

Decision 21-09-015 September 9, 2021

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

Order Instituting Rulemaking to Create a Consistent Regulatory Framework for the Guidance, Planning, and Evaluation of Integrated Distributed Energy Resources.

Rulemaking 14-10-003

**ORDER EXTENDING STATUTORY DEADLINE**

**Summary**

This decision extends the statutory deadline in Rulemaking 14-10-003 to September 15, 2022.

**1. Background**

Public Utilities Code (Pub. Util. Code) Section 1701.5(a)<sup>1</sup> provides that ratesetting cases must be resolved within 18 months of the date the Scoping Memo is issued, unless the Commission makes a written determination that the deadline cannot be met and issues an order extending the deadline. On August 5, 2021, the Commission adopted Decision (D.) 21-08-020, which extended the statutory deadline by one month to consider a proposed *Order Closing Rulemaking 14-10-003*.

The proposed *Order Closing Rulemaking 14-10-003*, issued on June 30, 2021, stated the Commission had largely resolved the issues it sought to accomplish

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<sup>1</sup> R.14-10-003 was initiated prior to changes made to Pub. Util. Code § 1701.5(a). These changes only apply to cases filed after December 31, 2016.

through the development of the Competitive Solicitation Framework for distributed energy resources, pilots of two additional frameworks for the procurement of distributed energy resources, and updates on the cost-effectiveness analysis framework for distributed energy resources including the 2020 policy updates for the Avoided Cost Calculator. The proposed decision explained that these actions have continuing related activities, most notably the 2022 major review of the Avoided Cost Calculator set to commence in August 2021 with a workshop led by the Energy Division. The proposed decision found such activities could be more appropriately resolved in two rulemakings: 1) Rulemaking (R.) 21-06-007, the *Order Instituting Rulemaking to Modernize the Electric Grid for a High Distributed Energy Resources Future* and 2) an anticipated new rulemaking to address continuing activities related to the cost-effectiveness analysis framework, including the previously scheduled biennial major update of the Avoided Cost Calculator.

The Commission withdrew the proposed *Order Closing Rulemaking 14-10-003* prior to the August 5, 2021 Commission meeting, due to a delay in the issuance of the anticipated rulemaking to address cost-effectiveness framework activities.

## **2. An Extension of the Statutory Deadline is Necessary**

The delay of the anticipated rulemaking to address cost-effectiveness framework activities creates a void for the consideration of the 2021-2022 update of the Avoided Cost Calculator. The Commission established the schedule for the biennial review, in D.19-05-019, beginning with an August workshop led by the Energy Division. While dates have been established for the workshop and service of testimony, transparency and regulatory certainty requires the Commission to ensure R.14-10-003 remains open to allow for evidentiary

hearing, briefing, and a proposed decision on 2022 updates to the Avoided Cost Calculator. Accordingly, it is necessary and appropriate to extend the statutory deadline for an additional year to September 15, 2022 to consider and complete the biennial major update on the Avoided Cost Calculator in R.14-10-003.

### **3. Waiver of Comment Period**

Under Rule 14.6(c)(4) of the Commission's Rules of Practice and Procedure, the Commission may reduce or waive the period for public review and comment of proposed decisions extending the deadline for resolving ratesetting proceedings. Accordingly, the otherwise applicable period for public review and comment is being waived.

### **4. Assignment of Proceeding**

Darcie L. Houck is the assigned Commissioner and Kelly A. Hymes is the assigned Administrative Law Judge in these proceedings.

### **Findings of Fact**

1. D.21-08-020 extended the statutory deadline to September 15, 2021 to consider the proposed *Order Closing Rulemaking 14-10-003*.

2. The proposed *Order Closing Rulemaking 14-10-003* stated a future rulemaking would be opened to consider ongoing cost-effectiveness framework activities from R.14-10-003, including the biennial major update of the Avoided Cost Calculator.

3. The Commission withdrew the *Order Closing Rulemaking 14-10-003* due to the delay of the anticipated rulemaking to address ongoing cost-effectiveness framework activities.

4. The delay of the anticipated rulemaking to address cost-effectiveness framework activities creates a void for the consideration of the 2021-2022 update of the Avoided Cost Calculator.

5. Transparency and regulatory certainly necessitates R.14-10-003 remains open to allow for evidentiary hearing and briefing.

6. Accordingly, it is necessary and appropriate to extend the statutory deadline for an additional year to September 15, 2022 to consider and complete the biennial major update on the Avoided Cost Calculator in R.14-10-003.

**Conclusion of Law**

Pursuant to the authority granted to the Commission under Pub. Util. Code § 1701.5(a), the statutory deadline should be extended to September 15, 2022.

**IT IS ORDERED** that the statutory deadline in this proceeding is extended until September 15, 2022.

This order is effective today.

Dated September 9, 2021, at San Francisco, California.

MARYBEL BATJER

President

MARTHA GUZMAN ACEVES

CLIFFORD RECHTSCHAFFEN

GENEVIEVE SHIROMA

DARCIE L. HOUCK

Commissioners