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CPUC ACTS TO ESTABLISH POLICIES AND PROCEDURES FOR ENSURING GRID RELIABILITY DURING EXTREME WEATHER EVENTS

SAN FRANCISCO, November 19, 2020 - The California Public Utilities Commission (CPUC) today opened a proceeding to take actions that will ensure a reliable energy grid if an extreme weather event occurs in summer 2021, as happened this year.

In a new Rulemaking opened today, the CPUC will address how to increase energy supply and decrease demand during peak hours if a heat storm occurs in the summer of 2021 so the state does not experience rolling outages again. Through this proceeding, the CPUC will implement temporary changes to existing processes, programs, and rules for demand response, and other initiatives. The CPUC will focus on near-term actions that can be adopted by April 2021 and that the utilities can implement before the summer of 2021.

The proceeding will consider multiple options, including, but not limited to:

- Evaluating mechanism for encouraging load shifting by compensating customers for switching to back-up generators;
- Modernizing the Flex Alert program by expanding its application to social media (e.g., paid advertising content) and consumer devices;
- Engaging various customer groups in load reduction programs, such as new event-based demand response programs or revising existing supply-side reliability demand response programs; and,
- Directing each investor-owned utility to develop new supply-side resources that can be brought online in 2021 and to bring additional capacity online by procuring incremental capacity from the existing resources, implementing efficiency upgrades to existing generators, and retrofitting existing generators.

"Californians deserve clean and reliable energy, and it will be our top priority to ensure that we bring to bear all of the supply and demand side resources possible before next summer to maintain that reliability," said CPUC President Marybel Batjer.

"Through this proceeding we will identify measures that can be implemented as soon as possible to address reliability for next summer. This is just one piece of the ongoing work we are doing in tandem with the California Energy Commission and the California Independent System Operator to ensure reliability both next year and in the future," said Commissioner Liane M. Randolph.

The CPUC will address whether particular measures may extend beyond calendar year 2021. Moreover, the CPUC will consider whether specific measures would be triggered only in emergency conditions to ensure continued access to utility services.

"Ensuring electricity reliability while achieving our clean energy goals is one of the CPUC's most profound responsibilities. I hope that stakeholders representing all Californians—especially those most vulnerable when the power goes out—will weigh in during this proceeding," said Commissioner Martha Guzman Aceves.

In mid-August 2020, the western U.S. experienced an unprecedented, prolonged heat storm, which led to a variety of circumstances that ultimately required the California Independent System Operator (CAISO) to initiate rotating power outages to prevent sustained, wide-spread service interruptions. On October 6, 2020, the California Energy Commission, CAISO, and the CPUC issued a preliminary report on the causes of the August rotating outages, which outlined short-term and longer-term actions to mitigate electricity shortages and ensure delivery of clean, reliable, and affordable energy.

The proposal is available at:

https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M349/K862/349862998.PDF.

The CPUC regulates services and utilities, protects consumers, safeguards the environment, and assures Californians' access to safe and reliable utility infrastructure and services. For more information on the CPUC, please visit www.cpuc.ca.gov.

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