



California Public  
Utilities Commission

# California Demand Flexibility and CalFUSE Proposal for Dynamic Retail Rates

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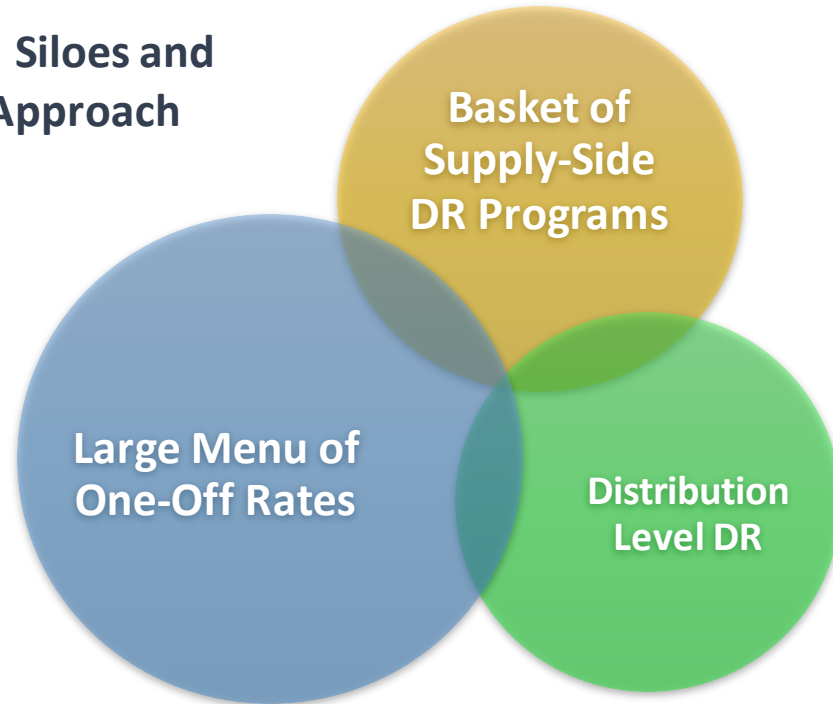


# Timelines for Dynamic Retail Rates in CA

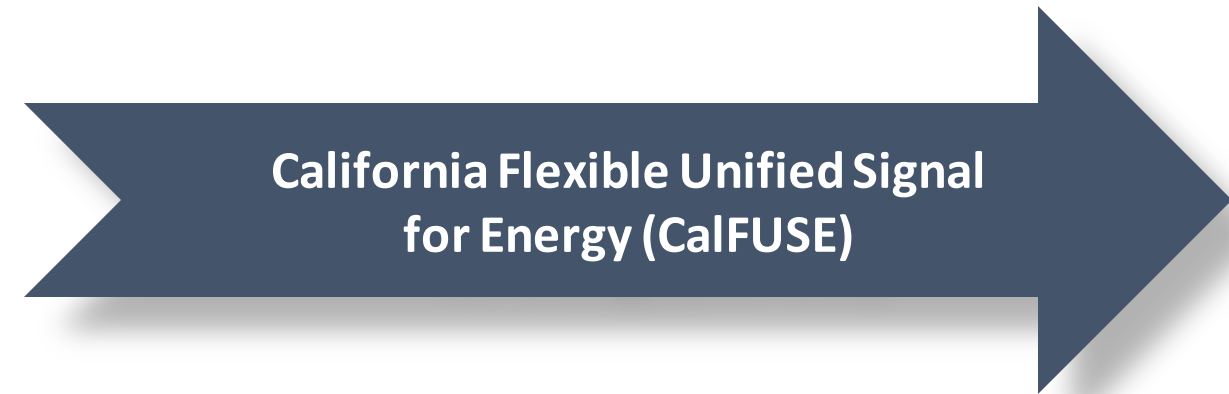
Date	Milestone
<b>Mid 2022</b>	CPUC Energy Division (ED) releases demand flexibility white paper with CalFUSE proposal
<b>Mid 2022</b>	CPUC-authorized CalFUSE pilots start (from 2022-2024)
<b>Mid 2022</b>	CPUC launches Demand Flexibility Rulemaking (R.22-07-005)
<b>Late 2022</b>	CEC adopts updated Load Management Standards (LMS)
<b>Q1 2024</b>	CPUC proposed decision (expected) regarding rate design guidance and systems/process for dynamic rates
<b>2030</b>	CEC's adopted CA load shift goal – 7,000 MW

# Why Dynamic Retail Rates over the Status Quo?

Status Quo: Siloes and Piecemeal Approach



Innovation: Integration, Automation, Pricing, and DER Compensation



- Complex, inefficient, expensive, confusing
- Difficult to scale, limited adoption
- High cost of controls and automation
- Experimental one-off tariff and program designs

- Reduced complexity, single point focus
- Highly scalable, widespread adoption
- Reduced cost of controls and automation
- Major technology growth and pricing optimization



# ED Staff Vision for Demand Flexibility



...leading to a reduction in peak loads, energy prices, and required infrastructure...



PEAK LOADS



Lower peak load means less infrastructure cost..

...and customers buy more electricity when it is cheaper



Wholesale Electricity Cost



- ➔ Widespread adoption of demand flexibility solutions
- ➔ Reduced peak loads, energy prices, infrastructure needs
- ➔ Reduced cost of service