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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking Regarding Policies, Procedures and Rules for Development of Distribution Resources Plans Pursuant to Public Utilities Code Section 769.	Rulemaking 14-08-013
And Related Matters.	Application 15-07-002 Application 15-07-003 Application 15-07-006
(NOT CONSOLIDATED)	
In the Matter of the Application of PacifiCorp (U901E) Setting Forth its Distribution Resource Plan Pursuant to Public Utilities Code Section 769.	Application 15-07-005
And Related Matters.	Application 15-07-007 Application 15-07-008

**JOINT SECOND AMENDED SCOPING MEMO AND RULING OF
ASSIGNED COMMISSIONER AND ADMINISTRATIVE LAW JUDGE**

Summary

This Second Amended Scoping Memo and Ruling (Seconded Amended Ruling) clarifies the scope of this Distributed Resource Planning (DRP) proceeding with respect to deciding the methodology for determining avoided

transmission and distribution (T&D) costs, and, if approved, how the methodology will be applied into the Avoided Cost Calculator (ACC).

1. Discussion and Clarification of Scope

The Scoping Memo dated January 27, 2016 consolidated the Rulemaking (R.) 14-08-013 with the three Investor-Owned Utilities (IOUs) Applications (A.) 15-07-002 [Southern California Edison Company (SCE)], A.15-07-003 [San Diego Gas & Electric Company (SDG&E)], and A.15-07-006 [Pacific Gas and Electric Company (PG&E)], and deconsolidated the three small and multi-jurisdictional utility applications (A.15-07-005 [PacifiCorp], A.15-07-007 [Liberty Utilities], and A.15-07-008 [Bear Valley Electric]). The Scoping Memo also reconsolidated the three small and multi-jurisdictional utility applications separately together as a package. This was done to give the Commission greater flexibility in managing the IOU applications, since they are more complex and require greater oversight than the small and multi-jurisdictional utility applications.

Since the issuance of the Administrative Law Judge's Amended Ruling Requesting Comments on The Energy Division White Paper on Avoided Costs and Locational Granularity of Transmission and Distribution Deferral Values dated June 13, 2019 (Amended Ruling), the Commission received opening comments from California Energy Storage Alliance, SCE, Solar Energy Industries Association, PG&E, The Utility Reform Network, Clean Coalition, and SDG&E. On July 18, 2019, Energy Division staff held a workshop to discuss the avoided costs methodology and locational granularity for transmission and distribution. Solar Energy Industries Association presented a proposal at the workshop and comments were filed on August 23, 2019.

While the comments and workshop discussions have been productive, some uncertainty has developed over what aspects of avoided T&D costs should be considered part of the respective DRP and Integration of Distributed Energy Resources (IDER) proceedings. This uncertainty stems from the following statement in the Amended Ruling:

that the methodology for avoided T&D avoided costs will be decided in the DRP proceeding and (if approved) will be applied into the ACC as a major update and not be determined separately in the IDER proceeding. This serves to clarify that there will not be two decision-making pathways on avoided T&D for the ACC.

As a result of this language, the IOUs (SCE, PG&E, and SDG&E) in the IDER proceeding have filed a Joint Motion to Strike Portions of the Testimony of the Solar Energy Industries Association and Vote Solar and the California Large Energy Consumers Association because it includes a discussion of avoided T&D costs that, the IOUs' contend, is outside the scope of the IDER proceeding.

This Second Amended Ruling clarifies that the Commission will determine in the DRP proceeding what recommendations from the Energy Division's White Paper on Avoided Cost and Locational Granularity of Transmission and Distribution Deferral Values that the Commission may adopt. But it will be in the IDER proceeding where the Commission will use those adopted recommendations to develop the ACC. Thus, the Amended Ruling was not intended to prevent a party from submitting testimony in the IDER proceeding on avoided T&D costs in advance of a workshop.

2. Carryover of Scope of Issues for Consolidated Proceedings from Joint Amended Scoping Memo and Ruling dated January 24, 2018

With the exception for the clarification set forth above, the scope of the issues for the consolidated and deconsolidated proceedings is the same as the

scope of the issues identified in the Joint Amended Scoping Memo and Ruling of Assigned Commissioner and Administrative Law Judge dated January 24, 2018. For ease of reference, we set forth those scoped issues previously identified.

This set of consolidated proceedings (R.14-08-013, A.15-07-002, A.15-07-003, and A.15-07-006) will, for now, remain divided into three previously identified separate Tracks to help the Commission effectively manage its work. Although decisions have been issued and are in the process of being issued, there still remain residual issues from Tracks 1, 2, and 3 that remain in the scope of these proceedings, as well as newly-identified issues that have been identified through the completion of previously-scoped work. These issues are identified below.

Track 1: Methodological Issues (Quasi-Legislative)

Carryover Issues

- Evaluation of Capacity Analysis/Locational Net Benefits Analysis (ICA/LNBA) Long-Term Refinement Working Group Reports.
- Evaluation of LNBA cost-effectiveness proposals.
- Issues from the upcoming ruling requesting comments in improving the 2020 Distribution Investment Deferral Framework process.
- Development of Integration (ICA) policy scenario analysis use case, as recommended in ICA Working Group Long-Term Refinement Report.
- Development of DER integration cost methodology, as required by Decision 17-09-026, Ordering Paragraph 15.
- The interaction of Track 1 issues with the IDER and Net Energy Metering proceedings.
- Future and ongoing revisions to ICA and LNBA tools and methodologies.

- Process and schedule of on-going Distribution Resource Planning pursuant to Pub. Util. Code § 769.
- The interaction of Track 1 issues and R.16-02-007, Order Instituting Rulemaking to Develop an Electricity Integrated Resource Planning Framework and to Coordinate and Refine Long-Term Procurement Planning Requirements.

Track 2: Demonstration and Pilot Projects (Ratesetting)

Carryover Issues

- Evaluation of Demonstration Projects C, D, and E.
- Issues from the upcoming ruling requesting comments in improving the 2020 Distribution Investment Deferral Framework process.
- Whether any replacement demonstration projects are needed for cases where demonstration projects were cancelled.
- Whether there are any circumstances under which a demonstration project may exceed its designated cost cap.
- The interaction of Track 2 issues and R.16-02-007, Order Instituting Rulemaking to Develop an Electricity Integrated Resource Planning Framework and to Coordinate and Refine Long-Term Procurement Planning Requirements.

Track 3: Policy Issues (Quasi-Legislative)

Carryover Issues

- Evaluation of compliance with Track 3 policy issues proposed for adoption in Sub-track 1 (Growth Scenarios).
- Adoption of Track 3 policy issues addressed in Sub-track 2 (Grid Modernization).
- Evaluation of compliance with Track 3 policy issues proposed for adoption in Sub-track 3 (Distribution Investment and Deferral process).
- Issues from the upcoming ruling requesting comments in improving the 2020 Distribution Investment Deferral Framework process.

- DER Growth Scenarios, per the proposed order in the pending Track 3 Proposed Decision.
- The interaction of Track 3 issues and R.16-02-007, Order Instituting Rulemaking to Develop an Electricity Integrated Resource Planning Framework and to Coordinate and Refine Long-Term Procurement Planning Requirements.
- Process and schedule of on-going Distribution Resource Planning pursuant to Pub. Util. Code § 769.
- Frequency and process for future and ongoing revisions to Growth Scenario, Distribution Investment Deferral Framework (DIDF), and Grid Modernization frameworks and process.
- The interaction of Track 3 issues and the Commission's triannual General Rate Case process not already identified in the DRP proceeding.

3. Carryover of Scope of Issues for Deconsolidated Proceedings from Joint Amended Scoping Memo and Ruling dated January 24, 2018

The Joint Amended Scoping Memo and Ruling dated January 24, 2018, which referred to the Scoping Memo and Ruling dated January 27, 2016, ruled that the following proceedings would be deconsolidated from the rulemaking and the IOU applications because they are different and generally less complex: A.15-07-005 (PacifiCorp), A.15-07-007 (Liberty Utilities), and A.15-07-008 (Bear Valley Electric). The issues within the scope for these three proceedings are as follows:

- Evaluation of whether the applications satisfy the requirements of Pub. Util. Code § 769.
- Evaluation of whether the applications should be approved or modified and approved.

4. Categorization and Need for Hearings

The Commission preliminarily determined that these proceedings would be categorized as quasi-legislative. In this Second Amended Ruling, we affirm

this determination, with the exception of Track 2 which will be categorized as ratesetting.

We do not anticipate that the proceedings will require hearings.

As the assigned Commissioner, President Marybel Batjer is designated as the Presiding Officer for the quasi-legislative portions of these proceedings (currently Tracks 1 and 3), and Administrative Law Judge (ALJ) Robert M. Mason III is designated as the Presiding Officer for the ratesetting portions (currently Track 2).

5. Ex Parte Communications

Track 2 of these proceedings is ratesetting. In a ratesetting proceeding, *ex parte* communications with the assigned Commissioner, other Commissioners, their advisors, and the ALJ are only permitted as described at Pub. Util. Code § 1701.3(h) and Article 8 of the Rules.

Tracks 1 and 3 are categorized as quasi-legislative and thus *ex parte* communications are allowed without restrictions or reporting requirements as described at Pub. Util. Code § 17044(b) and Article 8 of the Rules.

Since there may be workshops in these proceedings, notices of such workshops will be posted on the Commission's Daily Calendar to inform the public that a decision-maker or an advisor may be present at those meetings or workshops. Parties shall check the Daily Calendar regularly for such notices.

6. Service List

The most current service list for these proceedings is maintained by the Commission's Process Office and posted on the Commission's web site, www.cpuc.ca.gov. Parties are responsible for ensuring that the correct information is contained on the service list, including limiting the persons listed in the "Parties" category to one person per organization. Additional persons

may be listed as “Information Only.” Parties are required to notify the Process Office and other parties of corrections or changes to the service list, in accordance with Rule 1.9(f) of the Commission’s Rules of Practice and Procedure (Rules).

Requests for party status must be made by motion, in accordance with Rule 1.4.

7. Documents

All documents in these proceedings must be filed and served in accordance with the Commission’s Rules. Documents should be served in the format in which they were filed (typically PDF), or in the format required by any ruling of the assigned ALJ. Parties should promptly provide documents in the underlying format (e.g., Microsoft Word) upon timely request by another party.

Commissioner Batjer should receive documents by e-mail only.

Paper copies of documents, in addition to electronic service, must be promptly provided to ALJ Mason. Paper copies for the ALJs should be printed on both sides of the page; be stapled; and include a copy of the certificate of service. Paper copies for the ALJs should not include a copy of the service list, a cover sheet, or copies for more than one person in the same envelope.

8. Final Oral Argument

A party in a ratesetting proceeding or phase of a proceeding in which an evidentiary hearing is held has the right to make a Final Oral Argument (FOA) before the Commission, if the FOA is requested in the time and manner specified in the Scoping Memo or later ruling (Rule 13.13). If a hearing has been held, parties should use the following procedure for requesting FOA, unless a later ruling provides different instructions. If a hearing has not been held, these procedures do not apply.

Any party seeking to present FOA may file and serve a motion at any time that is reasonable, but no later than the last date that reply briefs are due. The motion must state the request, the subject(s) to be addressed, the amount of time requested, recommended procedure and order of presentations, and anything else relevant to the motion. The motion must contain all the information necessary for the Commission to make an informed ruling on the motion, providing for an efficient, fair, equitable and reasonable FOA. If more than one party plans to move for FOA, parties must use their best efforts to present a joint motion, including a joint recommendation on procedure, order of presentations, and anything else relevant to the motion. A response to the motion may be filed within five days of the date of the motion.

If a final determination is later made that no hearing is required, Rule 13.13 will cease to apply, along with a party's right to make an FOA.

9. Intervenor Compensation

Any party that expects to request intervenor compensation for its participation in this rulemaking must file its notice of intent to claim intervenor compensation in accordance with Rule 17.1 and Sections 1801-1812.

Therefore, **IT IS RULED** that:

1. The scope of issues and schedule set forth above are hereby adopted for these proceedings, with the understanding that further scheduling may be necessary to address any issues in this proceeding that are not currently scheduled.

2. The assigned Commissioner and/or Administrative Law Judges may issue a subsequent ruling setting a schedule for party activities and filings, as needed.

3. Given the complexity of the issues and the amount of time the parties and Commission staff will need to complete the work contemplated by these proceedings, the time allowed for resolution of these proceedings is 18 months from the date of this Second Amended Ruling pursuant to Pub. Util. Code § 1701.5(b).

4. These rulemaking proceedings are categorized as quasi-legislative, except Track 2 which is designated as ratesetting. This determination is appealable pursuant to Rule 7.6 of Commission's Rules of Practice and Procedure.

5. We do not anticipate that hearings will be needed in these proceedings.

6. *Ex parte* communications restrictions and reporting requirements of Pub. Util. Code § 1701.3(h) and Article 8 apply to Track 2 of these proceedings. Tracks 1 and 3 are categorized as quasi-legislative and *ex parte* communications are allowed without restriction or reporting requirements.

7. Marybel Batjer is the assigned Commissioner for these proceedings and is designated as the Presiding Officer for the quasi-legislative portions of these proceedings.

8. Robert M. Mason III is assigned as the Administrative Law Judge for the quasi-legislative portions of the proceeding and is the Presiding Officer for the ratesetting portions of these proceedings.

Dated January 9, 2020, at San Francisco, California.

 /s/ MARYBEL BATJER
Marybel Batjer
Assigned Commissioner

 /s/ ROBERT M. MASON III
Robert M. Mason III
Administrative Law Judge