

CPUC Public Agenda 3472

Thursday, October 8, 2020 10:00 a.m.
Remotely



Commissioners:
Marybel Batjer, President
Liane M. Randolph
Martha Guzman Aceves
Clifford Rechtschaffen
Genevieve Shiroma

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California Public
Utilities Commission

CPUC Mission

We Empower California through:

- Assuring utility services are clean and safe.
- Providing for critical services and infrastructure.
- Designing rates that are fair and reasonable.
- Protecting the interests of consumers and ratepayers.



CPUC Core Values

Accountability
Excellence
Integrity
Open Communication
Stewardship



California Public
Utilities Commission

Commissioner Code of Conduct

- **I. Commissioners should conduct themselves in a manner that demonstrates respect for the public, for fellow Commissioners, and for Commission staff.**
- **II. Commission meetings should be opportunities for a full and respectful exchange of ideas and the responsible execution of Commission duties.**
- **III. Serving on the Commission is an honor and Commissioners should treat their colleagues at the Commission with respect for the varied backgrounds, skills and interests that each one brings.**
- **IV. Commissioners are public officials who should uphold the integrity of their office at all times.**



Public Comment

- Per Resolution ALJ-252, any member of the public (excluding parties and their representatives) who wishes to address the CPUC about matters before the Commission must call in to toll-free number: 1-800-857-1917
- Passcode: 9899501
- Spanish speakers use Passcode: 6946898
- Once called, each speaker has up to 2 minutes at the discretion of the Commission President. Depending on the number of speakers, the time limit may be reduced to 1 minute.
- A bell will ring when time has expired.

Public Comment is not permitted on the following items:

- 13, 16
- All items on the Closed Session Agenda



Management Reports



California Public
Utilities Commission

Regular Agenda - Management Reports and Resolutions

Item #18 [18796]

Management Report on Administrative Activities

Preliminary Root Cause Analysis of the Mid-August 2020 Heat Storm

A joint report of the CAISO, CPUC and CEC

October 8, 2020, CPUC Business Meeting Management Report

Pete Skala, Director of Efficiency, Electrification, and Procurement

Energy Division

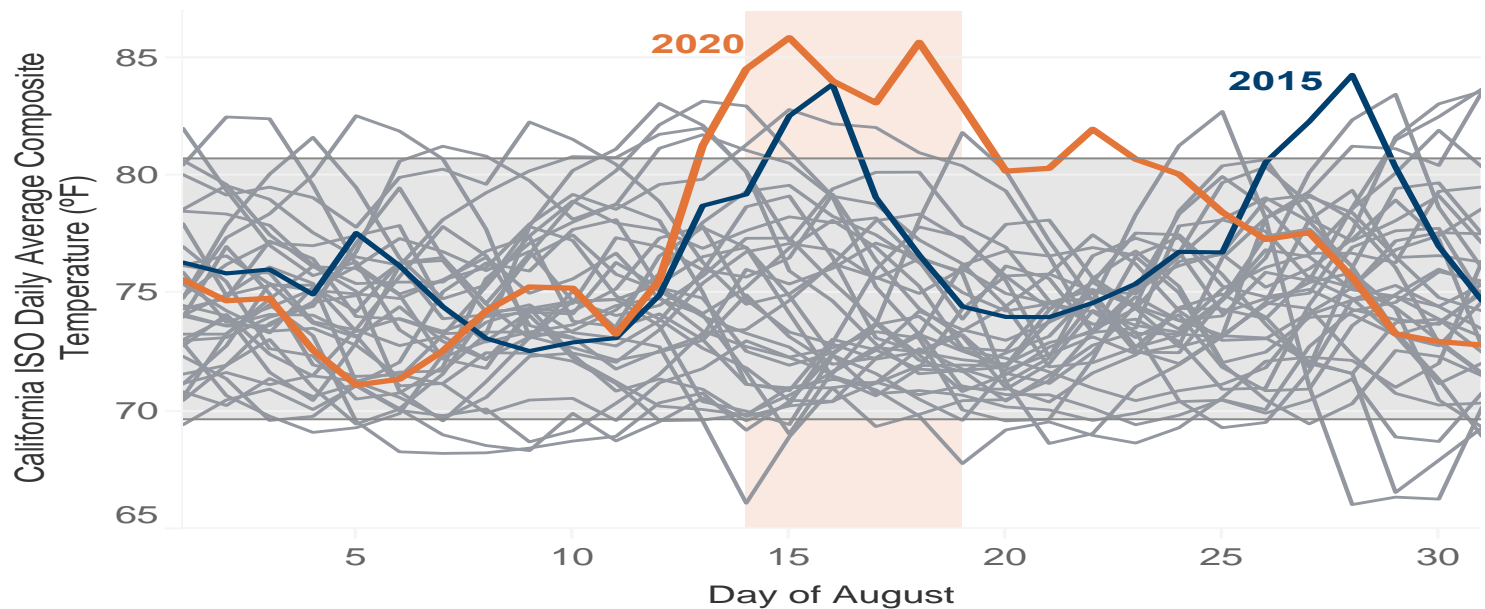


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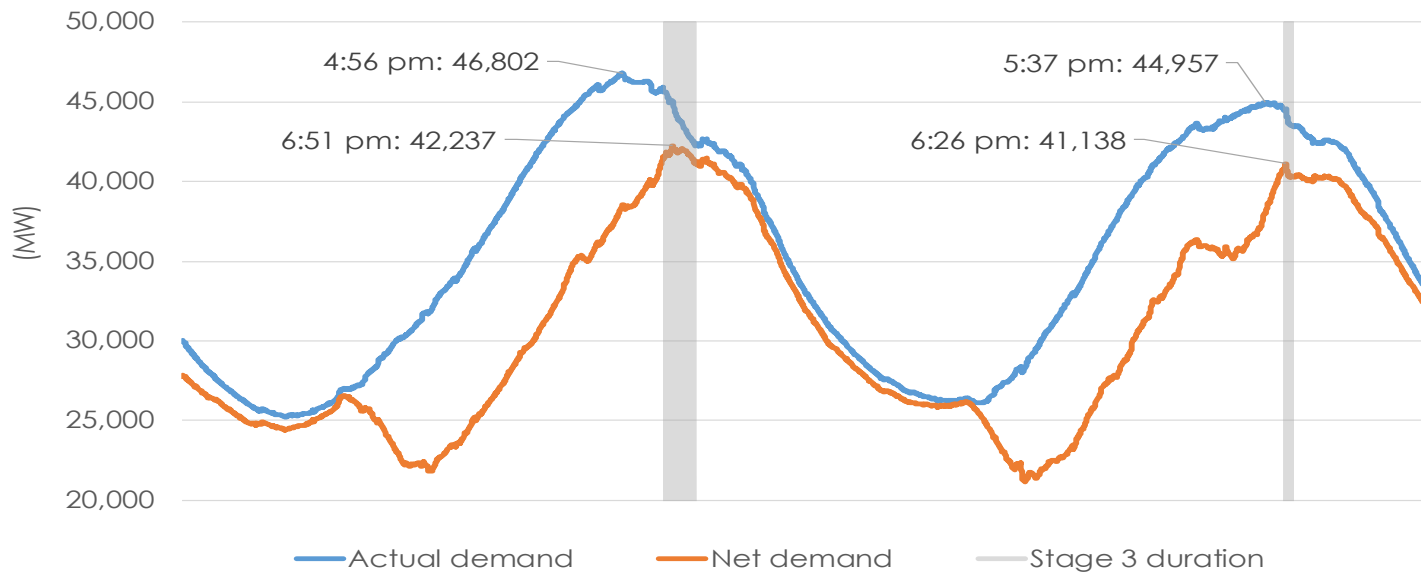
Preliminary Root Causes

- The current reliability planning process is not designed to address a 1-in-35 year heat event
- Planning targets in the transition to a reliable, clean and affordable resource mix have not resulted in sufficient resources to meet demand in the early evening hours of extremely hot days
- Several practices in the energy markets exacerbated the supply challenges under highly stressed conditions

Existing reliability planning processes are not designed to fully address an extreme heat storm

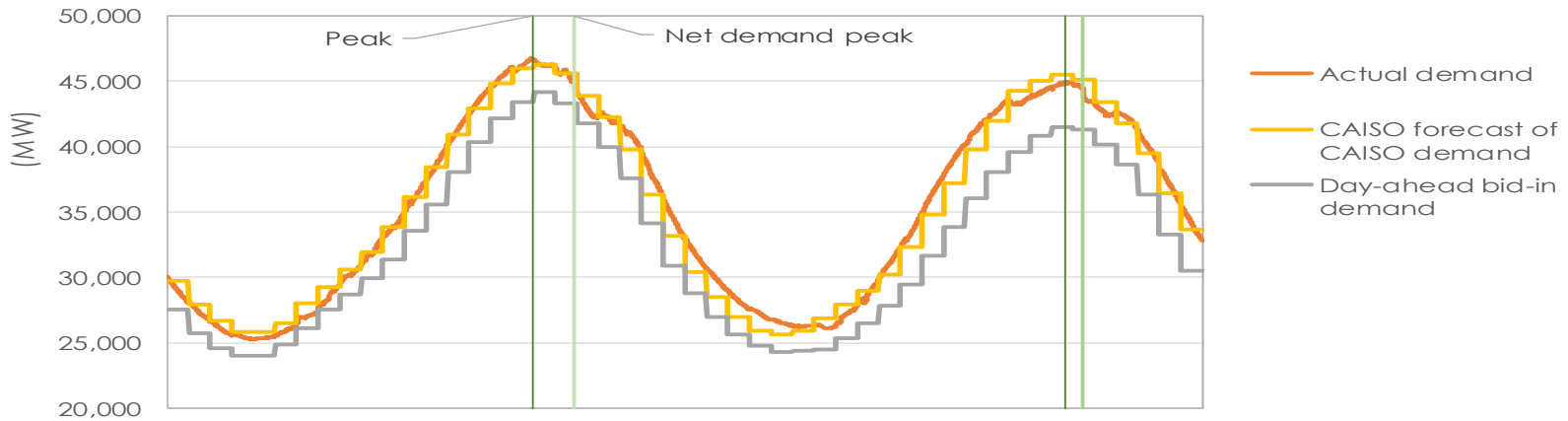


Planning and procurement have not kept pace to meet demand in the early evening hours



Several practices in the energy market exacerbated supply challenges under highly stressed conditions

8/14 and 8/15 day-ahead bid-in demand, CAISO forecast, and actual demand



Day-ahead bid-in demand below actual:

	8/14	8/15
At peak:	3,386	3,434
Time of net demand peak:	1,792	3,219

Immediate actions to ensure reliability for 2021 (and beyond)

- Ensure that authorized projects currently under construction are completed by their target online dates
- Expedite the regulatory and procurement processes to develop additional resources that can be online by 2021
- Update resource and reliability planning targets to (a) better account for heat storms and other extreme events and (b) better incorporate the transitioning electricity resource mix into reliability planning during net demand peak
- Coordinate additional procurement by non-CPUC jurisdictional LSEs
- Enhance CAISO market practices so they reflect actual supply and demand during stressed operating conditions

Mid- and Long-Term Recommendations

Resource planning and development

- Consider whether new resources are needed to meet the mid- and longer-term reliability needs
- Accelerate deployment of demand-side resources
- Under SB 100 scenarios, consider where diverse resources can be built and the transmission and land use considerations
- Under SB 100 work, establish a transmission technical working group (CAISO, BAs, CEC, CPUC) to evaluate transmission options and constraints

Market enhancements

- Continue to develop market enhancements from near-term

Improve situational awareness and contingency planning via CEC IEPR

- Develop statewide and WECC wide RA assessments;
- Address electric sector reliability and resiliency;
- Update the range of climate scenarios in CEC forecasting (supply and demand); and
- Bridge gaps across various planning horizons between the CEC forecast and emerging SB100 scenarios

Remaining steps for finalizing root cause analysis

- Review performance of specific resources during the heat storm, and especially how:
 - Resources under RA contract performed in total
 - Demand response performed based on settlement meter data.
 - “Credited” resources performed across CPUC and non-CPUC jurisdictional footprints
- Analyze how different LSE scheduling coordinators scheduled load in the day-ahead market compared with their forecasted peak demand
- Improve communications to utility distribution companies to ensure appropriate response during future critical reliability events

Questions?



Regular Agenda - Management Reports and Resolutions

Item #18 [18796]

Management Report on Administrative Activities

Management Reports



California Public
Utilities Commission

Public 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, 3, 4, and 6.**
- 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 19** 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.
- **Item 5** has been moved to the Regular Agenda.
- **No Item** has been withdrawn.
- The following items have been held to future Commission Meetings:
Held to 11/5/20: 11.



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 final 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 Virtual Escutia Table.



Regular Agenda – Energy Orders

Item #5 [18764] – Self-Generation Incentive Program Equity Resiliency Budget Electric Well Pump Customer Eligibility Requirements

R.20-05-012

Quasi-Legislative

Comr Rechtschaffen - Judge Fogel

PROPOSED OUTCOME:

Revises and clarifies Decision (D.) 20-01-021 to:

- Require equity resiliency budget electric well pump customers to demonstrate a single family household income no greater than 80 percent of area median income or that a multi-family building is either located in a disadvantaged community or demonstrates that at least 80 percent of building households have incomes at or below 60 percent of area median income;
- Require equity resiliency electric well pump applications that are submitted after the date of Commission adoption of this decision and that have been submitted but do not yet have incentives reserved as of the date of Commission adoption of this decision to comply with these revised requirements;
- Clarify requirements adopted in D.20-01-021 to specify that equity resiliency electric well pump applicants must provide documentation or an attestation stating that the storage installation site is a primary residence occupied by a homeowner or tenant and must provide an attestation that the residence is not provided water by a municipal or private utility, applying these clarifications to all electric well pump applications; and,
- Direct Self-Generation Incentive Program (SGIP) Administrators to file a Joint Tier 2 advice letter within 20 days of adoption of this decision proposing changes to the SGIP Handbook.

SAFETY CONSIDERATIONS:

- There are no safety considerations associated with this decision.

ESTIMATED COST:

- There are no additional costs associated with this decision. D.20-01-021 approved \$166 million in annual ratepayer collections for the SGIP from 2020 through 2024.

Regular Agenda – Energy Orders

Item #7 [18731] – Renewable Market Adjusting Tariff Program Under California’s Renewables Portfolio Standard Program

R.18-07-003

Order Instituting Rulemaking to Continue Implementation and Administration, and Consider Further Development, of California Renewables Portfolio Standard Program.

Ratesetting

Comr Rechtschaffen - Judge Lakhanpal

PROPOSED OUTCOME:

- Resumes the Renewable Market Adjusting Tariff (ReMAT) Program.
- Authorizes pricing and process changes to bring ReMAT into compliance with both the Public Utility Regulatory Policies Act of 1978 and § 399.20 of the Public Utilities Code.
- The proceeding remains open.

SAFETY CONSIDERATIONS:

- There are no safety considerations associated with this decision.

ESTIMATED COST:

- Costs are unknown at this time.

R.18-07-003 - Proposed Decision (Agenda ID # 18731)

The Renewable Market Adjusting Tariff Program under
California's Renewables Portfolio Standard Program

Cheryl Lee
Energy Division
October 8, 2020



California Public
Utilities Commission

Overview of Decision

- Resumes the Renewable Market Adjust Tariff (ReMAT) Program as an administratively set, fixed-price feed-in-tariff program
- Authorizes pricing and process changes to bring ReMAT into compliance with both the Public Utilities Regulatory Policies Act of 1978 (PURPA) and §399.20 of the Public Utilities Code

Background on ReMAT Program

- Originally established pursuant AB 1969 (Yee, 2006) and most recent program version is a result of SB 32 (Negrete McLeod, 2009) and SB 2 (1X) (Simitian, 2011).
 - Program is set forth in Public Utilities Code §399.20
- Mandatory purchase program for renewable electricity via feed-in-tariff within the Renewables Portfolio Standard program
 - Utility tariff and standard power purchase agreement
 - Statewide target of 750 MWs:
 - ~500 MWs for Investor Owned Utilities
 - ~250 MWs for Publicly Owned Utilities
 - Eligible projects: 3 MW or less, RPS-eligible facilities
 - 3 categories: Peaking As-Available; Non-Peaking As-Available; Baseload

Details of Decision

- Replaces the price adjusting mechanism with an administratively determined fixed price
 - Sets purchase price at the utility's avoided cost
 - Establishes separate pricing for each Product Category with time-of-delivery adjustment periods and factors
 - Bases prices on a weighted average of the three large investor owned utilities' recent RPS long-term contract prices with facilities 20 MW or less
 - Price will be adjusted annually by Energy Division
- Removes bimonthly program periods and bimonthly 5 MW cap
- Maintains existing queues and queue methodology (first-come, first-served)
- Orders investor owned utilities to file updated tariffs and standard ReMAT contracts

Regular Agenda – Energy Orders

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- Authorizes pricing and process changes to bring ReMAT into compliance with both the Public Utility Regulatory Policies Act of 1978 and § 399.20 of the Public Utilities Code.
- The proceeding remains open.

SAFETY CONSIDERATIONS:

- There are no safety considerations associated with this decision.

ESTIMATED COST:

- Costs are unknown at this time.

Regular Agenda – Energy Resolutions and Written Reports

Item #8 [18652] – Pacific Gas and Electric Company Advice Letter 5354-E, Southern California Edison Company Advice Letter 3840-E, and San Diego Gas & Electric Company Advice Letter 3257-E

Res E-5059, Advice Letter (AL) PG&E 5354-E, AL SCE 3840-E, and AL SDG&E 3257-E, filed August 15, 2018 - Related matters.

PROPOSED OUTCOME:

- Approves partially with modifications Pacific Gas and Electric Company's Advice Letter (AL) 5354-E, Southern California Edison Company's AL 3840-E, and San Diego Gas and Electric Company's AL 3257-E, implementation of changes to the Investor Own Utilities (IOU) tariffs for Reentry Fees and Financial Security Requirements for Community Choice Aggregators.

SAFETY CONSIDERATIONS:

- There are no safety considerations associated with this resolution.

ESTIMATED COST:

- This resolution will not increase IOU bundled ratepayer costs and may provide additional financial protections. Community Choice Aggregation customers may be affected.

Resolution E-5059

Implementation of Reentry Fees and Financial Security Requirements for Community Choice Aggregators.

Agenda Item 8

ID # 18652

Dorothy Duda, Energy Division

**Energy Division
October 8, 2020**

Resolution E-5059

- D.18-05-022 established reentry fees and financial security requirements for CCAs.
 - **Reentry fees** are the costs incurred in the event of an involuntary return of CCA customers to utility service.
 - The **financial security requirement (FSR)** is the estimated amount to cover costs when CCA customers involuntarily return to the utility. The CCAs must post their FSR instruments, including letters of credit, surety bonds, or cash in third-party escrow to cover reentry fees.
- Resolution E-5059 addresses advice letters submitted by PG&E, SCE, and SDG&E:
 - Adopts utilities' tariff revisions to CCA Rules that were specifically directed by D.18-05-022; rejects noncompliant revisions.
 - Directs the three utilities to refile their tariffs within 30 days, and the CCAs to post new financial security instruments within 60 days of this resolution.

Significant Contested Issues

- **CCA customers' cost responsibility in the event of an involuntary return:**
 - CalCCA argues that Pub. Util. Code Section 394.25(e) does not permit reentry fees to be collected from returned customers if the reentry fees exceed the amount of the FSR and CCA's ability to pay.
 - Resolution E-5059 finds that CCA customers bear cost responsibility for reentry fees that the CPUC deems necessary to avoid cost shifting.
 - D.18-05-022 concluded that reentry fees and FSRs for CCAs should generally be similar to those implemented for ESPs. D.13-01-021 determined that "Any reentry fees not recovered from the Electric Service Provider (ESP) or its financial security will be recovered from Direct Access (DA) customers."
- **Activation of the CCA Financial Security Instrument:**
 - The IOUs and CCAs disagreed on language in the tariffs about the conditions that would allow the FSR instrument to be drawn upon.
 - Resolution E-5059 directs that the FSR instrument may be drawn upon only in the event of an involuntary return of CCA customers to the utility, or as specified under the mutually agreed upon terms and conditions in the FSR.

Involuntary Return Process

- An involuntary return may occur due to:
 - CCA filing to deregister, or
 - CPUC issuing an order to terminate service, either at the IOU request or by CPUC initiation.
- The IOU will file a Tier 1 Advice Letter within 30 days of the involuntary return providing the reentry fee calculation.
 - Protests may be filed disputing aspects of the reentry fees and whether they are compliant with D.18-05-022 and the IOU tariff.
 - However, the IOU may draw upon the FSR instrument, even if the CCA files a protest.

Involuntary Return Process

- At its discretion, the CCA may either pay reentry fees, direct the IOU to draw upon the FSR, or allow the IOU to withhold customer payments owed to the CCA .
 - The IOU will file another Tier 1 AL to track any disputed costs. Disputed costs will be deferred to the Provider of Last Resort (POLR) proceeding or its successor; to be collected from returning CCA customers upon CPUC approval.
- If the CCA payments and the FSR amount are together inadequate to cover reentry fees, the residual costs will be allocated to returned CCA customers.
 - If the reentry fees are not disputed, they may be collected upon approval of the AL.
 - If the reentry fees are disputed, the costs will be reviewed, and a determination will be made in the POLR proceeding.

Regular Agenda – Energy Resolutions and Written Reports

Item #8 [18652] – Pacific Gas and Electric Company Advice Letter 5354-E, Southern California Edison Company Advice Letter 3840-E, and San Diego Gas & Electric Company Advice Letter 3257-E

Res E-5059, Advice Letter (AL) PG&E 5354-E, AL SCE 3840-E, and AL SDG&E 3257-E, filed August 15, 2018 - Related matters.

PROPOSED OUTCOME:

- Approves partially with modifications Pacific Gas and Electric Company's Advice Letter (AL) 5354-E, Southern California Edison Company's AL 3840-E, and San Diego Gas and Electric Company's AL 3257-E, implementation of changes to the Investor Own Utilities (IOU) tariffs for Reentry Fees and Financial Security Requirements for Community Choice Aggregators.

SAFETY CONSIDERATIONS:

- There are no safety considerations associated with this resolution.

ESTIMATED COST:

- This resolution will not increase IOU bundled ratepayer costs and may provide additional financial protections. Community Choice Aggregation customers may be affected.

Regular Agenda – Communication Orders

Item #9 [18768] – Support Amounts and Minimum Service Standards for California LifeLine and Replacement of Federal Support for Wireline Participants

R.20-02-008

Order Instituting Rulemaking to Update the California Universal Telephone Service (California LifeLine) Program.

Quasi-Legislative

Comr Shiroma - Judge Wang

PROPOSED OUTCOME:

- Establishes specific support amounts and minimum service standards for the California Universal Telephone Service Program for December 1, 2020 through November 30, 2021.
- Authorizes the California Universal Telephone Service Program to replace \$2.00 per month of reduced federal support for wireline participants from December 1, 2020 through November 30, 2021.
- This proceeding remains open.

SAFETY CONSIDERATIONS:

- There are no safety considerations associated with this decision.

ESTIMATED COST:

- Reduces program costs by up to \$9.2 million per year by eliminating subsidies for outdated wireline measured rate plans, minus the estimated cost of \$75,000 for providing six months of transition bill credits for participants transitioning from measured rates to flat rates.
- Costs of \$7.9 million for replacing \$2.00 per month of reduced federal support for wireline participants from December 1, 2020 through November 30, 2021.

Regular Agenda – Communication Orders (continued)

Item #10 [18809] – Telecommunications Services Used by Incarcerated People

R. _____

Order Instituting Rulemaking to Consider Regulating Telecommunications Services Used by Incarcerated People.

PROPOSED OUTCOME:

- Adopts an Order Instituting Rulemaking to Consider Regulating Telecommunications Services Used by Incarcerated People.

SAFETY CONSIDERATIONS:

- There are no safety considerations associated with this decision.

ESTIMATED COST:

- There are no costs associated with this decision.

Regular Agenda – Orders Extending Statutory Deadline

Item #12 [18791] – Order Extending Statutory Deadline

A.18-10-008, A.18-10-009, and A18-10-010 - Related matters.

Application of Pacific Gas and Electric Company in Compliance with Ordering Paragraph 37, Resolution E-4906.

Ratesetting

Comr Guzman Aceves - Judge Hymes

PROPOSED OUTCOME:

- Extends Statutory Deadline for completion of these proceedings until April 19, 2021.

SAFETY CONSIDERATIONS:

- There are no safety considerations implicated with this Order Extending Statutory Deadline.

ESTIMATED COST:

- There are no costs associated with this Order Extending Statutory Deadline.

Regular Agenda – Orders Extending Statutory Deadline (continued)

Item #13 [18792] – Order Extending Statutory Deadline

C.19-04-005

Fred Sahadi, individually and as Trustee of the Fred Sahadi Revocable Living Trust vs. San Jose Water Company.

Adjudicatory

Comr Randolph - Judge Ferguson

PROPOSED OUTCOME:

- Extends Statutory Deadline for completion of this proceeding until December 4, 2020.

SAFETY CONSIDERATIONS:

- There are no safety considerations implicated with this Order Extending Statutory Deadline.

ESTIMATED COST:

- There are no costs associated with this Order Extending Statutory Deadline.

Regular Agenda – Orders Extending Statutory Deadline (continued)

Item #14 [18807] – Order Extending Deadline

(ECP) C.19-08-009

Rashid El Malik vs. Southern California Edison Company.

Comr Randolph - Judge Kim

PROPOSED OUTCOME:

- Extends Deadline for completion of this proceeding until December 15, 2020.

SAFETY CONSIDERATIONS:

- There are no safety considerations implicated with this Order Extending Deadline.

ESTIMATED COST:

- There are no costs associated with this Order Extending Deadline.

Regular Agenda – Orders Extending Statutory Deadline (continued)

Item #15 [18808] – Order Extending Deadline

(ECP) C.19-10-013

Brandi Galasso vs. Southern California Edison Company.

Comr Guzman Aceves - Judge MacDonald

PROPOSED OUTCOME:

- Extends Deadline for completion of this proceeding until April 25, 2021.

SAFETY CONSIDERATIONS:

- There are no safety considerations implicated with this Order Extending Deadline.

ESTIMATED COST:

- There are no costs associated with this Order Extending Deadline.

Regular Agenda – Orders Extending Statutory Deadline (continued)

Item #16 [18810] – Order Extending Statutory Deadline

C.19-10-010

Utility Telecom Group, LLC vs. Pacific Bell Telephone Company d/b/a AT&T California.

Adjudicatory

Comr Guzman Aceves - Judge Kline

PROPOSED OUTCOME:

- Extends Statutory Deadline for completion of this proceeding until April 22, 2021.

SAFETY CONSIDERATIONS:

- There are no safety considerations implicated with this Order Extending Statutory Deadline.

ESTIMATED COST:

- There are no costs associated with this Order Extending Statutory Deadline.

Commissioners' Reports



California Public
Utilities Commission

The CPUC Thanks You For Participating in Today's Meeting

The next Public Meeting will be:

October 22, 2020 at 10:00 a.m.

Remote

