



CTP/gd2 09/20/2019

FILED
09/20/19
09:22 AM

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Implement
Senate Bill 237 Related to Direct Access

Rulemaking 19-03-009

**ADMINISTRATIVE LAW JUDGE'S RULING
REQUESTING COMMENTS**

1. Background

On March 14, 2019, the Commission instituted Rulemaking 19-03-009, pursuant to Senate Bill (SB) 237,¹ which concerns Direct Access (DA) transactions. A prehearing conference was held on April 4, 2019, to discuss the issues of law and fact, and determine the need for hearing and schedule for the rulemaking. On April 17, 2019, the assigned Commissioner issued a Scoping Memo and Ruling establishing two phases for this proceeding (i.e., Phase 1 and Phase 2).

Phase 1 of this proceeding addressed the SB 237 mandate for the Commission to issue a decision that increases the maximum allowable kilowatt-hour annual limit for DA transactions by 4,000 gigawatt hours and apportions the increase among the service territories of the investor-owned utilities.² On May 30, 2019, the Commission issued a decision resolving the Phase 1 issues.³

¹ Stats. 2018, Ch. 600, amending Public Utilities Code § 365.1. All further statutory references are to the Public Utilities Code Sections unless otherwise specified.

² Section 365.1 (e)(1)-(2).

³ Decision 19-05-043 at Ordering Paragraph 4.

For Phase 2, the Commission will address the SB 237 mandate that the Commission must provide recommendations to the Legislature on implementing a further DA transactions reopening schedule. In developing the recommendations, the Commission is required to “find all of the following:

- (A) The recommendations are consistent with the state’s greenhouse gas emission reduction goals.
- (B) The recommendations do not increase criteria air pollutants and toxic air contaminants.
- (C) The recommendations ensure electric system reliability.
- (D) The recommendations do not cause undue shifting of costs to bundled service customers of an electrical corporation or to direct transaction customers,” among other requirements.⁴

To formulate the recommendations, the Commission will rely on the information that the Commission’s Energy Division identifies through its study of the relevant Phase 2 issues. This ruling seeks to obtain feedback from the parties on the issues that they believe the Energy Division should consider as part of the study. Accordingly, we invite parties to file comments addressing the questions noted below.

2. Comments

Parties are invited to provide comments on the following:

1. What general factors should the Commission consider in this study? This could include comments on the scope of the study, assumptions about the market and participants, phase in timelines, or thresholds that could impact state programs.
2. What specific variables should the study examine? This could include comments on the type of analysis that should be performed, guiding principles or metrics used to

⁴ Section 365.1 (e)(1)(A)-(D) and (3)(A)-(B).

determine the optimal reopening schedule for the further reopening of the DA program.

3. Are there additional issues that need to be considered?

Initial comments are due within ten (10) days of the date of this ruling.

Reply comments are permitted five (5) days after the due date for initial comments.

IT IS RULED that:

1. Within ten (10) days of the date of this ruling, parties may file comments discussing the questions stated in Section 2 of this ruling.
2. Within five (5) days of the date that initial comments are due, parties may file reply comments.

Dated September 20, 2019, at San Francisco, California.

/s/ CHRISTINE POWELL
Christine Powell
Administrative Law Judge