

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 8

To: Board of Directors

From: Keyes & Fox, Regulatory Consultant

Subject: Regulatory Monitoring Report – Keyes & Fox

Date: July 13, 2023

Please find attached Keyes & Fox's June 2023 Regulatory Memorandum dated July 5, 2023 an informational summary of the key California regulatory and compliance-related updates from the California Public Utilities Commission (CPUC).

Attachment: Keyes & Fox Regulatory Memorandum dated July 5, 2023.

Valley Clean Energy Alliance

Regulatory Monitoring Report

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

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

Subject: Monthly Regulatory Update

Date: July 5, 2023

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

RA Rulemaking (2023-2024)

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

Recent Developments: On June 7, the CAISO sent a [letter](#) advising the CPUC that it will release Reliability Demand Response Resources (RDRR) resource bids into the market for economic dispatch sooner in order to help avoid or mitigate grid emergencies, and that it will begin operationalizing this process upon approval of the now-approved (not yet issued) May 25 Proposed Decision. This action coupled with the establishment of a proxy demand response bid cap of \$500/MWh is expected to increase the amount of demand response bidding into the CAISO market and provide additional resources for LSEs to draw upon meet their RA requirements. At its June 29 meeting, the CPUC approved a [Revised Proposed Decision](#) adopting Local Capacity Requirements for 2024 – 2026 and Flexible Capacity Requirements for 2024, refining the Resource Adequacy program scoped as Phase 3 of the Implementation Track, and closing the proceeding. The Decision includes a new requirement that a CCA that has had system RA deficiencies within the prior two calendar years must first be in RA compliance for two calendar years prior to submitting an implementation plan to expand the CCA's territory.

Analysis: The revisions to the initial Proposed Decision provided that the application of RA deficiencies to the two-year expansion pause will begin with the 2024 year-ahead RA filing due on October 31, 2023, and the September 2023 month-ahead RA filing, and added exceptions for technical or procedural defects and deficiencies less than 1% of the LSE's requirements. The Decision did not incorporate VCE's comments suggesting an exception from the two-year expansion pause where the RA deficiency was beyond the commercially reasonable control of the LSE. Also, the Decision eliminates the need for the monthly incremental local and flexible true-up process, ultimately streamlining and simplifying the RA forecasting process for LSEs such as VCE.

Next Steps: The Decision closed the proceeding. The next RA docket is expected to be opened within the next few months.

Additional Information: [Revised Proposed Decision](#) (June 27, 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](#).

Provider of Last Resort Rulemaking

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

Recent Developments: On June 9, the CPUC accepted PG&E's [AL 6939-E](#) on CCA Financial Security Requirements (FSR) in accordance with [D.18-05-022](#). On June 19, the Assigned Commissioner issued an [Amended Scoping Ruling and Memo](#) clarifying that no evidentiary hearing is needed for Phase 1 of this proceeding and granting the Joint Parties' request to file briefs.

Analysis: The January 6 [Staff Proposal](#) included topics such as financial monitoring of CCAs, cost recovery associated with customers returning to POLR service, and the Load-Serving Entity deregistration process related to procurement

requirements. These topics present potential financial review and monitoring standards for VCE as well as potential new costs related to providing POLR financial security. The 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. Regarding the Staff Proposal, there is broad opposition to nearly all the continuity of service approaches, but support (with modifications indicated) among parties for adoption of the financial monitoring and trigger metrics in the Staff Proposal.

Next Steps: Opening briefs are due **July 10**, and reply briefs are due **July 31**. A proposed decision on FSR calculations is expected in October 2023.

Additional Information: [Amended Scoping Ruling and Memo](#) (June 19, 2023); [Joint Case Management Statement – Appendix](#) (May 26, 2023); PG&E [AL 6939-E](#) (May 10, 2023); ALJ [email Ruling](#) (Mar. 17, 2023); [ALJ Ruling](#) and [Staff Proposal](#) (Jan. 6, 2023); [Scoping Memo and Ruling](#) (Sep. 16, 2021); [OIR](#) (Mar. 25, 2021); Docket No. [R.21-03-011](#).

RPS Rulemaking

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

Recent Developments: On June 12, the ALJ issued a [Ruling](#) regarding the motions for leave to file the confidential version of Final 2022 RPS Procurement Plans under seal and for approval of redactions applied to public versions. In the Ruling, 21 retail sellers' motions for leave to file confidential material under seal were at least partly denied. VCE was one of 10 retail sellers whose motions to file under seal complied with the confidentiality requirements and were granted without modification.

Analysis: The ACR on 2023 RPS Procurement Plans provides guidance for the content of Retail Sellers' Draft 2023 RPS Plans but made no significant changes to VCE's obligations. The ACR did include a new section for transmission reporting that applies to electric companies that own transmission assets.

Next Steps: Draft 2023 RPS Procurement Plans are due **July 17**, and a motion to update draft plans is due August 15. A Decision approving Final 2022 RPS Procurement Plans and a Ruling on 2023 RPS Procurement plans is expected soon.

Additional Information: [Ruling](#) (June 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](#).

PG&E 2023 Phase 1 GRC

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

Recent Developments: On June 23, PG&E submitted [AL 6968-E](#) updating its electric rates, effective July 1. If this Advice Letter is approved, PG&E's revenue requirement will increase by a total of \$1,209 million, or 7.5%, and its rate for CCAs will increase by \$0.015/kWh, or 10.4%.

Analysis: N/A.

Next Steps: In Track 1, a proposed decision is expected in Q2 2023. The Track 2 schedule is currently held in abeyance per an email ruling issued December 13.

Additional Information: PG&E [AL 6968-E](#) (June 23, 2023); [D.23-01-005 \(Appendix 1 - Settlement Agreement\)](#) (Jan. 17, 2023); PG&E's [Amended Application](#) (Mar. 10, 2022); PG&E [Affordability Metrics Report](#) (Feb. 23, 2022); [PG&E Application](#) (Jun. 30, 2021); Docket No. [A.21-06-021](#).

PG&E 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 June 16, CalCCA filed a [Protest](#) of PG&E 2024 ERRR Forecast Application.

Analysis: PG&E's preliminary ERRR forecast indicates the possibility of a decrease in the PCIA rates (or an increase in the PCIA credit) paid by CCA customers across most vintages in 2024, but that forecast is expected to change significantly by the Fall Update (including likely increases to forecasted PCIA rates), based primarily on changes to brown power prices.

Next Steps: A scoping memo and procedural schedule are expected to be issued within the next few months.

Additional Information: CalCCA [Protest](#) (June 16, 2023); PG&E 2024 ERRR Forecast [Application](#) (May 15, 2023); Docket No. [A.23-05-012](#).

PG&E 2019 ERRR Compliance

Background: The annual ERRR Compliance proceeding reviews the utility's compliance with CPUC-approved standards for generation-procurement and cost recovery activity occurring in the prior year, such as energy resource contract administration, least-cost dispatch, fuel procurement, and balancing account entries. Phase 1 of the proceeding was resolved with issuance of [D.21-07-013](#). Phase 2 is ongoing and is addressing issues related to the 2019 Public Safety Power Shutoff (PSPS) events.

Recent Developments: On July 3, the CPUC issued [D.23-06-054](#) which address the first scoped issue, the methodology for calculation of a utility's unrealized volumetric sales and unrealized revenues resulting from Public Safety Power Shutoff (PSPS) events, and closes the proceeding without addressing the second scoped issue of whether it is appropriate for the utilities to return the revenue requirement calculated by the adopted methodology for the PSPS events that occurred in 2019 on the basis of the Commission's decision in the PSPS OII proceeding establishes that there can be no recovery of the revenue requirement equal to the unrealized volumetric sales and unrealized revenue resulting from the 2019 PSPS events since that remedy is reserved for PSPS events occurring after the date of the PSPS OSII decision.

Analysis: The costs of unrealized revenue resulting from PSPS events in 2019 will be allocated to ratepayers rather than utility shareholders. However, with this matter resolved, the long-delayed 2020, 2021, and 2022 ERRR Compliance proceedings may now move forward.

Next Steps: The proceeding is closed.

Additional Information: [D.23-06-054](#) (July 3, 2023); [D.23-03-017](#) extending statutory deadline (Mar. 21, 2023); [Proposed Decision](#) (Dec. 19, 2022); [D.22-07-009](#) extending statutory deadline (Jul. 18, 2022); [Ruling](#) amending schedule (Apr. 6, 2022); [Joint Case Management Statement](#) (Feb. 25, 2022); [D.21-07-013](#) resolving Phase 1 (Jul. 16, 2021); PG&E's [Application](#) and [Testimony](#) (Feb. 28, 2020); Docket No. [A.20-02-009](#).

PG&E 2020 ERRR Compliance

Background: The annual ERRR Compliance proceeding reviews the utility's compliance with CPUC-approved standards for generation-procurement and cost recovery activity occurring in the prior year, such as energy resource contract administration, least-cost dispatch, fuel procurement, and balancing account entries. 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: No recent developments in the past month.

Analysis: N/A

Next Steps: Phase 2 is expected to begin soon since the Commission recently resolved issues related to the establishment of a common accounting methodology for PSPS events in Phase 2 of the 2019 ERRR Compliance proceeding (see above).

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

PG&E 2021 ERRR Compliance

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

Recent Developments: No recent developments in the past month.

Analysis: N/A

Next Steps: The target date for a Proposed Decision is Q3 2023.

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

PG&E 2022 ERRA Compliance

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

Recent Developments: No recent developments in the past month.

Analysis: N/A

Next Steps: Intervenor testimony is due September 22, and settlement discussions are scheduled for November.

Additional Information: [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](#).

PCIA Rulemaking

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

Recent Developments: On June 13, the CPUC issued [D.23-06-006](#) modifying the calculation of the PCIA by (a) establishing a new MPB and an allocation mechanism to address the "greenhouse gas-free" incremental value of large hydroelectric energy resources above fossil fuel resources, and (b) revising the calculation of the Energy Index MPB to improve accuracy and transparency. The Decision also closed the proceeding.

Analysis: The Decision adds some additional value to greenhouse gas-free resources and enhances the MPB calculations without fundamentally modifying the MPB mechanism.

Next Steps: The proceeding is closed.

Additional Information: [D.23-06-006](#) (June 13, 2023); ALJ [Ruling](#) (Mar. 3, 2023); [D.22-01-023](#) on Phase 2 (Jan. 27, 2021); [D.18-09-013](#) Track 1 Decision approving PG&E Settlement Agreement (Sep. 20, 2018); Docket No. [R.17-06-026](#).

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 June 7, SCE filed a [Motion for Clarification](#) of D.22-11-040 and D.22-08-024 regarding whether procured electric vehicle supply equipment (EVSE) must comply with the ISO 151118 communication standard for all transportation electrification programs or if the requirement only applies to future programs.

Analysis: N/A

Next Steps: Under D.22-11-040, the program administrator contract must be filed by September 30, 2023.

Additional Information: SCE's [Motion for Clarification](#) (June 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); [Ruling](#) entering [Staff Proposal](#) on Transportation Electrification Framework to record (Feb. 25, 2022); Docket No. [R.18-12-006](#).

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 the AgFIT Pilot. Phase 1-Track A will establish an income-graduated fixed charge for residential rates for all investor-owned electric utilities in accordance with Assembly Bill 205 (Stats. 2022, ch. 61). Phase 1-Track B first adopted rate design and demand flexibility principles and will consider expansion of the AgFIT Pilot.

Recent Developments: On June 19, the ALJ issued a [Ruling](#) requesting comments on the implementation pathway for income-graduated fixed charges (IGFCs). The ALJ plans to issue a proposed decision in Q1 2024 to establish a pathway for implementing IGFCs over several years to allow the Commission to gain experience from the first version of IGFCs and conduct research and solicit stakeholder input before providing design guidance for the next version of IGFCs. The earliest that the first version of IGFCs could be implemented in rates is likely at the end of 2026.

Analysis: 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.

Next Steps: Comments on the Ruling are due **July 21**, and reply comments are due August 11. A workshop on expanding existing pilots, including AgFIT, and an opportunity for the filing of post-workshop comments is expected to be scheduled in 2023.

Additional Information: [Ruling](#) (June 19, 2023); [D.23-04-040](#) on electric rate design principles (May 3, 2023); [D.23-04-008](#) (Apr. 14, 2023); CalCCA [Reply Comments on Scoping Memo](#) (Jan. 4, 2023); [Phase 1 Scoping Memo and Ruling](#) (Nov. 2, 2022); [VCE and Polaris Ex Parte Notice](#) (Oct. 10, 2022); [OIR](#) (Jul. 22, 2022); Docket No. [R.22-07-005](#).

Commercial EV Real-Time Pricing Pilot

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

Recent Developments: On June 9, the CPUC issued a [Proposed Decision](#) on PG&E's [Petition for Modification](#) of [D.21-11-017](#) which mostly denies PG&E's requests related to utility expenditures, finding that the proposed modifications are unnecessary and that [D.21-11-017](#) provides sufficient flexibility to address PG&E's concerns. The Proposed Decision also modified OP6 of [D.21-11-017](#) to provide PG&E more time to determine if the initial customer enablement tools budget is sufficient to complete development of the tools.

Analysis: N/A

Next Steps: The Proposed Decision may be heard as early as the **July 13** Commission meeting. Opt-in enrollment for the real-time pricing export compensation pilot now begins in February 2024. The proceeding was previously closed but reopened to address PG&E's Petition which requests additional budget flexibility and authorization for billing system, program management changes, and extends the timeframe for implementation by about four months.

Additional Information: [Proposed Decision](#) (June 9, 2023); [Letter granting extension](#) (Apr. 26, 2023); PG&E [AL 6850-E](#) (Jan. 30, 2023); PG&E [Petition for Modification](#) (Nov. 4, 2022); [D.22-10-024 \(Export Compensation Settlement\)](#) (Oct. 26, 2022); [Corrected MGCC Study](#) (Mar. 17, 2022); [Application & Testimony](#) (Oct. 23, 2020); Docket No. [A.20-10-011](#).

Microgrids

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

Recent Developments: On June 9, the CPUC released [Draft Resolution M-4868](#) on Approval of the Equity and Access (E&A) Grant Program.

Analysis: N/A

Next Steps: The Draft Resolution is scheduled to be heard at the **July 13** Commission meeting. In Track 4, an ALJ Ruling providing an Energy Division Staff Proposal for a Microgrid Multi-Property Tariff was expected in October 2022 but has been delayed. In Track 5, a staff proposal on Definitions, Metrics, Tools, and Methods and Informing Grid Planning was expected in Q1 2023. An ALJ Ruling establishing 2023 scheduling & activities was expected in Q1 2023 but has been delayed. The Joint Application for Rehearing is pending.

Additional Information: [Draft Resolution M-4868](#) (June 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](#).

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 June 8, PG&E filed a Motion for Official [Notice](#) of a May 31 FERC Order in Docket No. EC23-38-000 approving PG&E's proposed transaction for the transfer of its generating assets.

Analysis: FERC's determination is limited to the first step of the transaction (the transfer of the generation assets to Pacific Generation); it does not address the Minority Interest Sale. The FERC order also makes clear that in approving the transaction, FERC relied upon representations from PG&E regarding the transaction's likely impact on its credit metrics, stating: "If . . . as a consequence of the Proposed Transaction, PG&E does experience an increase to its cost of debt, a degradation of its credit metrics, or changes to its capital structure, such changes would represent material changes in circumstances that depart from the facts or representations that the Commission relied upon in authorizing the Proposed Transaction triggering the need for a filing by PG&E" (P 41). Note that parties like TURN have taken on these issues in testimony (e.g., commenting on potential changes to PG&E's credit outlook as a

result of the proposed transaction). If such changes occur, this may trigger reconsideration of FERC's approval of the first step of the transaction.

Next Steps: Rebuttal testimony is due July 7 (note that the CPUC must separately approve the proposed transaction for PG&E to move forward with it; FERC approval for both stages of the transaction is an independent requirement). Evidentiary hearings are scheduled August 21-22, 24-25, and 28, and opening briefs are due September 18.

Additional Information: PG&E [Notice](#) (June 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](#).

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: No recent developments in the past month.

Analysis: N/A

Next Steps: Opening briefs are due September 30, and a proposed decision is expected in January 2024. Reply briefs on Phase 2 are due **July 21**, and a proposed decision is expected in October 2023 for the 2024-2027 DR Program.

Additional Information: [Resolution E-5267](#) on ELRP (May 23, 2023); ALJ [Ruling](#) on DRAM (Mar. 3, 2023); ALJ [Ruling](#) on ELRP (Mar. 2, 2023); [Assigned Commissioner's Ruling](#) (Jan. 27, 2023); [D.23-01-006](#) (Jan. 13, 2023); [Scoping Memo and Ruling](#) (Dec. 19, 2022); [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](#).

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: No recent developments in the past month.

Analysis: N/A

Next Steps: The 90-day Notice on the 2024 Wildfire NBC from the DWR followed by a Ruling seeking comment from parties is expected in September, and then a Proposed Decision in November followed by a Final Decision in December.

Additional Information: [Scoping Memo and Ruling](#) (May 22, 2023); [Order Instituting Rulemaking](#) (Mar. 21, 2023); Docket No. [R.23-03-007](#).

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: Reply comments on the ALJ Ruling are due **July 14**.

Additional Information: ALJ [Ruling](#) (May 8, 2023); [Draft Resolution SPD-3](#) (Sep. 16, 2022); ALJ [Ruling](#) (Sep. 13, 2022); [Scoping Ruling](#) with procedural schedule (April 28, 2022); [Order Instituting Rulemaking](#) (Oct. 7, 2021); Docket No. [R.21-10-001](#).

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: No recent developments in the past month.

Analysis: N/A

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

Additional Information: [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); [Scoping Memo](#) (Sep. 24, 2020); Docket No. [R.20-05-003](#).

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.

Recent Developments: No recent developments in the past month.

Analysis: N/A

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

Additional Information: [D.23-02-005](#) (Feb. 3, 2023); [D.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](#).

Other Dockets

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

Docket	Name	Status
I.15-08-019	Investigation into PG&E Organization, Culture, and Governance	This proceeding was opened as part of an investigation into whether PG&E’s organizational culture and governance prioritize safety, and currently serves to monitor the progress of PG&E in improving its safety culture. 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. Town Hall Report Q1 2023 (May 12, 2023) and Quarterly Regionalization Report for Q1 2023 (May 15, 2023).