



CPUC Public Agenda 3377
Thursday, May 12, 2016 9:30 a.m.
Sacramento, CA



Commissioners:
Michael Picker, President
Michel Peter Florio
Catherine J.K. Sandoval
Carla J. Peterman
Liane M. Randolph

www.cpuc.ca.gov





The Pledge of Allegiance



“I pledge allegiance to the Flag of the
United States of America,
and to the Republic for which it stands,
one nation under God,
indivisible,
with liberty and justice for all.”



Evacuation Map



Our number one priority is safety. As such, we will address certain safety concerns in this venue. In the event of an emergency and we need to evacuate the building, please calmly proceed out the exit. Exit through the auditorium double-doors in the rear, go directly outside and take the crosswalk (obeying all light signals) across west bound Capitol Mall, and end up in the median grassy area of Capitol Mall. In the event of an emergency, Executive Director Timothy Sullivan will call 911. Chief Judge Karen Clopton is certified in CPR and first aid. Thank you for your attention.



Public Comment

- Per Resolution ALJ-252, any member of the public (excluding parties and their representatives) who wishes to address the CPUC about matters before the Commission must sign up with the Public Advisor's Office table before the meeting begins. If an individual has signed up using the electronic system on the Commission's website, they must check in with the Public Advisor's Office on the day of the meeting, by the sign-up deadline.
- Once called, each speaker has up to 3 minutes at the discretion of the Commission President. Depending on the number of speakers, the time limit may be reduced to 1 minute.
- A sign will be posted when 1 minute remains.
- A bell will ring when time has expired.
- At the end of the Public Comment Section, the Commission President will ask if there are any additional individuals who wish to speak. Individuals who wish to speak but did not sign up by the deadline, will be granted a maximum of one minute to make their comments.

Public Comment is not permitted on the following items:

- **25**
- All items on the Closed Session Agenda





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- Once called, each speaker has up to 2 minutes at the discretion of the Commission President. Depending on the number of speakers, the time limit may be reduced to 1 minute.
- A sign will be posted when 1 minute remains.
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Public Agenda Changes

Items shown on the Consent Agenda will be taken up and voted on as a group in one of the first items of business of each CPUC meeting.

- Items on Today's Consent Agenda are: 1, 2, 4, 5, 6, 7, 8, 9, 10, 11, 13, 14, 15, 16, 17, 18, 19, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 33, 34, 36, 39, 40, 41.
- Any Commissioner, with consent of the other Commissioners, may request an item from the Regular Agenda be moved to the Consent Agenda prior to the meeting.
- **No Item** from the Regular Agenda has been added to the Consent Agenda.
- Any Commissioner may request an item be removed from the Consent Agenda for discussion on the Regular Agenda prior to the meeting.
- **Item 20** has been moved to the Regular Agenda.
- **Items 3, 35, 37, 38** has been withdrawn.
- The following items have been held to future Commission Meetings:
Held to 5/26/16: 12, 21, 32, 42, 42a, 42b, 43, 43a, 44, 45, 48, 49, 50, 51, 52.





Regular Agenda

- Each item on the Regular Agenda (and its alternate if any) will be introduced by the assigned Commissioner or CPUC staff and discussed before it is moved for a vote.
- For each agenda item, a summary of the proposed action is included on the agenda; the CPUC's final decision may, however, differ from that proposed.
- The complete text of every Proposed Decision or Draft Resolution is available for download on the CPUC's website: www.cpuc.ca.gov.
- Late changes to agenda items are available on the Escutia Table.





Regular Agenda - Communications

Item # 20 [14811] – Joint Application of Charter Communications, Inc., Time Warner Cable Inc., and Bright House Networks, LLC for Approval of Transfer of Subsidiaries Incident to a Parent Corporation Merger

A15-07-009

In the matter of Joint Application of Charter Communications, Inc.; Charter Fiberlink CA-CCO, LLC; Time Warner Cable Inc.; Time Warner Cable Information Services (California), LLC; Advance/Newhouse Partnership; Bright House Networks, LLC; and Bright House Networks Information Services (California), LLC Pursuant to California Public Utilities Code Section 854 for Expedited Approval of the Transfer of Control of both Time Warner Cable Information Services (California), LLC and Bright House Networks Information Services (California), LLC to Charter Communications, Inc., and for Expedited Approval of a pro forma transfer of control of Charter Fiberlink CA-CCO, LLC.

Ratesetting

Comr Picker - Judge Bemmesderfer

PROPOSED OUTCOME:

- Approves transfer of control of Time Warner Cable Information Services and Bright House Networks Information Services to Charter Communications Inc. with conditions.
- Closes the proceeding.

SAFETY CONSIDERATIONS:

- Imposes consumer education requirements on Voice Over Internet Protocol providers regarding back –up power.

ESTIMATED COST:

- None as a result of this decision.





Regular Agenda – Orders Extending Statutory Deadline

Item # 46 [14855] – Order Extending Statutory Deadline

A14-04-011

In the Matter of the Application of San Diego Gas & Electric Company for a Certificate of Public Convenience and Necessity for the Sycamore- Penasquitos 230 Kilovolt Transmission Line Project.

Ratesetting

Comr Picker - Judge Yacknin

PROPOSED OUTCOME:

- Extends the statutory deadline to July 23, 2016.

SAFETY CONSIDERATIONS:

- There is no impact on safety associated with this decision.

ESTIMATED COST:

- There is no impact on cost associated with this decision.





Regular Agenda – Legal Division Matters

Item # 47 [14856] – California-American Water Company’s Application at the State Water Resources Control Board for Order Modifying Order WRO 2009-060 (Cease and Desist Order)

California American Water Company, Monterey Peninsula Water Management District and Monterey Peninsula Regional Water Authority, the Pebble Beach Company, and the City of Pacific Grove filed an application with the State Water Resources Control Board (Board) on November 20, 2015 requesting an order from the Board that would extend the deadline for California-American Water Company to terminate all unauthorized diversions from the Carmel River from December 31, 2016 until December 31, 2021 to allow additional time to complete development of replacement water supplies. Staff seeks authority to file comments with the Board in support of California-American Water Company’s application.





Commissioners' Reports





Management Reports





Regular Agenda – Management Reports and Resolutions

Item # 53 [14769]

**Report and Discussion by Safety and Enforcement Division
on Recent Safety Program Activities**





Utility Pole Safety

Safety and Enforcement Division

May 12, 2016

Fadi Daye, P.E.

Program & Project Supervisor

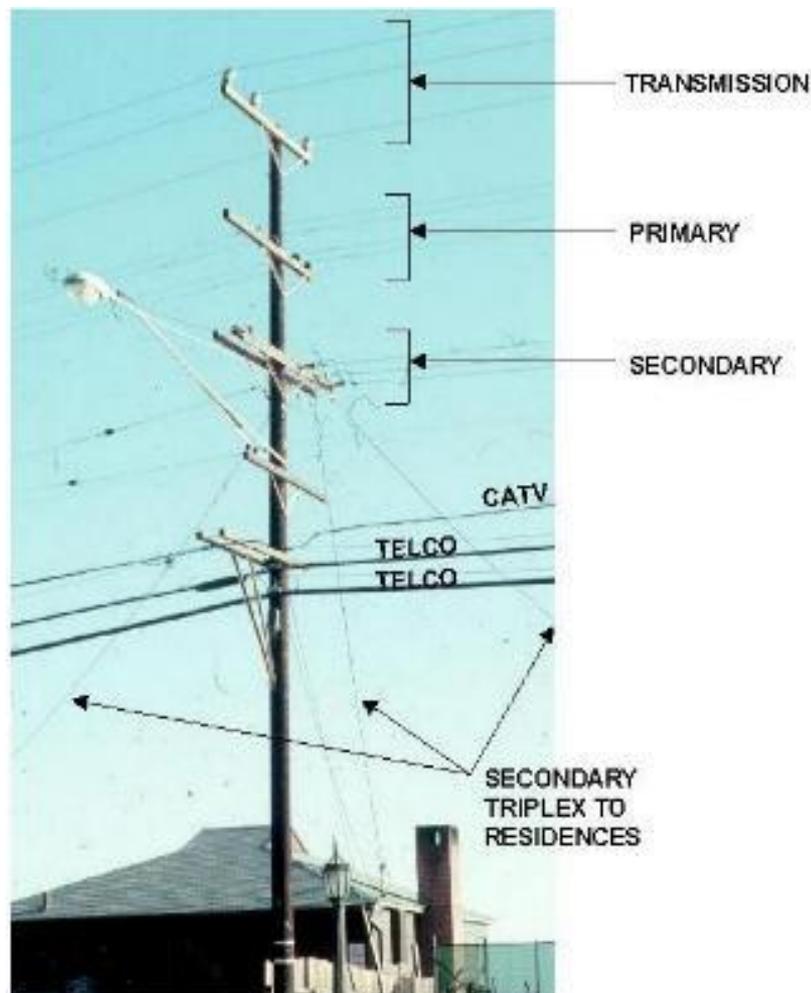
Electric Safety and Reliability Branch





Typical Utility Pole

- The structure used to support supply and or communication conductor cables and associated equipment
- Wood poles
- Concrete poles
- Metal poles
- Fiberglass



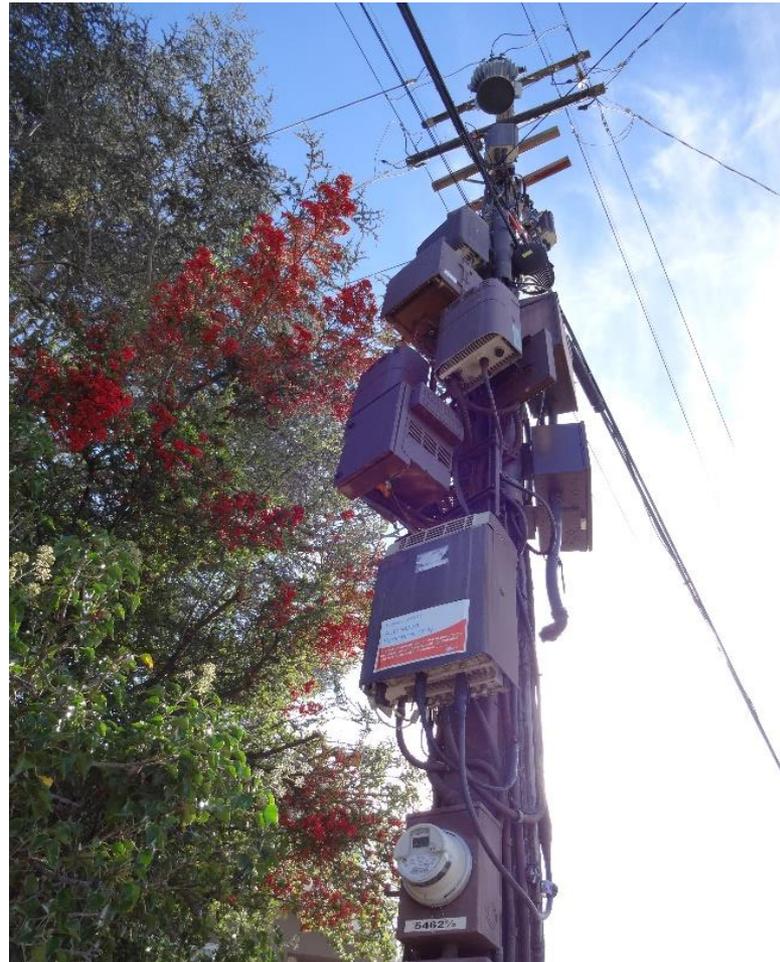
Malibu, California, 1990



Fundamental Safety Problems with Utility Poles

Electric Investor Owned Utilities
(IOUs) and Communication
Infrastructure Providers (CIPs):

- Neglect / opportunity based maintenance
- Flawed rules
- CIPs adding facilities to existing poles
- Inspectors failing to capture violations
- IOUs/CIPs Inspectors not familiar with the GOs
- Long inspection cycles, e.g. 25 years





Pole Problems and Violations

Pole problems and violations will cause serious injuries to the public and damage to properties:

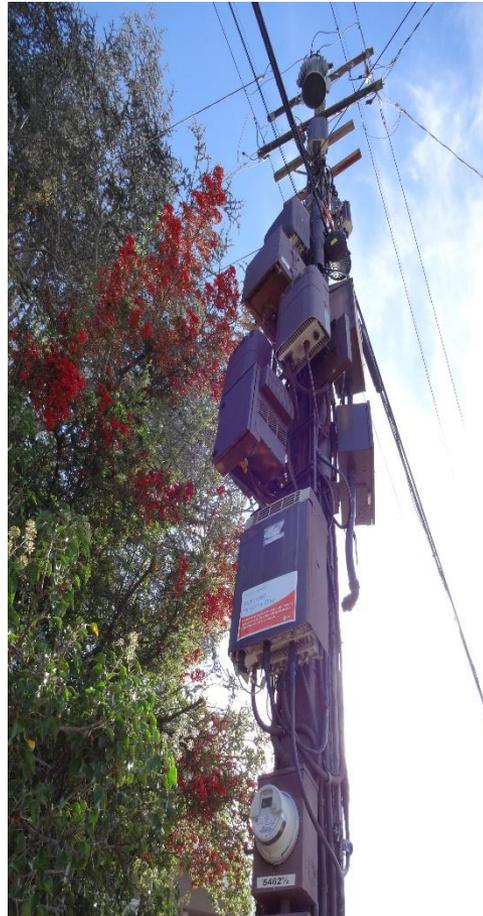
- Pole Overloading
- Safety factor
- Pole transfer (“buddy pole”)
- Climbing space
- Working space
- Pole locations



Pole Overloading

Factors that affect overloading of a pole:

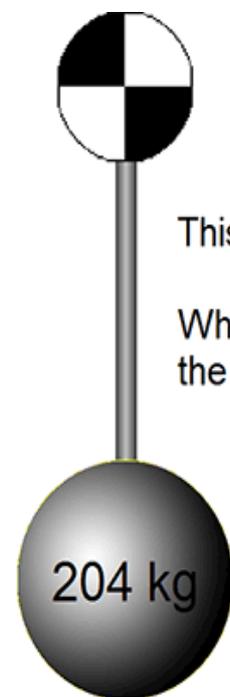
- Weight of equipment
- Weight of conductors
- Conductor tensions
- Height of conductors
- Height of equipment
- Wind forces (on poles, equipment, and conductors)
- Remaining wood strength
- Pole depth
- Low safety factor





Safety Factor

- A measure of a pole's resistance to breaking
- Ratio of the maximum tensile strength of the pole over the working load
- Inversely related to the “loads” on a pole
- Loads depend on winds, weight of facilities, tensions on conductors



This rope is rated to 30 kN.

When it is holding a 2 kN load,
the safety factor is 15:1.





Examples of Pole Overloading and Low Safety Factors





Examples of Pole Overloading and Low Safety Factors - continued

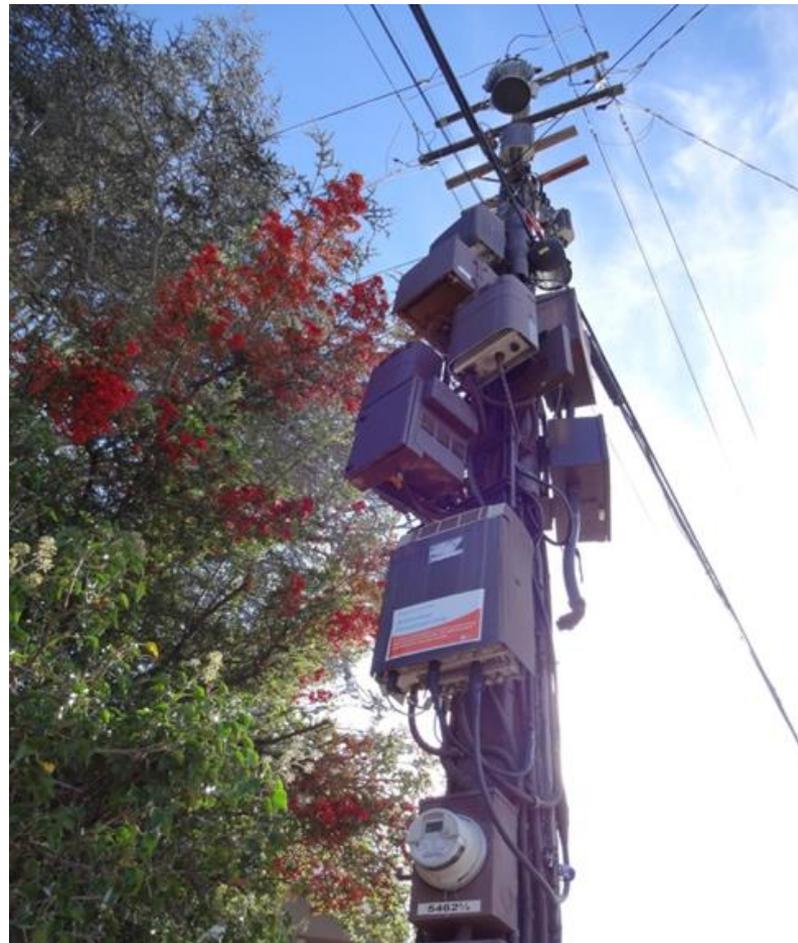
Malibu
2014





Examples of Pole Overloading and Low Safety Factors - continued

Berkeley





Examples of Pole Overloading and Low Safety Factors - continued



Nuevo



Arcadia





Examples of Pole Overloading and Low Safety Factors - continued



El Cajon





Pole Transfer – “Buddy Pole”

- A “buddy pole” is an old pole that should be removed, but is instead left in the field.
- Existed for many years.
- CIPs frequently ignore the requirements to transfer their facilities.

Berkley



Bakersfield





Examples of Buddy Poles



Hidden Valley



El Cerrito



Oakland





Examples of Buddy Poles - continued

Lake Elsinore





Examples of Buddy Poles - continued

Berkeley





Examples Climbing Space/Working Space Violations and Others





What is SED Doing?

- Committed to driving a safety culture
- Electric and CIP audits
- Active in proposing new safety rules
- Researching new technology
- Citations for IOUs
- Seeking Citations for CIPs





Utility Pole Safety



Timothy Sullivan
Executive Director

California Public Utilities Commission

May 12, 2016





Public Service Responsibilities

Access to Infrastructure

- ✓ Implement statutory programs to support universal telecommunication services
- ✓ Support broadband deployment programs to bridge the digital divide
- ✓ Implement income-qualified energy program (e.g. CARE)
- ✓ Provide consumer dispute resolution to minimize service cut-offs

Safety

- ✓ Conducts safety inspection of rail crossings
- ✓ Inspect electric and gas infrastructure
- ✓ Review regulatory filings for safety concerns
- ✓ Ensure compliance of water utilities to state and federal public health requirements
- ✓ Ensure access to telecommunication services to support public safety (e.g. 911)
- ✓ Utility pole safety

Environment

- ✓ Implement water conservation regulation across privately-owned water companies
- ✓ Implement state laws to mitigate greenhouse gas emissions and increase use of cleaner energy resources
- ✓ Support efforts by sister agencies such as Air Resources Board and California Energy Commission

Regulation

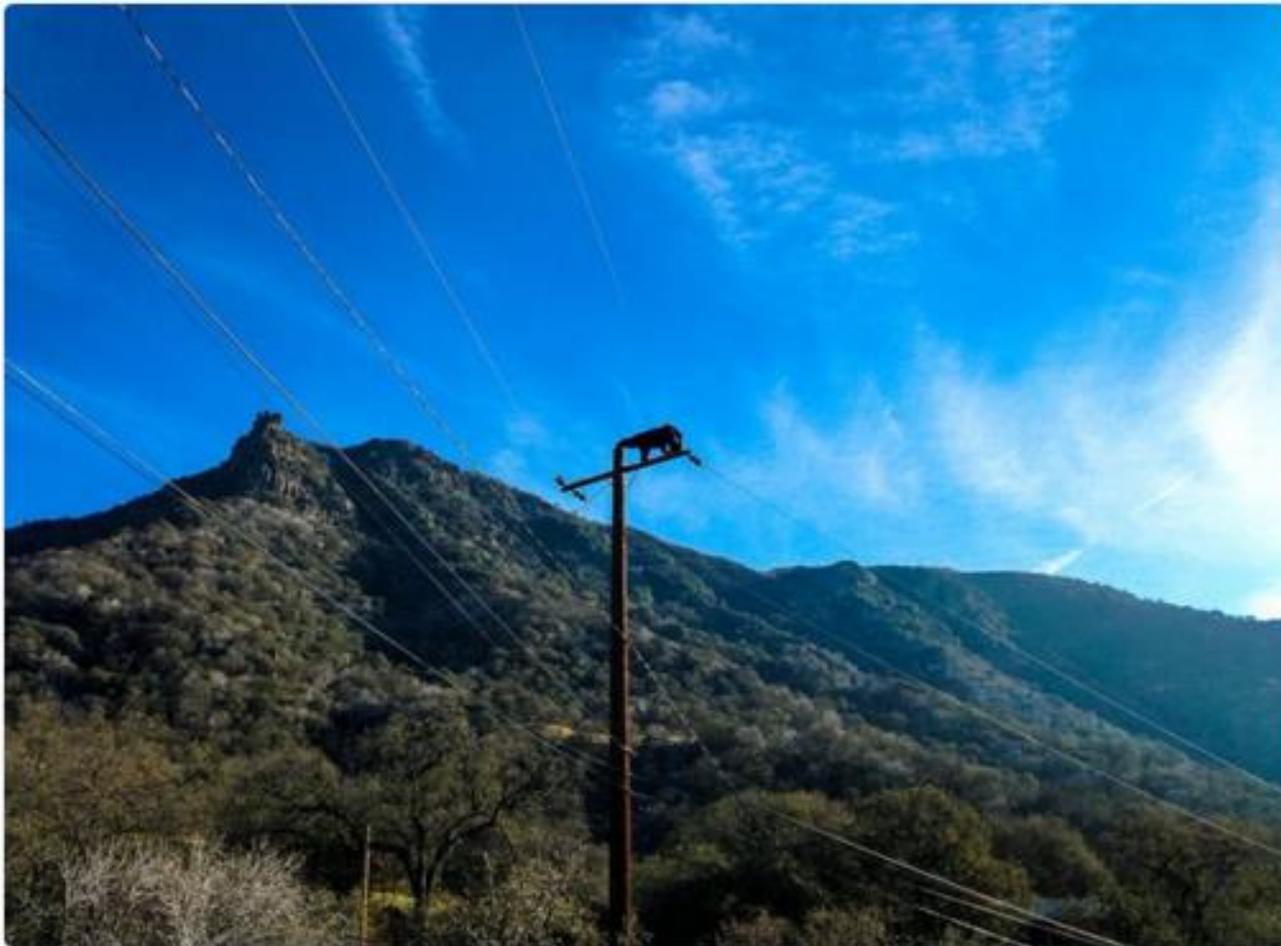
- ✓ Review license applications by goods and passenger carrier companies
- ✓ Review and audit utility costs
- ✓ Review rate cases by small telephone companies
- ✓ Implement and administer new state laws on rideshare companies
- ✓ Conduct oversight to ensure compliance of state law by regulated utilities





SCE @SCE · Mar 13

A black bear climbed this pole in Three Rivers, Ca. to scavenge for acorns out of the cross arm. (📷: Jim Kennard)



42



41





Current Efforts to Assure Pole Safety

CPUC is the only PUC in the country to have a dedicated electric safety program. Other states require compliance with the National Electric Safety Code, but don't have an enforcement program or dedicated electric safety staff.

The CPUC:

- Cites electric utilities for violations of General Order 95, 128, et al.
- Reviews and approves utility expenditures for pole maintenance and replacement
- Performs risk-based analysis of pole safety for use in rate cases
- Hosted a ***Utility Pole Safety En Banc*** on April 28, 2016
 - Preceded by visit to site of 2007 Malibu Canyon Fire





2007 Malibu Canyon Fire

- CPUC Commissioners and staff toured site of fire prior to En Banc
- Visit showed abandoned utility poles
- More info on Malibu Fire:
 - CPUC and LA Fire investigations found fire started when three top-heavy, electric wire utility poles snapped during heavy winds
 - Burned almost 4,000 acres
 - Destroyed 14 structures and 36 vehicles, including Castle Kashan and Malibu Presbyterian Church
 - Injured 3 firefighters
 - CPUC required SCE and telco's to pay over \$60M in damages





Utility Pole Safety En Banc

- CPUC hosted En Banc on April 28, 2016 in Los Angeles
- Objective: to begin a high-level discussion of the state of pole safety not limited to a specific incident, industry or service territory, and to identify areas for improvement
- Part of the CPUC's *2016 Safety Action Plan*, which seeks to drive a safety culture
- 3 panels, 13 speakers. Participants included:
 - investor-owned utilities
 - communications providers
 - public safety agencies
 - consumer groups
 - utility worker groups





Utility Pole Safety En Banc Observations of Panelists

- Many factors can overload a pole (e.g. ice, wind, attached equipment, load imbalance, improper guying, wire tensions, and gradual strength degradation)
- Unauthorized attachments occur in all service territories and the current fine is viewed as inadequate
- Current process for coordinating attachments is paper-based and time-consuming
- There are pros and cons to solely-owned vs. jointly-owned poles
 - Sole ownership may improve pole management and safety
 - Joint ownership may reduce redundant infrastructure and cost to ratepayers
- Broad agreement on value of a compulsory, shared pole database
- GO 95 committee has done major work on pole safety over past decades
- GO 95 is largely compatible with National Electrical Safety Code (NESC) standards, but there may be areas where NESC standards could improve CA practice
- CPUC staff lack citation authority over communication infrastructure attachers





Utility Pole Safety En Banc Takeaways

- CPUC enforcement action against electric utilities is severely hampered by a section in CPUC General Order 95 that allows electric utilities to claim compliance with safety rules so long as they have a plan in place for remedying the violation.
- Communication Infrastructure Providers (CIPs) are primary offenders for overloading poles. CPUC staff do not have citation authority over CIPs, only electric utilities.
- Outside San Diego, databases lack up-to-date pole loading information, resulting in unreliable records on pole loading and maintenance schedules.





Proposed Efforts to Improve Pole Safety

- Underway: CPUC's Safety and Enforcement Division filed a petition to modify General Order 95 on May 6, 2016, to enhance CPUC's ability to enforce safety rules
- Under Discussion: Grant CPUC staff authority to cite Communication Infrastructure Providers (CIPs), as is the practice for electric utilities
- Under Discussion: Explore creation of a statewide database with up-to-date information on pole loading





Underway: Improving Enforceability of General Order 95

- CPUC's Safety and Enforcement Division has had authority to cite electric utilities for pole safety violations for a year, but has issued few citations
- Why? General Order (GO) 95 allows utilities to claim compliance with safety rules so long as they have a plan in place for remedying the violation
- Earlier this week, CPUC filed a petition to amend GO 95 to ensure timely compliance with safety standards
- Matter is now before the Commission for action





Under Discussion: Grant CPUC staff authority to cite CIPs

- Communication Infrastructure Providers (CIPs), typically telco companies, often overload poles with equipment.
- Under current CPUC rules, CPUC staff do not have authority to cite CIPs, only electric utilities.
- Telco's tend to repair safety violations only when convenient. Some telco's have 25-yr inspection intervals.
- CPUC staff can be granted citation authority via CPUC resolution or legislation.





Under Discussion: Explore creation of comprehensive state-wide databases

- There is no shared database for electric utilities and telco's to maintain and access pole information, resulting in unreliable records on pole loading and maintenance schedules.
- A shared database with accurate data could decrease overloading of poles and improve compliance with safety rules.
- Potential Issues:
 - Costs of establishing shared databases may exceed benefits. Further analysis is recommended.
 - May require legislation to secure funding sources
 - CPUC does not have authority to command joint pole authorities directly





Regular Agenda – Management Reports and Resolutions

Item # 53 [14769]

**Report and Discussion by Safety and Enforcement Division
on Recent Safety Program Activities**





Regular Agenda – Management Reports and Resolutions

Item # 54 [14770]

Management Report on Administrative Activities





Large IOU Progress Towards 33% RPS and Transition to IRP



Edward Randolph

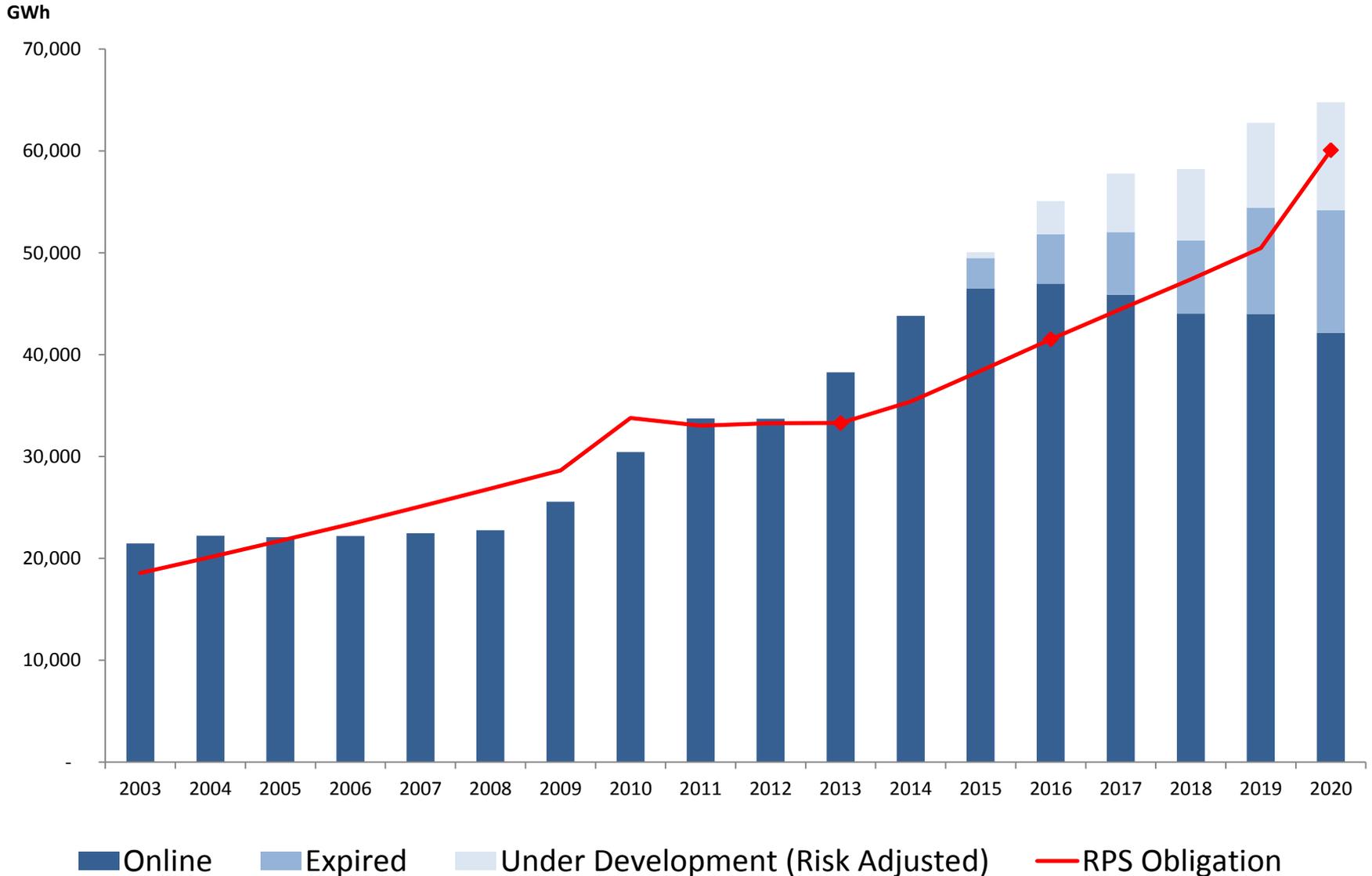
May 12, 2016

RPS Progress Towards Major Program Milestones

- The large IOUs each met their RPS compliance obligations in the first compliance period (2011-2013)
- The large IOUs forecast that they will be able to meet their RPS compliance obligations in the second(2014-2016) and third (2017-2020) compliance periods

	2014			2020		
	Retail Sales	RPS Procurement	RPS %	Retail Sales	RPS Procurement	RPS %
PG&E	74,547	20,156	27.0%	79,463	22,023	27.7%
SCE	75,829	17,731	23.4%	75,662	25,206	33.3%
SDG&E	16,164	5,208	32.2%	16,457	7,216	43.8%

RPS Progress Towards 2020 RPS Target



Summary of RPS Procurement Expenditures in 2015

- The weighted average TOD-adjusted RPS procurement expenditure for 2015 was approximately 10 cents/kWh
- RPS procurement expenditures in 2015 are lower than RPS procurement expenditures in 2014
 - RPS expenditures were 10.1 cents/kWh in 2015 versus 10.3 cents/kWh in 2014

	RPS Procurement Percentage	Total Procurement Expenditures(\$000)	Total RPS Expenditures (\$000)	Percentage of RPS Expenditures to Total Procurement Expenditures
PG&E	31.40%	\$6,699,711	\$2,417,710	36.10%
SCE	24.70%	\$5,925,311	\$1,580,247	26.70%
SDG&E	36.00%	\$1,407,359	\$594,314	42.20%

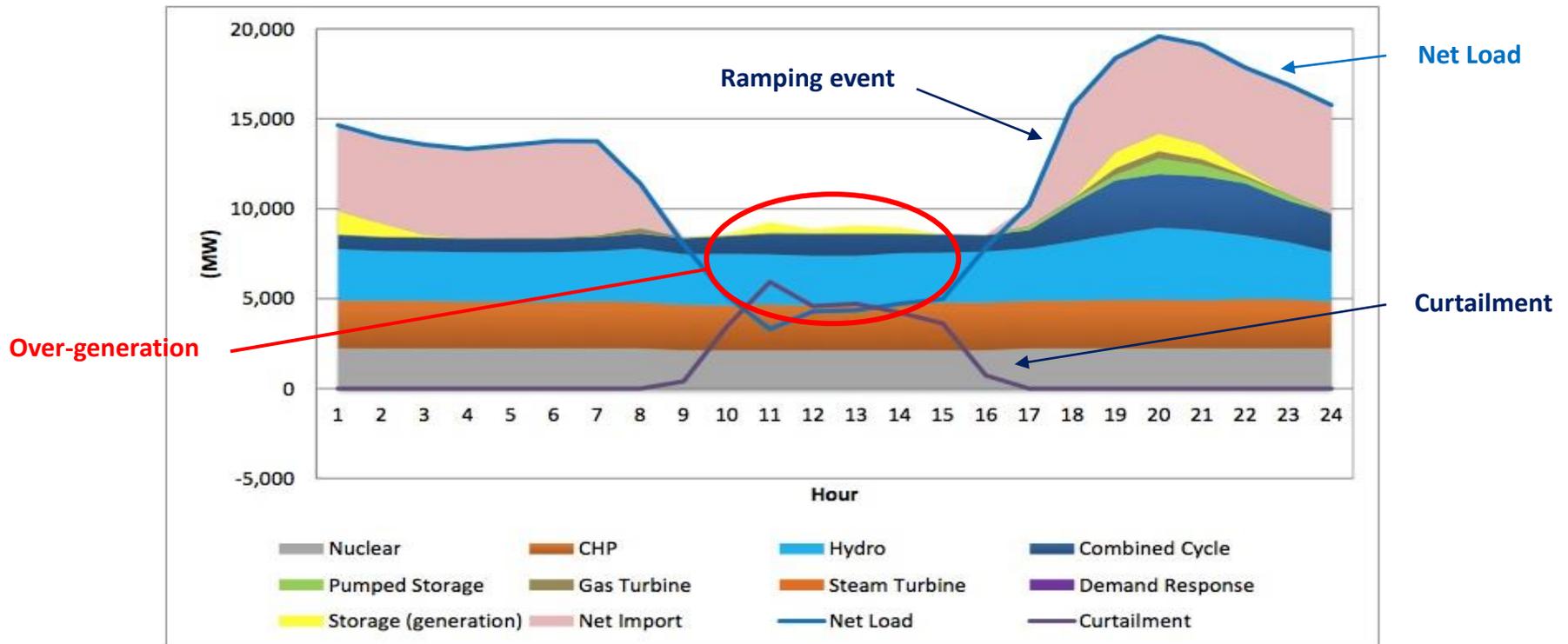
Renewable curtailment

- Studies of higher RPS scenarios predict large amounts of curtailment, especially in scenarios with high proportions of solar
- Balancing the grid in this manner may be undesirable because it wastes renewable energy, undermines RPS and GHG goals, and may be uneconomic compared to other measures that avoid curtailment and balance the grid

Study	Year	RPS	% Curtailed
RPS Calculator v6.0	2030	50%	5.0%
CAISO's 2014 LTPP Testimony	2024	40%	3.4 – 6.5%
CEERT high solar, no enhanced flexibility	2030	55%	9.7%
CEERT diverse, w/ enhanced flexibility	2030	55%	0.2%

These study results depend on many different assumptions about the loads, resources, and operating constraints of the future.

Over-generation and ramping event illustration under a higher RPS in the future



Source: CAISO FRACMOO presentation, Aug 2015, showing potential system conditions for a Spring day in 2024

Grid Integration Solutions

Demand Side (Responsive Load) “Creating Flexible Load”	Supply Side (Responsive Supply) “Increasing Flexibility w/ Procurement”
Storage - customer-side	Storage - supply-side
Demand Response - enhancements to DR, reverse DR to encourage use during oversupply	Demand Response (bidding into CAISO markets)
Distributed generation incentives (NEM, SGIP)	Distributed Renewables (Change curtailment provisions in distributed gen RPS contracts, change in CAISO market to bid in distributed resources)
Distribution grid technologies (Smart-Inverters and Micro-grids)	Transmission grid technologies and markets (EIM, exports, regionalization, targeted TX expansion)
Energy Efficiency targeted to specific times of day	Renewable Procurement Changes (Change Least Cost/Best Fit, integration adder considerations)
Customer Rates (TOU and Dynamic Rate Design) - adjust rates to encourage use at times of oversupply	Wholesale Rates and Market Products (Day-Ahead market changes to reduce self-scheduling)
Load Forecasting (More accurate and granular load shapes through IEPR)	Load Forecasting (Improved day-ahead forecasting of renewables and load)
Transportation Sector (Plug-in Electric Vehicles as responsive load)	Transportation Sector (EVs or charging stations as storage supply)

Components of Integrated Resource Planning (IRP)

- Standard IRP definition - planning process that considers the costs and benefits of both demand and supply side resources when developing the least total cost mix of utility resource options
- California Focus – IRP will look at both supply side and demand side resources as a means of focusing on GHG emissions and reliability of the utility's portfolio.
- IRP – Fundamental Steps:
 - Develop load forecast for planning horizon (e.g., 10 or 20 years)
 - Determine portfolios of existing/future resources (supply and demand-side) for meeting system need
 - Determine GHG metrics
 - Evaluate cost and risk of candidate resource portfolios: utilize common cost-effectiveness metric
 - Minimize total costs
 - Create a flexible plan that allows for uncertainty and permits adjustment in response to changed circumstances
- Successful IRP process should include both meaningful stakeholder process and oversight from engaged commission



Regular Agenda – Management Reports and Resolutions

Item # 54 [14770]

Management Report on Administrative Activities





Management Reports





The CPUC Thanks You For Attending Today's Meeting

**The Public Meeting is adjourned.
The next Public Meeting will be:**

**May 26, 2016 at 9:30 a.m.
in San Francisco, CA**

