

CPUC Public Agenda 3486

Thursday, May 20, 2021, 10:00 a.m.

Remote Presentation

Commissioners:

Marybel Batjer, President

Martha Guzman Aceves

Clifford Rechtschaffen

Genevieve Shiroma

Darcie L. Houck

www.cpuc.ca.gov



California Public
Utilities Commission

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

- 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:
 - 29
 - 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, 2, 3, 4, 6, 7, 8, 9, 10, 12, 13, 14, 15, 16, 17, 19, 20, 21, and 22.
- 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 27** 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.
- **No Item** has been moved to the Regular Agenda.
- **No Item** has been withdrawn.
- The following items have been held to future Commission Meetings:
 - **Held to 6/3/21: 5, 11, 18, 24, and 26.**

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 Orders

Item #23 [19374] Power Charge Indifference Adjustment Cap and Portfolio Optimization Processes R.17-06-026

Order Instituting Rulemaking to Review, Revise, and Consider Alternatives to the Power Charge Indifference Adjustment.

Ratesetting

Comr. Guzman Aceves – Judge Wang

PROPOSED OUTCOME:

- Removes the cap and trigger for Power Charge Indifference Adjustment (PCIA) rate increases.
- Authorizes new Voluntary Allocation, Market Offer, and Request for Information processes for Renewables Portfolio Standard contracts subject to the PCIA.
- Approves a process for increasing transparency of investor-owned utilities' Resource Adequacy resources.
- Authorizes Southern California Edison Company to continue to apply the approach to greenhouse-gas free resources approved in Resolution E-5095 through December 31, 2023.
- This proceeding remains open.

SAFETY CONSIDERATIONS:

- There are no safety considerations associated with this order.

ESTIMATED COST:

- There are no costs associated with this order.

Regular Agenda: Energy Orders (continued)

Item #25 [19409] Assessment of Energy Efficiency Potential and Goals and Modification of Portfolio Approval and Oversight Process

R.13-11-005

Order Instituting Rulemaking Concerning Energy Efficiency Rolling Portfolios, Policies, Programs, Evaluation, and Related Issues.

Ratesetting

Comr. Shiroma - Judge Fitch – Judge Kao

PROPOSED OUTCOME:

- Adopts a new metric for setting energy efficiency goals, combining energy savings and greenhouse gas emission reduction metrics into a total system benefit metric. Energy savings metrics will continue to be tracked and reported.
- Requires energy efficiency program administrators to segment their portfolios into programs with the primary purposes of energy savings resource acquisition, market support, or equity functions. Cost-effectiveness limitations will be applied only to the resource acquisition portions of the portfolios going forward, though overall costs and benefits will continue to be tracked and reported.
- Adopts an eight-year business plan structure with a four-year program portfolio process.
- Updates to energy efficiency potential and goals will continue to be conducted biennially, and updates to technical inputs and avoided costs will also move to a biennial schedule.

SAFETY CONSIDERATIONS:

- There are no safety considerations associated with this decision.

ESTIMATED COST:

- There are no direct costs associated with this decision, though it addresses the manner in which energy efficiency program administrators must present their portfolio cost information to the Commission in the future.

Regular Agenda: Orders Extending Statutory Deadline

Item #28 [19399] Order Extending Statutory Deadline

R.15-06-009

Order Instituting Rulemaking Regarding Policies, Procedures and Rules for Regulation of Physical Security for the Electric Supply Facilities of Electrical Corporations Consistent with Public Utilities Code Section 364 and to Establish Standards for Disaster and Emergency Preparedness Plans for Electrical Corporations and Regulated Water Companies Pursuant to Public Utilities Code Section 768.6.

Quasi-Legislative

Comr. Rechtschaffen - Judge Kelly

PROPOSED OUTCOME:

- Extends Statutory Deadline for completion of this proceeding until November 30, 2021.

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: Orders Extending Statutory Deadline (continued)

Item #29 [19461] Order Extending Statutory Deadline

C.19-03-005

OhmConnect, Inc. vs. Southern California Edison Company.

Adjudicatory

Comr. Guzman Aceves - Judge McGary

PROPOSED OUTCOME:

- Extends Statutory Deadline for completion of this proceeding until April 22, 2022.

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.

Management Reports



Management Reports and Resolutions

Item #32 [19492]

SED Oversight of Actions Resulting from Pacific Gas and Electric Company
2017-2018 Wildfires Settlement

Safety & Enforcement Division Oversight of Actions Resulting from PG&E 2017-2018 Wildfire Settlement



PG&E Wildfire Settlement (I.19-06-015)
Safety and Enforcement Division Update
May 20, 2021



California Public
Utilities Commission

Overview

- Order Instituting Investigation Findings of Fact
- Overview of PG&E 2017 – 2018 Wildfire Decision
- System Enhancement Initiatives
- PG&E Developments on System Enhancement Initiatives
- SED Oversight on System Enhancement Initiatives

Order Instituting Investigation Findings of Fact

- CAL FIRE determined that PG&E's electrical facilities ignited all but one of the 18 fire incidents that were investigated by SED that occurred in 2017 and 2018.
- For the 2017 wildfires, SED found a total of 33 violations of Commission safety rules set out in General Order 95 and Resolution E-4184.
- For the 2018 Camp Fire, SED found 12 violations of Commission safety rules set out in General Orders 95 and 165, Resolution E-4184, and Public Utilities Code § 451.
- The 2017 and 2018 wildfires resulted in an unprecedented level of physical and economic harm.
- In order for the penalties in the decision to have the appropriate punitive and deterrent impact, the Commission determined that ratepayers, rather than shareholders, should receive the benefit of any tax savings associated with PG&E's financial obligations.

Overview of Decision 20-05-019

- On May 7, 2020, the Commission approved Decision (D.) 20-05-019, the *Decision Approving Proposed Settlement Agreement with Modifications* in Investigation (I.) 19-06-015
- D. 20-05-019 resolves issues related to the role PG&E's electrical facilities played in igniting wildfires in its service territory in 2017 and 2018
- Total penalty assessed against PG&E amount to \$2.137 billion, consisting of:
 - \$1.823 billion in disallowances for wildfire-related expenditures;
 - \$114 million in System Enhancement Initiatives and corrective actions; and
 - a \$200 million fine payable to the General Fund, which shall be permanently suspended.

System Enhancement Initiatives

- The Settlement Agreement sets forth 20 different System Enhancement Initiatives (SEIs) PG&E is to undertake and implement in the years following the decision with timeline implementation ranging from 1 to 5 years.
- These initiatives include vegetation management and electric operations-focused initiatives, system wide analyses, community engagement-focused initiatives, and transparency and accountability-focused initiatives.
- The Settling Parties agreed to a total amount of \$50 million of shareholder funded monies to be set aside for the SEIs. This was increased by \$64 million in the final decision to a total of \$114 million for these activities.
- The Settling Parties included PG&E, SED, Office of Safety Advocates, and the Coalition of California Utility Employees (CUE).

PG&E Developments on System Enhancement Initiatives (as of May 2021)

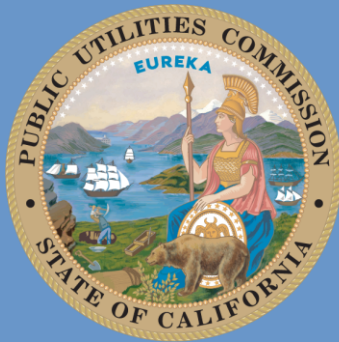
- **SEI – 8, Fuel Reduction Funding:** In November 2020 PG&E distributed \$2 million in funding to the CA. Fire Safety Council to distribute to local Fire Safe Councils within PG&E's service territory and/or nonprofit Council partner organizations focused on wildfire prevention and mitigation programs;
- **SEI – 11, Officer Safety Town Halls:** PG&E held its first Officer Safety Town Hall in August 2020 via Webex and has ten more planned in the first half of 2021;
- **SEI – 12, Semi-Annual Wildfire Mitigation Meetings:** By December 2020, PG&E had held five Regional Working Group Meetings which satisfied the Semi-Annual Wildfire Mitigation Meetings requirement from the Wildfire Order Instituting Investigation. PG&E has two more meetings planned through July 2021;
- **SEI – 13, ISO 55000 Certification:** In August, PG&E successfully completed the Stage 1 assessment of the International Organization for Standardization (ISO) 55000 Certification for its Electric Operations. Stage 2 assessment meetings are tentatively planned for July 2021;
- **SEI – 16, Quarterly Reporting on Electric Maintenance Work:** In November 2020, PG&E filed the first Quarterly Maintenance Report with SED;
- **SEI – 19, Documenting Near-Hit Potential Fire Incidents:** In September 2020, PG&E filed its first Quarterly Reporting on Near Hit potential fire incidents with the Commission's SED and Safety Policy Division (SPD). SED/SPD just received the third report in May 2021 for Q1 2021 data.

SED Oversight of System Enhancement Initiatives (as of May 2021)

- **SEI – 5, Non-Diesel Temporary Generation:** On May 5th, SED met with PG&E to hear PG&E's proposal to utilize settlement funds for one or more non-diesel temporary generation pilots. A meeting is scheduled for this Friday, May 21st to reach a consensus regarding settlement funding.
- **SEI – 7, Independent Root Cause Analysis (RCA):** SPD selected the consultant M. Eckert for PG&E's RCA report. SPD will be meeting with PG&E later this week to inform them of their RCA consultant selection and discuss next steps.
- **SEI – 14, Independent Wildfire Safety Audits:** On April 22, 2021, SED/SPD received a recommended bidder list from PG&E for the Compliance Audit, Financial Audit and the Transmission and Distribution Preventative Maintenance Program Audit.
- **SEI – 19, Documenting Near-Hit Potential Fire Incidents:** Per communication with SED in January, PG&E will continue to provide quarterly data updates but will align future reporting with the risk event data defined by the Wildfire Safety Division (WSD) and provided by PG&E in the Wildfire Mitigation Plan proceeding.
- **SEI – 20, Study of Distribution and Transmission System:** SED reached out to the CPUC's Generation & Transmission Planning team inquire how much this proposal would affect distribution vs. transmission lines. SED and PG&E both agreed this would not be known until the study is conducted and eventually the recommendations are adopted.

Questions?





California Public Utilities Commission

Nika Kjensli

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Management Reports and Resolutions

Item #32 [19492]

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2017-2018 Wildfires Settlement

Commissioners' Reports



Commissioner
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President
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The CPUC thanks you for
participating in today's meeting

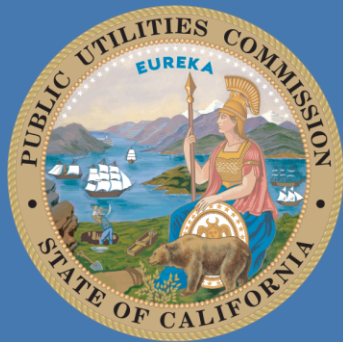
The next Public Meeting will be:

June 3, 2021

10:00 a.m.

remote





California Public Utilities Commission

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