

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 7

To: Board of Directors

From: Keyes & Fox, Regulatory Consultant

Subject: Regulatory Monitoring Report – Keyes & Fox

Date: July 11, 2024

Please find attached Keyes & Fox's June 2024 Regulatory Memorandum dated July 2, 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 July 2, 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: July 2, 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.

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 will be the forum for review of VCE's next RPS Procurement Plan and RPS Compliance reports.

Recent Developments: On June 18, an ALJ [Ruling](#) granted the IOUs' request for a 10-day extension of RPS Plan filing deadlines. On June 24, the Commission issued Resolution [E-5323](#) adopting 2024 updated administratively set fixed avoided-cost rates for the Renewable Market Adjusting Tariff (ReMAT) Program pursuant to Commission D.20-10-005.

Analysis: N/A

Next Steps: Initial Draft RPS Plans are now due July 22, and Motions to Update are now due September 5. Comments on Draft filings are due August 22 and reply comments are due September 5. A proposed decision on 2024 RPS Procurement Plans is expected in Q4 2024.

Additional Information: Resolution [E-5323](#) on ReMAT rates (Jun. 24, 2024); ALJ [Ruling](#) (Jun. 18, 2024); ALJ [Ruling](#) (Jun. 14, 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 is 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 is focused on remaining RA capacity issues.

Recent Developments: Track 2 CPE framework proposals were filed on June 14. [D.24-06-004](#), issued on June 26, adopted local capacity obligations for 2025-2027, flexible capacity obligations for 2025, and refinements to the SOD framework. On June 26, the ALJ issued a [Ruling](#) updating the previously modified Track 2 schedule to accommodate the additional delay in the publication of Energy Division's RA LOLE Study.

Analysis: Under D.24-06-004, the SOD framework will be implemented in January 2025, which will require LSEs to demonstrate capacity to meet load in all hours of the "worst day" of every month. This will potentially place an additional RA burden on more renewable-intensive resource portfolios. The Decision does little to alleviate the tight RA market conditions and high prices experienced in recent years as it does not address inefficiencies in the current bilateral-transaction based RA market or allow one LSE's excess resource in one hour to be matched with another LSE's resource shortage in that hour for compliance purposes. However, the Decision adopted an expanded "cure period" for new resources that experience a slight delay in coming online which will reduce the penalties an LSE will face if a new resource comes online after the 45-day advance showing but before the beginning of the compliance month.

Next Steps: The final Test Year 2024 SOD Month-Ahead showing is due to Energy Division on September 1, and the first year-ahead SOD showing is due in November 2024. In Track 2, the Energy Division's loss of load expectation (LOLE) study is expected by July 19, a workshop on Track 2 proposals is scheduled for July 25-26, opening comments on the LOLE study are due August 9 and reply comments are due August 23. A proposed decision in Track 2 is expected in November 2024.

Additional Information: ALJ [Ruling](#) (Jun. 26, 2024); [D.24-06-004](#) (Jun. 26, 2024); ALJ Ruling (Jun. 5, 2024); ALJ [Ruling](#) (Jun. 4, 2024); ALJ [Ruling](#) on Track 2 schedule (May 1, 2024); [Scoping Memo and Ruling](#) (Dec. 18, 2023); [OIR](#) (Oct. 16, 2023); Docket No. [R.23-10-011](#).

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 June 7, PG&E submitted Supplemental [AL 7223-E-A](#) on Dual Participation in PG&E's Agricultural Pilot and Expanded Pilot 2. On June 27, VCE submitted a second set of [substitute sheets](#) for AL 17-E per direction of the Energy Division.

Analysis: PG&E's Supplemental Advice Letter 7223-E-A would add Emergency Load Reduction Program (ELRP) Subgroups A2, A4, and A5 to the list of programs that are not permitted to dual participate with the expanded AgFIT pilots.

Next Steps: The IOUs will host a workshop to discuss their marketing, education, and outreach efforts and strategies related to the implementation of income-graduated fixed charges on July 10. The expanded AgFIT pilot is expected to go live in November. 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: VCE AL 17-E [Second Substitute Sheets](#) (Jun. 27, 2024); PG&E [AL 7223-E-A](#) (Jun. 7, 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); PG&E [AL 7223-E](#) (Mar. 25, 2024); PG&E [AL 7222-E](#) (Mar. 25, 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](#).

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 June 5, the Commission issued a [Letter](#) granting the IOUs an extension of the deadline to file the Workshop Report and Draft Program Handbook required by D.22-11-040 until December 6. Also on June 5, the CPUC issued Draft Comment [Resolution E-5326](#) addressing PG&E's [AL 6694-E](#) ([Supplemental AL 6694-E-A](#)) requests for approval of rate structures for vehicle-grid integration (VGI) pilots pursuant to Resolution E-5192.

Analysis: PG&E's VGI pilots approved in Resolution E-5192 are programs to enable bi-directional EV connections to the power grid for residential, commercial, and microgrid customers. The pending Draft Resolution addresses rate design for these pilot programs and will inform future efforts to integrate EVs with the power grid as both a charging load and a resource supply.

Next Steps: Opening comments on the June 3 Track 1 Ruling are due July 2 and reply comments are due July 18. The Resolution may be heard as early as the July 11 Commission meeting.

Additional Information: Draft Comment [Resolution E-5326](#) (Jun. 5, 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 June 11, comments were filed on the ALJ's May 21 [Ruling](#) regarding the staff proposal to allow temporary non-emitting or RPS-eligible bridge resources to meet 2,500-MW system wide zero-emitting procurement requirements detailed in D.21-06-035; reply comments were filed on June 21. The bridge resources would be required to be zero-emitting, cover a bridge period of no more than three years, and otherwise meet all of the requirements for the Diablo Canyon replacement resources in D.21-06-035, including being required to be shown to be incremental.

Analysis: N/A

Next Steps: A proposed decision is scheduled to be issued on July 19 on the Commission's initial determination under AB 1373 of need for long-lead-time (LLT) resources involving the Department of Water Resources as a Central Procurement Entity. A staff proposal on the Reliable and Clean Power Procurement Program is expected in July. VCE's next IRP filing is due November 1, 2025.

Additional Information: 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: On June 18, the Assigned Commissioner issued a [Scoping Memo and Ruling](#). As required by D.23-12-036 in R.23-01-007 (the Diablo Canyon OIR), PG&E submitted [AL 7295-E](#) describing the allocation of GHG-free attributes Diablo Canyon Power Plant's Extended Operations to LSEs on June 12.

Analysis: The allocation of GHG-free attributes to LSEs begins in January 2025 following execution of sales agreements between PG&E and LSEs. Details regarding the calculation of allocation ratios will be developed as part of a stakeholder process over the next month.

Next Steps: Intervenor testimony is due July 29, rebuttal testimony is due August 20, evidentiary hearings (if needed) are scheduled for September 9-10, opening briefs are due September 27, reply briefs are due October 21, and a proposed decision is expected in November 2024.

Additional Information: [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 June 11, the California Solar & Storage Association (CALSSA) filed a [Petition for Modification](#) of D.20-06-017 requesting that the temporary (five year) removal of the cap on the allowable size of energy storage systems within the net metering tariffs be made permanent.

Analysis: CALSSA argues that a cap on storage sizing is not necessary, and that it obstructs customers seeking resiliency solutions and limits customers' ability to provide grid value.

Next Steps: A proposed decision on Track 5 Microgrid Multi-Property Tariffs is expected by mid-August.

Additional Information: 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 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 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 July 1, CalCCA submitted the [Joint CCA Advice Letter](#) on Financial Monitoring and Reporting Guidelines required by OP 7 of D.24-04-009. The Tier 2 advice letter has an effective date of July 31, 2024.

Analysis: The Joint CCA Advice Letter clarifies when a CCA must notify the Energy Division after certain financial stress-based Tier 2 reporting conditions are met. For most Tier 2 conditions, Energy Division must be notified within 10 business days after the occurrence, but for the cash reserve or liquidity measure thresholds Energy Division must be notified within 10 business days following the CCA's acceptance of a financial statement, expected to be within 60 days after the end of the month for unaudited financial statements.

Next Steps: The joint CCA advice letter on CCA registration requirements is due July 17. 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: [Joint CCA Advice Letter](#) (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 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: A [Proposed Decision](#) (PD) ([Appendix](#)) that would authorize a ratemaking mechanism for PG&E's energization projects was issued on May 17 and held over from the June 20 Commission meeting.

Analysis: The PD would authorize PG&E to record and track costs for energization projects (e.g., connecting new customers to the electrical distribution grid, upgrading electrical distribution capacity to existing customers, and building adequate electrical distribution and transmission capacity to accommodate future load) placed in service after January 1, 2024 that exceed the energization costs included in PG&E's annual revenue requirement authorized in Phase I of this proceeding. The maximum incremental revenue requirement associated with such capacity projects is capped at \$144.310 million in 2024, \$91.568 million in 2025, and \$99.071 million in 2026, corresponding to capital of \$975 million in 2024, \$618 million in 2025, and \$669 million in 2026, or \$2,262 million total (which is 45% or \$1,814 million less than the cumulative capital expenditures cap of \$4,076 million that PG&E requested). The authorized sums equate to an increase in electric distribution revenue requirement of 1.98% for 2024, 1.18% for 2025, 1.19% for 2026, and 4.03% cumulatively.

Next Steps: The Proposed Decision was held over from the June 20 Commission meeting and is expected to be heard at the July 11 Commission meeting.

Additional Information: [Proposed Decision](#) (May 17, 2024); [Case Management Statement](#) (Feb. 26, 2024); [Third Amended Scoping Memo and Ruling](#) (Dec. 22, 2023); [D.23-11-069 / Appendices](#) (Nov. 17, 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. The April 2 [Scoping Memo and Ruling](#) consolidated all three major IOUs' ERRA 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: No recent developments in the past month.

Analysis: N/A

Next Steps: Intervenor testimony in Track 2 is due October 8, rebuttal testimony 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 March 2025.

Additional Information: 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); 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 2025 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: A June 13 ALJ [Ruling](#) scheduled the prehearing conference for July 9. Protests to the Application were filed on June 17 and 24 by [CalCCA](#), the [Direct Access Consumer Coalition](#), and [CalAdvocates](#).

Analysis: PG&E forecasts rising Resource Adequacy (RA) prices and claims the RA Market Price Benchmark (MPB) methodology does not fairly value RA for PCIA ratemaking purposes. To mitigate anticipated rate impacts on bundled customers, PG&E proposes to freeze the RA MPB for 2025 ratesetting purposes *to the extent that* the 2025 Forecast RA MPB published in the fall exceeds the current 2024 Forecast System RA MPB (\$15.23/kW-month). PG&E's proposal would inflate PCIA rates and artificially hold bundled rates down. CalCCA argues PG&E's RA proposal should be excluded from the scope of the proceeding. PG&E also proposes to change its methodology for allocating certain

common costs, such that a greater proportion of those costs would be allocated to the PCIA. Again, CalCCA argues PG&E's proposal should be excluded from the scope of this proceeding.

Next Steps: A prehearing conference is scheduled for July 9, followed by a scoping memo and ruling. PG&E expects to file its fall update on October 16.

Additional Information: ALJ [Ruling](#) (Jun. 13, 2024); PG&E's [Amended Application](#) (May 24, 2024); PG&E 2025 ERRAs Forecast [Application](#) (May 15, 2024); Docket No. [A.24-05-009](#).

PG&E 2021 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: No recent developments in the past month.

Analysis: N/A

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

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 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: In response to the May 22 ALJ [Ruling](#), PG&E and CalCCA submitted briefs on June 6 on the issue of whether the Commission addresses or should address PG&E's sales or attempts to sell Resource Adequacy during the Summer of 2022 in a forum other than PG&E's ERRAs Compliance proceeding.

Analysis: N/A

Next Steps: No further procedural dates have been established. The ALJ may set dates for opening and reply briefs.

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

PG&E 2023 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: A [Scoping Memo and Ruling](#) was issued on June 12 establishing the scope of evaluation and review for reasonableness and compliance.

Analysis: N/A

Next Steps: Intervenor testimony is due September 20, a status conference is scheduled for November 1, opening briefs are due December 19, and a proposed decision is expected by mid-March 2025.

Additional Information: [Scoping Memo and Ruling](#) (Jun. 12, 2024); [Joint Prehearing Conference Statement](#) (Apr. 15, 2024); CalCCA's [Protest](#) (Apr. 5, 2024); PG&E 2023 ERRAs 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 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: On July 1, the Assigned Commissioner issued a [Scoping Memo and Ruling](#) for Phase 4 of the building decarbonization proceeding.

Analysis: Issues scoped for Phase 4 of this proceeding include Track A: consideration of the status of and modifications to electric line extension allowances for mixed-fuel development (i.e., natural gas and electric), Track B: whether the

Commission should re-evaluate the method used to determine all-electric baseline allowances, and Track C: whether there should be a voluntary zonal decarbonization pilot and how such a program may be funded.

Next Steps: Phase 3B concluded with issuance of D.23-12-037. Track A comments in response to the Scoping Memo are due July 22 and reply comments are due at the end of July. Staff proposals on Track B and Track C are expected in Q4 2024, followed by proposed decisions in Q2 2025.

Additional Information: [Scoping Memo and Ruling](#) (Jul. 1, 2024); TECH Clean California [Annual Report](#) (Mar. 13, 2024); [D.23-12-037](#) (Dec. 21, 2023); [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: A June 10, ALJ [Ruling](#) requested comments on the safety culture assessment reporting and compliance process.

Analysis: N/A

Next Steps: Comments are due July 12 and reply comments are due July 25.

Additional Information: ALJ [Ruling](#) (Jun. 10, 2024); 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
R.18-07-003	RPS Rulemaking	On April 8, 2024, the Energy Division Staff provided formal approval of VCE's 2023 RPS Procurement Plan in a Notice of Approval . On June 4, the CPUC issued D.24-05-038 closing the proceeding. The current RPS Rulemaking proceeding is R.24-01-017 .
R.18-12-006	Transportation Electrification	The proceeding was closed by the December 2023 OIR establishing R.23-12-008 , but it was re-opened to address a Petition for Modification (PFM) of D.22-11-040 . D.24-05-043 , issued June 4, denied the PFM and re-closed the proceeding.
R.23-03-007	Wildfire Fund NBC 2024-2026	The next 90-day Notice for the 2025 Wildfire NBC is expected in September 2024.
R.17-06-026	PCIA Rulemaking	The proceeding was closed by D.23-06-006 . SCE's Petition for Modification of D.23-06-006 (filed on September 12, 2023) that requests clarification on certain points regarding the valuation of previously banked RECs, would be denied by a Proposed Decision (dated June 21, 2024) scheduled to be heard at the August 1 Commission meeting.
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.