

Rulemaking 24-09-012 September 26, 2024

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

Order Instituting Rulemaking to  
Establish Policies, Processes, and  
Rules to Ensure Safe and Reliable Gas  
Systems in California and Perform  
Long-Term Gas System Planning.

Rulemaking 24-09-012

**ORDER INSTITUTING RULEMAKING TO ESTABLISH POLICIES,  
PROCESSES, AND RULES TO ENSURE SAFE AND RELIABLE  
GAS SYSTEMS IN CALIFORNIA AND LONG-TERM  
GAS SYSTEM PLANNING**

ORDER INSTITUTING RULEMAKING TO ESTABLISH POLICIES,  
PROCESSES, AND RULES TO ENSURE SAFE AND RELIABLE GAS  
SYSTEMS IN CALIFORNIA AND LONG-TERM GAS SYSTEM PLANNING  
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**Attachment A - Joint Agency Staff Gas Transition White Paper**

**ORDER INSTITUTING RULEMAKING TO ESTABLISH POLICIES,  
PROCESSES, AND RULES TO ENSURE SAFE AND RELIABLE  
GAS SYSTEMS IN CALIFORNIA AND LONG-TERM  
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**Summary**

We open this rulemaking to continue the work of Order Instituting Rulemaking (R.) 20-01-007. Significant time has elapsed since that proceeding opened; several decisions were issued in that proceeding to resolve some of the scoped issues; and numerous broad and complex issues remain unresolved. Moreover, the California Public Utilities Commission (Commission) recently recognized in Decision 24-03-057, that there are several additional potential issues not previously scoped in R.20-01-007, that may need to be examined in resolving some of the outstanding issues.

At this time, considering the extent of additional work that will be needed to address the remaining issues scoped into R.20-01-007, the Commission will close R.20-01-007 and instead take up those remaining issues, as well as potential new issues, in this instant focused successor rulemaking.

Broadly, the primary purpose of gas transition planning is to facilitate decarbonization activities over time in a way that supports equity, safety and affordability, and mitigates reliability challenges, commodity price spikes and other potential adverse outcomes. Long-term planning work will require consideration of data and analytical needs and provide an additional tool for the Commission to assess the trajectory of developments in the gas sector over time with reference to metrics and milestones set out in scenario analyses.

This rulemaking seeks to advance this much needed long-term planning work in the gas sector while also examining and acting on opportunities for

interim actions that can advance decarbonization and mitigate risks in the nearer term, while long-term planning is underway. Key objectives will be to:

- a. Develop and implement long-term gas transition planning approaches, methodologies and objectives to help the Commission inform and operationalize the gas transition, including gas transition scenario analyses and estimates of potential rate and revenue requirement impacts, consideration of ratemaking options and other actions that may be needed to maintain affordability and mitigate risks of the transition; and
- b. Identify and act on opportunities for interim actions that can help reduce system and ratepayer costs and facilitate decarbonization in the nearer term, while long-term planning work is underway. This may include discrete measures or actions as well as policy development to facilitate consideration of issues related to the gas transition in other Commission proceedings and, where appropriate, opportunities to leverage ratepayer and non-ratepayer funds.

## **1. Background**

### **1.1. Factual Background**

The California Public Utilities Commission (Commission or CPUC), in coordination with the California Energy Commission (CEC) and the California Air Resources Board (CARB) co-authored a white paper, filed on the docket of Rulemaking (R.) 20-01-007 on February 22, 2024, discussing joint agency roles in gas transition planning activities and framing key issues in California's gas transition (Joint Agency White Paper).<sup>1</sup> This Joint Agency White Paper sets forth the three agencies' shared guiding principles for equity and transparency. It

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<sup>1</sup> See R.20-01-007, ruling issued 2/22/2024, Appendix A, "Joint Agency Staff Gas Transition White Paper. Also see Attachment A to this OIR, "Joint Agency Staff Gas Transition White Paper."

outlines activities for ongoing coordinated planning across agencies, informs the CPUC's long-term gas planning activities, and puts forward key considerations that must be balanced in furtherance of an equitable transition to a secure and sustainable energy future. The Joint Agency White Paper is attached as Appendix A to this Order Instituting Rulemaking (OIR).

California's gas system is an interconnected network that supplies more than 11 million customers with fossil gas (also known as "natural gas" or "gas") each day.<sup>2</sup> The primary users of fossil gas in California are residential and commercial buildings, electricity generation, and industrial operations; each representing roughly one-third of total demand. Thoughtful planning of the transition away from fossil gas will help achieve California's climate goals while also helping the State identify and evaluate actions that can reduce rate and bill impacts as well as ensuring safe and reliable operation of the gas system, supporting public health, prioritizing disadvantaged communities, and advancing opportunities to engage the affected gas workforce.

Managing the gas transition to reduce and balance risks to affordability, reliability, and safety is a critical goal. The gas transition, with its associated changes in supply and demand, presents two main risks to affordability that could come from maintaining too much or too little infrastructure. Because the gas and electric systems are interdependent, both systems face these risks.

The first risk of the gas transition is to potential cost and relatedly rate increases, primarily due to necessary maintenance of aging infrastructure,

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<sup>2</sup> CPUC. Natural Gas and California. <https://www.cpuc.ca.gov/industries-and-topics/natural-gas/natural-gas-and-california>.

upgrades related State and Federal mandates,<sup>3</sup> and future decline in fossil gas demand resulting in fixed costs being spread among fewer customers. To the extent that cost pressures result in gas rate increases that further incentivize customers to switch from gas to electricity, a feedback loop could result where costs become increasingly concentrated on a smaller pool of remaining customers. Because lower income customers and renters face more barriers to fuel substitution, this is one of the core equity challenges presented by the gas transition.

The second risk of the gas transition relates to retirement of gas transmission and storage infrastructure before gas demand has dropped sufficiently. Imbalances between gas supply and demand can lead to gas commodity price spikes that impact gas customers directly as they are passed through into rates.<sup>4</sup> Electric customers are also impacted by gas price spikes because the marginal electric producer sets the price paid to all producers in the California Independent System Operator (CAISO) markets, and gas-fired electric generators are often the marginal producer.<sup>5</sup>

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<sup>3</sup> The safety risks of this aging infrastructure have made themselves known in several high-profile events – including the gas pipeline explosion in San Bruno which killed eight people and the gas storage leak at Aliso Canyon which temporarily displaced nearly 10,000 families.

<sup>4</sup> For example, the CPUC’s Energy Division found that the combined impact of restrictions on Aliso Canyon and loss of transmission pipeline capacity cost gas ratepayers approximately \$2.25 per bill and electric ratepayers \$599 million in total in 2018. “Aliso Canyon I.17-02-002 Phase 2: Results of Econometric Modeling” <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/natural-gas/aliso-canyon/november-2-2020-results-of-econometric-modeling.pdf>

<sup>5</sup> In 2023, CAISO released a “Gas Conditions and CAISO Markets” report that found that its energy market saw \$3 billion in excess costs in December 2022 due to high gas prices: <https://www.caiso.com/Documents/Gas-Conditions-and-CAISO-Markets-Report-for-Dec2022-Jan2023.pdf>

The CPUC has already issued two important decisions related to the gas transition. First, it adopted a Gas Infrastructure General Order (GO-177) that requires large and environmentally impactful gas investment projects to receive a Certificate of Public Convenience and Necessity before construction begins. GO-177 serves as an important step towards development of a more comprehensive planning process for the gas transition.<sup>6</sup>

Second, the CPUC issued a decision adopting review criteria for repair or replacement of gas transmission pipeline infrastructure. The decision also adopted criteria to determine when declining demand can enable transmission pipelines to be derated or decommissioned without negatively affecting reliability.<sup>7</sup>

The policy complexity and technical considerations for transitioning away from fossil gas will require close coordination among State agencies over a long-term planning horizon. No process currently exists to coordinate gas planning across utilities, over time, or with other related activities and State goals. The CPUC's general rate cases gather some relevant data but not at the level of detail needed. Utilities themselves do not have control or authorities over their customers' energy decisions. To achieve California's decarbonization goals and effectuate an equitable gas transition, a coordinated, iterative, and long-term planning process will help the State agencies and utilities align initiatives related to gas system planning efforts and analytics.

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<sup>6</sup> Decision (D.) 22-12-021:

<https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M499/K705/499705675.PDF>

<sup>7</sup> D.23-12-003:

<https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M521/K892/521892086.PDF>

## **1.2. Procedural Background**

On January 27, 2020, the Commission issued an OIR, resulting in R.20-01-007. The purpose of R.20-01-007 was to respond to past and prospective events that require changes to certain policies, processes, and rules that govern the natural gas utilities in California.

The Commission adopted six decisions in that proceeding, as follows:

- D.21-11-021 established an Operational Flow Order structure for Southern California Gas Company (SoCalGas) and San Diego Gas & Electric Company (SDG&E) (jointly, the Sempra Companies).
- D.22-04-042 extended the year-round SoCalGas Rule 30 Operational Flow Order winter non-compliance penalty structure and applied it to the Sempra Companies and Pacific Gas & Electric Company (PG&E). To implement D.22-04-042, Resolution UEB-013, issued on June 14, 2023, adopted a citation program to enforce compliance with natural gas utility minimum design standards.
- D.22-07-002, among other things, established a framework for a citation program when a utility fails to maintain adequate backbone capacity and reaffirmed the previously established design standards.
- D.22-12-021 adopted GO 177, which applies to large gas infrastructure projects and gas infrastructure impacting sensitive populations.
- D.23-12-003 resolved issues regarding transmission pipelines and natural gas storage facilities and adopted review criteria and information requirements for gas utility applications proposing to repair or replace transmission pipeline infrastructure.
- D.24-03-057, issued March 28, 2024, extended the statutory deadline in R.20-01-007 to March 31, 2027, and noted that based on the record developed to date in R.20-01-007, significant work remains and a subsequent phase or phases

are necessary to examine and address a multitude of potential additional issues.

### 1.3. Policy Drivers

The table below summarizes a selection of legislative and non-CPUC agency policy drivers that set the stage for this proceeding.<sup>8</sup>

Year	Policy Driver	Impact
2022	Assembly Bill (AB) 1279 (Muratsuchi), Stats. 2022, ch. 337	AB 1279 adopts the goal to achieve economy-wide carbon neutrality by 2045 and maintain net negative Greenhouse Gas (GHG) emissions thereafter and to ensure that by 2045 statewide anthropogenic GHG emissions are reduced at least 85 percent below 1990 levels.
2022	CARB's 2022 State Implementation Plan Strategy <sup>9</sup>	Proposes a zero-GHG emission standard concept for space and water heaters sold in California to go into effect in 2030 and calls for CARB staff to propose standards for these appliances by 2025.
2022	CEC's 2022 Building Energy Efficiency Standards <sup>10</sup>	Encourages electric heat pump technology for space and water heating in newly constructed homes, establishes electric-ready requirements for homes, expands solar Photo-voltaic (PV) and battery storage standards for commercial buildings, and strengthens ventilation standards to improve indoor air quality. The new standards became effective January 1, 2023.
2022	CARB's 2022 Scoping Plan <sup>11</sup>	Identifies actions to dramatically reduce fossil gas consumption to meet the State's GHG reduction targets in AB 1279. In the Scoping Plan Scenario, almost all building energy demand is met by

<sup>8</sup> For a more extensive list, see "Joint Agency Staff Gas Transition White Paper," Appendix B.

<sup>9</sup> <https://ww2.arb.ca.gov/resources/documents/2022-state-strategy-state-implementation-plan-2022-state-sip-strategy>

<sup>10</sup> <https://www.energy.ca.gov/programs-and-topics/programs/building-energy-efficiency-standards/2022-building-energy-efficiency>

<sup>11</sup> <https://ww2.arb.ca.gov/resources/documents/2022-scoping-plan-documents>

		electricity by 2045 and biofuel and low-carbon hydrogen meet approximately 15 percent of industrial demand.
2018	SB 100 (de León), Stats. 2018, ch. 312 <sup>12</sup>	Puts into law the State’s commitment to a 100 percent renewable and zero-carbon electricity system by 2045, which will significantly decrease the State’s use of fossil gas in the electric sector. SB 1020 (Laird, 2022) added targets of 90 percent renewable energy by 2035 and 95 percent by 2040.
2018	SB 1440 (Hueso), Stats. 2018, ch. 739 <sup>13</sup>	Directed the CPUC to consider a biomethane procurement program. The CPUC’s subsequent decision <sup>14</sup> established a Renewable Gas Standard for the gas IOUs to procure 12.2 percent of 2020 annual core customer demand <sup>15</sup> as biomethane by 2030.
2016	SB 1383 (Lara), Stats. 2016, ch. 395 <sup>16</sup>	Set a target of achieving a 40 percent reduction in statewide methane emissions below 2013 levels by 2030.

## 2. Jurisdiction

Pursuant to the California Public Utilities (Pub. Util.) Code Sections 451, 701, and 761, and Article XII, Section 6 of the California Constitution, CPUC has the authority and responsibility to regulate natural gas public utilities in California and to do all things that are necessary to ensure adequate and reliable public utility service to California ratepayers at just and reasonable rates.

<sup>12</sup> [https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=201720180SB100](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB100)

<sup>13</sup> [https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=201720180SB1440](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180SB1440)

<sup>14</sup> See D.22-02-025

<sup>15</sup> Excluding Compressed Natural Gas Vehicle demand, as noted in the California Gas Report (approximately 72.8 Bcf).

<sup>16</sup> [https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=201520160SB1383](https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160SB1383)

## **2.1. Joint Agency Roles in Gas Transition Planning<sup>17</sup>**

The Commission regulates investor-owned utility services, expenditures, and rates, with the goal of protecting consumers, safeguarding the environment, and assuring Californians' access to safe, reliable, and affordable energy. Relevant authorities include approving utility rate structures and cost allocations, establishing safety and reliability standards, and overseeing utility programs and pilots to incentivize and enable a gas transition. Currently, this work is spread across various active proceedings before the CPUC, including general rate cases, R.20-01-007 (commonly referred to as "the Long-Term Gas Planning Rulemaking", and R.19-01-011 (commonly referred to as "the Building Decarbonization Rulemaking").

CEC is the lead agency on statewide energy planning and policy. CEC's role includes overarching forecasting and analysis related to gas planning topics. CEC's primary venues for this work are the Integrated Energy Policy Report, which provides an assessment of major energy trends and issues facing California's electricity, gas, and transportation fuel sectors, and its proceeding on gas decarbonization.<sup>18</sup> CEC administers incentive programs that support the gas transition including significant funding for electric heat pumps for low-income and disadvantaged communities, through its Equitable Building Decarbonization Program. CEC also administers relevant clean energy research and development programs and develops energy efficiency standards for buildings and appliances.

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<sup>17</sup> See Attachment A, "Joint Agency Staff Gas Transition White Paper," Preface at 4-5.

<sup>18</sup> California Energy Commission, Docket No. 22-OII-02.

CARB is the lead agency for climate change programs and oversees all air pollution control efforts in California to attain and maintain health-based air quality standards. CARB leads the Scoping Plan process, which outlines pathways and actions to achieve the State’s climate targets such as economy-wide carbon neutrality and reducing emissions 85 percent below 1990 levels by 2045 per AB 1279. Its Scoping Plan is updated at least once every five years, and the 2022 Scoping Plan Update provides a planning framework for aligning the gas system with the State’s overall climate targets and air pollution mandates.

## **2.2. Related Commission Programs and Proceedings**

The following is a list of Commission various programs and proceedings that are related to Long-Term Gas System Planning work. This list is not intended to be exhaustive and may change and otherwise expand over the course of this proceeding.<sup>19</sup>

- Technology and Equipment for Clean Heating (TECH)
- Building Initiative for Low-Emissions Development (BUILD)
- Natural Gas Research Programs
- Electric Program Investment Charge (EPIC)
- Energy Efficiency Programs
- San Joaquin Valley Affordable Energy Pilots
- R.20-01-007, Long-Term Gas Planning Rulemaking
- R.19-01-011, Building Decarbonization Rulemaking
- R.13-02-008, Renewable Gas Rulemaking.

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<sup>19</sup> See Attachment A, “Joint Agency Staff Gas Transition White Paper,” Appendices C and D.

### **3. Preliminary Scoping of Issues**

The Commission will conduct this rulemaking in accordance with Article 6 of the Commission's Rules of Practice and Procedure (Rules). As required by Rule 7.1(d), this OIR includes a preliminary scope of issues as set forth below.

1. Long-Term Gas Transition Planning Issue
  - a. How should the CPUC approach long-term gas planning?
  - b. Should the Commission direct gas and dual fuel utilities to develop gas transition scenarios reflecting the CARB 2022 Scoping Plan?
    - i. What metrics and/or milestones should Commission adopt to assess progress against the Scoping Plan scenario and how should they be used?
    - ii. How can these scenarios build from measures discussed in the Scoping Plan, such as building decarbonization measures and appliance standards?
    - iii. How should the Commission direct gas and dual fuel utilities to reflect forecasts developed by the CEC as well as by the utilities in the California Gas Report?
    - iv. How should these scenarios be constructed to develop information of particular interest to the CPUC, such as rate impacts and changes in the revenue requirement over time, infrastructure utilization over time, and identification of metrics or milestones to track or project the rate of change in the gas system?
    - v. How should the scenario analyses inform long-term gas planning and on what timeframe could scenarios be developed and reviewed?

- c. How can the CPUC ensure greater transparency into gas utilities' systems?
- d. How can data-sharing be facilitated between gas and electric utilities, as well as between CPUC-jurisdictional utilities and others who need data, including overlapping publicly owned utilities?
- e. Which entities and stakeholders need gas data, and how should it be provided to them?
- f. How should confidentiality concerns be addressed?
- g. What process changes should be adopted to review gas distribution system capital investments?
- h. How should research, implementation, and coordination efforts be leveraged and encouraged?
- i. How should cost recovery concerns be addressed?
- j. How should affordability, equity, safety, reliability and workforce transition issues be addressed in long term planning?

## 2. Opportunities for Interim Action

- k. What are the short- and medium-term actions the CPUC and/or utilities should take to reduce gas infrastructure system costs and facilitate decarbonization?
- l. How should these actions be identified, prioritized, reviewed, approved, and reported on?
- m. How should the CPUC address ratemaking options, stranded assets and potential increased costs, including via changes to depreciation methodology?
- n. What best practices in supporting the gas transition should be considered in gas and/or electric ratemakings?
- o. Should the CPUC consider new regulatory options (i.e., advice letters, general orders, and/or other actions) to support the gas transition?
- p. How should the CPUC advance the Commission's Environmental and Social Justice Action Plan goals and

address impacts to and needs of Access and Functional Needs populations?

- q. How should the CPUC address worker transition strategies, including but not limited to worker retention and retraining?
- r. How should building electrification and other decarbonization and gas-related programs and proceedings be leveraged?
- s. What ratepayer and/or non-ratepayer funds could be leveraged in support of the gas transition, and what type of guidance, if any, would be needed?
- t. How should the CPUC incorporate customer needs, impacts, and considerations?
- u. How can overall transition and related ratemaking activities be structured to ensure affordability, safety, and reliability?

To achieve the two key objectives identified in the Summary section of this OIR, the Assigned Commissioner's Scoping Memo and Ruling (Scoping Memo) may determine how and whether the preliminary issues identified above in this OIR should be examined: concurrently, sequentially, or any combination thereof. The items listed above are organized by general topic area for clarity, but subsequent scoping memos in this proceeding may group the items within these topic areas differently, as to promote fair and efficient resolution of the issues. Additionally, the issues listed above, and more granular components of those issues, may be adjusted during the course of this proceeding by subsequent scoping memo in response to potential new legislation affecting the issues identified in this OIR.

**4. Categorization, Ex Parte Communications, and Need for Hearing**

This proceeding is preliminarily categorized as ratesetting, but the Scoping Memo and Ruling may determine that certain issues or topic areas will be categorized differently, as appropriate. Accordingly, restrictions and reporting requirements regarding ex parte communications apply pursuant to Article 8 of the Rules.

Any person who objects to the preliminary categorization of this rulemaking or to the preliminary hearing determination shall state their objections in comments on the OIR. After considering the comments, the assigned Commissioner will issue a Scoping Memo and Ruling making a final category determination; this final category determination is subject to appeal as specified in Rule 7.6.

Per Rule 7.5(a), we preliminarily determine that evidentiary hearings are not necessary. However, the assigned Commissioner may re-evaluate the need for evidentiary hearings when issuing any Scoping Memo and Ruling for this proceeding. The proceeding shall include at least one workshop providing an opportunity for parties to discuss the issues and at least one public engagement workshop.

**5. Preliminary Schedule**

The preliminary schedule for the OIR is summarized below and is adopted. The preliminary schedule includes the provisions for the filing of comments and reply comments on this OIR. The schedule may be revised by the assigned Commissioner or the assigned Administrative Law Judge (ALJ) to develop an adequate record, provide due process, and conduct this proceeding in an orderly and efficient manner. Parties may comment on the preliminary

schedule in addition to identifying a need for, and date for, any additional events such as workshops.

The below schedule also confirms that the Commission will notice and host a workshop in which all parties to this proceeding are invited to participate. The purpose of the workshop is to discuss key objectives of this proceeding, including scenario planning and opportunities for interim actions.

The workshop will take place on November 14, 2024, at 10:00 a.m., both in person at Hearing Room A, 1516 9<sup>th</sup> St, Sacramento, CA, 95814 and online, allowing participants to join virtually. The workshop will feature Commission staff presentations from CPUC, CEC, and CARB, followed by opportunities for question and answers (Q&As) and public comment. A workshop agenda will be served on the service list approximately one week before the event. Notice of such workshops will be posted on the Commission’s Daily Calendar to inform the public that a decisionmaker or an advisor may be present at those meetings or workshops.

The preliminary schedule for this proceeding is as follows and the remainder of the proceeding schedule will be adopted in the assigned Commissioner’s Scoping Memo and Ruling.

<b>Event</b>	<b>Date</b>
Workshop <sup>20</sup>	November 14, 2024
Opening Comments on OIR filed and served	December 16, 2024
Reply Comments on OIR filed and served	January 3, 2025

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<sup>20</sup> A workshop report may be generated afterward.

Prehearing Conference	January 2025
Scoping Memo and Ruling	Quarter 1 2025

Pursuant to Code § 1701.5(a) and based upon the complexity of issues preliminarily identified in this rulemaking and the anticipated need to coordinate with multiple other proceedings and agencies, we find that this rulemaking cannot be resolved in 18 months. As such, the statutory deadline for this proceeding is September 30, 2027.

**6. Respondents**

The Commission names the following gas utilities and independent storage providers as respondents: Alpine Natural Gas, Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Gas Company, Southwest Gas Corporation, West Coast Gas Company, Inc., Central Valley Gas Storage, Gill Ranch Storage, Lodi Gas Storage, and Wild Goose Storage. These named respondents are parties to this rulemaking (*See* Rule 1.4(d).)

Within 15 days of issuance of this rulemaking, each respondent shall inform the Commission’s Process Office of the contact information for a single representative.

**7. Parties to R.20-01-007 and Official Service List**

All those granted party status in R.20-01-007 are granted party status in this rulemaking proceeding, to the same extent as permitted in that proceeding in this instant proceeding. CPUC’s Process Office is instructed to use the service list of R.20-01-007 as the official service list for this instant rulemaking proceeding.

## 8. Service of OIR

This OIR will be served on respondents, identified in this OIR, and on the service lists of: R.20-01-007; R.13-02-008 and R.19-01-011.

With the exception noted in Section 7 of this OIR, service of the OIR does not confer party status or place any person who has received such service on the official service list for this proceeding, other than respondents. Persons who file responsive comments thereby become parties to the proceeding (see Rule 1.4(a)(2)) and will be added to the “Parties” category of the official service list upon such filing.

Additionally, this OIR will be made available to the CEC and CARB.

For those without party status, to assure service of comments and other documents and correspondence in advance of obtaining party status, persons should promptly request addition to the “Information Only” category as described below; they will be removed from that category upon obtaining party status. Any person will be added to the “Information Only” category of the official service list upon request, for electronic service of all documents in the proceeding, and should request to do so promptly in order to ensure timely service of comments and other documents and correspondence in the proceeding.<sup>21</sup> The request must be sent to the Process Office by e-mail ([process\\_office@cpuc.ca.gov](mailto:process_office@cpuc.ca.gov)) or letter (Process Office, California Public Utilities Commission, 505 Van Ness Avenue, San Francisco, California 94102). Please include the Docket Number of this rulemaking in the request.

With respect to subscription service, persons may monitor the proceeding by subscribing to receive electronic copies of documents in this proceeding that

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<sup>21</sup> Rule 1.9(f).

are published on the Commission's website. There is no need to be on the official service list in order to use the subscription service. Instructions for enrolling in the subscription service are available on the Commission's website at <http://subscribecpuc.cpuc.ca.gov/>.

## **9. Filing and Service of Comments and Other Documents**

Filing and service of comments and other documents in this proceeding are governed by the rules contained in article 1 of the Commission's Rules of Practice and Procedure. (*See* particularly Rules 1.5 through 1.10 and 1.13.) If you have questions about the Commission's filing and service procedures, contact the Docket Office ([Docket\\_Office@cpuc.ca.gov](mailto:Docket_Office@cpuc.ca.gov)) or check the Practitioner's Page on our website at [www.cpuc.ca.gov](http://www.cpuc.ca.gov).

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.<sup>22</sup>

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.

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<sup>22</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>

Rule 1.10(d) requires that “the serving person must provide a paper copy of all documents served by e-mail service to the assigned Administrative Law Judge (or, if none is yet assigned, to the Chief Administrative Law Judge), unless the Administrative Law Judge orders otherwise.” In this proceeding, parties are excused from serving the ALJ with hardcopy (paper copy) of the electronic filed or served documents. Likewise, 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. This means, parties must not send hard copies of documents to Commissioners or their personal advisors unless specifically instructed to do so.

#### **10. Subscription Service**

Persons who are not parties but wish to monitor the proceeding may do so by subscribing to receive electronic copies of documents in this proceeding that are published on the Commission’s website. There is no need to be on the official service list in order to use the subscription service. Instructions for enrolling in the subscription service are available on the Commission’s website at <http://subscription.cpuc.ca.gov/>.

#### **11. Intervenor Compensation**

Intervenor compensation is permitted in this proceeding. Pursuant to 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 within 30 days after the prehearing conference. Parties new to participation in Commission proceedings may contact the Commission’s Public Advisor for further guidance.

#### **12. Public Advisor**

Any person or entity 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 1-866-849-8390 or 1-866-836-7825 (TTY), or send an email to [public.advisor@cpuc.ca.gov](mailto:public.advisor@cpuc.ca.gov).

## **O R D E R**

**IT IS ORDERED** that:

1. This Order Instituting Rulemaking is adopted pursuant to Rule 6.1 of the Public Utilities Commission's Rules of Practice and Procedure.
2. The preliminary categorization is ratesetting.
3. The preliminary determination is that evidentiary hearings are not required.
4. The preliminary scope of issues is as set forth above in Section 3.
5. The preliminary schedule for this proceeding is as set forth above in Section 5.
6. Comments on the Order Instituting Rulemaking are due December 16, 2024.
7. Reply comments on the Order Instituting Rulemaking are due January 3, 2025.
8. All those granted party status in R.20-01-007 are granted party status in this rulemaking proceeding, to the same extent as permitted in that proceeding.
9. The Executive Director will cause this Order Instituting Rulemaking to be served on all respondents and on the service lists for the following Commission proceedings: R.20-01-007, R.13-02-008, and R.19-01-011.

10. The Executive Director will cause this Order Instituting Rulemaking to be served on the California Energy Commission and the California Air Resources Board.

11. The Commission's Energy Division will host a workshop on November 14, 2024, at 10:00 a.m., both in person at Hearing Room A, 1516 9th St, Sacramento, CA, 95814 and online, allowing participants to join virtually. The workshop will feature staff presentations from CPUC, CEC, and CARB, followed by opportunities for question and answers and public comment. A workshop agenda will be served on the service list approximately one week before the event. This notice shall be added to the Daily Calendar once this OIR is adopted.

12. Any party that expects to claim intervenor compensation for its participation in this Order Instituting Rulemaking must file its notice of intent to claim intervenor compensation in accordance with Section 11 of this OIR, Public Utilities Code Section 1804(a)(1), and Rule 17.1(a)(2) of the Commission's Rules of Practice and Procedure.

13. The assigned Commissioner and Administrative Law Judge may make any revisions to the proceeding schedule adopted today as necessary to facilitate the efficient management of the Order Instituting Rulemaking.

14. Parties are excused from Rule 1.10(d) of the Commission's Rules of Practice and Procedure requirement and shall avoid serving any paper copy of documents electronically filed or electronically served.

15. The statutory deadline for this proceeding is September 30, 2027.

16. This order is effective today.

Dated September 26, 2024, at San Francisco, California.

ALICE REYNOLDS

President

DARCIE L. HOUCK

JOHN REYNOLDS

KAREN DOUGLAS

MATTHEW BAKER

Commissioners