



**California Energy Commission  
May 31, 2023 Business Meeting  
Backup Materials for Agenda Item No 8:  
SB 846 Load Shift Goal**

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

1. Proposed Resolution, attached below.
2. Staff Report, available at <https://efiling.energy.ca.gov/GetDocument.aspx?tn=250357&DocumentContentId=85095>
3. CEQA Exemption Memo, attached below.

For the complete record, please visit: Docket Number 21-ESR-01  
<https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=21-ESR-01>.

To stay informed about this project and receive documents as they are filed, please subscribe to the proceeding Topic, which can be accessed here:  
<https://www.energy.ca.gov/subscriptions>.

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STATE OF CALIFORNIA  
STATE ENERGY RESOURCES  
CONSERVATION AND DEVELOPMENT COMMISSION

RESOLUTION: [PROPOSED] ADOPTION OF SB 846 LOAD SHIFT GOAL

**WHEREAS**, Senate Bill 846 (SB 846, Dodd, Chapter 239, Statutes of 2022) directed the California Energy Commission (CEC), in consultation with the California Public Utilities Commission (CPUC) and the California Independent System Operator (CAISO), to adopt a goal for load shifting to reduce net peak electrical demand; and

**WHEREAS**, SB 846 directed the CEC to adjust this target in each biennial integrated energy policy report; and

**WHEREAS**, SB 846 directed the CEC to consider the findings of the 2020 Lawrence Berkeley National Laboratory report on the Shift Resource through 2030 and other relevant research and the CEC did consider these findings and other relevant research; and

**WHEREAS**, SB 846 directed the CEC, in consultation with the CPUC and CAISO to recommend policies to increase demand response and load shifting that do not increase greenhouse gas emissions or increase electric rates, and the CEC did so consult with the CPUC and CAISO during weekly meetings; and

**WHEREAS**, the CEC hosted a workshop on April 19, 2023, to provide an overview of the proposed load shift goal and to solicit input from interested parties; and

**WHEREAS**, the CEC published the SB 846 Load Shift Goal Report on May 26, 2023, for public review and comment.

**THEREFORE, BE IT RESOLVED**, CEC hereby adopts the Load Shift Goal as it is presented in the *SB 846 Load Shift Goal Report*, incorporating any changes presented and adopted at the May 31, 2023, business meeting, along with any non-substantive changes such as typographical corrections, and directs CEC staff to make the document accessible to state, local, and federal entities, the public, and the Legislature.

**CERTIFICATION**

The undersigned Secretariat to the CEC does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the CEC held on May 31, 2023.

AYE:

NAY:

ABSENT:

ABSTAIN:

Dated:

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Liza Lopez  
Secretariat

# Memorandum

To: Docket 21-ESR-01

Date: May 15, 2023

From: **Lisa DeCarlo**  
**Chief Counsel's Office**  
California Energy Commission

Subject: Basis for Finding the Senate Bill 846 - Load Shift Goal Report is Exempt under the California Environmental Quality Act

## I. CEQA

The California Environmental Quality Act (CEQA) (Pub. Resources Code, §21000 et seq.; see also CEQA Guidelines, Cal. Code Regs., tit. 14, §15000 et seq.) requires that state agencies consider the environmental impact of their discretionary decisions. CEQA allows for certain projects to be exempted from its requirements. Of relevance here, is the common sense exemption (Cal. Code Regs., tit. 14, §15061(b)(3)).

## II. Senate Bill 846 and the Load Shift Goal Report

The Warren-Alquist Act establishes the California Energy Commission (CEC) as California's primary energy policy and planning agency. Senate Bill (SB) 846, among other things, adopted Public Resources Code section 25233.2(d), which provides that:

By June 1, 2023, the commission, in consultation with the Public Utilities Commission and the Independent System Operator, shall adopt a goal for load shifting to reduce net peak electrical demand and shall adjust this target in each biennial integrated energy policy report prepared pursuant to Section 25302 thereafter. In developing this target, the commission shall consider the findings of the 202 Lawrence Berkeley National Laboratory report on the Shift Resource through 2030 and other relevant research. The commission, in consultation with the Public Utilities Commission and the Independent System Operator, shall recommend policies to increase demand response and load shifting that do not increase greenhouse gas emissions or increase electric rates.

The staff report proposing the first load shift goal in compliance with this requirement was published in May 2023. On May 31, 2023, the CEC considered the report and the load shift goal for adoption.

## III. The Proposed Action

In the Load Shift Goal Report, staff proposes a load flexibility goal range for 2030 of between 5,400 and 7,000 megawatts. Many pathways exist for achieving these load shift goals, with core load flexibility resource categories including time of use rates, dynamic pricing, load-modifying programs, and economic supply-side demand response. The report includes policy recommendations for achieving the goals, but no one specific action will necessarily result from adoption of the goal or report.

#### **IV. Common Sense Exemption**

The development and adoption of the Load Shift Goal and Load Shift Goal Report is exempt from CEQA under the common sense exemption. CEQA only applies to discretionary projects that have the potential for causing a significant effect on the environment. (Cal. Code Regs., tit. 14, §15002(i) and §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. (Pub. Resources Code, §21068; Cal. Code Regs., tit. 14, §15382.) The Load Shift Goal and policy recommendations contained in the report do not result in any physical change to the environment – only policy recommendations for further consideration and potential implementation after subsequent agency or other entity action. For this reason, this action would not be subject to CEQA under the common sense exemption of section 15061(b)(3).

#### **V. Conclusion**

As shown above, the Load Shift Goal and Load Shift Goal Report are policy recommendations and 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 common sense exemption under section 15061(b)(3) of the CEQA Guidelines.