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R2401018

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Order Instituting Rulemaking to  
Establish Energization Timelines.

Rulemaking 24-01-018

### **ASSIGNED COMMISSIONER'S AMENDED SCOPING MEMO AND RULING**

This amended scoping memo and ruling modifies the issues and schedule established in the March 28, 2024, Assigned Commissioner Scoping Memo and Ruling by creating a separate ratesetting track and schedule for the request of Pacific Gas & Electric (PG&E) by motion dated October 4, 2024, to revise its 2025 and 2026 energization cost caps pursuant to Senate Bill (SB) 410 (Becker, Stats. 2023, Ch. 394) and Decision (D.) 24-07-008 setting such caps in PG&E's 2023 General Rate Case (GRC), Application (A.) 21-06-021.

#### **1. Procedural Background**

Rulemaking 24-01-018 was opened on January 30, 2024, to implement SB 410 and Assembly Bill (AB) 50 (Wood, Stats. 2023, Ch. 317), which require the Commission to establish reasonable average and maximum target energization time periods, and a procedure for customers to report energization delays to the Commission, among other requirements.<sup>1</sup>

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<sup>1</sup> SB 410 requires the Commission and the electrical corporations to undertake a variety of activities to promote timely energization of customer connections in California. AB 50 requires the Commission to determine the criteria for timely service for electric customers to be energized, including, among other things, categories of timely electric service through energization. AB 50 also requires the electrical corporations to meet certain energization timeliness, targets and make changes to their distribution planning processes, to be determined by the Commission.

SB 410 also provides for an electrical corporation to seek assurance that it has sufficient and timely recovery of costs for energization projects.<sup>2</sup> The Commission must then authorize a ratemaking mechanism within 180 days that allows the utility to track costs and sets an annual cap on the amount the utility can recover within the mechanism, among other requirements. SB 410 requires the Commission to allow recovery of costs tracked within the mechanism through an annual rate adjustment. The costs tracked in the mechanism must be just and reasonable. The Commission will review these costs in the utility's next GRC. If the Commission finds that the costs are not just and reasonable, the costs are subject to refund to customers.

PG&E sought the foregoing ratemaking mechanism in a second phase of its 2023 GRC proceeding, A.21-06-021, and the Commission authorized a mechanism in D.24-07-008. In that decision, the Commission stated, “[PG&E] may request that the Commission revisit and change the 2025 and 2026 cap ... based on new evidence supporting PG&E’s accelerated scenario forecast, including decisions issued in Rulemaking (R.) 24-01-018....”<sup>3</sup>

On September 12, 2024, the Commission adopted D.24-09-020 in the instant proceeding establishing energization targets for projects involving Electric Rules 15, 16, 29 and 45, and maximum energization timelines for upstream capacity projects. A ruling issued on September 25, 2024, notified parties to R.24-01-018 and A.21-06-021 that “PG&E [should] submit any future requests to modify the 2025 and 2026 cost caps on its Electric Capacity and New Business Interim Memorandum Account, as authorized in Ordering Paragraph 28 of D.24-07-008,

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<sup>2</sup> Pub. Util. Code Section 937(a)

<sup>3</sup> D.24-07-008, ordering paragraph 28

in R. 24-01-018.” PG&E and The Utility Reform Network (TURN) filed comments on the ruling on October 4, 2024.

Also on October 4, 2024, PG&E filed its motion to increase its 2025 and 2026 cost caps for its interim Electric Capacity and New Business Interim Memorandum Account, as authorized in Ordering Paragraph 28 of D.24-07-008. PG&E’s motion requested the cost cap for 2025 be raised from \$618 million to \$2.115 billion, and for 2026 from \$669 million to \$2.302 billion.

After considering the responses to the joint ALJ ruling, PG&E’s October 4, 2024, motion to increase the cost caps and reviewing D.24-09-020, the scope and schedule of the new ratesetting track of this proceeding to consider PG&E’s motion are set forth herein.

## **2. Ratesetting Issues for Phase 2 of R.24-01-018**

The issues to be determined or otherwise considered in this ratesetting track of R.24-01-018 to consider PG&E’s motion are identified as follows:

- a. Should the 2025 and 2026 cost caps adopted in D.24-07-008 for PG&E’s Electric Capacity and New Business Interim Memorandum Account be modified as proposed in PG&E’s motion?
- b. What impacts could modifying PG&E’s cost caps have on environmental and social justice communities?

This ratesetting track does not allow any party to relitigate the issues decided in PG&E’s GRC (D.24-07-008). Instead, the Commission will consider whether the 2025 and 2026 cost caps should be modified as proposed in PG&E’s motion, which includes cost increases based on the targets and timelines adopted in this Phase 1 of this Rulemaking in D.24-09-020.

### **3. Need for Evidentiary Hearing**

This scoping memo does not determine that this ratesetting track requires an evidentiary hearing. Instead, and without expressing any opinion on whether an evidentiary hearing is necessary, this scoping memo asks parties to submit two sets of documents on the issue of hearings. First, any party seeking evidentiary hearings shall submit a motion for evidentiary hearing no later than December 17, 2024, setting forth the following:

A) Any disputed issue of material fact that must be resolved through an evidentiary hearing. Each issue shall be stated separately.

B) For each issue, how the moving party asserts the hearing will address the issue. Such submission shall summarize the evidence to be presented and the witness(es) to testify.

Any right that a party may otherwise have to an evidentiary hearing will be waived if the party does not submit a timely motion requesting an evidentiary hearing that contains the material in A) and B) above. The Assigned Commissioner will act on the motion for evidentiary hearing on shortened time.

If any party contends any evidence or testimony adduced during the PG&E 2023 GRC leading to D.24-07-008 is necessary to the resolution of PG&E's October 4, 2024 motion and/or the scope of this track of the proceeding, it shall include such material with its opening testimony due on December 2, 2024 as set forth above and explain the relevance of such material. Such material may not be used to relitigate any issue determined in D.24-07-008 other than the amount of the 2025 and 2026 cost cap.

### **4. Schedule**

Pursuant to Public Utilities Code Section 937(b), the Commission intends to resolve the ratemaking issues in this track of the proceeding within 180 days.

The following schedule is adopted:

Event	Date with Evidentiary Hearing	Date without Evidentiary Hearing
Party Responses to PG&E's Motion filed and served	October 21, 2024	October 21, 2024
Status Conference for the Ratesetting Issues identified in Section 2	November 5, 2024	November 5, 2024
Direct Testimony/Replies to Party Comments from PG&E filed and served	November 21, 2024	November 21, 2024
Intervenors' prepared direct testimony filed and served	December 2, 2024	December 2, 2024
PG&E rebuttal testimony filed and served	December 13, 2024	December 13, 2024
Motion for Evidentiary Hearing	December 17, 2024	December 17, 2024
Evidentiary hearing (if necessary)	December 30, 2024	N/A
Opening briefs	January 13, 2025	December 30, 2024
Reply briefs <i>[matter submitted]</i>	January 24, 2025	January 6, 2025
Proposed decision	March 2025	February 2025
Commission decision	April 2025	March 2025

A Status Conference will be held on November 5, 2024. All parties other than PG&E shall submit, no later than December 2, 2024, opening testimony on the issues they believe the Commission must resolve during this track of the proceeding. PG&E shall submit rebuttal testimony on December 13, 2024.

If evidentiary hearing is requested pursuant to Section 3 above, the record regarding the ratesetting issues raised in Section 2, above, will be submitted on January 24, 2025, upon the filing of reply briefs.

If no evidentiary hearing is requested, the record regarding the ratesetting issues raised in Section 2, above, will be submitted upon the filing of reply briefs on January 6, 2025, unless the Assigned Commissioner or 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 ALJs can refer this proceeding to the Commission's ADR Coordinator. Additional ADR information is available on the Commission's website.<sup>4</sup>

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**

The Commission preliminary determined that R.24-01-018 is a quasi-legislative proceeding.<sup>5</sup> Due to the transfer of issues of PG&E's Electric Capacity and New Business Interim Memorandum Account from A.21-06-021 to R.24-01-018, the category for the track of this proceeding to consider PG&E's motion to increase the 2025 and 2026 SB 410 cost caps is ratesetting.<sup>6</sup> Accordingly, ex parte communications related to the issues established in this ratesetting track, governed by the ex parte rules applicable to ratesetting matters, as described in

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<sup>4</sup> <https://www.cpuc.ca.gov/PUC/adr/>

<sup>5</sup> R.24-01-018 at 3.

<sup>6</sup> September 25, 2024, Administrative Law Judges' Ruling Addressing Pacific Gas and Electric Company's Senate Bill 410 and AB 50 Compliance Cost Caps.

Pub. Util. Code Section 1701.3(h) and Article 8 of the Commission's Rules of Practice and Procedure (Rules). All quasi-legislative issues identified in the March 28, 2024, Scoping Memo but not resolved in D.24-09-020 remain quasi-legislative.

## **7. Public Outreach**

Pursuant to Public Utilities Code Section 1711(a), where feasible and appropriate, before determining the scope of the proceeding, the Commission sought the participation of those likely to be affected, including those likely to derive benefit from, and those potentially subject to, a decision in this proceeding. The matter of including a ratesetting track in R.24-01-018, as it relates to the cost caps adopted for PG&E in D.24-07-008, was noticed to the parties of R.24-01-018 and A.21-06-021 on September 25, 2024.

## **8. Intervenor Compensation**

Section 12 of the Scoping Memo for R.24-01-018 states that parties seeking intervenor compensation (ICOMP) should file and serve a notice of intent to claim compensation no later than 30 days after the issuance of the OIR. Pursuant to Pub. Util. Code §1804(a)(1), however, the new ratesetting track of this proceeding raises new issues that were not included in the March 28, 2024, Scoping Memo. It is therefore reasonable for parties seeking intervenor compensation related to this amended Scoping Memo that have not already filed a notice of intent (NOI) to claim intervenor compensation in R.24-01-018 to be authorized to file an NOI within 30 days of the issuance of this amended Scoping Memo. Parties that have already filed an NOI in R.24-01-018 should not file any revisions to their initial NOI. Pursuant to Rule 7.2, parties that are eligible to seek ICOMP in an earlier phase of a proceeding remain eligible to seek ICOMP in later phases of the same proceeding.

## **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 this proceeding who is unfamiliar with the Commission’s procedures or has questions about the electronic filing procedures is encouraged to obtain more information at <https://www.cpuc.ca.gov/about-cpuc/divisions/news-and-public-information-office/public-advisors-office> 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](mailto: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. This amended Scoping Memo is being served to the service lists for both R.24-01-018 and A.21-06-021.

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.<sup>7</sup>

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

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<sup>7</sup> 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>

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. Although Rule 1.10 requires service on the ALJ of both an electronic and a paper copy of filed or served documents, ALJs Sisto and Goldberg request parties to only submit electronic copies of filed and served documents in R.24-01-018.

When serving documents on 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](mailto: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 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 e-mail 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**

Alice Reynolds the assigned commissioner and ALJs Carolyn Sisto and Sasha Goldberg are presiding officers for the ratesetting track of R.24-01-018.

**IT IS RULED** that:

1. The scope of this proceeding is amended to establish a ratesetting track to resolve the issues defined in Section 2, above.
2. The schedule of the issues defined in the ratesetting track of Rulemaking 24-01-018, as identified in Section 4, above, is adopted.
3. Parties that have not filed a notice of intent to request intervenor compensation in Rulemaking 24-01-018 may do so within 30 days of the issuance of this amended scoping memo.
4. Parties that have already filed a notice of intent (NOI) to request intervenor compensation in Rulemaking 24-01-018 shall not revise their prior NOIs.
5. The presiding officers for issues defined in Section 2 within the ratesetting track of this proceeding, above, are Administrative Law Judges Carolyn Sisto and Sasha Goldberg.
6. The track considering PG&E’s request to increase the cost cap pursuant to SB 410, as described in Section 2 above, is categorized as ratesetting.

7. The category of the proceeding remains quasi-legislative for the policy issues defined in Phase 2 of the March 28, 2024, Scoping Memo and Ruling.

Dated October 18, 2024, at San Francisco, California.

/s/ ALICE REYNOLDS

Alice Reynolds  
Assigned Commissioner