



**California Energy Commission
May 13, 2026 Business Meeting
Backup Materials for LOAD MANAGEMENT STANDARDS COMPLIANCE PLANS**

The following backup materials for the above-referenced agenda item are available as described below:

1. Proposed Orders, attached below.
2. CEQA Recommendation Memo attached below
3. Compliance plans and attachments.
 - [Orange County Power Authority:](https://efiling.energy.ca.gov/GetDocument.aspx?tn=269191&DocumentContentId=106263)
https://efiling.energy.ca.gov/GetDocument.aspx?tn=269191&DocumentContentId=106263
 - [Clean Energy Alliance:](https://efiling.energy.ca.gov/GetDocument.aspx?tn=269924&DocumentContentId=107077)
https://efiling.energy.ca.gov/GetDocument.aspx?tn=269924&DocumentContentId=107077

For the complete record, please visit: [23-LMS-01](#).

To stay informed about this project and receive documents as they are filed, please subscribe to the Flexible Demand Appliances and Load Management and Demand Response subscription list, which can be accessed here:

<https://public.govdelivery.com/accounts/CNRA/signup/31895>

The subscription service sends out email notifications and direct links when documents are filed in the proceeding docket.

CALIFORNIA ENERGY COMMISSION

In the Matter of Approval of Load Management Standards Compliance Plans for OCPA and CEA

PROPOSED ORDER Approval of Load Management Standards Compliance Plans for OCPA and CEA

ORDER NO: 26-0513-03a

I. BACKGROUND

The Load Management Standards (“LMS”) regulations (Title 20 California Code of Regulations “CCR” section 1621, et seq.) define Orange County Power Authority (OCPA) and Clean Energy Alliance (“CEA”) as a “Large Community Choice Aggregators” (“Large CCAs”), and require them to submit plans for complying with the LMS regulations (“plans” or “compliance plans”) to the California Energy Commission (“CEC” or “Commission”) for its review and approval (20 CCR section 1621(c)(8); 20 CCR section 1621(c)(10); 20 CCR section 1623.1(a)(3)).

As Large CCAs, OCPA’s and CEA’s compliance plans must show how they will comply with 20 CCR section 1623.1 of the LMS regulations. Among other things, this requires that OCPA’s and CEA’s plans show how they will develop marginal cost-based electricity rates or programs, apply to their rate approving bodies for approval, and offer at least one such rate or program to its electricity customers. (20 CCR sections 1623.1(b)(2) and (4).)

In particular, the LMS regulations require that OCPA’s and CEA’s compliance plans show how they, with the approval of their rate-approving bodies, will:

1. Upload and maintain its time-dependent electricity rates in the CEC’s Market Informed Demand Automation Server (“MIDAS”) database and assign Rate Identification Numbers (“RINs”) to customers so they can access their electricity rates in real time and manage their energy use to optimize electricity savings and align it with supply and the availability of renewable energy. (20 CCR section 1623.1(c)).
2. Provide customers with access to marginal cost-based electricity rates that vary at least hourly for each customer class for which the rate-approving body determines such a program will materially reduce peak load. (20 CCR section 1623.1(b)(1) and (b)(4)). Where such rates have not yet been approved by a Large CCA’s rate-approving body, the Large CCA must provide programs identified as cost-effective according to 20 CCR section 1623.1(b)(3) that allow customers to respond to MIDAS signals indicating marginal cost-based rates, marginal prices, hourly or sub-hourly marginal greenhouse gas emissions, or other Commission-approved marginal signals (20 CCR sections 1623.1(b)(3) and (4)). To fulfill these requirements, Large CCAs may apply for approval of marginal cost-based rates that are offered by the Large Investor-Owned Utilities (“Large IOUs”, 20 CCR section 1621(c)(8)) in whose service areas the Large CCA exist (20 CCR section 1623.1(b)(2).) By July 1, 2027,

Large CCAs must offer each of their customers voluntary participation in either a marginal cost-based rate developed according to 20 CCR section 1623.1(b)(2) and approved by its rate-approving body, or a cost-effective program identified according to 20 CCR section 1623.1(b)(3). (20 CCR section 1623.1(b)(4).)

3. Conduct public information programs to inform customers of the benefits of marginal cost-based rates and automation, which may include saving money, aligning electricity usage with available green energy resources, and reducing use during periods of grid stress (20 CCR section 1623.1(b)(5)).

The LMS regulations also require OCPA, CEA and the other regulated load serving entities (LSEs) to jointly build a RIN access tool so that customers and third parties may look up customers' RINs and, with customer consent, program their electrical devices to connect with the rates uploaded to MIDAS (20 CCR section 1623(c)). Large CCAs are not required to document these efforts in their compliance plans, however.

OCPA submitted its compliance plan to the CEC on May 17, 2024, and revised it on March 13, 2026. CEA submitted its compliance plan on April 4, 2025, and revised it on April 30, 2026 and again on May 11, 2026.

20 CCR section 1623.1(a)(3) establishes a process under which the Executive Director of the CEC ("Executive Director") "shall review the plans and either return them to the Large CCA for revision or submit them to the Commission for review and potential approval." The Executive Director "shall make an initial determination whether the plan... is consistent with the requirements of [s]ections 1623.1(a)(1) and (2)."

The Commission approves Large CCA compliance plans that are consistent with sections 1623.1(a)(1) and (2) "and which show a good faith effort to plan to meet the goals listed in sections 1623.1(a)(1) and (2)." "The Commission may place conditions on its approval of [compliance] plans that are necessary to guarantee that the plan... will comply with [sections] 1623.1(a)(1) and (2)." (20 CCR section 1623.1(a)(3)).

The Executive Director conducted an initial review of the compliance plans submitted under the LMS regulations. The CEC staff reached out to the LSEs, including OCPA and CEA, collaborated with them, and provided them with technical assistance necessary to bring their plans into compliance with the regulations' requirements. In addition, on June 19, 2025, the CEC staff docketed a formal compliance plan revision request to OCPA. The CEC staff also published documents providing technical compliance assistance. They are available at: <https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=23-LMS-01>.

OCPA submitted a revised compliance plan to the CEC docket on March 13, 2026 ("revised plan") in response to CEC staff's comments. A key feature of OCPA's revised plan is its commitment and a concrete timeline to provide its commercial customers marginal cost-based electricity rates. OCPA is taking on a ground breaking effort to design this dynamic rate in house.

CEA submitted a revised plan on April 30, 2026 and a final revised plan on May 11, 2026. CEA plans to participate in and offer SDG&E's Real-Time Pricing Pilot rates to eligible CEA customers once the pilot is implemented. These pilots utilize marginal cost-based electricity rates. As SDG&E finalizes its pilot design and implementation plan, CEA will incorporate the necessary details to ensure customer understanding, operational readiness, and alignment with LMS requirement.

The Executive Director reviewed the revised compliance plans OCPA and CEA submitted, makes the initial determination that they are consistent with the requirements of 20 CCR sections 1623.1(a)(1) and (2), and submits them to the Commission for review and potential approval pursuant to 20 CCR section 1623.1(a)(3).

As required by 20 CCR section 1623(c), OCPA and CEA are working along with the other load serving entities subject to the LMS regulations in an open, public process to develop the single statewide standard tool (RIN tool) which will allow authorized third parties access to customer electricity rate information. 20 CCR section 1623(c)(2)(A) requires the RIN tool to be submitted by October 1, 2024, but 20 CCR section 1623(c)(2)(B) authorizes the Executive Director to extend this deadline for good cause. The Executive Director finds that good cause exists for extending this deadline to May 8, 2029, as discussed below.

A workshop on the RIN tool was held on January 17, 2024. A draft plan for the RIN tool was submitted on October 1, 2024, and on November 15, 2024, the CEC staff published a notice requesting public comment on it. Comments were received from members of the public and most of the LSEs subject to the LMS regulations. Developing the RIN tool is a complex matter. It involves highly technical issues, implicates sensitive customer information, and is of interest to many stakeholders and members of the public. Based on the comments received, staff's most current analysis of them and the draft RIN tool plan itself, additional time, public input, and analysis are required before the RIN tool can be finalized. The CEC is continuing to examine options to help consumers and may pursue an update for the regulations to assist with this goal. Accordingly, pursuant to 20 CCR section 1621(c)(2)(B), the Executive Director finds that good cause exists to extend the deadline for submitting the final RIN tool to May 8, 2029.

Although their compliance plans indicate that OCPA and CEA are participating in developing the RIN tool as required by 20 CCR section 1623(c), 20 CCR section 1623.1 does not specifically require that Large CCAs document these efforts in their compliance plans.

II. THE EXECUTIVE DIRECTOR'S INITIAL DETERMINATION, FINDING OF GOOD CAUSE AND RECOMMENDATION

20 California Code of Regulations section 1623.1(a)(1) provides that each Large CCA "shall submit a plan to comply with Section 1623.1." 20 CCR section 1623.1(a)(3) then requires the CEC Executive Director to "review the plans and either return them to the Large CCA for revision or submit them to the Commission for review and potential approval." The Executive Director "shall make an initial

determination whether the plan... is consistent with the requirements of [s]ections 1623.1(a)(1) and (2).” 20 CCR section 1623.1(a)(3) requires the Commission to approve Large CCA compliance plans that are consistent with sections 1623.1(a)(1) and (2) “and which show a good faith effort to plan to meet the goals listed in sections 1623.1(a)(1) and (2).” Section 1623.1(a)(3) also provides that the Commission may impose conditions on its approval of the plans.

The Executive Director has reviewed the revised compliance plans submitted by OCPA and CEA and makes the initial determination that the plans are consistent with the requirements of the LMS regulations. The Executive Director also finds that good cause exists to extend the deadline for submitting the final RIN tool to May 8, 2029. However, since, as discussed above, the law does not specifically require Large CCAs to document their efforts to develop the RIN tool in their compliance plans (although most do), there is no basis for including the RIN tool’s completion as a condition of approving OCPA’s and CEA’s compliance plans. The Executive Director recommends that the Energy Commission approve the revised LMS compliances plan submitted by OCPA and CEA without the condition.

III. ENERGY COMMISSION FINDINGS

The CEC makes the following findings:

- 1) 20 CCR section 1621(c)(10) defines OCPA and CEA as a “Large CCAs” for purposes of the LMS regulations (20 CCR section 1621, et seq.).
- 2) 20 CCR section 1623.1(a)(3) requires Large CCAs to submit plans for complying with the Load Management Standards regulations to the CEC. OCPA submitted its original plan on May 17, 2024, and revised it on March 13, 2026. CEA submitted its compliance plan on April 4, 2025. CEA submitted a revised plan on April 30, 2026 and a final revised plan on May 11, 2026.
- 3) 20 CCR section 1623.1(a)(3) establishes a process under which the Executive Director of the CEC “shall review the plans and either return them to the ... Large CCA for revision or submit them to the Commission for review and potential approval.” The Executive Director reviewed the original plans OCPA and CEA submitted. OCPA submitted a revised plan on March 13, 2026. CEA submitted a revised plan on April 30, 2026 and a final revised plan on May 11, 2026. The Executive Director made the initial determination that OCPA’s and CEA’s revised plans comply with the requirements of the Load Management Standards regulation and submitted OCPA’s and CEA’s revised plans to the Commission for its review and approval. The Executive Director also found good cause exists to extend the deadline for OCPA and CEA to submit the final RIN tool to May 8, 2029.
- 4) 20 CCR section 1623.1(a)(3) requires the Commission to approve Large CCA compliance plans that are consistent with sections 1623.1(a)(1) and (2) “and which show a good faith effort to plan to meet the goals listed in sections 1623.1(a)(1) and (2).” The Commission finds that OCPA’s and CEA’s revised compliance plans are consistent with 20 CCR sections 1623.1(a)(1) and (2) and show good faith efforts to plan to meet the goals of the LMS program.

- 5) The CEC has considered the application of CEQA to its approval of OCPA's and CEA's revised compliance plans and concluded that its approval is not a "project" under CEQA, but that in the event that approval were determined to be a project, that it would nonetheless be exempt from CEQA under Class 7 (Cal. Code Regs., tit. 14, § 15307) and Class 8 (Cal. Code Regs., tit. 14, § 15308) because it constitutes a regulatory action that would protect natural resources and the environment, and the commonsense exemption (Cal. Code Regs., tit. 14, § 15061 subd. (b)(3)) because there is no reasonable possibility that its approval would have a significant effect on the environment, even due to unusual circumstances.

IV. CONCLUSION AND ORDER

The California Energy Commission hereby approves the revised Load Management Standards compliance plan submitted by OCPA and the final revised plan submitted by CEA. The Commission also extends the deadline for OCPA and CEA for submitting the final RIN tool plan to May 8, 2029.

V. IT IS SO ORDERED.

APPROVED AND ADOPTED this 13 day of May 2026, by the following vote:

AYE:

NAY:

ABSENT:

ABSTAIN:

CERTIFICATION

The undersigned Secretariat to the CEC does hereby certify that the foregoing is a full, true, and correct copy of an order duly and regularly approved and adopted by the affirmative vote of the CEC at a meeting held on May 13, 2026.

Kim Todd
Secretariat

Memorandum

To: Docket 23-LMS-01

Date: **May 12, 2026**

From: Michael Sokol, Deputy Director
Energy Efficiency Division
California Energy Commission

Subject: Basis for Finding the Load Management Standards Compliance Plans Exempt under the California Environmental Quality Act

I. CEQA

The California Environmental Quality Act (CEQA) (Public Resources Code (PRC) section 21000 *et seq.*; *see also* CEQA Guidelines, California Code of Regulations (CCR), Title 14, section 15000 *et seq.*) requires state agencies consider the environmental impact of their discretionary decisions and determine whether or not CEQA applies. Additionally, CEQA allows for certain projects to be exempted from its requirements. Of relevance here, and discussed further below, is a discussion of CEQA applicability as well as the Class 7 and 8 exemptions (CCR, Title 14, section 15307 and 15308) and the commonsense exemption (CCR, Title 14, section 15061(b)(3)).

II. The CEC's Load Management Standards Program

The Warren-Alquist Act established the California Energy Commission (CEC) as California's primary energy policy and planning agency. Most, if not all, actions taken by the CEC are taken to protect the environment and natural resources, either in the near term with, for example, specific regulatory actions or the long term with, for example, long-term planning and investments in research. The Legislature over the years has made specific findings concluding CEC's work in regulating the energy sector is imperative for environmental protection. Notably, the Legislature has found the following: "it is the responsibility of state government to ensure that a reliable supply of electrical energy is maintained at a level consistent with the need for such energy for protection of public health and safety, for promotion of general welfare, and for environmental quality protection" (PRC, section 25001); "the present rapid rate of growth in demand for electric energy is in part due to wasteful, uneconomic, inefficient, and unnecessary uses of power and a continuation of this trend will result in serious depletion or irreversible commitment of energy, land and water resources, and potential threats to the state's environmental quality (PRC, section 25002); and "[i]t is further the policy of the state and the intent of the Legislature to employ a range of measures to reduce wasteful, uneconomical, and unnecessary uses of energy, thereby reducing the rate of growth of energy consumption, prudently conserve energy resources, and assure statewide environmental, public safety, and land use goals." (PRC, section 25007).

With regard to this specific project, Load Management Standards, section 25403.5 of the PRC authorizes and mandates the CEC to “adopt standards by regulation for a program of electrical load management for each utility service area” to, among other things, “encourage the use of electrical energy at off-peak hours or to encourage control of daily electrical load.” These standards are distinct from standards adopted pursuant to the CEC’s authority in section 25402 to set energy efficiency and flexible demand standards for buildings and appliances.

In 2022, the CEC promulgated amendments to the regulations for the Load Management Standards Program. The main objective of the Load Management Standards regulations is to develop options to address the challenges of GHG reductions and grid resiliency (CCR, Title 20, sections 1621-1625). One of the main components of the Load Management Standards regulations requires Load Serving Entities like the Investor-Owned Utilities (Large IOUs), large Publicly Owned Utilities (POUs), and Community Choice Aggregators (Large CCAs) to submit plans to comply with the Load Management Standards to the CEC for review and approval. (CCR, Title 20, sections 1621, 1623, and 1623.1).

Actions taken under the Load Management Standards program are designed to benefit the environment and natural resources by reducing energy demand in the state, thereby reducing the need to procure and generate electricity.

III. The Proposed Action

The goal of this action is to approve the plans that Large CCAs have created to comply with the Load Management Standards and to extend a deadline for them and other load serving entities subject to the Standards to comply with one aspect of the Standards (collectively referred to as “approve the compliance plans”). These plans describe how each Large CCA “will meet the goals of encouraging the use of electrical energy at off-peak hours, encouraging the control of daily and seasonal peak loads to improve electric system efficiency and reliability, lessening or delaying the need for new electrical capacity, and reducing fossil fuel consumption and greenhouse gas emissions.” (CCR, Title 20, section 1623.1(a)(1)).

The compliance plans must show how the Large CCAs, with the approval of the appropriate rate-approving body, will:

1. Upload and maintain their time-dependent electricity rates in the CEC’s Market Informed Demand Automation Server (“MIDAS”) database and assign Rate Identification Numbers (“RINs”) to customers so they can access their electricity rates in real time and manage their energy use to optimize electricity savings and align it with supply and the availability of renewable energy. (CCR, Title 20, section 1623.1(c)).
2. Provide customers with access to marginal cost-based electricity rates that vary at least hourly for each customer class for which the rate-approving body determines such a program will materially reduce peak load. (CCR, Title 20, section and 1623.1(b)(1)). Where such rates have not yet been approved by a Large CCA’s rate-approving body, then it must provide programs identified as cost-effective according to 20 CCR section 1623.1(b)(3) that allow customers to respond to MIDAS signals indicating marginal cost-based rates, marginal prices, hourly or sub-hourly marginal greenhouse gas emissions or other Commission-approved marginal signals. (CCR, Title 20, sections 1623.1(b)(3) and (4)). To fulfill these requirements, Large CCAs may apply for approval of marginal cost-based rates that are offered by the Large IOUs (CCR, Title 20, section 1621(c)(8)) in whose service areas the Large CCAs exist in. (CCR, Title 20, section 1623.1(b)(2).)

3. Conduct public information programs to inform customers of the benefits of marginal cost-based rates and automation, which may include saving money, aligning electricity usage with available green energy resources, and reducing use during periods of grid stress. (CCR, Title 20, section 1623.1(b)(5)).

These activities are consistent with the requirements of the Load Management Standards regulations and effectuate the purpose behind the Load Management Standards program.

The CEC's approval of the compliance plans would not cause a direct or reasonably foreseeable indirect physical change in the environment.

IV. Applicability of CEQA

For purposes of complying with the California Environmental Quality Act ("CEQA," Pub. Resources Code, § 21000 *et seq.*), staff recommends the CEC find that the approval of the compliance plans is not a project under CEQA. California Code of Regulations, title 14, section 15060 states, in part, that a lead agency must first determine whether an activity is subject to CEQA and that an activity is not subject to CEQA if the activity is not a project as defined in section 15378. CEQA Guidelines section 15378 states that an activity is a project if it has the potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment.

In the case of the CEC approving the compliance plans, this action does not result in any direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment but, rather, approves plans submitted by other entities to comply with regulatory requirements. Therefore, CEQA is not applicable to the CEC's approval of the compliance plans.

Additionally, as discussed below, CEQA exemptions apply should approval of the compliance plans be considered a project pursuant to CEQA.

V. Class 7 and 8 Exemptions

CCR, Title 14, sections 15307 and 15308, exempt actions taken by a regulatory agency to "assure the maintenance, restoration, or enhancement of a natural resource" and actions taken to "assure the maintenance, restoration, enhancement, or protection of the environment where the regulatory process involves procedures for protection of the environment." Approval of the proposed compliance plans will have no significant effect on the environment and falls squarely within the categorical exemptions of sections 15307 and 15308. The approval of the compliance plans is being undertaken in furtherance of the CEC's Load Management Standards program to ensure the Large CCAs are complying with the Load Management Standards regulations. This action is taken to assure the maintenance, restoration, or enhancement of one or more natural resources and to assure the maintenance, restoration, enhancement, or protection of the environment. Further, none of the exceptions to exemptions listed in CEQA Guidelines section 15300.2 apply to this project. Additionally, no unusual circumstances have been identified that could lead to the reasonable possibility that the activity will have a significant effect on the environment. For these reasons, this project is exempt from CEQA.

VI. Common Sense Exemption

The approval of the compliance plans is also exempt from CEQA under the commonsense exemption. CEQA only applies to projects that have the potential for causing a significant effect on the environment. (CCR, Title 14, section 15061(b)(3).) A significant effect on the environment is defined as “a substantial, or a potentially substantial, adverse change in the environment,” and does not include an economic change by itself. (PRC, section 21068; CCR, Title 14, section 15382.) The approval of the compliance plans will result in the Large CCAs complying with the Load Management Standards regulations promulgated by the CEC and effectuate the purpose behind the regulations. No significant adverse impacts to the environment have been identified as resulting from this action. For these reasons, adoption of the amendments to the CEC’s regulations is not subject to CEQA under the commonsense exemption of section 15061(b)(3).

VII. Conclusion

As discussed above, approval of the compliance plans for the Large CCAs is not a project for purposes of CEQA, and therefore, CEQA is not applicable to this action.

In the alternative, approval of the compliance plans for the Large CCAs is a regulatory action that would protect natural resources and the environment and is, therefore, categorically exempt from further CEQA review under sections 15307 and 15308 of the CEQA Guidelines. Additionally, it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment and, therefore, this project is exempt pursuant to the commonsense exemption under section 15061(b)(3) of the CEQA Guidelines.