

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 6

To: Board of Directors

From: Keyes & Fox, Regulatory Consultant

Subject: Regulatory Monitoring Report – Keyes & Fox

Date: April 13, 2023

Please find attached Keyes & Fox's March 2023 Regulatory Memorandum dated April 5, 2023 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 April 5, 2023.

Valley Clean Energy Alliance

Regulatory Monitoring Report

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

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

Subject: Monthly Regulatory Update

Date: April 5, 2023

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.

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 March 8, the CPUC sent an email notice advising stakeholders that it will restart the IRP inputs and assumptions (I&A) stakeholder process, including the release of a draft I&A document and informal stakeholder engagement, in Q2 of 2023. On March 9, PG&E submitted [AL 6879-E](#) Amendment to Mid-Term Reliability Contract approved in [AL 6477-E](#). PG&E describes the contract amendment as necessary for it to continue to make progress to meet the June 1, 2024 incremental September Net Qualifying Capacity (NQC) procurement requirements mandated in [D.21-06-035](#). On March 22, the CPUC issued Draft Comment Resolutions [E-5262](#) and [E-5263](#) on PG&E's [AL 6825-E](#) and [AL 6861-E](#) request for approval of mid-term reliability procurement. On March 27, the CPUC issued [Draft Resolution E-5258](#) which would set January 1, 2025 as the earliest possible date for the expansion of Central Coast Community Energy and East Bay Community Energy CCAs.

Analysis: The upcoming IRP stakeholder process will provide the foundation for establishing the statewide and LSE-specific goals and targets for GHG and other emission reductions, resource procurement requirements, and other planning metrics for use in the 2024 IRP filings.

Next Steps: The IRP stakeholder process will re-start in Q2 2023.

Additional Information: [Draft Resolution E-5258](#) (Mar. 27, 2023); Draft Comment Resolutions [E-5262](#) and [E-5263](#) (Mar. 22, 2023); PG&E's [AL 6879-E](#) (Mar. 9, 2023); [D.23-02-040](#) on Procurement (Feb. 28, 2023); ALJ [Ruling & Reliable and Clean Power Procurement Program: Staff Options Paper](#) (Sep. 8, 2022); Docket No. [R.20-05-003](#).

Demand Flexibility

Background: This rulemaking was opened to update the CPUC's rate design principles and guidance for advancing demand flexibility, and may also modify, consolidate, or eliminate existing dynamic rate pilots. VCE is a party to this proceeding as its scope relates to the AgFIT Pilot. Phase 1-Track A will establish an income-graduated fixed charge for residential rates for all investor-owned electric utilities in accordance with Assembly Bill 205 (Stats. 2022, ch. 61). Phase 1-Track B will first adopt demand flexibility principles and consider expansion of the AgFIT Pilot.

Recent Developments: On March 1, the ALJ issued a [Proposed Decision](#) on consultant funding that would authorize up to \$425,000 for third-party consultant services to the Commission's Energy Division relating to income-graduated fixed charge proposals in Track A of Phase 1 of this proceeding. On March 13, the CPUC provided notice that a revised version of the [Fixed Charge Tool](#) and that Energy Division Staff and E3 are available to support parties as they use the Fixed Charge Tool to prepare opening testimony. On March 17, in Track B of this proceeding, the ALJ issued a [Proposed Decision](#) that would adopt updated electric rate design principles for use in assessing the rate design proposals of PG&E, SDG&E, and SCE; and would also adopt demand flexibility design principles to guide the development of demand flexibility tariffs, systems, processes, and customer experiences of PG&E, SDG&E, and SCE. On March 23, the ALJ issued a [Ruling](#) providing additional guidance on Track A opening testimony fixed-charge proposals.

Analysis: The design of fixed charges on customer bills will impact the efficacy of dynamic rates' influence on the timing of energy use by customers, peak load levels, and the cost of procured power. The amount of fixed charges on

customer bills also has implications for utility recovery of fixed costs, presents equity considerations for lower income customers, and can negatively impact the value of behind-the-meter renewable energy systems.

Next Steps: The Proposed Decision on consultant funding is scheduled to be heard at the **April 6** Commission meeting. The Proposed Decision on electric rate design principles may be heard as soon as the **April 27** Commission meeting. Concurrent opening testimony on Track A fixed-charge proposals is due **April 7** and reply testimony is due June 2. A workshop on expanding existing pilots, including AgFIT, and an opportunity for the filing of post-workshop comments is expected to be scheduled in 2023.

Additional Information: ALJ [Ruling](#) on opening testimony guidance (Mar. 23, 2023); [Proposed Decision](#) on electric rate design principles (Mar. 17, 2023); [Proposed Decision](#) on consultant funding (Mar. 1, 2023); CalCCA [Reply Comments on Scoping Memo](#) (Jan. 4, 2023); [Phase 1 Scoping Memo and Ruling](#) (Nov. 2, 2022); [VCE and Polaris Ex Parte Notice](#) (Oct. 10, 2022); [OIR](#) (Jul. 22, 2022); Docket No. [R.22-07-005](#).

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 territory). Phase 1 of this proceeding will address 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 the 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 March 17, the ALJ issued an [email Ruling](#) granting the IOUs' request to re-schedule the Example Financial Security Requirement (FSR) Calculations Workshop and a two-week extension for filing opening comments and reply comments. The additional time was necessary to allow CalCCA to coordinate with the IOUs on development of FSR calculator proposals.

Analysis: The Staff Proposal includes topics such as financial monitoring of CCAs, cost recovery associated with customers returning to POLR service, and the LSE deregistration process related to procurement requirements. These topics present potential financial review and monitoring standards for VCE as well as potential new costs related to providing POLR financial security.

Next Steps: Opening comments on the Staff Proposal and example FSR calculations are now due **April 18**, and reply comments are due **May 5**. A proposed decision is expected in Q3-Q4 2023.

Additional Information: ALJ [email Ruling](#) (Mar. 17, 2023); [ALJ Ruling](#) and [Staff Proposal](#) (Jan. 6, 2023); PG&E [Advice Letter 6758-E](#) (Nov. 10, 2022); PG&E [Advice Letter 6589-E-B](#) and Disposition Letter (Jul. 7, 2022); [Scoping Memo and Ruling](#) (Sep. 16, 2021); [OIR](#) (Mar. 25, 2021); Docket No. [R.21-03-011](#).

RPS Rulemaking

Background: This proceeding addresses ongoing Renewables Portfolio Standard (RPS) requirements, aspects of the new Voluntary Allocation/Market Offer (VAMO) process, and other tariffs for the purchase of renewable energy.

Recent Developments: On March 3, VCE submitted its [Final 2017-2020 RPS Compliance Report](#) and [e-Tag Summary](#). On March 7, PG&E issued its [2023 PCIA RPS Long-Term Market Offer](#) solicitation for sales of RPS-eligible energy and/or Renewable Energy Credits from facilities with power purchase agreements with delivery terms of greater than 10 years. On March 9, PG&E submitted [AL 6880-E](#) Correction to PG&E's Renewable Market Adjusting Tariff Program tariff to comply with Resolution E-5209. On March 24, PG&E submitted [AL 6894-E](#) requesting approval of two agreements for the sale of RPS-eligible products from PG&E's PCIA portfolio.

Analysis: [D.22-11-021](#) makes resources made available through the now-open Market Offer solicitation process (i.e., those resources remaining after the Voluntary Allocation process). Recent changes make the Market Offer somewhat more favorable to LSEs by increasing access to long-term contracts and removing the requirement for 10% incremental slices, but still requires procurement of slices of the available IOU portfolio.

Next Steps: Bids in response to PG&E's 2023 PCIA RPS Long-Term Market Offer solicitation are due **April 11**. A Decision approving Final 2022 RPS Procurement Plans and a Ruling on 2023 RPS Procurement plans is expected in the next month or two.

Additional Information: PG&E's [AL 6894-E](#) (Mar. 24, 2023); PG&E [AL 6880-E](#) (Mar. 9, 2023); VCE's [Final 2017-2020 RPS Compliance Report](#) and [e-Tag Summary](#) (Mar. 3, 2023); VCE's [Final 2022 RPS Procurement Plan](#) (Jan. 18, 2023); [D.22-11-021](#) (Nov. 18, 2022); [Ruling](#) identifying RPS Plan requirements (Apr. 11, 2022); Docket No. [R.18-07-003](#).

RA Rulemaking (2023-2024)

Background: This proceeding considers resource adequacy (RA) requirements for LSEs and introduced the Central Procurement Entity (CPE) to ensure grid reliability and sufficient capacity. The proceeding is divided into an implementation track and a reform track.

Recent Developments: On March 10, PG&E submitted a [Notice of Availability](#) for its Draft Local and Statewide Load Impact Reports for Program Year 2022 Pursuant to Load Impact Protocols. On March 22, PG&E acting as the Central Procurement Entity issued its 2023 Central Procurement Entity Local Resource Adequacy [Request for Offers](#) & Commitments seeking to procure local resource adequacy or obtain self-shown commitments for Local RA. In 2023 PG&E as CPE is required to procure or obtain self-shown commitments for 100% of the CPUC's 2024 Local RA requirements, 100% of the CPUC's 2025 Local RA requirements, and 50% of the CPUC's 2026 Local RA requirements. On April 4, the ALJs issued [Revisions](#) to the [Proposed Decision](#) (issued March 3) on Phase 2 of the RA Reform Track that would adopt implementation details for the 24-hour slice-of-day framework, including compliance tools, resource counting rules for various resource types, and a methodology to translate the Planning Reserve Margin to the slice-of-day framework.

Analysis: The upcoming changes to resource adequacy will impact how resources are credited for contribution to resource adequacy, how resource adequacy is counted for specific resources, and provide additional tools for planning, tracking, and compliance filing. Specifically, new resource counting approaches for wind will be based in part on the location of the resource, solar and hybrid resources will be adjusted based on the exceedance methodology and account for efficiency losses in battery charging, and energy storage resources may be counted using a modified UCAP-light mechanism.

Next Steps: The Proposed Decision on Reform Track Phase 2 is scheduled to be heard at the **April 6** Commission meeting. LSEs' non-compensated self-shown RA commitments are due **April 18**, and competitive RA offers are due **April 26**. The CAISO draft 2024 Local Capacity Requirements report is expected in **April 2023**. A proposed decision on Implementation Track Phase 3 is expected in May.

Additional Information: [Revision 1 Redline Proposed Decision](#) on Phase 2 of the RA Reform Track (Apr. 4, 2023); ALJ [Ruling](#) (Feb. 24, 2023); ALJ [Ruling](#) (Feb. 15, 2023); [Final Report](#) of the Qualifying Capacity of Supply-Side Demand Response Working Group (corrected on Feb. 24, 2023) (Jan. 31, 2023); ALJ [Ruling](#) (Jan. 20, 2023); [D.22-12-028](#) (Dec. 19, 2022); PG&E [AL 6501-E](#) and [substitute sheets](#) (Dec. 15, 2022); [Notice of Availability](#) for final Report on RA Reform Workshop Proposals (Nov. 15, 2022); PG&E [Advice Letter 6706-E-A \(disposition letter\)](#) (Nov. 4, 2022); [Amended Scoping Memo and Ruling](#) (Sep. 2, 2022); Docket No. [R.21-10-002](#).

PG&E 2023 Phase 1 GRC

Background: Phase 1 General Rate Case (GRC) proceedings set PG&E's revenue requirement, including functionalizing costs into categories such as electric distribution or generation, and impact the costs recovered through rates from customers (e.g., bundled, unbundled, or both) for a set period (in this case, 2023-2026). Phase 2 GRC proceedings determine cost allocation among customer classes (e.g., Residential, Agricultural) and rate design issues. The proceeding is divided into two tracks. Track 1 addresses most matters, including PG&E's requested revenue requirement together with safety and environmental and social justice issues. Track 2 addresses the narrower matters of the reasonableness of the 2019-2021 actual costs recorded in the named memorandum accounts and balancing accounts and, to the extent relevant, safety and environmental and social justice.

Recent Developments: [Draft Comment Resolution E-5252](#) on the Transmission Project Review Process effective January 1, 2024 was held over from the March 16 Commission meeting. On March 1, the CPUC issued [Draft Comment Resolution E-5254](#) that would adopt procedural mechanisms for review and approval of IOU cost recovery requests under the Infrastructure Investment and Jobs Act and other federal grant programs.

Analysis: The Resolution on the Transmission Project Review (TPR) Process would establish a uniform review process for the IOUs' capital transmission projects. The TPR Process would allow the CCAs to receive more robust data on the IOUs' transmission projects and to inquire about, and provide feedback on, the IOUs' historical, current, and forecast transmission projects.

Next Steps: Both [Draft Comment Resolution E-5252](#) and [Draft Comment Resolution E-5254](#) are scheduled to be heard at the **April 6** Commission meeting. In Track 1, a proposed decision is expected in Q2 2023. The Track 2 schedule is currently held in abeyance per an email ruling issued December 13.

Additional Information: [Draft Comment Resolution E-5254](#) (Mar. 1, 2023); [D.23-01-005 \(Appendix 1 - Settlement Agreement\)](#) (Jan. 17, 2023); [Draft Comment Resolution E-5252](#) and [data template](#) (Dec. 13, 2022); PG&E's [Amended Application](#) (Mar. 10, 2022); PG&E [Affordability Metrics Report](#) (Feb. 23, 2022); [PG&E Application](#) (Jun. 30, 2021); Docket No. [A.21-06-021](#).

PG&E 2019 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. Phase 1 of the proceeding was resolved with issuance of [D.21-07-013](#). Phase 2 is ongoing and is addressing issues related to the 2019 Public Safety Power Shutoff (PSPS) events.

Recent Developments: The [Proposed Decision](#) (issued December 19) that would prohibit the Joint Utilities from adjusting future rates to collect any revenue shortfalls, recorded as undercollections in their respective balancing accounts, caused by PSPS events in 2019 – requiring utility shareholders to fund lost revenues from PSPS events was held over from the March 16 Commission meeting. The Proposed Decision would also adopt a methodology to calculate the estimated unrealized revenues the Joint Utilities incurred in 2019 or will incur during future PSPS events. On March 21, the CPUC issued [D.23-03-017](#) extending the statutory deadline in this proceeding to June 1, 2023 to allow adequate time for the Commission to analyze and deliberate on the complex issues raised in comments to the Proposed Decision.

Analysis: This Proposed Decision would impose the costs of unrealized revenue resulting from PSPS events in 2019 on utility shareholders rather than ratepayers and establish an ongoing accounting methodology applicable to future PSPS events. The result would be lower costs for customers, greater incentives for utility management of infrastructure to prevent and avoid the need for PSPS events while maintaining service to customers, and resolution regarding the backlog of ERRAs Compliance proceedings and associated cost recovery.

Next Steps: The Proposed Decision was held over at the March 16 Commission meeting and is now scheduled to be heard at the **April 6** Commission meeting.

Additional Information: [D.23-03-017](#) extending statutory deadline (Mar. 21, 2023); [Proposed Decision](#) (Dec. 19, 2022); [D.22-07-009](#) extending statutory deadline (Jul. 18, 2022); [Ruling](#) amending schedule (Apr. 6, 2022); [Joint Case Management Statement](#) (Feb. 25, 2022); [D.21-07-013](#) resolving Phase 1 (Jul. 16, 2021); PG&E's [Application](#) and [Testimony](#) (Feb. 28, 2020); Docket No. [A.20-02-009](#).

PG&E 2020 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. Phase 1 of this proceeding concluded in April 2022 with issuance of [D.22-04-041](#) approving a settlement agreement. Phase 2 issues related to unrealized sales and revenues resulting from PG&E's Public Safety Power Shutoff (PSPS) events in 2020 has yet to begin.

Recent Developments: No recent developments in the past month.

Analysis: N/A

Next Steps: Phase 2 will not begin until after the Commission resolves issues related to the establishment of a common accounting methodology for PSPS events in Phase 2 of the 2019 ERRA Compliance proceeding (see above).

Additional Information: [D.22-08-009](#) extending statutory deadline (Aug. 11, 2022); [Scoping Memo and Ruling](#) (Jun. 21, 2021); [Application](#) (Mar, 1, 2021); Docket No. [A.21-03-008](#).

PG&E 2021 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 testimony on unrealized PSPS sales and revenue in 2021 was filed on April 3.

Analysis: N/A

Next Steps: The target date for a Proposed Decision is Q3 2023. The parties will file reply testimony regarding unrealized PSPS sales and revenue in 2021 on **May 3**.

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

NEW 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: On February 28, PG&E filed its 2022 ERRA Compliance [Application](#).

Analysis: N/A

Next Steps: A procedural schedule has not yet been issued for this proceeding.

Additional Information: PG&E 2022 ERRA Compliance [Application](#) and [Notice of Availability](#) (Feb. 28, 2023); Docket No. [A.23-02-018](#).

Microgrids

Background: This proceeding was opened to implement the requirements of SB 1339 (Stern, 2018), regarding 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, 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 March 9, the CPUC issued a Disposition Letter accepting PG&E's [AL 6623-E](#) Remote Grids as Sole Standard Service Offering, effective as of January 12, 2023. On March 16, PG&E submitted Supplemental [AL 6364-E-B](#) on proposed modifications suspending the capacity reservation component for eligible microgrid technologies. On March 23, PG&E submitted [AL 6892-E](#) providing updates to its remote grid initiative tariff deviation customers. On March 28, the CPUC issued [Draft Comment Resolution E-5261](#) (PG&E [AL 6808-E](#)) that would approve PG&E's plan to develop a Clean Substation Microgrid Pilot Project to mitigate transmission-level Public Safety Power Shutoffs at the Calistoga substation. On March 29, PG&E submitted [AL 6898-E](#) providing after-meeting reports on its semi-annual resiliency workshops. On April 4, the ALJ issued a [Revised Proposed Decision](#) that would adopt implementation rules for the Microgrid Incentive Program, authorize a total program budget of \$200 million, require the IOUs to submit a final Microgrid Incentive Program Handbook within 90 days of a Final Decision, and require the joint IOUs to open their first application window within nine months of publishing the MIP Handbook. The initial [Proposed Decision](#) from February 9 was held over from the March 16 Commission meeting.

Analysis: The Microgrid Incentive Program will fund community microgrid projects, up to \$3 million per project, for [critical facilities](#) (e.g., emergency services, healthcare, transportation, water, and wastewater facilities, among others) or facilities that provide important community resiliency services to support increased resilience to natural disasters, including earthquakes and wildfires, and other grid disruptions. As proposed, the program will also fund development and technical assistance for communities accepted into the program.

Next Steps: The Revised Proposed Decision is scheduled to be heard at the **April 6** Commission meeting. Comments on the [Draft Comment Resolution E-5261](#) are due **April 17**, and the Resolution is scheduled to be heard at the April 27 Commission meeting. In Track 4, an ALJ Ruling providing an Energy Division Staff Proposal for a Microgrid Multi-Property Tariff was expected in October 2022 but has been delayed. In Track 5, a staff proposal on Definitions, Metrics, Tools, and Methods and Informing Grid Planning is expected in Q1 2023. An ALJ Ruling establishing 2023 scheduling & activities is expected in Q1 2023.

Additional Information: [Revised Proposed Decision](#) (Apr. 4, 2023); PG&E [AL 6898-E](#) (Mar. 29, 2023); [Draft Comment Resolution E-5261](#) (Mar. 28, 2023); PG&E's [AL 6892-E](#) (Mar. 23, 2023); PG&E's [AL 6364-E-B](#) (Mar. 16, 2023); PG&E's [AL 6623-E](#) Disposition Letter (Mar. 9, 2023); [Proposed Decision](#) (Feb. 9, 2023); [Suspension Notice](#) of PG&E [AL 6808-E](#) (Feb. 8, 2023); ALJ [Ruling Requesting Comments](#) on attached Staff Proposal for Microgrid Incentive Program (Jul. 6, 2022); [Scoping Memo](#) (Dec. 17, 2021); Docket No. [R.19-09-009](#).

PCIA Rulemaking

Background: The Power Charge Indifference Adjustment (PCIA) is a nonbypassable charge levied on electric bills of customers who have departed from IOU service, such as CCA customers, to compensate IOUs for resources procured on behalf of former customers prior to their departure. The new Voluntary Allocation/Market Offer process was authorized in [D.21-05-030](#). Phase 2 issues related to PCIA data access and voluntary allocations in market-price benchmark (MPB) calculations were resolved in [D.22-07-008](#). Currently, the proceeding is evaluating the calculation of the MPB charges.

Recent Developments: On March 3, the ALJ issued a [Ruling](#) requesting comments on the Supplemental GHG-Free Transactions Proposal that builds on the [GHG-Free Staff Proposal](#) from September 2022 and would allow IOUs to choose either GHG-Free allocations or MPB treatment for non-RPS-eligible, large hydropower resources in each year, and would modify certain aspects of the original GHG-Free Staff Proposal for clarity.

Analysis: N/A

Next Steps: A proposed decision on long-term RPS transactions and MPB calculations and GHG-free resources is expected in early 2023.

Additional Information: ALJ [Ruling](#) (Mar. 3, 2023); [D.22-01-023](#) on Phase 2 (Jan. 27, 2021); [D.18-09-013](#) Track 1 Decision approving PG&E Settlement Agreement (Sep. 20, 2018); Docket No. [R.17-06-026](#).

Demand Response Programs (2023-2027)

Background: This proceeding addresses the IOUs' Demand Response (DR) Portfolio Applications required under [D.17-12-003](#) for the years 2023-2027.

Recent Developments: On March 2, the ALJ issued a [Ruling](#) providing Emergency Load Reduction Program (ELRP) compensation and load reduction data for the 2022 summer season. The data for PG&E territory show a total of 177 hours of voluntary load reduction under the ELRP during which a total of 10,793 MWh were delivered from

participants during ELRP events on 11 days. On March 3, the ALJ issued a [Ruling](#) requesting comments on Demand Response Auction Mechanism (DRAM) questions and providing an updated public version of the [DRAM Evaluation Report](#) (Updated Nexant Report).

Analysis: The ELRP and DRAM programs are both tools that provide an opportunity to reduce load during critical times of grid stress. The increased flexibility these programs provide offers the potential to engage customers directly in grid management, increasing resiliency and potentially reducing the need for additional peak power procurement.

Next Steps: Reply comments on Questions 1A and 1B of the DRAM Ruling are due **April 14**, and all other comments and opening testimony on the Demand Response Auction Mechanism are due **May 31**, opening briefs are due September 30, and a proposed decision is expected in January 2024. In Phase 2, supplemental and intervenor testimony is due between February 3 and May 5, opening briefs on Phase 2 are now due June 30, and a proposed decision is expected in October 2023 for the 2024-2027 DR Program.

Additional Information: ALJ [Ruling](#) on DRAM (Mar. 3, 2023); ALJ [Ruling](#) on ELRP (Mar. 2, 2023); [Assigned Commissioner's Ruling](#) (Jan. 27, 2023); [D.23-01-006](#) (Jan. 13, 2023); [Scoping Memo and Ruling](#) (Dec. 19, 2022); [Proposed Decision](#) (Dec. 9, 2022); [D.22-12-009](#) (Dec. 6, 2022); [Ruling](#) (Sep. 22, 2022); Assigned Commissioner's [Scoping Memo and Ruling](#) and DRAM Evaluation report (Jul. 5, 2022); [Ruling](#) consolidating Applications (May 25, 2022); PG&E [Application](#) (May 2, 2022); Docket No. [A.22-05-002](#).

Transportation Electrification

Background: This rulemaking implements transportation electrification (TE) programs, tariffs, and policies. [D.22-11-040](#) established a \$1 billion rebate program for behind-the-meter EV charging equipment, focused on medium-duty/heavy-duty vehicles and disadvantaged communities and a \$25 million pilot program for innovative, equity-focused TE programs administered by CCAs and community-based organizations.

Recent Developments: On March 15, VCE filed its [Annual Vehicle-Grid Integration Report](#). On March 16, PG&E submitted [AL 6883-E](#) providing its near-term priority proposal for its Transportation Electrification Advisory Services. On April 3, PG&E submitted [AL 6906-E](#) providing its annual report on the performance of its commercial electric vehicle rate.

Analysis: N/A

Next Steps: The Program Administrator for the rebate program will be selected during the first quarter of 2023.

Additional Information: PG&E [AL 6906-E](#) (Apr. 3, 2023); PG&E [AL 6883-E](#) (Mar. 16, 2023); VCE's [Annual Vehicle-Grid Integration Report](#) (Mar. 15, 2023); [D.22-11-040](#) (Nov. 21, 2022); [Ruling](#) entering [Staff Proposal](#) on Transportation Electrification Framework to record (Feb. 25, 2022); Docket No. [R.18-12-006](#).

Commercial EV Real-Time Pricing Pilot

Background: This proceeding approved PG&E's proposed commercial EV rate pilot featuring day-ahead hourly real-time pricing. This pilot includes real-time pricing for both imports from and exports to the grid by commercial EVs.

Recent Developments: No recent developments this past month.

Analysis: N/A

Next Steps: Opt-in enrollment for the real-time pricing export compensation pilot begins October 1. The proceeding was previously closed but reopened to address PG&E's Petition.

Additional Information: PG&E [AL 6850-E](#) (Jan. 30, 2023); PG&E [Petition for Modification](#) (Nov. 14, 2022); [D.22-10-024 \(Export Compensation Settlement\)](#) (Oct. 26, 2022); PG&E [Proposal](#) (Mar. 24, 2022); [Corrected MGCC Study](#) (Mar. 17, 2022); [Application](#) & [Testimony](#) (Oct. 23, 2020); Docket No. [A.20-10-011](#).

PG&E Asset Transfer

Background: This proceeding addresses PG&E's Application to transfer its non-nuclear generating assets to a new subsidiary, Pacific Generation, and sell up to 49.9% of its equity interest to third-party investors.

Recent Developments: On March 17, PG&E served Amended and Restated Testimony Chapter 4 to provide further detail regarding the anticipated intercompany agreements between PG&E and Pacific Generation. On March 30, an [ALJ Ruling](#) modified the procedural schedule granting a one-month extension for intervenors to serve direct testimony and extending other upcoming deadlines by one month.

Analysis: N/A

Next Steps: Intervenor direct testimony is due **June 16** and rebuttal testimony is due July 7. Evidentiary hearings are scheduled August 21-22, 24-25, and 28, and opening briefs are due September 18.

Additional Information: ALJ [Ruling](#) (Mar. 30, 2023); [Scoping Memo and Ruling](#) (Jan. 20, 2023); ALJ [Ruling](#) on prehearing conference (Nov. 15, 2022); PG&E [Application](#) (Sep. 28, 2022); Docket No. [A.22-09-018](#).

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. [D.22-09-026](#) eliminated gas line extension allowances and subsidies for all customers, in all classes by July 1.

Recent Developments: No recent developments in the past month.

Analysis: N/A

Next Steps: There is no current procedural schedule for this proceeding.

Additional Information: [D.23-02-005](#) (Feb. 3, 2023); [D.22-09-026](#) (Sep. 20, 2022); [Scoping Memo](#) (Mar. 22, 2022); [D.21-11-002](#) ([Appendices A-E](#)) Decision on Building Decarb Phase II (Nov. 9, 2021); [D.20-03-027](#) Establishing Building Decarbonization Pilot Programs (Apr. 6, 2020); [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. Currently, this proceeding is focused on developing the rules, policies, and procedures for these safety culture assessments.

Recent Developments: No recent developments this past month.

Analysis: N/A

Next Steps: A proposed decision on the Staff Proposal (Safety Culture Concept Paper attached to the September 13, 2022 [Ruling](#)) is expected in early 2023.

Additional Information: [Draft Resolution SPD-3](#) (Sep. 16, 2022); ALJ [Ruling](#) (Sep. 13, 2022); [Scoping Ruling](#) with procedural schedule (April 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 |
|-----------------------------|---|--|
| I.15-08-019 | Investigation into PG&E Organization, Culture, and Governance | This proceeding was opened as part of an investigation into whether PG&E's organizational culture and governance prioritize safety, and currently serves to monitor the progress of PG&E in improving its safety culture. The Final Report from consultant NorthStar will be considered in a future decision. |
| A.20-06-011 | PG&E Regionalization Plan | D.22-06-028 closed the proceeding. PG&E will continue to convene quarterly "town hall" meetings in each region and conduct broader meetings with the Regionalization Stakeholder Group. Town Hall Report Q4 (Feb. 10, 2023) |
| R.21-03-001 | Wildfire Fund NBC (2022-2023) Rulemaking | On December 6, the CPUC issued D.22-12-007 adopting a 2023 Wildfire NBC of \$5.30/MWh (\$0.00530/kWh) effective as of January 1, 2023. The 2023 Wildfire NBC is \$1.22/MWh, or 18.7%, less than the current 2022 Wildfire NBC of \$6.52/MWh. This reduction is mostly due to the fund having completed recovery of all prior period under-collections. |