

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 7

To: Board of Directors

From: Keyes & Fox, Regulatory Consultant

Subject: Regulatory Monitoring Report – Keyes & Fox

Date: December 14, 2023

Please find attached Keyes & Fox's November 2023 Regulatory Memorandum dated December 6, 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 December 6, 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: December 6, 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.

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 November 8, the ALJ issued a [Proposed Decision](#) on Draft 2023 RPS Procurement Plans that would adopt VCE's Draft 2023 RPS Procurement Plan as updated in August without any changes or corrections. Comments on the Proposed Decision were filed on November 28 and reply comments were filed on December 4.

[Opening Comments](#) of the Joint Parties (including multiple CCAs) argued that the Proposed Decision should accept and deem as final the CCA and ESP RPA Plans that do not require corrections. A November 29 Ruling addressed confidentiality motions regarding 2022 Final RPS Procurement Plans found no deficiencies or need for corrections or modifications to VCE's public Final 2022 Draft RPS Procurement Plan and the associated confidentiality motion.

Analysis: VCE's Updated Draft 2023 RPS Procurement Plan was not identified as requiring any corrections or modifications in the Proposed Decision.

Next Steps: The Proposed Decision is scheduled to be heard at the December 14 Commission meeting. Final 2023 RPS Procurement Plans will be due 30 days following issuance of a final decision on draft plans.

Additional Information: ALJ [Ruling](#) (Nov. 29, 2023); Joint Parties' [Opening Comments](#) (Nov. 28, 2023); [Proposed Decision](#) (Nov. 8, 2023); [D.23-10-006](#) (Oct. 18, 2023); PG&E [VAMO Report](#) (Sep. 28, 2023); VCE [Updated Draft 2023 RPS Procurement Plan](#) (Aug. 29, 2023); VCE's [Amended Final 2022 RPS Procurement Plan](#) (May 2, 2023); [Scoping Memo](#) (Apr. 6, 2022); Docket No. [R.18-07-003](#).

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: Reply briefs on Track A were filed November 3. CalCCA's [Reply Brief](#) on income-graduated fixed charges argued that the Commission should reject proposals to include the PCIA among the costs collected through income-graduated fixed charges. Comments on the Track B Working Group proposals were filed on November 13. CalCCA's [Comments](#) on Track B Working Group proposals emphasized the importance of data collection and sharing between IOUs and CCAs for the successful implementation of real-time pricing (RTP) rates, recommended adoption of the CEC's Market Informed Demand Automation Server system and the Energy Division's price machine proposal, argued that IOUs should be required to share customer usage data with CCAs, and suggested that all LSEs should be able to recover shared categories of costs for the development of systems and processes through the same rate mechanism. VCE held an ex parte meeting with the Chief Policy Advisor to CPUC President Alice Reynolds on November 13.

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. 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. 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 [reply brief](#), CalCCA recommended that the Commission reject proposals to include the PCIA recovery as part of the income-graduated fixed charge.

Next Steps: A proposed decision on the Staff Proposal to expand AgFIT is currently expected in late December or early January. Reply comments on the Track B Working Group 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: CalCCA [Comments](#) on Working Group Report (Nov. 13, 2023); CalCCA [Reply Brief](#) on Income Graduated Fixed Charges (Nov. 3, 2023); 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](#).

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: After withdrawing the previous [Proposed Decision](#) (issued August 24) that would have denied the [Petition for Modification](#) (PFM) of [D.22-05-015](#) filed jointly by San Diego Clean Power and Clean Energy Alliance on October 28, 2022, a new [Proposed Decision](#) was issued on November 9 that would grant the PFM and allow LSEs to purchase additional resource adequacy capacity with the same provisions as detailed in [D.22-05-015](#) for load being served based on the 2023 resource adequacy year-ahead load forecast rather than the actual load being served at the time [D.22-05-015](#) was issued, beginning for the 2025 resource adequacy showings and continuing through the life of the contracts. Comments on the Proposed Decision were filed on November 29. Parties filed comments on the Proposed 2023 Preferred System Plan (PSP) and Transmission Planning Process (TPP) portfolios on November 13, and reply comments on December 1. CalCCA's [Comments](#) on the 2023 PSP and TPP process were generally supportive of the Commission's proposed approach but recommended that the Commission ensure LSEs have flexibility in "out" years to optimize their portfolios, and recommended that the Commission reject the extension to long lead-time resource procurement. On December 1, VCE and other LSEs submitted their incremental procurement compliance filing reports.

Analysis: The new Proposed Decision increases the amount of RA capacity available for purchase from IOUs and should provide some reduction in the RA supply/demand imbalance, as well as lower total RA costs for LSEs with customers that depart CCA service after 2019.

Next Steps: The Proposed Decision is scheduled to be heard at the December 14 Commission meeting. A proposed decision on the May 30 Petition for Modification regarding long lead-time resource compliance deadlines is expected soon. 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](#). The final PSP portfolio and other procurement obligations will be finalized early next year for LSE use in preparing 2024 IRP filings. VCE's next IRP will be due in November 2024.

Additional Information: CalCCA [Comments](#) (Nov. 13, 2023); [Proposed Decision](#) (Nov. 9, 2023); ALJ [Ruling](#) and [Supporting Material](#) (Oct. 5, 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](#).

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: Opening comments on the [Order Instituting Rulemaking](#) (OIR) were filed on November 8 and reply comments were filed on November 20. CalCCA's [Opening Comments](#) highlighted the difficulties faced by every LSE in fulfilling RA requirements given the imbalance between RA supply and demand and emphasized the current record-high prices for RA. CalCCA also encouraged prioritizing the SOD framework, counting for hydro resources to ensure there is no stranded RA during times of above-average output, revisiting the CPE model, and items related to compliance and penalties. Year-ahead SOD test-year filings were made on November 30.

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: 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: Cal CCA [Opening Comments](#) on OIR (Nov. 8, 2023); 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: No recent developments this past month.

Analysis: No significant changes were made to the RA templates or filing guide for the 2024 RA year. 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: 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: A November 7 ALJ [Ruling](#) on the Microgrid Resources Coalition's and other stakeholders' October 31 motion extended the deadline for parties to propose their own multi-property microgrid tariff to December 15. Reply comments on the IOU's microgrid tariff proposals were filed on November 13.

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. However, recent developments provide opportunities for parties to voluntarily submit their own tariff proposals as a counterpoint to those proposed by the IOUs.

Next Steps: Voluntary stakeholder Pro-Forma Standard Microgrid Multi-Property Tariff proposals are due December 15. Opening comments on other stakeholders' multi-property tariff proposals are due January 12 and reply comments are due January 26. Energy Division will host a public workshop on stakeholders' tariff proposals in March 2024. The Joint Application for Rehearing is pending.

Additional Information: ALJ [Ruling](#) (Nov. 7, 2023); 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: [D.23-11-090](#) was issued on December 4 and adopted a 2024 Wildfire Non-Bypassable Charge (NBC) of \$5.61/MWh, or \$0.00561/kWh.

Analysis: The 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 next 90-day Notice for the 2025 Wildfire NBC is expected in September 2024.

Additional Information: [D.23-11-090](#) (Dec. 4, 2023); [Revised Proposed Decision](#) (Nov. 22, 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: [D.23-11-069](#) was issued on November 17. The Decision increases PG&E's 2023 revenue requirement by \$1.3 billion, or 10.7%, above the 2022 level, and provides an additional \$716 million increase in revenue requirement in 2024 plus an additional \$359 in 2025.

Analysis: On the CCAs' issues, the Commission (1) declined to re-vintage the 12 hydro assets at issue in the case, and (2) approved the portion of the CCAs' proposed re-vintaging framework that requires PG&E to submit testimony in future GRCs when it is undertaking certain new investments in utility-owned generation (to justify its requested vintaging treatment for those investments).

Next Steps: 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: [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.

Recent Developments: On November 15, PG&E submitted [AL 7066-E](#) with its Preliminary Annual Electric True-Up for changes to its rates effective on January 1, 2024. On November 28, the ALJ issued a [Proposed Decision](#) in PG&E's 2024 ERRA Forecast proceeding.

Analysis: The Proposed Decision would adopt a 12-month revenue requirement of \$2,711,285,000. For CCA customers, residential rates will decrease by \$0.0042/kWh, or -2.1%; CARE rates will decrease by \$0.0060/kWh, or -7.4%; and Non-CARE rates will decrease by \$0.0037/kWh, or -1.7%. The Proposed Decision also authorizes PG&E to recover the 2023 Trigger undercollection over a six-month period. On the CCAs' issues, the Commission approved PG&E's proposal to apply excess Renewable Energy Credits from prior years towards its forecast 2024 Minimum Retained RPS shortfall; charge bundled customers for those RECs at the 2024 RPS Adder; and credit PABA vintage for those RECs at the 2024 RPS adder, and approved PG&E's proposal to apply prior year excess RECs on a last-in first-out basis.

Next Steps: The Proposed Decision is scheduled to be heard at the December 14 Commission meeting. Reply comments on the Proposed Decision are due December 8.

Additional Information: [Proposed Decision](#) (Nov. 28, 2023); ALJ [Ruling](#) (Nov. 20, 2023); PG&E [AL 7066-E](#) (Nov. 15, 2023); 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 December 4, the CPUC issued a [Proposed Decision](#) that would close PG&E's ERRA compliance proceeding without addressing Phase Two issues, finding that the Phase 2 issues related to recovery of uncollected revenue during PSPS events are nearly identical to the 2019 ERRA proceeding.

Analysis: The Proposed Decision will close this proceeding without addressing the Phase 2 issues.

Next Steps: The Proposed Decision is scheduled to be heard at the December 14 Commission meeting.

Additional Information: [Proposed Decision](#) (Dec. 4, 2023); 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: On November 9, the ALJ issued an e-mail [Ruling](#) modifying the procedural schedule in PG&E's 2021 ERRA Compliance proceeding.

Analysis: N/A

Next Steps: Opening briefs are now due on December 7, and reply briefs are due December 21. A proposed decision is expected by 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 ERRA Compliance [Application](#) (Feb. 28, 2022); Docket No. [A.22-02-015](#).

PG&E 2022 ERRA Compliance

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

Recent Developments: No recent development in the past month.

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 ERRA 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: [D.23-11-009](#) was issued on November 9, modifying [D.22-11-040](#) to remove the requirement that the hiring of the statewide program administrator of the rebate program to be hired by SCE comply with state contracting requirements. On November 10, PG&E submitted [AL 7064-E](#), its request to continue the Low Carbon Fuel Standard Holdback Credit Implementation Plan Programs. On November 14, PG&E submitted a [letter](#) requesting an extension of time for the VGI pilot programs approved in Resolution E-5192. On November 17, PG&E submitted [AL 7071-E](#) on its 2023 Low Carbon Fuel Standard Implementation Plan. Also on November 17, the California Large Energy Consumers Association and the Energy Producers and Users Coalition filed a joint [Petition for Modification](#) (PFM) of [D.22-11-040](#) in which they requested that the Commission modify the Decision by replacing the equal cents per kWh cost allocation methodology with a system average percent change (SAPC) methodology in order to align the transportation electrification framework with the state's broader electrification and climate goals and to address growing reliability constraints.

Analysis: The recent Decision clarifies issues regarding the program administrator contracting requirements and is expected to allow program development and implementation to resume. The PFM's request to use the SAPC would preserve price signals by allocating costs to customer classes using the same percentage change rather than a fixed price amount, thereby maintaining proportionality of costs among customer classes.

Next Steps: The program administrator contract was delayed pending the clarification on contracting requirements provided in [D.23-11-009](#). The Vehicle-Grid Integration Forum is delayed until the first quarter of 2024.

Additional Information: [Petition for Modification](#) (Nov. 17, 2023); PG&E [AL 7071-E](#) (Nov. 17, 2023); PG&E [AL 7064-E](#) (Nov. 10, 2023); [D.23-11-009](#) (Nov. 9, 2023); IOUs [Workshop Report](#) (Oct. 31, 2023); [ALJ Ruling](#) (Oct. 24, 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: Reply briefs on the Phase Two Demand Response Auction Mechanism (DRAM) were filed on November 3. On November 6, the CPUC issued a [Proposed Decision](#) on Phase 2 Demand Response (DR) Programs, Pilots, and Budgets for the years 2024-2027. The Proposed Decision finds that PG&E's proposed programs are cost effective and approves a \$616 revenue requirement to be recovered through distribution rates for its increase in demand response programs from 495 MW in 2022 to over 1,000 MW in 2027. Comments on the Proposed Decision were filed on November 28.

Analysis: The Proposed Decision ensures the cost-effectiveness of DR program portfolios, clarifies issues with customer participation in two simultaneous DR programs, allows more responsive programs by permitting funding shifts among programs within an IOU's program portfolio, and supports continued DR program development. These changes will help ensure that the DR program becomes increasingly effective as experience is gained and will increase the overall value of DR as a dependable resource.

Next Steps: Reply comments on the Proposed Decision on the 2024-2027 DR Programs are due December 5. The Proposed Decision is scheduled to be heard at the December 14 Commission meeting (). A proposed decision on the DRAM is expected in January 2024.

Additional Information: [Proposed Decision](#) (Nov. 6, 2023); 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](#).

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 November 3, the Commission issued a [Proposed Decision](#) aimed at resolving outstanding Phase 3B issues that would eliminate subsidies for electric line extensions in new construction that uses electricity and gas or propane. Comments on the Proposed Decision were filed on November 27 and reply comments were filed on December 4.

Analysis: The Proposed Decision would remove incentives for the future use of fossil fuels in new construction and support the transition to increased electricity use in lieu of new fossil fuel use in buildings.

Next Steps: The Proposed Decision is scheduled to be heard at the December 14 Commission meeting.

Additional Information: [Proposed Decision](#) (Nov. 3, 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](#).

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 November 9, two tribal governments (Pit River Tribe and Potter Valley Tribe) filed motions for party status asserting their right of first refusal to purchase lands owned by Commission jurisdictional utilities under the Tribal Land Transfer Policy. PG&E and Pacific Generation filed a response in opposition to the tribal governments' motions the same day in which the companies argued that it would be prejudicial to their interests for the Commission to grant party status and take up the tribal governments' issues at this late stage in the proceeding.

Analysis: CalCCA's [Protest](#) of the Application expressed concerns regarding the limited information demonstrating that ratepayers would not be harmed by the transaction, the lack of transparency into ratemaking impacts and impacts on scheduling and reliability, and the implications of broader market structure impacts from the proposed transaction.

Next Steps: A proposed decision is expected in the next few months.

Additional Information: PG&E Response to [Pit River Tribe](#) and [Potter Valley Tribe](#) (Nov. 9, 2023); Motions for Party Status of [Potter Valley Tribe](#) and [Pit River Tribe](#) (Nov. 9, 2023); 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: N/A

Next Steps: A proposed decision on CCA financial security requirement calculations was expected in October 2023 but has been delayed.

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](#).

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
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.