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To: Service List

Subject: Rulemaking 20-11-003: E-mail ruling providing staff guidance on the contents of all program proposals submitted in Opening Testimony by parties to this proceeding

Parties to Rulemaking 20-11-003:

This ruling includes staff guidance on the contents of all program proposals submitted in Opening Testimony by parties to this proceeding. Proposals shall contain all listed items that apply. As noted in the Scoping Memo, Opening Testimony is due to be served on September 1, 2021.

Summer 2022-2023 Reliability: Proposal Guidance to Parties

Overview

This ruling provides guidance to parties on elements to include in any proposals they submit to either reduce demand or increase supply at net peak in summers 2022 and 2023 as part of their opening testimony in Rulemaking (R.)20-11-003.

Parties are asked to provide as much detail as possible in their proposals, such that the proposals could be adopted by the California Public Utilities Commission as is or with minor modification.

Proposals may include new programs and policies as well as modifications to existing programs and policies. Programs may be pilots, or intended for participation by large numbers of customers, as long as they will deliver needed demand reduction or increased supply at net peak.

Depending upon the program or policy being proposed, some of the elements below may not apply. Address all elements that apply, in the order provided in this document, for ease of review by parties and staff.

Parties may resubmit proposals they provided in the initial phase of this proceeding that were not subsequently adopted in either Decision (D.)21-02-028 or D.21-03-056. The revised proposals should be adapted to follow the guidance below.

California Environmental Justice Alliance and Pacific Gas and Electric Company need not resubmit their July 2021 proposals, but should indicate in opening testimony whether they still advocate the proposals and provide modifications, if any, that they now support.

Guidance to Parties for Proposals to Reduce Demand or Increase Supply

Overall Guidance for Any Program or Policy Proposal Submitted

1. **Identify any new program or modification to an existing program that could reduce demand or increase supply at net peak**
 - a. General Program Design

- i. Program trigger
- ii. Demonstration that program will deliver benefits during net peak
- iii. Program performance requirements
- iv. Compensation structure
- v. Program eligibility and enrollment
- vi. Measurement and verification, if needed
- b. Program Administration (including who would administer the program)
- c. Program marketing, outreach and education
- d. Program budget, including breakouts for administrative costs, marketing, evaluation, and breakouts for startup costs, incentive payments (if applicable), and ongoing program administration
- e. Implementation timeline (must demonstrate program can be designed and fully implemented such that it can deliver demand reduction or increase supply at net peak for June 2022, and if not on this timeline, why the proposed timeline still provides benefit in addressing the summer net peak reliability need)
- f. Program duration
- g. Estimated megawatt contribution/load impact (including whether load impact will reduce the demand at net peak hours, and whether and how much the load impact may reduce the impact of any existing programs)
- h. Potential interaction with other existing programs (i.e., dual participation issues)
- i. Prior similar program experience in California or elsewhere
- j. Program funding and cost recovery mechanisms
- k. Potential risks of proposal (e.g., delay, lack of participation, low megawatt contribution, etc.) with discussion of each potential risk

2. Identify any new policy or modification to an existing policy that could reduce demand or increase supply at net peak (for example a rule, regulation, incentive, penalty)

- a. Duration – temporary or permanent
- b. Justification or demonstration that policy will support the delivery of reliability benefits during net peak
- c. Estimate of policy's impact (megawatts)
- d. Implementation requirements, including whether other state agencies or CAISO must approve
- e. Potential risk of proposal
- f. Statutory and/or regulatory justification and history (especially if recommendation is to change an existing policy)

3. Procurement mechanisms/Resources not previously accepted in this proceeding

- a. Proposals for programs, procurement mechanisms, or resources not authorized in the previous decisions in this proceeding, with additional details that address any related concerns (proposals should also include any applicable details identified in section 1 above).

It is so ruled.

The Commission's Docket Office shall formally file this ruling.

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