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**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking  
Regarding Building Decarbonization.

Rulemaking 19-01-011

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

This Amended Scoping Memo and Ruling (Amended Phase III Scoping Memo) extends the statutory deadline for this proceeding from January 30, 2022 to January 29, 2023 pursuant to Public Utilities (Pub. Util.) Code Section 1701.5 (b). Additionally, we name PacifiCorp d/b/a Pacific Power, Bear Valley Electric Service Inc., and Liberty Utilities (CalPeco Electric) LLC as respondents in Order Instituting Rulemaking 19-01-011 to ensure their involvement in the development and implementation of the Wildfire and Natural Disaster Resiliency Rebuild Program, along with any other elements of this rulemaking that involve these three electric utilities.

Except as expressly set forth in this Amended Phase III Scoping Memo, the terms of the previously issued Scoping Memos remain unchanged.

**1. Procedural Background**

On January 31, 2019, in response to the passage of Senate Bill (SB) 1477 (Stern, 2018),<sup>1</sup> the California Public Utilities Commission (Commission) initiated Rulemaking (R.) 19-01-011 to support the decarbonization of buildings in California. We named all large Commission-jurisdictional natural gas providers

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<sup>1</sup> SB 1477 was codified as Pub. Util. Code §§ 748.6, 910.4, 921, and 922.

and electric distribution utilities as respondents, including Southern California Gas Company, Pacific Gas & Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E), Southwest Gas, and Southern California Edison Company (SCE).

On May 17, 2019, a Scoping Memo and Ruling (initial Scoping Memo) was issued setting forth the scope and schedule to be considered in this proceeding, and specifically identifying the issues for Phase I. Pursuant to Pub. Util. Code Section 1701.5 (b), the initial Scoping Memo set the statutory deadline for this proceeding within 36 months of the date the rulemaking was initiated. The current statutory deadline is January 30, 2022. The initial Scoping Memo stated that the Commission will revise the schedule when more information is available.<sup>2</sup> Phase I was resolved in Decision (D.) 20-03-027 issued on April 6, 2020 (Phase I decision). The Phase I decision established the two pilot programs called for in SB 1477, the Building Initiative for Low Emissions Development (BUILD) Program, and the Technology and Equipment for Clean Heating (TECH) Initiative.<sup>3</sup>

On August 25, 2020, the assigned Commissioner issued an Amended Scoping Memo setting forth the issues to be considered in Phase II of this proceeding and included an associated Staff Proposal. Phase II was resolved in D.21-11-002 issued on November 9, 2021 (Phase II decision). The Phase II decision: (a) adopted guiding principles for the layering of incentives when multiple programs fund the same equipment, (b) established a new Wildfire and Natural Disaster Resiliency Rebuild (WNDRR) Program to help victims of

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<sup>2</sup> Initial Scoping Memo at 6.

<sup>3</sup> See, D.20-03-027 at 7.

wildfires and natural disasters rebuild all-electric properties, (c) provided guidance on data sharing, and (d) directed California's three large electric Investor-Owned Utilities (IOUs)<sup>4</sup> to each study energy bill impacts that result from switching from gas water heaters to electric heat pump water heaters, and to propose a new rate adjustment in a new Rate Design Window application if their study reflects a net energy bill increase. D.21-11-002 also directed the three IOUs to collect data on fuels used to power various appliances, including propane.

On November 16, 2021, the assigned Commissioner issued an Amended Scoping Memo and Ruling opening and setting forth the scope and schedule for Phase III (Phase III Scoping Memo). Phase III considers changes to the current natural gas line extension rules for the four large natural gas utilities.<sup>5</sup> A final decision resolving the Phase III issues is expected in October 2022.<sup>6</sup> The Phase III Scoping Memo stated that successor proceedings or future phases of this proceeding may also consider further issues, as needed. In particular, the Commission may consider changes to the current electric line extension rules and/or the recovery of costs associated with electric distribution upgrades for building decarbonization projects.

## **2. Statutory Deadline Extension**

It is the Commission's intention to resolve issues identified in the Phase III Scoping Memo within 12 months of the January 30, 2022 statutory deadline. Therefore, it is necessary to extend the current statutory deadline by 12 months to January 29, 2023 pursuant to Pub. Util. Code Section 1701.5 (b).

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<sup>4</sup> SCE, PG&E, and SDG&E.

<sup>5</sup> Phase III Scoping Memo at 3.

<sup>6</sup> *Id.* at 8.

### **3. Interest and Participation of Additional Utilities**

When the Commission issued R.19-01-011 in January 2019, we named only the large Commission-jurisdictional natural gas providers and electric distribution utilities as respondents in this proceeding. In order to allow customers of all Commission-regulated electric utilities to participate in the WNDRR program (as part of the Phase II decision), on September 30, 2021, the assigned Commissioner sent an email and letter inviting PacifiCorp, Bear Valley Electric Service Inc. (Bear Valley), and Liberty Utilities LLC (Liberty) to participate in the WNDRR Program. The letter and the associated e-mail to the three small utilities were entered into the record of this proceeding via an Assigned Commissioner's Ruling on October 1, 2021.<sup>7</sup>

On October 20, 2021, PacifiCorp, Bear Valley and Liberty each filed a motion for party status affirmatively stating that each wishes to participate in the WNDRR Program, has an interest in the development of the WNDRR Program and plans to actively participate in the proceeding to ensure that the WNDRR Program is implemented effectively.<sup>8</sup> On October 20, 2021, Bear Valley was granted party status, and on October 21, 2021, Liberty and PacifiCorp were granted party status.

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<sup>7</sup> Assigned Commissioner's Ruling Entering Letter Regarding Participation in WNDRR by Three Small Electric Investor-Owned Utilities into the Record, October 1, 2021, <https://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=ALL&DocID=411741825>

<sup>8</sup> Motion of Liberty Utilities LLC (U 933 E) to Become a Party, at 2; Motion of Bear Valley Electric Service, Inc. (U 913 E) to Become a Party, at 2; Motion of PacifiCorp (U 901 E) to Become a Party, at 2.

#### 4. Conclusion

We extend the current statutory deadline by 12 months to January 29, 2023 pursuant to Pub. Util. Code Section 1701.5 (b) to resolve issues identified in the Phase III Scoping Memo and Ruling.

We also add PacifiCorp, Bear Valley and Liberty as respondents to this proceeding to fulfill our intent of implementing the WNDRR program on a statewide basis covering all electric utilities under our jurisdiction. This ensures for the duration of the WNDRR Program that all eligible customers across the state are able to participate in, and benefit from the program. It also ensures over the life of the program that Liberty, PacifiCorp, and Bear Valley are involved in the development of the program and its implementation, along with any other aspects of this proceeding that involve these three utilities.

**IT IS RULED** that the statutory deadline in this proceeding is extended to January 29, 2023 and that PacifiCorp dba Pacific Power, Bear Valley Electric Service, and Liberty Utilities LLC are named respondents to this proceeding.

This order is effective today.

Dated December 17, 2021, at San Francisco, California.

/s/ CLIFFORD RECHTSCHAFFEN  
Clifford Rechtschaffen  
Assigned Commissioner