

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 9

To: Board of Directors

From: Keyes & Fox, Regulatory Consultant

Subject: Regulatory Monitoring Report – Keyes & Fox

Date: February 9, 2023

Please find attached Keyes & Fox's January 2023 Regulatory Memorandum dated February 1, 2023, an informational summary of the key California regulatory and compliance-related updates from the California Public Utilities Commission (CPUC).

Attachment: Keyes & Fox Regulatory Memorandum dated February 23, 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: February 1, 2023

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

IRP Rulemaking

Background: This proceeding governs the biennial Integrated Resource Plan (IRP) process, including load serving entity (LSE) procurement requirements, the establishment of a variety of state- and LSE-level load and procurement forecasts, greenhouse gas (GHG) reduction targets, and ongoing reliability obligations.

Recent Developments: On January 13, the CPUC issued a [Proposed Decision \(Attachment A\)](#) that would order additional supplemental mid-term reliability procurement of 4,000 megawatts (MWs) of net qualifying capacity (NQC) from non-emitting, storage, and/or renewable resources by June 1, 2026 and June 1, 2027 with penalties associated with failure to comply with the requirements of Decision 21-06-035 or the Proposed Decision based on a calculation of the "net cost of new entry." The Proposed Decision would also recommend electric resource portfolios to the CAISO for the 2023-2024 transmission planning process based on a 30 million metric ton (MMT) by 2030 GHG base case portfolio. **VCE's share of the proposed new supplemental procurement would be 8 MW in 2026 and 8 MW in 2027.** On January 17, the CPUC issued Resolution [E-5239](#) approving PG&E's plan to implement the Modified Cost Allocation Mechanism established in D.19-11-016 and D. 21-06-035 by PG&E [AL 6654-E](#) and [AL 6654-E-A](#). On January 19, the CPUC issued [Draft Comment Resolution E-5238](#) (PG&E [AL 6686-E](#)) on PG&E's request to revise its bundled procurement plan.

Analysis: The new supplemental procurement being proposed is in addition to the 11,500 MW ordered previously in D.21-06-035 and reflects updated California Energy Commission (CEC) load forecasting, climate change, the retirement of fossil-generated assets and projected delays in the procurement of long lead-time resources. The proposal would require LSEs to make procurement data filings on February 1 and August 1 of each year and provides that the CPUC would evaluate compliance with backstop procurement orders every year. The Proposed Decision would postpone requirements for long lead-time resources under D.21-06-035 to 2028. The recommended 30 MMT portfolio assumes 85 gigawatts (GW) of new resources will be built by 2035.

Next Steps: Comments on Draft Resolution E-5252 are due on **February 13**. Comments on the Proposed Decision are due **February 2** and reply comments are due **February 7**, and the matter may be heard as early as the **February 23** Commission meeting. Comments on Draft Comment Resolution E-5238 are due **February 8**.

Additional Information: [Draft Comment Resolution E-5238](#) (Jan. 19, 2023); [E-5239](#) on the Transmission Project Review Process (Jan. 17, 2022); [Proposed Decision \(Attachment A\)](#) on Procurement (Jan. 13, 2023); [Draft Comment Resolution E-5252](#) (Dec. 13, 2023); ALJ [Ruling & Attachment](#) (Oct. 7, 2022); ALJ [Ruling & Reliable and Clean Power Procurement Program: Staff Options Paper](#) (Sep. 8, 2022); [2022 Incremental Procurement Compliance Filing](#) (Aug. 1, 2022); Docket No. [R.20-05-003](#).

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 January 9, CalCCA submitted a [Protest](#) to PG&E's [AL 6794-E](#) Regarding Long-Term Market Offer, requesting that the Commission not approve the Advice Letter unless it is revised to incorporate the detailed schedule as proposed by CalCCA in its Protest. On January 17, PG&E filed a Reply to CalCCA's Protest. VCE filed its [Final 2022 RPS Procurement Plan](#) on January 18.

Analysis: [D.22-11-021](#) makes resources made available through the Market Offer (i.e., those resources remaining after the Voluntary Allocation process) somewhat more favorable to LSEs by increasing access to long-term contracts and removing the requirement for 10% incremental slices, but still requires procurement of slices of the available IOU portfolio. PG&E's AL 6794-E provides more favorable terms for LSE purchase of these renewable resources than the previous market offer process which could result in a reduced Power Charge Indifference Adjustment cost for VCE customers.

Next Steps: A Decision approving Final 2022 RPS Procurement Plans and a Ruling on 2023 RPS Procurement plans is expected during the next few months.

Additional Information: VCE's [Final 2022 RPS Procurement Plan](#) (Jan. 18, 2023); PG&E [Reply to the Protest](#) (Jan. 17, 2023); CalCCA [Protest](#) (Jan. 9, 2023); [D.22-12-030](#) (Dec. 19, 2022); PG&E [AL 6794-E](#) (Dec. 19, 2022); [D.22-11-021](#) (Nov. 18, 2022); [Proposed Decision](#) on RPS Plans (Nov. 9, 2022); [Ruling](#) identifying RPS Plan requirements (Apr. 11, 2022); Docket No. [R.18-07-003](#).

RA Rulemaking (2023-2024)

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

Recent Developments: On January 11, PG&E, acting as the Central Procurement Entity (CPE), announced the upcoming issuance of its annual process to procure local Resource Adequacy (RA) or obtain self-shown commitments for local RA in PG&E's distribution service area. On January 20, the ALJ issued a [Ruling](#) filing three Energy Division proposals for Implementation Track Phase 3, and other parties filed proposals on this track as well. On January 31, the CPUC released the [Final Report](#) of the Qualifying Capacity of Supply-Side Demand Response Working Group.

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

Next Steps: A proposed decision on Reform Track Phase 2 is expected in Q1 2023. A workshop on proposals in Implementation Track Phase 3 is expected in early **February 2023**, and comments on the proposals are due **February 17**. The CAISO draft 2024 Local Capacity Requirements report is expected in **April 2023**. In late Q1 2023 PG&E as CPE is expected to issue its annual competitive solicitation process.

Additional Information: [Final Report](#) of the Qualifying Capacity of Supply-Side Demand Response Working Group (Jan. 31, 2023); ALJ [Ruling](#) (Jan. 20, 2023); [\(LIP\) Filing Guide V3.0](#) (Jan. 6, 2023); [D.22-12-028](#) (Dec. 19, 2022); PG&E [AL 6501-E](#) and [substitute sheets](#) (Dec. 15, 2022); [Notice of Availability](#) for final Report on RA Reform Workshop Proposals (Nov. 15, 2022); [Proposed Decision](#) on CalCCA Petition (Nov. 9, 2022); PG&E [Advice Letter 6706-E-A \(disposition letter\)](#) (Nov. 4, 2022); CalCCA [Petition](#) (Sep. 30, 2022); [Ruling](#) on Motion to Shorten Time (Sep. 20, 2022); [Motion to Shorten Time / Joint Motion for Clarification](#) (Sep. 16, 2022); [Amended Scoping Memo and Ruling](#) (Sep. 2, 2022); Docket No. [R.21-10-002](#).

Demand Flexibility

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

Recent Developments: On January 17, the ALJ issued a [Ruling \(Attachment\)](#) providing guidance for Phase 1 Track A party proposals on income-graduated fixed charges.

Analysis: This proceeding will implement income-graduated fixed charge reform required by AB 205 and the development of principles to guide future dynamic rates and other demand flexibility measures. Expansion of the AgFIT Pilot capacity cap and application to other LSE territories was supported and opposed by several parties. Such expansion would likely unlock more load shifting in the agricultural sector, building upon the initial strong success of AgFIT.

Next Steps: Comments on a CPUC staff proposal to fund consulting services to assist staff with modifying a spreadsheet tool and assessing Track A fixed charge proposals are due **February 3** and replies are due **February 13**. Reply briefs on the ALJ's Ruling (issued December 9) on statutory interpretation in Track A of the Demand Flexibility proceedings are due **February 6**. Parties may serve Track A proposals through concurrent opening testimony by

March 17. Track A opening briefs are due **February 13**. A Track B proposed decision on electric rate design principles and demand flexibility design principles is expected in **March 2023**. A workshop on expanding existing pilots, including AgFIT, and an opportunity for the filing of post-workshop comments is expected in Q2 2023.

Additional Information: ALJ [Ruling](#) (Jan. 17, 2023); CalCCA [Reply Comments on Scoping Memo](#) (Jan. 4, 2023); [Ruling Requesting Briefs](#) (Dec. 9, 2022); CalCCA [Comments on Scoping Memo](#) (Dec. 7, 2022); [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](#).

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 January 20, the Assigned Commissioner issued a [Scoping Memo and Ruling](#) setting forth the issues to be addressed, denying the applicant's request for an expedited schedule, and establishing a procedural schedule.

Analysis: The Scoping Memo indicates that the CPUC intends this proceeding to be scoped broadly to include all the issues raised in parties' protests. CalCCAs' primary issues, which include ensuring that there are no negative impacts to ratepayers or disparate impacts to CCA ratepayers, are therefore within scope.

Next Steps: Intervenor direct testimony is due **May 16**, and rebuttal testimony is due June 6. Evidentiary hearings are scheduled July 17-21, and opening briefs are due August 11.

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

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 January 20, PG&E submitted [AL 6837-E](#) on Modification of Transportation Electrification Balancing Account to Add a New Subaccount for Cost Tracking of the Funding Cycle 1 program, per OP 4 of [D.22-11-040](#).

Analysis: PG&E's [AL 6837-E](#) is a continuation of the ongoing process to implement EV submetering and grid-integration. These programs may be available for CCA customers, and as additional aspects of the metering and interconnection protocols become available CCAs have the opportunity to establish the foundation for customers' enhanced use of grid-integrated EVs in anticipation of future incentive programs.

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

Additional Information: PG&E [AL 6837-E](#) (Jan. 20, 2023); PG&E [AL 6797-E](#) (Dec. 21, 2022); [Resolution E-5247](#) (Dec. 16, 2022); PG&E [AL 6778-E](#) (Dec. 5, 2022); [D.22-11-040](#) (Nov. 21, 2022); PG&E's [Advice Letter 6259-E](#) (Oct. 13, 2022); [Ruling](#) entering [Staff Proposal](#) on Transportation Electrification Framework to record (Feb. 25, 2022); 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: On January 13, the CPUC issued [D.23-01-006](#) approving the Demand Response Auction Mechanism (DRAM) pilot for pilot year 2024 deliveries, and approving and funding continued demand response research. On January 17, the Joint IOUs submitted their [Statewide Residential Emergency Load Reduction Program \(ELRP\) Baseline Evaluation Report](#) to the CPUC. On January 27, the Assigned Commissioner issued a [Ruling](#) directing a response to Phase 2 questions, requesting comments on Energy Division staff proposals for changes to the demand response program, providing the Statewide Residential Emergency Load Reduction Program Baseline Evaluation report, and modifying the procedural schedule.

Analysis: 2023 Bridge Year funding plays an important role in maintaining DR program continuity and providing market stability for customer-participants and third-party providers while the future nature and level of DR programs from 2024-2027 will be decided in Phase 2. [D.23-01-006](#) provides continuity in the DR programs while maintaining research funding without making substantive changes to the DRAM pilot.

Next Steps: Opening testimony on the DRAM is due **May 31**, opening briefs are due September 30, and a proposed decision is expected in January 2024. In Phase 2, supplemental and intervenor testimony is due between **February 3** and May 5, opening briefs on Phase 2 are now due June 30, and a proposed decision is expected in October 2023 for the 2024-2027 DR Program.

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

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 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 January 17, the CPUC issued [D.23-01-005](#) ([Appendix 1](#) - Settlement Agreement) that approves the settlement regarding wildfire liability insurance coverage, establishes a revenue requirement of \$400 million per year for wildfire liability insurance coverage from 2023 through 2026, and approves coverage which consists entirely of self-insurance for third-party wildfire claims of less than \$1 billion per year. On January 20, the ALJ issued a [Ruling](#) that adopts procedures for the production of computer model information, including model runs, using the results of operations and rates models of PG&E to generate the tables needed to support confidential decision-making in this proceeding.

Analysis: The decision on wildfire liability insurance coverage will impact electric service costs and allocate financial risks associated with wildfire events as a self-insurance liability to PG&E.

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: ALJ [Ruling](#) (Jan. 20, 2023); [D.23-01-005](#) ([Appendix 1](#) - Settlement Agreement) (Jan. 17, 2023); ALJ [Ruling](#) (Oct. 21, 2022); PG&E's [Amended Application](#) (Mar. 10, 2022); PG&E [Affordability Metrics Report](#) (Feb. 23, 2022); [PG&E Application](#) (Jun. 30, 2021); Docket No. [A.21-06-021](#).

PG&E 2019 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 December 19, the CPUC issued a [Proposed Decision](#) that would prohibit the Joint Utilities from adjusting future rates to collect any revenue shortfalls, recorded as undercollections in their respective balancing accounts, caused by PSPS events in 2019 – requiring utility shareholders to fund lost revenues from PSPS events. The Proposed Decision would also adopt a methodology to calculate the estimated unrealized revenues the Joint Utilities incurred in 2019 or will incur during future PSPS events.

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

Next Steps: The Proposed Decision is scheduled to be heard at the **February 2** Commission meeting.

Additional Information: [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 has yet to begin.

Recent Developments: No recent developments in the past month.

Analysis: N/A

Next Steps: Phase 2 will not begin until after the Commission resolves issues related to the establishment of a common accounting methodology for PSPS events in Phase 2 of the 2019 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 this month.

Analysis: N/A

Next Steps: Opening Briefs are now due **February 27** and a target date for a Proposed Decision is Q3 2023. The parties will file testimony regarding unrealized PSPS sales and revenue in 2021 on **April 3**.

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](#).

Building Decarbonization

Background: This proceeding explores reduction of greenhouse gas (GHG) emissions associated with energy use in buildings. [D.20-03-027](#) established the Building Initiative for Low-Emissions Development and the Technology and Equipment for Clean Heating program. [D.21-11-002](#) adopted guiding principles for layering building decarbonization incentives, adopted incentives to help wildfire victims rebuild all-electric, and directed the IOUs to study bill impacts from electrification. [D.22-09-026](#) eliminated gas line extension allowances and subsidies for all customers, in all classes by July 1.

Recent Developments: On January 31, the CPUC issued a [Revised Proposed Decision](#) on the Technology and Equipment for Clean Heating (TECH) Initiative that would increase the focus on equity customers, adopt a performance-based approach regarding GHG emission reduction baselines instead of a product-based approach, and clarify that incentive layering is encouraged to leverage the benefits of multiple building decarbonization programs.

Analysis: The revisions to the Proposed Decision provide a greater focus on using the additional funding to aid people who would most benefit from and who may be least able to adapt to the state's climate change mitigation activities, while the encouragement of incentive layering will maximize the value from all building decarbonization programs and support broader program coverage.

Next Steps: The Proposed Decision may be heard at the **February 2** Commission meeting.

Additional Information: [Revised Proposed Decision](#) (Jan. 31, 2023); [Proposed Decision](#) (Dec. 23, 2022); [D.22-09-026](#) (Sep. 20, 2022); [Scoping Memo](#) (Mar. 22, 2022); [D.21-11-002 \(Appendices A-E\)](#) Decision on Building Decarb Phase II (Nov. 9, 2021); [D.20-03-027](#) Establishing Building Decarbonization Pilot Programs (Apr. 6, 2020); [OIR](#) (Feb. 8, 2019); Docket No. [R.19-01-011](#).

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 January 18, the CPUC adopted [Resolution E-5242](#) on PG&E's plan for remote grids as the sole standard microgrid service offering. On January 20, PG&E submitted [Supplemental AL 6364-E-A](#) on proposed modifications suspending the capacity reservation component for eligible microgrid distributed technologies and electric standby rate schedules and forms pursuant to D.21-07-011.

Analysis: Resolution E-5242, which allows PG&E to offer remote grids as its standard microgrid service offering, permits development of remote grids when they are the lowest cost option for providing electric service as a means of reducing ratepayer costs, and by avoiding power line extensions in remote areas will also reduce wildfire risk from the electrical grid.

Next Steps: In Track 4, an ALJ Ruling providing an Energy Division Staff Proposal for a Microgrid Multi-Property Tariff was expected in October 2022 but has been delayed. In Track 5, a staff proposal on Definitions, Metrics, Tools, and Methods and Informing Grid Planning is expected in Q1 2023. An ALJ Ruling establishing 2023 scheduling & activities is expected in Q1 2023. Two half-day workshops on the use of limited-export inverters will be held before **February 17**.

Additional Information: [Supplemental AL 6364-E-A](#) (Jan. 20, 2023); [Resolution E-5242](#) (Jan. 18, 2023); [Resolution E-5230](#) (Dec. 9, 2022); [Disposition Letter/Advice Letter 6730-E](#) (Nov. 7, 2022); [Disposition Letter](#) for PG&E [Advice Letter 6486-E](#) (Oct. 13, 2022); ALJ [Ruling Requesting Comments](#) on attached Staff Proposal for Microgrid Incentive Program (Jul. 6, 2022); [Scoping Memo](#) (Dec. 17, 2021); Docket No. [R.19-09-009](#).

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 January 30, PG&E submitted [AL 6850-E](#) providing its measurement and evaluation study proposal for its real-time pricing pilots, pursuant to D.22-08-002.

Analysis: PG&E's interim evaluation report of its real-time pricing pilot programs will inform the decision on allowing dual participation in the Stage 1 real-time pricing pilot and other load-management programs such as demand response, as well as support a recommendation regarding the extension of the Stage 1 pilot beyond the initial 24-month period.

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

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

Utility Safety Culture Assessments

Background: This rulemaking will define safety culture concepts and determine how the safety culture of PG&E and other utilities in California will be assessed and evaluated. The CPUC's Office of Energy Infrastructure Safety will conduct annual wildfire safety-specific assessments of investor-owned utilities as required by AB 1054, and an independent third-party evaluator will conduct safety culture assessments every five years per SB 901. Currently, this proceeding is focused on developing the rules, policies, and procedures for these safety culture assessments.

Recent Developments: No recent developments in the past month.

Analysis: N/A

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

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

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 this month.

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

Next Steps: Opening comments on the Staff Proposal and example FSR calculations are due **March 21**, and reply comments are due **April 7**. A workshop for IOUs to walk-through examples of financial security requirement calculations will be held on **March 7**. A proposed decision is expected in Q3-Q4 2023.

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

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: No recent developments this month.

Analysis: N/A

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

Additional Information: PG&E [AL 6779-E](#) (Dec. 5, 2022); [Ruling](#) Requesting Comments and Staff Proposal for Long-Term RPS Transactions (Aug. 4, 2022); [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](#).

Other Dockets

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

Docket	Name	Status
I.15-08-019	Investigation into PG&E Organization, Culture, and Governance	This proceeding was opened as part of an investigation into whether PG&E's organizational culture and governance prioritize safety, and currently serves to monitor the progress of PG&E in improving its safety culture. The Final Report from consultant NorthStar will be considered in a future decision.
A.20-06-011	PG&E Regionalization Plan	D.22-06-028 closed the proceeding. PG&E will continue to convene quarterly "town hall" meetings in each region and conduct broader meetings with the Regionalization Stakeholder Group. Town Hall Report Q3 (Oct. 28, 2022)
R.21-03-001	Wildfire Fund NBC (2022-2023) Rulemaking	On December 6, the CPUC issued D.22-12-007 adopting a 2023 Wildfire NBC of \$5.30/MWh (\$0.00530/kWh) effective as of January 1, 2023. The 2023 Wildfire NBC is \$1.22/MWh, or 18.7%, less than the current 2022 Wildfire NBC of \$6.52/MWh. This reduction is mostly due to the fund having completed recovery of all prior period under-collections.
R.20-11-003	Ensuring Summer 2021 Reliability	D.22-06-005 closed the proceeding.
A.19-11-019	PG&E 2020 Phase 2 GRC	D.22-08-002 closed the docket; all current activity is now covered under the Commercial EV Real-Time Pricing docket.
A.21-06-001	PG&E 2020 ERRA Forecast	D.22-02-002 closed the proceeding, and the Rehearing Request (filed March 14, 2022) was denied by D.22-11-019 issued on November 7.
R.19-03-009	Direct Access Rulemaking	D.21-06-033 closed the proceeding, and on December 19 the CPUC issued D.22-12-058 denying the Application for Rehearing (July 29, 2021).
A.22-05-029	PG&E ERRA Forecast (2023)	D.22-12-044 closed the proceeding, and PG&E's 2024 ERRA Forecast is expected in Q2 2023.