



CPUC Public Agenda 3470

Thursday, September 10, 2020 10:00 a.m.

Remotely



Commissioners:
Marybel Batjer, President
Liane M. Randolph
Martha Guzman Aceves
Clifford Rechtschaffen
Genevieve Shiroma

www.cpuc.ca.gov





CPUC Mission

We Empower California through:

- Assuring utility services are clean and safe.
- Providing for critical services and infrastructure.
- Designing rates that are fair and reasonable.
- Protecting the interests of consumers and ratepayers.





CPUC Core Values

Accountability
Excellence
Integrity
Open Communication
Stewardship





Commissioner Code of Conduct

- **I. Commissioners should conduct themselves in a manner that demonstrates respect for the public, for fellow Commissioners, and for Commission staff.**
- **II. Commission meetings should be opportunities for a full and respectful exchange of ideas and the responsible execution of Commission duties.**
- **III. Serving on the Commission is an honor and Commissioners should treat their colleagues at the Commission with respect for the varied backgrounds, skills and interests that each one brings.**
- **IV. Commissioners are public officials who should uphold the integrity of their office at all times.**





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 call in to toll-free number: 1-800-857-1917 passcode: 9899501.
- 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 bell will ring when time has expired.

Public Comment is not permitted on the following items:

- 3, 4, 14
- All items on the Closed Session Agenda





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, 3, 4, 5, 8, 9, 10, 11, 13, 14, 16, 17, 18, and 19.**
- 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.
- **No Item** has been moved to the Regular Agenda.
- **Item 24** has been withdrawn.
- The following items have been held to future Commission Meetings:
 - Held to 9/24/20: **6, 12, 15.**
 - Held to 10/8/20: **20.**
 - Held to 10/22/20: **2.**
 - Held to 11/5/20: **7.**





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 Virtual Escutia Table.





Consent Agenda - Orders and Resolutions

Item #4 [18650] – Settlement of Megan C. Murray's Citation Appeal

Res ALJ-385

Judge Yacknin

PROPOSED OUTCOME:

- Adopts Settlement of Citation Appeal No. F-5599.
- Closes K.19-10-009.

SAFETY CONSIDERATIONS:

- There are no safety considerations associated with this resolution.

ESTIMATED COST:

- There are no costs associated with this resolution.





Regular Agenda - Communication Orders

Item #21 [18751] – Order Instituting Rulemaking Regarding Broadband Infrastructure Deployment and to Support Service Providers in the State of California

R. _____

Order Instituting Rulemaking Regarding Broadband Infrastructure Deployment and to Support Service Providers in the State of California.

Quasi-Legislative

PROPOSED OUTCOME:

- The purpose of this proceeding is to identify and implement strategies to effectively deploy quality, affordable, and reliable broadband to all Californians.

SAFETY CONSIDERATIONS:

- Broadband is an essential service for the health, safety, and welfare of all Californians.

ESTIMATED COST:

- There are no costs associated with this Order.





Regular Agenda - Orders Extending Statutory Deadline

Item #22 [18715] – Order Extending Statutory Deadline

A.18-09-013

Application for Order Authorizing California-American Water Company to Purchase Bellflower Municipal Water System's Assets and for Related Approvals.

Ratesetting

Comr Rechtschaffen - Judge Bemmesderfer

PROPOSED OUTCOME:

- Extends Statutory Deadline for completion of this proceeding until March 15, 2021.

SAFETY CONSIDERATIONS:

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

ESTIMATED COST:

- There are no costs associated with this Order Extending Statutory Deadline.





Regular Agenda - Orders Extending Statutory Deadline (continued)

Item #23 [18753] – Order Extending Statutory Deadline

R.19-03-009

Order Instituting Rulemaking to Implement Senate Bill 237 Related to Direct Access.

Quasi-Legislative

Comr Guzman Aceves - Judge McKinney

PROPOSED OUTCOME:

- Extends Statutory Deadline for completion of this proceeding until March 15, 2021.

SAFETY CONSIDERATIONS:

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

ESTIMATED COST:

- There are no costs associated with this Order Extending Statutory Deadline.





Management Reports





Regular Agenda - Management Reports and Resolutions

Item #27 [18747]

Klamath River Renewal Corporation 2019 and 2020 Activity Update





Klamath Renewal

Presentation to California PUC

September 10, 2020

Restoring the natural vitality of the Klamath River

Purpose of Today's Presentation

- Provide update on implementation of CPUC Funding Agreement D.17-11-019
- Provide a high-level financial overview
- Review KRRC accomplishments since March 2019
- Look ahead to future activities
- Answer Commissioner and staff questions





1 – Financial Overview

Project Funds Available

- **PacifiCorp customer funds via PUC funding agreements**
 - Oregon: \$184M
 - California: \$16M
- **California Prop. 1 Bond Funds**
 - Up to \$250M

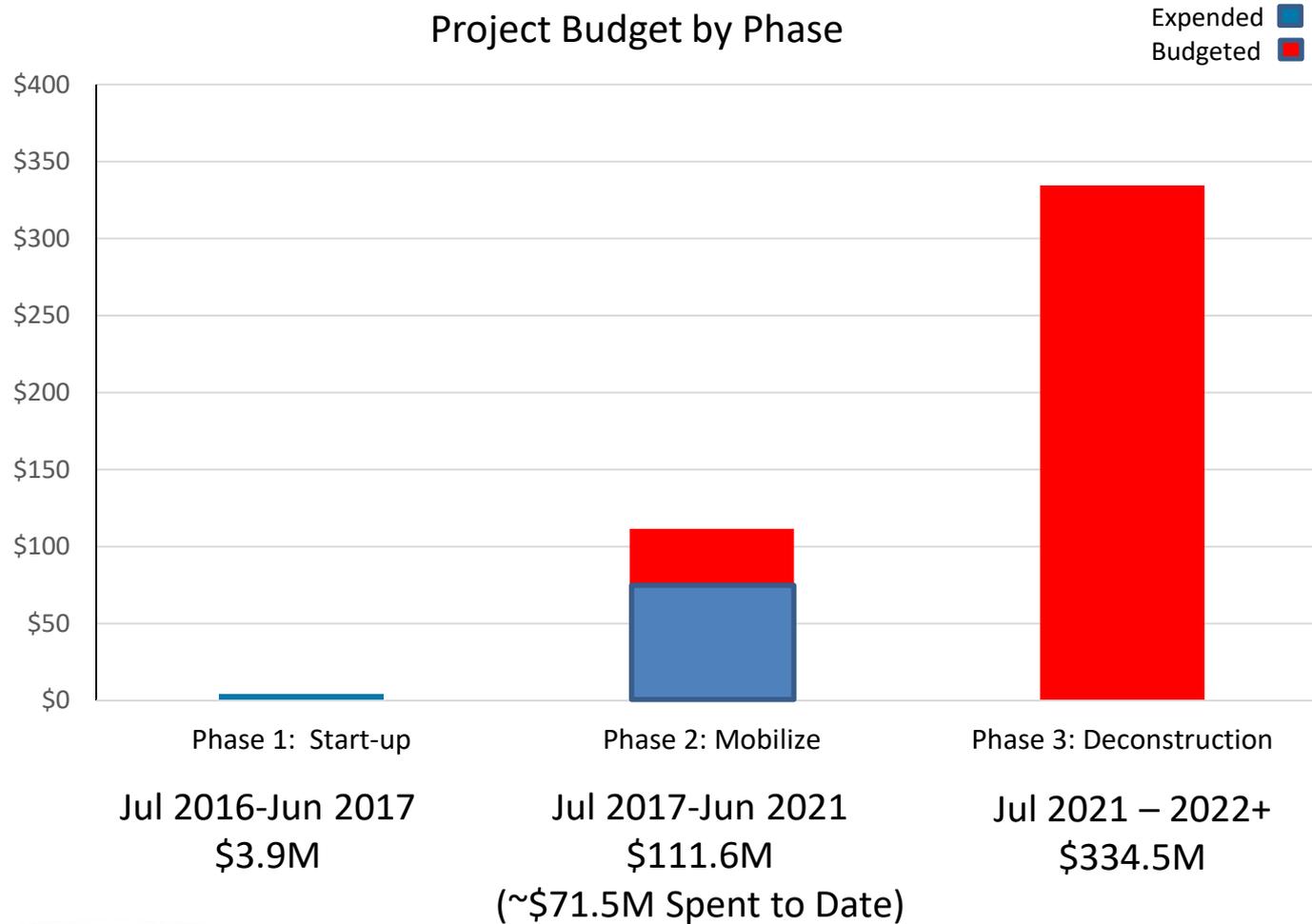


Projected CPUC Expenses through Jun '20*

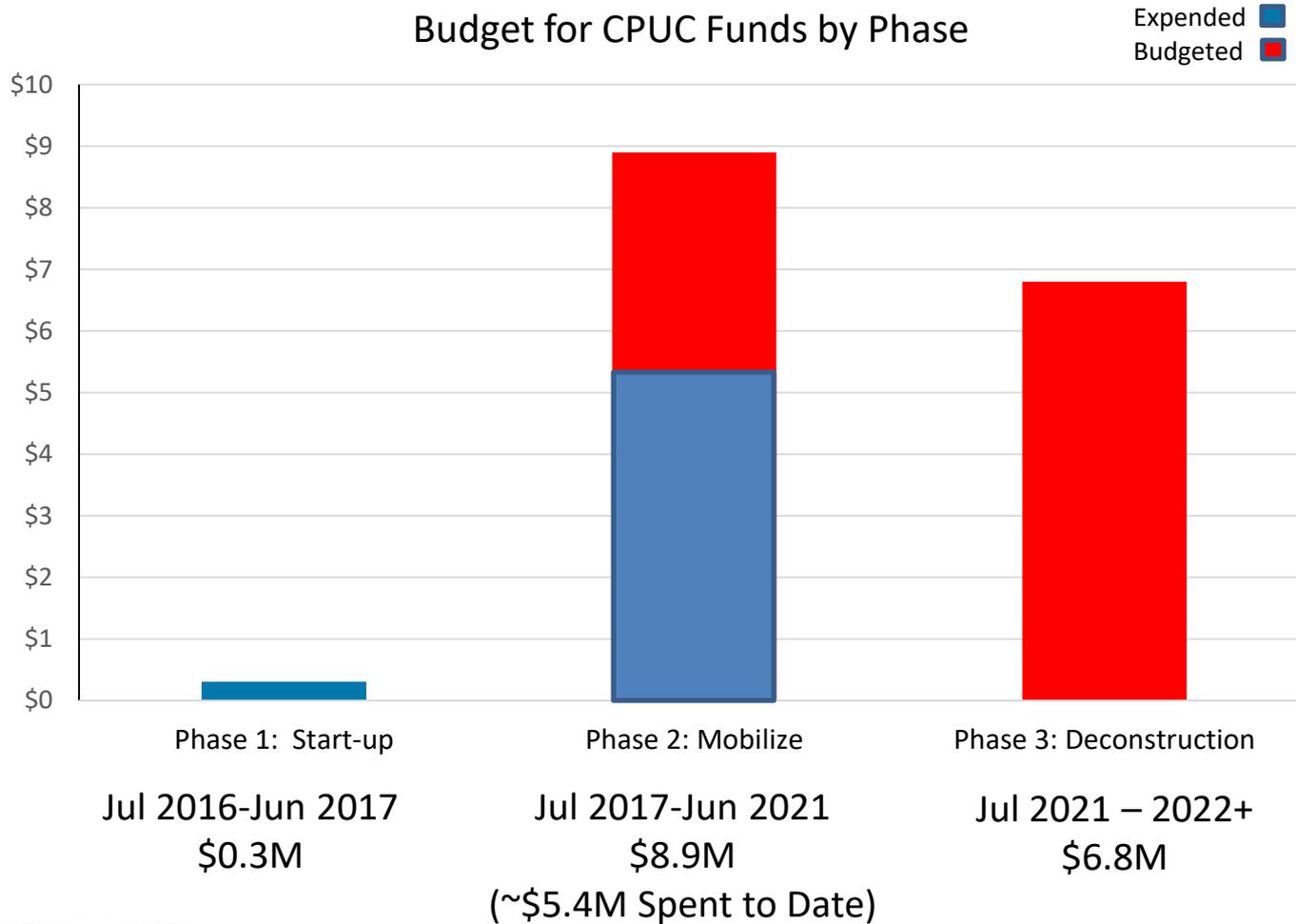
Phase	Key Activities	Dates	Total Costs	CPUC Costs
1	Start Up (completed) <ul style="list-style-type: none"> Board appointments Set up legal, technical, and administrative operations Hired CEO 	Jul 2016 through Jun 2017	\$3.9M spent	\$0.3M spent
2	Mobilize (in progress) <ul style="list-style-type: none"> Complete Definite Plan Complete regulatory filings Hire staff Risk management plan Prepare procurement documents Engage contractor Design Establish GMP 	Jul 2017 through Jun 2021	\$71.5M spent (\$111.6 M budget)	\$5.4M spent (\$8.9 M budget)
3	Deconstruction/Facilities Removal (not started) <ul style="list-style-type: none"> Remove dams Restore native habitat Adaptive management Monitoring and reporting 	Jul 2021 and beyond	\$334.5M budget	\$6.8M budget
Total Budget			\$450M	\$16M

*This schedule and budget assume a 2022 schedule for reservoir drawdown. The team is currently discussing next steps in response to the July 2020 FERC order; once more details are known, the schedule and budget will be updated accordingly.

Expected Allocation of \$450M Project Costs



Expected Allocation of CPUC's \$16M





2 – FY20 Activities and Accomplishments

Financial & Administrative Management

- ✓ Clean FY 19 audit by independent CPA firm; dates set for FY 20 audit
- ✓ Improved efficiencies by bringing outsourced work in-house
- ✓ Secured Board approval of FY21 Budget
- ✓ Risk review (e.g., cyber security, insurance)



Operations & Technical Preparations

- ✓ **Engaged McMillen Jacobs as Owners Representative**
 - Issued Request for Proposals (RFP) to five qualified firms
 - Selected McMillen Jacobs to manage the progressive design-build and restoration contracts
 - McMillen Jacobs brings extensive relevant experience having previously designed and/or constructed similar elements of this project

- ✓ **Negotiated GMPs with Kiewit (progressive design build contractor) and RES (restoration contractor)**

- ✓ **Developed comprehensive insurance approach to project and submitted information to FERC**

- ✓ **Performed Monte Carlo analysis based on updated information to inform contingency levels**

- ✓ **Completed Definite Decommissioning Plan**
 - Completed Plan as basis for regulatory approvals and design-build contract
 - Detailed methods for implementation, including deconstruction, restoration, mitigation, and risk management based on 60% design specification documents

Stakeholder & Community Engagement

- ✓ Ongoing participation in events with tribal nations, agricultural and conservation groups
- ✓ Provided project updates to elected officials, as requested
- ✓ Coordinated with local Chambers of Commerce and Economic Development agencies to promote job opportunities
- ✓ Advanced discussions with states and local counties regarding Memoranda of Understanding for project impacts
- ✓ Responded to property owner inquiries
- ✓ Met with recreation groups and businesses about project impacts and potential recreation opportunities
- ✓ Messaged project benefits through website, newsletters, local press and social media



Klamath Lake Land Trust Meeting

Regulatory Processes

Federal Energy Regulatory Commission (FERC)

- ✓ Submitted refined cost estimate, insurance & indemnification information, and “Plan B” information (July 2019)
- ✓ Submitted the Guaranteed Maximum Price (GMP) (February 2020)
- ✓ Submitted updated Monte Carlo analysis and risk assessment (June 2020)
- ✓ Ongoing engagement of Board of Consultants (BOC) to provide peer review of information; responded to BOC’s Supplemental Report #1 and Report #2 on KRRC’s capacity
- ✓ Received final FERC License Transfer Order partially transferring the Lower Klamath Project from PacifiCorp to KRRC



Regulatory Processes

CA Water Board

- ✓ Received final Clean Water Act Sec. 401 Water Quality Certification
- ✓ Received final Environmental Impact Report

U.S. Army Corps of Engineers

- ✓ Submitted application for dredge-and-fill permit under Clean Water Act Sec. 404

Other Regulatory Items

- ✓ Advanced Property Transfer Agreement between PacifiCorp and KRRC
- ✓ Prepared draft Biological Assessment (BA) for submission to US Fish & Wildlife Service/National Marine Fisheries Service
- ✓ Submitted dam alteration & modification application to CA Division of Safety of Dams (DSOD)
- ✓ Finalized Fire Management Plan
- ✓ Advanced Recreation Plan
- ✓ Continued informal consultations



4 – Next Steps

Next Steps

- Continue to support Principals to address issues associated with FERCs Transfer Order
- Contractors to submit 90% design specifications for dam removal, restoration, Yreka water line replacement, and hatchery; technical and dam safety reviews with CA DSOD and FERC
- Finalize Memoranda of Understanding with state agencies and local Counties
- Advance surrender proceeding once parties determine path forward (Amended License Surrender Application, Biological Assessment, etc.)
- Submit Property Transfer Agreement to PUCs
- Hire a Local Impact Mitigation Fund Administrator (pending action by FERC)
- Complete annual audit
- Ongoing regulatory processes & stakeholder outreach





5 – Questions



Credit: Ecoflight

Thank you!



Regular Agenda - Management Reports and Resolutions

Item #27 [18747]

Klamath River Renewal Corporation 2019 and 2020 Activity Update





Regular Agenda - Management Reports and Resolutions

Item #28 [18750]

Report Out on Follow Ups From August 2020 Public Safety Power Shut Off (PSPS) Preparedness Public Briefings





Management Reports





Commissioners' Reports





The CPUC Thanks You For Participating in Today's Meeting

The next Public Meeting will be:

**September 24, 2020 at 10:00 a.m.
Remote**

