

CPUC Public Agenda 3473

Thursday, October 22, 2020 10:00 a.m.

Remotely



Commissioners:
Marybel Batjer, President
Liane M. Randolph
Martha Guzman Aceves
Clifford Rechtschaffen
Genevieve Shiroma



California Public
Utilities Commission

www.cpuc.ca.gov

CPUC Mission

We Empower California through:

- Assuring utility services are clean and safe.
- Providing for critical services and infrastructure.
- Designing rates that are fair and reasonable.
- Protecting the interests of consumers and ratepayers.



CPUC Core Values

Accountability
Excellence
Integrity
Open Communication
Stewardship



Commissioner Code of Conduct

- **I. Commissioners should conduct themselves in a manner that demonstrates respect for the public, for fellow Commissioners, and for Commission staff.**
- **II. Commission meetings should be opportunities for a full and respectful exchange of ideas and the responsible execution of Commission duties.**
- **III. Serving on the Commission is an honor and Commissioners should treat their colleagues at the Commission with respect for the varied backgrounds, skills and interests that each one brings.**
- **IV. Commissioners are public officials who should uphold the integrity of their office at all times.**



Public Comment

- Per Resolution ALJ-252, any member of the public (excluding parties and their representatives) who wishes to address the CPUC about matters before the Commission must call in to toll-free number: 1-800-857-1917
- Passcode: 9899501
- Spanish speakers use Passcode: 6946898
- Once called, each speaker has up to 2 minutes at the discretion of the Commission President. Depending on the number of speakers, the time limit may be reduced to 1 minute.
- A bell will ring when time has expired.

Public Comment is not permitted on the following items:

- All items on the Closed Session Agenda



Public Agenda Changes

Items shown on the Consent Agenda will be taken up and voted on as a group in one of the first items of business of each CPUC meeting.

- Items on Today's Consent Agenda are: **1, 3, 4, 5, 7, 8 9, 11, 12, 13, 14, 15, 16, and 17.**
- Any Commissioner, with consent of the other Commissioners, may request an item from the Regular Agenda be moved to the Consent Agenda prior to the meeting.
- **Item 24** from the Regular Agenda has been added to the Consent Agenda.
- Any Commissioner may request an item be removed from the Consent Agenda for discussion on the Regular Agenda prior to the meeting.
- **Item 6** has been moved to the Regular Agenda.
- **No Item** has been withdrawn.
- The following items have been held to future Commission Meetings:
 Held to 11/5/20: 2.
 Held to 11/19/20: 10.



Regular Agenda

- Each item on the Regular Agenda (and its alternate if any) will be introduced by the assigned Commissioner or CPUC staff and discussed before it is moved for a vote.
- For each agenda item, a summary of the proposed action is included on the agenda; the CPUC's final decision may, however, differ from that proposed.
- The complete text of every Proposed Decision or Draft Resolution is available for download on the CPUC's website: www.cpuc.ca.gov
- Late changes to agenda items are available on the Virtual Escutia Table.



Regular Agenda – Energy Resolutions

Item #6 [18365] – New Citation Program Authorizing Consumer Protection and Enforcement Division to Enforce Investor Owned Utilities Compliance with Enhanced Net Energy Metering Interconnection Application Requirements

Res UEB-004

PROPOSED OUTCOME:

- Approves citation program for enforcing the Net Energy Metering interconnection application consumer protection requirements enacted in Decisions (D.)16-01-044, D.18-09-044 and D.20-02-011.

SAFETY CONSIDERATIONS:

- There are no safety considerations associated with this resolution.

ESTIMATED COST:

- There are no costs associated with this resolution.

NEM Interconnection Citation Program

Draft Resolution UEB-004 (Revision 2)

Consumer Protection and Enforcement Division (CPED)

Utility Enforcement Branch (UEB)

October 22, 2020



California Public
Utilities Commission

Issues NEM Consumers Face in Solar Transactions

- D.18-09-044 (p.8-10) identified issues harmful to customers such as:
 - **Aggressive marking tactics:** persistent robocalls, pressure to sign contracts
 - **False advertising:** salespersons misrepresenting themselves as IOUs
 - **Misleading marketing:** confusing, incomplete or incorrect information about the costs and benefits of rooftop solar, including estimated bill savings and value and treatment of solar Renewable Energy Credits (RECs)
 - **Predatory behavior:** abuse of language barriers for non-English speaking consumers, predatory financing; workmanship errors, contract complexity, unlicensed contractors and salespeople
- Other complaints:
 - False claims of “no cost” solar, abandoned systems that are never interconnected, liens on property for systems not installed, long term damage to customers’ credit ratings

Proposed Citation Program

On February 6, 2020, the CPUC authorized CPED to ***“issue a resolution proposing a citation program for the consumer protection requirements established by D. 18-09-044 ... within 90 days...”*** (Ordering Paragraph 10)

- Within the stated timeframe, on April 27, 2020, CPED published Draft Resolution UEB-004. We received comments on May 19, 2020, replies on May 26, 2020
- CPED published Revision 1 on August 20, 2020
- On September 25, 2020, CPED and Energy Division held a Public Workshop on Revision 1
- CPED made further revisions (Revision 2) published on October 16, 2020 to address comments during the workshop

Goals of the Citation Program

- Enforces the requirement that IOUs receive, track, and store the information the CPUC deemed necessary to protect consumers
 - ✓ *Solar Consumer Guide, CSLB Disclosure documents and license information, customer attestations, and other transaction details*
- Establish an interconnection suspension mechanism to deter continuing provider noncompliance with the consumer protection document requirements

Rationale for Structure of Citation Program

- Provides a streamlined way for CPUC to collect essential information for investigations and complaint resolutions
- Accommodates IOU interconnection processes based on receipt of “intended documents” vs confirming accuracy up front
 - ✓ Automated Document Recognition (ADR) using Optical Character Recognition (OCR) is widely available and recognized by IOUs to streamline compliance processes
- Deters ongoing provider wrongdoing via the suspension mechanism

Citation Program Elements

1. **Solar Transaction Record:** an online portal that contains disclosure documents/transaction details ordered by the NEM Decisions to protect consumers
2. **Provider Compliance Reporting:** requires IOUs to monitor interconnection applications to flag providers who repeatedly fail to upload the required consumer protection documents (over 5% noncompliance) and report those providers to CPED on a quarterly basis
3. **Suspension of Non-Compliant Providers:** following ample notice and opportunity to come into compliance, requires IOUs suspend future interconnection access until CPED approves applicant's Compliance Plan
4. **Suspended Applicants List:** requires IOUs to generate a Suspended Applicants List that is published by CPED on the CPUC's website. A link to the up-to-date list shall be included in the Solar Consumer Guide, IOUs' interconnection portal, and IOUs' websites

UEB-004 Citation Program by NEM Decisions

Solar Transaction Record

D.18-09-044

OP12

IOUs collect solar agreements in interconnection portal

OP3

IOU portal modification
CPED to collect penalties

D.20-02-011

Attestations, Audit Trail, PACE info, Financial Institutions

Compliance Reporting

D.18-09-044

OP3

"track and store" documents
provide documents to CPUC on request

OP4

CSLB Requirements

OP11

Staff to monitor interconnection application information

Suspension of Non-Compliant Applicants

D.20-02-011

Page 21

Authorizes additional requirements adopted as necessary to implement the consumer protection standards

Suspended Providers List

D.20-02-011

Page 21

Authorizes additional requirements adopted as necessary to implement the consumer protection standards

UEB-004 Citations

Incomplete STR*	\$1,000 per violation <i>An incomplete STR is one that omits the document types listed in Appendix A, or contains other document types not listed in Appendix A</i>
Quarterly Report of Noncompliant Applicants	1,000 per violation, and \$1,000 for each day violation continues
Suspension Warning Notice	\$5,000 per violation, and \$1,000 for each day violation continues
Notice of Suspension	\$5,000 per violation, and \$1,000 for each day violation continues
Suspension of future interconnection access	\$10,000 per violation, and \$5,000 for each day violation continues
Suspended Applicant List (placement)	\$5,000 per violation, and \$1,000 for each day violation continues
Suspended Applicant List (generate, maintain & report)	\$5,000 per violation, and \$1,000 for each day violation continues

**All penalties collected from CPUC enforcement activities are directed to the General Fund pursuant to P.U. Code Section 2104*

September 25 Public Workshop

- Following the Workshop, we received comments from SEIA, CALSSA, PG&E, SCE, and SDG&E
- CALSSA proposed to expand the IOU spot audit in lieu of the citation program
- IOUs supported considering CALSSA's proposal to expand audits, but expressed concern regarding delays to interconnection, litigation exposure, and costs

Post Workshop Revisions

1. CALSSA's expanded spot audit proposal is an inadequate substitute for the proposed citation program

- Applicant suspension from interconnection access is a more effective deterrent against provider wrongdoing than "increased scrutiny"
- CALSSA's proposal based on "collect and transmit" conflicts with D.18-09-044's requirement of "track and store"
- Expansion of audit program supports the CPUC's consumer protection goals, but not in place of the citation program

2. CPED is now the approver of provider's Compliance Plans, to acknowledge IOUs' concerns with being the approver

3. Clarifies STR requirements and provided compliance examples

4. Adds a 10-day grace period from the date of the Suspension Notice to when actual suspension takes effect

Questions?





California Public Utilities Commission

Jeanette Lo, Branch Chief, UEB
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Marna Anning, PURA V, Fraud Investigator
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Regular Agenda – Energy Resolutions

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Res UEB-004

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SAFETY CONSIDERATIONS:

- There are no safety considerations associated with this resolution.

ESTIMATED COST:

- There are no costs associated with this resolution.

Regular Agenda – Energy Orders

Item #18 [18764] – Self-Generation Incentive Program Equity Resiliency Budget Electric Well Pump Customer Eligibility Requirements

R.20-05-012

Quasi-Legislative

Comr Rechtschaffen - Judge Fogel

PROPOSED OUTCOME:

Revises and clarifies Decision (D.) 20-01-021 to:

- Require equity resiliency budget electric well pump customers to demonstrate a single family household income no greater than 80 percent of area median income or that a multi-family building is either located in a disadvantaged community or demonstrates that at least 80 percent of building households have incomes at or below 60 percent of area median income;
- Require equity resiliency electric-pump well applications submitted after August 17, 2020 that have not yet been issued a confirmed incentive reservation as of the date of Commission adoption of this decision to comply with these revised requirements;
- Clarify requirements adopted in D.20-01-021 to specify that equity resiliency electric well pump applicants must provide documentation or an attestation stating that the storage installation site is a primary residence occupied by a homeowner or tenant and must provide an attestation that the residence is not provided water by a municipal or private utility, applying these clarifications to all electric well pump applications; and,
- Direct Self-Generation Incentive Program (SGIP) Administrators to file a Joint Tier 2 advice letter within 20 days of adoption of this decision proposing changes to the SGIP Handbook.

SAFETY CONSIDERATIONS:

- There are no safety considerations associated with this proceeding.

ESTIMATED COST:

- There are no additional costs associated with this decision. D.20-01-021 approved \$166 million in annual ratepayer collections for the SGIP from 2020 through 2024.

Regular Agenda – Energy Orders

Item #19 [18811] – Interim Rate Recovery for Wildfire Mitigation Memorandum Accounts

A.20-02-003

Application of Pacific Gas and Electric Company for Wildfire Mitigation and Catastrophic Events

Interim Rates.

Ratesetting

Comr Batjer - Judge Haga

PROPOSED OUTCOME:

- Approves a portion of the request of Pacific Gas and Electric Company (PG&E) to recover, on an interim basis and subject to refund, costs recorded in wildfire mitigation memorandum accounts.
- Approves recovery of \$447 million in revenue requirements on an interim basis subject to refund over a seventeen-month period associated with the Fire Hazard Prevention Memorandum Account, the Fire Risk Mitigation Memorandum Account, and the Wildfire Mitigation Plan Memorandum Account.
- Requires PG&E to refund, with interest, any excess rate recovery amount it obtained pursuant to this decision in comparison to final decisions reviewing the prudence of the costs recorded in those accounts.
- Declines PG&E's request for authorization to institute interim rates, subject to refund, whenever it accumulates a total of \$100 million or more (in revenue requirement equivalent) relating to new Commission- or legislative-mandated activities in one or more memorandum accounts established to record such costs.

SAFETY CONSIDERATIONS:

- There are no safety considerations associated with this decision.

ESTIMATED COST:

- The decision authorizes \$447,034,500 in rate recovery, subject to refund.

Regular Agenda – Orders Extending Statutory Deadline

Item #20 [18817] – Order Extending Statutory Deadline

A.16-03-009, A.17-02-009, A.18-04-023, and A.19-03-023 - Related matters.

In the Matter of the Application of Crimson California Pipeline L.P. (PLC-26) for Authority to Increase Rates for Its Crude Oil Pipeline Services.

Ratesetting

Comr Rechtschaffen - Judge Miles

PROPOSED OUTCOME:

- Extends Statutory Deadline for completion of this proceeding until December 31, 2020.

SAFETY CONSIDERATIONS:

- There are no safety considerations implicated with this Order Extending Statutory Deadline.

ESTIMATED COST:

- There are no costs associated with this Order Extending Statutory Deadline.

Regular Agenda – Regular Agenda- Legislative and Other Matters

Item #21 [18814] –

2020 Legislative Outcomes Presentation

2020 Legislative Outcomes

Hazel Miranda, Director

Grant Mack | Lori Misicka | Marina MacLatchie | Emilio Perez

Office of Governmental Affairs

October 22, 2020



California Public
Utilities Commission

2020 Legislative Overview

- **124 Bills Tracked**
- **NINE Bills Passed by the Legislature and Signed by the Governor**
- **Took ONE formal legislative position**
- **Participated in FOUR legislative committee oversight hearings**
- **Provided THREE formal legislative staff briefings**

Legislative Engagement and Cross Agency Collaboration

- Engaged with the Senate and Assembly policy and fiscal committee consultants, Assembly Speaker's office, Senate Prop Tempore's office and key legislative staff.
- Actively coordinated with the Department of Finance on bill fiscal analyses.
- Collaborated with the California Energy Commission, California Independent System Operator, California Air Resources Board, California Office of Emergency Services, California Department of Forestry and Fire Protection, and the Department of Conservation – Geological Energy Management Division.
- Updated the Governor's Office on key policy issues.

CPUC Formal Legislative Positions

- **AB 1720 (Carrillo): Energy: long-duration energy storage: procurement. (As amended July 27, 2020)**
 - **CPUC Position:** OPPOSE
 - **Status:** In Senate Energy, Utilities & Communications committee: Hearing postponed by committee (August 3, 2020)
 - **Summary** – This bill proposed to require the CPUC to direct load-serving entities (LSEs) to procure long-duration energy storage, namely two proposed pumped hydro-electric storage projects, by March 1, 2021 using a lower greenhouse gas (GHG) emission reduction planning target than what was adopted in the 2019-20 Integrated Resource Planning (IRP) Reference System Portfolio (RSP) Decision (D. 20-03-028). The bill included provisions that if the CPUC did not order the procurement of specified long-duration energy storage by LSEs, then the Department of Water Resources (DWR) would be required to procure an amount of long-duration energy storage on behalf of all LSEs.
 - **Reason for Opposition** – The bill undermined the goals of the IRP process and compromised its holistic approach by favoring a specific clean energy resource. Senate Bill (SB) 350 (de Leon, 2015) requires the CPUC to adopt an IRP process that identifies a balanced energy resource portfolio that meets California's GHG emission reduction goals, while maintaining electric service reliability, at the lowest possible cost to ratepayers.

Summary - Broadband

- Considering the COVID-19 pandemic, the Legislature expressed a heightened interest in broadband service and closing the digital divide.
- 2 major broadband bills –
 - **AB 570** (Aguiar-Curry): Communications: broadband services: CASF
 - **SB 1130** (Gonzalez): Communications: CASF
- Other bills on telecommunications issues included universal service, consumer protection, and resiliency.

Summary – Transportation and Water Bills

- Provided technical feedback on two Assembly bills pertaining to the CPUC's regulatory authority over transportation services.
 - **AB 2995** (Chiu): Vessel common carriers: applications
 - **AB 3116** (Irwin): Mobility devices: personal information
- There was minimum legislative activity pertaining to CPUC jurisdictional water companies this year.

Summary - Energy Bills

- **At the beginning of this legislative year, the OGA was tracking and engaged in shaping roughly 80 energy (electricity and gas) bills.**
- **Many of these bills proposed a multitude of new policies largely focused on –**
 - Preventing electric utility equipment from igniting wildfires
 - Mitigating the effects of PSPS events
 - Creating new value streams for DERs to encourage additional deployment and subsidies for renewable natural gas (i.e., biomethane and hydrogen gas) production and use
 - Consolidating energy resource procurement and mandating the procurement of specific energy resources
 - Expanding and modifying rate and bill assistance programs for customers experiencing income losses or reductions due to the coronavirus pandemic
- **Bills that passed the Legislature and were signed by the Governor were largely aimed at –**
 - Expanding consumer protections
 - Modifying renewable resource contracting rules
 - Improving electric utility regulatory oversight
 - Mitigating immediate electric rate impacts, and changing regulatory definitions
 - Encouraging the expeditious deployment of transportation electrification infrastructure
 - Providing incentive programs to capture non-energy benefits in K-12 schools

Legislative Committee Oversight and Informational Hearings

Assembly Utilities & Energy Committee

- **January 22, 2020** – *Annual Review of California Public Utilities Commission and the Public Advocates Office*
- **February 19, 2020** – *Electricity Prices Matter*
- **March 4, 2020** – *Investor Owned Utility Wildfire Mitigation Plans: Will the Plans Reduce the Risk and Occurrence of Catastrophic Wildfires*

Senate Energy, Utilities & Communications Committee

- **January 8, 2020** – *Telecommunications Service Outages: Ensuring Reliable Lifeline for Californians*
- **June 4, 2020** – *The California Public Utilities Commission and the Public Advocates Office Annual Report to the Legislature*

Senate Transportation Committee

- **February 25, 2020** – *More Mobility Options, More Data: Transportation and Privacy Issues in Shared Mobility Data Use*

Formal Legislative Staff Briefings

- **November 21, 2019** – *CPUC Distributed Energy Resource Cost-Effectiveness Tests*
- **December 10, 2019** – *Electric Investor Owned Utility Ratemaking and Rates*
- **February 28, 2020** – *CPUC: 2019-2030 Integrated Resource Plan Reference System Plan Proposed Decision*

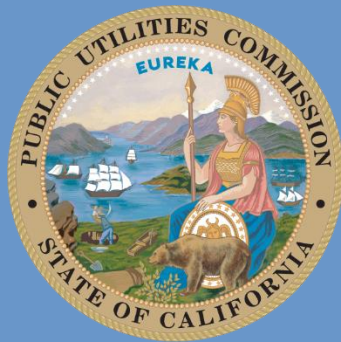
Fiscal Overview

- The economic outlook for the state in the wake of the COVID-19 pandemic became the main criterion employed to judge the necessity of each piece of legislation and any related costs resulting from its implementation.
- During the 2020 legislative year, the CPUC received **67 fiscal impact estimate requests for 35 bills.**
- Despite the reduced number of bills affecting the CPUC, many conversations were held with the Department of Finance and the appropriations committees to discuss and justify our fiscal impact and policy concerns.

Thank YOU!

Team Effort -

- OGA staff
- OGA liaisons & division staff
- Division Directors
- Commissioners and Advisors
- Legislative partners & stakeholders
- Governor's Office
- Agency partners



California Public Utilities Commission

For Additional Information and
2020 Legislative Outcomes Report:

www.cpuc.ca.gov/oga

Regular Agenda – Regular Agenda- Legislative and Other Matters

Item #21 [18814] –

2020 Legislative Outcomes Presentation

Management Reports



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Regular Agenda - Management Reports and Resolutions

Item #23 [18840]

Management Report on Administrative Activities

Management Reports



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Commissioners' Reports



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The CPUC Thanks You For Participating in Today's Meeting

The next Public Meeting will be:

November 5, 2020 at 10:00 a.m.

Remote

