

STATE OF CALIFORNIA

STATE ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION

IN THE MATTER OF:

***RULEMAKING TO ADOPT
REGULATIONS TO ESTABLISH
STANDARDS FOR FLEXIBLE DEMAND
TECHNOLOGIES FOR APPLIANCES***

Docket No. 20-FDAS-01

ORDER INSTITUTING RULEMAKING PROCEEDING

I. PURPOSE OF THE PROCEEDING

The California Energy Commission ("Commission") hereby institutes a rulemaking proceeding, the purpose of which is to adopt regulations to establish standards for flexible demand technologies for appliances (Title 20, Cal. Code Regs., §§ 1689, et seq.). This action is taken under the authority of the California Public Resources Code Sections 25210, 25213, 25218(e) and (f), 25402(f), and 25402.11 and Sections 1220 – 1225 of Title 20 of the California Code of Regulations.

Senate Bill 49 (SB 49, Skinner, Chapter 697, Statutes of 2019) authorizes the California Energy Commission (CEC or Commission) to adopt regulations establishing standards and labeling requirements for appliances that promote flexible demand technologies, which can schedule, shift, or curtail electric demand of appliances, in order to reduce the greenhouse gases emitted in electricity generation. Cal. Pub. Res. Code section 25402(f)(1). This is separate and distinct from the Commission's traditional authority to prescribe energy efficiency standards and labeling requirements "for minimum levels of operating efficiency" of appliances to reduce their energy consumption. Cal. Pub. Res. Code section 25402(c)(1)(A).

SB 49 directs the CEC to establish standards and labeling requirements "to facilitate the deployment of flexible demand technologies" for appliances. Cal. Pub. Res. Code section 25402(f)(1). These standards and labeling requirements encompass technical measures taken by energy customers, third parties, load-serving entities or a grid balancing authority (with customers' consent) "that will enable appliance operations to be scheduled, shifted, or curtailed to reduce emissions of greenhouse gases associated with energy generation." *Id.*; Cal. Pub. Res. Code section 25402(f)(7)(A).

The regulations the CEC adopts must be feasible, cost effective, and adopted in consideration of a list of priorities and factors the bill delineates (e.g. cost, benefits to consumers, alignment of energy demand and supply, rates, or other grid requirements). Cal. Pub. Res. Code section 25402(f)(3) and (5). Starting on January 1, 2021, the CEC must describe any actions it has taken pursuant to SB 49 in its Integrated Energy Policy Report (IEPR). Cal. Pub. Res. Code section 25402(f)(6).

II. SCOPE OF THE PROCEEDING

It is anticipated that this rulemaking will implement directives of SB 49 including by establishing standards for appliances that facilitate the deployment of flexible demand technologies and a framework for enforcement to achieve the objectives consistent with state GHG reduction policies and mandates.

III. DELEGATION OF AUTHORITY

Commissioner J. Andrew McAllister is Lead Commissioner for this proceeding. The CEC delegates the authority to staff, under the direction of the Lead Commissioner, to take all actions reasonably necessary to present proposed regulations to the CEC for final adoption, including, but not limited to, complying with requirements of the Administrative Procedure Act and the California Environmental Quality Act (CEQA). Adoption of any changes to the CEC regulations pursuant to this Order Instituting Rulemaking will be by vote of the full Commission at a noticed Business Meeting based on the record as a whole. The full Commission will also make any final approvals required by CEQA.

IV. PUBLIC PARTICIPATION

The CEC encourages public participation in this proceeding. Any person participating in a hearing or workshop shall be afforded reasonable opportunity to make comments. Petitions to intervene are not necessary.

Information will also be posted on the CEC webpage:

<https://www.energy.ca.gov/proceedings/energy-commission-proceedings/flexible-demand-appliances>.

Anyone who would like to participate in this proceeding, should please register with the CEC load management and appliances list server at:

<https://ww2.energy.ca.gov/listservers/index cms.html>.

All who are registered will receive automated email messages with information regarding hearings, workshops, and updated documents.

To foster public participation in these proceedings, the executive director, in conjunction with the public advisor, shall ensure that information regarding this order and notices of hearings and workshops are distributed to all interested persons via the appliances list server and posted on the CEC website. The executive director shall also ensure sufficient advance public notice prior to consideration or adoption of final regulations by the CEC.

For additional information, please contact the CEC public advisor at (800) 822-6228, or via email at publicadvisor@energy.ca.gov.

IT IS SO ORDERED.

CERTIFICATION

The undersigned Secretariat to the Commission does hereby certify that the foregoing is a full, true, and correct copy of an Order duly and regularly adopted at a meeting of the CEC held on October 14, 2020.

AYE:

NAY:

ABSENT:

ABSTAIN:

Cody Goldthrite
Secretariat