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R1807003

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Continue Implementation and Administration, and Consider Further Development, of California Renewables Portfolio Standard Program.

Rulemaking 18-07-003

AMENDED SCOPING MEMO AND RULING OF THE ASSIGNED COMMISSIONER

This Amended Scoping Memo and Ruling (Scoping Memo) amends the scoping of this proceeding from the original Scoping Memo issued on November 9, 2018, and extends the statutory deadline to October 2, 2023.

1. Procedural Background

This is the First Amended Scoping Memo to be filed in this proceeding. The initial Scoping Memo was issued on November 9, 2018, and the Order Instituting Rulemaking (OIR) initiating this proceeding was issued on July 12, 2018. All are incorporated here by reference.

On May 20, 2021, the California Public Utilities Commission (CPUC or Commission) adopted Decision (D.) 21-05-003 in Rulemaking (R.) 17-06-026, setting rules to implement the Voluntary Allocation, Market Offer, and Request for Information (RFI) processes for Renewables Portfolio Standard (RPS) contracts subject to the Power Charge Indifference Adjustment (PCIA) mechanism. Pursuant to D.21-05-030, the investor-owned utilities are required to file RPS Voluntary Allocation and/or Market Offer (VAMO) proposals in their annual RPS Procurement Plans, while all LSEs are required to report VAMO

participation in their annual RPS Procurement Plans and RPS compliance reports.

On December 8, 2021, pursuant to Rule 11.1 of the Commission's Rules of Practice and Procedure(Rules), Southern California Edison Company (SCE), Pacific Gas and Electric Company (PG&E), and San Diego Gas & Electric Company (SDG&E) (Joint Investor-Owned Utilities or Joint IOUs), filed a joint motion to expand the scope of this proceeding to accommodate resolution of VAMO issues timely and expeditiously (Joint Motion).

Responses to the Joint Motion were filed by Alliance for Retail Energy Markets (AREM), California Community Choice Association (CalCCA), Coalition of California Utility Employees (CUE), The Utility Reform Network (TURN) and Public Advocates Office at the California Public Utilities Commission (Cal Advocates) on December 23, 2021.

On March 10, 2022, pursuant to Rule 11.1 of the Commission's Rules, the Joint IOUs filed another joint motion seeking to modify the procedure for establishing details of the Market Offer process established in D.21-05-030 (Second Joint Motion).

Alliance for Retail Energy Markets filed a Response to the Second Joint Motion on March 25, 2022.

2. Discussion

Under Rule 7.3 of the CPUC's Rules, the assigned Commissioner shall issue the Scoping Memo for the proceeding, determining the schedule and issues to be addressed. Under the original scope of this proceeding, the Commission continues to implement and administer the RPS program. The RPS program was instituted by Senate Bill 1078 (Sher), Stats. 2002, ch. 516. The Legislature has

made numerous major and minor alterations to the RPS program. The RPS statute is currently codified at Pub. Util. Code § 399.11-399.32.

The Joint Motion requests to (1) expand the scope of R.18-07-003 to address the Product Content Category (PCC) classification of Renewable Energy Credits (RECs) upon allocation under the VAMO process adopted in D.21-05-030, (2) guide the PCC classification of certain allocated RECs, and (3) clarify the timing and approval process for Voluntary Allocation pro forma contracts. The Second Joint Motion requests to seek a review of the Market Offer Process through a Tier 3 Advice Letter rather than through each of the IOU's Draft 2022 RPS Procurement Plans, as adopted in D.21-05-030.

Regarding the Joint Motion, CalCCA, TURN and CUE agree with the Joint IOUs that VAMO allocation issues should be promptly resolved to facilitate LSEs in their VAMO participation decision-making process. Cal Advocates does not object to the Joint Motion's request to expand the scope of the RPS proceeding but requests that a decision not be made solely on the motion and asks for sufficient time for parties to comment. AReM's comments suggest that the CPUC should not rush the VAMO process at the risk of impacting PCC valuations and recommends that the Joint Motion be denied.

AReM is the only party that responded to the Second Joint Motion. Their comments support the Joint IOUs proposal for an expedited review of the Market Offer process via advice letters instead of RPS Procurement Plans.

According to D.21-05-030, "the Commission should review, approve, and monitor the RPS VAMO and RPS RFI activities through the Commission's RPS proceeding and compliance processes."¹

¹ D.21-05-030 at Conclusion of Law 14.

The VAMO process is intertwined with Renewables Portfolio Standard obligations established and verified in the RPS proceeding. Therefore, it is reasonable to revise the scope to address these additional issues in the Joint Motion and Second Joint Motion. With this ruling, I expand the proceeding scope to consider issues relevant to implementing the VAMO process established in D.21-05-030 in the RPS Proceeding.

As we expand the proceeding scope, we may address these issues in parallel tracks to manage the overall proceeding quickly and efficiently.

The current statutory deadline in the proceeding ends on September 30, 2022. Additional time is needed to consider the issues listed above and unresolved issues in the proceeding. Extending the statutory deadline to October 2, 2023, will be administratively more efficient because (1) this proceeding provides a home for administration of the VAMO issues related to the RPS program; and (2) many elements of the RPS program such as review and approval of RPS Procurement Plans are continuous.

IT IS RULED that:

1. November 9, 2018, Scoping Memo and Ruling in this proceeding is amended to add the issues described above and is adopted.
2. The statutory deadline of the proceeding is extended up to and including October 2, 2023.

Dated April 6, 2022, at San Francisco, California.

/s/ CLIFFORD RECHTSCHAFFEN
Clifford Rechtschaffen
Assigned Commissioner