



# **CPUC Public Agenda 3354**

## **Thursday, March 26, 2015 9:30 a.m.**

### **San Francisco, CA**



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

[www.cpuc.ca.gov](http://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.”





# Safety and Emergency Information

- In the event of an emergency, please calmly proceed out the exits.
- We have four exits: Two in the rear and one on either side of the speakers.
- In the event that we do need to evacuate the building:
- **(For the Rear Exits)** - Head out through the courtyard, and down the front steps. Continue west on McAllister Street. Turn north onto Franklin Street. Turn west onto Turk Street and proceed to Gough Street.
- **(For the Side Exits)** - Go out of the exits and you will be on Golden Gate Avenue. Proceed west to Franklin Street. Turn north onto Franklin Street. Turn west onto Turk Street and proceed to Gough Street.
- Our assembly point is Jefferson Square Park on Turk and Gough Streets.





# 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.

## **The following items are NOT subject to Public Comment:**

- 19 and 50
- 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.
- 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.

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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, 5, 6, 7, 8, 9, 11, 12, 13, 14, 15, 16, 17, 18, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 34, 35, 36, 37, 38, 39, 40 and 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.
- Items 52 and 53 from the Regular Agenda have 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.
- No items have been moved to the Regular Agenda.
- No items have been withdrawn.
- The following items have been held to future Commission Meetings:
  - Held to 4/9/15: 10, 33, 42 and 42a.
  - Held to 5/7/15: 2, 3, 4, 19 and 45.





# 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](http://www.cpuc.ca.gov).
- Late changes to agenda items are available on the Escutia Table.





## Regular Agenda – Energy Orders

### **Item # 43 [13743] – Applications of Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company for Cost Recovery Implement Third Party Demand Response Direct Participation**

**A14-06-001, A14-06-002, A14-06-003 – Related Matters** – Application of Pacific Gas and Electric Company for Recovery of Costs to Implement Electric Rule 24 Direct Participation Demand Response.

**Ratesetting**

**Comr. Florio / Judge Hymes**

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#### **PROPOSED OUTCOME:**

- Adopts a multiple step approach to the implementation of third party demand response direct participation.
- Approves an Initial Implementation Step.
- Authorizes the recovery of costs for the Initial Step.
- Requires additional filings from the Applicants regarding an intermediate step in this proceeding.
- Denies mass market implementation at this time and in this proceeding for lack of evidence of need.

#### **SAFETY CONSIDERATIONS:**

- No party requested any safety considerations.

#### **ESTIMATED COST:**

- Pacific Gas and Electric Company - \$2.9 million
- Southern California Edison Company - \$2.7 million
- San Diego Gas & Electric Company - \$1.8 million





## Regular Agenda – Energy Orders

### Item # 44 [13787] – Order Instituting Rulemaking to Consider Refinements to the Energy Storage Procurement Framework and Design Program and Related Action Plan of the Energy Storage Roadmap

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R. \_\_\_\_\_ – Order Instituting Rulemaking to Consider Refinements to the Energy Storage Procurement Framework and Design Program and Related Action Plan of the Energy Storage Roadmap.

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#### PROPOSED OUTCOME:

- Effectuates ongoing implementation of Assembly Bill 2514 – (Skinner, Stats. 2010 – ch. 469) and refines policies and program details as required or recommended by Decision (D.) 13-10-040 and D.14-10-045 which established the Energy Storage Procurement Framework and Program and approved the utilities' applications in implementing the program.
- Considers recommendations included in the California Energy Storage Roadmap, an interagency guidance document which was jointly developed by the California Independent System Operator, the California Energy Commission and the California Public Utilities Commission.
- Utilizes the Order Instituting Rulemaking as a procedural forum to effectuate policy and program details that shall apply to future solicitations beyond the present 2014-2016 procurement period.

#### SAFETY CONSIDERATIONS:

- Energy storage procurement enhances the Commission's ability to resolve safety and other issues under Pub. Util. Code § 451 to take actions "...necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and public."

#### ESTIMATED COST:

- Unknown.





## **Regular Agenda – Orders Extending Statutory Deadline**

### **Item # 46 [13807] – Order Extending Statutory Deadline**

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#### **I12-10-013, A13-01-016, A13-03-005, A13-03-013 and A13-03-014 – Related Matters –**

Order Instituting Investigation on the Commission's Own Motion into the Rates, Operations, Practices, Services and Facilities of Southern California Edison Company and San Diego Gas and Electric Company Associated with the San Onofre Nuclear Generating Station Units 2 and 3.

**Ratesetting**

**Comr Florio / Judge Darling, Judge Dudney**

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#### **PROPOSED OUTCOME:**

- Extends statutory deadline for completion of these proceedings until May 30, 2015.

#### **SAFETY CONSIDERATIONS:**

- There are no safety considerations implicated with this Order Extending Statutory Deadline.

#### **ESTIMATED COST:**

- There are no costs associated.





## Regular Agenda – Orders Extending Statutory Deadline

### Item # 47 [13808] – Order Extending Statutory Deadline

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**A13-02-023** – Application of Pacific Gas and Electric Company for Compliance Review of Utility Owned Generation Operations, Electric Energy Resource Recovery Account Entries, Contract Administration, Economic Dispatch of Electric Resources, Utility Retained Generation Fuel Procurement, and Other Activities for the Period January 1 through December 31, 2012.

**Ratesetting**

**Comr Florio / Judge Roscow**

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#### **PROPOSED OUTCOME:**

- Extends the statutory deadline for completion of this proceedings until June 4, 2015.

#### **SAFETY CONSIDERATIONS:**

- There are no safety considerations implicated with this Order Extending Statutory Deadline.

#### **ESTIMATED COST:**

- There are no costs associated.





## Regular Agenda – Orders Extending Statutory Deadline

### Item # 48 [13816] – Order Extending Statutory Deadline

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**A13-05-016** – Application of San Diego Gas & Electric Company for Approval of: (i) Contract Administration, Least Cost Dispatch and Power Procurement Activities in 2012, (ii) Costs Related to those Activities Recorded to the Energy Resource Recovery Account and Transition Cost Balancing Account in 2012 and (iii) Costs Recorded in Related Regulatory Accounts in 2012.

**Ratesetting**

**Comr Florio / Judge Wilson**

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#### **PROPOSED OUTCOME:**

- Extends statutory deadline for this proceeding to May 30, 2015.

#### **SAFETY CONSIDERATIONS:**

- There are no safety matters associated with this proceeding.

#### **ESTIMATED COST:**

- There are no costs associated.





## Regular Agenda – Orders Extending Statutory Deadline

### Item # 49 [13817] – Order Extending Statutory Deadline

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**A13-04-001** – Application of Southern California Edison Company for a Commission Finding that its Procurement-Related and Other Operations for the Record Period January 1 Through December 31, 2012 Complied with its Adopted Procurement Plan; for Verification of its Entries in the Energy Resource Recovery Account and Other Regulatory Accounts; and for Recovery of \$4.998 Million Recorded in Six Memorandum Accounts.

**Ratesetting**

**Comr Florio / Judge Wilson**

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#### **PROPOSED OUTCOME:**

- Extends statutory deadline for this proceeding to June 5, 2015.

#### **SAFETY CONSIDERATIONS:**

- There are no safety matters associated with this proceeding.

#### **ESTIMATED COST:**

- There are no costs associated.





## Regular Agenda – Orders Extending Statutory Deadline

### Item # 50 [13823] – Order Extending Statutory Deadline

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**C14-05-029** – Forecast Group, L.P., Forecast Homes of California, Inc., K. Hovnanian Forecast Homes Northern California, Inc., K. Hovnanian Homes Northern California, Inc., and K. Hovnanian Communities, Inc., Complainants, vs. Pacific Gas and Electric Company, Defendant.

**Adjudicatory**

**Comr Picker / Judge Vieth**

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#### **PROPOSED OUTCOME:**

- Extends statutory deadline for this proceeding to November 2, 2015.

#### **SAFETY CONSIDERATIONS:**

- There are no safety matters associated with this proceeding.

#### **ESTIMATED COST:**

- Potential cost to parties of delayed dispute resolution.





## Regular Agenda – Orders Extending Statutory Deadline

### Item # 51 [13825] – Order Extending Statutory Deadline

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**A13-06-011** – Application of Pacific Gas and Electric Company to Set New Core Interstate Pipeline Capacity Planning Range.

**Ratesetting**

**Comr Florio / Judge Wong**

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#### **PROPOSED OUTCOME:**

- Extends statutory deadline for this proceeding to July 3, 2015.

#### **SAFETY CONSIDERATIONS:**

- There are no safety matters associated with this proceeding.

#### **ESTIMATED COST:**

- There are no costs associated.





# Commissioners' Reports





# Management Reports





# Regular Agenda – Management Reports and Resolutions

## Item #54 [13713]

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

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# Safety and Enforcement Division Office of Utility Safety and Reliability



## Emergency Management Briefing

March 26, 2015





## The SED Mission of the Utility Safety and Reliability Office Objectives

### SED Mission

The CPUC's Safety and Enforcement Division (SED) works diligently to ensure that regulated services are delivered in a safe, reliable manner.



### Office of Utility Safety and Reliability Objectives

- Ensure safe and reliable operation of gas and electric facilities
- Develop, maintain and enforce the California Public Utilities Code and corresponding CPUC General Orders
- Promote understanding of safety and reliability implications internally and externally
- Shift from compliance based regulation to a risk-informed performance-based approach





# Emergency Management Guidance Document

## Emergency Management Mission

The structure of this guidance document serves as an opportunity to lead a culture change and transformation that ensures that all activities performed by the CPUC and regulated Utilities are based on the principle of safety. Ultimately providing an opportunity for collaboration with the Utilities to ensure that together we are providing the field crews and first responder community the tools they need to prevent and respond to potential future emergencies



## Emergency Management Guiding Principles

- Level of “safety risk” associated with work performed or process execution;
- Importance of a process or activity to the overall success of the program;
- Levels of redundancy and oversight already built into the process;
- Best practical approach to ensure quality of the result; and,
- Level of audit necessary to ensure proper implementation Federal and State Safety Regulations to improve the safety of the public & Utility field crews.





# Emergency Management Guidance Document Workstreams



- Review of past practices
- Review of existing proceedings

- State and Federal Code
- Safety Plans
- Public Awareness Plans
- Emergency Plans
- Incident Investigation

- Surveys of Fire Stations
- Interviews with Fire Associations
- Coordination with CalOES
- State Fire Marshall Coordination

- Utility Leadership
- CUEA
- Multi-disciplinary Experts
- Internal Commission Departments
- Emergency Managers

- Operations and Maintenance field crews
- First Responders field crews





## Emergency Response Plans Reviewed

- **The commission shall establish compatible emergency response standards to ensure that intrastate transmission and distribution lines have emergency response plans that adequately prepare them for a natural disaster or malfunction that could cause injury to human life or property, with the purpose of minimizing the occurrence of both.**



- **Emergency Plans Reviewed**
  - 1) Southwest Gas Company
  - 2) Southern California Gas Company
  - 3) San Diego Gas and Electric
  - 4) Southern California Edison Company
  - 5) Pacific Gas and Electric Company
  - 6) West Coast Gas Company
  - 7) Alpine Natural Gas
  - 8) Lodi Storage, LLC
  - 9) Gill Ranch Storage
  - 10) Wild Goose Storage, LLC
  - 11) Central Valley Gas Storage
- **Safety Plans, Public Awareness Plans, and Compliance with PU Code Sections (SB44)** were also reviewed for the major utilities to determine regulatory overlaps and ensure compatible implementation of competing programs





## Emergency Response Collaboration

**“Once trust is established, collaboration occurs and creative and innovative ideas are generated to enhance safety.”**

- 5 Emergency Response Collaborative Workshops Conducted
- Conducted 7 Field Audits
- Attended 5 Companywide and Regional Emergency Field Exercises for the major utilities
- Attended 10 1st Responder Liaison training sessions and provided feedback during after action reviews of each event
- Conducted surveys with 1st Responders to determine effectiveness of 1st Responder contingency planning training sessions with Utilities
- Attended Statewide Emergency Planning Committee Meetings
- Member of the State Recovery Power Planning Team for a major Bay Area Earthquake
- Consulted w/ Utilities, CalOES, State Fire Marshall, & the CA Fire Chiefs Association on development of compatible emergency response standards





## Emergency Response Collaboration Effectiveness

- Vertical and Horizontal Review and Feedback
- Cross Pollination of Procedures Statewide
- Provided all Utilities with feedback on program improvements to increase effectiveness of various programs and to improve the safety of the public
  - Emergency Plans, Safety Plans, Public Awareness Plans, Liaison Activities
- Survey data from outreach to the 1st Responder Community shared with Utilities to improve liaison activities and training sessions
- Discussed the transition from response to implementation of Recovery Plans for catastrophic events including Resiliency Planning
- Developed CPUC relationships with FEMA, USGS, CA Geological Survey, CalOES, the State Fire Marshall, local Fire Departments, & the CA Fire Chiefs Association





# CPUC Internal Emergency Management Components

SEMS/ICS Training	<ul style="list-style-type: none"><li>• Determine emergency response assignments</li><li>• Provide appropriate training</li></ul>
Coordination with CalOES & Federal Agencies	<ul style="list-style-type: none"><li>• State Operations Center representation</li><li>• Revisions to California Emergency Plan</li><li>• Determine level of SEMS/ICS responsibility</li><li>• Emergency Management functional activities/Coordination</li></ul>
Emergency Communications	<ul style="list-style-type: none"><li>• Mitigation</li><li>• Preparedness</li><li>• Response</li><li>• Recovery</li></ul>
Interdepartmental Coordination	<ul style="list-style-type: none"><li>• Determination of Expertise, Resources, and Capabilities</li><li>• CPUC listed as Supporting Agency for Transportation, Communications, Utilities, Management, Resources, &amp; Public Information</li></ul>





## Emergency Management Next Steps

- Continue Collaboration with Utilities, the First Responder Community, and State and Federal Emergency Management Agencies and Associations
- Complete Emergency Management Guidance Document
- Continue to assess effectiveness of existing Emergency Management Plans and Training for all utilities
- Finalize Revised General Order 112F, including Compatible Emergency Response Standards
- Determine Level of audit necessary to ensure proper implementation Federal and State Safety Regulations to improve the safety of the public & Utility field crews
- Prepare internal CUPC Emergency Response Management Plan
  - Action Item #3-Safety Action Plan and Regulatory Strategy





# Regular Agenda – Management Reports and Resolutions

## Item #54 [13713]

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

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# Management Reports





# **The CPUC Thanks You For Attending Today's Meeting**

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

**April 9, 2015 at 9:30 a.m.  
in San Francisco, CA**

