



**FILED**  
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**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

**RULING INVITING COMMENTS ON THE STAFF REPORT PROVIDING  
RECOMMENDATIONS ON THE SCHEDULE TO REOPEN DIRECT ACCESS**

Pursuant to Senate Bill (SB) 237 (2018), California Public Utilities Commission Staff prepared the attached Report Providing Recommendations on the Schedule to Reopen Direct Access, dated September 28, 2020 (the Staff Direct Access Report). Today's ruling attaches the Staff Direct Access Report as Attachment A and invites parties to comment on the recommendations.

Following receipt of comments, the Staff Direct Access Report and recommendations will be presented to the Commissioners in a proposed decision. The Commissioners will then vote on whether to formally adopt the report as the recommendation of the Commission.

**1. Background**

This proceeding was initiated in 2019 to implement SB 237,<sup>1</sup> which concerns direct access transactions. The proceeding was divided into two phases.

Phase 1 addressed the SB 237 mandate for the Commission to increase the maximum allowable kilowatt-hour annual limit for direct access transactions by

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<sup>1</sup> Stats. 2018, Ch. 600, amending Public Utilities Code (Pub. Util. Code § or Section) § 365.1. All further statutory references are to the Pub. Util. Code Sections unless otherwise specified.

4,000 Gigawatt hours and apportion the increase among the service territories of the large investor-owned utilities (IOUs), which are Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E), and Southern California Edison Company (SCE). On May 30, 2019, the Commission issued a decision resolving the Phase 1 issues.

Phase 2 addresses the SB 237 mandate requiring the Commission to provide recommendations to the Legislature on “implementing a further direct transactions reopening schedule, including, but not limited to, the phase-in period over which further direct transactions shall occur for all remaining nonresidential customer accounts in each electrical corporation’s service territory.”<sup>2</sup> Section 365.1 of the codified statute requires that in developing the recommendations the Commission make consider the following findings.

- (A) The recommendations are consistent with the state’s greenhouse gas (GHG) 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.<sup>3</sup>

On December 19, 2019, the assigned Commissioner issued an Amended Scoping Memo for Phase 2 which contemplated that Energy Division would prepare a report making recommendations for the Commission’s consideration. On January 9, 2020, Energy Division staff facilitated a workshop to obtain

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<sup>2</sup> Section 365.1(f)(1)

<sup>3</sup> Section 365.1 (f)(2).

stakeholder input regarding the Commission's recommended schedule for direct access expansion. Following the workshop, parties served informal comments on January 15, 2020, and reply comments on January 22, 2020. The workshop and the comments formed the foundation of Staff Direct Access Report.

Today's ruling publishes the Staff Direct Access Report.<sup>4</sup> Section 3 of the report sets forth Recommendations on the Schedule to Reopen Direct Access. Parties are invited to file formal comments on these recommendations on the following schedule:

Opening Comments	October 16, 2020
Reply Comments	October 26, 2020

Comments will be considered and, if appropriate, incorporated into the Staff Direct Access Report and recommendations, which will then be presented in a proposed decision for a vote by the Commissioners.

**IT IS SO RULED.**

Dated September 28, 2020, at San Francisco, California

/s/ JEANNE M. MCKINNEY  
Jeanne M. McKinney  
Administrative Law Judge

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<sup>4</sup> The original Phase 2 Schedule contemplated publishing the final study on March 9, 2020. However, completion was delayed by several months because of the impacts of COVID-19 on the Commission and its workplace.