CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES
QUARTERLY STAFF REPORT
FEBRUARY – APRIL 2022

I. SCHEDULE OF UPCOMING EVENTS:

Date and Time	Event Name	Proceeding Number
May 2022	Proposed Decision on Implementation Track – Phase 2	R.21-10-002 (Resource Adequacy (RA))
May 6, 2022	Opening Comments on Final 2023 Local Capacity Requirement (LCR) Report	R.21-10-002 (RA)
May 9, 2022	Opening Comments on Proposed Decision (PD) Approving Settlements	A.20-06-011 (PG&E Regionalization)
May 12, 2022	Reply Comments on Renewables Portfolio Standard (RPS) Market Price Benchmarks (MPBs)	R.17-06-026 (Power Charge Indifference Adjustment (PCIA))
May 13, 2022	Reply Comments on Final 2023 LCR Report	R.21-10-002 (RA)
Mid-May 2022	CAISO submits final Flexible Capacity Requirement (FCR) Report	R.21-10-002 (RA)
May 16, 2022	Opening Comments on Greenhouse Gas Emissions (GHG) Ruling	R.20-05-003 (Integrated Resource Plan (IRP))
May 16, 2022	Reply Comments on Proposed Decision (PD) Approving Settlements	A.20-06-011 (PG&E Regionalization)
May 16, 2022:	Investor-Owned Utilities (IOUs) to file Confidential Market Offer Strategies as part of Voluntary Allocation Market Offer (VAMO)	R.18-07-003 (RPS)
May 16, 2022	Opening Comments on Arrearages Management Plan (AMP) Updates	R.18-07-005 (Disconnections)
May 17, 2022	Prehearing Conference	(A.22-02-005, et al.) Energy Efficiency (EE) Business Plans
May 18, 2022	Reply Briefs	R.19-01-011 (Building Decarb.)
May 18, 2022	Opening Comments on PD on New Qualifying Facility (QF) Standard Offer Contract (SOC)	R.18-07-017 (PURPA)
May 20, 2022	Gas Utilities to supply gas distribution system and gas consumption information.	R.20-01-007 (Gas Reliability)
May 23, 2022	Reply Comments on GHG Emissions Ruling	R.20-05-003 (IRP)
May 23, 2022	Reply Comments on PD on New QF SOC	R.18-07-017 (PURPA)
May 27, 2022	Energy Index MPB Proposals	R.17-06-026 (PCIA)
May 30, 2022	Reply Comments on AMP Updates	R.18-07-005 (Disconnections)
End of May 2022	Opening Testimony on Track 2a (Repair Criteria, etc.)	R.20-01-007 (Gas Reliability)
Summer 2022	Proposed Decision on Reform Track	R.21-10-002 (RA)
June 2022	ALJ Ruling on Draft Multi-Property Microgrid Tariff (MPMT) Guiding Principles	R.19-09-009 (Microgrids)
June 3, 2022	Distribution Upgrades Cost Sharing Workshop Two	R.17-07-007 (Rule 21)
June 6, 2022	Opening Comments on Market Offer Process	R.18-07-003 (RPS)
June 13, 2022	Reply Comments on Market Offer Process	R.18-07-003 (RPS)
June 16, 2022	Opening Comments on the Energy Index MPB	R.17-06-026 (PCIA)
June 30, 2022	Reply Comments on Energy Index MPB	R.17-06-026 (PCIA)
End of June 2022	Rebuttal Testimony on Track 2a (Repair Criteria, etc.)	R.20-01-007 (Gas Reliability)
Second Half of 2022	Issues associated with new portfolio applications	R.13-11-005 (Energy Efficiency)

Date and Time	Event Name	Proceeding Number
Second Half of 2022	Rules for CCAs that elect to administer EE programs and regional energy networks	R.13-11-005 (Energy Efficiency)
Third Quarter 2022	Proposed Decision on Market Offer Process	R.18-07-003 (RPS)
Third Quarter 2022	Community Engagement Needs Assessment Scope and Objectives Workshop	R.20-01-007 (Gas Reliability)
July 2022	Hearings on Track 2a (Repair Criteria, etc.)	R.20-01-007 (Gas Reliability)
July 2022	Opening and Reply Comments on MPMT Guiding Principles	R.19-09-009 (Microgrids)
July 1, 2022	IOUs, Small Utilities, ESPs, and CCAs file final annual RPS Procurement Plan	R.18-07-003 (RPS)
August 2022	Opening and Reply Briefs on Track 2a	R.20-01-007 (Gas Reliability)
August 2022	ALJ Ruling on Microgrid Multi-Property Tariff (MMPT) Proposals	R.19-09-009 (Microgrids)
August 2022	Stakeholder Proposals for MMPT Proposals	R.19-09-009 (Microgrids)
August 2022	Proposed Decision on Phase III	R.19-01-011 (Building Decarb.)
August 1, 2022	Opening Comments on RPS Procurement Plans	R.18-07-003 (RPS)
August 1, 2022	Motion Requesting Evidentiary Hearings	R.18-07-003 (RPS)
August 15, 2022	Motion to Update RPS Procurement Plans	R.18-07-003 (RPS)
August 15, 2022	Reply Comments on RPS Procurement Plan	R.18-07-003 (RPS)
September 2022	Public Workshop on Stakeholder MMPT Proposals	R.19-09-009 (Microgrids)
September 2022	Opening Comments on Stakeholder MMPT Proposals	R.19-09-009 (Microgrids)
September 30, 2022	Opening Testimony	R.17-07-007 (Rule 21)
Fourth Quarter 2022	Electrification Impacts Staff Proposal	R.21-06-017 (High DER Grid)
Fourth Quarter 2022	Utility ICA Refinements 1st Annual Reports, Workshop	R.21-06-017 (High DER Grid)
Fourth Quarter 2022	Track 2 – Proposed Decision	R.18-07-003 (RPS)
October 2022	Reply Comments on Stakeholder MMPT Proposals	R.19-09-009 (Microgrids)
October 2022	Workshop in Track 2b (Equity, Rate Design, Gas Revenues, Safety, and Workforce Issues)	R.20-01-007 (Gas Reliability)
October 2, 2022	Public Workshop on Economic & Equity Impacts of Large Disruptions	R.19-09-009 (Microgrids)
October 3, 2022	Public Workshop on Definitions, Metrics, Tools, and Methods	R.19-09-009 (Microgrids)
October 4, 2022	Public Workshop on Informing Grid Planning	R.19-09-009 (Microgrids)
October 21, 2022	Rebuttal Testimony	R.17-07-007 (Rule 21)
Late October 2022	ALJ Ruling & Energy Divis. Staff Proposal for MMPT	R.19-09-009 (Microgrids)
November 2022	Proposed Decision on Track 2a (Repair Criteria, etc.)	R.20-01-007 (Gas Reliability)
November 2022	Workshop on Multi-Property Tariff	R.19-09-009 (Microgrids)
November 2022	Opening and Reply Comments on Energy Division Staff Proposal for Multi-Property Tariff	R.19-09-009 (Microgrids)
November 4, 2022	Party List of Disputed Facts Served	R.17-07-007 (Rule 21)
November 15, 2022	Remote Status Conference	R.17-07-007 (Rule 21)
November 30, 2022	Deadline to request Evidentiary Hearing for Track 1, Phase 1 issues	R.21-06-017 (High DER Grid)
December 2022	Track 2b Workshop Report	R.20-01-007 (Gas Reliability)
December 1-7, 2022	Evidentiary Hearings	R.17-07-007 (Rule 21)
January 6, 2023	Opening Briefs	R.17-07-007 (Rule 21)
January 20, 2023	Reply Briefs	R.17-07-007 (Rule 21)

II. <u>EXECUTIVE SUMMARY: THE PAST QUARTER AT A GLANCE</u> *(pages 3 – 4):*

Transmission Planning and Development *(full report on page 5)*
CEERT has convened *biweekly meetings on transmission* with GridLab, Dan Jacobson, CEERT affiliates, and allied renewable trade groups to coordinate *filings* and *workshop presentations* at the Independent System Operator (CAISO) and the SB 100 Interagency Working Group. Our focus is on a backlog of *upgrades* and *interconnections* by the investor-owned utilities (IOUs), on *California Public Utilities Commission (CPUC) delays in approving projects* proposed by CAISO, and on ways to *accelerate the transmission planning process* to ensure approval of projects needed to meet clean energy goals.

California Energy Commission and Interagency SB 100 Planning Process *(full report on page 5)*
We have been actively participating in the California Energy Commission (CEC) Interagency Working Group process, which has held hearings and workshops on *transmission*, *reliability*, and *siting* of both transmission and generation. We have also held several meetings with CEC Vice Chair Siva Gunda and his staff to discuss *resource planning* and *modeling methodologies and assumptions*, risks of *transmission deliverability*, and *supply-chain issues* that are affecting clean energy procurement and operations, and threatening grid reliability.

Advocacy at the California Air Resources Board (CARB) *(full report on pages 5 – 6)*
CEERT has been pushing for the lowest feasible *power-sector greenhouse-gas (GHG) target* in CARB's 2022 Scoping Plan Update. With the recent release of a very disappointing draft, we are working with our allies to strengthen the Plan. The draft's errors include a failure to limit the plan's reliance on cap-and-trade allowances, which undermines *economic incentives for reducing emissions*; the reliance on *flawed assumptions in E3's modeling*, which says we need to build new gas plants; and a *delay in the accelerated buildout of clean energy projects* in favor of carbon capture and sequestration. However, alternative scenario #1 does call for building 124 gigawatts (GW) of solar energy, 56 GW of battery storage and 26 GW of hydrogen fuel storage, and all other alternative scenarios aim to meet a target of *"100% clean retail energy sales"* by 2035.

Discussions with the Governor's Office *(full report on page 6)*
CEERT has held several conversations with Karen Douglas, now Senior Energy Advisor to the Governor. Her focus is managing the clean energy buildout, including *transmission upgrades and expansions*, *permitting and planning*, and *interagency coordination*. She is working closely with Jonathan Weisgall, Assemblymember Eddie Garcia, and others on *fiscal and regulatory incentives for new geothermal projects* and implementation of *lithium recovery demonstration projects* as part of the May budget revision.

Discussions with Local Government on Siting Clean Energy Projects *(full report on page 6)*
We worked with NextEra's Cara Martinson, the County Supervisors Association, and the Rural Counties Association on a convening of *local governments*, *environmental and community leaders*, and *renewable developers* to identify barriers and opportunities, such as the potential for *expanding community benefits*.

Los Angeles Department of Water and Power (LADWP) *(full report on page 6)*
V. John White and Jose Carmona have participated in meetings of the Advisory Committee of *LADWP's Strategic Long-Term Plan for 100% Clean Energy*, and of the Equity Advisory Committee. These two bodies are guiding the design and implementation of an *integrated resource plan* for the next 10 years.

Regional Grid Integration *(full report on page 6)*
V. John White moderated a panel on "Regional Market Development: Advancement Toward a Western RTO (regional transmission operator)" at the recent California Clean Energy Procurement Summit. The panel discussed issues of *cost*, *timing*, and the need for *greater coordination and renewable procurement*.

Long-Duration Energy Storage (LDES) *(full report on page 6)*
CEERT is working with CEC staff and other stakeholders on the implementation of *the Governor's proposal for $350 million* over the next two years for *long-duration energy storage demonstration projects*.

Geothermal and Lithium Valley *(full report on pages 6 – 7)*
V. John White has been working on geothermal and lithium issues with Jonathan Weisgall, Assemblymember Eddie Garcia, and environmental justice, labor, and community organizations in the Imperial Valley. Among the topics being discussed are *regulatory streamlining*, *fiscal incentives*, *workforce training*, *community benefits*, and how best to engage environmental justice and community groups in the *planning and environmental reviews of geothermal and lithium-recovery projects*.

Renewable Hydrogen *(full report on page 7)*
CEERT's Maia Leroy and Benner Mullin have collaborated on a paper on hydrogen, covering *hydrogen feedstocks and end-uses*, current *industry tracking and reporting*, and the policy framework for *greater hydrogen opportunities*. The 2022-23 California Governor's budget proposes a *$100 million general fund* over two years to advance the production of green hydrogen, and a tax credit, totaling *$100 million per year for three years*, for entities opting to develop green technologies.

Advocacy at the California Public Utilities Commission (CPUC) *(full report on pages 7 – 18)*
In the *Resource Adequacy rulemaking,* CEERT urged the CPUC to adopt the Joint DER Parties' Phase 2 Proposal, and agreed with the California Efficiency + Demand Management Council on Load Impact Protocols. We supported SCE's proposal for monthly slices of 24 hours, argued that energy deliverability in off-peak hours must be addressed, and urged that policies promoting the closure of gas power plants in disadvantaged communities be coordinated across multiple proceedings.

In the *Integrated Resource Planning* (*IRP) proceeding,* CEERT continued to urge the CPUC to adopt a *30 million metric ton (MMT) GHG target* for the electric sector, and to find that fossil-fueled generation is not needed in the *Preferred System Plan (PSP)*. We also argued that *Aliso Canyon* must be closed as soon as possible. A 2/10/22 Decision in the IRP adopts a PSP portfolio that meets a statewide 38 MMT GHG target for the electric sector in 2030.

The CPUC approved final budgets, incentive levels and other program requirements for the *Self-Generation Incentive Program's (SGIP's) Heat Pump Water Heater program*.

In the *Integrated Distributed Energy Resources (IDER) proceeding*, a CPUC Proposed Decision adopted changes to the *Avoided Cost Calculator*.

In the *Public Utility Regulatory Policies Act* (*PURPA) proceeding*, the CPUC issued a Proposed Decision adopting provisions in the new Qualifying Facility (QF) Standard Offer Contract for *storage-paired PURPA QFs*.

Clean Transportation Advocacy *(full report on pages 18 –21)*
The US-EPA issued a revised waiver reinstituting California's authority to require automobile manufacturers to meet *vehicle pollution standards* more stringent than those set by the federal government.

CEERT and our allies have continued to work with CARB on the Advanced Clean Cars Regulations II, which aims to *lower criteria emissions standards* for conventional vehicles and help reach the zero-emission vehicle (ZEV) Program goal of *all passenger vehicles sold in California being zero-emission by 2035*. We feel CARB Staff's proposed ramp of 2026-2030 ZEV sales requirements is too conservative and risks the state falling short of its 2035 goals.

CEERT and our allies are collaborating with CARB Staff on the Advanced Clean Fleet Regulation to further *reduce emissions from trucking* and expedite California's transition to an *all-ZET truck fleet*. We are working to ensure that the regulation's benefits are maximized for low-income communities.

Transmission Planning and Development

CEERT has continued to convene biweekly meetings on transmission with GridLab and Dan Jacobson, and separate biweekly meetings with CEERT renewable affiliates and allied renewable trade groups, to coordinate filings and participation in workshops at the California Independent System Operator (CAISO) and the SB 100 Interagency Working Group at the California Energy Commission (CEC). These calls have been organized and staffed by Julia Prochnik and Ric O'Connell of GridLab.

Our efforts have focused over the past several months on the backlog of upgrades and interconnections by the investor-owned utilities, as well as CPUC delays in approving transmission projects already proposed by CAISO. In addition, we have been working on ways to improve and accelerate the transmission planning process (TPP) to ensure approval of long lead-time projects needed to meet 100% clean energy targets, possibly by revising the current memorandum of understanding (MOU) between CAISO and CPUC to ensure greater transparency and public input on assumptions and portfolios used in the TPP.

The California Energy Commission (CEC) and the Interagency SB 100 Working Group

CEERT has been actively participating in the CEC Interagency Working Group process, which has held a series of hearings and workshops on transmission, reliability, and siting of both transmission and generation. We have also hosted several meetings with CEC Vice Chair Siva Gunda and his staff to discuss resource planning and modeling methodologies and assumptions, risks of transmission deliverability, and supply-chain issues affecting clean energy procurement and operations and threatening reliability. We discussed possible contingency actions that could be taken if transmission or supply-chain problems impact the deliverability of clean energy needed between now and 2026, including the potential for public, rather than ratepayer, funding for supplemental clean energy supplies, including fuel cells, demand response, DG storage, geothermal, pumped hydro, and transmission upgrades and interconnections.

Advocacy at the California Air Resources Board (CARB)

CEERT has joined with other NGOs in advocating for the lowest feasible greenhouse-gas (GHG) target for the power sector in CARB's Scoping Plan Update. With the recent release of a very disappointing draft, which will be considered at the next CARB meeting, we are working with our allies to strengthen the Plan.

Among the critical errors in the draft scoping plan are: the failure of CARB staff to acknowledge or recognize the need for limiting the plan's reliance on cap-and-trade allowances, which are abundant and keeping allowance prices so low it is unlikely there will be an economic incentive for reducing emissions; the reliance on flawed assumptions in E3's Resolve Capacity Expansion Model, which says we need to build new gas plants, and fails to recognize the sharp increases in gas prices and the impacts on rates; and a delay in the accelerated building of clean energy projects, in favor of trying to deploy carbon capture and sequestration to provide alternative carbon neutrality. We are working to lobby the Administration, developing a communications strategy, and planning to participate in the upcoming CARB hearing. In addition, we have been working to support a strong candidate to succeed retiring CARB Executive Officer Richard Corey. Stay tuned.

CEERT's Mark Hanin has been tracking the public workshops for the Scoping Plan Update, and notes that the Plan's draft heavily relies on carbon dioxide removal (CDR) in all of its alternative scenarios, given that staff view the process as a net benefit for economic growth. However, the scenarios also do discuss the need for more significant amounts of clean energy resources. Alternative 1 calls for building 124 gigawatts (GW) of solar energy, 56 GW of battery storage and 26 GW of hydrogen fuel storage, and all the other alternative scenarios intend to meet a target of "100% clean retail energy sales" by 2035.

Mark reports that Sierra Club will be conducting outreach efforts to get more individuals to provide feedback on the Scoping Plan at the CARB Board's April 28 meeting, and that various Environmental Justice

Advisory Committees have sent a letter to CARB Chair Liane Randolph urging that the Scoping Plan conduct a robust public health equity analysis, prioritize direct emission reductions at the source, minimize reliance on climate policy dead ends, and invest in equitable community-driven solutions.

Discussions with the Governor's Office

We have been engaging in several conversations with former CEC Commissioner Karen Douglas following her appointment as Senior Energy Advisor to the Governor. Her focus is to manage and coordinate the clean energy buildout, including transmission upgrades and expansions, permitting and planning, and interagency coordination. She is working closely with Jonathan Weisgall, Assembly Member Eddie Garcia, and others in the Administration on fiscal and regulatory incentives for the development of new geothermal projects and implementation of lithium recovery demonstration projects, all as part of the upcoming May revision of the Governor's budget.

Discussions with Local Government on Siting Clean Energy and Transmission Projects

We have been working with CEERT Board Member Cara Martinson and colleagues from the County Supervisors Association and the Rural Counties Association on the idea of a collaborative convening among local governments, environmental and community leaders, and renewable project developers to identify barriers and opportunities, including better understanding of statewide clean energy needs and the potential for expanding community benefits.

Los Angeles Department of Water and Power (LADWP)

V. John White and Jose Carmona have been participating in meetings of the Advisory Committee of LADWP's Strategic Long-Term Plan for 100% Clean Energy, and of the Equity Advisory Committee. These Advisory Committees are guiding the design and implementation of the integrated resource plan that will govern LADWP's procurement and transmission planning for the next 10 years. We have also been working with LADWP staff on possible measures to streamline transmission buildout and limit the potential for litigation.

Regional Grid Integration

V. John White moderated a panel on "Regional Market Development: Advancement Toward a Western regional transmission operator (RTO)" at the recent California Clean Energy Procurement Summit. The panel discussed issues of cost, timing, and the need for greater coordination and renewable procurement, and examined the CAISO's and the Southwest Power Pool's real-time markets, the SPP's Western Energy Imbalance Service (WEIS), Northwest Power Pool's proposed capacity-sharing program, the Western Markets Exploratory Group, and the prospects for the CAISO Energy Day-Ahead Market (EDAM).

Long-Duration Energy Storage (LDES)

CEERT monitored the recent CEC workshop on Long Duration Energy Storage Technologies, and is working with the CEC staff and other stakeholders on the implementation of the Governor's proposal for $350 million over the next two years for long-duration energy storage demonstration projects, and on the implementation of SB 423 (Stern), which requires the CEC to do an assessment of zero-carbon firm energy resources, including LDES, geothermal, and offshore wind.

Geothermal and Lithium Valley

V. John White has been working with Jonathan Weisgall, Assemblymember Eddie Garcia and other stakeholders, including environmental justice, labor, and community organizations in the Imperial Valley. There has also been significant engagement with the Biden Administration, including site visits by key state and federal officials, including Secretary of Energy Jennifer Granholm. Among the issues being discussed are regulatory streamlining, fiscal incentives, workforce training, community benefits, and how best to engage environmental justice and community groups in the planning and environmental reviews of geothermal and lithium recovery projects. In addition, V. John White attended a Symposium on the Salton Sea, sponsored by UC Riverside, that included discussions on the geologic history of the region and the potential of imported water from the Sea of Cortez, perhaps combined with a desalination plant.

Renewable Hydrogen

CEERT's Maia Leroy and Benner Mullin have been collaborating on a paper identifying several aspects of hydrogen, including hydrogen feedstocks and end-uses, current industry tracking and reporting, and the policy framework for more hydrogen opportunities.

Hydrogen via green electrolysis is emerging as a promising renewable energy form with an abundance of applications. Today, hydrogen is largely used in the manufacturing and refining of several resources, including ammonia, methanol, and steel, and the majority of it is created using steam methane reforming (SMR) with fossil fuels. It may also be used as a fuel for combustion to power turbines, or fed into a fuel cell to power anything from small electronics to heavy-duty vehicles. It can be stored for long periods until needed to power such mechanisms, and therefore is a suitable battery replacement.

There are several not-insurmountable issues with hydrogen, including the possibility of it emitting nitrogen oxides (NOx) if combustion is not controlled, or the costly upgrades that would be needed for a large-scale hydrogen pipeline. Most of these problems can be mitigated or avoided with logistical solutions, explored further in the paper.

Currently, the lack of infrastructure keeps clean, widespread hydrogen technology at a premature stage, though this will likely take a turn for the better with recent budget incentives for hydrogen at both the state and federal levels. The 2022-23 California Governor's budget proposes a $100 million general fund over two years to advance the production of green hydrogen, and a tax credit, totaling $100 million per year for three years, for entities opting in to develop green technologies (which includes hydrogen to reduce the use of natural gas). The Federal Infrastructure Bill additionally allocates $9.5 billion for "clean hydrogen development," although its classification of *clean* hydrogen may disagree with that of others. Due to this elusive definition and other controversial practices in state energy policy, it is clear that there is much improvement to be made.

More details on these and other topics are covered in Leroy and Mullin's paper, available upon request from Maia Leroy (maia@ceert.org).

CERA Conference in Houston

At the Cambridge Energy Research Associates Agora Conference in Houston, V. John White took part in a panel discussion with Jane Hotchkiss, Board Chair of Energy for the Common Good, on the role and potential applications of fusion energy. He also participated in a dinner organized by Michael Skelly, now with Grid United, an independent transmission developer. Among the guests were Julien Dumolin-Smith of Bank of American Clean Energy Finance and a new member of the PG&E board.

Advocacy at the California Public Utilities Commission (CPUC)

Summary of CEERT's Advocacy at the CPUC

CEERT has been active in the following proceedings: Integrated Resource Planning (IRP) (R.20-05-003), Resource Adequacy (R.19-11-009 and R.21-10-002), Gas Reliability (R.20-01-007), Microgrids (R.19-09-009), Aliso Canyon (I.17-02-002), Self-Generation Incentive Program (SGIP) (R.20-05-012), and Integrated Distributed Energy Resources (IDER) (R.14-10-003).

New Events at the CPUC

In February and March, numerous parties submitted Applications for Approval of their 2024-2031 Energy Efficiency Business Plans and 2024-2027 Portfolio Plans. In March, PG&E submitted an Application for Approval of its 2023-2026 Clean Energy Optimization Pilot (CEOP). In April, the CPUC adopted the Environmental & Social Justice (ESJ) Action Plan 2.0 and the Distributed Energy Resources (DER) Action Plan 2.0. On May 2, PG&E, SCE, and SDG&E submitted Applications for Approval of Demand Response (DR) Programs for 2023-2027. These items are discussed in more detail below.

2024-2031 Energy Efficiency Business Plans and 2024-2027 Portfolio Plans (A.22-02-005, et al.)
On February 15, PG&E submitted its Application for Approval of 2024-2031 EE Strategic Business Plan and 2024-2027 Portfolio Plan. On March 4, 2022, BayREN (A.22-03-003), 3C-REN (A.22-03-004), SDG&E (A.22-03-005), SCE (A.22-03-007), SoCalGas (A.22-03-008), SoCalREN (A.22-03-011), and MCE (A.22-03-012) submitted Applications. In addition, Redwood Coast Energy Authority (RCEA) submitted a Motion for Approval of Energy Efficiency Portfolio Application in R.13-11-005.

On March 17, Chief ALJ Simon issued a Ruling Consolidating Proceedings; Preliminary Determining Category, Need for Hearings, and Assignment; and Setting Protest and Response Deadlines. This Ruling consolidates the above-identified Applications, and moves consideration of RCEA's Motion into this consolidated proceeding. A preliminary determination is that this is a ratesetting proceeding and that hearings may be necessary. Responses and Protests were submitted on April 25.

On April 4, ALJs Fitch and Kao issued a Ruling that sets a Prehearing Conference (PHC) for May 17 to determine the scope and schedule for the proceeding.

On April 15, the Public Advocates Office submitted a Motion to Consolidate SCE's EE Business Plan Application (A.22-03-007) and its Building Electrification Programs Application (A.21-12-009). The Motion argues that consolidation of the Applications would facilitate the efficient consideration of both proceedings. On April 25, Replies to the Responses and Protests to the Applications were submitted.

PG&E Clean Energy Optimization Pilot (CEOP) (A.22-03-006)
On March 4, PG&E submitted its Application for Approval of its 2023-2026 CEOP. On April 4, the Regents of the University of California submitted a Response to the Application. On April 8, Public Advocates Office (PAO) submitted a Protest and SCE submitted a Response to the Application. PAO protests because PG&E does not demonstrate that the proposed budget and duration for its CEOP is reasonable. PAO also asks for an explanation of why the project qualifies under P.U. Code Section 748.5(c) or why the project is best funded using GHG allowance revenues instead of ordinary recovery through rates. SCE supports PG&E's Application and argues that the CEOP aligns with California's overall clean energy objectives.

On April 18, PG&E submitted a Reply to the Responses and Protest. PG&E generally does not oppose PAO's list of issues anticipated to be within the scope of the proceeding, and proposes a scope of the proposed policy track for a longer-term program.

A Prehearing Conference was held on April 28. The scope of issues discussed include (1) whether the CEOP is compliant with applicable statutes related to the use of Cap-and-Trade allowance revenues for clean energy and energy efficiency projects; (2) whether the CEOP meets D.14-10-033's requirements for clean energy and energy efficiency projects to demonstrate that existing funds are available to fund the proposed pilot, explain why the project qualifies under P.U. Code Section 748.5(c), explain why the project is best funded to use GHG allowance revenues instead of ordinary recovery through rates, reference the Forecast Clean Energy Amount, and explain why the proposed pilot is reasonable; (3) whether there are safety concerns; and (4) impacts on environmental and social justice communities.
The proposed proceeding schedule is as follows:

- August 24: Direct Testimony
- September 26: Rebuttal Testimony
- October 10: Meet and Confer
- October 17: Joint Case Management Statement
- November 7-11: Evidentiary Hearings
- December 5: Opening Briefs
- December 19: Reply Briefs

The issues and schedule will be finalized in an upcoming Scoping Memo.

Environmental and Social Justice (ESJ) Action Plan 2.0
On April 7, the CPUC voted to adopt the ESJ Action Plan Version 2.0. There are nine updated goals and objectives:

1. Consistently integrate equity and access considerations throughout CPUC regulatory landscape
2. Increase investment in clean energy resources to benefit ESJ communities, especially to improve local air quality and public health
3. Strive to improve access to high-quality water, communications, and transportation services for ESJ communities
4. Increase climate resiliency for ESJ communities
5. Enhance outreach and public participation opportunities for ESJ communities to meaningfully participate in the CPUC's decision-making process and benefit from CPUC programs
6. Enhance enforcement to ensure safety and consumer protection for all, especially for ESJ communities
7. Promote high road career paths and economic opportunity for residents of ESJ communities
8. Improve training and staff development related to environmental and social justice issues within the CPUC's jurisdiction
9. Monitor the CPUC's environmental and social justice efforts to evaluate how they are achieving their objectives

Distributed Energy Resources (DER) Action Plan 2.0
On April 21, the CPUC voted to adopt the DER Action Plan 2.0, which can be found HERE. The Plan covers actions in the 2022-2026 period, and is divided into four tracks: load flexibility and rates, grid infrastructure, market integration, and DER customer programs.

Demand Response (DR) Applications (A.22-05-XXX, et al.)
On May 2, PG&E, SCE, and SDG&E filed their Applications for Approval of their DR Programs, Pilots, and Budgets for Program Years 2023-2027. All three investor-owned utilities (IOUs) asked for an expedited schedule.

CPUC Energy Planning and Procurement and Resource Adequacy
Integrated Resource Planning (IRP) (R.20-05-003) and Procurement-Related Activities
Throughout this proceeding, CEERT has urged the CPUC to adopt a 30 million metric ton (MMT) greenhouse gas (GHG) target, and to find that fossil-fueled generation is not needed in the Preferred System Plan (PSP). We have also argued that Aliso Canyon must be closed as soon as possible.

On February 10, the CPUC issued D.22-02-004, which adopts the 2021 Preferred System Plan (PSP). Attachment A to the Decision are Modeling Assumptions for the 2022-2023 Transmission Planning Process. The Decision evaluates the 2020 individual IRP filings of all the load-serving entities (LSEs) under the CPUC's IRP purview, and adopts a PSP portfolio that meets a statewide 38 MMT GHG target for the electric sector in 2030. This portfolio was developed first as an aggregation of the individual IRPs of all

LSEs, reflecting the resource preferences of those LSEs. However, there will be more opportunities in the proceeding to urge the CPUC to adopt a lower GHG target more quickly.

On March 29, ALJ Fitch issued a Proposed Decision (PD) on a Modified Cost Adjustment Mechanism (MCAM) for Opt-Out and Backstop Procurement Obligations. The PD adopts a MCAM to ensure that the net costs of electric resource procurement obligations mandated in D.19-11-016 and D.21-06-035 are allocated and recovered in a fair, economical, and legally compliant manner. The CPUC authorizes the use of non-bypassable customer charges as the means through which to recover above-market MCAM costs, while assigning the costs of the associated resource adequacy and renewable energy benefits at the relevant market price benchmark to the non-utility LSEs.

The MCAM adopted therein sets forth governing principles and methodologies whereby the costs associated with this incremental procurement conducted by the incumbent IOUs on behalf of other non-IOU LSEs will be allocated and recovered, and sets precedent for any future backstop procurement authorized in the IRP process in the future, unless and until the CPUC adopts a more comprehensive programmatic approach to IRP procurement authorizations. Opening Comments were submitted on April 18 and Reply Comments on April 25.

On April 20, ALJ Fitch issued a Ruling that establishes a process by which LSEs may update their load forecasts, leading to final load forecasts and GHG emissions benchmarks, for purposes of the filing of the individual integrated resource plans due from all LSEs on November 1. The Ruling also seeks party feedback on the GHG-emissions planning targets for the electric sector in 2035. All LSEs wishing to modify their load forecasts shall file and serve energy and peak demand load forecast templates in this proceeding and submit them to CPUC and CEC Staff no later than May 16. If appropriate for the data being filed as detailed further in the ruling, all LSEs may file their templates under seal without the need to file a separate motion seeking confidential treatment. If an LSE is satisfied with its load forecast from the CEC, it may simply state this in its filed written comments by May 16 without filing a new template. Opening Comments on the proposed electric sector GHG targets in 2035 were due on May 16, and Reply Comments on the GHG targets and LSE energy and peak demand forecast filings on May 23.

Resource Adequacy (RA) (R.19-11-009/R.21-10-002)
On January 21, several parties and Energy Division submitted Phase 2 proposals. A Workshop on these proposals was held on February 4. CEERT submitted Opening Comments on February 14, urging the CPUC to adopt the Joint Distributed Energy Resource (DER) Parties' Phase 2 Proposal, and agreeing with the California Efficiency + Demand Management Council on Load Impact Protocols (LIPs). We submitted Reply Comments on February 24, agreeing with parties that support the Joint DER Parties Phase 2 Proposal and recommending that the CPUC consider comments on the CEC Qualifying Capacity of Supply-Side Demand Response Working Group Report before making any modifications to the LIPs.

On January 27, Chief ALJ Simon issued a Notice of Reassignment advising that R.21-10-002 has been reassigned from former CPUC President Batjer to current CPUC President Reynolds. On January 28, Chief ALJ Simon issued a Notice of Reassignment doing the same in R.19-11-009.

On February 10, ALJ Chiv issued a Proposed Decision on Phase 1 of the Implementation Track adopting modifications to the Central Procurement Entity (CPE) structure, including revisions to the requirements for self-shown local resources, revisions to the CPE's solicitation selection criteria, and revisions to the CPE procurement timeline. Opening Comments were submitted on March 2 and Reply Comments were submitted on March 7. Final Decision D.22-03-034 was issued on March 18.

On February 18, ALJ Chiv issued a Ruling which sought comment on the Energy Division's Loss of Load Expectation (LOLE) Study and the CEC's QC of Supply-Side DR Working Group Interim Report.

Opening Comments were submitted on March 14 and Reply Comments on March 22. Comments on the Draft 2023 Local Capacity Requirement Report were submitted on April 22.

On March 4, ALJ Chiv issued a Ruling Seeking Comments on the Future of RA Working Group Report and the LCR Working Group Report. Opening Comments on the LCR Working Group Report were submitted on March 14 and Reply Comments on March 22. On March 24, 2022, CEERT submitted Opening Comments on the Future of RA Working Group Report.

CEERT supports the Southern California Edison (SCE) proposal for monthly slices of 24 hours, and we recommended testing a new compliance reporting template in compliance year 2023 to enable LSEs to report on resources that are procured for 2024 in a way that can assure the CPUC Staff that the Hourly Slice of Day Framework is robust across all parts of the state. On April 1, CEERT submitted Reply Comments, arguing that the Gridwell Proposal does not comply with D.21-07-014. We also argued that energy deliverability in off-peak hours must be addressed, and that policies promoting the closure of gas power plants in disadvantaged communities need to be coordinated across multiple proceedings.

On April 7, the California Independent System Operator (CAISO) submitted its Draft Local Capacity Technical Analysis for 2023.

On April 17, the CPUC adopted a Revised Proposed Decision Denying the Petition for Modification (PFM) of OhmConnect of D.20-06-031. In its PFM, OhmConnect argued that D.20-06-031 should be modified to increase the DR bucket cap from 8.3% to 11.3%. The Decision finds that Rule 16.4(d) requires a PFM to be filed within one year of the decision, and if more than a year has elapsed, the PFM must explain why it could not have been presented within the year. Rule 16.4(b) requires that any allegations of new or changed facts must be supported by an appropriate declaration or affidavit. The Decision denies the PFM because it failed to satisfy the requirements of Rules 16.4(b) and 16.4(d).

On April 28, ALJ Chiv issued a Ruling Modifying Schedule for Flexible Capacity Requirement (FCR) Issues. CAISO had stated that it currently plans to finalize the 2023 Flexible Capacity Needs Assessment by mid-May. This means that the FCR Report may not be incorporated into the upcoming proposed decision, expected to issue on May 20, and it may be necessary to issue a separate decision on the FCR Report. Therefore, the schedule for FCR issues is modified as below:

- May 6: Comments on final 2023 Local Capacity Requirement (LCR) Report
- May 13: Reply Comments on final 2023 LCR Report
- Mid-May: CAISO final 2023 FCR Report filed
- 2nd Business Day after the date CAISO files its FCR Report: Comments on final 2023 FCR Report

Grid for High Distributed Energy Resource (DER) (R.21-06-017)
There has not been a significant amount of activity in this proceeding since our last Quarterly Report. However, on May 3, Gridworks and the CPUC Energy Division hosted a workshop kicking off Track Two of this proceeding. Pursuant to the Scoping Memo, Track Two will cover distribution system operator roles and responsibilities. All available workshop materials can be found HERE.

CPUC Gas System and Grid Initiatives
Aliso Canyon (I.17-02-002)
On January 19, ALJ Zhang issued a Ruling entering into the record Aliso Canyon Investigation 17-02-002, Phase 3 Report, and requesting Comments. Opening Comments were submitted on February 16 and Reply Comments on March 2.

On February 9, ALJ Zhang issued a Ruling Entering into the Record Aliso Canyon Investigation 17-02-002 Phase 2: Additional Modeling Report, and requesting Comments. Opening Comments on the Report were submitted on March 1 and Reply Comments on March 15.

Gas Reliability and System Planning (R.20-01-007)
On January 5, Commissioner Shiroma issued an Amended Scoping Memo and Ruling that identifies issues in Track 2a: Gas Infrastructure; Track 2b: Equity, Rate Design, Gas Revenues, Safety, and Work-force Issues; and Track 2c: Data, Process.

On February 4, ALJ Goldberg issued a Ruling Setting Briefing Dates for Track 2a, Scoping Question A. Pursuant to this Ruling, Opening Briefs were submitted on February 28 and Reply Briefs on April 1.

On February 9, ALJs Bemesderfer and Goldberg issued a Ruling Seeking Data from California's Gas Utilities, and on March 1, the ALJs issued a Revised Ruling directing PG&E, SoCalGas, SDG&E, and Southwest Gas to provide specified information about their gas systems by April 22, and encouraging gas utilities owned by Long Beach, Palo Alto, and Vernon to provide the same information by April 22.

On March 1, ALJs Bemesderfer and Goldberg issued a Ruling that includes Energy Division's Draft Workshop Report for Track 2a, and orders PG&E, SoCalGas and Southwest Gas to propose safety parameters and regulatory processes to de-rate pipelines on their system from transmission to distribution. The Ruling directs parties to respond to a remaining question from the Workshop: what should the regulatory process be for de-rating a transmission pipeline to a distribution pipeline? Responses and Comments on the Draft Workshop Report were submitted on March 15.

On March 18, 2022, ALJs Bemesderfer and Goldberg issued a Proposed Decision (PD) that extends the SoCalGas Rule 30 Operational Flow Order (OFO) winter noncompliance penalty structure adopted in D.19-05-030 and extended by D.21-11-021 to year-round, and makes it applicable to SoCalGas, SDG&E, and PG&E service territories. Opening Comments were submitted on April 7 and Reply Comments on April 12. The PD was issued as D.22-04-042 on April 22.

On March 24, ALJ Goldberg issued a Ruling noticing a March 29 Equity Workshop that addressed equity challenges relating to the gas transition, with perspectives from a number of California communities. The Ruling also directed Southwest Gas Corporation to file a Draft Workshop Report by May 6.

On April 15, ALJ Bemesderfer issued a Ruling Granting the Joint Motion of PG&E, SDG&E, SoCalGas, and Southwest Gas Corporation for an extension to May 20 to submit gas distribution system and gas consumption information.

Microgrids (R.19-09-009)
There has not been a significant amount of activity in this proceeding since our last Quarterly Report.

Self-Generation Incentive Program (SGIP) (R.20-05-012)
On April 11, the CPUC issued D.22-04-036, which approves final budgets, incentive levels and other program requirements for the SGIP Heat Pump Water Heater (HPWH) program adopted in D.19-09-027 and D.20-01-021. Of the $44.7 million in SGIP HPWH funds, the CPUC allocates $4.7 million toward administration of the program and $40 million toward HPWH incentives. The $40 million in HPWH incentive funds includes $19 million to each of the general market residential and equity residential customer segments, and $2 million for nonresidential unitary HPWH incentives, e.g., for small businesses.

The decision allocates an additional $40 million in 2023 gas Cap-and-Trade allowance proceeds to the SGIP HPHW program for a total SGIP HPWH program budget of $84.7 million. It also adopts detailed appliance, installation, and load shifting requirements, and electric panel and electrical service upgrade incentives and requirements for these customer segments. Customers using SGIP HPWH incentives are required to enroll in a qualified demand response program. The CPUC prohibits use of SGIP HPWH program funds toward commercial central HPWH system incentives.

The CPUC adopts a single statewide program administrator/program implementor (PA/PI) structure for the SGIP HPWH program. CPUC Staff will select the SGIP HPWH PA/PI through a competitive request for proposal process that will be administered by Southern California Edison. SCE shall enter into a contract with the vendor for the selected PA/PI and will be responsible for collecting and disbursing funding. The PA/PI shall be solely selected and managed by CPUC Staff.

The CPUC requires the selected SGIP HPWH PA/PI to develop and implement an eligible contractor list that tracks and prioritizes in search results those contractors with preferred workforce training and development practices or that are located in a disadvantaged community. The CPUC adopts additional requirements, including measurement and evaluation of the GHG and other benefits of the HPWH incentives.

Integrated Distributed Energy Resources (IDER) (R.14-10-003)
On March 30, ALJ Hymes issued a Proposed Decision (PD) Adopting Changes to the Avoided Cost Calculator (ACC). The CPUC anticipates establishing a successor to this proceeding devoted to the valuation of distributed energy resources (DERs). This PD calls for continued discussion in the successor proceeding of guiding principles, guidelines for sensitivity cases, further investigation of the staff-proposed Market Equilibrium Approach, development of alternative methods for allocating distribution costs, methods to properly value GHG-emissions avoided costs, and a review of potential improvements to the GHG rebalancing method.

Parties in this proceeding spoke about the need for improved transparency in future updates of the ACC. Hence, this PD adopts a schedule that provides a final staff proposal at the beginning of the process, additional opportunities for data requests, and additional and longer review of data produced using inputs from the IRP proceeding. With respect to the update of the 2022 ACC, the PD recognizes the growth of building and transportation electrification and prepares for such a future by removing DERs' load growth from the "No New DER" Scenario, creating an avoided gas infrastructure cost, and adopting an interim gas-specific GHG adder.

Parties highlighted the need for accuracy. Hence, other revisions to the ACC strived for improved accuracy, including adoption of a new annualization approach using the National Economic Research Association method and allocation of generation capacity values using the production cost modeling from the IRP proceeding. A theme throughout this decision is the importance of aligning the ACC with the IRP proceeding. The CPUC's intent in adopting this alignment is to ensure that all resources are evaluated equally, be they DERs or supply-side resources. Therefore, the decision adopts the policy that the update of the ACC will rely on an adopted Reference System Plan or Preferred System Plan.

Opening Comments were submitted on April 19 and Reply Comments on April 25.

Other CPUC Proceedings CEERT Continues to Track
As noted in previous Quarterly Reports, CEERT is either a party to or on the service list for numerous CPUC proceedings that have required or could require CEERT participation, and CEERT continues to track them in anticipation of participating now or in the future.

Because these proceedings were not the focus of CEERT's efforts from February – April 2022, only limited information about them is provided here, but is available from CEERT's regulatory counsel, Megan Myers (meganmmyers@yahoo.com) or Sara Myers at (ssmyers@att.net.) Please do not hesitate to contact them for information on any of the following proceedings as to status or next steps.

Net Energy Metering (NEM) (R.20-08-020)
As previously reported, on December 13, ALJ Hymes issued a Proposed Decision revising the NEM tariff and subtariffs to balance the multiple requirements of P.U. Code Section 2827.1 and the needs of the grid, the environment, participating ratepayers, and all other ratepayers. At every CPUC Business Meeting since this item was issued there have been numerous members of the public who have spoken out against the Proposed Decision. Oral Argument was scheduled for January 12, but on January 11 ALJ Hymes e-mailed that the Oral Argument was cancelled and would be rescheduled.

PG&E's Regionalization (A.20-06-011)
On April 18, ALJ Stevens issued a Proposed Decision (PD) approving, with conditions, the August 31, 2021 Motion to adopt a multiparty settlement agreement (MPSA) among PG&E, the California Farm Bureau Federation, the California Large Energy Consumers Association, the Center for Accessible Technology, the Coalition of California Utility Employees, the Public Advocates Office, the Small Business Utility Advocates, and William B. Abrams. The MPSA proposes to approve PG&E's updated Regionalization Proposal, with additional conditions, to create regions for PG&E's operations designed to enhance its ability to meet its safety obligations. The PD also approves, without conditions, a second settlement agreement (SSJIDA) between PG&E and the South San Joaquin Irrigation District, included in the August 31, 2021 motion. Opening Comments were due on May 9 and Reply Comments on May 16.

On April 20, ALJ Stevens issued a Ruling Noting Procedural Next Steps. The Ruling directs the settling parties to the MPSA to address whether the modification stated in the PD is acceptable or whether they wish to request other relief.

Renewables Portfolio Standard (RPS) (R.18-07-003)
On March 10, SCE, PG&E, and SDG&E submitted a Motion Concerning Review of Market Offer Process. The Joint IOUs request that the CPUC issue a Ruling authorizing them to seek review of the Market Offer Process through a Tier 3 Advice Letter submitted April 29, rather than through each of their Draft 2022 RPS Procurement Plans, in order to assure that Market Offer Renewable Energy Credit sales can coincide with voluntary allocation deliveries commencing on January 1, 2023.

On April 6, Commissioner Rechtschaffen issued an Amended Scoping Memo and Ruling that expands the proceeding scope to consider issues relevant to implementing the Voluntary Allocation Market Offer (VAMO) process, and extends the statutory deadline of this proceeding to October 2, 2023.

On April 11, Commissioner Rechtschaffen and ALJ Lakhanpal issued a Ruling that identifies the 2022 RPS Procurement Plan filing requirements for all retail sellers of electricity and sets a schedule for the CPUC's review of the 2022 RPS Plans. The Ruling also denies the joint motion filed by the Joint IOUs requesting to file the Market Offer Process information through a Tier 3 Advice Letter, rather than through each of their Draft 2022 RPS Plans, pursuant to Decision (D.) 21-05-030. However, the CPUC approves a process for earlier resolution of the Market Offer Process issues.

The CPUC is creating two tracks in the 2022 RPS Plan review cycle to address VAMO processes directed in the Power Charge Indifference Adjustment (PCIA) R.17-06-026. In Track 1, the three large IOUs shall each file their proposed Market Offer Process by May 2. In Track 2, all retail sellers shall submit their draft 2022 RPS Plans no later than July 1. The Plans filed for 2022 shall be forward-looking through 2032, and should demonstrate that each retail seller's efforts align with the state's RPS goals. Additionally, the Plan filings should inform the CPUC of the retail seller's activities and plans to procure 65% of

RPS resources from long-term contracts of 10 or more years for all compliance periods, beginning with the current compliance period that started January 1, 2021.

On April 18, ALJ Fitch issued a Ruling seeking comments from parties on the Voluntary Allocations of RPS resources and the PCC classification of RECs under the VAMO process. Comments were submitted on April 28 and no further reply comments may be filed.

Energy Efficiency (EE) (R.13-11-005)

Decisions Regarding SoCalGas

Since our last Quarterly Report, two Decisions have been issued that penalize SoCalGas for codes and standards (C&S) activities. On March 21, the CPUC issued D.22-03-010, which is the Presiding Officer's Decision Finding SoCalGas in Contempt, in Violation of Rule 1.1 of the CPUC's Rules of Practice and Procedure, and Ordering Remedies for Failure to Comply with D.18-05-041. This Decision finds that SoCalGas spent ratepayer funds on C&S activities following the issuance of D.18-05-041, which prohibited such activity. The Decision imposes a host of penalties, including a penalty of $9,807,000 for violations of P.U. Code Section 2113 and 2017.

On April 18, the CPUC issued D.22-04-034, a Decision Different of Commissioner Rechtschaffen, that finds SoCalGas spent ratepayer funds on activities that misaligned with the CPUC's directions for energy efficiency C&S advocacy with respect to 2014-2017 activities and activities involving local governments' adoption of reach codes, in violation of P.U. Code Section 451. The Decision Different directs SoCalGas to refund ratepayer expenditures and associated shareholder incentives, orders equitable remedies for appreciable harm to the regulatory process caused by SoCalGas's conduct, and imposes penalties of $150,000 against SoCalGas. Attached to D.22-04-034 is Commissioner Houck's Concurrence in which she states that she did not support the Decision Different but would like the record to show that she agrees with its underlying principles as to the CPUC's broad authority to issue penalties consistent with the law and particular circumstances presented. Commissioners Shiroma and Houck voted against the decision, but Commission President Reynolds and Commissioners Rechtschaffen and Reynolds voted to adopt it.

On April 19, ALJ Kao issued a Ruling addressing the Motion of SoCalGas for Clarification of D.22-03-010 (see above). The Ruling, in part, confirms that the specific activities identified in the Motion are not within the scope of D.22-03-010's prohibition on SoCalGas's use of ratepayer funds: (1) safe placement of customer-owned step-down regulators so they may be accessed for leak testing; (2) monitoring changes in the Natural Fuel Gas Code to ensure safe, leak-free, and durable piping; (3) issues about locations of meters and clearances around meters; and (4) supporting hardware requirements. SoCalGas must nevertheless include these activities within the scope of D.22-03-010's requirement to track employee time.

Other Activity in this Proceeding

On March 25, ALJ Fitch issued a Ruling Granting Extension Request for Energy Efficiency Annual Report Submittal.

On April 11, ALJs Kao and Fitch issued a Proposed Decision Correcting Errors in D.21-09-037 Regarding Energy Efficiency Goals for 2022-2032. The tables on pages 19 through 21 of D.21-09-037 show incorrect numbers for the C&S goals applicable to each IOU. The correct numbers account for interactive effects, which is consistent with CPUC policy for setting energy efficiency goals. Opening Comments were submitted on May 2 and Reply Comments on May 9.

Building Decarbonization (R,19-01-011)

On January 28, ALJs Liang-Uejio and Tran issued a Ruling Seeking Clarifications and Additional Information. To obtain clarification of parties' positions along with further information and evidence on issues in Phase III of this proceeding, specific parties named shall, and all other parties may, file and serve responses to the questions in Attachment 1 of this Ruling. Responses were submitted on February 22.

On March 22, ALJs Liang-Uejio and Tran issued a Ruling that (a) informs parties of a March 14 Energy Division data request (ED-DR) sent to PG&E, SoCalGas, SDG&E, and Southwest Gas Company; (b) directs the gas utilities to verity and serve their responses to the ED-DR on all parties by April 4; (c) provides an opportunity for parties to comment on the gas utilities' responses to the ED-DR request by April 11; and (d) updates the schedule for the remainder of this proceeding.

On April 18, ALJs Tran and Liang-Uejio issued a Ruling that receives into the evidentiary record of this proceeding the responses of PG&E, SoCalGas, SDG&E, and Southwest Gas to Energy Division's March 14 Data Request. It also addresses the final common outline parties shall use for briefs.

Opening Briefs were submitted on May 4, and Reply Briefs are due on May 18.

Improvements to Rule 21 (R.17-07-007)
On April 18, the CPUC issued D.22-04-003, a Decision Exempting Small Multi-Jurisdictional Utilities (SMJUs) from Applying Rule 21 Requirements Adopted in Earlier Decisions in this Rulemaking. The three SMJUs, Bear Valley, Liberty, and PacifiCorp, initiated "Working Group 8" to develop proposals to address the 22 interconnection issues previously resolved in this proceeding but related to large IOUs. The Decision adopts the recommendation not to make any changes to the interconnection processes for SMJUs, with three minor modifications involving cost itemization, itemized billing processes, and participation in the Unintentional Islanding Working Group. Further, the Decision directs SMJUs to hold a workshop, within 90 days of the adoption of this decision, to discuss interconnection portal improvements. Given the SMJUs' small customer base and their low distributed energy resources interconnection rates compared to the IOUs, it is reasonable to not require changes to their interconnection processes.

On April 26, ALJ Hymes issued a Ruling that establishes the schedule for Phase II of this rulemaking and provides guidance to parties on the contents of Opening Testimony for this phase. Opening Testimony shall be served on September 30 and Reply Testimony on October 21. The ruling notifies parties that a second workshop to continue discussion on distribution upgrades cost-sharing proposals is to be held remotely on June 3.

Power Charge Indifference Adjustment (PCIA) (R.17-06-026)
On April 18, ALJ Wang issued a Ruling which requested comments on how to calculate certain Market Price Benchmarks (MPB) for the PCIA. Opening Comments on the RPS MPB calculation were submitted on April 28 and Reply Comments on May 12. Proposals for calculating the Energy Index MPB are due May 27, Comments on the Energy Index MPB on June 16, and Reply Comments on June 30.

COVID-19 Debt (R.21-02-014)
On April 18, the CPUC issued D.22-04-037, which provides a framework to establish and operate a Community Based Organization (CBO) Case Management Pilot Program (CBO Pilot). The CBO Pilot is designed to operate in targeted California communities where, during the first year of the COVID-19 pandemic, electric bills were highest relative to the available resources of the community. The CBO Pilot is intended to serve customers who would otherwise continue to face difficulty in resolving their utility bill debt once the statewide relief distributed to utilities is applied to customer accounts. The statewide relief program required energy utilities to apply relief funds to customer accounts by the end of March. Pursuant to the relief program, the energy utilities are prohibited from disconnecting customers in receipt of relief for 90 days after the funds are applied.

The Decision establishes a CBO Pilot Working Group to guide and oversee the development of the program, including selection of the CBOs in the targeted communities. Together with a CBO selected by the Working Group at the initial meeting, PG&E will co-lead the Pilot Working Group, and representatives from a variety of advocacy groups, oversight boards, and CBOs are invited to participate. The CPUC expects approximately 12,000 customers to receive case management services from the CBO Pilot, with the CBO Pilot Working Group recommending a specific number in the proposal to be filed in R.18-07-005. The CPUC also expects retention of these customer accounts in good standing and requires an update on the status of the customers' accounts within a year past the debt resolution mark.

The Decision also requires the CBO Pilot Working Group to consider and propose a budget, payment structure, and evaluation method for the CBO Pilot. The budget, payment structure, and evaluation method for the CBO Pilot will be filed as the CBO Pilot Working Group's formal proposal for the CBO Pilot by PG&E in the Order Instituting Rulemaking to Consider New Approaches to Disconnections and Reconnections to Improve Energy Access and Contain Costs, Rulemaking R.18-07-005. Assessment of and issuance of a proposed decision for the CBO Pilot will occur in R.18-07-005. This decision closes the instant proceeding and transfers all remaining issues and implementation to R.18-07-005.

Disconnections (R.18-07-005)
On March 4, ALJ Wang issued a Ruling that directed Southwest Gas, Liberty Utilities, Bear Valley Electric Service, PacifiCorp, Alpine Natural Gas, and West Coast Gas to respond to questions in Attachment A. Opening Comments were submitted on April 8 and Reply Comments on April 22.

On March 25, ALJ Wang issued a Ruling Directing Utilities to File Arrearages Management Plan (AMP) Updates. PG&E, SDG&E, and SoCalGas submitted status updates on their AMP programs on May 2. Opening Comment on the AMP status updates were due May 16 and Reply Comments on May 30.

Public Utility Regulatory Policies Act (PURPA) (R.18-07-017)
On April 28, 2022, ALJ Lakhanpal issued a Proposed Decision Adopting Provisions in the New Qualifying Facility (QF) Standard Offer Contract (SOC) for Storage-Paired PURPA QFs. The Proposed Decision does the following:

- Authorizes the Joint IOUs to offer the New QF SOC to storage-paired QFs that have self-certified as QFs or to which the Federal Energy Regulatory Commission has granted QF status;
- Authorizes the Joint IOUs to modify the New QF SOC to add their proposed Section 9.02(j) (Additional Covenants by Seller) and Section 9.04(i) (Indemnity) from their June 2020 advice letters for storage-paired QFs that exclusively charge from the eligible energy resources;
- Requires IOUs to submit a Tier 1 advice letter each within 15 days of issuance of this decision with a pro forma New QF SOC including a redline version comparing the new contract with the superseded prior contract;
- Authorizes the IOUs to bilaterally negotiate with storage-paired QFs charging from the grid while using the New QF SOC as the base contract and submit a Tier 2 advice letter for approval of the non-standard contract. The negotiations are limited to modifying the New QF SOC's scheduling and metering provisions and revising or eliminating Section 9.02(j) and Section 9.04(i);
- Clarifies that storage-paired QFs that include hybrid and co-located storage configurations with a combined nameplate capacity above 20 MWs are eligible for the New QF SOC as long as the net power production capacity is limited to 20 MW at the point of interconnection;
- Defers to the RA Proceeding to define hybrid and co-located storage-paired QFs considering the CAISO initiatives for market participation and operationalization of these resources. The definitions adopted in D.20-06-031 shall continue to apply; and
- Declines to adopt any specific pricing mechanism for storage paired with QFs. The pricing options adopted in D.20-05-006 for capacity and energy remain unchanged.

Opening Comments were due on May 18 and Reply Comments on May 23.

Additional proceedings tracked, but where there has been little or no activity since our last Quarterly Report or the proceeding has been closed:

- R.13-09-011: Demand Response
- R.18-04-019: Climate Change Adaptation
- R.18-07-006: Affordability

Clean Transportation Advocacy

Advanced Clean Cars (ACC)

The Federal Reset

The US Environmental Protection Agency issued a revised waiver on March 14 reinstituting California's authority to require automobile manufacturers (OEMs) to meet vehicle pollution emissions standards more stringent than those set by the federal government. The re-issuance of this waiver rescinded the Trump Administration's attempt to block California's longstanding authority to regulate air pollution, granted under the Federal Clean Air Act, and to prevent the states that follow California's lead from adopting similar vehicle regulations. California is now free to continue implementing new criteria-pollutant emissions standards for 2027 and later model-year passenger vehicles as a step toward its goal of requiring all passenger vehicles sold in the state to be zero-emission vehicles (ZEVs) by 2035.

17 states have now adopted California's Clean Car Standards. The EPA's March 14 reinstatement of California's waiver authority enables these 17 states to resume their own clean cars programs.

On April 1, the National Highway and Traffic Safety Administration issued its revised Corporate Average Fuel Economy (CAFÉ) standards for model year 2024-2026 passenger vehicles and issued an order that restored the application of an increased CAFÉ civil penalty rate beginning retroactively with model year 2019. The penalty amount had been raised in a 2016 NHTSA ruling from $5.50 to $14 per tenth of a mile of violation in all automakers' fleet average mileage requirement. The new $14 rate applies through model year 2021 and increases to $15 for model year 2022.

NHTSA's new mileage standards aim to increase fuel efficiency by 8% annually for model years 2024-2025 and 10% in model year 2026. The net effect should be an increase of nearly 10 miles per gallon for model year 2026, relative to model year 2021. NHTSA estimates that overall fleet average mileage for light trucks and passenger cars should increase to more than 49 mpg in 2026, and avoid the use of 60 billion gallons of fuel through 2030.

California's Work

CARB is nearing the finish line for its second generation of Advanced Clean Cars regulations (ACC II). On February 1, the Department of Finance posted CARB's Draft Standardized Regulatory Impact Assessment for the ACC II amendments CARB was considering. On April 15, CARB released the Initial Statement of Reasons and draft regulations that justify the provisions in Staff's proposal. CARB has asked for comments by May 31, with a hearing on the regulations at the Board's June 9-10 meeting, followed by potential adoption of the regulatory package at its August 11 meeting.

While CARB Staff did nominally increase EV sales requirements, partly in response to the advocacy of CEERT and our allies in the ACC Coalition, we maintain our concerns about potential shortfalls in the required deployment for ZEV cars and light trucks between 2026 and 2030. These shortfalls stem from CARB Staff's insistence on using what the Coalition sees as overly conservative cost estimates, and on the discounting of recent industry trends, with EV sales growth in many other countries already outpacing the growth of sales in California. CARB Staff are recommending a target of roughly 68% ZEV sales by

2030, and reject two alternative scenarios for either 70% or 100% sales targets by 2030. CEERT and our allies maintain that CARB should adhere as closely as possible to the targets cited in their own scenarios as being essential for the state to achieve its air quality goals and its 100% ZEV sales target in 2035.

While CARB Staff acknowledge environmental justice and equity issues as important considerations, the Coalition is disappointed that Staff included some voluntary options for OEM incentives that *decrease* their ZEV sales obligation, and did not include any mandatory requirements incentivizing the OEMs to work with marginalized communities on the deployment and use of ZEVs. The Coalition advocates that CARB Staff require OEMs to participate in equity projects through which they may earn additional credits, while including disincentives for non-participation and *avoiding any decreased ZEV sales obligation*.

While the proposed regulation will require increased investments by OEMs, Staff estimate that through 2040 the regulations will yield a net cost-savings of $81.8 billion to Californians, reduce NOx emissions by 30.1 tons per day, PM2.5 by 2 tons per day, and CO_2 emissions by 57.4 million metric tons per year. Staff also estimate that the proposed regulation could result in 1,272 fewer cardiopulmonary deaths; 208 fewer hospital admissions for cardiovascular illness; 249 fewer hospital admissions for respiratory illness; and 639 fewer asthma-related emergency room visits.

A Continent Uniting

CEERT continues to work with Canadian NGOs to encourage the Canadian federal government to develop and implement a stringent ZEV policy. On March 29 the government released its updated "2030 Emissions Reduction Plan" (ERP), and on April 7 it issued its 2022 Climate and Energy Security Budget. The ERP sets out an economy-wide GHG reduction target of 40 to 45% below 2005 levels by 2030, and commits to establish a regulation for new passenger cars that will require ZEV sales to reach 20% by 2026, 60% by 2030, and 100% by 2035. The 2022 Budget commits $1.7 billion in new funding that expands the Federal iZEV (Incentives for ZEVs) program, and introduces a new purchase incentive for medium- and heavy-duty vehicles (see more under *Clean Trucks in Canada* below).

The funds will extend the program until March 2025 and allot $900 million to install an additional 50,000 public EV chargers: $500 million for large-scale urban and commercial ZEV charging and refueling infrastructure, and $400 million for deployment of ZEV charging infrastructure in suburban and remote communities. $2.2 million will be allocated over five years to facilitate the transition of the federal vehicle fleet to ZEVs. The Budget also includes $3.8 billion over eight years to implement a "critical mineral strategy," and proposes funding for a Pan-Canadian Grid Council to promote clean electricity planning and investment with the provinces, territories, and utilities.

CEERT is supporting the Canadian NGOs as they advocate for the government to have the program in place by 2023, while maintaining an open consultative process. The "all-hands-on-deck" nature of this undertaking will require the combined efforts of a full range of stakeholders.

Clean Truck Regulations

Advanced Clean Fleet Regulation

CARB Staff is working on the Advanced Clean Fleet Regulation (ACF Rule) to complement the ACT and Low-NOx Omnibus Rules, reduce truck pollution, and prime the market for state, public and private fleets to transition to 100% zero-emission medium- and heavy-duty trucks (ZETs). On April 25 CARB released revisions to its Draft Regulatory Text for the ACF Rule, and scheduled workshops to discuss the draft on May 2 (High-Priority and Federal Fleets), May 4 (State and Local Government Fleets), and May 6 (Drayage Trucks). Staff will put the final package before the Board possibly in October.

CEERT and other members of the ACT/ACF Coalition are advocating for the earliest, widest, and most ambitious adoption of ZETs while ensuring that the greatest benefits go to disadvantaged and low-income communities. Largely in response to the Coalition's advocacy, CARB Staff have updated their proposed package to include light-duty last-mile package delivery vehicles with a 100% ZET sales requirement by 2035. We in the Coalition remain vigilant about any continuation of the trucking industry's worker exploitation through misclassifying drivers who operate 70 to 90% of California's drayage trucks.

On March 10 the Northeast States for Coordinated Air Use Management issued the Draft Multi-State Medium- and Heavy-Duty Zero-Emission Vehicle Action Plan, developed with input from environmental justice and community advocates, which sets a goal of 30% of new truck and bus sales being ZEVs by 2030 and 100% by 2050. The fact that the number of zero emission options is rapidly increasing and a recent study conducted for Environmental Defense Fund suggest that these states could adopt more ambitious targets and timelines. NESCAUM is accepting comments on the Draft Action Plan until May 9.

On March 29 Nevada signed on as the 17th state to join the Multi-State Medium- and Heavy-Duty Zero-Emission Vehicle initiative. The signatory states represent about one-third of the U.S. truck market.

Federal Clean Truck Regulations

On March 7 the Biden Administration announced it would be issuing the first of its Federal Clean Truck rulemaking proposals establishing updated criteria emission standards for medium and heavy duty trucks, the first updating of these standards in 20 years. (A second set of regulations on updating the GHG standards for trucks - including ZET targets? – should come in the next year.) The proposal is a combination of two alternatives: Option 1 adheres loosely to what California has done with its Low-NOx Omnibus Rule, and Option 2 is a less stringent alternative that is little more than business as usual. None of the proposal addresses the inclusion of ZETs as a means of reducing criteria or climate pollution from trucking, and thus is expected to limit total trucking emissions by only 60% by 2045.

The EPA should adopt a more stringent version of Option 1 that sets the timeline for industry compliance closer to California's, thereby avoiding a four-year lag, and sets a target of achieving 90% aggregate NOx emission reductions by 2045 through the use of ZETs. The EPA should also adopt California's updated approach to testing and certification for trucks with internal combustion engines that more closely aligns with real world driving and use. This should include any certification under low engine loads and at low speeds frequently encountered near ports and warehouse districts, which account for more than 50% of truck NOx emissions and directly impact already overburdened local communities.

The EPA held virtual hearings on April 12-14, and accepted comments through May 13.

Clean Trucks in Canada

The Canadian government has signed the Global Memorandum of Understanding on Zero-emission Medium- and Heavy-duty Vehicles, agreeing to seek zero-emission truck and bus sales of 35% by 2030 and 100% by 2040. The number of heavy-duty trucks in Canada is growing about 2% per year, but deployment of ZETs is increasing at a "much slower rate" than for passenger vehicles. Canada has announced that it will invest $780.9 million in medium- and heavy-duty ZETs over the next five years: $547.5 million for a new purchase incentive program and $33.8 million for harmonizing regulations and safety testing. Another $500 million will be invested in large-scale urban and commercial ZEV charging and refueling infrastructure. CEERT is supporting the Canadian NGOs in advocating that the Canadian government leverage the work California has already done, and design sales mandate targets that rapidly align with those already set by California and the signatories to the Multi-State Medium- and Heavy-Duty Zero-Emission Vehicle Initiative, which account for roughly 50% of the U.S. economy and 40% of goods movement using trucks.

Clean Transportation Investments
On January 26 Governor Newsom announced an additional [$6.1 billion in the 2022-23 State Budget] (in addition to last year's $3.9 billion) in funding for ZEVs. Major portions of the disbursements are:

- Low-Income Zero-Emission Vehicles and Infrastructure
  - $256 million to subsidize EV purchases for low-income consumers;
  - $900 million to expand public charging in low-income neighborhoods.
- Heavy-Duty Zero-Emission Vehicles and Supporting Infrastructure
  - $935 million to add 1,000 zero-emission short-haul (drayage) trucks and 1,700 zero-emission transit buses;
  - $1.5 billion to support electric school buses;
  - $1.1 billion for zero-emission trucks, buses, off-road equipment, and fueling infrastructure;
  - $400 million to enable port electrification.
- Zero-Emission Mobility
  - $419 million for projects that increase EV access in low-income communities.
- Emerging Opportunities
  - $200 million for demonstration and pilot projects in high carbon-emitting sectors, including maritime, aviation and rail.

There is strong support for at least this level of funding among environmental, public health, and environmental justice and community advocates. However, with the increasing size of the state's record budget surplus, this advocacy community is asking that more investment be directed to low-income communities and communities of color, which bear a disproportionate share of the economic and environmental impacts from the use of fossil transportation fuels.

On April 5, the CEC released the Staff Draft of its 2022-2023 Investment Plan Update for the Clean Transportation Program. The Update combines the regular annual Clean Transportation Program (CTP) funding for FY 2022–2023 and projections for the remainder of its term, includes some of the general fund ZEV Package investments from the Budget Act of 2021, and totals $142.8 million in CTP funding and $380 million from the General Fund:

- $43.9 million (CTP) Zero-Emission Vehicles and Infrastructure (Light-Duty Electric Vehicle Charging Infrastructure and eMobility)
- $298.9 million ($43.9 (CTP) + $255.0 (GF)) Zero-Emission Vehicles and Infrastructure (Medium- and Heavy-Duty Zero-Emission Vehicles and Infrastructure: battery-electric and hydrogen fuel cells)
- $30 million (CTP) Zero-Emission Vehicles and Infrastructure (Hydrogen Fueling Infrastructure)
- $15 million (CTP) Alternative Fuel Production and Supply (Zero- and Near Zero-Carbon Fuel Production and Supply)
- $125 million (GF) Related Needs and Opportunities (Manufacturing)
- $10 million (CTP) Related Needs and Opportunities (Workforce Training and Development)

In the April 12 CTP Advisory Committee meeting, broad support was offered for the Draft Update. The Governor's revised budget proposal includes an additional $2 billion for ZEVs, with more than $1 billion targeted to medium- and heavy-duty trucks and buses. CEERT and members of the broad-based NGO-ZEV Coalition are working with state agencies on fine-tuning the proposed investments that can be deployed before the May revision of the state budget goes to the Legislature.