



STATE OF CALIFORNIA

GAVIN NEWSOM, Governor **FILED**

PUBLIC UTILITIES COMMISSION

08/04/22

505 VAN NESS AVENUE

11:29 AM

SAN FRANCISCO, CA 94102-3298

A2003016

August 4, 2022

Agenda ID #20840
Ratesetting

TO PARTIES OF RECORD IN APPLICATION 20-03-016:

This is the proposed decision of Administrative Law Judge Liang-Uejio. Until and unless the Commission hears the item and votes to approve it, the proposed decision has no legal effect. This item may be heard, at the earliest, at the Commission's August 25, 2022 Business Meeting. To confirm when the item will be heard, please see the Business Meeting agenda, which is posted on the Commission's website 10 days before each Business Meeting.

Pursuant to Rule 14.6(c)(10), comments on the proposed decision must be filed within 7 days of its mailing. Comments are due by August 11, 2022. Replies are due by August 15, 2022.

The Commission may hold a Ratesetting Deliberative Meeting to consider this item in closed session in advance of the Business Meeting at which the item will be heard. In such event, notice of the Ratesetting Deliberative Meeting will appear in the Daily Calendar, which is posted on the Commission's website. If a Ratesetting Deliberative Meeting is scheduled, *ex parte* communications are prohibited pursuant to Rule 8.2(c)(4).

/s/ W. ANTHONY COLBERT for
Anne E. Simon
Chief Administrative Law Judge

AES:lil

Attachment

Decision PROPOSED DECISION OF ALJ LIANG-UEJIO (Mailed 8/4/2022)

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric
Company for Approval of Gas
Demand Pilot Program. (U39G)

Application 20-03-016

DECISION DISMISSING APPLICATION

Summary

This decision dismisses without prejudice Application 20-03-016 (Application) filed by Pacific Gas and Electric Company (PG&E). This decision does not prejudice the merits of PG&E's Application. PG&E may file a new application within 18 months of the issuance of this decision.

Application 20-03-016 is closed.

1. Background

On March 30, 2020, Pacific Gas and Electric Company (PG&E) filed Application (A.) 20-03-016 (Application) with the California Public Utilities Commission (Commission) for approval of its Gas Demand Response (DR) Pilot Programs in compliance with Ordering Paragraph 11 of D.19-09-025, which directed PG&E to file an application with a proposal to implement a Gas DR program by March 30, 2020.

PG&E's Application includes two programs: 1) a residential Home Energy Report program aimed at gas-only customers and 2) a commercial program that

would allow Core Transport Agents (CTAs), who serve large core commercial and industrial loads, to propose a gas DR program that could be used in lieu of allocated or self-managed storage as Alternative Resources used to meet a CTA's firm storage requirement.

Concurrently with its Application, PG&E filed a motion for a ruling to defer consideration of its Application in order to allow for the Commission to issue a final decision in Track 2 of Rulemaking (R.) 20-01-007¹ (Track 2 decision, LT Gas Rulemaking).²

On April 20, 2020, responses to PG&E's Motion were filed by Commercial Energy of California (Commercial Energy) and the Public Advocates Office of the California Public Utilities Commission (Cal Advocates). On May 4, 2020, PG&E filed a reply to parties' responses to its Motion.

On May 7 and 8, 2020, protests or responses to PG&E's Application were filed by Cal Advocates, Commercial Energy, Indicated Shippers, and Shell Energy North America. PG&E filed a reply to parties' protests or responses to its Application on May 18, 2020.

On June 2, 2020, the assigned Administrative Law Judge (ALJ) issued a ruling granting PG&E's Motion (ALJ Ruling). The ALJ Ruling directed PG&E to file an amended Application in this proceeding within 60 days of the date of issuance of the Track 2 decision. The ALJ Ruling stated upon the filing of the amended Application, a prehearing conference will be scheduled and held in this proceeding, and a procedural schedule will be adopted. Because of the need for an amended Application, no scoping memo was issued.

¹ A Rulemaking to establish policies, processes, and rules to ensure safe and reliable gas systems in California and perform long-term gas system planning.

² See, Motion at 1; Application at 1.

On September 27, 2021, the Commission issued D.21-09-042 extending the initial statutory deadline for this proceeding by one year to September 29, 2022.

On January 5, 2022, the Commissioner in R.20-01-007, the LT Gas Rulemaking, issued an amended Scoping Memo setting both the scope and the proceeding schedule for Track 2. The Track 2 decision is currently scheduled for Second Quarter 2023 (Q2 2023).

2. Issues Before the Commission

The ALJ Ruling granted PG&E's motion to put this proceeding on hold awaiting the LT Gas Rulemaking Track 2 decision. At the time when the ALJ Ruling was issued, there was no scope or schedule for Track 2. In January 2022, the assigned Commissioner to the LT Gas Rulemaking issued an amended scoping memo that set the scope and schedule for Track 2. As currently scoped, Track 2 does not directly address PG&E's application or gas demand response programs more generally.

With the statutory deadline expiring soon, the question before us is whether the Commission should keep this proceeding open and issue an extension of time, or dismiss this Application. For the reasons discussed below, the Commission determines that the Application should be dismissed. PG&E may file a new application consistent with D.19-09-025, and D.20-02-043 within 18 months of the issuance of this decision. A new application should also address any new directives regarding gas DR programs, and relevant issues from the LT Gas Rulemaking.³

³ See the directives in the ALJ Ruling.

3. Discussion

The initial statutory deadline for this proceeding has already been extended once and the current deadline will expire soon. After PG&E files an amended Application, the Commission will also need to allow time for parties' reviews and issue a final decision in this proceeding. Therefore, if this proceeding remains open, a second statutory deadline extension of a minimum of an additional year and half will be required.

Given this Application was filed over two years ago, it is not a good use of administrative and party resources to keep this proceeding open and further extend the statutory deadline. Instead, the most efficient approach is to dismiss this Application without prejudice and permit PG&E to file a new application within 18 months. This approach is generally consistent with directives of the ALJ Ruling, albeit under different circumstances.

4. Conclusion

The Commission finds dismissing the Application is the best use of Commission and party resources at this time. Consistent with the ALJ Ruling, PG&E may file a new application within 18 months of the issuance of this decision. A new application should also update PG&E's system information and DR programs' needs consistent with D.20-02-043, and address any new directives regarding DR programs and relevant issues from the LT Gas Rulemaking. Prior to filing of a new application, PG&E should work with stakeholders, including parties and Energy Division of the Commission, to address the issues parties raised in their protests and responses to PG&E's Application and Motion, if relevant. To use the Commission's and parties' time and resources efficiently, PG&E and parties are encouraged to resolve the contested issues raised in this proceeding.

5. Shortened Comment Period

Pursuant to Rule 14.6(c)(10), comment period is shortened to 7 days. Reply comments are due 3 days after the last day for filing opening comments. A shortened comment period is necessary to ensure the Commission meeting of the September 29, 2022 statutory deadline. Comments were filed on _____ by _____. Reply comments were filed on _____ by _____.

6. Assignment of Proceeding

John Reynolds is the assigned Commissioner and Scarlett Liang-Uejio is the assigned ALJ in this proceeding.

Findings of Fact

1. PG&E requested the Commission's approval of its Gas Demand Response Pilot Programs in compliance with D.19-09-025.

2. PG&E concurrently requested in a motion that the Commission defers the consideration of the Application until the issuance of the Track 2 decision.

3. By the ALJ Ruling granting PG&E's Motion, this proceeding has been inactive awaiting the Track 2 decision. PG&E was directed to file an amended Application no later than 60 days after the Track 2 decision.

4. The Track 2 scope and schedule was established after the ALJ Ruling, and the Track 2 decision is currently scheduled for Q2 2023.

5. The Track 2 scope does not address gas demand response programs.

6. The initial statutory deadline was extended by one year to September 29, 2022.

7. This proceeding cannot be resolved prior to September 29, 2022 and an extension of time by a minimum of an additional year and half would be necessary in order to await the Track 2 decision and provide PG&E the time to file an amended Application.

Conclusions of Law

1. It is inefficient to keep this proceeding open and extend the statutory deadline by a minimum of an additional year and half.
2. The Application should be dismissed without prejudice.
3. Application 20-03-016 should be closed.

O R D E R**IT IS ORDERED** that:

1. Application 20-03-016 filed by Pacific Gas and Electric Company is dismissed without prejudice.
2. Consistent with Decision (D.) 19-09-025, Pacific Gas and Electric Company (PG&E) may file a new application within 18 months of the issuance of this decision. Consistent with the directives in the administrative law judge's ruling issued on June 2, 2020 in Application 20-03-016, a new application should also update PG&E's system information and demand response programs' needs consistent with D.20-02-043, and address any new directives regarding demand response programs and relevant issues from Rulemaking 20-01-007.
3. This decision shall be served on the Service Lists listed in Pacific Gas and Electric Company's April 15, 2020, and the April 22, 2020 follow-up Request for Leave to file Reply, including the Service Lists in: Application (A.) 17-11-009; A.17-01-013; A.17-01-014; A.17-01-015; A.17-01-016; A.17-01-017; A.18-11-005; and Rulemaking 13-11-005.
4. Application 20-03-016 is closed.

This order is effective today.

Dated _____, at Sacramento, California.