VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 10

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To: Valley Clean Energy Board of Directors

From: Mitch Sears, Executive Officer
                 Rebecca Boyles, Director of Customer Care and Marketing
                 Sierra Huffman, Program and Community Engagement Analyst

Subject: MIDAS Upload Extension Request

Date: April 6, 2023

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RECOMMENDATION
Authorize Valley Clean Energy to request extension to comply with the California Energy Commission's Market Informed Demand Automation Server (MIDAS) rates upload.

BACKGROUND & ANALYSIS
In 2020, California Energy Commission (CEC) worked with the California Public Utilities Commission (CPUC), the California Independent System Operator (CAISO), investor-owned utilities, publicly owned utilities, community choice aggregators, and other stakeholders to identify the steps needed to increase statewide adoption of demand flexibility based rate options. The goal for demand flexibility is reducing peak load, as well as shifting load into periods of high renewable generation. This is a similar design VCE is piloting in its AgFIT program.

In August 2021, the CEC published the pilot Market Informed Demand Automation Server (MIDAS), a statewide database of time-dependent electricity rates, CAISO Flex Alerts, and marginal greenhouse gas emissions data. MIDAS was designed to be the principal tool supporting the CEC's load management standards or goal of increased demand flexibility. MIDAS, with the help of automation technology, will provide signals to shift or reduce load to electrical end uses in real-time. The CEC has required that the state's largest utilities and all large community choice aggregators (which includes VCE) populate the MIDAS database with time-dependent rates by July 1, 2023.

VCE, mirroring PG&E's preliminary analysis, has 36 time-dependent rates, including residential, non-residential, and agricultural. Factoring in rate modifiers which adjust the price of energy, the number of time-dependent rates jumps to between 1620 to 16200. If each rate is required to be uploaded on a daily basis on a 24-hour interval, VCE will need to upload somewhere between 38,880 to 380,000 price intervals into MIDAS every day going forward. To meet the minimum requirements, load serving entities like VCE would have to have advanced

programming skills and in-house software to effectively populate and maintain rate information stored within the database. While supportive of the concept of dynamic rates and providing information to make them readily available, many questions about the current MIDAS approach remain regarding implementation feasibility and financial impacts to customers.

The MIDAS system is currently accessible and querying access is available to all users but it has not been populated with dynamic rate information.

Extension Request
Due to the unknowns described above, all three investor-owned utilities and all large community choice aggregators have agreed to file a joint extension request for the MIDAS rate upload. All parties agree that uploading existing time-dependent rates to the MIDAS database by July 1, 2023, as required by the regulation, would cause significant hardship and is neither technologically feasible nor cost-effective. Requirements for the MIDAS upload are still being developed by regulators and continue to change, factors are becoming more complex, demanding significant time and resources. VCE, as well as all parties involved need the requirements to be in a stable place with documentation before we can begin building systems and processes needed for uploading rates at the scale envisioned. The joint parties are asking to extend the deadline of July 1, 2023, to 12 months after finalization of a consensus-developed set of requirements.

RECOMMENDATION
Staff is recommending that the Board authorize Valley Clean Energy to request extension to comply with the California Energy Commission's Market Informed Demand Automation Server (MIDAS) rates upload. This may include participating in a joint request for an extension even as VCE continues to explore the application of flexible dynamic pricing through its AgFIT pilot program.