



CPUC Public Agenda 3335
Thursday, May 1, 2014, 9:30 a.m.
Metropolitan Water District – The Board Room
700 N. Alameda Street
Los Angeles, CA



Commissioners:
Michael R. Peevey
Michel Peter Florio
Catherine J.K. Sandoval
Carla J. Peterman
Michael Picker

www.cpuc.ca.gov





Public Comment

- Per Resolution ALJ-252, any member of the public who wishes to address the CPUC about matters before the Commission must sign up with the Public Advisor's Office table before the meeting begins. If an individual has signed up using the electronic system on the Commission's website, they must check in with the Public Advisor's Office on the day of the meeting, by the sign-up deadline.
- Once called, each speaker has up to 3 minutes at the discretion of the Commission President, depending on the number of speakers the time limit may be reduced to 1 minute.
- A sign will be posted when 1 minute remains.
- A bell will ring when time has expired.
- At the end of the Public Comment Section, the Commission President will ask if there are any additional individuals who wish to speak. Individuals who wish to speak but did not sign up by the deadline, will be granted a maximum of one minute to make their comments.

The following items are NOT subject to Public Comment:

- Items: 15, 20, 24, 26, 28, and 35.
- All items on the Closed Session Agenda





Public Comment

- Per Resolution ALJ-252, any member of the public who wishes to address the CPUC about matters before the Commission must sign up with the Public Advisor's Office table before the meeting begins. If an individual has signed up using the electronic system on the Commission's website, they must check in with the Public Advisor's Office on the day of the meeting, by the sign-up deadline.
- Once called, each speaker has up to 2 minutes to address the Commission.
- A sign will be posted when 1 minute remains.
- A bell will ring when time has expired.
- At the end of the Public Comment Section, the Commission President will ask if there are any additional individuals who wish to speak. Individuals who wish to speak but did not sign up by the deadline, will be granted a maximum of one minute to make their comments.

The following items are NOT subject to Public Comment:

- Items: 15, 20, 24, 26, 28, and 35.
- All items on the Closed Session Agenda





Public Comment

- Per Resolution ALJ-252, any member of the public who wishes to address the CPUC about matters before the Commission must sign up with the Public Advisor's Office table before the meeting begins. If an individual has signed up using the electronic system on the Commission's website, they must check in with the Public Advisor's Office on the day of the meeting, by the sign-up deadline.
- Once called, each speaker has up to 1 minute to address the Commission.
- A bell will ring when time has expired.
- At the end of the Public Comment Section, the Commission President will ask if there are any additional individuals who wish to speak. Individuals who wish to speak but did not sign up by the deadline, will be granted a maximum of one minute to make their comments.
- **The following items are NOT subject to Public Comment:**
 - Items: 15, 20, 24, 26, 28, and 35.
 - All items on the Closed Session Agenda





Agenda Changes

- Items shown on the Consent Agenda will be taken up and voted on as a group in one of the first items of business of each CPUC meeting.
- Items on Today's Consent Agenda are: 1, 2, 6, 7, 8, 10, 11, 14, 15, 16, 17, 18, 19, 20, 21, 22, 24, 25, 26, 27, 28, 29, 30, and 32.
- Any Commissioner, with consent of the other Commissioners, may request an item from the Regular Agenda be moved to the Consent Agenda prior to the meeting.
- Item 37u from the Regular Agenda has been added to the Consent Agenda.
- Any Commissioner may request an item be removed from the Consent Agenda for discussion on the Regular Agenda prior to the meeting.
None have been moved to the Regular Agenda.
- None have been withdrawn.
- The following items have been held to future Commission Meetings:
 - Held to 5/15/14: 4, 9, 12, 13, 23, 31, 35, 36, 36a, and 37 (with exception of 37u).
 - Held to 6/12/14: 3, 3a, and 5.





Regular Agenda

- Each item on the Regular Agenda (and its alternate if any) will be introduced by the assigned Commissioner or CPUC staff and discussed before it is moved for a vote.
- For each agenda item, a summary of the proposed action is included on the agenda; the CPUC's decision may, however, differ from that proposed.
- The complete text of every Proposed Decision or Draft Resolution is available for download on the CPUC's website: www.cpuc.ca.gov.
- Late changes to agenda items are available on the Escutia Table.





Regular Agenda – Energy Orders

Item # 33 [12839] – Rules and Procedures to Provide Access to Energy Usage and Usage-Related Data While Protecting the Privacy of Personal Data

R08-12-009 - Order Instituting Rulemaking to Consider Smart Grid Technologies Pursuant to Federal Legislation and on the Commission's own Motion to Actively Guide Policy in California's Development of a Smart Grid System.

Quasi-Legislative

Comr. Peevey/ Judge Sullivan

PROPOSED OUTCOME:

- Orders the provision of energy usage and usage-related data to academic researchers who meet the requirements for California Information Practices Act.
- Orders Pacific Gas & Electric Company, Southern California Edison Company, Southern California Gas Company and San Diego Gas & Electric Company to post zip code level energy usage data on their websites.
- Orders the provision of aggregated and anonymized data as requested by local governments.
- Orders the provision of certain information on low income energy usage to California's Consumer Services Division and other data to state and federal agencies to permit compliance with statutory obligations.

SAFETY CONSIDERATIONS:

- Decision pertains to energy usage data, and should have no direct impact on safety.

ESTIMATED COST:

- No costs at this time.





Regular Agenda – Energy Resolutions and Written Reports

Item #34 [12838] – Pacific Gas and Electric Company’s Agreements for the Procurement of Renewable Energy Credits with Sterling Planet, LLC, Iberdrola Renewables, LLC, and NextEra Energy Power, LLC

Res E-4649

Advice Letter (AL) 4299-E, AI 4300-E, and AL 4301-E, filed on October 10, 2013 – Related matters.

PROPOSED OUTCOME:

- Approves cost recovery for Pacific Gas and Electric Company’s (PG&E) agreements for renewable energy credits with Sterling Planet, LLC, Iberdrola Renewables, LLC, and NextEra Energy Power, LLC.

SAFETY CONSIDERATIONS:

- The agreements approved by this resolution will not alter PG&E’s existing agreements or any facility operations. Because these sales agreements do not require a change in PG&E’s facility operations, there are no incremental safety implications associated with approval of these agreements beyond the status quo.

ESTIMATED COST:

- Actual costs are confidential at this time.





Resolution E-4649 Agenda Item 34

Pacific Gas and Electric (PG&E) Requests
Approval of Three Purchase and Sale
Agreements (PSAs) to Procure Renewable
Energy Credits (RECs) from Sterling Planet,
LLC, Iberdrola Renewables, LLC, and NextEra
Energy Power, LLC

Presented by:
Edward Randolph, Director – Energy Division





Background of 3 REC PSAs

- PG&E executed 3 PSAs to purchase 1,094,500 unbundled RECs over a 10-year term from Sterling Planet, Iberdrola, and NextEra.¹
- PSAs are front-loaded, REC-only (unbundled) agreements in which 90% of the RECs procured will be eligible for RPS compliance during Compliance Period (CP) 1 (2011-2013).
- The procurement of the remaining 10% of REC deliveries will be spread out from 2014-2022.

¹One REC represents the renewable attributes associated with one MWh of eligible renewable generation.





Background of 3 REC PSAs (continued)

- PG&E is optimizing its RPS compliance portfolio by procuring up to its 25% CP 1 unbundled REC compliance limit.
- PG&E procured 20.9% of its 20.0% CP 1 RPS procurement obligation (including these PSAs).
- The 3 PSAs allow PG&E the flexibility to bank surplus bundled RECs that have already been procured and would have otherwise been applied to its CP 1 compliance requirement.
- The 3 Advice Letters for the 3 PSAs were protested by The Utility Reform Network (TURN) and The Office of Ratepayer Advocates (ORA)





Summary of 3 PSAs

Counterparty	Resource Type	Project Location	Quantity of RECs (MWh)	Contract Term (years)	Annual Deliveries (RECs)
Sterling Planet, LLC	Various	Any CEC-certified eligible renewable energy resource	500,000	10	Year 1: 455,000 Years 2-10: 5,000
Iberdrola Renewables, LLC			149,500		Year 1: 136,000 Years 2-10: 1,500
NextEra Energy Power, LLC			445,000		Year 1: 400,000 Years 2-10: 5,000





Protest 1: The PSAs Circumvent the RPS Long-Term Contracting Requirement

- The Commission adopted a 10-year long-term contracting requirement for RPS contracts in D.12-06-038.
- D.12-06-038 did not prohibit the front-loading of long-term RPS contracts.
- Consistent with the Commission Decision, the PSAs meet the formal long-term contracting requirement.





Protest 2: The 3 PSAs Provide Inferior Value Compared to Competing Offers in PG&E's 2012 RFO

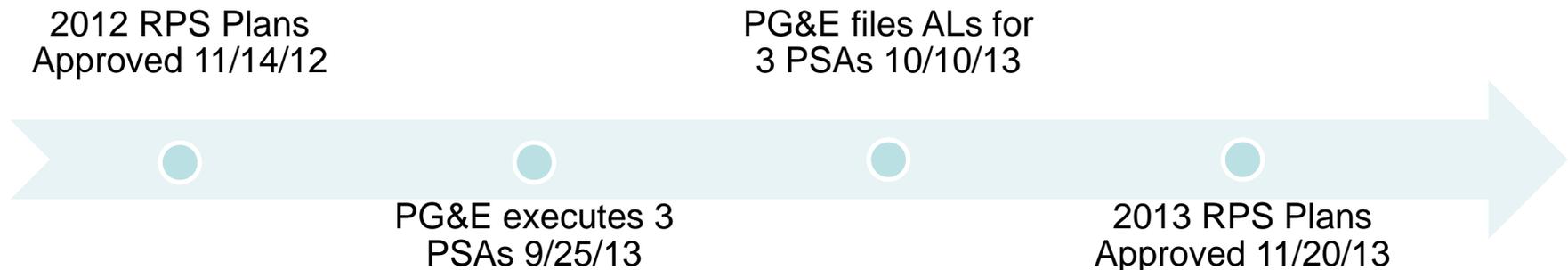
- The value of a REC-only PSA is not directly comparable to bundled agreements because the sole attribute of the PSA is a REC used for RPS compliance and it does not include the procurement of electric energy.
- The resolution does not make a finding regarding the value reasonableness of the 3 PSAs since it is difficult to quantify the value of many of the attributes of the REC-only PSAs such as:
 - 1) The fixed quantity and price of deliveries in the PSAs
 - 2) The front-loading of 90% of the RECs in CP 1
 - 3) Unbundled RECs allowing PG&E to decrease its CP 1 RPS compliance costs
 - 4) PG&E's ability to bank additional surplus RECs with the procurement of the REC-only PSAs
- The principal value of the 3 PSAs is PG&E's ability to build a bank (with other existing contracts) that can be used for future RPS compliance at a low cost to ratepayers.
- Given the difficulty of a value comparison, the Independent Evaluator (IE) compared the PSAs' prices against recently amended REC-only transactions and other REC-only proposals from PG&E's 2012 RFO. The IE states that the 3 PSAs rank favorably.





Protest 3: The Commission Explicitly Rejected PG&E's Proposal to Procure REC-Only PSAs in the 2013 RPS Plans Decision (D.13-11-024)

- This is a timing issue:



- At the time the PSAs were executed, the most recent Commission-approved RPS Plan was PG&E's 2012 Plan, which approves PG&E's procurement strategy of requesting bids for long-term REC-only offers.





Regular Agenda – Energy Resolutions and Written Reports

Item #34 [12838] – Pacific Gas and Electric Company’s Agreements for the Procurement of Renewable Energy Credits with Sterling Planet, LLC, Iberdrola Renewables, LLC, and NextEra Energy Power, LLC

Res E-4649

Advice Letter (AL) 4299-E, AI 4300-E, and AL 4301-E, filed on October 10, 2013 – Related matters.

PROPOSED OUTCOME:

- Approves cost recovery for Pacific Gas and Electric Company’s (PG&E) agreements for renewable energy credits with Sterling Planet, LLC, Iberdrola Renewables, LLC, and NextEra Energy Power, LLC.

SAFETY CONSIDERATIONS:

- The agreements approved by this resolution will not alter PG&E’s existing agreements or any facility operations. Because these sales agreements do not require a change in PG&E’s facility operations, there are no incremental safety implications associated with approval of these agreements beyond the status quo.

ESTIMATED COST:

- Actual costs are confidential at this time.





Commissioners' Reports



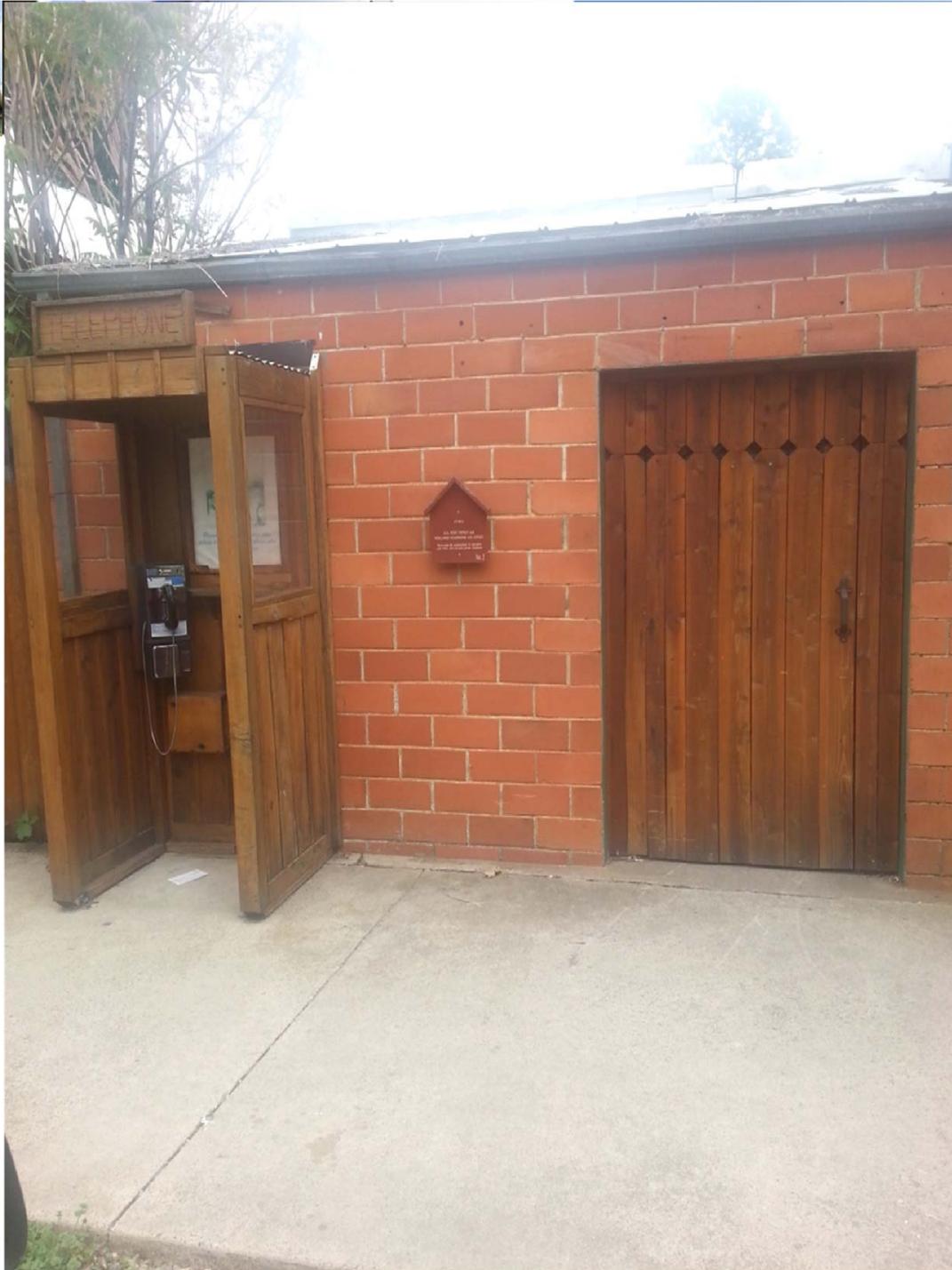


California High Cost A-Fund Public Participation Hearings North Fork and Jackson April 17-24, 2014



**Commissioner Catherine J.K. Sandoval
California Public Utilities Commission**





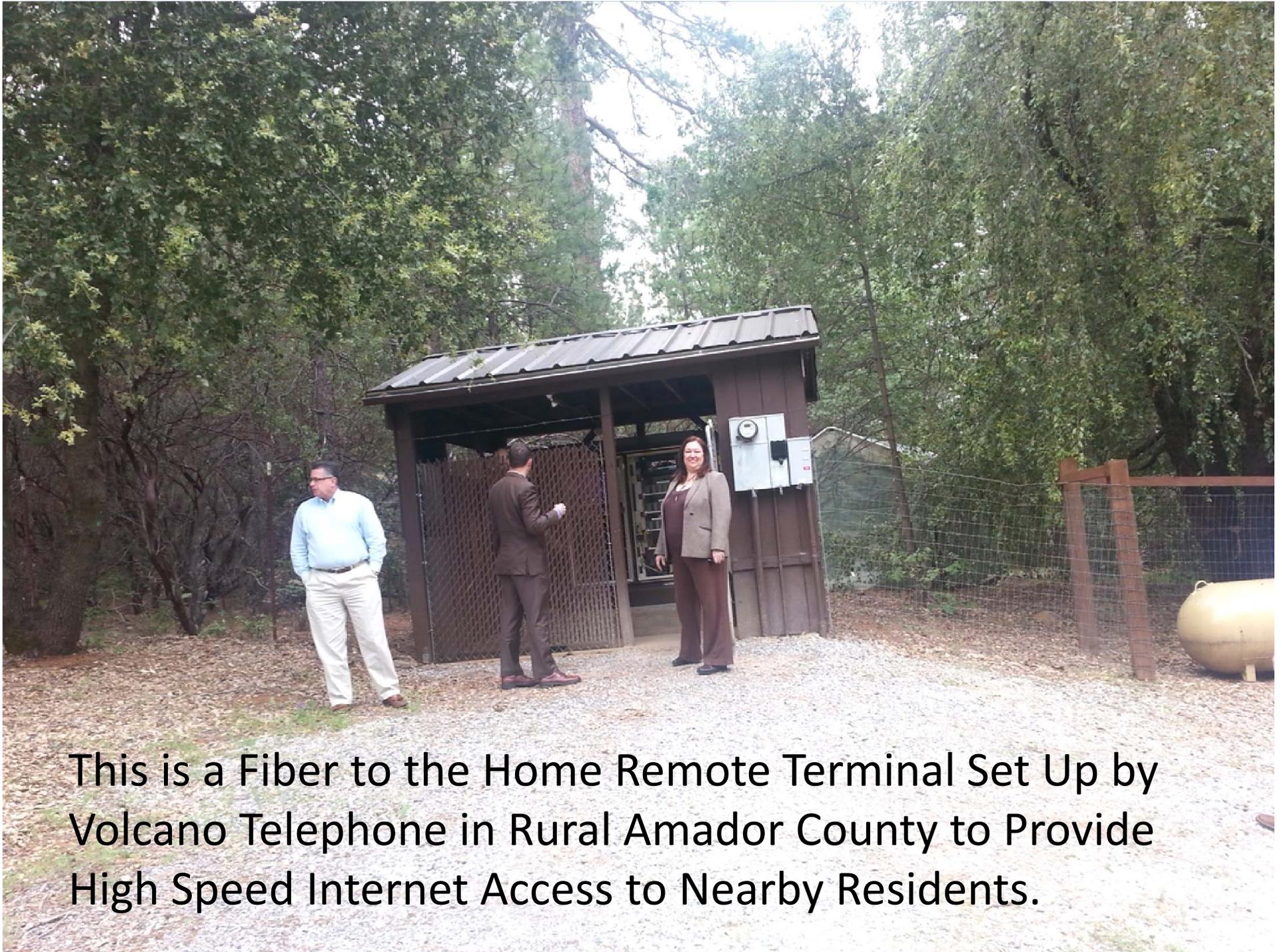
Volcano Telephone's Original Central Office, which also Hosted a U.S. Post Office, in Volcano California. The Payphone is a Working Phone and is Helpful in this Area Which has Limited Cell Phone Reception.



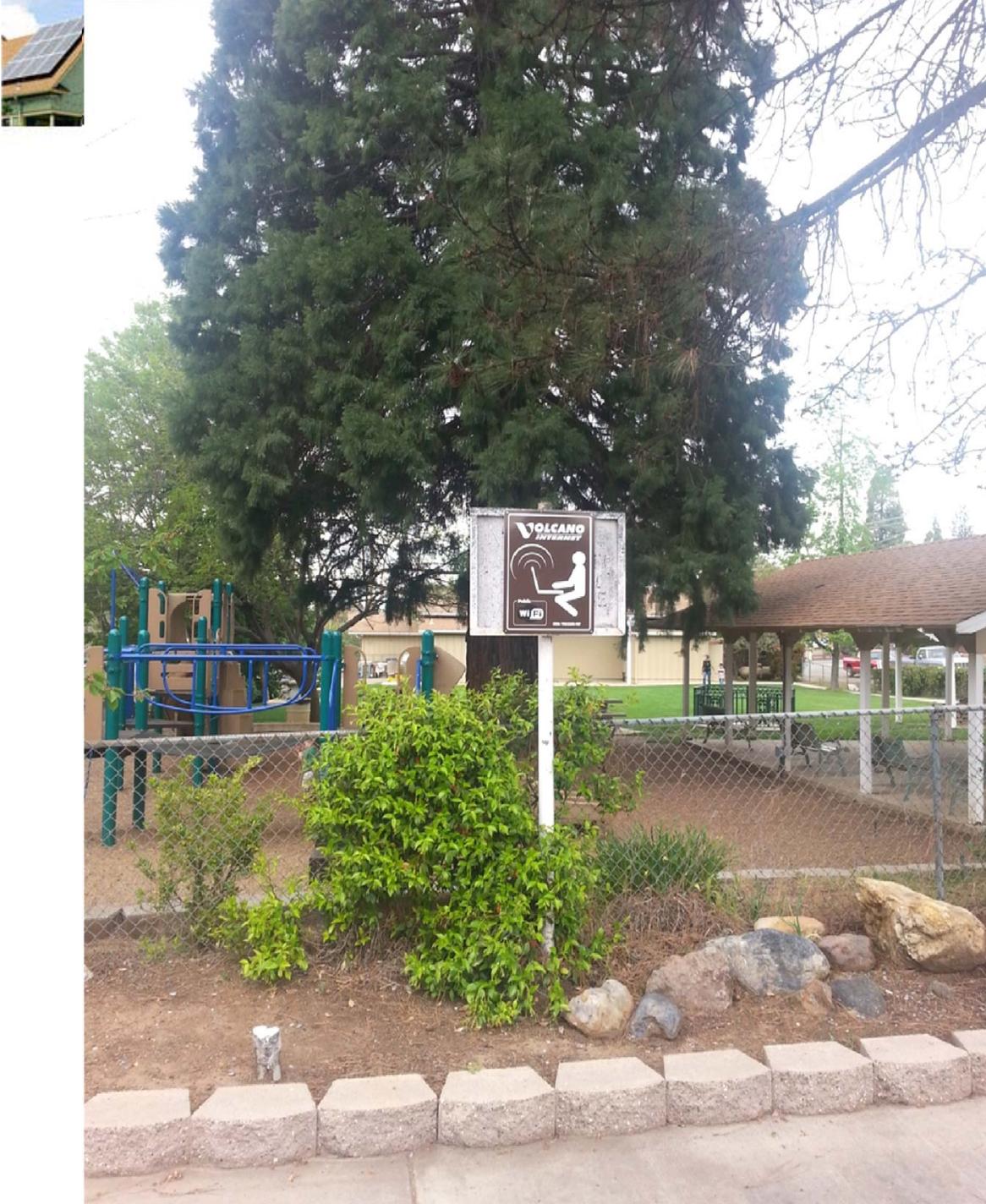


On the Left Side of the Road is a Remote Terminal Set Up by Volcano Telephone to Deliver High Speed Internet to Residents up the Hill in Rural Amador County.





This is a Fiber to the Home Remote Terminal Set Up by Volcano Telephone in Rural Amador County to Provide High Speed Internet Access to Nearby Residents.

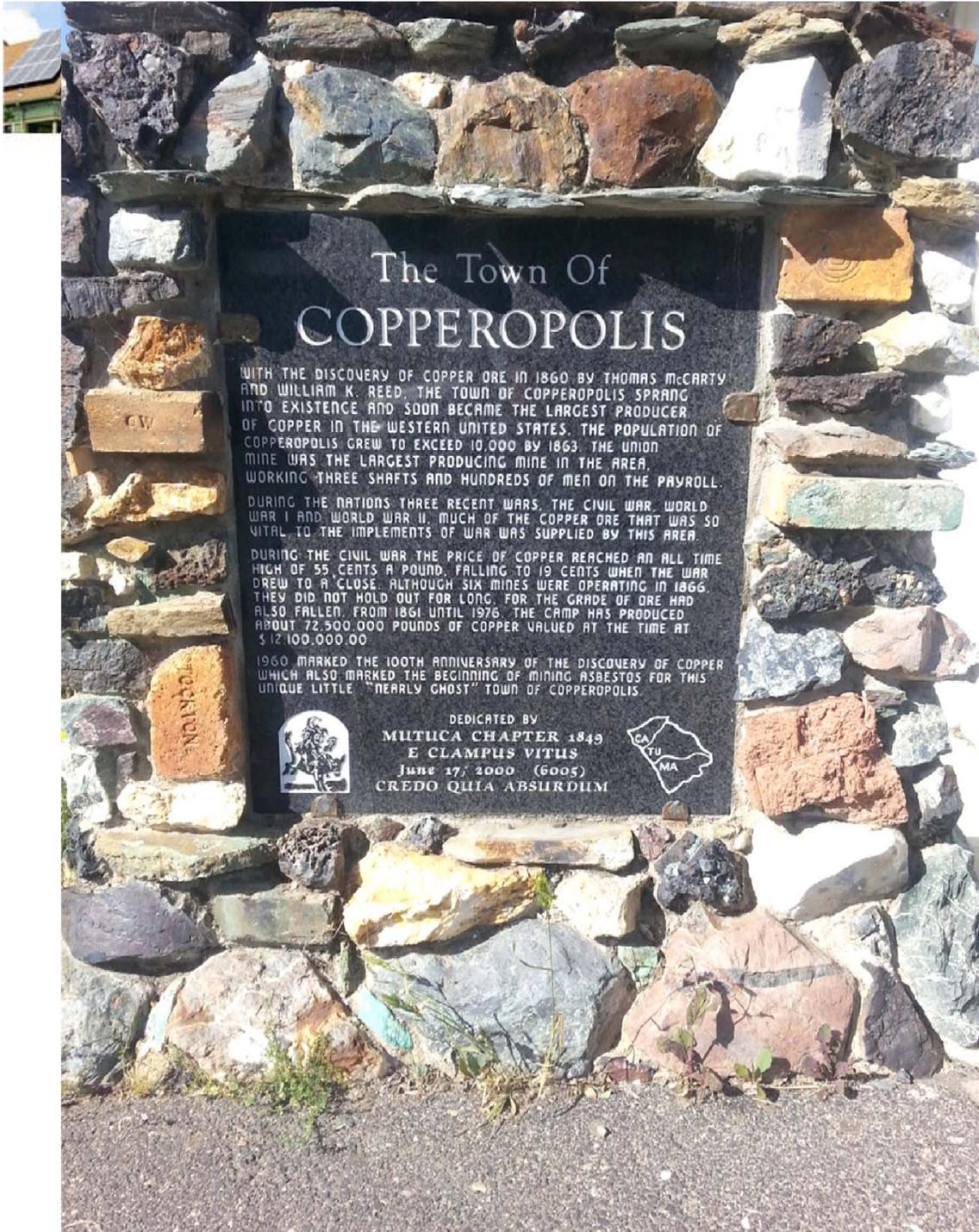


This is a WiFi Hot Spot Next to a Playground in Pine Grove, California. Volcano Telephone Set Up this Hot Spot and Reports Regular use by Residents and Visitors to These Hot Spots in their Rural Territory in Amador County.





Calaveras Telephone Company Office in Copperopolis



Copperopolis is a Town in an RLEC Area Served by Calaveras Telephone. There Have Been Reports of Call Completion Failures, Calls from Urban Areas not Reaching Copperopolis and Rural Telco Areas, an Issue the FCC and States are Evaluating.



Emilio Victorio-Sanchez

Ravneet Kaur

California
Public Utilities Commission

CPUC Public
Participation Heari

R.11-11-007

Public Advisor's Tab

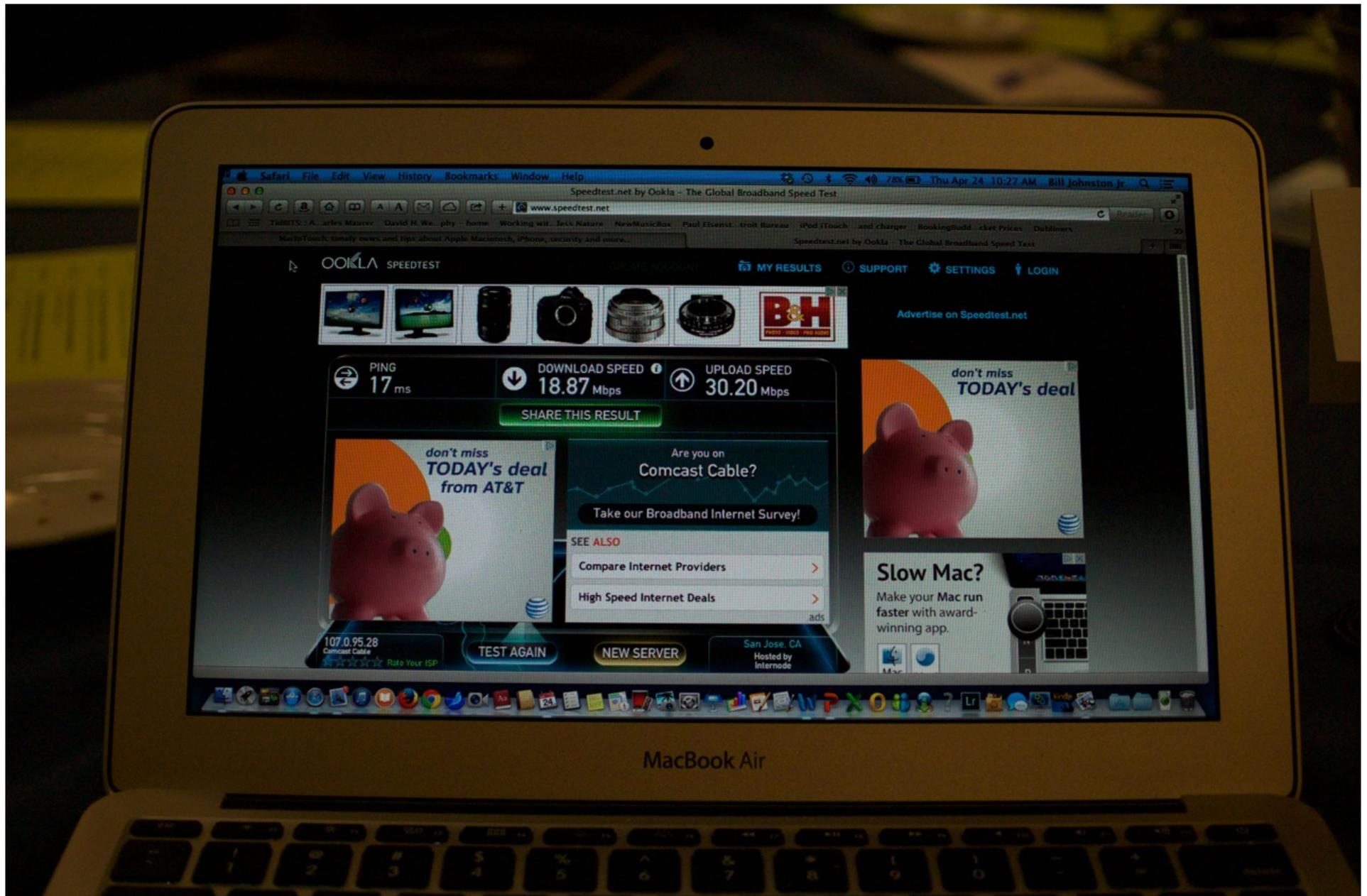
Please sign up to spe
here

The CPUC Public Advisor's Office Staff Welcomes Participants at the High Cost A Fund Public Participation Hearing in Jackson, California.





Administrative Law Judge W. Anthony Colbert and Commissioner Catherine J.K. Sandoval Open the Public Participation Hearing in Jackson, California in the High Cost A



Testing Internet Speeds at the Central Sierra Connect Conference in Tuolumne, California.





Attendee is Attentive but Relaxed.





Meeting at Sierra Telephone in Oakhurst, California





North Fork, California at the High Cost A Fund Public Participation Hearing





Hornitos, California Territory Served by TDS Telecom





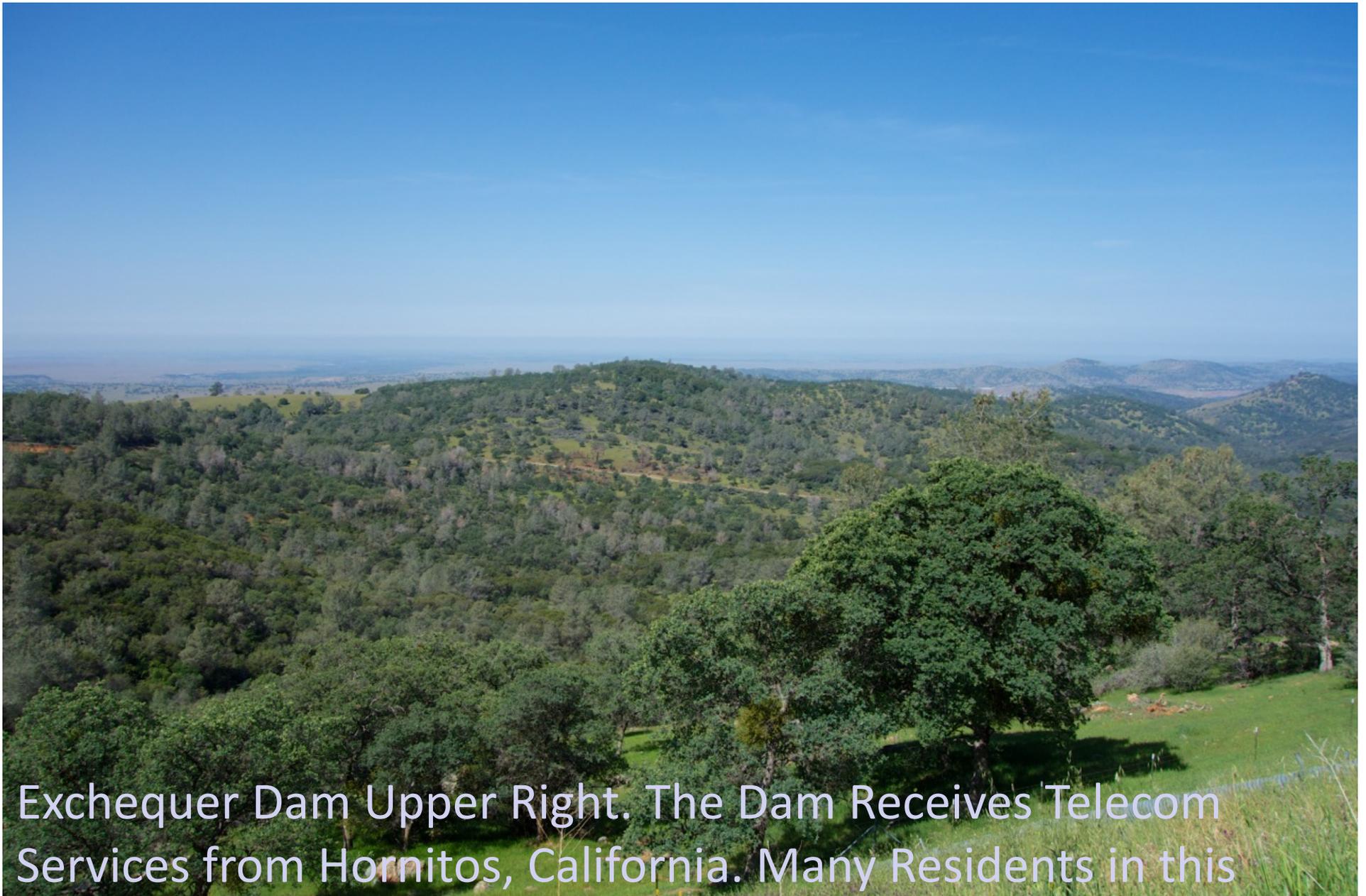
Viewing Telecom System Maps for TDS Telecom at the Hornitos, California Central Office





Internet Connections at the Hornitos, California Central Office





Exchequer Dam Upper Right. The Dam Receives Telecom Services from Hornitos, California. Many Residents in this Area Lack Access to Commercial Power, Receive Telephone Service via Copper Wire, and Run Diesel Generators.





On the Road to Hornitos, California





California High Cost A-Fund Public Participation Hearings North Fork and Jackson April 17-24, 2014



**Commissioner Catherine J.K. Sandoval
California Public Utilities Commission**





Management Reports





Regular Agenda – Management Reports and Resolutions

Item #38 [12901]

Report and Discussion by Safety and Enforcement Division on Recent Safety Program Activities





Safety Brief on Corrosion Under Insulation (CUI)



Winnie Ho, P.E.

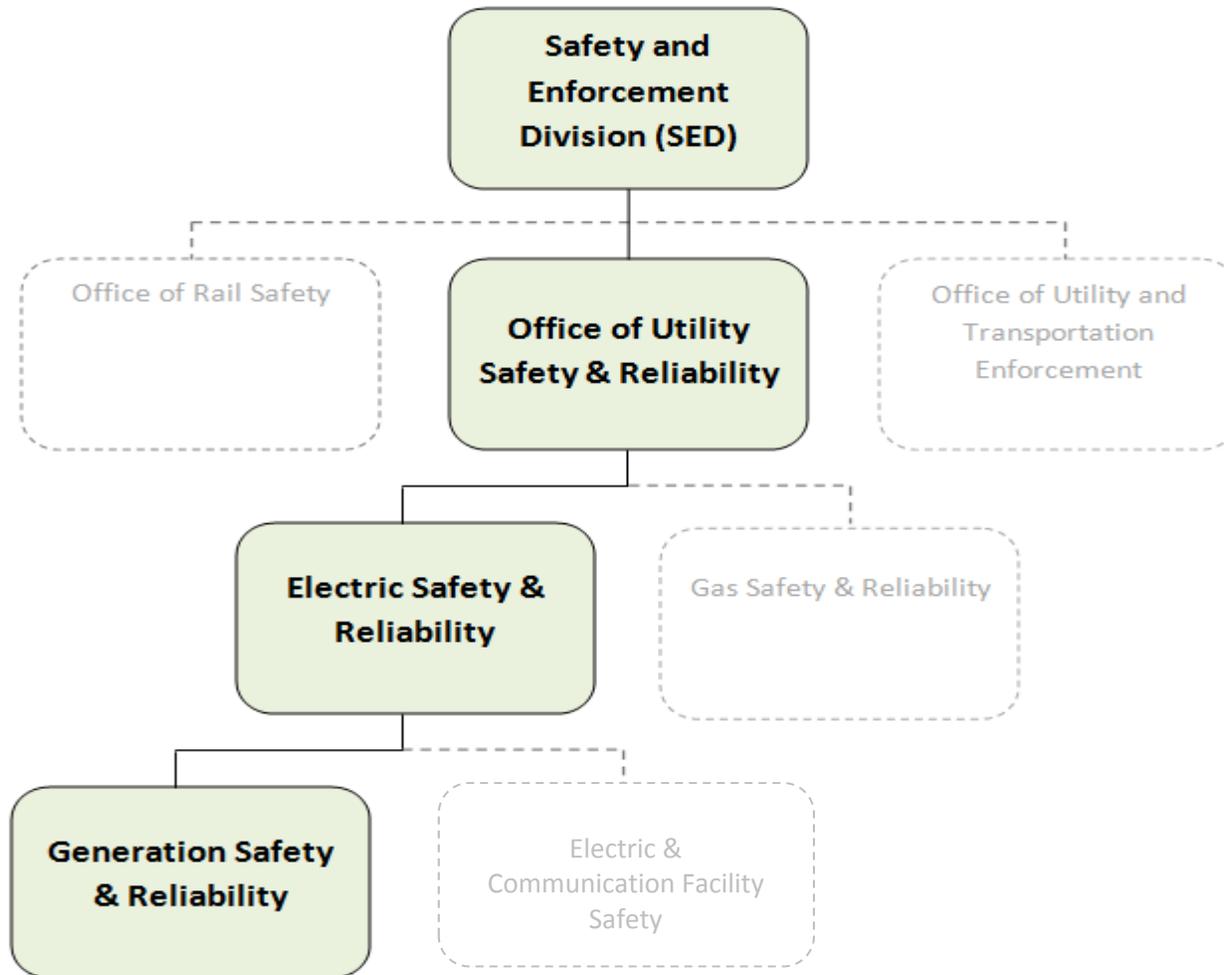
Senior Utilities Engineer

Safety and Enforcement Division





Generation Safety and Reliability





Safety Brief Overview

- What is Corrosion Under Insulation (CUI)?
- Contributing Factors of CUI
- CUI at Power Plants
- Quick Study of a CUI Failure
- SED Special Investigation on CUI





What is Corrosion Under Insulation?



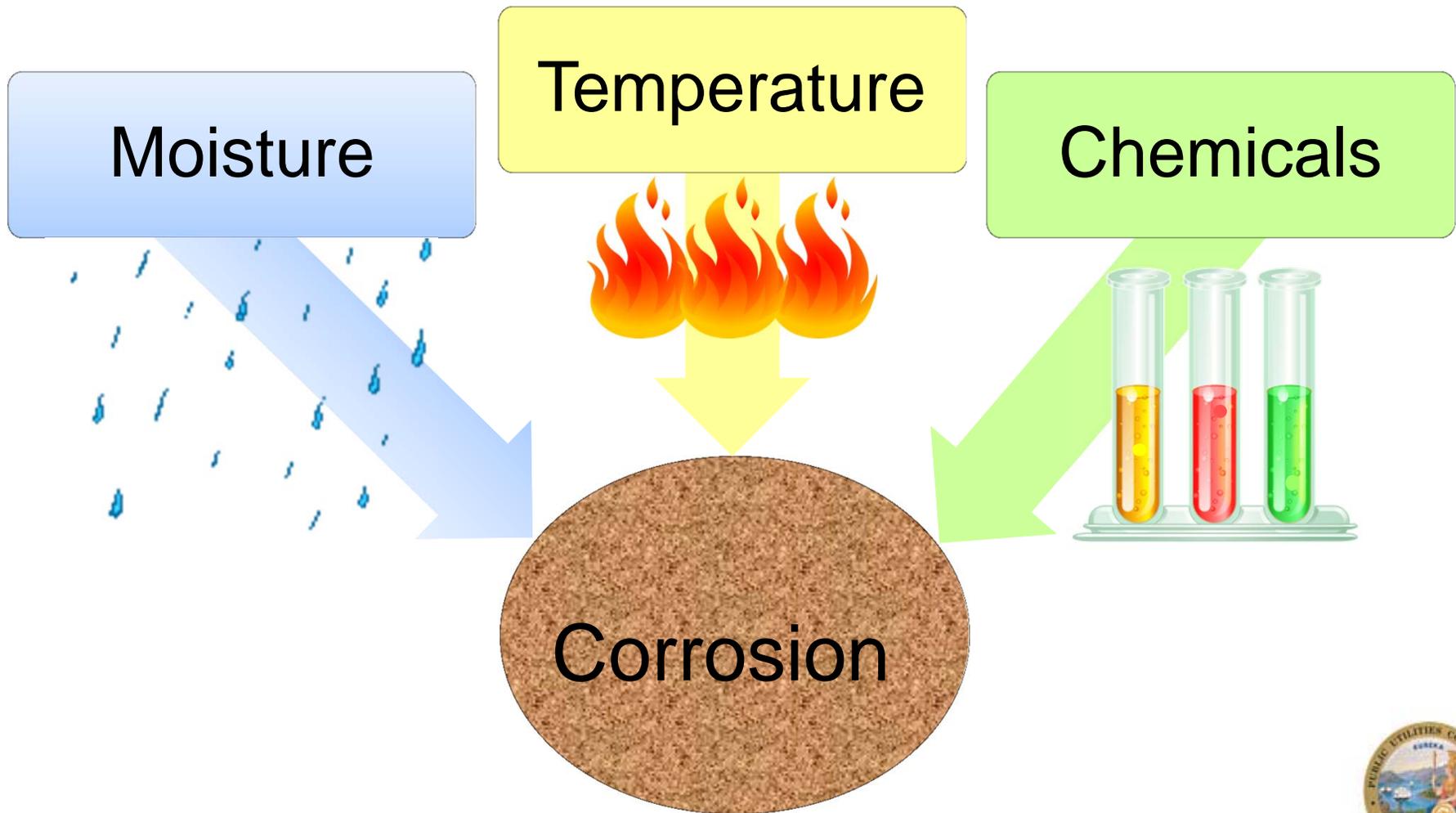
Characteristics:

- Metal/insulation interface
- Localized
- Accelerated Corrosion





Contributing Factors of CUI





CUI at Power Plants





Quick Study of a CUI Failure

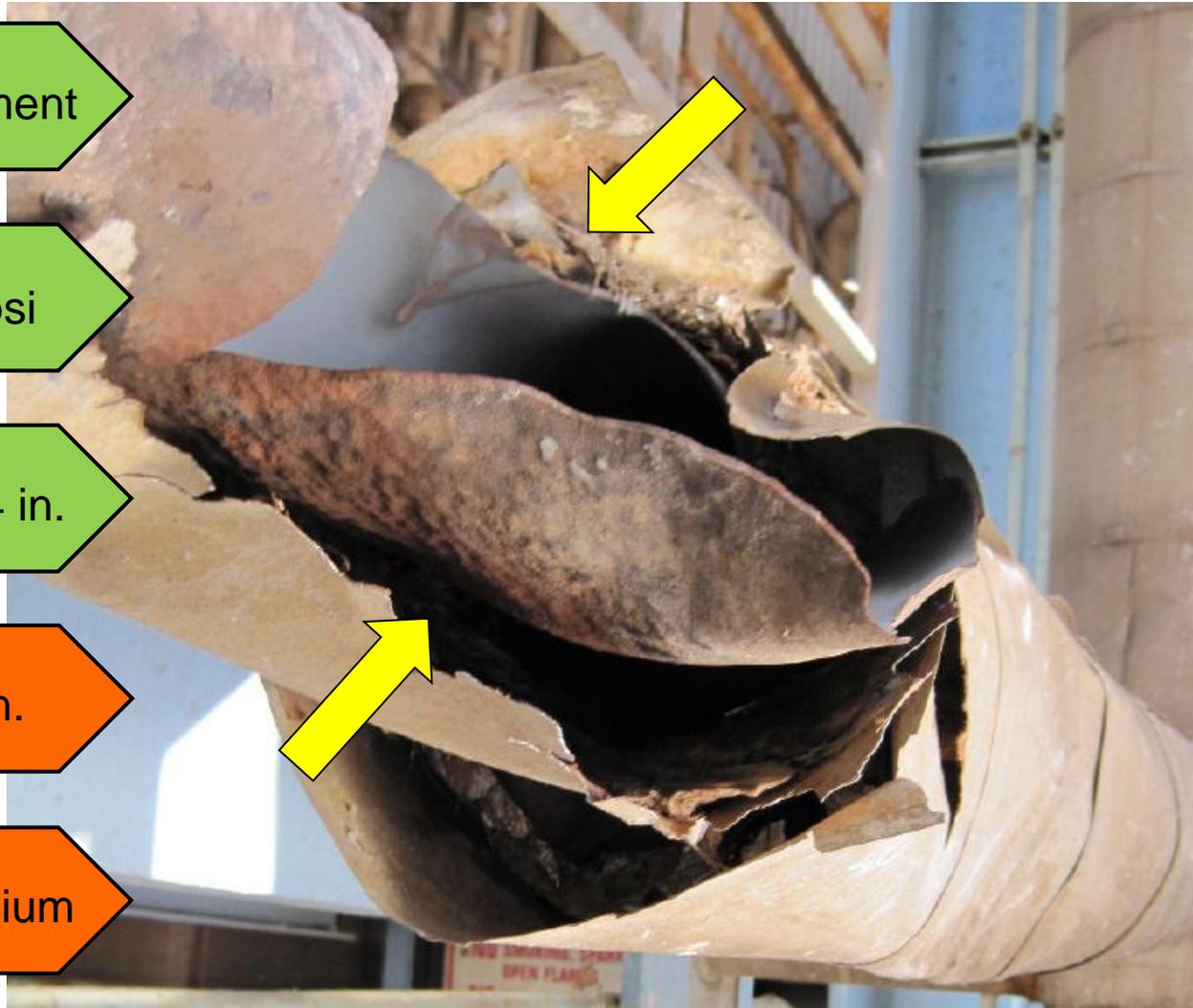
Coastal environment

416F and 1300 psi

Thickness = 0.24 in.

5% left = 0.012 in.

Chlorine and sodium





SED Special Investigation on CUI





Regular Agenda – Management Reports and Resolutions

Item #38 [12901]

Report and Discussion by Safety and Enforcement Division on Recent Safety Program Activities





Management Reports





The CPUC Thanks You For Attending Today's Meeting

The Public Meeting is adjourned.

The next Public Meeting will be:

**May 15, 2014, at 9:30 a.m.
in San Francisco, CA**

