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R1807006

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Establish a Framework and Processes for Assessing the Affordability of Utility Service.

Rulemaking 18-07-006

**ASSIGNED COMMISSIONER'S RULING
AMENDING RULING OF MAY 20, 2022
AND FURTHER UPDATING PROCEEDING SCHEDULE
FOR PHASE 3 OF PROCEEDING**

This ruling amends and revises the Assigned Commissioner's Ruling (ACR) and schedule issued on May 20, 2022. The ruling invites parties to provide recommendations and comments on outreach and further opportunities for discussion of the issues presented at the 2022 Affordability Rulemaking En Banc *Evaluating Innovative Proposals for Cost Containment and Customer Protection*.

1. Third Phase of Rulemaking 18-07-006

On February 28, 2022, and March 1, 2022, the Commission held an En Banc to consider proposals to limit or mitigate future electricity and natural gas rate increases (2022 Affordability En Banc). Proposals presented during the 2022 Affordability En Banc included proposals within the Commission's current authority, and proposals outside of the Commission's statutory authority. Additional policies that could further efforts in addressing energy affordability for Californians are being vetted in a number of forums.

From the proposals and discussion presented at the 2022 Affordability En Banc, staff has identified the following proposals in the areas of cost (revenue)

versus cost allocation (revenue allocation and design) impacts. A number of these proposals are already being addressed in active proceedings and initiatives at the CPUC as noted below:

Cost/Revenue Reducing Proposals

1. Considerations concerning Investor-Owned Utilities' (IOUs) authorized Cost of Capital. Though not a venue for reform, the Commission is currently reviewing applications on Cost of Capital for PG&E, SDG&E, SCE, and SoCalGas;
2. In the first phase of General Rate Cases, IOUs could file an alternative revenue request constrained by Consumer Price Index in addition to their primary rate case proposal;

Cost Allocation and Rate Design-Related Proposals

3. Expand implementation of Percent of Income Payment Plan (PIPP) pilot programs. Pilots on the PIPP program are currently underway in the Disconnections proceeding;
4. Authorize IOUs to deploy customer loan programs to install building decarbonization upgrades via tariffed on-bill structures that enable participation regardless of income, credit score, or renter status. Tariffed on-bill structures for decarbonization upgrades are currently under evaluation, among other financing proposals, in the Clean Energy Financing proceeding;
5. Rate reform that could include one or more of the above proposals and/or additional proposals such as expansion of critical peak pricing, time of use, fixed charges, or other rate mechanisms that may reduce rates to something that better reflects the marginal costs of electricity. These rate reform proposals are currently being evaluated in the Demand Flexibility initiative; and
6. Investigate rate or infrastructure planning mechanisms to avoid excessive gas infrastructure costs falling disproportionately on residential customers who cannot electrify. This assessment is taking place in the Long-Term Gas System Planning proceeding.

2. Questions Presented in May 20, 2022 Ruling

Parties were invited to respond to specific questions in the May 20, 2022 ACR in this proceeding. At this time, given work in the proceedings referenced above and other state policies being considered outside of the Commission that could impact efforts to address affordability it may be premature to seek responses to the May 20, 2022 questions. I have determined that further community outreach and an additional workshop is needed for the parties to explore the issues presented in the 2022 En Banc.

Therefore, rather than seek responses to the questions presented in the May 20, 2022, ACR, Parties are invited to provide comment on how best to maximize public outreach and engagement for the Listening Sessions, discussed below. Parties are also invited to provide comments on how the Commission can best vet affordability issues facing California ratepayers to be further explored in a workshop after holding the Listening Sessions referenced below. The workshop and the information received through the Listening Sessions referenced below will assist the Commission in informing its 2023 Senate Bill (SB) 695 Report.

3. Public Outreach and Engagement

The Commission will host a series of public town hall-style “Listening Sessions” around the state to present the Commission’s 2022 SB 695 Report findings and hear from the public on regional affordability issues. The May 20, 2022, ruling referenced hosting these Listening Sessions over the summer and fall of 2022. Given limitations on locating appropriate facilities to hold these Listening Sessions, this ruling amends the schedule to push back the Listening Sessions as set forth below.

These Listening Sessions will take place in locations that represent the diverse geography and demographics of California.¹ Specific Listening Session dates and locations will be issued in a separate ruling. Parties are invited to share any feedback on strategies for maximizing these listening sessions by July 31, 2022.

In addition to the service list for this proceeding the Commission will serve the service lists for the proceedings and the agencies listed in Section 7 of the Fifth Amended Scoping Memo issued in this proceeding on January 18, 2022.

4. Schedule Update

The instant ruling updates the procedural schedule as follows:

EVENT	DATE
Listening Sessions Statewide and Virtual, Hold	TBD Fall/Winter 2022
Workshop Affordability Issues/SB 695 Report	TBD
Party Opening and Reply Comments on Recommendations and Information presented in workshop and listening sessions, File and Serve	Q1 2023
Staff Recommended Strategies for SB 695 Report	Q1 2023
Workshop on Staff Recommendations, Hold	Q1 2023
Comments on Staff Recommendations, File and Serve	Q2 2023
Reply Comments on Staff Recommendations, File and Serve	Q2 2023
Phase 3 Proposed Decision, Issue	Q2-Q3 2023

¹ At least one Listening Session will offer an option for virtual participation.

IT IS RULED

1. Parties may file and serve comments on the topics set forth in this ruling by July 31, 2022.
2. The questions issued in the May 20, 2022, ruling in this proceeding are hereby withdrawn and the request for responses is vacated.

Dated June 9, 2022, at Sacramento, California.

/s/ DARCIE L. HOUCK

Darcie L. Houck
Assigned Commissioner