

# CPUC Public Agenda 3517

Thursday, November 3, 2022, 11:00 a.m.

## Commissioners:

Alice Reynolds, President

Clifford Rechtschaffen

Genevieve Shiroma

Darcie L. Houck

John Reynolds

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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-412, any member of the public (excluding parties and their representatives) who wishes to address the CPUC about matters before the Commission may comment in person at the Commission Meeting or may call in to the 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.
- **Written comments on a specific proceeding can be submitted via the CPUC's docket card. Please visit [www.cpuc.ca.gov/docket](http://www.cpuc.ca.gov/docket), input the proceeding number, then click on the public comment tab. You can also visit the Public Advisor's Office webpage at [www.cpuc.ca.gov/pao](http://www.cpuc.ca.gov/pao) for further information.**
- Public Comment is not permitted on the following items:
  - 10, 28

# 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, 3, 4, 7, 8, 9, 10, 11, 12, 13, 15, 16, 17, 19, 23, 24, 25, 26, 27, 28, 29 and 30.**
- 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 33** 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 14** has been moved to the Regular Agenda.
- **No Item** has been withdrawn.
- The following items have been held to future Commission Meetings:
  - **Held to 11/17/2022: 2, 5, 6, 16, 18, 20, 21, 22 and 31.**

# 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](http://www.cpuc.ca.gov)
- Late changes to agenda items are available on the Virtual Escutia Table; or in paper format or via QR Code at the Commission Meeting site.

## Regular Agenda | Orders and Resolutions

### Item #14 [20999] – Southern California Edison Company's Implementation Plan for Programs and Projects funded with Low Carbon Fuel Standard Holdback Credit Proceeds

Res E-5236

Advice Letter (AL) 4518-E filed June 15, 2021, and AL 4518-E-A filed February 24, 2022

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#### **PROPOSED OUTCOME:**

- Finds that the Implementation Plan Southern California Edison Company proposes for programs and projects funded with Low Carbon Fuel Standard residential base charging credit and electric forklift credit proceeds are reasonable, in part, with modifications.

#### **SAFETY CONSIDERATIONS:**

- There are no safety considerations associated with this resolution.

#### **ESTIMATED COST:**

- There are no costs associated with this resolution.

## Regular Agenda | Energy Orders

**Item #32 [21007] – Southern California Edison Company, San Diego Gas & Electric Company, and Pacific Gas and Electric Company Applications to Establish Authorized Cost of Capital for Utility Operation for 2022**

**A.21-08-013 , A.21-08-014 and A.21-08-015 - Related matters.**

Application of Southern California Edison Company for Authority to Establish its Authorized Cost of Capital for Utility Operations for 2022 and Reset the Annual Cost of Capital Adjustment Mechanism.

**Ratesetting**

**Comr. Alice Reynolds - Judge Hecht - Judge Zhang**

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### **PROPOSED OUTCOME:**

- Finds that Southern California Edison Company, San Diego Gas & Electric Company, and Pacific Gas and Electric Company meet the extraordinary circumstances requirements of Decision 08-05-035 which justify the filing of off-cycle cost of capital applications.
- Finds that extraordinary circumstances warrant a departure from the cost of capital mechanism adjustment for 2022.
- Orders the cost of capital for 2022 be determined in a second phase.

### **SAFETY CONSIDERATIONS:**

- There are no safety considerations associated with this decision.

### **ESTIMATED COST:**

- There are no costs associated with this decision.

# Regular Agenda | Energy Orders (continued)

## Item #32A [21008] – President Alice Reynolds Alternate to Agenda Number 21007

### A.21-08-013 , A.21-08-014 and A.21-08-015 - Related matters.

Application of Southern California Edison Company for Authority to Establish its Authorized Cost of Capital for Utility Operations for 2022 and Reset the Annual Cost of Capital Adjustment Mechanism.

### Ratesetting

### Comr. Alice Reynolds

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#### PROPOSED OUTCOME:

- Finds that Southern California Edison Company, San Diego Gas & Electric Company, and Pacific Gas and Electric Company meet the extraordinary circumstances requirements of Decision 08-05-035 which justify the filing of off-cycle cost of capital applications.
- Finds that extraordinary circumstances warrant a departure from the cost of capital mechanism adjustment for 2022.
- Return on equity, and other cost of capital components for 2022, remain at levels previously approved by Decision 19-12-056.
- Closes the proceeding.

#### SAFETY CONSIDERATIONS:

- There are no safety considerations associated with this decision.

#### ESTIMATED COST:

- There are no costs associated with this decision.

**Item #34 [20993]**

**2022 Legislative Outcomes Presentation**

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# 2022 Legislative Outcomes

Office of Governmental Affairs

Grant Mack, Director

Lori Misicka | Amanda Singh

November 3, 2022



California Public  
Utilities Commission

# 2022 Legislative Overview

- 93 Bills Tracked
- 30 Bills Passed by the Legislature
- 25 Bills Signed by the Governor
- Took ONE formal legislative position
- Participated in SIX legislative committee oversight hearings
- Provided FOUR formal legislative staff informational briefings

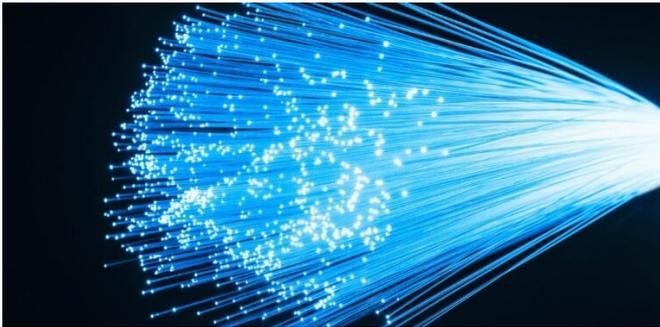
# Legislative Engagement & Cross Agency Collaboration

- Engaged with the Senate and Assembly policy, fiscal and budget committee consultants, Assembly Speaker's office, Senate Prop Tempore's office, and key legislative staff.
- Actively coordinated with the Department of Finance on bill fiscal analyses.
- Collaborated with the California Energy Commission (CEC), California Independent System Operator (CAISO), California Air Resources Board (CARB), State Water Resources Control Board (SWRCB), California Office of Emergency Services (Cal OES), California Department of Forestry and Fire Protection (Cal FIRE), Office of Energy Infrastructure Safety (OEIS), Governor's Office of Business and Economic Development (GO-Biz), California Natural Resources Agency (CNRA), California Department of Transportation (Cal Trans), California Department of Technology (CDT), California Department of Conservation, and Geological Energy Management Division (Cal GEM).
- Updated the Governor's Office on key policy issues.

# CPUC Formal Legislative Positions

- **SB 599 (Hueso): Public Utilities Commission: proceedings. (Version: As Introduced, February 18, 2021)**
  - **CPUC Position:** SUPPORT
  - **Status:** Signed by Governor, Chapter 702, September 28, 2022
  - **Summary:** This bill revises and recasts provisions relating to activities of the CPUC including quiet periods and the authority for closed session meetings during certain proceedings, updates provisions related to supplier diversity development programs and procurement contracts (i.e., Supplier Diversity program) with women, minority, disabled veteran and lesbian, gay, bisexual and transgender (LGBT) business enterprises and repeals the requirement for the CPUC to complete an annual assessment on the California Solar Initiative program as of January 1, 2024.
  - **Reason for Support:** This bill improves the ability of Commissioners to deliberate on matters before the CPUC by authorizing closed session meetings to additionally include deliberation on Resolutions. Further, the bill simplifies the current quiet period and close session requirements by revising and recasting existing statute, and updates supplier diversity and legislative reporting statutes for clarity and accuracy.

# Summary – Telecommunications Bills



- This year the Legislature focused its agenda on clarifying, modifying, or expanding the new broadband funding, programs and mechanisms enacted in 2021.
- **Major Bills -**
  - **AB 2749 (Quirk-Silva):** Communications: California Advanced Services Fund
  - **AB 2752 (Wood):** Broadband infrastructure and video service: mapping: subscriber information
  - **SB 857 (Hueso):** Telecommunications: universal service programs
- Other bills on telecommunications issues included reporting on digital equity and barriers to broadband access and low-income assistance programs.

# Summary – Water & Transportation Bills

## Water

- Provided technical feedback on two Senate bills pertaining to the CPUC's oversight of water investor-owned utilities.
  - **SB 222 (Dodd):** Water Rate Assistance Program
  - **SB 1469 (Bradford):** Water corporations: rates



## Transportation

- Engaged on various transportation related matters such as Transportation Network Company (TNC) passenger safety and at-grade rail crossing safety issues.
  - **AB 2716 (Grayson):** Transportation network companies: participating drivers: safety courses



# Summary - Energy Bills



- **The OGA tracked and engaged on over 55 energy (electricity and gas) bills.**
- **Themes of Bills Introduced Included –**
  - Mitigating the impacts of Public Safety Power Shutoffs (PSPS) events through the deployment of distributed energy resources (DERs)
  - Creating new value streams for DERs to encourage additional deployment
  - Vegetation management practices to reduce wildfire risk and associated costs
  - Restructuring clean energy resource procurement and mandating the procurement of specific energy resources
  - Decarbonizing new and existing buildings throughout the state
- **Themes of Bills Passed & Signed –**
  - Improving transmission planning and development
  - Expanding clean electricity procurement targets
  - Creating pathways for green hydrogen production and use
  - Creating new low-income customer clean energy programs
  - Improving electric rate and bill affordability

# Summary - Safety Bills

- The OGA engaged with several legislative offices and committee consultants on various energy, transportation, and rail **safety** related matters.
- **Major Bills –**
  - **SB 1383 (Hueso):** Electricity: storage facilities: standards and records.
  - **SB 884 (McGuire):** Electricity: expedited utility distribution infrastructure undergrounding program



# Formal Legislative Staff Informational Briefings



- **December 1, 2021** – Electric System Safety Oversight
- **December 9, 2021** – Building Decarbonization
- **January 14, 2022** – Distributed Energy Resource Planning, Integration & Deployment
- **January 28, 2022** – Electric Supply Reliability



# Legislative Committee Oversight & Informational Hearings

## Assembly Utilities & Energy Committee

- **March 2, 2022** – Annual Review of California Public Utilities Commission and the Public Advocates Office
- **March 30, 2022** –Pocketbooks and the Power System: Managing Future Rate Impacts
- **May 18, 2022** – Envisioning the Grid of 2045: How Much Transmission Is Needed?
- **June 6, 2022** - Joint Initiative Hearing with Assembly Natural Resources and Utility & Energy Committees. Provides Funding for Programs to Reduce Greenhouse Gas Emissions by Increasing Tax on Personal Income Over \$2 Million
- **August 25, 2022** – Proposal to Extend Operations of the Diablo Canyon Nuclear Power Plant

## Assembly Communications & Conveyance Committee

- **February 16, 2022** – California's Middle-Mile Broadband Initiative (MMBI)
- **April 6, 2022** - Last Mile Broadband: Connecting the Unserved

## Senate Rules Committee

- **June 29, 2022** – Governor Appointee Confirmation: CPUC President Alice B. Reynolds

## Senate Energy, Utilities & Communications Committee

- **August 2, 2022** – Annual Update to the Legislature by the California Public Utilities Commission and the Public Advocates Office
- **August 9, 2022** – Subcommittee on Clean Energy Future - Clean reliability: What does California need to ensure grid reliability while reducing fossil fuels?
- **August 10, 2022** - Joint Hearing with Senate Committees on Governance and Finance; Energy, Utilities and Communications; and Natural Resources and Water
- **August 25, 2022** – Proposal to Extend Operations of the Diablo Canyon Nuclear Power Plant

# Fiscal & Budget Overview

- During the 2022 legislative year, the CPUC received **166 fiscal impact estimate requests for 74 active bills.**
- The Legislature approved 2 Budget Bills and 2 Budget Trailer Bills that directly impact the CPUC.
- 1 of the Budget Bills allocated \$39 billion toward climate investments including ~\$8 billion for electric grid reliability, cost relief and clean energy development

2022-23 Budget - CPUC Relevant Provisions
Operational funding for the 2022-23 Fiscal Year
85.25 NEW permanent positions and 29 limited-term positions
Update to utility audit requirements
Removal of the fixed charge cap on electric residential rates
Modifications to the Self-Generation Incentive Program (with a funding set-aside of \$900 million starting July 1, 2023)
Mandatory electric IOU balancing authority participation
Authorization for CPUC/CAISO to share and protect confidential, market-sensitive information
Appropriation of \$50 million (with a funding set-aside of \$95 million starting July 1, 2023) for the TECH Clean California program
Appropriation of \$30 million for a community-based organization capacity and technical assistance program

# A Historic Year for Climate Policy

## 2022 Main Climate Policy Bill Package

**CARBON NEUTRALITY:** AB 1279 (Muratsuchi & C. Garcia) - Establishes a clear, legally binding, and achievable goal for California to achieve statewide carbon neutrality as soon as possible, and no later than 2045, and establishes an 85% emissions reduction target as part of that goal.

**PROTECT COMMUNITIES AGAINST OIL DRILLING:** SB 1137 (Gonzalez & Limon) - Establishes a setback distance of 3,200 feet between any new oil well and homes, schools, parks or businesses open to the public. Ensures comprehensive pollution controls for existing oil wells within 3,200 feet of these facilities.

**100% CLEAN ELECTRIC GRID:** SB 1020 (Laird - Creates interim clean electricity targets of 90% by 2035 and 95% by 2040 with the intent of advancing the state's trajectory to the existing 100% clean electricity retail sales by 2045 goal, accelerates state agency and state water program clean electricity procurement, establishes grid reliability reporting and electric rate and bill affordability metrics.

**CAPTURING AND REMOVING CARBON POLLUTION:** SB 905 (Caballero, Skinner & Limon) - Establishes a clear regulatory framework to advance carbon removal and carbon capture, utilization and sequestration projects and prohibits the practice of injecting carbon dioxide for the purpose of enhanced oil recover from these projects.

**NATURE-BASED SOLUTIONS:** AB 1757 (C. Garcia & R. Rivas) - Requires the state to develop an achievable carbon removal target for natural and working lands.

# Thank You!

Legislative engagement is a team effort -

- OGA Staff
- OGA Liaisons & Division staff
- Division Directors
- Commissioners and Advisors
- Legislative Partners & Stakeholders
- Agency Partners
- Governor's Office



# California Public Utilities Commission

For Additional Information and  
2022 Legislative Outcomes Report:

[www.cpuc.ca.gov/oga](http://www.cpuc.ca.gov/oga)

**Item #34 [20993]**

**2022 Legislative Outcomes Presentation**

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# Management Reports



# Commissioner's Reports



Commissioner  
Genevieve Shiroma



Commissioner  
Clifford Rechtschaffen



President  
Alice Busching Reynolds



Commissioner  
John Reynolds



Commissioner  
Darcie L. Houck

The CPUC thanks you for participating in today's meeting

The next Public Meeting will be:

**November 17, 2022**

**11:00 a.m.**

**Remotely**





# California Public Utilities Commission

[cpuc.ca.gov](http://cpuc.ca.gov)