

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 5

To: Board of Directors

From: Keyes & Fox, Regulatory Consultant

Subject: Regulatory Monitoring Report – Keyes & Fox

Date: November 14, 2024

Please find attached Keyes & Fox's October 2024 Regulatory Memorandum dated November 6, 2024 an informational summary of the key California regulatory and compliance-related updates from the California Public Utilities Commission (CPUC).

Attachment: Keyes & Fox Regulatory Memorandum dated November 6, 2024

Valley Clean Energy Alliance

Regulatory Monitoring Report

To: Valley Clean Energy Alliance (VCE) Board of Directors

From: Sheridan Pauker, Partner, Keyes & Fox LLP
Jason Hoyle, Principal Analyst, EQ Research, LLC

Subject: Monthly Regulatory Update

Date: November 6, 2024

Keyes & Fox LLP and EQ Research LLC are pleased to provide VCE's Board of Directors with this informational memo describing key California regulatory and compliance-related updates from the California Public Utilities Commission (CPUC) over the past month.

Demand Flexibility

Background: This rulemaking was opened to update the CPUC's rate design principles and guidance for advancing demand flexibility, and the proceeding may also modify, consolidate, or eliminate existing dynamic rate pilots. Phase 1-Track A established an income-graduated fixed charge (IGFC) for residential rates for all investor-owned electric utilities in accordance with Assembly Bill 205 (Stats. 2022, ch. 61). Phase 1-Track B first adopted rate design and demand flexibility principles and then expanded VCE's AgFIT Pilot throughout PG&E distribution territory.

Recent Developments: On October 2, PG&E submitted [AL 7395-E](#) to align its marginal cost signals for real-time pricing pilots, including the AgFIT pilot, with the rates in its Phase 2 general rate case (GRC). CalAdvocates submitted a [Protest](#) of AL 7395-E on October 22. On October 29, PG&E submitted a [Reply](#) to the Protest arguing that the Commission has the authority to make a determination as to just and reasonable rates via the advice letter process and pointing out that the only rates that would be affected are those within limited pilot programs and that participants in those programs also have bill protection.

Analysis: The PAO protest of AL 7395-E recommends the Energy Division reject PG&E's request to use rates from its Phase 2 GRC because those rates have not been adopted by the Commission. The Protest also recommended that PG&E be directed to use the values approved in its 2020 Phase 2 GRC until a decision is issued in the 2023 Phase 2 GRC proceeding.

Next Steps: A proposed decision on Track B Working Group 1 proposals regarding rate design for marginal generation capacity costs is expected by the end of this year.

Additional Information: PG&E [Reply](#) to Protest (Oct. 29, 2024); PAO [Protest](#) of AL 7395-E (Oct. 22, 2024); PG&E [AL 7395-E](#) (Oct. 2, 2024); (ALJ [Ruling](#) (Sep. 16, 2024); [Disposition Letter](#) on VCE AL 17-E (Sep. 3, 2024); PG&E [AL 7223-E-B](#) (Aug. 13, 2024); PG&E [AL 7351-E](#) (Aug. 13, 2024) and [AL 7351-E-A](#) (Sep. 13, 2024); [Letter](#) granting PG&E dynamic rate pilot enrollment extension (May 31, 2024); PG&E [Request](#) for dynamic rate pilot enrollment extension (May 24, 2024); [D.24-05-028](#) (May 15, 2024); VCE [Substitute Sheet](#) AL 17-E (Apr. 18, 2024); PG&E [AL 7222-E-A](#) (Apr. 17, 2024); [D.24-01-032](#) (Jan. 26, 2024); [Phase 1 Scoping Memo and Ruling](#) (Nov. 2, 2022); [OIR](#) (Jul. 22, 2022); Docket No. [R.22-07-005](#).

NEW PG&E Billing System Modernization

Background: This proceeding addresses PG&E's plan to upgrade its legacy billing system, some portions of which date back to the mid-1990s. PG&E proposed a three-stage upgrade that would ultimately be complete in Q4 2029 and cost an estimated \$761.3 million.

Recent Developments: On October 23, PG&E submitted its [Application](#) requesting approval to recover 2023-2030 revenue requirements for its Billing Modernization Initiative. PG&E proposed a three-stage upgrade, starting with moving complex-billed customers out of the oldest system into a new system - Oracle's Billing Cloud Services (BCS), which is scheduled to be deployed in Q2 2025. The second stage, which began in Q3 2024 and is expected to be completed in Q3 2026, will upgrade the outdated version of the current CC&B system to version 25.1. Finally, the third stage will implement the more advanced C2M system, also from Oracle, starting in Q3 2026 and expected to be complete in Q4 2029.

Analysis: PG&E's outdated billing system is incapable of handling the quantity of customers or the increased complexity of more modern electricity rates, including income-graduated fixed charges and real-time pricing in many cases. Also,

the outdated billing system imposes significantly higher per-customer costs on CCAs in PG&E's territory than for CCAs elsewhere in the state.

Next Steps: Following protests and interventions, a status conference will be held, which will be followed by issuance of a procedural schedule.

Additional Information: [Application](#) (Oct. 23, 2024); Docket No. [A.24-10-014](#).

NEW Clean Power SF Municipalization

Background: The City and County of San Francisco (SF or City) filed this Petition for a determination by the CPUC of just compensation for acquisition by the City of PG&E property (PG&E distribution system within SF transmission assets needed for operational control, a substation and related assets). The Petition was filed pursuant to Public Utilities Code §1401-1421, which gives political subdivisions the right to petition the CPUC to value IOU assets that the political subdivision seeks to acquire and fix the just compensation for those assets. In the initial Scoping Memo, Assigned Commissioner John Reynolds declined to consider public interest determinations under Public Utilities Code §851 which PG&E sought to interject ahead of the CPUC's consideration of the valuation of PG&E assets. Briefing was filed in August of 2022. In March of 2024, the ALJ issued a Ruling seeking Party comments on standards for just compensation.

Recent Developments: Comments in response to the March ALJ [Ruling](#) were filed in May and June of 2024. An ALJ [Ruling](#) on October 28 directed the City and County of San Francisco, by November 27, to provide information that was the subject of PG&E's previous motions to compel as part of the discovery process in the docket.

Analysis: This has been a fairly litigious, aggressive, and lengthy docket, with a series of PG&E motions to dismiss the Petition for various reasons, none of which have been granted, and a PG&E motion to compel discovery, which was partially granted and partially denied.

Next Steps: According to the most recent procedural schedule a Proposed Decision issuing a draft valuation was planned to be issued in Q4 2024, but given discovery disputes and the need for testimony, hearings, and briefing to precede this decision, this will likely be further delayed into 2025.

Additional Information: ALJ [Ruling](#) (Oct. 28, 2024); ALJ [Ruling](#) requesting comments (Mar. 27, 2024); [Amended Scoping Memo and Ruling](#) (Dec. 22, 2023); [Ruling](#) amending schedule (Nov. 9, 2022); [Scoping Memo and Ruling](#) (Jun. 24, 2022); [Petition](#) (Jul. 27, 2021); Docket No. [P.21-07-012](#).

RPS Rulemaking

Background: This proceeding addresses ongoing Renewables Portfolio Standard (RPS) requirements, including legislative mandates, and other matters related to the purchase of renewable energy. This proceeding is the forum for review of VCE's RPS Procurement Plan and RPS Compliance reports.

Recent Developments: No recent developments.

Analysis: N/A

Next Steps: A proposed decision on 2024 RPS Procurement Plans is expected in Q4 2024.

Additional Information: [D.24-10-009](#) (Oct. 18, 2024); VCE [Draft 2024 RPS Procurement Plan](#) (Jul. 22, 2024); PG&E [AL 7332-E](#) (Jul. 22, 2024); Resolution [E-5323](#) on ReMAT rates (Jun. 24, 2024); [Assigned Commissioner's Ruling](#) on 2024 RPS Procurement Plans (May 17, 2024); [Scoping Memo and Ruling](#) (May 9, 2024); ALJ [Ruling](#) (Mar. 7, 2024); [OIR](#) (Feb. 1, 2024); Docket No. [R.24-01-017](#).

RA Rulemaking (2025-2026)

Background: This proceeding considers resource adequacy (RA) requirements for LSEs and will address the 2025 and 2026 RA compliance years, local RA procurement obligations for the 2025-2028 compliance years, and further development of the 24-hour Slice-of-Day (SOD) framework. Track 1 was focused on priority issues including RA capacity requirements, SOD framework implementation, and RA compliance and penalties. Track 2 is focused on Central Procurement Entity (CPE) framework issues, including potential structural modifications, and Track 3 will be focused on remaining RA capacity issues. The Commission issued a decision (D.24-06-004) on Track 1 on June 26, 2024.

Recent Developments: On October 29, the CPUC issued a [Proposed Decision](#) (PD) in Track 2 of the Resource Adequacy proceeding declining to eliminate the central procurement entity framework (CPE) but adopting minor modifications, such as eliminating the non-compensated self-show option of the CPE framework and locking in CPE allocations to load-serving entities (LSEs) one year earlier. The PD also considered the appropriate planning reserve margin for 2026 and beyond. Initially Energy Division proposed an 18.5% PRM for 2026, but after additional analysis Staff recommended a 26.5% PRM from January through May and a 23.5% PRM from June through December – all of which are higher than the 17% PRM adopted in recent years. In response, parties raised significant concerns with Energy Division's proposal. Given those concerns, the PD authorizes Energy Division to further revise the 2026 PRM level and submit the revisions in December 2024. On November 4, the Assigned Commissioner issued a [Scoping Memo](#)

[and Ruling](#) for Track 3 which will consider unresolved resource counting matters, the 2026 PRM, and time-sensitive modifications to the SOD framework, among other topics.

Analysis: The continued revisions and analysis of the 2026 PRM may result in a substantially smaller increase in the 2026 PRM than the 33%-50% increase in Energy Division's latest proposal, which would reduce the amount of additional RA needed to be procured for 2026. By requiring CPE allocations to be made known a year in advance, the PD would also assist load-serving entities with identifying and planning for RA procurement needs over a longer period, potentially resulting in a more flexible RA supply and possibly provide some downward price pressure in the RA market.

Next Steps: The first year-ahead SOD showing was due on October 31. The Proposed Decision may be heard as early as the December 5 Commission meeting. Comments on the Proposed Decision are due November 18 and reply comments are due November 25.

Additional Information: Track 3 [Scoping Memo and Ruling](#) (Nov. 4, 2024); Track 2 [Proposed Decision](#) (Oct. 29, 2024); PG&E [AL 7365-E](#) (Sep. 19, 2024); ALJ [Ruling](#) (Jul. 22, 2024); ALJ [Ruling](#) (Jun. 26, 2024); [D.24-06-004](#) (Jun. 26, 2024); [Scoping Memo and Ruling](#) (Dec. 18, 2023); [OIR](#) (Oct. 16, 2023); Docket No. [R.23-10-011](#).

EV Rates & Infrastructure

Background: This rulemaking is the successor to [R.18-12-006](#) and will focus on issues related to 1) timely energization of electric vehicle (EV) charging, 2) transportation electrification grid planning to support charging infrastructure deployment, 3) deployment of behind-the-meter (BTM) charging infrastructure to support state goals, 4) vehicle-grid integration (VGI), and 5) ongoing transportation electrification policy development and collaboration.

Recent Developments: On October 3, the Commission issued [Draft Comment Resolution E-5358](#) that approves PG&E's request to transfer \$2.2 million in previously approved funding to support the Vehicle Grid Integration Pilot and approves PG&E's request to implement a \$20/kW-year incentive payment for the enrolled load of participating CCAs. On October 30, PG&E [announced](#) a new contract opportunity for community-based organizations (CBOs) to provide Marketing, Education & Outreach (ME&O) in support of its new EV Fleet Advisory Services program.

Analysis: N/A

Next Steps: There is no current procedural schedule for this proceeding. The Draft Resolution was scheduled to be heard at the November 7 Commission meeting but is being held over to the December 19 meeting. Suppliers interested in participating PG&E's ME&O Contract Opportunity must [register](#) for the Wood Mackenzie/PowerAdvocate workshop by November 15, and RFP responses are due by January 24 at 3 PM.

Additional Information: [Draft Comment Resolution E-5358](#) (Oct. 3, 2024); PG&E [Semi-Annual VGI Report](#) (Sep. 13, 2024); [Resolution E-5326](#) (Jul. 17, 2024); [Letter](#) granting extension (Jun. 5, 2024); ALJ [Ruling](#) (Jun. 3, 2024); [Vehicle-Grid Integration Forum Report](#) (May 21, 2024); [Resolution E-5314](#) (Apr. 19, 2024); [Scoping Memo and Ruling](#) (Apr. 12, 2024); [Draft Resolution E-5314](#) (Mar. 8, 2024); ALJ [Ruling](#) (Dec. 27, 2023); [OIR](#) (Dec. 20, 2023); Docket No. [R.23-12-008](#).

IRP Rulemaking

Background: This proceeding governs the biennial Integrated Resource Plan (IRP) process, including load serving entity (LSE) procurement requirements, the establishment of a variety of state- and LSE-level load and procurement forecasts, greenhouse gas (GHG) reduction targets, and ongoing reliability obligations.

Recent Developments: On October 30, an ALJ [Ruling](#) invited one further round of comments from parties on the preliminary mapping of resources to busbars on the transmission system.

Analysis: N/A

Next Steps: Comments on the busbar mapping information provided by Commission staff in the workshop are due November 19 and there will be no reply comments. By March 1, 2025, the CPUC may request that the Division of Water Resources exercise the centralized procurement mechanism for long-lead-time resources. VCE's Mid-Term Reliability filing was submitted on November 1, 2024.

Additional Information: ALJ [Ruling](#) (Oct. 30, 2024); [D.24-09-006](#) (Sep. 17, 2024); ALJ [Ruling](#) (Sep. 12, 2024); [D.24-08-064](#) on central procurement of LLT resources (Aug. 29, 2024); [Proposed Decision](#) on bridge resources (Aug. 9, 2024); ALJ [Ruling](#) (May 21, 2024); [Amended Scoping Memo and Ruling \(Correction/Clarification\)](#) (Apr. 18, 2024); [D.24-02-047](#) (Feb. 20, 2024); [D.23-12-014](#) (Dec. 19, 2023); [D.23-02-040](#) on Procurement (Feb. 28, 2023); Docket No. [R.20-05-003](#).

Diablo Canyon Cost Recovery

Background: This proceeding will establish rates effective January 1, 2025 to recover the forecast costs associated with extended operations of the Diablo Canyon Power Plant (DCPP) during the September 2023-December 2025 time period. Customers across the state – including CCA customers - will pay for the costs of extended operations at DCPP, and will be allocated the resource adequacy (RA) and greenhouse gas (GHG)-free benefits associated with those operations. PG&E proposes, in its application, certain changes to the allocation of RA and GHG-free benefits to load

serving entities (LSEs). It also proposes specific uses for the volumetric performance fee revenue it will collect from customers in 2025.

Recent Developments: PG&E filed its Fall Update testimony in early October, and parties filed opening and reply comments. The sharp increase in the RA market price benchmark, which affects PG&E's forecast substitution capacity costs (and as a result, its forecast revenue requirement) and PG&E's cost effectiveness analysis, were the focus of parties' comments.

Analysis: N/A

Next Steps: A proposed decision is expected by the end of 2024.

Additional Information: PG&E [AL 7295-E-A](#) (Aug. 30, 2024); ALJ [Ruling](#) (Aug. 27, 2024); ALJ [Ruling](#) (Aug. 15, 2024); [Scoping Memo and Ruling](#) (Jun. 18, 2024); PG&E [AL 7295-E](#) (Jun. 12, 2024); ALJ [Ruling](#) (May 15, 2024); [Amended Application](#) (Apr. 8, 2024); [Application](#) (Mar. 29, 2024); Docket No. [A.24-03-018](#).

Microgrids

Background: This proceeding was opened to implement the requirements of SB 1339 (Stern, 2018), requiring the commercialization of microgrids for distribution customers of the large IOUs. The initial three tracks have concluded, and Track 4 and Track 5 address the establishment of a Microgrid Incentive Program (MIP), potential contributions that microgrids can make to mitigating capacity shortages in the near-term, the development of a multi-property microgrid framework, and examination of the value of resiliency from microgrids.

Recent Developments: On September 17, the CPUC issued a [Proposed Decision](#) (revised November 4) adopting implementation rules for multi-property microgrid tariffs and closing the proceeding.

Analysis: N/A

Next Steps: This proceeding will conclude following the approval of the proposed decision scheduled to be heard at the November 7 Commission meeting.

Additional Information: [Revised Proposed Decision](#) (Sep. 17, 2024); PG&E [AL 7042-E-B](#) (Jul. 23, 2024); CALSSA [PFM](#) (Jun. 11, 2024); [Order](#) denying Joint Application for Rehearing (Apr. 19, 2024); ALJ [Ruling](#) (Mar. 27, 2024); Microgrid Resources Coalition [proposal](#), Green Power Institute [proposal](#), Clean Coalition [proposal](#) (Dec. 15, 2023); PG&E [MIP Handbook](#) (Oct. 12, 2023); [Scoping Memo and Ruling](#) (Jul. 18, 2023); [D.23-04-034](#) on Microgrid Incentive Program Implementation (Apr. 14, 2023); Docket No. [R.19-09-009](#).

Provider of Last Resort Rulemaking

Background: A Provider of Last Resort (POLR) is the utility or other entity that has the obligation to serve all customers (PG&E currently serves in this role for VCE's service area). Phase 1 of this proceeding concluded in April 2024 and addressed POLR service requirements, cost recovery, and options to maintain GHG emission reductions in the event of an unplanned customer migration to the POLR. Phase 2 will build on Phase 1 to set the requirements and application process for non-IOU entities to serve as the POLR. Phase 3 will address specific issues not resolved in Phase 1 or 2.

Recent Developments: On October 24, the Assigned Commissioner issued a [Scoping Memo and Ruling](#) in Phase 2 of the POLR proceeding. The Ruling identifies a set of threshold questions and two primary topic areas for Phase 2. The two primary topic areas are: 1) the regulatory framework for non-IOU POLRs; and 2) the development of the joint IOU-non-IOU application California law requires before the Commission may allow a non-IOU Load-Serving Entity (LSE) to serve as a POLR. The threshold questions, which will be addressed before the primary topics, focus on questions such as whether any non-IOU LSE is interested in and able to accept POLR responsibilities, and other foundational jurisdictional questions.

Analysis: N/A

Next Steps: Comments on the Threshold Questions are due January 10 and reply comments are due January 24. A ruling on the need for legal briefs is expected in Q1 2025 and resolution of the Threshold Questions is expected in Q2 2025, after which the primary topic areas will be addressed. The first revised FSR posting under this Decision is due March 1, 2025, and subsequent FSR postings are due July 1 and January 1 of each year.

Additional Information: [Scoping Memo and Ruling](#) (Oct. 24, 2024); ALJ [Ruling](#) (Aug. 6, 2024); Joint CCA [Advice Letter](#) on new registration (Jul. 17, 2024); [Joint CCA Advice Letter](#) on financial modeling and reporting guidelines (Jul. 1, 2024); [D.24-04-009 / Appendix](#) (Apr. 22, 2024); [Amended Scoping Ruling and Memo](#) (Jun. 19, 2023); [OIR](#) (Mar. 25, 2021); Docket No. [R.21-03-011](#).

PG&E 2023 Phase 2 GRC

Background: Phase 2 General Rate Case (GRC) proceedings determine PG&E's marginal cost of service and revenue requirement allocation among customer classes for a set period (in this case, 2023-2026).

Recent Developments: Protests of the Application were filed on November 4.

Analysis: N/A

Next Steps: Following the submission of protests and responses to the Application, the Commission will hold a prehearing conference and then issue a Scoping Memo setting a procedural schedule.

Additional Information: [Application](#) (Sep. 30, 2024); Docket No. [A.24-09-014](#).

PG&E 2024 ERRR Forecast

Background: The annual Energy Resource and Recovery Account (ERRR) forecast proceedings establish the amount of the Power Charge Indifference Adjustment (PCIA) and other non-bypassable charges (NBCs) for the following year, as well as fuel and purchased power costs associated with serving bundled customers that utilities may recover in rates.

The April 2 [Scoping Memo and Ruling](#) consolidated all three major IOUs' ERRR forecast proceedings for the sole purpose of addressing issues related to the definition of and accounting for "fixed generation costs" in a Track 2.

Recent Developments: On October 11, the Assigned Commissioner issued a [Scoping Memo & Ruling](#) for the consolidated portion of the 2024 ERRR Forecast proceedings to address outstanding issues related to the definition of and accounting for fixed generation costs.

Analysis: N/A

Next Steps: Rebuttal testimony in Track 2 is due November 22, a status conference is set for December 3, and evidentiary hearings may be held, if needed, in January 2025. A proposed decision is expected in April 2025.

Additional Information: [Scoping Memo & Ruling](#) (Oct. 11, 2024); ALJ [Ruling](#) on Track 2 schedule (May 1, 2024); Joint CCA [Motion](#) (Apr. 26, 2024); IOU [Motion](#) (Apr. 25, 2024); [Scoping Memo and Ruling](#) (Apr. 2, 2024); [Joint Prehearing Conference Statement](#) (Mar. 26, 2024); PG&E [AL 7180-E](#) (Feb. 15, 2024); [D.23-12-022](#) (Dec. 19, 2023); ALJ [Ruling](#) (Dec. 18, 2023); ALJ [Ruling](#) (Nov. 20, 2023); [Market Price Benchmarks](#) (Oct. 2, 2023); [Scoping Ruling and Memo](#) (Sep. 15, 2023); ERRR Trigger [Application](#) (Jul. 28, 2023); CalCCA [Protest](#) (Jun. 16, 2023); PG&E 2024 ERRR Forecast [Application](#) (May 15, 2023); Docket No. [A.23-05-012](#).

PG&E 2025 ERRR Forecast

Background: The annual Energy Resource and Recovery Account (ERRR) forecast proceedings establish the amount of the Power Charge Indifference Adjustment (PCIA) and other non-bypassable charges (NBCs) for the following year, as well as fuel and purchased power costs associated with serving bundled customers that utilities may recover in rates.

Recent Developments: On October 23, PG&E submitted its [Fall Update](#) including several "mitigations" to the updated market price benchmarks. Specifically, PG&E recommended an alternative scenario that holds the Resource Adequacy Market Price Benchmarks (RA MPBs) constant at the level of the most recently adopted RA MPBs (i.e., the 2024 Forecast RA MPBs for each System, Local, and Flexible), which would result in net lower costs to PG&E's bundled service customers by lowering the net cost of retaining RA from the portfolio for compliance purposes and would increase the PCIA rate for departing load customers (e.g., CCA customers). PG&E's mitigation proposals closely resemble the RA MPB cap proposal PG&E made in its Application and direct testimony, and that proposal was ruled out of the scope of this proceeding. CalCCA and the Direct Access Customer Coalition therefore filed a Motion to Strike the portions of PG&E's Fall Update discussing its proposed mitigations.

Analysis: Under the currently approved common cost allocation methodology, average 2025 CCA rates including the GHG revenue return for non-CARE residential customers are expected to decline by 5.3% to \$0.25699/kWh and to decline by 12.4% for CARE residential customers to \$0.09792/kWh. Average 2025 CCA rates without the GHG revenue return for non-CARE residential customers are expected to decline by 4.5% to \$0.28226/kWh and to decline by 9.2% for CARE residential customers to \$0.12346/kWh. PG&E's alternative proposals would result in higher rates for CCA customers than rates under the currently approved methodology.

Next Steps: A proposed decision is expected in November 2024.

Additional Information: PG&E [Fall Update](#) (Oct. 23, 2024); [Joint Case Management Statement](#) (Sep. 27, 2024); [Scoping Memo and Ruling](#) (Aug. 1, 2024); ALJ [Ruling](#) (Jun. 13, 2024); PG&E's [Amended Application](#) (May 24, 2024); PG&E 2025 ERRR Forecast [Application](#) (May 15, 2024); Docket No. [A.24-05-009](#).

PG&E 2021 ERRR Compliance

Background: The annual ERRR Compliance proceeding reviews the utility's compliance with CPUC-approved standards for generation-procurement and cost recovery activity occurring in the prior year, such as energy resource contract administration, least-cost dispatch, fuel procurement, and balancing account entries.

Recent Developments: No recent developments.

Analysis: N/A

Next Steps: A proposed decision was expected in early 2024 but is delayed.

Additional Information: ALJ [Ruling](#) (Nov. 9, 2023); ALJ [Ruling](#) (Sep. 27, 2023); [ALJ Ruling](#) on schedule (Jan. 6, 2023); Assigned Commissioner's [Scoping Memo and Ruling](#) (Aug. 9, 2022); PG&E 2021 ERRR Compliance [Application](#) (Feb. 28, 2022); Docket No. [A.22-02-015](#).

PG&E 2022 ERRA Compliance

Background: The annual ERRA Compliance proceeding reviews the utility's compliance with CPUC-approved standards for generation-procurement and cost recovery activity occurring in the prior year, such as energy resource contract administration, least-cost dispatch, fuel procurement, and balancing account entries.

Recent Developments: Opening briefs were filed October 4 and reply briefs were filed October 11.

Analysis: N/A

Next Steps: N/A

Additional Information: ALJ [Ruling](#) (Sep. 3, 2024); ALJ [Ruling](#) (Jul. 26, 2024); ALJ [Ruling](#) (May 22, 2024); ALJ [Ruling](#) (May 16, 2024); ALJ [Ruling](#) (Apr. 16, 2024); PG&E and CalAdvocates' [Joint Motion](#) for Settlement (Mar. 7, 2024); CalCCA [Motion](#) (Mar. 1, 2024); ALJ [Ruling](#) (Feb. 15, 2024); ALJ [Ruling](#) (Sep. 25, 2023); [Scoping Memo and Ruling](#) (Jun. 2, 2023); PG&E 2022 ERRA Compliance [Application](#) and [Notice of Availability](#) (Feb. 28, 2023); Docket No. [A.23-02-018](#).

PG&E 2023 ERRA Compliance

Background: The annual ERRA Compliance proceeding reviews the utility's compliance with CPUC-approved standards for generation-procurement and cost recovery activity occurring in the prior year, such as energy resource contract administration, least-cost dispatch, fuel procurement, and balancing account entries.

Recent Developments: An October 21 ALJ [Ruling](#) extended the date for filing the Joint Case Management Statement to November 6 and cancelled the previously scheduled evidentiary hearings pending a determination of whether there are disputed issues of fact.

Analysis: N/A

Next Steps: A Joint Case Management Statement is due November 6, opening briefs are due December 19, and a proposed decision is expected by mid-March 2025.

Additional Information: ALJ [Ruling](#) (Oct. 21, 2024); [Scoping Memo and Ruling](#) (Jun. 12, 2024); [Joint Prehearing Conference Statement](#) (Apr. 15, 2024); CalCCA's [Protest](#) (Apr. 5, 2024); PG&E 2023 ERRA Compliance [Application](#) (Feb. 28, 2024); Docket No. [A.24-02-012](#).

Building Decarbonization

Background: This proceeding explores reduction of greenhouse gas (GHG) emissions associated with energy use in buildings. [D.20-03-027](#) established the Building Initiative for Low-Emissions Development and the Technology and Equipment for Clean Heating program. [D.21-11-002](#) adopted guiding principles for layering building decarbonization incentives, adopted incentives to help wildfire victims rebuild all-electric, and directed the IOUs to study bill impacts from electrification. The current Phase 4 will consider whether modifications to electric line extension rules would assist under-resourced customers, electric baseline allowance modifications to encourage building decarbonization, and new programmatic approaches to building decarbonization.

Recent Developments: No recent developments.

Analysis: N/A

Next Steps: A proposed decision on Phase 4 Track A considerations is expected in 2024, and a Phase 4 Track B staff proposal is expected in Q4 2024, followed by proposed decisions in Q2 2025.

Additional Information: ALJ [Ruling](#) and Track A [Staff Proposal](#) (Jul. 18, 2024); [Scoping Memo and Ruling](#) (Jul. 1, 2024); [OIR](#) (Feb. 8, 2019); Docket No. [R.19-01-011](#).

Utility Safety Culture Assessments

Background: This rulemaking will define safety culture concepts and determine how the safety culture of PG&E and other utilities in California will be assessed and evaluated. The CPUC's Office of Energy Infrastructure Safety will conduct annual wildfire safety-specific assessments of investor-owned utilities as required by AB 1054, and an independent third-party evaluator will conduct safety culture assessments every five years per SB 901. Phase 1 of this proceeding is focused on developing safety culture assessments for the large investor-owned electric and natural gas corporations, and Phase 2 of this proceeding will be focused on developing safety culture assessments for the small multi-jurisdiction utilities and the gas storage operators.

Recent Developments: No recent developments.

Analysis: N/A

Next Steps: A proposed decision on Phase 1 is expected later this year.

Additional Information: ALJ [Ruling](#) (Jun. 10, 2024); ALJ [Ruling](#) (May 8, 2023); [Scoping Ruling](#) with procedural schedule (Apr. 28, 2022); [Order Instituting Rulemaking](#) (Oct. 7, 2021); Docket No. [R.21-10-001](#).

Other Dockets

The following table identifies other tracked dockets that are closed or inactive.

Docket	Name	Status
R.23-03-007	Wildfire Fund NBC 2024-2026	The CPUC issued a Proposed Decision (PD) (Oct. 25, 2024) adopting a \$5.95/MWh Wildfire NBC for 2025 - a slight increase from the 2024 WF NBC charge of \$5.61/MWh. This matter may be heard as soon as the December 5 Commission meeting. Comments on the PD are due November 14 and reply comments are due November 19 . The 2025 NBC is expected to generate \$922.8 million in revenue, with \$20.4 million allocated to make up for the projected under-collection in 2024.
R.17-06-026	PCIA Rulemaking	The proceeding was closed by D.23-06-006 . D.24-08-004 (issued Aug. 2, 2024) denied SCE's Petition for Modification of D.23-06-006 and re-closed the proceeding. Final Market Price Benchmarks (MPBs) for 2024 and forecast 2025 MPBs were issued on October 4.
A.22-05-002	Demand Response Programs (2023-2027)	D.24-04-006 , issued April 24, 2024, ended the Demand Response Auction Mechanism (DRAM) pilot programs of PG&E, SCE, and SDG&E and closed the proceeding. The proceeding was re-opened to address the June 27 Petition for Modification filed by Leapfrog Power.
A.21-06-021	PG&E 2023 Phase 1 GRC	This proceeding is inactive, but it remains open to provide further guidance on metrics relevant to auditor reports, to consider revising the energization cost recovery mechanism, and to establish reporting requirements for reviewing the reasonableness of PG&E's interim rate recovery in its next GRC.