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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking on the
Commission's Own Motion to consider
renewal of the Electric Program
Investment Charge Program.

Rulemaking 19-10-005

**ASSIGNED COMMISSIONER'S SECOND AMENDED
SCOPING MEMO AND RULING**

This Second Amended Scoping Memo and Ruling (Scoping Memo) amends the previous Scoping Memo to add a new issue and to update the procedural schedule. Additionally, this Second Amended Scoping Memo extends the statutory deadline for this proceeding from October 10, 2021 to July 1, 2022. Except as expressly set forth in this Phase II Scoping Memo, the terms of the previously issued Scoping Memos remain unchanged.

1. Background

The initial Scoping Memo in this proceeding was issued on March 6, 2020. The first Amended Scoping Memo was issued on May 10, 2021. Decision (D.) 20-08-042 revised the scope of this proceeding, directed parties to file comments and extended the statutory deadline to October 10, 2021.

In addition to the issues previously set forth, the following issue is added to Phase 2(C):

How should the Commission address findings and recommendations in a forthcoming evaluation of the Policy + Innovation Coordination Group (PICG)? The PICG was intended to support greater policy coordination between the Commission and EPIC investments, help alleviate the unique

coordination challenges posed by the current multi-administrator model, and enable a system of feedback and implementation to channel California's specific energy policy and planning needs into action.¹ Once the evaluation is complete, the assigned Administrative Law Judge (ALJ) will issue a ruling seeking comment on the evaluation.

2. Amended and Restated Scope

With this revision, the current scope is as follows:

Phase 2-B

The decision for Phase 2-B of this proceeding will resolve the following issues:

1. In light of the current economic recession, is a 20 percent reduction in the current EPIC surcharge appropriate? Would a ten percent reduction in the total budget be more appropriate? Are any other budgetary changes necessary?
2. Other than the direct administrative role that Pacific Gas and Electric, Southern California Edison Company, and San Diego Gas and Electric Company had in prior EPIC investment cycles, is there another manner in which the utilities can participate in EPIC research projects? For example, should a certain portion of the CEC's budget be allocated for the utilities, and/or should utility investment proposals be represented in CEC investment plans? How could the Commission ensure that the expertise and applied knowledge of the investor-owned utilities (IOUs) informs EPIC research without continuing the IOUs' direct administrative role as previously structured? If the existing structure, with the IOUs continuing with direct administrative roles is deemed the preferred option, despite its documented flaws, how does the Commission ensure that the utilities comply with their obligations as administrators?

¹ OIR at 6.

3. How should the Commission determine more specific guiding principles and policy priorities for EPIC? Do the mandatory and complementary guiding principles established in D.12-05-037 need refinement and/or updating?
4. Administrative and Program structure improvements
 - a. What other changes to the administrative structure of EPIC could benefit the program? Is the current administrative structure sufficient to balance responsiveness to emerging RD&D priorities with the need for oversight and transparency?
 - b. Should the Commission designate certain administrators or entities to certain administrative tasks or policy areas (*e.g.*, would cybersecurity RD&D be best suited to a particular administrator or type of administrator)?
 - c. Are any definition changes or clarifications to the three program areas (Applied Research and Development, Technology Demonstration and Deployment, and Market Facilitation) needed?
 - d. Should the 10 percent cap on administrative expenses remain or instead be increased, due to increased administrative tasks?

Phase 2-C Issues

The decision for Phase 2-C of this proceeding will resolve the following issues:

1. How should the Commission establish additional policy priorities for the program? Should the Commission provide direction for areas, goals, and/or strategies that the Commission wants to ensure are highlighted or prioritized by EPIC, within the context of the mandatory guiding principles and other program rules? What should be the process/cadence for revisiting these principles and priorities?
2. How should the Commission address findings and recommendations in a forthcoming evaluation of the

PICG? The PICG was intended to support greater policy coordination between the Commission and EPIC investments, help alleviate the unique coordination challenges posed by the current multi-administrator model, and enable a system of feedback and implementation to channel California's specific energy policy and planning needs into action.² Once the evaluation is complete, the assigned ALJ will issue a ruling seeking comment on the evaluation.

3. How should the Commission address recommendations from the Evergreen Evaluation that have not already been fully addressed? (Refer to Appendix B of D.18-10-052.)
4. Future program and administrator evaluations
 - a. What metrics should be used in evaluating the program's success going forward?
 - b. What other items should an evaluation consider?
 - c. When should the evaluations take place?
 - d. Who should conduct the evaluation?
 - e. Should different metrics apply to different administrators?
 - f. What are the consequences for underperformance?

Phase 2-C Supplemental Comments

In a subsequent ruling, parties will be asked to file supplemental comments and reply comments on Issue 1, above.

3. Need for Evidentiary Hearing

As determined in the original Scoping Memo, there are no issues of material disputed fact in this proceeding; accordingly, evidentiary hearing is not needed.

² D.18-01-008 at 27.

4. Schedule

The following schedule for the remaining issues in the proceeding is adopted here and may be modified by the assigned ALJ or assigned Commissioner, as required to promote the efficient and fair resolution of the rulemaking.

EVENT	DATE
Phase 2-C Assigned Commissioner Proposal Issued	Winter 2021
Phase 2-C Supplemental Comments, Filed and Served	20 days after issuance of Phase 2-C Ruling
Phase 2-C Supplemental Reply Comments, Filed and Served	10 days after deadline for Phase 2-C supplemental comments
Phase 2-C Proposed Decision	Spring 2022

Each phase of this proceeding will stand submitted upon the filing of reply comments, unless the ALJ requires further evidence or argument. Based on the above schedule, this proceeding will not be resolved within 18 months as required by Public Utilities (Pub. Util.) Code § 1701.5 and the statutory deadline must be extended from October 10, 2021 to July 1, 2022.

**5. Category of Proceeding/
Ex Parte Restrictions**

This ruling confirms the Commission’s prior determination that R.19-10-005 is a ratesetting proceeding. Accordingly, *ex parte* communications are restricted and must be reported pursuant to Article 8 of the Commission’s Rules of Practice and Procedure.

6. Assignment of Proceeding

Martha Guzman Aceves is the assigned Commissioner and Thomas J. Glegola is the assigned ALJ for the proceeding.

IT IS RULED that:

1. The scope of this proceeding is described above.
2. The schedule of this proceeding is as set forth above.
3. The statutory deadline for this proceeding is extended from October 10, 2021 to July 1, 2022.
4. Except as expressly set forth in this Second Amended Scoping Memo and Ruling, the terms of the previously issued Scoping Memo and Ruling remain unchanged.
5. Evidentiary hearings are not needed.

Dated October 13, 2021, at San Francisco, California.

/s/ MARTHA GUZMAN ACEVES
Martha Guzman Aceves
Assigned Commissioner