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R2207005

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Advance Demand Flexibility Through Electric Rates.

Rulemaking 22-07-005

ADMINISTRATIVE LAW JUDGE'S RULING ADDRESSING MOTION FOR PUBLIC PARTICIPATION HEARINGS

This ruling denies the motion for public participation hearings (PPHs) filed on July 13, 2023. Parties may refer to the public comments on the Docket Card of this proceeding in their opening briefs.

1. Background

On June 30, 2022, Assembly Bill (AB) 205, Stats. 2022, ch. 61 was signed into law. AB 205 provided, among other requirements, that the Commission shall authorize an income-graduated fixed charge for default residential electric rates no later than July 1, 2024.

On July 22, 2022, the Commission issued an Order Instituting Rulemaking (OIR) to Advance Demand Flexibility Through Electric Rates to open this proceeding.

On November 2, 2022, the assigned Commissioner issued a scoping memo and ruling (Scoping Memo) that created Track A in Phase 1 of this proceeding to establish an income-graduated fixed charge for residential rates for all investor-owned electric utilities in accordance with AB 205.

On July 13, 2023, the California Efficiency + Demand Management Council, California Solar & Storage Association, the Center for Energy Efficiency

and Renewable Technologies, the Clean Coalition, the Solar Energy Industries Association, and Utility Consumers' Action Network (Joint Parties) filed a motion for PPHs (Motion) in Track A of Phase 1 of this proceeding.

On July 28, 2023, Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company (together, the Joint IOUs) filed a response (Response) to the Motion.

On August 7, 2023, the Joint Parties filed a reply (Reply) to the Joint Response. No other party filed a response to the Motion or a reply to the Joint Response.

2. Discussion of the Motion

The Joint Parties urged the Commission to hold PPHs in-person in the service territories of each of the investor-owned utilities (IOUs) in 2023 in Track A of Phase 1 of this proceeding. The Joint Parties requested at least 11 PPHs to be held by the end of 2023, including three PPHs in each of the service territories of the Joint IOUs, as well as PPHs in Northern and Southern California for customers of small and multijurisdictional utilities (SMJUs).

The Joint Parties argued in the Motion that residential electric customers should have the opportunity to respond to the potentially significant impacts of implementing AB 205 through PPHs. The Joint Parties recommended that, along with the assigned Commissioner and the assigned Administrative Law Judge, the Commission's Energy Division staff should attend and make presentations on parties' proposals on income-graduated fixed charges and the potential impact of those proposals on residential customers.

The Joint Parties acknowledged in the Motion that the Commission has the authority but not the obligation to hold PPHs for utility rate application cases and Commission rulemakings.

The Joint Parties argued in the Motion that there is time to notice and hold PPHs by the end of this year, prior to the issuance of a proposed decision in Track A scheduled for the first quarter of 2024. In the Response, the Joint IOUs expressed concerns about the amount of logistical work required to prepare for and hold nine in-person PPHs by the end of year. The Joint IOUs asserted that they would need two months of lead time, at minimum, to notice PPHs, and requested that PPHs be held after the filing of briefs.

The Joint Parties in the Reply acknowledged that a reasonable amount of time is required to notice and prepare for hearings, but that PPHs should be held prior to the deadlines for briefs to permit parties to take into account PPH participants' concerns in their briefs.

The Joint IOUs also argued that the motion for PPHs is premature because briefs have not yet been filed. The Joint Parties disagreed in their Reply, arguing that there is no basis for this argument the scope has been known since the Scoping Memo was issued in November 2022.

The Motion was not premature; the request was made too late. When the Commission holds PPHs for a proceeding, the PPHs are usually held early in the proceeding for the purpose of informing the development of party proposals and rulings by the assigned Commissioner and the assigned Administrative Law Judge. It is too late in this proceeding to hold PPHs for that purpose. Further, there is not enough remaining time in the procedural schedule to add PPHs to Track A without a substantial risk that the Commission would fail to comply with the statutory deadline of July 1, 2024. The Commission would need several months to prepare for in-person PPHs on this complex topic. The preparation for PPHs would undermine the ability of the Commission's staff to timely review party comments on Track A issues and consider solutions. We would also have

to push back the deadlines for briefs to the winter holiday season to allow parties to incorporate the PPH comments in their briefs. This would delay the mailing of the proposed decision by several months.

The Commission has already received over 565 public comments with concerns about how income-graduated fixed charges will impact residential customers. Members of the public posted over 465 public comments on the Docket Card of this proceeding and provided over 100 public comments about this proceeding by voicemail or email to the Commission.

The assigned Commissioner and I have been reviewing the public comments on the income-graduated fixed charge. We will consider the public comments, along with the rest of the record of this proceeding, when deliberating the outcomes for Track A of Phase 1 of this proceeding. Parties may refer to the public comments on the Docket Card of this proceeding in their opening briefs.

For the reasons above, the Motion is denied.

IT IS SO RULED.

Dated August 15, 2023, at San Francisco, California.

/s/ STEPHANIE WANG

Stephanie Wang
Administrative Law Judge