



**FILED**

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**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to Consider Smart Grid Technologies Pursuant to Federal Legislation and on the Commission's own Motion to Actively Guide Policy in California's Development of a Smart Grid System.

Rulemaking 08-12-009  
(Filed December 18, 2008)

**ADMINISTRATIVE LAW JUDGE'S RULING SETTING PREHEARING CONFERENCE AND WORKSHOP ON MARCH 27, 2009**

**Introduction**

This ruling schedules a prehearing conference (PHC) in the above captioned proceeding for Friday, March 27, 2009, at 10:00 a.m., at the Commission's Hearing Room A, State Office Building, 505 Van Ness Avenue, San Francisco, CA 94102. Following a break for lunch, an unreported workshop to discuss the implications of American Recovery and Reinvestment Act of 2009 on this Commission proceeding will commence at 1:30 p.m.

This ruling also allows for the filing of PHC Statements, which will be due on Monday, March 23, 2009.

**Background**

This Commission initiated this Order Instituting Rulemaking (OIR) to "consider setting policies, standards and protocols to guide the development of a

smart grid system and facilitate integration of new technologies such as distributed generation, storage, demand-side technologies and electric vehicles.”<sup>1</sup>

The OIR further noted that as a consequence of the Energy Independence and Security Act of 2007 (EISA) amendments, the Public Utilities Regulatory Policy Act (PURPA) § 111(d)(16) requires states “to consider imposing certain requirements and authorizing certain expenditures”<sup>2</sup> pertaining to the smart grid.

Since the issuance of the OIR, the American Recovery and Reinvestment Act of 2009 (ARRA)<sup>3</sup> further amended PURPA, including provisions recently set in EISA pertaining to the smart grid.<sup>4</sup>

Pursuant to the OIR, parties filed opening comments on February 9, 2009, with reply comments due on March 9, 2009.

### **Prehearing Conference**

A PHC will be held at 10:00 a.m., on Friday, March 27, 2009, at the Commission’s Hearing Room A, State Office Building, 505 Van Ness Avenue, San Francisco, CA 9 4102 to: (1) accept appearances and establish the permanent service list; (2) discuss the issues to be included in the scoping memo for the proceedings; (3) discuss the schedule for the proceedings; and (4) discuss any additional procedural matters relevant to the proceedings.<sup>5</sup>

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<sup>1</sup> OIR at 2.

<sup>2</sup> OIR at 8.

<sup>3</sup> American Recovery and Reinvestment Act of 2009 (ARRA), Pub. L. 111-5 [H.R. 1], 123 Stat. 115.

<sup>4</sup> *Id.* at Division A, Title IV.

<sup>5</sup> Although it is the Commission practice to call conferences such as this a Prehearing Conference, no evidentiary hearings are anticipated in this proceeding.

As with any rulemaking proceeding, the OIR initiating the proceeding has provided information setting the broad scope of the issues that we will address in this proceeding. With the passage of the ARRA and other policy developments, it will be important for the PHC to consider how these new developments affect both the issues identified in the OIR and how we should proceed to address the issues. More specifically, following the PHC, we will need to determine:

1. Whether we should proceed in phases, such as first addressing the issues set by EISA and the opportunities that arise from ARRA, or whether we can proceed to resolve all issues in a single decision.
2. If we should proceed in phases, how should the issues identified in the proceeding be grouped?
3. What should be the schedule for resolving the issues in the proceeding? Are there critical dates or events that make it in the public interest to act quickly?

Since we are issuing this ruling before the receipt of reply comments on the OIR, the list of issues identified is not exhaustive, and parties should feel free in their PHC statements to raise any issue that they deem critical to the efficient and timely management of this proceeding. The PHC statements should be filed by parties by Monday, March 23, 2009.

### **Establishment of Service List**

The OIR/OIR specified a process for interested parties to seek to be added to the temporary service list. Nevertheless, we have continued to use a broader service list in this proceeding to encourage greater participation.

The Administrative Law Judge (ALJ) will establish a final service list shortly after the PHC which will only include those who have: (1) complied with

the instructions in the OII/OIR; (2) entered a formal appearance at the PHC; or (3) have specifically requested addition to the service list as described herein.

This final service list will most likely be significantly reduced in size from the temporary service list. Therefore, anyone interested in inclusion in the final service list should either attend the PHC or inform the Commission's Process Office at [process\\_office@cpuc.ca.gov](mailto:process_office@cpuc.ca.gov) by Monday, March 23, 2009, of their interest in participation, providing their name, organization represented if appropriate, address, telephone number, e-mail address, and whether they request to be added as a party, state service or information only. Requests for party status must include a description of the nature of the expected participation. The granting of party status shall be made by the ALJ.

### **March 27, 2009 Workshop**

The unreported March 27, 2009 workshop shall begin at 1:30 p.m. following a break for lunch after the conclusion of the PHC. Parties to the proceeding need not address the issues identified below in their PHC statements.

The workshop shall address the following questions:

- What opportunities does the American Recovery and Reinvestment Act of 2009 create to seek federal funding for smart grid investments that will benefit California?
  - What opportunities do utilities see?
  - What opportunities do consumer groups see?
  - What opportunities do technology companies/manufacturers/software companies/appliance companies see?
- What specific plans that are consistent with the funding and policy initiatives of ARRA pertaining to smart grid investment and to benefit California do California utilities have to seek federal funding? What plans do non-utility parties have to seek federal funding that benefits California?

- What plans do parties have to seek federal funding for demonstration projects pursuant to EISA Section 1304?
- What plans do parties have to seek federal matching funds for smart grid investment costs pursuant to EISA Section 1306?
- How will the specific plans of California's investor-owned utilities and other parties further important policy goals including reducing greenhouse gas emission, increasing energy efficiency and demand response, expanding the use of renewable energy, and improving reliability?
- What should the Commission do to support the efforts of California's investor-owned utilities and other parties to seek ARRA funding related to smart grid in ways that promote the interests of all Californians, including ratepayers?
  - From a regulatory perspective, what needs to be done (if anything) to permit California's investor-owned utilities to seek ARRA funding for smart grid demonstration projects and investments?
  - From a regulatory perspective, what actions would help California's investor-owned utilities apply for and receive ARRA funding for smart grid demonstration projects and investments?
  - What can the Commission do to encourage a broad variety of demonstration projects consistent with the policy initiatives of ARRA pertaining to smart grid development?
- If the Commission, in cooperation with the California Energy Commission and other state entities, develops a prioritized list of smart grid demonstration project and investments that the state believes the United States Department of Energy should approve, what criteria should be used to prioritize projects?
  - Possible criteria include number of jobs created, timeframe for project initiation and completion, variety of projects, how the project furthers greenhouse gas reduction and other policy priorities, geographic diversity of projects, long-term benefits of project, whether the project uses new, innovative technologies, benefits to low-income communities and those most impacted by the recession.

- How can the Commission act to encourage a consideration of cybersecurity issues in any project?

**IT IS RULED** that:

1. A prehearing conference (PHC) is scheduled for Friday, March 27, 2009, 10:00 a.m., at the Commission's State Office Building, 505 Van Ness Avenue, San Francisco, CA 94102.

2. Parties attending the PHC should be prepared to make appearances, if necessary, and to discuss the scope and schedule of the proceedings and any other matters as relevant to the determination of a procedure for resolving the issues before the Commission in this proceeding. No requests to participate telephonically in the PHC will be entertained.

3. Anyone interested in addition to the permanent service list should either enter an appearance at the PHC or inform the Commission's Process Office at [process\\_office@cpuc.ca.gov](mailto:process_office@cpuc.ca.gov) by Monday, March 23, 2009, of their interest in participation, providing their name, organization represented if appropriate, address, telephone number, e-mail address, and whether they request to be added as a party, state service, or information only. Requests for party status must include a description of the nature of the expected participation.

4. Parties may serve PHC statements by Monday, March 23, 2009. Parties serving documents in this proceeding shall comply with Rule 1.10 regarding electronic service. Any documents served on the assigned Commissioner and Administrative Law Judge shall be both by e-mail and by delivery or mailing a paper format copy of the document. PHC statements need not address the issues identified for the workshop.

5. An unreported workshop is scheduled for Thursday, February 26, 2009, at the Commission in San Francisco, to follow the PHC at 1:30 p.m.

Dated March 3, 2009 at San Francisco, California.

/s/ TIMOTHY J. SULLIVAN

Timothy J. Sullivan  
Administrative Law Judge

**INFORMATION REGARDING SERVICE**

I have provided notification of filing to the electronic mail addresses on the attached service list.

Upon confirmation of this document's acceptance for filing, I will cause a Notice of Availability of the filed document to be served upon the service list to this proceeding by U.S. mail. The service list I will use to serve the Notice of Availability of the filed document is current as of today's date.

Dated March 3, 2009, at San Francisco, California.

/s/ JOYCE TOM

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Joyce Tom