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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company for Adoption of Electric Revenue Requirements and Rates Associated with its 2024 Energy Resource Recovery Account (ERRA) and Generation Non-Bypassable Charges Forecast and Greenhouse Gas Forecast Revenue Return and Reconciliation (U39E).	Application 23-05-012
And Related Matter.	Application 23-07-012
(NOT CONSOLIDATED)	
Application of Southern California Edison Company (U338E) For Approval of Its 2024 ERRA Forecast Proceeding Revenue Requirement.	Application 23-06-001
Application of SAN DIEGO GAS & ELECTRIC COMPANY (U902-E) for Approval of its 2024 Electric Procurement Revenue Requirement Forecasts, 2024 Electric Sales Forecast, and GHG-Related Forecasts	Application 23-05-013

ASSIGNED COMMISSIONER’S SCOPING MEMO AND RULING

This scoping memo and ruling (Scoping Memo) consolidates Application (A.) 23-05-012, A. 23-07-012, A.23-05-013, and A.23-06-002, for the sole purpose of addressing outstanding issues related to the definition of and accounting for fixed generation costs in each large investor-owned utility’s 2024 Energy Resource Recovery Account (ERRA) Forecast proceeding. The Scoping Memo

also sets forth the issues, need for hearing, schedule, category, and other matters necessary to scope the second track of these four consolidated proceedings.

1. Procedural Background

1.1. Pacific Gas and Electric Company

Pacific Gas and Electric Company (PG&E) filed A.23-05-012 on May 15, 2023, seeking authority to recover or adopt its forecasted 2024 energy procurement revenue requirements through rates starting in January 2024; forecasted electric sales for 2024; forecast of greenhouse gas revenues and costs in 2024; and rate design proposals for rates to be effective in 2024. Separately, PG&E filed A.23-07-012 requesting expedited review of a forecasted undercollection in its ERRA.¹ An August 1, 2023, Administrative Law Judge (ALJ) Ruling requested additional party feedback about specific issues related to fixed generation costs forecasted in PG&E's 2024 ERRA Forecast proceeding. An October 9, 2023, ruling deferred the outstanding items related to fixed generation costs that were raised in the August 1, 2023, ALJ ruling to a second track of this proceeding. Decision (D.) 23-12-022 resolved many issues raised in A.23-05-012 and A.23-07-012, but deferred resolution on specific fixed generation costs until a second track of the consolidated proceedings.

On January 5, 2024, PG&E filed a prehearing conference (PHC) statement suggesting the Commission's decision on issues that were deferred in its proceeding could impact other utilities, but that the consideration of them should not be consolidated at this time. It specifically proposed that its energy supply administration, or ESA, common costs should be recovered through its legacy utility-owned generation vintaged Power Charge Indifference Amount

¹ A.23-07-012 was filed pursuant to Decision 22-01-023 and was consolidated with A.23-05-012 in the joint Scoping Memo and Ruling issued on August 3, 2023.

subaccount of its Portfolio Allocation Balancing Account, based on forecasted customer sales rather than the current net revenue requirements basis. PG&E stated that its scheduling and bidding activities into the California Independent System Operator, or CAISO, market do not change if the resource is above or below market so allocating costs based on the revenue requirement of the resource is inappropriate.

PG&E also requested the Commission clarify how PG&E can treat Resource Adequacy capacity that is on outage to ensure that bundled service customers do not disproportionately bear the burden of costs for its PCIA-eligible portfolio. PG&E recommended a procedural schedule that would permit a final decision on Track 2 of A.23-05-012 and A.23-07-012 before it submits the fall update for its 2025 ERRA Forecast Proceeding. PG&E finally suggested the 2024 ERRA proceedings should only be consolidated for the limited purpose of clarifying issues related to cost allocation of resource adequacy attributes.

1.2. San Diego Gas & Electric Company (SDG&E)

On May 15, 2023, SDG&E filed A.23-05-013 requesting approval of its 2024 Electric Procurement Revenue Requirement Forecasts, 2024 Electric Sales Forecasts, and greenhouse gas (GHG) Related Forecasts.

On August 1, 2023, the assigned ALJ issued a ruling directing SDG&E to file additional information about fixed generation costs and the potential cost impacts for customers that remain bundled compared to costs faced for unbundled customers that still rely on SDG&E's distribution, transmission, and billing services. An October 9, 2023, ruling deferred the outstanding items related to fixed generation costs that were raised in the August 1, 2023, ALJ ruling to a second track of this proceeding. On December 15, 2023, D. 23-12-021 resolved

most of issues raised in A.23-05-013, other than those identified in the August and October 2023 ALJ rulings related to fixed generation costs.

On January 5, 2024, SDG&E filed a PHC statement suggesting the Commission consider changes to how it accounts for its Competitive Transmission Charge (CTC) costs in track two of this proceeding. SDG&E noted that CTC costs that are currently considered in the ERRA proceedings should be addressed in Track 2 of A.23-05-013. It proposed consideration of recording the difference between actual revenues against actual costs associated with CTC, rather than the existing practice that uses a market benchmark proxy. SDG&E also suggested the second track of the 2024 ERRA forecast proceedings should not be consolidated and proposed a schedule that would have a Proposed Decision in Track 2 of A.23-05-013 by October 2024.

Separately, SDG&E suggested that the current process of using a market benchmark proxy to determine how above-market costs are to be recovered in its Transition Cost Balancing Account (TCBA) is not accurate because it could shift costs between bundled and unbundled customers if its CAISO revenues are less than the forecasted costs.

No other party raised similar concerns about SDG&E's CTC or TCBA costs in their January 5, 2024, PHC statements.

1.3. Southern California Edison (SCE)

SCE filed its 2024 ERRA Forecast (A.23-06-001) on June 1, 2023.

An October 9, 2023, ruling in A.23-06-001 deferred the outstanding items related to fixed generation costs that were raised in an August 1, 2023, ALJ ruling to a second track of this proceeding. D.23-11-094 resolves most of the issues SCE raised in A.23-06-001, but deferred consideration of fixed generation costs to this second track.

On January 5, 2024, SCE filed a PHC statement arguing that the outstanding issues raised in the August 1, 2023, ALJ ruling are not relevant across utilities and that its fixed generation costs are clearly tracked in its ERRA filings. Specifically, SCE noted that its fixed generation costs are a minimal amount of each year's annual ERRA forecast and that it believes this second track is first, unnecessary, and second, should not be consolidated with PG&E and SDG&E's proceeding, if a second track is deemed necessary.

1.4. Community Choice Aggregator and Direct Access Advocates

In a joint PHC statement the California Community Choice Advocates (CalCCA), San Diego Community Power (SDCP), and the Clean Energy Alliance (CEA) (together, the CCA Parties) requested the second track of the three ERRA forecast proceedings be consolidated for the sole purpose of developing a consistent definition of fixed generation costs.² The CCA Parties also recommended the Commission should address the issues raised in SCE's petition for modification of D.23-06-006, which focuses on the valuation of investor-owned utilities (IOUs') banked renewable energy certificates.

The Direct Access Customer Coalition (DACC) also requested that the proceedings be consolidated and asked whether or how the fixed generation costs should be recovered from all customers.³

1.5. Outstanding Issues

Each utility filed separate advice letters implementing their authorized 2024 ERRA Forecast amounts in December 2023 or January 2024. Given the

² CCA Parties PHC Statement at 17. SDCP and CEA were granted party status to A.23-05-012, as consolidated with A.23-07-012, and A.23-06-001, on March 20, 2024, and refiled their PHC statements in those proceedings and A.23-05-013 on March 26, 2024.

³ DACC PHC Statement at 1-2.

outstanding fixed generation cost issues in each proceeding, however, a prehearing conference in Track 2 of the utilities' 2024 ERRA Forecast Proceedings was held on January 9, 2024. The joint PHC was intended to address the issues of law and fact, determine the need for hearing, set the schedule for resolving the matters raised in the August 1, 2023, ALJ ruling that were deferred in each proceeding, and address other matters as necessary.

As of the January 9, 2024, PHC, these proceedings had not yet been consolidated. Most concerns raised in PHC statements from parties and during the PHC were related to issues that cannot be addressed in this proceeding, given the need for incremental record development and a consistent approach across the utilities. Specifically, we decline to consider issues related to re-vintaging of utility-owned generation resources, including but not limited to energy supply procurement contracts and/or resource adequacy contracts, or issues related to the valuation of banked renewable energy credits in this consolidated Track 2 ERRA Forecast proceeding.

We also believe the specific items SDG&E and PG&E raised in their PHC statements, as discussed above, would be better addressed in separate proceedings, because each utility's requests raised in their PHC filings were not directly responding to the August 1, 2023, ALJ rulings, and the issues may not align across utilities.

2. Issues

After considering the responses filed to the August 1, 2023, ALJ ruling, the PHC Statements filed in A.23-05-012, A23-07-012, A.23-05-013, and A.23-06-001, and discussion at the PHC, I have determined the issues defined in Track 2 of these proceedings appropriate to be consolidated for the sole purpose of their

consideration by the Commission. The initial scope and schedule of the proceeding set forth in this scoping memo is:

1. The August 1, 2023, ruling defined fixed generation costs as, “costs that do not change based on the amount of electricity customers use or the amount of operating time associated with the electricity generation.”
 - a. Should the Commission modify this definition? Why or why not?
 - b. Which fixed generation costs could and should be consistent across the three large IOUs that are respondents to this proceeding?
 - c. Should a methodology be adopted by which utilities determine fixed generation costs? If so, how should the methodology be developed?
2. Should the utilities be required to report shifts in different fixed cost categories as defined in the August 1, 2023, ALJ Ruling more frequently than they currently do?
 - a. If so, how frequently should a shift in cost categories be measured?
 - b. What metrics should be used to measure a shift in cost categories?
3. Should the Commission adopt any other rules related to fixed costs to ensure that these costs are fairly recovered?
4. Are there potential impacts on environmental and social justice communities? Could any changed reporting requirements regarding IOUs’ fixed generation costs, impact the achievement of any of the nine goals of the Commission’s Environmental and Social Justice Action Plan?

3. Need for Evidentiary Hearing

Each of the issues defined in Section 2 are potentially contested, material issues of fact. The need for evidentiary hearing will be determined by the assigned ALJ and further instructions will be provided at the status conference.

4. Schedule

The following schedule is adopted here and may be modified by the ALJ as required to promote the efficient and fair resolution of these consolidated proceedings:

Event	Date
Intervenors’ prepared direct testimony served	May 8, 2024
Prepared rebuttal testimony served	May 22, 2024
Status conference	May 30, 2024
Evidentiary hearing	To be determined
Opening briefs	June 25, 2024
Reply briefs	July 10, 2024
Proposed decision	September 2024
Commission decision	Q4 2024

The purpose of the May 30, 2024, status conference is to ascertain whether, pursuant to Rule 13.8(c) of the Rules of Practice and Procedure (Rules), the parties stipulate to the receipt of prepared testimony into evidence without direct or cross examination or other need to convene an evidentiary hearing or, in the alternative, the parties’ resources, readiness and needs for the effective remote conduct of the evidentiary hearing, including estimates of time requested for cross-examination and identification of anticipated exhibits.

The second track of these consolidated proceedings will stand submitted upon the filing of the July 10, 2024, reply briefs unless the ALJ requires further evidence or argument.

5. Alternative Dispute Resolution (ADR) Program and Settlements

The Commission's ADR program offers mediation, early neutral evaluation, and facilitation services, and uses ALJs who have been trained as neutrals. At the parties' request, the assigned ALJ can refer this proceeding to the Commission's ADR Coordinator. Additional ADR information is available on the Commission's website.⁴

Any settlement between parties, whether regarding all or some of the issues, shall comply with Article 12 of the Rules and shall be served in writing. Such settlements shall include a complete explanation of the settlement and a complete explanation of why it is reasonable in light of the whole record, consistent with the law and in the public interest. The proposing parties bear the burden of proof as to whether the settlement should be adopted by the Commission.

6. Category of Proceeding and Ex Parte Restrictions

This ruling confirms the Commission's prior determinations that these consolidated proceedings are ratesetting.⁵ Accordingly, ex parte communications are restricted and must be reported pursuant to Article 8 of the Rules.

7. Public Outreach

Pursuant to Public Utilities Code Section 1711(a), I hereby report that the Commission sought the participation of those likely to be affected by this matter by noticing it in the Commission's monthly newsletter that is served on communities and businesses that subscribe to it and posted on the Commission's website. The joint PHC was separately noticed to each utility's 2024 ERRAs

⁴ See D.07-05-062, Appendix A, § IV.O.

⁵ Resolution ALJ 176-3528 at 2 and Resolution ALJ 176-3529 at 1.

Forecast Proceeding's service list and this scoping memo was provided to each utility's 2024 ERRA Forecast Proceeding's service list.

8. Intervenor Compensation

Pursuant to Public Utilities Code Section 1804(a)(1), a customer who intends to seek an award of compensation must file and serve a notice of intent to claim compensation by February 8, 2024, 30 days after the prehearing conference. Parties that already participated in the first track of these proceedings may reference their prior requests to seek intervenor compensation in the individual proceedings.

9. Response to Public Comments

Parties may, but are not required to, respond to written comments received from the public. Parties may do so by posting such response using the "Add Public Comment" button on the "Public Comment" tab of the online docket card for the proceeding.

10. Public Advisor

Any person interested in participating in these proceedings who is unfamiliar with the Commission's procedures or has questions about the electronic filing procedures is encouraged to obtain more information at <http://consumers.cpuc.ca.gov/pao/> or contact the Commission's Public Advisor at 866-849-8390 or 866-836-7825 (TTY), or send an e-mail to public.advisor@cpuc.ca.gov.

11. Filing, Service, and Service List

The official service list has been created and is on the Commission's website. Parties should confirm that their information on the service list is

correct and serve notice of any errors on the Commission's Process office, the service list, and the ALJ. Persons may become a party pursuant to Rule 1.4.⁶

When serving any document, each party must ensure that it is using the current official service list on the Commission's website.

This proceeding will follow the electronic service protocol set forth in Rule 1.10. All parties to this proceeding shall serve documents and pleadings using electronic mail, whenever possible, transmitted no later than 5:00 p.m., on the date scheduled for service to occur. Rule 1.10 requires service on the ALJ of both an electronic and a paper copy of filed or served documents.

When serving documents to Commissioners or their personal advisors, whether or not they are on the official service list, parties must only provide electronic service. Parties must not send hard copies of documents to Commissioners or their personal advisors unless specifically instructed to do so.

Persons who are not parties but wish to receive electronic service of documents filed in the proceeding may contact the Process Office at process_office@cpuc.ca.gov to request addition to the "Information Only" category of the official service list pursuant to Rule 1.9(f).

The Commission encourages those who seek information-only status on the service list to consider the Commission's subscription service as an alternative. The subscription service sends individual notifications to each subscriber of formal e-filings tendered and accepted by the Commission. Notices sent through subscription service are less likely to be flagged by spam or other

⁶ The form to request additions and changes to the Service list may be found at <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/administrative-law-judge-division/documents/additiontoservicelisttranscriptordercompliant.pdf>

filters. Notifications can be for a specific proceeding, a range of documents and daily or weekly digests.

12. Receiving Electronic Service from the Commission

Parties and other persons on the service list are advised that it is the responsibility of each person or entity on the service list for Commission proceedings to ensure their ability to receive e-mails from the Commission. Please add “@cpuc.ca.gov” to your email safe sender list and update your e-mail screening practices, settings and filters to ensure receipt of e-mails from the Commission.

13. Assignment of Proceeding

John Reynolds is the assigned Commissioner and Carolyn Sisto is the assigned ALJ and presiding officer for the consolidated proceedings A.23-05-012, A.23-07-012, A.23-05-013, and A.23-06-001.

IT IS RULED that:

1. Applications (A.) 23-05-012, A.23-07-012, A.23-05-013, and A.23-06-001 are consolidated for the sole purpose of addressing the outstanding issues identified in Section 2 above.
2. The scope of this proceeding described in Section 2 above is adopted.
3. The schedule of this proceeding set forth in Section 4 above is adopted.
4. Responses and replies filed to address the August 1, 2023, Administrative Law Judge rulings issued in Application (A.)23-05-012, A.23-07-012, A.23-05-013, and A.23-06-001, are incorporated into the administrative record of this consolidated proceeding.
5. Evidentiary hearing may be needed.
6. The presiding officer is Administrative Law Judge Carolyn Sisto.

7. The category of the proceeding is ratesetting.

Dated April 2, 2024, at San Francisco, California.

/s/ JOHN REYNOLDS

John Reynolds
Assigned Commissioner