

# CPUC Public Agenda 3559

Thursday, February 20, 2025, 11:00 a.m.

## **Commissioners:**

Alice Reynolds, President

Darcie L. Houck

John Reynolds

Karen Douglas

Matthew Baker

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



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 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 1 minute at the discretion of the Commission President. If there are a large number of callers wishing to speak, the time limit may be changed to accommodate all callers.
- 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:
  - 24

# 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 1 are: **1, 3, 4, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 20, 21, 24, 25, 26, and 27.**
- Items on Today's Consent Agenda 2 are: **5, 19, 22, 23, 28, 29, 30, 31, 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.
- **No Item** 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.
- **No Item** has been withdrawn.
- **No Item** has been moved to the Regular Agenda.
- The following items have been held to future Commission Meetings:

**Held to 4/3/2025: 2.**

# 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 | Energy Orders

## Item #33 [23240] – Electricity Resource Portfolios for the California Independent System Operator for 2025- 2026 Transmission Planning Process

**R.20-05-003**

Order Instituting Rulemaking to Continue Electric Integrated Resource Planning and Related Procurement Processes.

**Ratesetting**

**Comr. Alice Reynolds - Judge Fitch**

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### **PROPOSED OUTCOME:**

- Recommends a reliability and policy-driven base case portfolio for transmission analysis by the California Independent System Operator (CAISO) based on an electricity resource portfolio that meets a 25 million metric ton greenhouse gas emissions limit in 2035 and is consistent with last year's base case portfolio, with modifications discussed in this decision including updates to the load forecast.
- Recommends a sensitivity portfolio for analysis by the CAISO that includes the long lead-time resources discussed in Decision 24-08-064.

### **SAFETY CONSIDERATIONS:**

- The development of transmission associated with the base case portfolio for CAISO analysis in this decision will contribute to the safe and reliable delivery of electricity to California consumers.

### **ESTIMATED COST:**

- This decision does not order procurement of specific electricity resources. The associated costs are incurred by the CAISO to conduct analysis of the recommended portfolios and to authorize associated transmission to be built. These costs are ultimately paid by California electricity consumers, but are unknown at this time.



## Regular Agenda | Energy Orders (continued)

### Item #34 [23296] – Energy Resource Recovery Account and Power Charge Indifference Adjustment Policies and Processes

R.\_\_\_\_\_

Order Instituting Rulemaking to Update and Reform Energy Resource Recovery Account and Power Charge Indifference Adjustment Policies and Processes.

#### Ratesetting

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#### PROPOSED OUTCOME:

- Considers improvements to the Energy Resource Recovery Account (ERRA) and Power Charge Indifference Adjustment Mechanisms, policies, and processes to improve the programs.
- Examines and proposes potential changes to the current Resource Adequacy Market Price Benchmark calculations to improve accuracy.
- Considers the need for changes to ERRA implementation guidance, including implementation of the Slice of Day Framework.
- Considers changes to the Bundled Procurement Plan.

#### SAFETY CONSIDERATIONS:

- There are no safety considerations associated with this decision.

#### ESTIMATED COST:

- Costs are not known at this time.

# Regular Agenda | Communication Resolutions and Reports

## Item #35 [23197] – Last Mile Federal Funding Account Applications

Res T-17874

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### **PROPOSED OUTCOME:**

- Approves five grants for up to \$9,247,472 from the Last Mile Federal Funding Account to provide service to 2,086 unserved locations in Tuolumne County.

### **SAFETY CONSIDERATIONS:**

- There are no adverse safety considerations identified by staff. The recommended projects would provide the public safety benefits of reliable broadband to unserved areas, including households located in High Fire Threat District 3.

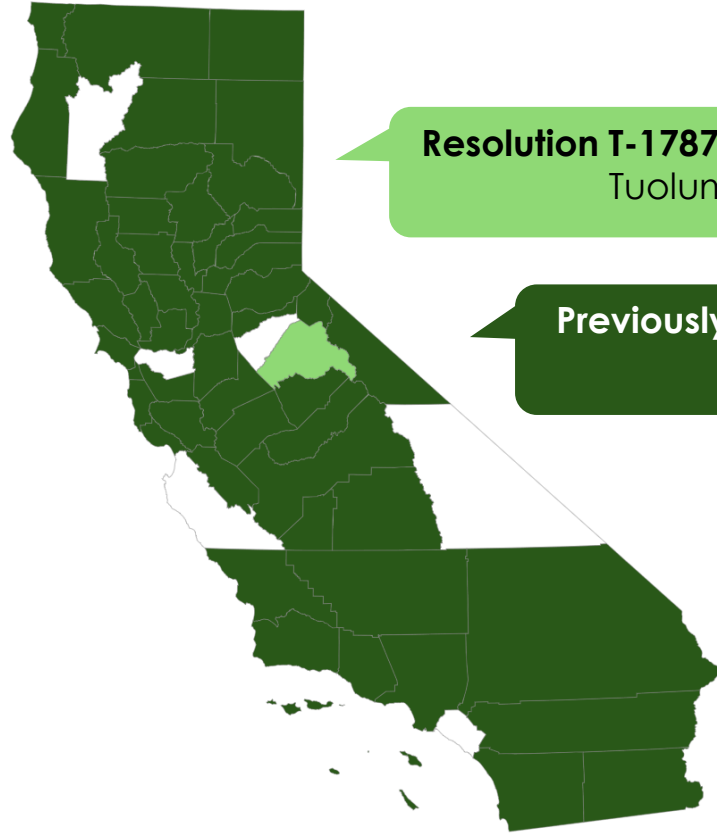
### **ESTIMATED COST:**

- \$9,247,472.

# Federal Funding Account Recommendations and Awards

Resolution T-17874 recommends **\$9 million in awards** benefiting an estimated 3,300 Californians.

The CPUC has already awarded \$1.1 billion in 51 counties benefiting an estimated 2 million Californians.



**Resolution T-17874 Proposes Awards in:**  
Tuolumne County

**Previously Approved Awards in**  
**51 counties**

As of February 20, 2025



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# Regular Agenda | Communication Resolutions and Reports

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Res T-17874

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### **SAFETY CONSIDERATIONS:**

- There are no adverse safety considerations identified by staff. The recommended projects would provide the public safety benefits of reliable broadband to unserved areas, including households located in High Fire Threat District 3.

### **ESTIMATED COST:**

- \$9,247,472.

# Management Reports



# Regular Agenda | Management Reports and Resolutions

Item #36 [23293] –

## Management Report on Administrative Actions and Consumer Protection and Safety Activities

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### Internal Audit Services and Utility Audit and Risk Compliance Accomplishments for 2023 - 2024 and Goals for 2025

- About Internal Audit Services and the Utility Audits, Risk and Compliance Division
- Accomplishments in Calendar Year 2024
- Goals for Calendar Year 2025

# Internal Audit Services and Risk and Compliance Branch's Accomplishments in 2024 and Goals For 2025

## Presenters:

Julie Munekawa, Chief, Internal Audit Services (IAS)

Angie Williams, Director, Utility Audits, Risk and Compliance Division

February 20, 2025



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# Contents

1. About the Internal Audit Services
2. Internal Audit Services Accomplishments in Calendar Year 2024
3. Internal Audit Services Goals for Calendar Year 2025
4. About the Utility Audits, Risk and Compliance Division
5. Risk and Compliance Branch Accomplishments in Calendar Year 2024
6. Update on CPUC's State Leadership Accountability Act
7. Risk and Compliance Branch Goals for Calendar Year 2025



# 1. About the Internal Audit Services



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# About the Internal Audit Services

- The Office of Internal Audit Services (IAS) provides assurance and advisory services to add value and improve CPUC's operations.
- We are an independent and objective office who reports to the Commissioners through the Audit Committee.
- All audits conducted by IAS are approved by the Audit Committee.

## 2. Internal Audit Services Accomplishments in Calendar Year 2024

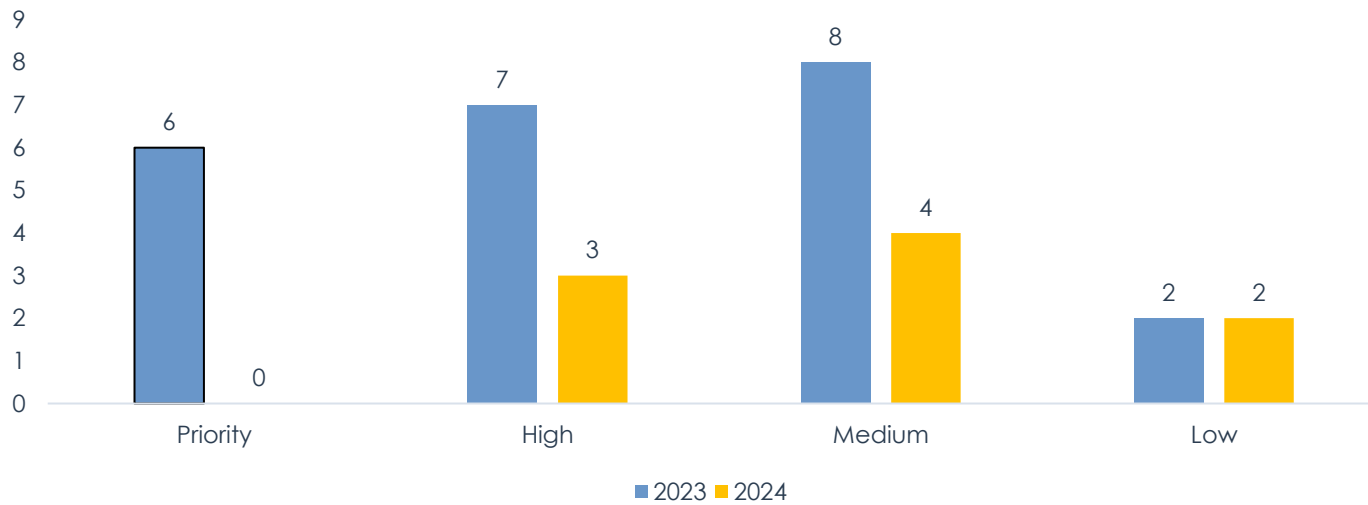


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# IAS Accomplishments in Calendar Year 2024

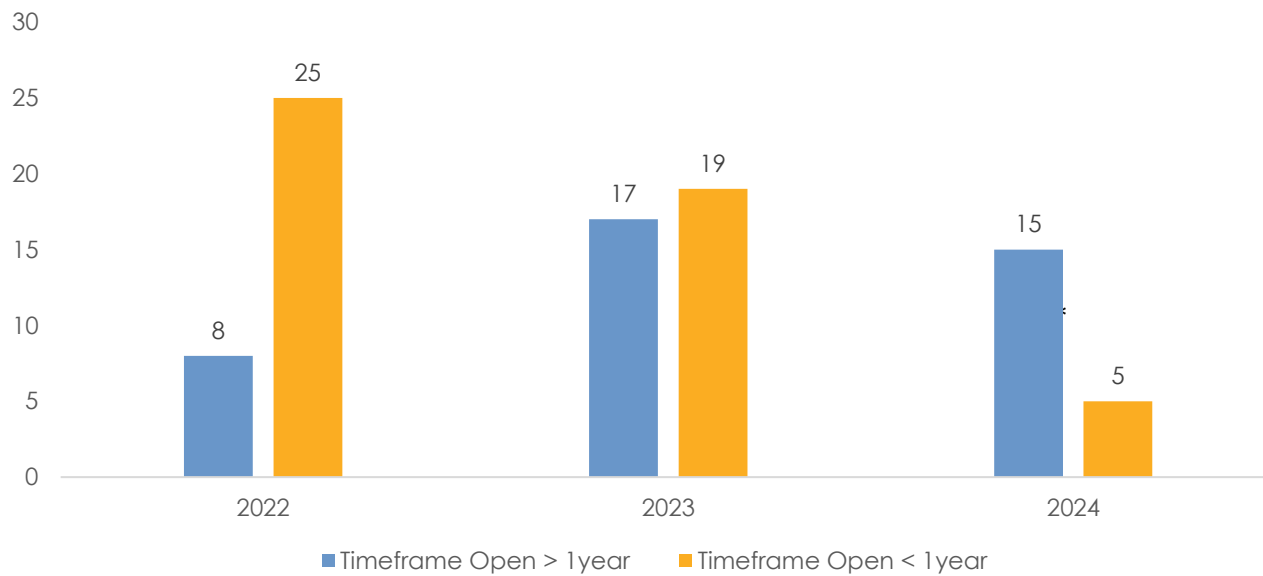
- Completed 6 internal audits and 1 advisory project; issued 9 findings.
- Reviewed 33 corrective action plans and validated 24 were fully implemented. For the remaining 9, follow-up on corrective actions is ongoing.
- Developed a risk-based Audit Plan for FY 2024-25.
- Utilized data analytics in planning audits and testing, when feasible.
- Updated the Internal Audit Charter and Audit Committee Charter.
- Developed an internal audit strategy, including vision, strategic objectives, and supporting initiatives.
- Identified and defined key performance indicators, measures, and targets.
- Completed Quality Assurance Improvement Plan – Internal and External Assessment, overall opinion, IAS conforms to the Audit Standards and the Code of Ethics.

# Findings for the Audits Completed by Rating As of December 31

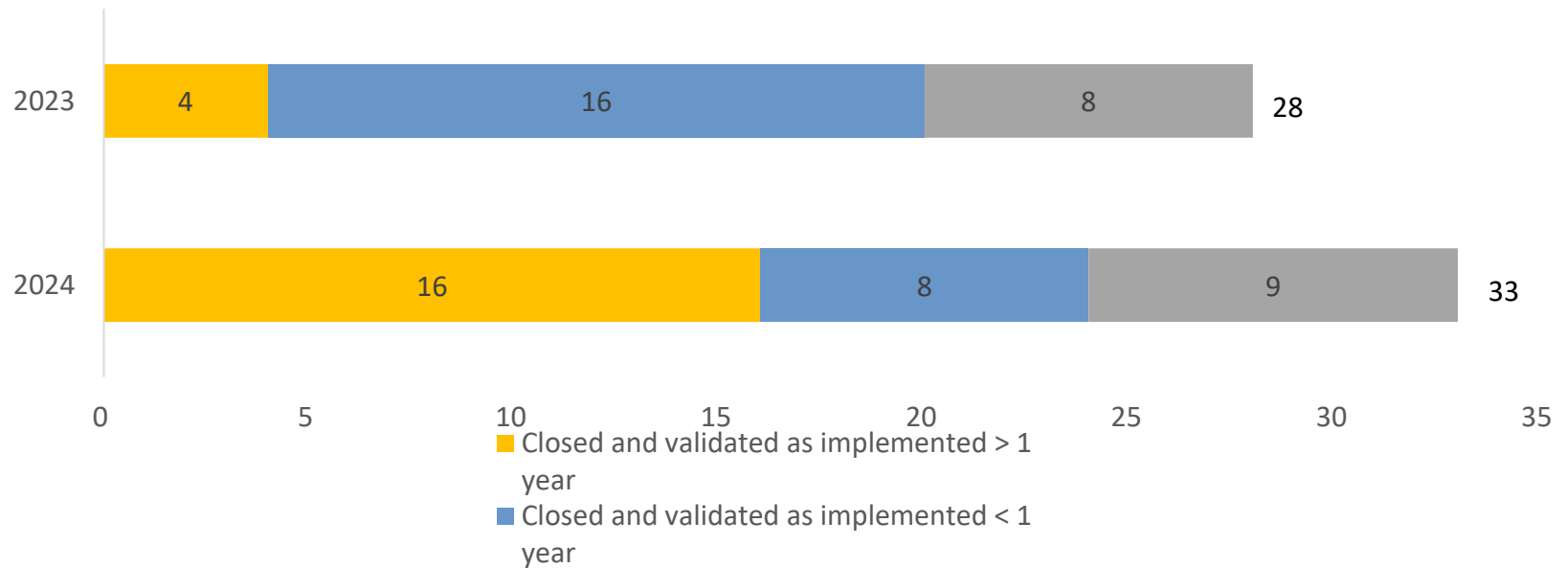


Total Findings 2023: 23 2024: 9

# Aging of Open Recommendations As of December 31



# Follow-up of Internal Audit Recommendations As of December 31



# 3. Internal Audit Services Goals for Calendar Year 2025



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# Internal Audit Services Goals for Calendar Year 2025

- Develop and complete the risk-based Audit Plan for FY 2025-26.
- Promote advisory services are available to assist the Divisions.
- Utilize TeamMate Risk module within audit software for risk assessment.
- Develop individual training plans for IAS staff.
- Complete Internal Assessment - Quality Assurance Improvement Program for FY 2024-25.
- Continue collaboration with the 2nd Line of Defense (Risk and Compliance Branch).

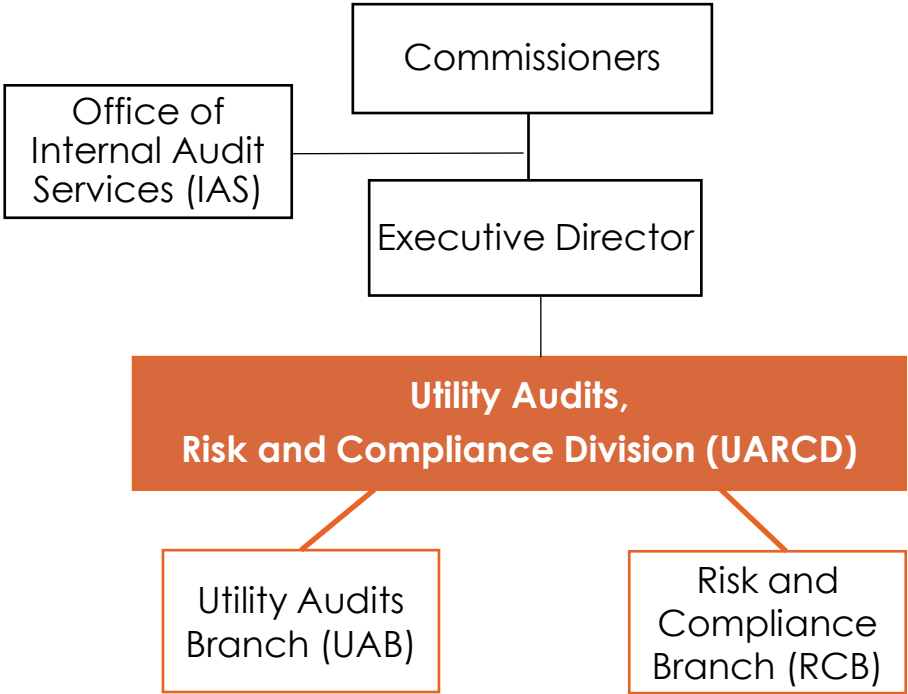
# 4. About the Utility Audits, Risk and Compliance Division



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# Organizational Structure

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# 5. Risk and Compliance Branch Accomplishments in Calendar Year 2024



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# CPUC Continues Upward Trend in Closing Audit Recommendations

Audit Recommendation Type	Dec 2023	Dec 2024	Incremental Change
External Audits	226	247	+ 21
Internal Audits	76	100	+ 24
Totals	302	347	+ 45

# Continuous Improvement in Controls and Processes

- Identified, monitored, and reported on CPUC's risk and control effectiveness to State Control Agency
- Ensured the accuracy of audit recommendation data by conducting a monthly reconciliation process
- Coordinated and submitted timely corrective action responses to both internal and external audit findings
- Maintained full compliance with all State and CPUC-mandated compliance activities

# Increased Collaboration with Internal and External Partners

- Provided training to CPUC staff, enhancing their knowledge and understanding
- Collaborated effectively with divisions to implement new operational procedures
- Revised and updated internal branch procedures and templates
- Strengthened UARCD's recruiting efforts by broadening our outreach initiatives

# 6. State Leadership Accountability Act Update



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# Compliance with State Leadership Accountability Act

- The CPUC has monitored and reported on 4 risks and 15 controls across its operational and program areas, leading to:
  - Successful development and implementation of 8 effective controls
  - Ongoing progress towards implementing the remaining 7 controls by the end of the fiscal year
- The CPUC is committed to ensuring its control systems function as intended through regular risk monitoring and improvements to internal controls
- The CPUC will begin coordinating and preparing its risks and controls assessment for inclusion in the December SLAA 2025 report

# 7. Risk and Compliance Branch Goals for Calendar Year 2025



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## Goals for Calendar Year 2025

- Maintain ongoing monitoring and reporting of CPUC's risks and controls through our reporting process
- Provide continued support to Divisions in implementing outstanding audit recommendations and driving process improvements
- Finalize the internal peer review of the Utility Audits Branch to assess compliance with applicable auditing standards
- Conduct compliance checks to ensure continued adherence to regulatory requirements and prior audit recommendations
- Provide training for CPUC staff

# Utility Audits, Risk and Compliance Division Team!





# California Public Utilities Commission

[cpucinternalaudits@cpuc.ca.gov](mailto:cpucinternalaudits@cpuc.ca.gov)

[riskandcompliancebranch@cpuc.ca.gov](mailto:riskandcompliancebranch@cpuc.ca.gov)

# Management Reports



# Commissioner's Reports



President  
Alice Busching Reynolds



Commissioner  
Darcie L. Houck



Commissioner  
John Reynolds



Commissioner  
Karen Douglas



Commissioner  
Matthew Baker

The CPUC thanks you for participating in today's meeting

The next Public Meeting will be:

**March 13, 2025**

**11:00 a.m.**

**San Jose, CA**







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