

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 6

To: Board of Directors

From: Keyes & Fox, Regulatory Consultant

Subject: Regulatory Monitoring Report – Keyes & Fox

Date: November 9, 2023

Please find attached Keyes & Fox's October 2023 Regulatory Memorandum dated November 1, 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 November 1, 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: November 1, 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.

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. VCE is a party to this proceeding as its scope relates to VCE's AgFIT dynamic rates 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 first adopted rate design and demand flexibility principles and is now considering broad expansion of VCE's AgFIT Pilot.

Recent Developments: Opening briefs on Track A income-graduated fixed charges were filed October 6. VCE and other parties filed reply comments on the Track B Staff Proposal to expand AgFIT on October 9. VCE and other parties filed supplemental information on budgets for the expanded AgFIT pilot on October 13, and surreply comments on the Staff Proposal on October 25. Track B Working Group proposals were filed on October 11.

Analysis: The Staff Proposal's Expanded Pilot #1 would open up AgFIT to all bundled and unbundled customers in PG&E territory and all types of agricultural load, lift the 5 MW cap and extend the length of this pilot by 3 years. No parties filed comments opposing Expanded Pilot #1, although certain parties are opposed to providing ratepayer funding for CCA customers energy savings achieved via the pilot. The Staff Proposal's Expanded Pilot #2 would apply the AgFIT model within PG&E territory to medium and large commercial customers and residential customers on EV charging, home battery and electric heat pump rates. While most parties now support Expanded Pilot #2, some are opposed to the costs of expanding AgFIT to such other customer classes and several parties seek to enable additional categories of demand response customers to participate in the pilots. In Track A, the gradual move towards IGFCs will provide additional time for consideration and analysis prior to full implementation of this novel approach to aligning the structure of retail electric rates with utility cost structures while recognizing the importance of access to affordable electricity and ensuring that the changes to rate structures does not disproportionately harm large numbers of ratepayers. In its Track A [opening brief](#), CalCCA recommended that the Commission reject proposals to collect both the PCIA and the Competition Transition Charge through the income-graduated fixed charge, and also recommended that the Commission require the IOUs to include CCAs in implementation-related working groups.

Next Steps: Reply briefs on Track A are due November 3. A proposed decision on the Staff Proposal to expand AgFIT is expected by early December. Comments on the Track B Working Group proposals are due November 13, and reply comments on the proposals are due December 22. In Track A, a proposed decision on income-graduated fixed charges is expected in March or April of 2024.

Additional Information: VCE [Response](#) to Track B Reply Comments (Oct. 25, 2023); VCE [Pilot Budget Information](#) (Oct. 13, 2023); VCE [Reply Comments](#) on Track B (Oct. 9, 2023); [VCE Comments](#) (Sep. 25, 2023); ALJ [Ruling](#) (Aug. 25, 2023); ALJ [Ruling](#) (Aug. 22, 2023); ALJ [Ruling](#) & [Staff Proposal](#) (Aug. 15, 2023); [D.23-04-040](#) on electric rate design principles (May 3, 2023); [D.23-04-008](#) (Apr. 14, 2023); [Phase 1 Scoping Memo and Ruling](#) (Nov. 2, 2022); [OIR](#) (Jul. 22, 2022); Docket No. [R.22-07-005](#).

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 October 16, the CPUC issued [Resolution E-5288](#), amending the Bioenergy Renewable Auction Mechanism (BioRAM) Program and authorizing the procurement and/or extension of eligible contracts pursuant to Senate Bill 1109. On October 18, the CPUC issued [D.23-10-006](#) denying the Petition for Modification (PFM) of D.20-10-005 (filed 10/8/2021) by Burning Daylight, LLC, JTN Energy, LLC, Reido Farms, LLC, and Vote Solar that requested several modifications to aspects of the Renewable Market Adjusting Tariff (ReMAT).

Analysis: Resolution E-5288 requires PG&E, SCE, and SDG&E to procure or extend BioRAM contracts through financial commitments of 5 to 15 years by December 1, 2023 for biomass facilities that were operating in 2022 partly as a means of removing forest materials from high-hazard zones. The Resolution is expected to result in new and/or extended energy procurement contracts which will lead to increased ratepayer costs through a non-bypassable charge established in D.18-12-003, although actual costs are not currently known.

Next Steps: A proposed decision on draft 2023 RPS Procurement Plans is expected in late 2023.

Additional Information: [D.23-10-006](#) (Oct. 18, 2023); [Resolution E-5288](#) (Oct. 16, 2023); SDG&E [VAMO Report](#) (Oct. 2, 2023); PG&E [VAMO Report](#) (Sep. 28, 2023); SCE [VAMO Report](#) (Sep. 21, 2023); VCE [Updated Draft 2023 RPS Procurement Plan](#) (Aug. 29, 2023); [D.23-08-003](#) (Aug. 17, 2023); [Ruling](#) (Jun. 12, 2023); [Assigned Commissioner's Ruling](#) (May 5, 2023); VCE's [Amended Final 2022 RPS Procurement Plan](#) (May 2, 2023); [D.22-11-021](#) (Nov. 18, 2022); [Scoping Memo](#) (Apr. 6, 2022); Docket No. [R.18-07-003](#).

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 5, the ALJ issued a [Ruling](#) seeking comment on the 2023 Preferred System Plan (PSP) and Transmission Planning Process Portfolios. Based on the scenarios developed using the aggregated results of the LSEs' individual IRPs filed in November 2022, this ruling recommends the Commission adopt the aggregated portfolio based on planning to a greenhouse gas (GHG) target for the electricity sector of 25 million metric tons (MMT) by 2035, which is the lower of the two targets the LSEs were directed to plan for in D.22-02-004. This ruling also presents analysis related to the consideration of two petitions for modification (PFMs) of the mid-term reliability (MTR) decisions.

The Commission withdrew from the October 12 meeting agenda the August 24 [Proposed Decision](#) which would deny the [Petition for Modification](#) of [D.22-05-015](#) filed jointly by San Diego Clean Power and Clean Energy Alliance on October 28, 2022 that requested modification of the provision in D.22-05-015 allowing a one-time purchase of resource adequacy capacity to account for load migration to CCAs in between the issuance of D.19-11-016 and D.22-05-015. The Petition sought to use the year-ahead load forecast as the basis for determining the resource adequacy capacity available via the one-time purchase rather than the actual load being served at the time D.22-05-015 was issued.

Analysis: Once adopted, the PSP will be used by the Commission to order procurement by individual LSEs in specified resource types and quantities and sent to the CAISO for analysis in its 2024-2025 Transmission Planning Process (TPP). Under the more aggressive 25 MMT Core portfolio proposed for adoption in the Ruling, the PSP projects 37.9 GW of net new capacity by 2030, 57.5 GW of net new capacity by 2035, and 110.1 GW of net new capacity by 2045. Solar and battery storage (including both 4- and 8-hour) represent more than two-thirds of projected capacity additions. The PFM of D.21-06-035 requests a two-year extension of the 2024 and 2025 deadlines for procurement of resources intended to partially offset the loss of the Diablo Canyon Power Plant. The PFM of D.23-02-040 requests that the 2028 deadline for procurement of long lead-time (LLT) resources be extended for up to 3 years to 2031. The ruling proposes that if the LLT resource extension is granted, that LSEs be required to procure 2,000 megawatts (MW) of replacement clean energy capacity in 2028.

Next Steps: Comments on the Ruling proposing the 2023 PSP are due by November 13 and reply comments are due December 1. A proposed decision on the May 30 Petition for Modification regarding long lead-time resource compliance deadlines is expected during the third quarter. A staff proposal on the Reliable and Clean Power Procurement Plan was expected to be released during the third quarter but has been delayed. In Q4, the Commission will analyze the need for backstop procurement under D.19-11-016. VCE's next IRP will be due in November 2024.

Additional Information: ALJ [Ruling](#) (Oct. 5, 2023); [Proposed Decision](#) (Aug. 24, 2023); [Scoping Memo and Ruling](#) (Aug. 21, 2023); [Joint Expedited Petition for Modification](#) (Aug. 9, 2023); [Petition for Modification](#) (May 30, 2023); [D.23-02-040](#) on Procurement (Feb. 28, 2023); ALJ [Ruling & Reliable and Clean Power Procurement Program: Staff Options Paper](#) (Sep. 8, 2022); [D.22-05-015](#) (May 23, 2022); [D.21-06-035](#) (Jun. 30, 2021); [Scoping Memo](#) (Sep. 24, 2020); Docket No. [R.20-05-003](#).

NEW 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.

Recent Developments: On October 16, the Commission issued the [Order Instituting Rulemaking](#) (OIR) for this successor RA proceeding that continues the previous RA proceeding (R.21-10-002), establishes forward RA procurement obligations applicable to LSEs beginning with the 2025 compliance year, and considers structural reforms to the RA program. On October 27, the ALJ issued a [Ruling](#) rescheduling the prehearing conference to November 21.

Analysis: The 2024 RA year is the final year of the current RA system and the test year for the SOD RA system that will formally begin with the 2025 RA year. The preliminary scope for this proceeding includes issues such as the adoption of local and flexible capacity requirements, potential modifications to the Loss of Load Expectation Study and Planning Reserve Margin, potential modifications to the SOD framework, and potential modifications to the RA penalty structure, among other issues.

Next Steps: The prehearing conference is scheduled for November 21. A scoping memo and ruling are expected to be issued in December. Party proposals on the Loss of Load Expectation Study and the SOD framework are due January 19, 2024. An Energy Division report on the SOD Framework is due by February 1 and will be followed by workshops later in February. Comments on party proposals are due February 23 and reply comments are due March 8.

Additional Information: ALJ [Ruling](#) (Oct. 27, 2023); [OIR](#) (Oct. 16, 2023); Docket No. [R.23-10-011](#).

RA Rulemaking (2023-2024)

Background: This proceeding considers resource adequacy (RA) requirements in years 2023-2024 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 September 19, PG&E submitted the 2023 Annual Compliance Report for its Central Procurement Entity (CPE) as [AL 7027-E](#) showing the PG&E CPE has a negative (i.e., under-procurement) net local RA position in all months of the years from 2024-2026. On September 28, the Energy Division announced the release of the final 2024 RA Guide and templates on the RA Compliance [website](#). On September 22, the demand response providers filed comments fully supporting CLECLA's [Petition for Rehearing](#) which raised concerns regarding the recent changes to Base Interruptible Program dispatch.

Analysis: The 2024 RA year is the final year of the current RA system and the test year for the slice-of-day RA system that will formally begin with the 2025 RA year. No significant changes were made to the RA templates or filing guide for the 2024 RA year. The CLECLA Petition seeks modifications to D.23-06-029's changes to emergency demand response dispatch procedures primarily to ensure that emergency demand response resources are only dispatched in response to actual events. The requested modifications would reduce the level of confusion and avoid unnecessary financial harm to program participants. The Commission has not yet issued a Proposed Decision on CalCCA's Application for Rehearing of D.23-06-029, which contested the Commission's 2-year ban on CCA expansion as a result of RA deficiencies.

Next Steps: D.23-06-029 closed the proceeding, but it has been reopened to address the Petitions for Modification and Applications for Rehearing.

Additional Information: Demand Response providers' [Response](#) (Sep. 22, 2023); PG&E [AL 7027-E](#) (Sep. 19, 2023); CLECA [Petition for Rehearing](#) (Aug. 24, 2023); Demand Response providers' [Application for Rehearing](#), [Joint Motion for Rehearing](#), [Motion for Partial Stay](#) (Aug. 4, 2023); CalCCA [Application for Rehearing](#) of D.23-06-029 (Jul. 26, 2023); [D.23-06-029](#) (Jul. 5, 2023); [D.23-04-010](#) on Reform Track Phase 2 (Apr. 7, 2023); [D.22-12-028](#) (Dec. 19, 2022); [Amended Scoping Memo and Ruling](#) (Sep. 2, 2022); Docket No. [R.21-10-002](#).

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, 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 October 9, in response to a Ruling directing the IOUs to file multi-property tariffs, the IOUs filed updated versions of the Community Microgrid Enablement [Tariff](#) (CMET). In PG&E's version, modifications were made to make the Community Microgrid Pre-Application Report optional, remove the Microgrid Pre-Application Study requirement, and to require at least one Grid-Forming Project Resource with black-start capability. PG&E submitted [AL 7042-E](#) providing its CMET modifications and its Pro Forma Microgrid Operating Agreement on October 11. PG&E also provided notice of its updated Microgrid Incentive Program (MIP) [Handbook](#) and microgrid [website](#) on October 12. On October 23, the Assigned Commissioner and ALJ issued a [Ruling](#) that amends the Track 5 schedule of activities for this proceeding to permit parties to propose their own multi-property microgrid tariff by November 9. Comments on the IOUs' multi-property tariffs were filed on October 27. On October 31, the Microgrid Resources Coalition and other stakeholders filed a motion to extend the deadline for the filing of other stakeholders' multi-property microgrid tariff proposals to January 22, 2024.

Analysis: The Multi-Property Microgrid Tariff is intended to reduce barriers to microgrid deployment and enable microgrids to increase resiliency by allowing local generation and storage resources to be used in participating areas to serve more than two real property parcels. The IOUs' proposed tariff still provides control to the IOUs over when and how microgrids operate, and as the Microgrid Resources Coalition described in its October 27 [comments](#) on the IOUs' proposal 1) denies communities local control over their energy needs, and 2) undermine the viability of the microgrid business model. The October 23 Ruling allowing stakeholders to offer their own proposed tariffs could provide additional options. The timeline offered in the Ruling was extremely short, and if the October 31 motion is granted, stakeholders would have more time to develop and propose multi-property microgrid tariffs.

Next Steps: Under the current schedule, stakeholder Pro-Forma Standard Microgrid Multi-Property Tariff proposals are due November 9, although the Joint Parties filed a Motion to amend the schedule to provide stakeholders a more reasonable amount of time to develop their own proposals. Reply comments on the IOUs' tariff proposals are due November 10. Opening comments on other stakeholders' multi-property tariff proposals are due December 8 and reply comments are due December 22. Energy Division will host a public workshop on stakeholders' tariff proposals in March 2024. The Joint Application for Rehearing is pending.

Additional Information: Joint Parties' [Motion](#) (Oct. 31, 2023); ALJ [Ruling](#) (Oct. 23, 2023); PG&E [MIP Handbook](#) (Oct. 12, 2023); PG&E [AL 7042-E](#) (Oct. 11, 2023); IOUs' updated [Tariff](#) (Oct. 9, 2023); CPUC [letter](#) (Sep. 5, 2023); ALJ [Ruling](#) (Aug. 8, 2023); [Scoping Memo and Ruling](#) (Jul. 18, 2023); [Draft Resolution M-4868](#) (Jun. 9, 2023); [Joint Application for Rehearing](#) (May 15, 2023); [D.23-04-034](#) on Microgrid Incentive Program Implementation (Apr. 14, 2023); [Scoping Memo](#) (Dec. 17, 2021); Docket No. [R.19-09-009](#).

Wildfire Fund NBC 2024-2026

Background: This rulemaking will set the Wildfire Fund nonbypassable (NBC) charge for the years 2024 through 2026. This charge was established by Assembly Bill 1054 (Stats. 2019, ch. 79), and is a per-kilowatt-hour charge set annually based on the Fund's revenue requirement request from the Department of Water Resources (DWR).

Recent Developments: On October 26, the ALJ issued a [Proposed Decision](#) that would adopt a 2024 Wildfire Non-Bypassable Charge (NBC) of \$5.61/MWh, or \$0.00561/kWh.

Analysis: The projected 2024 NBC of \$5.61/MWh, or \$0.00561/kWh, is expected to produce \$889 million along with the projected \$14 million carry over from 2023, resulting in the \$902.4 million revenue requirement for 2024.

Next Steps: The Proposed Decision may be heard as early as the November 30 Commission meeting. Comments on the Proposed Decision are due November 15 and reply comments are due November 20.

Additional Information: [Proposed Decision](#) (Oct. 26, 2023); ALJ [Ruling](#) and [90-day Notice](#) (Sep. 8, 2023); [Scoping Memo and Ruling](#) (May 22, 2023); [Order Instituting Rulemaking](#) (Mar. 21, 2023); Docket No. [R.23-03-007](#).

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).

Recent Developments: On October 10, the Assigned Commissioner issued a [Second Amended Scoping Memo and Ruling](#) that amends the recent [Scoping Memo and Ruling](#) (issued 9/5) in PG&E's Phase 1 general rate case. This ruling adjusts the schedule of Phase 2 of the proceeding but does not otherwise amend or alter the scope.

On October 30 and 31, the CPUC issued revisions to the [Proposed Decision](#) from the ALJs and the [Alternate Proposed Decision](#) from the Assigned Commissioner. On the CCAs' issues, the Proposed Decisions are identical. The revised Proposed Decisions maintained the same conclusions on the Joint CCAs' issues as in the original Proposed Decisions (although some of the reasoning was revised):

- (1) Reject the CCAs' request that the Commission re-vintage the 12 hydro assets at issue in this case;
- (2) "Decline to consider" the CCAs' proposed re-vintaging framework for use in future GRCs, but do adopt the portion of that framework requiring PG&E to submit testimony in any future GRC in which it is undertaking certain new investments in utility-owned generation (to justify its requested vintaging treatment for those investments); and
- (3) Decline to adopt the CCAs' proposed order requiring that, in future GRCs, if PG&E is seeking cost recovery for battery-related costs, it must provide testimony on the functions it proposes the batteries serve to inform its functionalization proposals.

Analysis: The CCAs submitted opening and reply comments on the Proposed Decisions, and participated in the [oral argument](#) held October 18. These Proposed Decisions are on the regular agenda for the Commission's November 2 meeting, but in the event they are held to a subsequent meeting, the CCAs plan to request another round of ex parte meetings. The Commission's revised reasoning in the Proposed Decisions is very generic and does not engage with the substance of the arguments or evidence on the record. The CCAs will be seeking to learn more about staff's process in coming to this decision and to convince staff that the revised reasoning in the Proposed Decisions is weak and unsupported.

Next Steps: The Proposed Decision and the Alternate Proposed Decision are scheduled to be heard at the November 2 Commission meeting. For the EV Phase II portion of the proceeding, rebuttal testimony is due December 8, briefs are due January 19, and a proposed decision is expected in April 2024.

Additional Information: Revised ALJs' [Proposed Decision](#) and Revised Commissioner's [Proposed Decision](#) (Oct. 30, 2023); [Second Amended Scoping Memo and Ruling](#) (Oct. 10, 2023); [Illustrative rates](#) (Sep. 27, 2023); [Scoping Memo and Ruling](#) (Sep. 5, 2023); PG&E's [Amended Application](#) (Mar. 10, 2022); [PG&E Application](#) (Jun. 30, 2021); Docket No. [A.21-06-021](#).

PG&E 2024 ERRA Forecast

Background: The annual Energy Resource and Recovery Account (ERRA) forecast proceedings establish the amount of the Power Charge Indifference Adjustment (PCIA) and other nonbypassable 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: The Commission has consolidated this proceeding with PG&E's ERRA Trigger Application (A.23-07-012), in which PG&E requests a six-month amortization of its unamortized ERRA balance. On October 9, the ALJ issued a [Ruling](#) that defers consideration of the fixed generation cost issues (identified in the August 1 Ruling) until after the Commission decision targeted for the December 14 meeting. In PG&E's October Update (filed October 16), the Company proposed a total revenue requirement of \$8,209,065,475, with a total average rate of \$0.16731/kWh which represents a system-wide increase of 1%, including the GHG revenue return. The proposed rate increase without the GHG revenue return is 2.5%.

Analysis: PG&E's October Update resulted in a slight increase of about \$0.001/kWh over current rates paid by CCA customers. PG&E's 2024 PCIA rates may be impacted by the resolution of its pending General Rate Case (GRC). In its October Update [testimony](#), PG&E presents the potential impacts of its GRC on rates based on the Proposed Decision issued in that proceeding. Notwithstanding the resolution of its GRC, PG&E will update its revenue requirements and rates based on November actuals before it implements its 2024 Annual Electric True-Up (AET).

Next Steps: A proposed decision is expected on November 22. Comments on the October Update as well as PG&E's ERRA Trigger Application are due November 1 and reply comments are due November 6.

Additional Information: PG&E [October Update](#) (Oct. 16, 2023); ALJ [Ruling](#) (Oct. 9, 2023); [Market Price Benchmarks](#) (Oct. 2, 2023); [Scoping Ruling and Memo](#) (Sep. 15, 2023); ERRA Trigger PG&E [Reply to Protest](#) (Aug. 15, 2023); ERRA Trigger CalCCA [Protest](#) (Aug. 10, 2023); [Scoping Memo and Ruling](#) (Aug. 3, 2023); ALJ [Ruling](#) (Aug. 1, 2023); ERRA Trigger [Application](#) (Jul. 28, 2023); CalCCA [Protest](#) (Jun. 16, 2023); PG&E 2024 ERRA Forecast [Application](#) (May 15, 2023); Docket No. [A.23-05-012](#).

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 are under consideration.

Recent Developments: On October 10, the ALJ issued a [Ruling](#) requesting comments on Phase 2 issues in PG&E's 2020 ERRA Compliance proceeding. The Ruling also provides parties an opportunity to comment on whether the Commission should close the proceeding without addressing the Phase 2 issues related to PSPS events.

Analysis: The Commission is considering closing this proceeding without addressing the Phase 2 issues. If parties do not object to the Commission closing the proceeding, the Commission intends to waive the period for public review and comments on the proposed decision that will close the proceeding.

Next Steps: No party objected to closing the proceeding without addressing Phase 2 issues, and a proposed decision is expected in the next few months.

Additional Information: ALJ [Ruling](#) (Oct. 10, 2023); [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: PG&E filed supplemental testimony regarding unrealized sales associated with 2021 Public Safety Power Shutoff (PSPS) events on August 8. The ALJ issued an e-mail ruling amending the procedural schedule on September 27.

Analysis: N/A

Next Steps: Intervenor testimony regarding PG&E's 2021 PSPS events is due October 13 and rebuttal testimony is due October 27. The target date for a Proposed Decision is Q3 2023.

Additional Information: 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 ERRAs Compliance [Application](#) (Feb. 28, 2022); Docket No. [A.22-02-015](#).

PG&E 2022 ERRAs Compliance

Background: The annual ERRAs 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: The ALJ issued a [Ruling](#) modifying the procedural schedule on September 25 rescheduling the evidentiary hearing and the status conference. PG&E filed its rebuttal [testimony](#) on October 26.

Analysis: N/A

Next Steps: The status conference is now scheduled for January 17, 2024 and the evidentiary hearing is now scheduled for January 24-25, 2024.

Additional Information: ALJ [Ruling](#) (Sep. 25, 2023); [Scoping Memo and Ruling](#) (Jun. 2, 2023); PG&E 2022 ERRAs Compliance [Application](#) and [Notice of Availability](#) (Feb. 28, 2023); Docket No. [A.23-02-018](#).

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 October 11, the Assigned Commissioner issued a [Proposed Decision](#) approving SCE's [Petition for Modification](#) of [D.22-11-040](#) so as to not require the IOU's contracts with the third-party program administrator of the rebate program to comply with state contracting requirements. On October 24, the ALJ issued a [Ruling](#) confirming that the International Organization for Standards 15118 standard applies to all electric vehicle supply equipment deployed in both current and future transportation electrification programs on or after July 1, 2023. On October 30, the IOUs filed a compliance report regarding the status of their EV charging infrastructure service energization process pursuant to Resolution E-5247.

Analysis: Through the end of September 2023, as described in the October Workshop Report, PG&E's performance data show 79% of projects met the 40 business days target in the design phase, 8% of projects met the 50 business days target for Dependency analysis, 19% of projects met the 45 business days target for construction, and only 24% of projects met the overall 125 business days target for end-to-end completion.

Next Steps: The program administrator contract is delayed pending adoption of the recent Proposed Decision which is on the consent agenda for the Commission's November 2 meeting.

Additional Information: IOUs [Workshop Report](#) (Oct. 31, 2023); [ALJ Ruling](#) (Oct. 24, 2023); [Proposed Decision](#) (Oct. 11, 2023); PG&E [Semi-Annual Report](#) (Sep. 15, 2023); [Resolution E-5257](#) (Sep. 6, 2023); SCE's [Motion for Clarification](#) (Jun. 7, 2023); SCE's [Petition for Modification](#) (May 25, 2023); VCE's [Annual Vehicle-Grid Integration Report](#) (Mar. 15, 2023); [D.22-11-040](#) (Nov. 21, 2022); [Scoping Memo and Ruling](#) (May 2, 2019); Docket No. [R.18-12-006](#).

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: Opening briefs on the Demand Response Auction Mechanism (DRAM) were filed on October 2.

Analysis: The opening briefs of [PG&E](#), [SCE](#), [SDG&E](#), and [CalAdvocates](#) recommend terminating the DRAM pilot and not adopting the program on a permanent basis mostly due to the lack of demonstrated competitive pricing, limited effectiveness, and the availability of other opportunities.

Next Steps: Reply briefs on Phase II DRAM issues are due November 3. A proposed decision on the DRAM is expected in January 2024, and a proposed decision is expected in October 2023 for the 2024-2027 DR Program.

Additional Information: ALJ [Ruling](#) (Aug. 24, 2023); [D.23-01-006](#) (Jan. 13, 2023); [Scoping Memo and Ruling](#) (Dec. 19, 2022); [D.22-12-009](#) (Dec. 6, 2022); [Ruling](#) consolidating Applications (May 25, 2022); PG&E [Application](#) (May 2, 2022); Docket No. [A.22-05-002](#).

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: Parties filed reply briefs in this case on October 5.

Analysis: At a high level, CalCCA's briefs focused on the message that this transaction is not a good deal for ratepayers: there are no tangible ratepayer benefits of the transaction, but there will be incremental ratepayer costs; further, the transaction also presents new risks, including risks of detrimental market impacts.

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

Additional Information: PG&E [Notice](#) (Jun. 8, 2023); ALJ [Ruling](#) (Mar. 30, 2023); [Scoping Memo and Ruling](#) (Jan. 20, 2023); PG&E [Application](#) (Sep. 28, 2022); Docket No. [A.22-09-018](#).

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: No recent developments in the past month.

Analysis: The Financial Security Requirement (FSR) method used in [AL 6939-E](#) will be replaced with the new approach being developed in this proceeding. Based on the Joint Case Management Statement, there is broad support for modifying the CCA FSR and Re-Entry Fees to: use the Resource Adequacy Market Price Benchmark (MPB) as proposed by the IOUs and CalCCA, use the IOU system average generation rates for residential and non-residential customers in FSR calculations as proposed by the IOUs and CalCCA, and to account for a potential mass involuntary return to POLR via CCA customers' CAM and DR RA allocations as proposed by CalCCA.

Next Steps: A proposed decision on FSR calculations is expected in October 2023.

Additional Information: [Amended Scoping Ruling and Memo](#) (Jun. 19, 2023); [Joint Case Management Statement – Appendix](#) (May 26, 2023); PG&E [AL 6939-E](#) (May 10, 2023); [ALJ Ruling](#) and [Staff Proposal](#) (Jan. 6, 2023); [OIR](#) (Mar. 25, 2021); Docket No. [R.21-03-011](#).

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 3B will consider building decarbonization efforts regarding the reasonableness of modifying or ending electric line extension allowances, refunds, and discounts for “mixed-fuel” new construction (i.e., building projects that use gas and/or propane in addition to electricity).

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: [Amended Scoping Memo and Ruling](#) (Jul. 26, 2023); [D.23-02-005](#) (Feb. 3, 2023); [D.21-11-002 \(Appendices A-E\)](#) Decision on Building Decarbonization 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.

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: ALJ [Ruling](#) (May 8, 2023); [Draft Resolution SPD-3](#) (Sep. 16, 2022); ALJ [Ruling](#) (Sep. 13, 2022); [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
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R.17-06-026	PCIA Rulemaking	The proceeding was closed by D.23-06-006 , but SCE filed a Petition for Modification of D.23-06-006 on September 12 requesting clarification on certain points regarding the valuation of previously banked RECs.
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. On May 19, the CPUC issued D.23-05-009 adopting the Safety Policy Division's Modified Staff Report and closing the proceeding.
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.
A.20-10-011	Commercial EV Real-Time Pricing Pilot	Opt-in enrollment for the real-time pricing export compensation pilot now begins in February 2024. D.23-07-003 closed the proceeding.