for the the costs of the distribution system.

 **Alexis Rizo** left the meeting

 **Baird Brown** 3:26:18  
The.  
And you know, we and the last thing will say is that within LSE territories, we think that to the extent that utilities are providing programs to get demand, flex installations to low income customers, that should certainly be available in LSE territories and that since it's really about the.  
The distribution management, I think that's entirely appropriate.  
Uh lastly.  
Are we alluded to this before?  
But it doesn't take another people in the course of the afternoon of our morning have said it doesn't take hyper articulation to solve the problem.  
You know 7% solve the problem September a year ago.  
Umm.  
And we placed the footnote in our proposal to experience in England, which suggests that customer uptake far exceeded what the utilities expected.

 **Nihal Shrinath, Sierra Club** joined the meeting

 **Baird Brown** 3:27:23  
So I think some of the it's really difficult to design A survey to say to customers how would you like to do something that you know use a product that doesn't exist and we can't explain very well and it it, it's hard to do that survey and the fact of the matter is that you know you can manage your usage with a smartphone.

 **Chetna Smith** joined the meeting

 **Baird Brown** 3:27:47  
Almost everybody has a smartphone.

 **Ted Tayavibul** joined the meeting

 **Baird Brown** 3:27:50  
Uh, it's it's remarkable how deeply they penetrate, even in low income households and uh, you know, the proposal from the utilities to have stepping stones is kind of OK and concept.

 **Karen Herter** joined the meeting

 **Baird Brown** 3:28:06  
But the problem is that if they have diverse theories of the tariff and diverse infrastructure, they turn out to be a bridge to nowhere.

 **Campi, Hannah L** joined the meeting

 **Sabrinna Soldavini** joined the meeting

 **Baird Brown** 3:28:16  
Uh, so we are open to questions.  
Let's say you wanna make it any overall comments first.

 **kay aikin (Guest)** 3:28:27  
Did a great job.  
That was a one comment in between, but I can't remember what it was.  
I was gonna ask and I I I was on mute.  
Alright.  
Well, we are.  
We are open to the.

 **Baird Brown** 3:28:39  
Floor.  
I did.  
I did answer Sam's uh.

 **kay aikin (Guest)** 3:28:42  
One question I think, though I'm sure he's got a as always, I'm sure he's got a a rebuttal.  
Umm.

 **Baird Brown** 3:28:53  
Well, I will stop sharing and then I'll be able to see the chat.  
Umm.

 **Madduri, Parimalram "Achintya"** 3:29:01  
Yeah.  
Thank you so much, period.  
And Kay.  
I just with regards to the Georgia Power RTP program, I posted a link to the tariff sheet.  
I know I've posted many times.  
It's it's quite clear on what the design of the of the subscription is or what they call the customer baseline load.  
It's based on the entirety of a customer's historic usage, and so that is, that's in their tariff sheet.  
But nonetheless, thank you so much for your presentation.  
I don't see.  
I don't see.  
I don't see any other questions or hands raised.  
And we got off easy.  
Perfect.  
There's no canon's not gonna let us off the hook.

 **kay aikin (Guest)** 3:29:45  
Yeah.  
Yeah.  
Thanks that that. Thanks.

 **Grygier, Jan** 3:29:48  
Spared.  
Yeah, I I'm confused by one thing.  
You said it early on.  
You said that you proposed what I think was basically the same incentives or prices depending whether the customer is net importing from the grid or net exporting.  
And you said that yours was the only proposal, but did that?  
And I'm confused because I think at least the IOU's and I thought Cal Fuse was suggesting the same thing.  
But maybe I got that wrong that that.  
Yeah, that's not.  
That's not.

 **Baird Brown** 3:30:22  
What I said no, the the person who is importing above their option level would pay, you know the the fixed cost and the capacity cost and the energy price you know the so.

 **Sabrinna Soldavini** left the meeting

 **Baird Brown** 3:30:39  
But what we did say was that the person who was providing demand response otherwise being below their option level, and the person who was actually exporting would each get the energy price as their incentive and that would be and that that remains the same whether whether it's demand response or export to put it in simple terms.