

CPUC Public Agenda 3498

Thursday, December 2, 2021, 10:00 a.m.

Remote Presentation

Commissioners:

Marybel Batjer, President

Martha Guzman Aceves

Clifford Rechtschaffen

Genevieve Shiroma

Darcie L. Houck

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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

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

- ***Para escuchar esta reunión en español, por favor llame: (800) 857-1917, código de acceso: 3799627.***
- Once called, each speaker has up to 1 minute at the discretion of the Commission President.
- A bell will ring when time has expired.
- Public Comment is not permitted on the following items:
 - 2
 - All items on the Closed Session Agenda

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, 4, 5, 8, 9, 11, 12, 13, 15, 16, 17, 18, 19, 21, 22, and 23.
- 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 29** 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.
- **Items 6, 10 and 20** have been moved to the Regular Agenda.
- **Item 32** has been withdrawn.
- The following items have been held to future Commission Meetings:
 - **Held to 12/16/21: 2, 3, 7, 14 and 25.**

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 #6 [20010] – Decision on Petition for Modification of Decision 19-12-022

A.17-09-005

Application of San Diego Gas & Electric Company for Authority to Implement Rate Relief and Increase Spend in Support of the San Diego Unified Port District's Energy Management Plan.

Ratesetting

Comr. Batjer - Judge Lau

PROPOSED OUTCOME:

- Grants in part and denies in part the Petition for Modification of Decision 19-12-022.
- Grants an extension of the 80 percent discount the San Diego Unified Port District currently receives on its non-coincident demand charge until either June 1, 2022, or the issuance of the decision resolving Application 20-12-009, whichever is sooner.
- Denies without prejudice the request in the Petition for Modification to authorize a one-time bill adjustment related to the implementation of the Maritime Rate for the Port.
- Closes the proceeding.

SAFETY CONSIDERATIONS:

- There are no safety considerations associated with this decision.

ESTIMATED COST:

- San Diego Gas & Electric Company ratepayers will pay for the costs of the extension of the current level of discount for six months or less.

Regular Agenda | Energy Orders (continued)

Item #24 [20018] – Actions to Prepare for Potential Extreme Weather in the Summers of 2022 and 2023

R.20-11-003

Order Instituting Rulemaking to Establish Policies, Processes, and Rules to Ensure Reliable Electric Service in California in the Event of an Extreme Weather Event in 2021.

Ratesetting

Comr. Batjer - Judge Thomas

PROPOSED OUTCOME:

- Directs and authorizes Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company to develop and modify existing programs and actions related to the Emergency Load Reduction Program (including the development of residential eligibility to participate), modifications to existing demand response and dynamic rate programs, and supply side procurement authorizations.
- Orders 2,000 to 3,000 megawatts of new supply- and demand-side resources to help address grid reliability concerns in the most extreme circumstances in 2022 and 2023.
- Adopts two attachments that outline the modifications to demand side programs, Attachment 2 being updates to Emergency Load Reduction Program rules.

SAFETY CONSIDERATIONS:

- This decision responds to the need for capacity resources and additional demand side management that became apparent after the heat events in August 2020 that resulted in rotating electric outages.

ESTIMATED COST:

- The expected costs authorized via this decision include (a) up to \$1.2 billion for the 4 years of the Emergency Load Reduction Program; actual costs will depend on its usage; (b) up to \$117.2 million in program costs for demand response, smart thermostat, dynamic rates pilots, and Flex Alert activities in 2022-2023; and (c) potential for additional significant cost for incremental procurement resources contracted by utilities that will be reviewed through separate Commission processes.

THANK YOU!

ADMINISTRATIVE LAW JUDGES

- SARAH THOMAS
- BRIAN STEVENS

LEGAL DIVISION

- AARON JACOBS SMITH
- CANDACE MOREY

- JASON ORTEGO
- NAVEED PAYDAR
- KATHERINE STOCKTON
- MARYAM MOZAFARI
- JEAN LAMMING
- ANDREW MAGIE
- ACHINTYA PARIMALRAM
- ERIK JOHNSON

ENERGY DIVISION STAFF

- JORDAN CHRISTENSON
- KAPIL KULKARNI
- KRISTIN LANDRY
- JUSTIN REGNIER
- MIA HART
- ED PIKE
- JOSH HUNEYCUTT
- PAT SAXTON
- JAIME GANNON
- SIMONE BRANT
- LAUREN REISER
- NEIL RAFFAN
- MICHAEL CASTELHANO
- JIMMY MAHADY
- PETER FRANZESE
- JONATHAN LAKEY
- GENESIS TANG
- KARIN SUNG

THANK YOU!

ENERGY DIVISION MANAGEMENT

- ALOKE GUPTA
- JEN KALAFUT
- TORY FRANCISCO
- FOREST KASER
- PAUL PHILLIPS
- NATHAN BARCIC
- MICHELE KITO
- ALISON LEBONTE
- JEORGE TAGNIPES
- HAL KANE
- BRUCE KANESHIRO
- MOLLY STERKEL
- PETE SKALA
- ED RANDOLPH

Regular Agenda | Energy Orders (continued)

Item #24 [20018] – Actions to Prepare for Potential Extreme Weather in the Summers of 2022 and 2023

R.20-11-003

Order Instituting Rulemaking to Establish Policies, Processes, and Rules to Ensure Reliable Electric Service in California in the Event of an Extreme Weather Event in 2021.

Ratesetting

Comr. Batjer - Judge Thomas

PROPOSED OUTCOME:

- Directs and authorizes Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company to develop and modify existing programs and actions related to the Emergency Load Reduction Program (including the development of residential eligibility to participate), modifications to existing demand response and dynamic rate programs, and supply side procurement authorizations.
- Orders 2,000 to 3,000 megawatts of new supply- and demand-side resources to help address grid reliability concerns in the most extreme circumstances in 2022 and 2023.
- Adopts two attachments that outline the modifications to demand side programs, Attachment 2 being updates to Emergency Load Reduction Program rules.

SAFETY CONSIDERATIONS:

- This decision responds to the need for capacity resources and additional demand side management that became apparent after the heat events in August 2020 that resulted in rotating electric outages.

ESTIMATED COST:

- The expected costs authorized via this decision include (a) up to \$1.2 billion for the 4 years of the Emergency Load Reduction Program; actual costs will depend on its usage; (b) up to \$117.2 million in program costs for demand response, smart thermostat, dynamic rates pilots, and Flex Alert activities in 2022-2023; and (c) potential for additional significant cost for incremental procurement resources contracted by utilities that will be reviewed through separate Commission processes.

Regular Agenda | Energy Orders (continued)

Item #10 [20020] – Microgrid and Resiliency Solutions to Enhance Summer 2022 and Summer 2023 Reliability

R.19-09-009

Order Instituting Rulemaking Regarding Microgrids Pursuant to Senate Bill 1339 and Resiliency Strategies.

Ratesetting

Comr. Shiroma - Judge Rizzo

PROPOSED OUTCOME:

- Directs Pacific Gas and Electric Company to expand its Temporary Generation Program for purposes of filling summer 2022 capacity shortfalls.
- Directs San Diego Gas & Electric Company to implement four circuit-level energy storage microgrid projects, providing 160 megawatt-hours of capacity to fill summer 2022 and summer 2023 capacity shortfalls.

SAFETY CONSIDERATIONS:

- This decision responds to the need for resources starting in Summer of 2022 to prevent rotating electric outages.

ESTIMATED COST:

- Costs will be tracked in memorandum accounts for cost recovery.

Regular Agenda | Energy Orders (continued)

Item #20 [20024] – Energy Efficiency Actions to Enhance Summer 2022 and 2023 Electric Reliability R.13-11-005

Order Instituting Rulemaking Concerning Energy Efficiency Rolling Portfolios, Policies, Programs, Evaluation, and Related Issues.

Ratesetting

Comr. Shiroma - Judge Fitch

PROPOSED OUTCOME:

- Responds to Governor Newsom's July 30, 2021, Emergency Proclamation.
- Approves \$180 million in additional energy efficiency funding in program years 2022 and 2023 to produce peak and/or net peak demand reductions and assist with summer electric system reliability.
- Makes certain process changes to expedite program delivery for summer electric reliability purposes.

SAFETY CONSIDERATIONS:

- This decision responds to the need to reduce peak and/or net peak demand starting in Summer of 2022 to prevent rotating electric outages.

ESTIMATED COST:

- This decision approves a total of \$180 million in new funding from ratepayers of Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company to fund incremental energy efficiency activities in 2022 and 2023.

Regular Agenda | Wildfire Safety Resolutions and Reports

Item #26 [20013] – Addressing Administrative Consent Order and Agreement of the Safety and Enforcement Division and Pacific Gas and Electric Company Regarding the 2019 Kincade Fire Pursuant to Resolution M-4846

Res SED-6

PROPOSED OUTCOME:

- Approves an Administrative Consent Order and Agreement between the Commission's Safety and Enforcement Division (SED) and Pacific Gas and Electric Company (PG&E) to resolve all issues involving the 2019 Kincade Fire.

SAFETY CONSIDERATIONS:

- Pursuant to the Administrative Consent Order and Agreement, PG&E agrees to commit shareholder funds to the permanent removal of abandoned transmission conductors and structures.

ESTIMATED COST:

- Pursuant to the Administrative Consent Order and Agreement, PG&E agrees to pay a monetary penalty of \$40 million to the California State General Fund and \$85 million in disallowances for a total of \$125 million.

Regular Agenda | Orders Extending Statutory Deadline

Item #27 [20062] – Order Extending Statutory Deadline

R.11-11-007

Order Instituting Rulemaking into the Review of the California High-Cost Fund-A Program.

Quasi-Legislative

Comr. Guzman Aceves - Judge Fortune - Judge Wercinski

PROPOSED OUTCOME:

- Extends Statutory Deadline for completion of this proceeding until December 31, 2022.

SAFETY CONSIDERATIONS:

- There are no safety considerations associated 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 #28 [20094] – Order Extending Statutory Deadline

A.19-12-002

Application of San Jose Water Company for Approval of Cost Recovery for Advanced Metering infrastructure.

Ratesetting

Comr. Houck - Judge Glegola - Judge Miles

PROPOSED OUTCOME:

- Extends Statutory deadline for completion of this proceeding until June 6, 2022.

SAFETY CONSIDERATIONS:

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

ESTIMATED COST:

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

Management Reports



Commissioners' Reports



Commissioner
Martha Guzman Aceves



Commissioner
Clifford Rechtschaffen



President
Marybel Batjer



Commissioner
Genevieve Shiroma



Commissioner
Darcie L. Houck

The CPUC thanks you for participating in today's meeting

The next Public Meeting will be:

December 16, 2021

10:00 a.m.

remote





California Public Utilities Commission

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