**BEFORE THE PUBLIC UTILITIES COMMISSION**
**OF THE STATE OF CALIFORNIA**

| | |
|---|---|
| Order Instituting Rulemaking to Advance Demand Flexibility Through Electric Rates | Rulemaking 22-07-005 (Filed September 27, 2022) |

**CLEAN COALITION REPLY COMMENTS ON PROPOSED DECISION ADOPTING GUIDELINES FOR PACIFIC GAS AND ELECTRIC COMPANY, SOUTHERN CALIFORNIA EDISON COMPANY, AND SAN DIEGO GAS & ELECTRIC COMPANY ON DEMAND FLEXIBILITY RATE DESIGN PROPOSALS**

/s/ BEN SCHWARTZ
Ben Schwartz
Policy Manager
Clean Coalition
1800 Garden Street
Santa Barbara, CA 93101
Phone: 626-232-7573
ben@clean-coalition.org

August 19, 2025

**BEFORE THE PUBLIC UTILITIES COMMISSION**
**OF THE STATE OF CALIFORNIA**

| | |
|---|---|
| Order Instituting Rulemaking to Advance Demand Flexibility Through Electric Rates | Rulemaking 22-07-005 (Filed September 27, 2022) |

# CLEAN COALITION REPLY COMMENTS ON PROPOSED DECISION ADOPTING GUIDELINES FOR PACIFIC GAS AND ELECTRIC COMPANY, SOUTHERN CALIFORNIA EDISON COMPANY, AND SAN DIEGO GAS & ELECTRIC COMPANY ON DEMAND FLEXIBILITY RATE DESIGN PROPOSALS

## I. INTRODUCTION

Pursuant to Rule 14.3 of the Rules of Practice and Procedure of the California Public Utilities Commission ("Commission") the Clean Coalition respectfully submits these reply comments in response to the *Proposed Decision* ("PD") *Adopting Guidelines for Pacific Gas and Electric Company* ("PG&E")*, Southern California Edison Company* ("SCE")*, and San Diego Gas and Electric Company* ("SDG&E") *on Demand Flexibility Rate Desing Proposals*, issued at the Commission on July 25, 2025. Our recommendations include:

- The Commission should require proposed Demand Flexibility ("DF") rates to include export compensation.
- Clean Coalition supports ensuring Community Choice Aggregators ("CCAs") have the granular and quality data needed to administer DF rates.
- The PD correctly adopts locational MDCC.
- The term "Distribution Load Aggregation Point" should be clarified.

## II. DESCRIPTION OF PARTY

The Clean Coalition is a nonprofit organization whose mission is to accelerate the transition to renewable energy and a modern grid through technical, policy, and project development expertise. The Clean Coalition drives policy innovation to remove barriers to procurement and interconnection of distributed energy resources ("DER") — such as local renewables, demand response, and energy storage — and we establish market mechanisms that realize the full potential of integrating these solutions for optimized economic, environmental, and resilience benefits. The Clean Coalition also collaborates with utilities, municipalities, property owners, and other stakeholders to create near-term deployment opportunities that prove the unparalleled benefits of local renewables and other DER.

## III. COMMENTS

### A. The Commission should require proposed Demand Flexibility ("DF") rate proposals to include export compensation

DF rates add value by sending a more dynamic signal to customers, using higher and lower prices to reward energy use that aligns with grid signals. Unlocking flexibility represents a step toward a truly dynamic rate that is technology neutral and allows value stacking to maximize the value of each kWh. Demand flexibility includes but has far more potential than typical demand response programs due to a far broader range of use cases. Reducing present usage, staying below daily usage, and exporting to the grid all offer ways to support reliability. The Clean Coalition supports comments in favor of adopting a PD that includes a requirement for an export compensation component.

### B. Clean Coalition supports ensuring CCAs have the granular and quality data needed to administer DF rates

The proceeding is unfinished until CCAs have a clear framework to receive high quality data and a recourse if data sharing does not occur on schedule. CalCCA writes, "fails to resolve scoped systems and processes issues, including CCA data access, and cost responsibility surrounding those systems and processes. This failure to resolve scoped issues prejudices CCAs by failing to provide what is necessary to allow unbundled customers to benefit from DF."[1] Clean Coalition concurs and believes that the PD should not close the proceeding. An additional schedule is needed to resolve scoped data access issues.

### C. The PD correctly adopts locational MDCC

[1] CalCCA Comments on PD, at p. 1.

Grid costs vary based on time of usage and location for both the transmission and distribution system. We agree with opening comments that the PD rightly adopts a locational MDCC component

**D.** The term "Distribution Load Aggregation Point" should be clarified.

Starting on page 17 of the PD, the phrase Distribution Load Aggregation Point ("DLAP") is used in reference to the Marginal Energy Cost. The PD defines this terms as, "The price for wholesale electricity purchased by utilities to serve their customers."[2] The DLAP in the PD is similar to the California Independent System Operator's Default Load Aggregation Point.[3] If the PD is using the correct term, we advocate that a change be made to avoid future confusion.

## IV. CONCLUSION

The Clean Coalition respectfully submits these reply comments on the PD. We urge a requirement for an export compensation mechanism, the continuance of the proceeding to deal with data access issues, and the clarity of the term DLAP.

/s/ BEN SCHWARTZ
Ben Schwartz
Policy Manager
Clean Coalition
1800 Garden Street
Santa Barbara, CA 93101
Phone: 626-232-7573
ben@clean-coalition.org

Dated: August 19, 2025

[2] PD, at p. 17, 18, 19, 21, & 26.
[3] CAISO Business Requirements for BTM Production, at p. 7.