



COM/MBL/mef 08/10/2021

FILED
08/10/21
03:55 PM

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Establish Policies, Processes, and Rules to Ensure Reliable Electric Service in California in the Event of an Extreme Weather Event in 2021.

Rulemaking 20-11-003

**ASSIGNED COMMISSIONER'S
AMENDED SCOPING MEMO AND RULING FOR PHASE 2**

This Amended Scoping Memo and Ruling (Amended Scoping Memo) sets forth additional issues for consideration and an updated schedule for this proceeding pursuant to Public Utilities (Pub. Util.) Code Section 1701.1. and Article 7 of the Commission's Rules of Practice and Procedure (Rules). Unless stated otherwise in this Amended Scoping Memo, all rulings in the December 21, 2020 Assigned Commissioner's Scoping Memo remain unchanged.

1. Procedural Background

This rulemaking was opened on November 19, 2020, and a prehearing conference (PHC) was held virtually on December 15, 2020 to discuss the issues of law and fact, determine the need for hearing, set the schedule for resolving the matter, and address other matters as necessary.

Three decisions have been issued in this proceeding that resolved issues included in the initial scope set in the December 21, 2020 scoping ruling.

On July 30, 2021, Governor Newsom signed an emergency proclamation to "free up energy supply to meet demand during extreme heat events and

wildfires that are becoming more intense and to expedite deployment of clean energy resources this year and next year.”¹

Among the directives included in the July 30, 2021 emergency proclamation is that:

all energy agencies shall act immediately to achieve energy stability during this emergency, and the California Public Utilities Commission is requested to do the same. In particular, the California Energy Commission is directed, and the California Public Utilities Commission and the [California Independent System Operator] (CAISO) are requested, to work with the State's load serving entities on accelerating plans for the construction, procurement, and rapid deployment of new clean energy and storage projects to mitigate the risk of capacity shortages and increase the availability of carbon-free energy at all times of day.

The directive also states:

The California Public Utilities Commission is requested to exercise its powers to expedite Commission actions, to the maximum extent necessary to meet the purposes and directives of this proclamation, including by expanding and expediting approval of demand response programs and storage and clean energy projects, to ensure that California has a safe and reliable electricity supply through October 31, 2021, to reduce strain on the energy infrastructure, and to ensure increased clean energy capacity by October 31, 2022.

The California Energy Commission (Energy Commission) has conducted a summer reliability analysis to estimate the potential gap between supply and

¹ See <https://www.gov.ca.gov/2021/07/30/governor-newsom-signs-emergency-proclamation-to-expedite-clean-energy-projects-and-relieve-demand-on-the-electrical-grid-during-extreme-weather-events-this-summer-as-climate-crisis-threatens-western-s/> (Press Release) and <https://www.gov.ca.gov/wp-content/uploads/2021/07/Energy-Emergency-Proc-7-30-21.pdf> (Proclamation of a State of Emergency).

demand under average and extreme weather conditions similar to those in summer 2020. The Energy Commission's analysis for 2022 projects what could be up to a 5,000 megawatt shortfall in the CAISO balancing authority, of which approximately 90% represent the shortfall of investor owned utilities (IOUs), California community choice aggregators (CCAs), and electric service providers (ESPs) that are subject in whole or part to Commission regulation or orders. We anticipate Energy Commission staff will present the draft analysis at its August 11, 2021 voting meeting and take public comment, and the Energy Commission is scheduled to consider adopting the analysis at its September 8, 2021 business meeting.²

For this reason, we issue this Amended Scoping Ruling and Memo (Amended Scoping Ruling) setting forth scope and schedule. A ruling to the parties dated August 2, 2021 set forth the proposed scope and schedule, and we have modified both in response to comments received on August 6, 2021. An expedited process is essential to ensure there is adequate supply and demand management to achieve electrical system reliability in 2022 and 2023.

2. Scope of Phase 2

This phase of the proceeding will be known as "Phase 2 - Reliability for 2022-23 - Update" (Phase 2). Alliance for Retail Energy Markets/Direct Access Customer Coalition (AReM/DACC), American Clean Power (ACP, formerly American Wind Association of California), Bloom Energy, CAISO, California Efficiency + Demand Management Council (CEDMC) *et al.*, California Energy Storage Alliance (CESA), California Environmental Justice Alliance (CEJA) *et al.*, California Large Energy Consumers Association (CLECA), Independent Energy

² https://www.energy.ca.gov/sites/default/files/2021-07/2021-08-11_Agenda_ADA.pdf

Producers Association (IEP), Middle River Power (MRP), OhmConnect, Pacific Gas and Electric Company (PG&E), Protect our Communities Foundation (PCF), San Diego Gas & Electric Company (SDG&E), Solar Energy Industries Association, Southern California Edison Company (SCE), and Vehicle-Grid Integration Council (VGIC) each filed timely comments on August 6, 2021.

Considering the comments filed, the scope of Phase 2 will examine the following additional supply and demand side resources and changes to current requirements needed to meet Governor Newsom's emergency proclamation:

1. Increase peak and net peak supply resources in 2022 and 2023
 - (a) Expedited generation and energy storage procurement, including utility-owned generation and third party generation, and expedited contracting and other processes
 - (b) Updates to Resource Adequacy requirements
 - (c) CAISO's Capacity Procurement Mechanism authority
 - (d) Analysis of need/net-short – particularly at net peak – and resources available to meet this need, in light of recent trends in weather and resource availability
 - (e) Integrated Resource Planning (IRP) procurement - mechanisms to accelerate online dates
 - (f) Planning Reserve Margin adjustment for 2022 and/or 2023
 - (g) Interconnection
 - (h) Other opportunities to increase supply
2. Reduce peak and net peak demand in 2022 and 2023
 - (a) Flex Alert
 - (b) Critical Peak Pricing
 - (c) Emergency Load Reduction Program (ELRP)

- (d) Modifications to existing supply-side demand response programs (including IOU supply-side demand response programs, Demand Response Auction Mechanism (DRAM), and other third-party demand response)
 - (e) New demand response programs or pilots including but not limited to the CEJA Just Flex Rewards (JFR), PG&E Power Saver Rewards Pilot (PSRP), and capacity bidding program with dispatch in real-time market
 - (f) Electric vehicle participation in demand response or load management
 - (g) Measures to minimize loss of demand response enrollment
 - (h) Rate Structures, including pilot rates introduced for a limited period or limited to certain customer classes or subsets of such classes
 - (i) Other opportunities to reduce demand or net demand including virtual power plants, distributed energy resource (DER) export, distributed generation
3. Memorandum or Balancing Accounts to cover cost of programs in 2022 and 2023.

Where existing proceedings (Energy Efficiency (Rulemaking (R.) 13-11-005), Microgrids (R.19-09-009), Self Generation Incentive Program (SGIP) (R.20-05-012)) will produce decisions designed to increase offerings under their purview, the record will be developed in the existing proceeding record and not in this proceeding. Parties wishing to influence outcomes in the listed proceedings shall participate in those proceedings. We will also serve this Scoping Memo on the service lists for the following proceedings, so parties to those proceedings are aware of this proceeding: IRP (R.20-05-003), RA (R.19-11-009), and DR (A.17-01-012 et al.).

All proposals submitted by parties, but not addressed in the Phase 1 decision, may be considered in this Phase. If a party recommends such a proposal, it shall refer to the proposal in its Opening Testimony or Opening Brief.

Issues currently scoped into this proceeding in the December 21, 2020 Assigned Commissioner’s Scoping Memo remain in scope.

3. Schedule

The following schedule for Phase 2 is adopted here and may be modified by the Administrative Law Judge(s) (ALJ) as required to promote the efficient and fair resolution of the Rulemaking.

Event	Date due
Preliminary ruling issued on Phase 2 schedule and scope	August 2, 2021
Comments on preliminary ruling	August 6, 2021
Guidance to parties for party proposals to be submitted as part of opening testimony	August 11, 2021
Staff concepts paper	August 16, 2021
Opening testimony served - All testimony shall be sworn pursuant to Commission Rule 13.7(e)	September 1, 2021
Reply testimony served	September 10, 2021
Opening briefs served and filed	September 20, 2021
Reply briefs served and filed	September 27, 2021
Proposed Decision issued	October 29, 2021
Final Decision	November 18, 2021

4. Intervenor Compensation Supplemental Filing

All intervenors that are seeking or will seek a claim for intervenor compensation at or above \$50,000 are directed to serve and file, concurrently

with their intervenor compensation claims, a supplemental summary of their claim. This concurrently filed supplemental summary shall include an aggregated listing of all filings, served exhibits, and individual activities for which they are claiming compensation, and an aggregated indication of the time allotted for each filing and activity. Each individual filing, served exhibit, and activity must be individually listed along with a listing of the individuals/persons the intervenor is claiming compensation for and the hours each individual/person allotted for that item or activity.

An example of the required information is below.

Participated in Prehearing Conference

John Doe	2 hours
Jane Doe	2 hours

Served and Filed Comments on December 18 ruling

John Doe	4 hours
Jane Doe	4 hours

Served testimony - Exhibit INTERVENOR-1

John Doe	3 hours
Jane Doe	3 hours

Other

John Doe	3 hours
Jane Doe	3 hours
Dave Smith	4 hours

TOTAL HOURS

28

The intervenor compensation claims will not be considered complete until this information is filed and there may be no interest accrual on these claims if this information is not provided.

IT IS RULED that:

1. The amended scope of this proceeding as set forth above is adopted.
2. The amended schedule of this proceeding as set forth above is adopted.
3. The additional direction regarding a supplemental filing concurrently with any intervenor compensation claim in value of \$50,000 or greater as set forth above is adopted.
4. This Amended Scoping Ruling shall be served to the following service lists: Rulemaking (R.) 20-05-003, R.19-11-009, Application 17-01-012 et al., R.13-11-005, R.19-09-009, and R.20-05-012.

Dated August 10, 2021, at San Francisco, California.

/s/ MARYBEL BATJER

Marybel Batjer
Assigned Commissioner