



# **CPUC Public Agenda 3385**

## **Thursday, September 29, 2016 9:30 a.m.**

### **San Francisco, CA**



**Commissioners:**  
**Michael Picker, President**  
**Michel Peter Florio**  
**Catherine J.K. Sandoval**  
**Carla J. Peterman**  
**Liane M. Randolph**

[www.cpuc.ca.gov](http://www.cpuc.ca.gov)





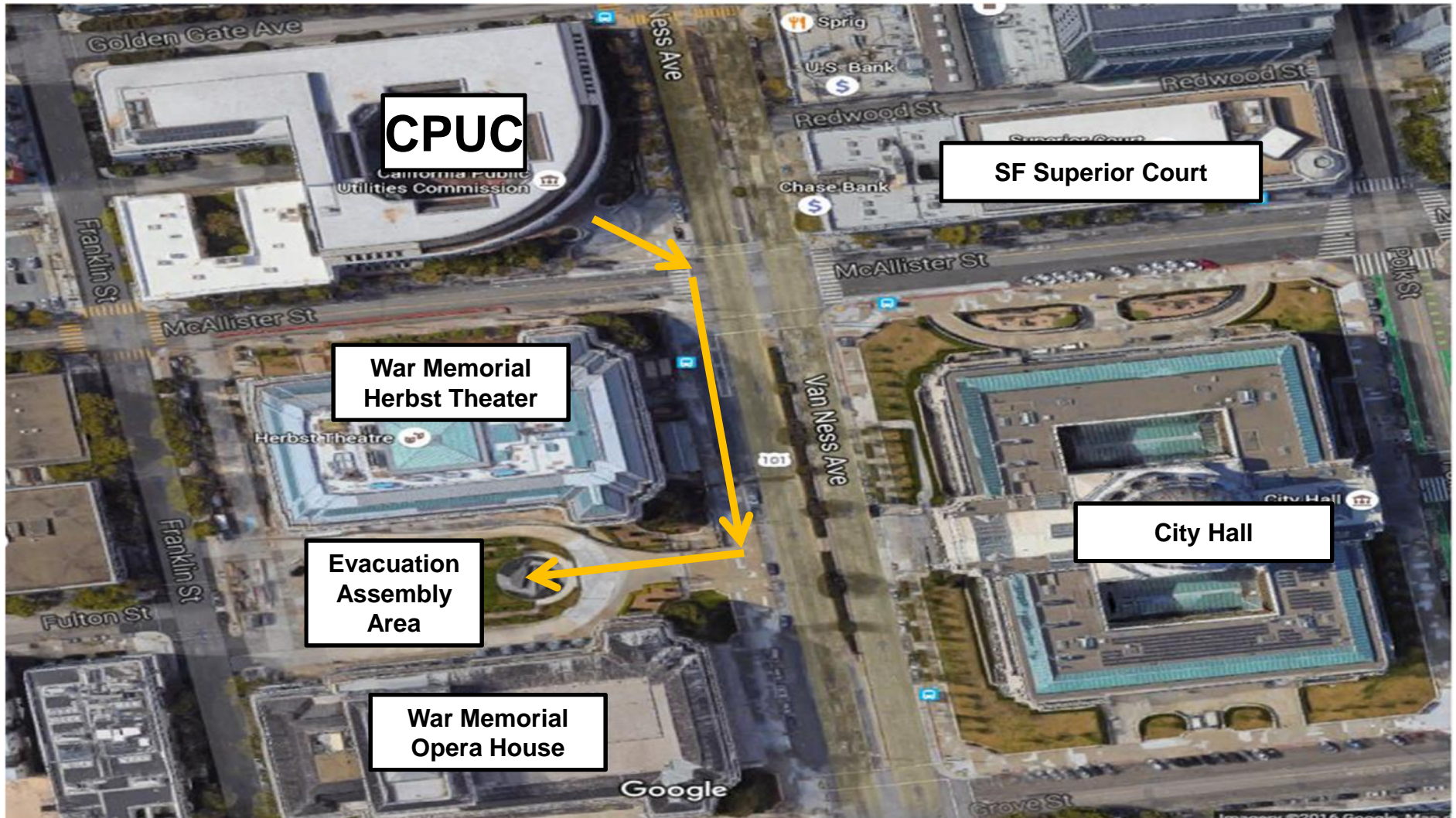
# The Pledge of Allegiance



“I pledge allegiance to the Flag of the  
United States of America,  
and to the Republic for which it stands,  
one nation under God,  
indivisible,  
with liberty and justice for all.”



# Evacuation Assembly Location





# CPUC Mission

The CPUC regulates services and utilities, protects consumers, safeguards the environment, and assures Californians' access to safe and reliable utility infrastructure and services.





# CPUC Core Values

Integrity  
Excellence  
Accountability  
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 sign up with the Public Advisor's Office table before the meeting begins. If an individual has signed up using the electronic system on the Commission's website, they must check in with the Public Advisor's Office on the day of the meeting, by the sign-up deadline.
- Once called, each speaker has up to 3 minutes at the discretion of the Commission President. Depending on the number of speakers, the time limit may be reduced to 1 minute.
- A sign will be posted when 1 minute remains.
- A bell will ring when time has expired.
- At the end of the Public Comment Section, the Commission President will ask if there are any additional individuals who wish to speak. Individuals who wish to speak but did not sign up by the deadline, will be granted a maximum of one minute to make their comments.

## **Public Comment is not permitted on the following items:**

- 13, 19, 26, 29.
- All items on the Closed Session Agenda





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- 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 sign will be posted when 1 minute remains.
- A bell will ring when time has expired.
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# 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, 4, 5, 6, 7, 8, 9, 10, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23.
- 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.
- No Item 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 **10/13/16**: 3, 11, 12.





# 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](http://www.cpuc.ca.gov).
- Late changes to agenda items are available on the Escutia Table.





## Regular Agenda – Energy Orders

### Item # 24 [15120] – Gas and Electric Safety Citation Programs

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R14-05-013

Order Instituting Rulemaking on the Commission’s Natural Gas and Electric Safety Citation Programs.

**Quasi-Legislative**

**Comr Picker - Judge Burcham**

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#### **BACKGROUND:**

The California Public Utilities Commission is charged with ensuring the safety of operations for gas and electrical systems in California. The Commission has adopted a citation program to deter violations and ensure compliance with safety protocols. The decision creating the citation program in Phase I identified several open issues due for consideration in order to further refine the program. This decision, Phase II of the rulemaking, issues guidance on those issues and includes enhanced staff discretion and self-reporting requirements.

#### **PROPOSED OUTCOME :**

- Adopts necessary improvements and refinements to the gas and electric safety citation programs, including:
- Refining the criteria for Staff to use in determining whether to issue a citation and the amount of the penalty;
- Setting an administrative limit of \$8 million per citation issued;
- Adopting detailed criteria for the utilities to use to voluntarily self-report a potential violation;
- Merging the rules applicable to the gas and electric safety citation programs into a single set of rules;
- Refining other issues in the programs.
- Closes the proceeding.

#### **SAFETY CONSIDERATIONS :**

- The ability of the Safety and Enforcement Division or other designated Staff to issue citations under the gas and electric safety citation programs should ensure a safer gas and electric system by deterring violations in the first instance, ensuring violations are corrected and authorizing the issuance of citations when appropriate.

#### **ESTIMATED COST :**

- There are no costs associated with the implementation of this decision.





## Regular Agenda – Energy Orders (continued)

### Item # 25 [15126] – Guidance for Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company Demand Response Portfolios

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R13-09-011

Order Instituting Rulemaking to Enhance the Role of Demand Response in Meeting the State's Resource Planning Needs and Operational Requirements.

**Ratesetting**

**Comr Florio - Judge Hymes**

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#### **PROPOSED OUTCOME :**

- Denies petition requesting to continue the three working groups established in Decision (D.) 14-12-024.
- Modifies D.14-12-024 by rescinding the requirement to collect data on fossil-fueled back-up generation in demand response programs.
- Establishes a date of January 1, 2018 to begin the prohibition of the use of certain resources during demand response events and establishes an enforcement program.
- Provides guidance to the Utilities regarding applications for 2018 and beyond, solely on existing demand response programs.
- Adopts the following goal for demand response programs: Commission regulated demand response programs, shall assist the State in meeting its environmental objectives, cost-effectively meet the needs of the grid, and enable customers to meet their energy needs at a reduced cost.
- Establishes seven principles by which the Commission, the Utilities, aggregators, and providers shall abide; based on the grid needs, environmental needs, customer needs, and market needs.
- Establishes a five-year budget cycle with a mid-cycle review;
- Completes second phase of the proceeding. Phase three remains open to complete the demand response potential study and provide guidance to the Utilities for applications for more advanced demand response programs.

#### **SAFETY CONSIDERATIONS :**

- No safety considerations are raised by this program guidance.

#### **ESTIMATED COST :**

- To be determined in 2018 Portfolio Applications.





## Regular Agenda – Orders Extending Statutory Deadline

### Item # 26 [15162] – Order Extending Statutory Deadline

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C15-07-004

Ryan and Amanda Atkinson vs. Pacific Gas and Electric Company.

**Adjudicatory**

**Comr Peterman - Judge Kim**

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#### **PROPOSED OUTCOME :**

- Extends the statutory deadline of this proceeding to January 31, 2017.

#### **SAFETY CONSIDERATIONS :**

- There are no safety considerations associated with extending the statutory deadline.

#### **ESTIMATED COST :**

- There are no costs associated with extending the statutory deadline.





## Regular Agenda – Orders Extending Statutory Deadline (continued)

### Item # 27 [15165] – Order Extending Statutory Deadline

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R11-11-007

Order Instituting Rulemaking into the Review of the California High Cost Fund-A Program.

**Quasi-Legislative**

**Comr Sandoval - Judge Colbert**

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#### **PROPOSED OUTCOME :**

- Extends statutory deadline for completion of this proceeding until December 6, 2016.

#### **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 # 28 [15168] – Order Extending Statutory Deadline

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A14-11-007, A14-11-009, A14-11-010, A14-11-011 - Related matters.

Application of Southern California Edison Company for Approval of its Energy Savings Assistance and California Alternate Rates for Energy Programs and Budgets for Program Years 2015-2017. Consolidated application includes San Diego Gas & Electric Company, Pacific Gas and Electric Company and Southern California Gas Company.

**Ratesetting**

**Comr Sandoval - Judge Colbert**

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#### **PROPOSED OUTCOME :**

- Extends statutory deadline for completion of this proceeding until December 8, 2016.

#### **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 [15169] – Order Extending Statutory Deadline

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C10-10-010

Michael Hetherington and Janet Hetherington vs. Pacific Gas and Electric Company.

**Adjudicatory**

**Comr Florio - Judge Roscow**

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#### **PROPOSED OUTCOME :**

- Extends the statutory deadline of this proceeding to April 13, 2017.

#### **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.





# Commissioners' Reports





# PPH/Tour Report



**Commissioner Catherine Sandoval**  
**California Public Utilities Commission**

September 29, 2016





## Lake County, California Lower Lake Clayton Fire & Aftermath Cabling left a fire sites





## Clayton Fire, Lower Lake, California

- Lower Lake clean-up
- Mediacom cable removed
- Thanks to Communications Division & Mediacom





# Santa Cruz-Felton PPH & Workshop

Santa Cruz-Felton Outside Plant – Electrical & Communications: Leaning poles; obstructed climbing space; use of buddy pole; low lines





**Santa Cruz–Felton Outside Plant: low wires, telephone cables tied to tree**





Santa Cruz – Felton: High Voltage electric lines running on wooden arm attached to tree







## Yurok Reservation, Pecwan, California

- Jack Norton K-8 School lacks electricity and runs on diesel generators





## Yurok Reservation

- Jack Norton School lacks electricity & runs on diesel fuel
- 84 decibel noise level 25 feet from generator
- Fire hazard
- Air pollution



Electricity project funded by federal Rural Utility Service slated to bring electricity to school & some households. PG&E construction set for 2017/18. Many households need inside wire upgrades.





# Commissioners' Reports





# Distributed Energy Resources Action Plan



President Picker

California Public Utilities Commission  
September 29, 2016



# Draft Distributed Energy Resources Action Plan

- DER Action Plan initiated to develop a shared vision of DER goals over next several years
- DER Action Plan will serve to coordinate activities across multiple proceedings
- Energy Division led the effort and received input from Commissioners, ALJs, and numerous Energy Division staff
- Plan consists of vision, continuing, and action elements but only vision elements presented today





# Vision Elements

- Rates and Tariffs
- Distribution Grid Infrastructure, Planning, Interconnection, and Procurement
- Wholesale DER Market Integration and Interconnection





# Rates and Tariffs

- A continuum of rate options, from the simple to complex, is available for customers.
- Rates reflect time-varying marginal cost.
- Processes for adopting innovative rates and tariffs are flexible and timely.
- Rates and demand charges better reflect cost causation and capacity benefits of DERs.
- Rates remain affordable for non-DER customers.





## Distribution Grid Infrastructure, Planning, Interconnection, and Procurement

- DER meet distribution grid needs through a transparent, seamless planning and sourcing process, resulting in increased DER deployment and grid reliability with decreased cost.
- Investor-owned utilities (IOUs) are motivated to accelerate deployment of DER regardless of the impact on distribution capacity investment opportunities.
- DER sourcing mechanisms are restructured to ensure that they are technology-neutral and competitively procured, where appropriate. Utility or affiliate ownership of DERs is also considered where it may be necessary to achieve market transformation or other public policy goals.







## Distribution Grid Infrastructure, Planning, Interconnection, and Procurement (2)

- Cost effectiveness and valuation frameworks accurately and impartially reflect the full grid services, renewables integration, and GHG value of DERs.
- Interconnection is facilitated by improving DER hosting capacity estimates to minimize the need for interconnection studies, and by making interconnection costs transparent, accessible and public.
- Sophisticated DER Growth Scenarios are regularly updated and inform proactive investments designed to strengthen DER hosting capacity and the efficiency of the distribution grid in identified growth areas and lower the cost to ratepayers of accommodating high penetrations of DERs.





# Wholesale Market Integration and Interconnection

- DERs participate robustly as grid resources through progressively greater visibility, dispatchability, and profitability in wholesale grid operations.
- DERs are appropriately enabled to earn multiple revenue streams by delivering multiple services to the wholesale market, distribution grid and end-users (“stacking value”).
- Wholesale market rules and interconnection tariffs support behind-the-meter DERs.
- Electric vehicle charging systems, and mobility and driving behaviors, can be predicted and overseen in the grid operations.
- Non-discriminatory market rules and regulations for mobile electric transportation resources (addressing registration, interconnection, and physical connectivity) are established to support customer mobility.





## Next Steps

What: Distributed Energy Resources Action Plan Workshop

Where: Milton Marks Auditorium, San Francisco State Building at 455 Golden Gate Avenue, San Francisco

When: Tuesday, October 18 from 10:00 AM to 1:00 PM

Teleconference: Phone: 866 832 3002 | Participant Code: 7708062

Draft Plan available at <http://www.cpuc.ca.gov/picker/>

Following the workshop, we will solicit informal e-comments from the public. Instructions for submitting e-comments will be provided at the workshop and on my webpage. A final plan will be prepared for endorsement by the Commission at a December meeting.





# Commissioners' Reports





# Management Reports





# Regular Agenda – Management Reports and Resolutions

**Item # 30 [15135]**

## Report and Discussion on Recent Consumer Protection and Safety Activities

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# Safety & Enforcement Division Wildland Fire Operations



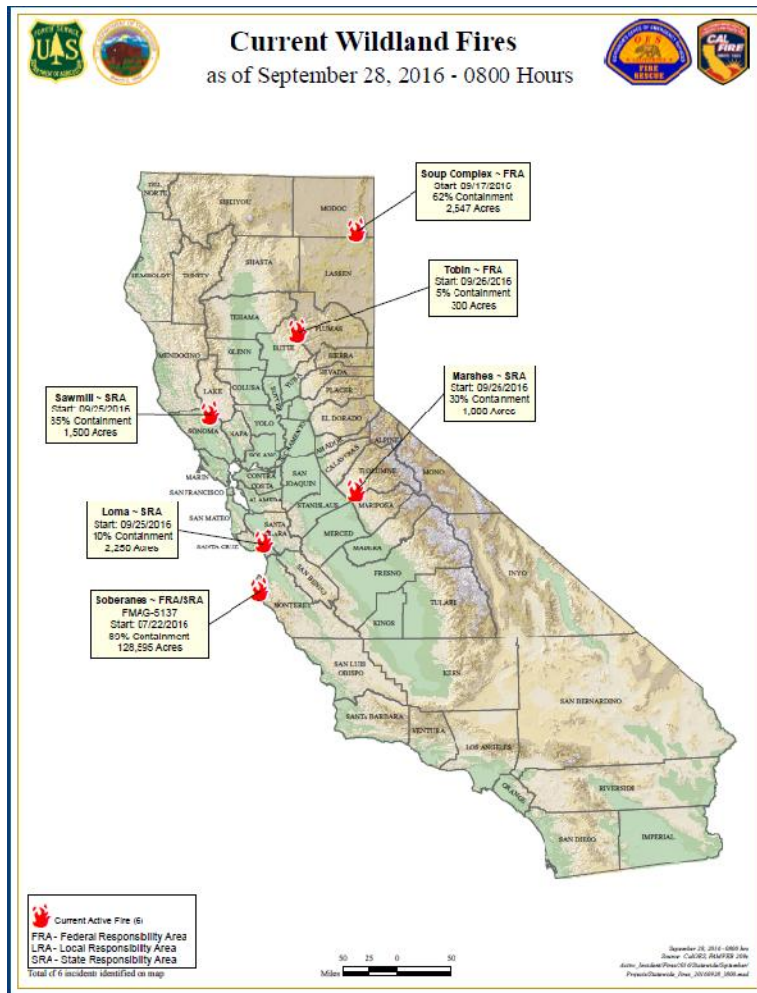
## Safety and Enforcement Division California Public Utilities Commission

September 29, 2016





# Background and Statistics



- 2016: (as of 9/17/16)
  - 4,802 recorded wildfires
  - 204,379 acres burned
  - \$170~ million (as of 9/01/16)
  - 95% of wildfires caused by human activity.

- SED
  - Does not perform an active role in wild fire activations or monitoring.
  - Serves in an advisory role to CalOES/CalFIRE.
  - Wild Fire notification from the affected utility and/or state agencies.







# Wild Fire Operations

**CalOES/CalFIRE**

**Utilities**



**Ground crews perform two basic functions: containment via fire breaks and “mop-up”**



**Utilities/telecommunications attempt to stay ahead of the fire by protecting existing infrastructure**



**Daily Assignment and incident briefs are conducted by the IC.**





# SED Mission

The Safety and Enforcement Division works diligently to ensure that regulated services are delivered in a safe manner.

## Before the Fire:

- Build working relationships with both state partners and regulated utilities.**
- Review utility mitigation and prevention efforts.
- Remain up to date on wildfire conditions and threats.

## During the Fire:

- Maintain awareness of current wildfire operations.
- Participate in CalOES working groups as required.
- Keep in contact with regulated utilities to ensure grid remains stable and reliable.**

## After the Fire:

- Assess utility damage and mitigation efforts effectiveness.**
- Participate in CalOES/CalFIRE/Utility after action reviews for lessons learned.
- Investigations (based on CalFIRE findings)**





# Fire Mitigation Efforts

- **GO 95**
  - Removal diseased/dead trees.
  - Vegetation clearance in fire threat zones.
  - Utilities may apply additional clearances based on location of vegetation local climate, elevation, fire risk.
- **GO 166**
  - Electric utilities to provide Fire-Prevention Plans.
- **SB 1028 (Hill)**
  - Electric utilities submit annual wildfire mitigation plans.
  - CPUC reviews and comments on mitigation plans.
- **Rulemaking 150-05-006**
  - Adopts Fire Threat Maps and establishes Fire-Safety Regulations.
- **CPUC/CalOES MOU**
  - Provides the foundation for emergency planning and response.





# Regular Agenda – Management Reports and Resolutions

**Item # 30 [15135]**

## Report and Discussion on Recent Consumer Protection and Safety Activities

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# Regular Agenda – Management Reports and Resolutions

**Item # 31 [15136]**

## **Management Report on Administrative Activities**

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# Management Report: Reduction in Water Use and Implications

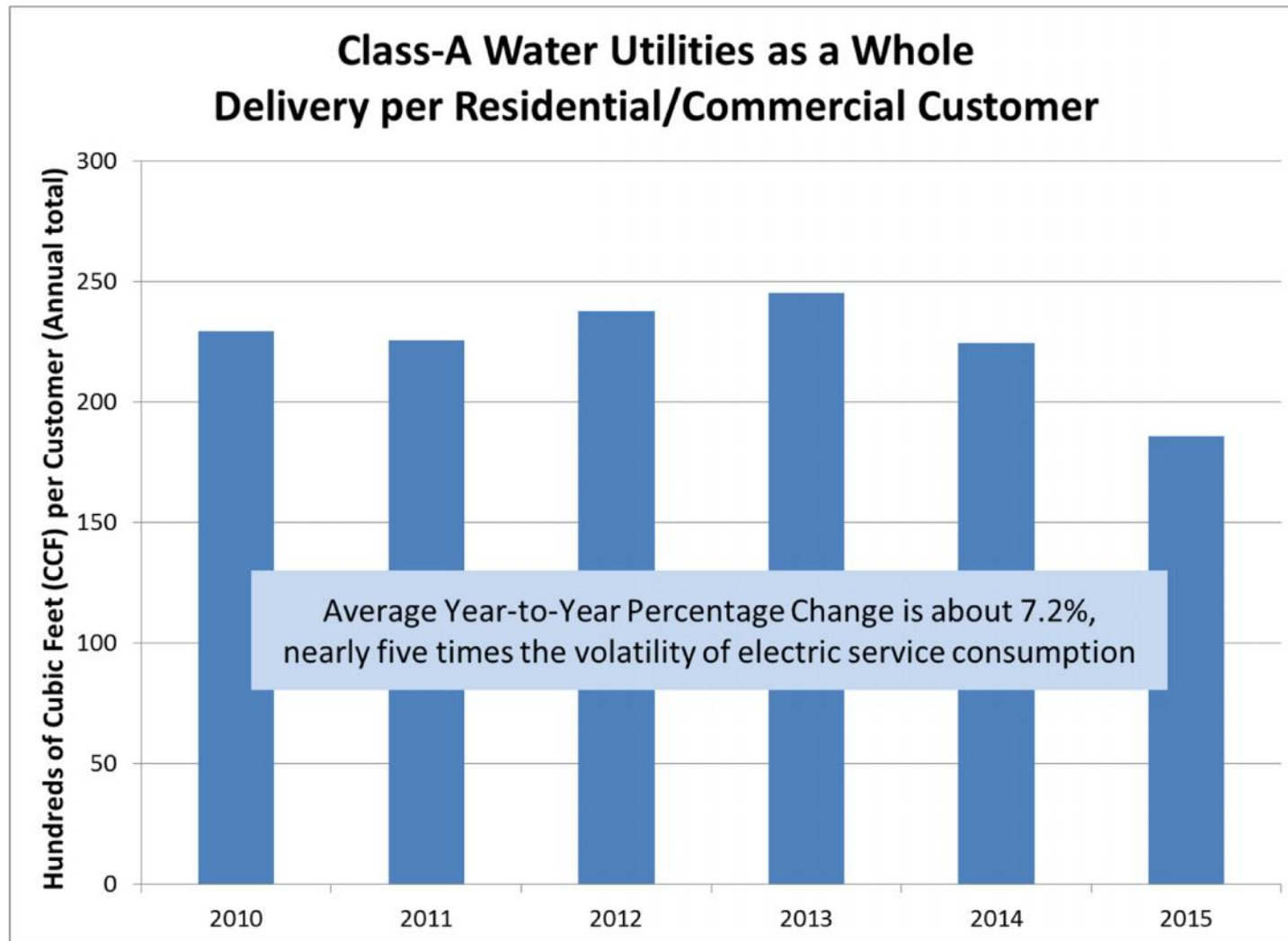
Stephen St Marie  
Policy and Planning Division  
California Public Utilities Commission

San Francisco, CA  
September 29, 2016



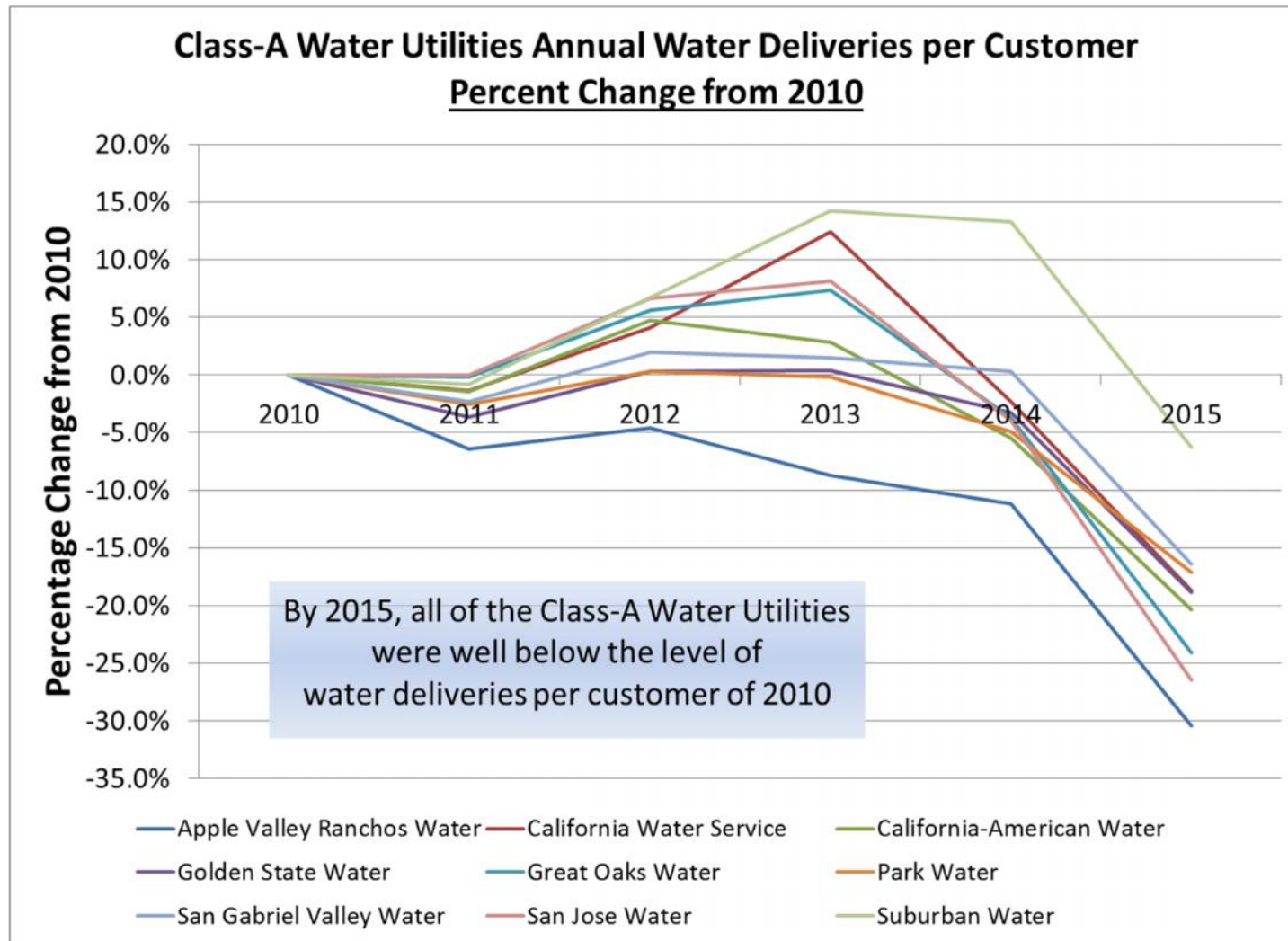


# Sharp Decline in Deliveries Since 2013





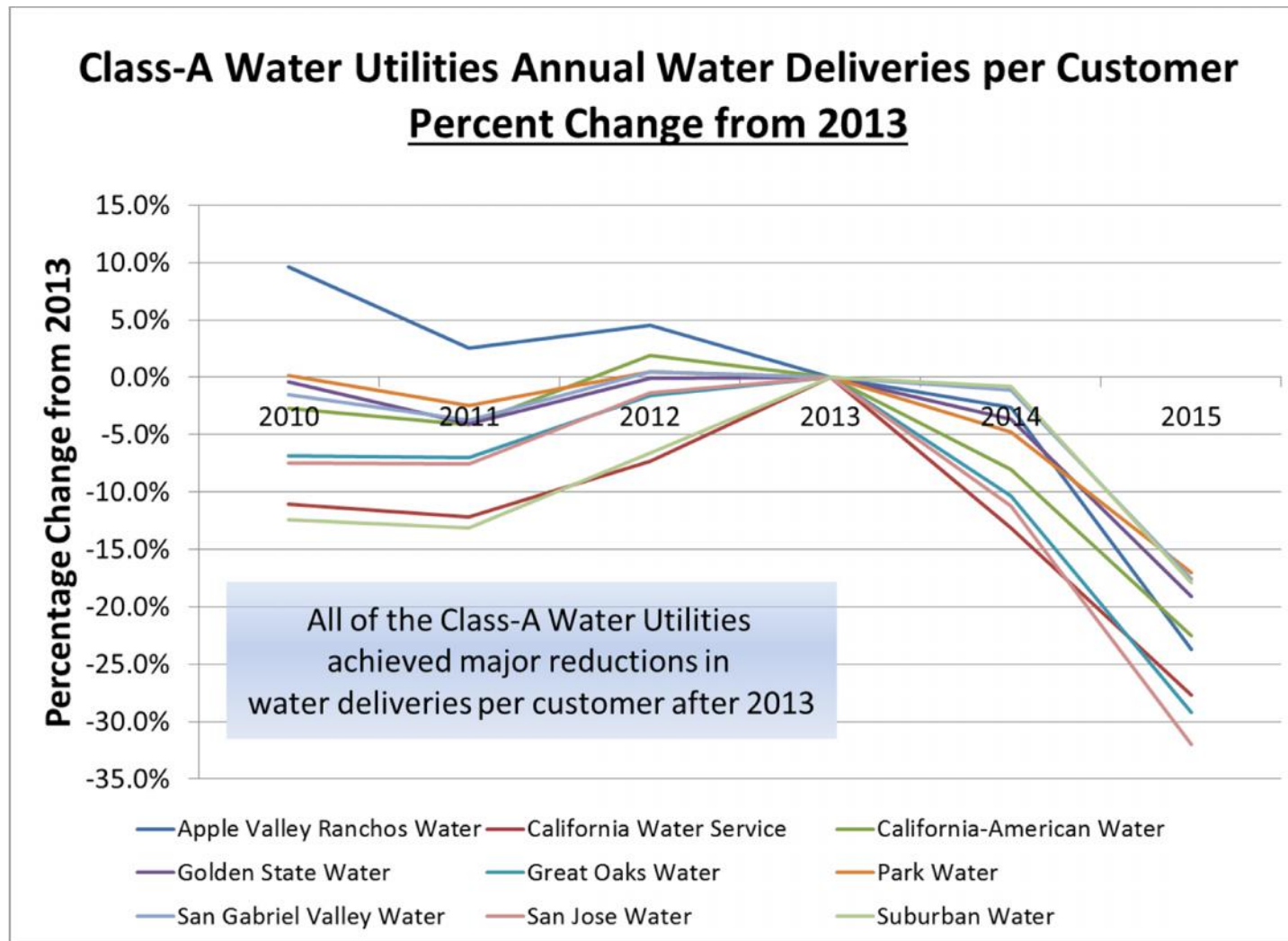
# “Normal Variation” from 2010-2013







# After 2013 All Utilities Reduced Deliveries



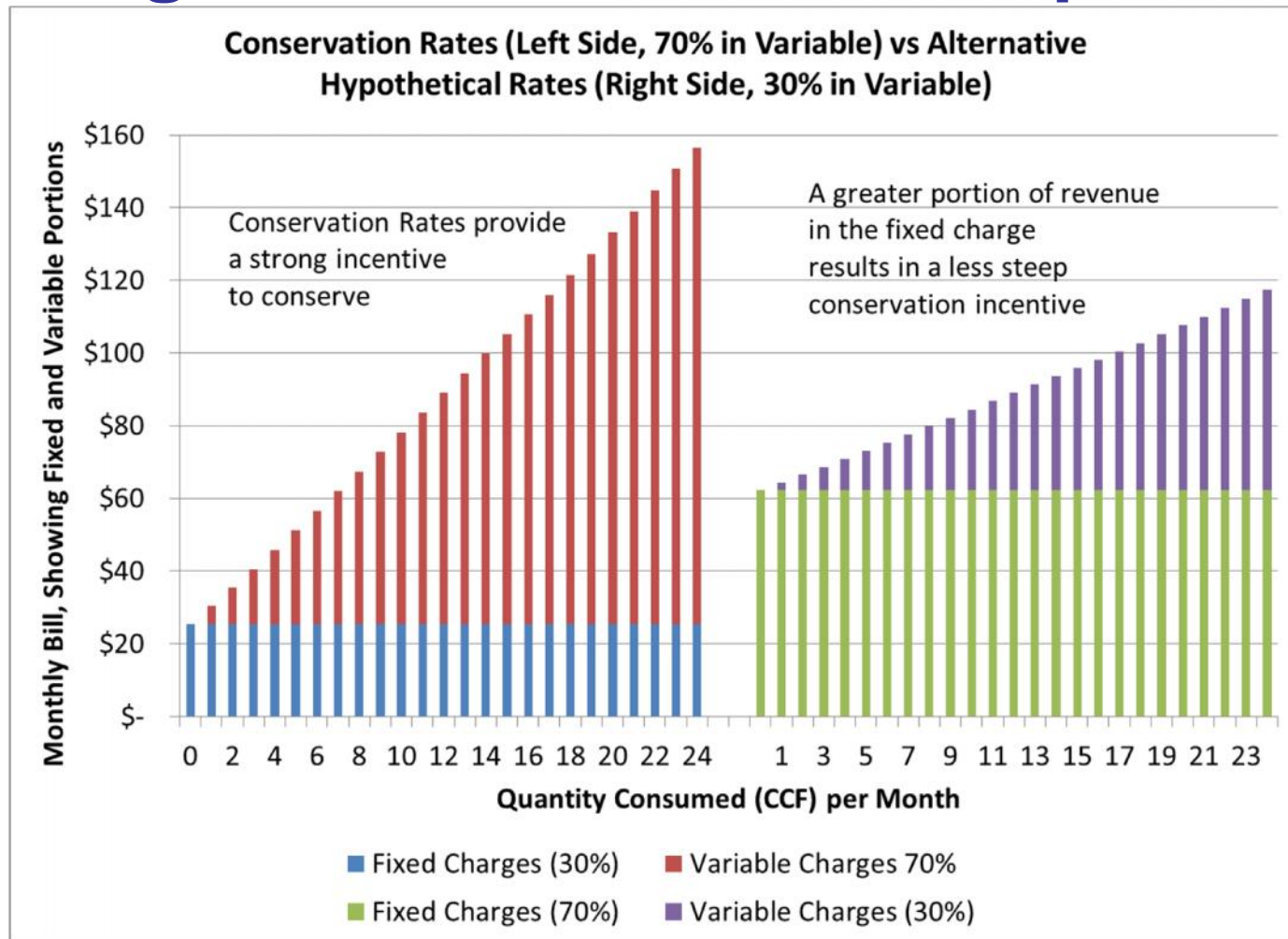


# Example of Conservation Rate

Charges Schedule		Monthly Bill for Customer Consuming 12 CCF		Percent Distribution
<b>Fixed Charges</b>				
<u>Service Charges</u>				
For 5/8x3/4" meter or 3/4" meter Service	\$ 23.98	\$ 23.98		
<u>Special Conditions Charges, Total</u>	\$ 1.51	\$ 1.51		
<b>Total Fixed Charges</b>	\$ 25.49	\$ 25.49		29%
<b>Use-Related Charges (Per Ccf)</b>				
<u>Tiered-Rate Charges</u>				
For Total Monthly Usage from 0 to 3 CCF	\$ 4.05810	\$ 12.17		
For Total Monthly Usage from 3 to 18 CCF	\$ 4.50900	\$ 40.58		
For Total Monthly Usage over 18 CCF	\$ 4.95990	\$ -		
<u>Use-Related Special Condition Charges Total</u>	\$ 0.89620	\$ 10.75		
<b>Total Variable Charges</b>		\$ 63.51		71%
<b>Total Bill</b>		\$ 89.00		100%



# Conservation Rate Provides Strong Signal to Reduce Consumption





# Regular Agenda – Management Reports and Resolutions

**Item # 31 [15136]**

## **Management Report on Administrative Activities**

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# Management Reports





## **The CPUC Thanks You For Attending Today's Meeting**

**The Public Meeting is adjourned.  
The next Public Meeting will be:**

**October 13, 2016 at 9:30 a.m.  
in Long Beach, CA**

