CALIFORNIA PUBLIC UTILITIES COMMISSION

2021 Annual Report

CALIFORNIA PUBLIC UTILITIES COMMISSION

MISSION STATEMENT

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.

President's Message

Honorable Gavin Newsom, Governor of the State of California, and distinguished members of the California State Legislature:

Each year, the California Public Utilities Commission (CPUC) looks back at what we have accomplished and ahead at the work to come. Reviewing these accomplishments and goals shows the breadth of knowledge and expertise of the CPUC as well as the difficult challenges we will face in the future.

In this 2021 Annual Report, we cover everything from rail to renewables and utility poles to broadband. Central to all our work is the support and direction we have from you, and our focus on serving the people of the State of California as ratepayers, consumers, and community members.

As I begin my appointment as President of the CPUC, I look forward to working with you and continuing the actions of the CPUC to protect consumers and provide value to California.

Sincerely,

President Alice Busching Reynolds
California Public Utilities Commission

2021 Annual Report

Who We Are

The California Public Utilities Commission (CPUC) is the largest state utility regulator in the nation, with five Commissioners appointed by the Governor to six-year, staggered terms, subject to confirmation by the state Senate. With its headquarters in San Francisco and offices located in Sacramento and Los Angeles, the CPUC regulates a variety of critical and essential services. Those include investor-owned communications, electric, natural gas, and water companies, as well as railroad safety, rail transit, passenger transportation carriers, and Transportation Network Companies such as Uber and Lyft. As the only unit of state government charged with protecting investor-owned utility customers, core missions for the CPUC include safeguarding the environment and assuring Californians' access to safe and reliable utility infrastructure and services.

Overview

In 2021, the California Public Utilities Commission (CPUC) not only met the challenges of the present, but also prepared itself for the challenges of the future.

It wasn't an easy task. As the COVID-19 pandemic that first challenged the world a year earlier continued through 2021, the CPUC had to both focus on recovery and maintain its longstanding focuses on safety and reliability—two areas that became critical as heat and drought brought both a threatening wildfire season and an extra challenge to ensure sufficient resources to meet California's utility needs. Yet despite the challenges, and as this report will show, the CPUC was able to continue its efforts to make the future of California a safer, more sustainable, and productive one.

In 2021, under the leadership of the Commissioners and Executive Director, CPUC staff worked to protect California consumers and ensured the provision of safe, reliable utility service at reasonable rates. Their efforts are described in this report. As part of its mission to serve the public, and as required by state law, each year the CPUC provides the Governor and Legislature an Annual Report, describing its activities for the prior year and a look ahead at the work expected over the next 12 months. In this Overview, some of the most noteworthy achievements of 2021 are highlighted, including:

- Overseeing action from the state's investor-owned utilities (IOUs) to mitigate wildfire risk and impacts of Public Safety Power Shutoffs
- Solidifying the "safety culture" in regulated energy utilities
- Setting 32 specific safety metrics for Pacific Gas and Electric Company (PG&E) to meet in order to establish a robust safety culture
- Ensuring summer reliability in a warming climate
- Ensuring reliability while transitioning to 100% zero-carbon electricity by adding more 11,500 megawatts in clean resources
- Stimulating local reliability by setting up microgrid incentives
- Protecting customers from the continuing economic effects of the COVID-19 pandemic and ensuring they remain served
- Developing new tools to understand the affordability of utility services
- Aiding efforts, such as the Broadband for All initiative and Assembly/Senate Bill 156 (Committee on Budget/Committee on Budget and Fiscal Review, 2021) to expand broadband access to all Californians
- Promoting transportation electrification through vehicle charging infrastructure investment and rate design

In subsequent pages, the Year in Review section details the broad range of actions taken by the CPUC in 2021. Pursuant to Public Utilities Code section 910(a)(1), the Annual Report also includes an updated Work Plan for 2022 that focuses on the scheduled proceedings and other decisions that may be considered by the CPUC in the year ahead. Also, in compliance with Public Utilities Code section 911, a full listing and status of electric and gas safety incidents reported in 2021 will be available in digital format on the CPUC website at www.cpuc.ca.gov/AnnualReports.

Over the past 140-plus years, the mission of the CPUC has evolved, and the Commission has evolved with that mission. As it responded to the challenges of 2021, the CPUC and its staff not only made sure the challenges of the day were met—particularly as the world continued to recover from a devastating pandemic—but the Commission also continued moving forward to provide the cleaner, safer, and more efficient future that the Golden State deserves.

SAFETY UTILITY SERVICE

The CPUC's primary mission to assure the safety of California utility services continued across all Divisions in 2021. While high-profile energy safety actions grabbed headlines, the CPUC also directed water, communications, rail, and other transportation safety investments. Whatever the industry in the CPUC's vast portfolio, the organization's focus had one overriding priority: keep Californians safe.

While the Wildfire Safety Division transitioned on July 1 to become the Office of Energy Safety Infrastructure under the Natural Resources Agency, the CPUC's work to prevent wildfires continued. The most prominent safety efforts were led by the CPUC's Safety and Enforcement Division (SED).

For example, SED continued to examine Public Safety Power Shutoff practices of electric utilities and worked closely with them to refine rules. The CPUC, in Phase III of its ongoing rulemaking (R.18-12-005), this year set further guidelines and rules to ensure utilities continually improve planning, preparation, and access to resources during shutoff events, as well as send out better notifications and focus on the needs of vulnerable populations. The CPUC charged utilities with balancing the harm from utility-ignited wildfires against the public harm of shutting off power.

The CPUC took multiple actions in 2021 to evaluate and strengthen the safety cultures of California energy utilities. Transparent, risk-based investment decision-making approaches better inform the CPUC and interested parties in evaluating how energy utilities assess, manage, mitigate, and minimize safety risks.

As an example, as part of an open investigation, a consultant completed an independent safety culture study on Southern California Gas Company and parent company Sempra Energy in December 2021. As another, in November the CPUC adopted 32 safety and operational metrics covering electric (wildfire) safety, electric reliability, and natural gas safety for PG&E. The provisions relating to PG&E were part of a larger rulemaking (R.20-07-013) that enhanced the CPUC's oversight and enforcement powers by improving risk mitigation and safety monitoring of all investor-owned utilities. The decision adopted 10 new Safety Performance Metrics, building on those previously adopted, for PG&E, Southern California Edison, Southern California Gas Company, and San Diego Gas & Electric Company, and modifies 19 existing Safety Performance Metrics.

In terms of risk mitigation, this summer the CPUC authorized PG&E to crowdsource hazard information in high-risk wildfire areas via its "PG&E Report It" app for cellphones, giving the utility another vector to receive critical information about potential risks.

In February, the CPUC adopted Decision 21-02-029, which required wireline service providers with facilities in high-risk fire-threat districts to have resiliency strategies. Such strategies include backup power, redundancy, network hardening, temporary facilities, coordination with other utilities, and preparedness planning. This decision on wireline resiliency follows a similar decision (D.20-07-011) adopted the prior year for wireless carriers.

Energy utilities and medium and large water utilities were the subject of a May decision (D.21-05-019) requiring them to update their emergency and disaster preparedness plans and to meet certain CPUC General Orders related to the same.

Safety concerns also were at the forefront of the CPUC's division overseeing in-state railroad safety, a priority since the Commission's founding as the Railroad Commission in 1879. In 2021, the CPUC implemented updated traffic signal preemption policies for at-grade rail crossings at state highway intersections and hosted webinars with multiple railroads and California Department of Transportation staff to discuss ongoing preemption design details. The CPUC solicited assistance from the United States Department of Transportation on the potential use of red "dynamic envelope" pavement markings to help road users identify and stay clear of railroad crossing danger zones, and in January filed its staff report on the Bay Area Rapid Transit District's compliance with the terms of a three-year probation related to a fatal 2013 accident and its requirements to improve the District's safety culture.

Consumer Protection and Enforcement Division's (CPED) Transportation Enforcement Branch (TEB) increased its field safety assurance activities by scheduling joint law enforcement operations at transportation-rich areas where high-risk violations are known to occur—such as wine tourism areas, the Hollywood entertainment district, and large cities where party buses operate.

In December, the CPUC approved a settlement agreement with Uber on reporting of data on sexual harassment and assault. The settlement agreement between the CPUC's Consumer Protection and Enforcement Division, Uber, and the Rape, Abuse & Incest National Network resolved an Order to Show Cause brought against Uber by the CPUC for failure to respond to CPUC rulings (R.12-12-011) requesting information regarding sexual assaults and harassments. Uber will pay $9 million to support safety initiatives directly promoting public interest in passenger safety, including $5 million to the California Victims Compensation Board to be used for the victims of violence and sexual violence with a recommendation to target these funds to outreach and to victims of sexual violence and violence taking place in the passenger carrier industry, and $4 million for efforts to address physical and sexual violence in the passenger carrier industry.

ENERGY RELIABILITY AND EFFICIENCY

In 2021, the CPUC implemented numerous programs and rules changes to ensure that reliable power will be available in a changing, hotter climate. These steps included integrated resource planning, load management, and procurement requirements designed to maintain reliability during extreme weather events.

For example, the CPUC issued a procurement order to require load-serving entities acquire 11,500 megawatts of new clean resources to come online through 2026. The CPUC

oversaw load-shift strategies to ensure clean power is available, such as utilities' roll-out of time-of-use rates. Also in 2021, the CPUC issued Decision 21-06-029, adopting local capacity obligations for 2022 through 2024 and adopted guidelines for the restructuring of the resource adequacy program in D.21-07-014, as part of its mandate to ensure that supply meets demand.

In March (D.21-03-056) and December (D.21-12-015), the CPUC approved a set of proposals to address the risk of electricity outages during extreme heat events similar to the climate-driven, west-wide heat waves of 2020 and 2021. The proposals create new programs and modify existing programs to reduce energy demand and increase energy supply during critical hours of the day. Among the proposals was an extension of the existing Flex Alert media campaign to cut demand when supplies are low, a smart thermostat grant program to save energy by slightly adjusting set temperatures, and adoption of a new program within the Emergency Load Reduction Program that will pay residential customers $2 per kilowatt-hour for reductions in energy use at critical times, with special outreach to low-income customers and customers in disadvantaged communities.

Improvements in local reliability were also targeted through endeavors such as January's approval of Decision 21-01-018, which implemented many of Senate Bill 1339's (Stern, 2018) requirements to facilitate commercial microgrids. That decision revised investor-owned utility rules to allow local government microgrids to serve critical customers on adjacent parcels, set up microgrid tariffs to avoid cost shifting, and allowed electrical utilities to jointly develop a statewide microgrid incentive program to support the critical needs of vulnerable communities impacted by grid outages.

The CPUC also took steps for a more energy-efficient future. In September, the CPUC approved Decision 21-09-037 to establish new energy savings goals for California's electric and natural gas utilities from 2022 to 2032 and provided updated guidance for 2022-2023 goals, further transitioning the state towards long-term greenhouse gas reductions and grid benefits. The decision addressed the findings of the 2021 Energy Efficiency Potential and Goals Study. Due to recent policy changes, the study incorporated new information that updates some of the approaches to estimating energy efficiency potential, with new savings estimates from fuel substitution, demand response integration, data from the CPUC's integrated resource planning proceeding, and the economic impacts of the COVID-19 pandemic.

"We are sending a strong signal to all Program Administrators to pursue these savings opportunities to advance energy efficiency in California to help reach our greenhouse gas reduction goals," said Genevieve Shiroma, the Commissioner assigned to the proceeding.

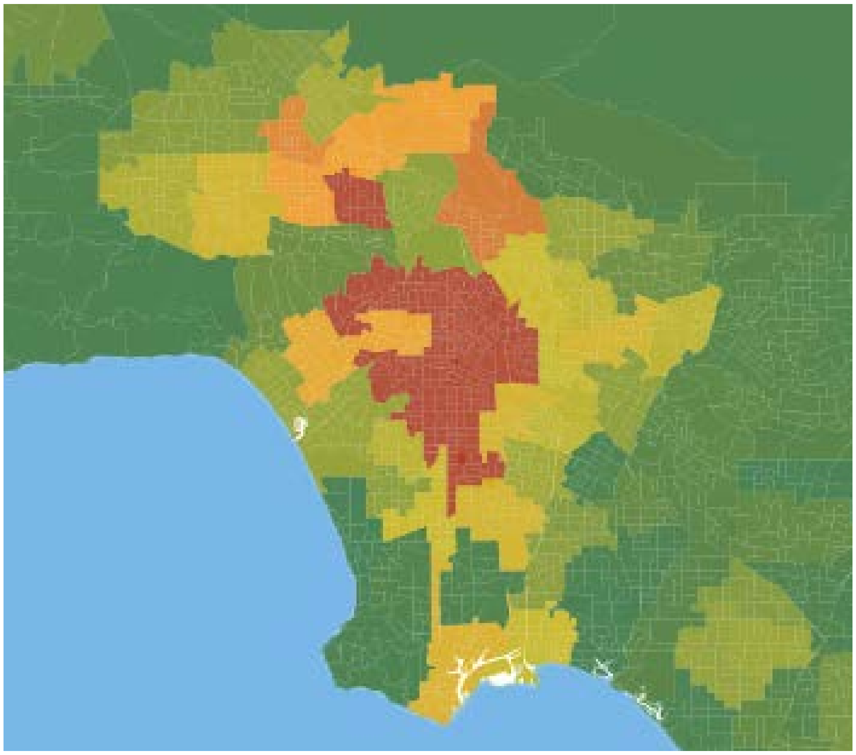
WORKING FOR THE MOST VULNERABLE AND PROVIDING ENVIRONMENTAL JUSTICE DURING PANDEMIC RECOVERY

The CPUC serves all Californians, and recognizes that some populations in the state face higher barriers to access clean, safe, and affordable utility services. To fulfill its mission, the CPUC must have a focus on communities that have been underserved. In 2021, the CPUC took a number of steps to ensure equitable access to utility service for the most vulnerable Californians, particularly those in disadvantaged and tribal communities.

In October, after an in-depth scoping process, the CPUC issued a draft of the first revision to the Environmental and Social Justice Action Plan first introduced in 2019. The Plan serves as both a commitment to furthering principles of environmental and social justice, as well as an operating framework with which to integrate environmental and social justice considerations throughout the agency's work. The revised draft plan consists of nine overarching goals, clear objectives, and 95 concrete action items to ensure agency-wide collaboration, accountability, and forward movement in meeting environmental and social justice principles. The CPUC is expected to adopt the revised draft in early 2022, following additional stakeholder input.

Economic effects of the COVID-19 pandemic continued into 2021 and persisted. As a result, the CPUC stepped up efforts to identify ways to help consumers keep essential utility services. In late June, the CPUC extended the existing moratorium against disconnections for non-payment for energy investor-owned utilities from June 30 to September 30 by a unanimous vote. Without the CPUC's intervention, residential utility customers with energy utility bill arrearages would have faced balloon payments and risked losing their utility service if they had failed to negotiate with their utility when the disconnection moratorium ended. In October, the CPUC ordered investor-owned utilities to implement Percentage of Income Payment Plan pilot programs to reduce residential disconnections of electric and natural gas service. At the same time, local, state, and federal arrearage programs provided benefits to thousands of customers.

"This important Decision will provide additional relief for customers working to recover from the devastating impacts of the COVID-19 crisis," said Commissioner Houck. "As the moratorium on utility service disconnections comes to an end, we need programs that support California's most vulnerable populations now more than ever."



A similar extension to suspension of disconnections for non-payment at regulated water utilities was approved in July (D.21-07-029). The decision also required improved access to the low-income water rate assistance programs via more frequent data exchanges between water and energy utility companies.

The COVID-19 pandemic's economic effects brought affordability concerns front and center for the CPUC. In April, the agency produced its first annual report on the affordability of utility services. Key findings of the report were that: California households face significant disparities in their ability to afford essential utility services; income, more than housing costs, drives whether essential utility services are affordable; and certain areas of California face greater burdens in affording essential utility services.

> **“Affordability poses real challenges for low-income ratepayers,” said Commissioner Clifford Rechtschaffen. “This report shows a tale of two states—lowest income Californians, especially in hotter regions, of California, spend a significant portion of their income on utilities. It is important for us to be able to comprehensively evaluate these impacts as we design programs and consider spending requests of utilities.”**

To address those issues, in September, Commissioner Houck opened a new phase in the CPUC’s affordability proceeding to explore new strategies to mitigate rate increases. As the year wound down, parties were responding to CPUC staff proposals on ways to measure and track changes to rates and affordability.

The CPUC protects consumers in many ways. Trained and dedicated staff provide a wide range of information to utility consumers who have questions about issues ranging from their utility service quality to assistance with bill disputes and paying their utility bill. The CPUC also assists utility customers in resolving issues and disputes with utility service companies. But the biggest services the CPUC provides consumers with comes from its direct regulation of the utilities.

For lower-income customers, in decisions in June (large investor-owned utilities) and September (smaller utilities), the CPUC approved extended and updated assistance plans for ratepayers. The California Alternate Rates for Energy, Family Electric Rate Assistance, and Energy Savings Assistance programs (also known as CARE, FERA, and ESA, respectively) approved in those decisions are expected to save low-income California customers more than $10 billion in utility bills over the next five years.

The CPUC worked for equitable access in transportation as well. The CPUC’s Transportation Licensing and Analysis Branch continued to implement 2018’s Senate Bill 1376 (Hill, 2018), which incentivizes Transportation Network Companies (also known as ride-hailing companies) to provide access for persons with disabilities, with a primary focus on wheelchair users who require a wheelchair-accessible vehicle. In March and November of 2021, the CPUC approved D.21-03-005 and D.21-11-004, respectively, updating performance requirements for Transportation Network Companies’ accessible services as well as additional requirements for access providers seeking funding. The CPUC also approved ten regional transit planning agencies to serve as fund administrators to set up local wheelchair-accessible vehicle programs and distribute funding.

Ensuring services for the underserved was also a focus of the CPUC’s Communications Division. In 2021, the CPUC extended a pilot program to provide a free cellphone and service to foster youth, via the LifeLine program, through 2023. The CPUC also streamlined the LifeLine renewal process by allowing providers to check the databases of other qualifying state and federal programs.

In August, the CPUC acted to decrease the high telephone rates and fees that financially burden the families of incarcerated people and impede their ability to communicate—a burden made more difficult by the ongoing COVID-19 pandemic. Decision 21-08-037 put a 7 cents per minute cap on detention facility inmate calls and limited additional transaction fees.

In July, the CPUC approved a decision allowing removal of four hydroelectric dams on the lower Klamath River as part of the implementation of the Klamath Hydroelectric Settlement Agreement between 48 parties including PacifiCorp, the states of Oregon and California, several Native American tribes, and many other groups and organizations. When completed, the dam removal project will address declines in fish populations, improve river health, and renew Tribal communities and cultures.

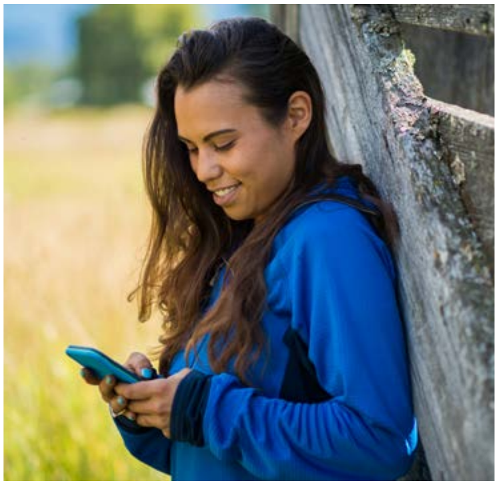
"Our decision…is another step forward to advance this historic dam removal project. Through the collaboration of the states of California and Oregon, the Yurok and Karuk Tribes, the federal government, private companies, and conservation groups, this region may soon enjoy cultural, ecosystem, and economic restoration," said CPUC President Marybel Batjer.

CONNECTING CALIFORNIA

The pandemic has underscored the importance of making broadband accessible and affordable. Universal access to high-speed internet is critical to the state's economy, education, and health and well-being. In July, Governor Newsom signed Senate Bill (SB) 156 (Committee on Budget and Fiscal Review, 2021) to help bridge the digital divide and provide reliable and affordable internet access to all Californians. SB 156 encumbered more than $6 billion to expand the state's broadband fiber infrastructure and increase internet connectivity for families and businesses. In March, the federal American Rescue Plan, which includes funding for states to expand broadband, was signed. These two efforts could connect hundreds of thousands of Californians and increase the usable speeds of millions more. The CPUC is an important part of that expansion.

Key among SB 156's provisions is the creation of a statewide open-access middle mile network (the "middle mile" is the long-haul network that transports data between the local "last-mile" networks on each side). Other requirements include funding accounts to connect unserved and underserved communities.

In two scoping memos, one in April and one in August, Commissioner Martha Guzman Aceves integrated the two funding efforts into the existing "Broadband for All" rulemaking, which is designed to set the strategic direction and determine changes necessary to expeditiously deploy reliable, fast, and affordable broadband internet access services that connect all Californians. The CPUC will be exploring short and medium-term actions in order to achieve this goal.



As another part of the larger proceeding, on October 21, the CPUC adopted Decision 21-10-020, which adopted new post-disaster community engagement and reporting requirements for investor-owned utilities and facilities-based telecommunications service providers in California. As mentioned in the safety section, the CPUC required both wireless and wireline service providers with facilities in high-risk fire-threat districts to have resiliency strategies. But the CPUC also set conditions that telecommunications providers must meet in a post-disaster environment.

These requirements include requiring providers to: provide the CPUC with information (such as the scope of damage, restoration plans, timelines, etc.) within 15 days from when the utilities are allowed into a disaster area to assess the damage; meet in person with the impacted community to allow an opportunity to discuss any rebuilding and restoration plans within 30 days of being permitted back into a disaster area; and, provide the CPUC with a summary of activities within 60 days after service is restored.

The decision's goal is that during the restoral of damaged investor-owned utility (IOU) infrastructure following wildfires, the IOU will concurrently install fiber infrastructure and conduit as necessary to facilitate the operation of an open access fiber network in and near the community impacted by a 2020-21 wildfire. By taking advantage of IOU service restoral and rebuilds to install a fiber network, the impacted community can benefit from reliable broadband infrastructure constructed by the IOU that would not be built otherwise.

"Service providers must take seriously our request that they consider installing fiber or fiber conduit when rebuilding community networks after a disaster," said Commissioner Houck.

Elsewhere in communications, the CPUC updated its data collection and verification. One method used in 2021 was the use of the CPUC's CalSPEED app to measure the quality and speed of high-speed mobile broadband. During two rounds of testing, more than 4,000 locations in California, including rural, urban, and tribal areas, were visited by

CPUC staff and contractors. The CPUC also conducted fixed testing using CalSPEED home devices. These tests revealed modest improvements in service availability and performance, and results are available on the California Broadband Availability Map at www.broadbandmap.ca.gov.

DROUGHT RESPONSE

California faced another year of severe drought in 2021. In June, the CPUC joined with the State Water Resources Control Board and the California Department of Water Resources to call on local and regional water suppliers to increase their conservation efforts, develop contingency plans in the event of water supply problems, and urge Californians to save water amid ongoing dry conditions.

LOOKING FORWARD

California has long been a leader in innovation, and throughout 2021 the CPUC's oversight made sure that Californians had access to the safe, reliable, clean, and affordable utility services that the state needs to pace the nation.

The CPUC has been a leader in clean energy, as evidenced by the decisions made to increase zero-carbon energy supply mentioned in the energy reliability summary, as part of its role under Senate Bill 100's (de León, 2018) mandate for California to have 100 percent "clean" energy by 2045. The CPUC worked with partners, such as the California

Energy Commission and local governments, as its proceeding on building decarbonization continues and also worked to facilitate the deployment of local, sustainable microgrids.

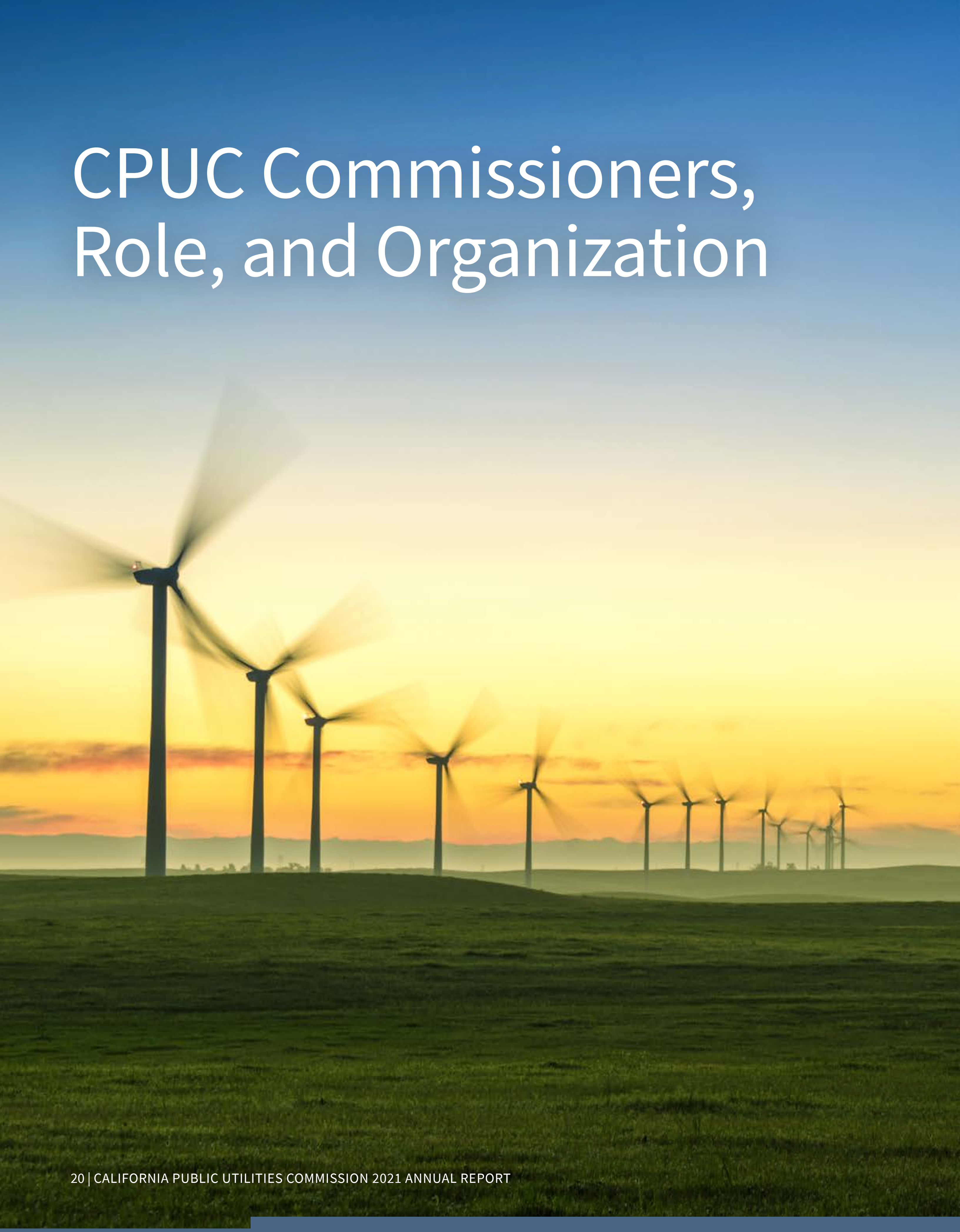
CPUC staff also continued to explore the future of mobility. The development of autonomous technology for private and fleet vehicles is expected to grow in the coming years as autonomous vehicle companies strive to provide safe, efficient transportation. In June 2021, the CPUC authorized Cruise LLC as the first participant in California's "driverless" autonomous vehicle passenger service pilot. Cruise was one of four new permits in the Autonomous Vehicle Passenger Service Pilot Program in 2021 (the other three require a driver to be in the vehicle). All companies participating in the pilot must submit quarterly reports to the CPUC about service statistics; applicants to the driverless pilot program must also submit a passenger safety plan that outlines their actions to protect passengers during driverless operations.

Whether those future vehicles have drivers or not, they are more likely than not to be powered by electricity rather than burn fossil fuels. In 2020, Governor Newsom issued an executive order that would lead to having all new passenger car and truck sales be zero-emission vehicles by 2035. Millions of electric vehicles will need infrastructure, and in July the CPUC approved a decision to set near-term priorities for transportation electrification investments by electrical corporations. The decision provided guidance for investor-owned utilities to utilize a streamlined advice letter process to develop programs that would set up necessary programs and infrastructure for an electrified transportation future. The decision also set standards for work in disadvantaged communities and with local Community Based Organizations to ensure the benefits of such proposals are equitably distributed.

READ ON

More detailed descriptions and references for the accomplishments described in the preceding sections are in the following pages. In them, you will read how the team at the CPUC worked to meet both the challenges of today and the challenges of tomorrow, while putting Californians' health and safety first.

CPUC Commissioners, Role, and Organization



CPUC COMMISSIONERS IN 2021

MARYBEL BATJER, PRESIDENT

Marybel Batjer was named president of the California Public Utilities Commission (CPUC) on July 12, 2019, by Governor Gavin Newsom and sworn in on August 16, 2019. On December 30, 2020, Governor Newsom reappointed her as president.

She previously served as the first secretary of the California Government Operations Agency. In this role, she led forward-looking efforts to revamp the way the state approaches data and technology, modernized the civil service system, and led the implementation of key initiatives to green state government and promote renewable energy.

Before heading the Government Operations Agency, President Batjer was vice president for Public Policy and Corporate Social Responsibility at Caesars Entertainment, Inc., where she developed and promoted corporate social responsibility policy and initiatives and counseled the senior executive team during a public merger on issues pertaining to reputation management and public policy.

She also served as cabinet secretary to Governor Arnold Schwarzenegger from 2003 to 2005, chief of staff to Nevada Governor Kenny Guinn from 2000 to 2003 and undersecretary at the California Business, Transportation and Housing Agency from 1997 to 1998.

President Batjer's successful and collaborative management style has gained her the respect of leaders in both the public and private sectors, where she has served on several boards and commissions, including as the former vice chair of the State of Nevada Colorado River Commission.

In her role as secretary of the Government Operations Agency, President Batjer has won several awards, including Governing Magazine's national 2017 Public Official of the Year, the American Society for Public Administration (Sacramento Chapter) 2018 Liz Hill Public Official of the Year, and California Women Lead: Woman of the Year. During her service at the federal level, she was honored with the Medal for Distinguished Public Service with Bronze Palm (highest civilian honor) from the Department of Defense, and the Medal for Distinguished Public Service from the Department of the Navy.

President Batjer concluded her service as President of the CPUC on December 30, 2021.

MARTHA GUZMAN ACEVES

Martha Guzman Aceves was appointed Commissioner at the California Public Utilities Commission (CPUC) by Governor Edmund G. Brown Jr. on December 28, 2016. Her portfolio included issues related to distributed energy (Net Energy Metering, Demand Response Programs, and Energy Storage), fiscal oversight of utilities (Energy Resource Recovery Accounts), broadband access (California Advanced Service Fund, High-Cost Funds-A and B, and Broadband Deployment), water affordability and conservation, increasing access to clean energy programs for Disadvantaged Communities (DAC), San Joaquin Valley Affordable Energy, Solar On Multifamily Affordable Housing, DAC Single-Family Solar Homes, DAC Community Solar, and preventing disconnections of basic utilities. She spearheaded the Interagency Solar Consumer Protection Taskforce, a collaboration with the Contractor State License Board and Department of Financial Protection and Innovation. Additionally, Commissioner Guzman Aceves served as co-chair of the Emerging Trends Committee and is one of two Commissioners on the Senate Bill 350 (de León, Leno, 2015) Disadvantaged Communities Advisory Group. She also represented the CPUC on the California Broadband Council and the Lithium Valley Commission.

Prior to joining the CPUC she served as deputy legislative affairs secretary in the Office of the Governor focusing on natural resources, environmental protection, energy, and food and agriculture. She was Sustainable Communities program Director for the California Rural Legal Assistance Foundation from 2005 to 2011. From 2006 to 2008 she worked with Swanton Berry Farm on human resources issues including a new employee-stock ownership program. She was legislative coordinator for United Farm Workers from 1999 to 2005, working on labor, immigration, and environmental issues. In 2010 she co-founded Communities for a New California, a charitable organization promoting increased civic engagement of underrepresented communities. Guzman Aceves earned a Master of Science degree in Agricultural and Resource Economics from the University of California, Davis, and a Bachelor of Science in International Economics from Georgetown University.

Commissioner Guzman Aceves resigned from the CPUC on December 17, 2021, to become the United States Environmental Protection Agency's Regional Administrator for Region 9.

CLIFFORD RECHTSCHAFFEN

Clifford Rechtschaffen was appointed to the California Public Utilities Commission (CPUC) by Governor Edmund G. Brown Jr. in January 2017. At the CPUC his key areas of interest include decarbonization, safety, environmental justice, enforcement, and improving the accessibility of CPUC proceedings. Commissioner Rechtschaffen is the assigned Commissioner on the integrated resource planning, transportation electrification, building electrification, Renewables Portfolio Standard, biomethane and renewable gas, supplier diversity, and several risk assessment and safety proceedings. Commissioner Rechtschaffen is a member of the National Association of Regulatory Commissioners Federal Energy Regulatory Commission Task Force on Transmission, serves as one of two Commissioners on the Senate Bill 350 (de León, Leno, 2015) Disadvantaged Communities Advisory Group, is a member of the Western Energy Imbalance Market Body of State Regulators, and is on advisory boards of the California Stationary Fuel Cell Collaborative and the Financial Research Institute.

Prior to joining the CPUC, Commissioner Rechtschaffen served as a senior advisor to Governor Brown from 2011 to 2017, where he worked on climate, energy, and environmental issues. In 2011 he also served as acting Director of the California Department of Conservation. Commissioner Rechtschaffen served as a special assistant attorney general in the California Attorney General's Office from 2007 to 2010. From 1993 to 2007 he taught environmental law, directed the environmental law program, and co-founded the Environmental Law and Justice Clinic at Golden Gate University School of Law. In 2005 he was a Fulbright Scholar at the University of Ljubljana in Slovenia. He is the author of several books and numerous articles on environmental law and policy. He was a deputy attorney general in the Environment Section of the California Attorney General's Office from 1986 to 1993, a Reginald Heber Smith Community Lawyer Fellow at the Marin County Legal Aid Foundation from 1985 to 1986, and a law clerk for the Honorable Thelton Henderson, U.S. District Court, Northern District of California, from 1984 to 1985. He is a graduate of Yale Law School and Princeton University. He lives in Oakland and is a diehard Golden State Warriors fan.

GENEVIEVE SHIROMA

Genevieve Shiroma was appointed to the California Public Utilities Commission (CPUC) by Governor Gavin Newsom on January 22, 2019. Prior to joining the CPUC, Commissioner Shiroma served as a member of the Agricultural Labor Relations Board from 1999 to 2019, serving as chair from 1999 to 2006, 2011 to 2014, and 2017 to 2019. Previously, she was chief of the Air Quality Branch at the California Air Resources Board from 1990 to 1999, an air quality supervisor from 1984 to 1990, and an air quality engineer from 1978 to 1984. For five terms, from 1999 to 2018, Commissioner Shiroma was the elected Director of Ward 4 of the Sacramento Municipal Utility District (SMUD).

Commissioner Shiroma is presently the lead Commissioner for approximately 65 formal proceedings spanning the regulated electricity, gas, telecommunications, transportation, and water industries. She leads the Microgrids and Resiliency proceeding established pursuant to Senate Bill 1339 (Stern, 2018), the rulemakings over Transportation Network Companies, the LifeLine discount phone and broadband program, the California Alternate Rates for Energy and Energy Savings Assistance Program, the customer energy investment financing rulemaking, the Energy Efficiency rulemaking, and major general rate cases including for Southern California Edison, California American Water, among others.

Commissioner Shiroma serves as the Commission's representative on the Low-Income Oversight Board, and is Co-Chair of the Commission's Emerging Trends, Finance & Administration, and Internal Audits committees. In 2020, Commissioner Shiroma was selected as the secretary/treasurer and in 2021, vice president, of the Western Conference of Public Service Commissioners of the National Association of Regulatory Utility Commissioners (NARUC), and appointed to serve on the NARUC Emergency Preparedness, Recovery and Resiliency Task Force and Subcommittees on State and National Response to COVID-19 and Black Sky Response.

Commissioner Shiroma resides in Sacramento and holds a Bachelor of Science degree in Materials Science and Engineering from University of California, Davis. She was born and raised as a farm worker's daughter in the Acampo-Lodi area of San Joaquin County.

DARCIE L. HOUCK

Commissioner Darcie L. Houck was appointed to the California Public Utilities Commission (CPUC) by Governor Gavin Newsom on February 9, 2021. At the CPUC, Commissioner Houck is lead Commissioner for 57 proceedings and her portfolio includes the following major proceedings: California Advanced Service Fund, Affordability, Disconnection, Integrated Distributed Energy Resource Planning, Distributed Energy Resources, Climate Adaptation, and Provider of Last Resort. Commissioner Houck also serves as the CPUC President's delegee to the California Broadband Council and is a member of the Electricity Committee, Nuclear Waste Subcommittee, and Critical Infrastructure Committee of the National Association of Regulatory Utility Commissioners.

Commissioner Houck formerly served as chief counsel for the California Energy Commission since 2019. She was an administrative law judge at the CPUC from 2016 to 2019, a partner at Fredericks Peebles & Morgan from 2005 to 2016, and staff counsel and policy advisor at the California Energy Commission from 2000 to 2005.

Commissioner Houck has expertise in matters concerning environmental equity, nuclear energy regulation, and safety policy. She has an extensive background representing Native American tribes throughout the country on matters involving energy, natural resources, land claims, and water rights, among others.

Commissioner Houck is a member of the California Indian Law Association, California Lawyers Association, Schwartz-Levi Inn of Court, Women Lead, and the Association of Women in Water, Energy, and Environment. She earned a law degree from the University of California, Davis, where she also earned a Master of Science in Community Development.

CPUC ROLE AND ACTIVITIES

The CPUC holds Voting Meetings at least monthly to discuss and vote on issues that require a formal decision by the CPUC's Commissioners. These meetings are typically held in San Francisco and Sacramento, but due to the COVID-19 pandemic, meetings have been held virtually. Issues come before the CPUC according to a set of procedures that are accessible to regulated entities, intervenors, and members of the public. The types of proceedings are summarized below, and procedures are explained in the CPUC's Rules of Practice and Procedure and General Order 96-B.

TYPES OF PROCEEDINGS

The CPUC exercises its regulatory authority through a variety of different proceedings and actions:

ADVICE LETTERS AND RESOLUTIONS: An advice letter is a written request made by a regulated California entity, filed with the CPUC, typically to implement a CPUC formal decision, or to make a request or proposal on the entity's own initiative to change services or a pricing structure, which is known as a tariff. These requests can be approved either through a disposition letter issued by the Director of the relevant industry division or through a resolution that is approved by a vote of the CPUC's Commissioners. Industry Divisions review and approve advice letters in accordance with the CPUC's General Orders.

APPLICATION: An application is initiated by a regulated entity to request the use or modification of ratepayer funds or assets or to otherwise meet legal requirements imposed on the entity (e.g., an application for a certain rate structure ordered by the CPUC, or an application for a certificate of public convenience and necessity to provide telecommunication services).

COMPLAINT: A complaint may be initiated by a person, business, or governmental entity alleging that a regulated entity has violated the Public Utilities Code or failed to adhere to a CPUC decision or regulation.

ORDERS INSTITUTING INVESTIGATION: An Order Instituting Investigation (OII) may be initiated by the CPUC to examine specific issues because of a regulated entity's actions. This may lead to new or changed legislation, programs, enforcement, policies, or rates. An OII is comparable to the prosecution phase of an investigation, following a staff investigation initiated immediately after an action or event.

ORDER INSTITUTING RULEMAKING: An Order Instituting Rulemaking (OIR) may be initiated by the CPUC to establish new rules and regulations. In all formal proceedings, at least one Commissioner and an administrative law judge (ALJ) are assigned to establish the scope for the proceeding and guide it through the regulatory process.

Generally, the ALJ conducts the hearings, meets with the assigned Commissioner to discuss developments, and prepares and issues a proposed decision. Any Commissioner may choose to prepare an alternate proposed decision. The CPUC then votes to adopt a decision. Most types of proceedings, with certain exceptions, must be completed within 18 months. After the final decision is issued and the proceeding is closed, the CPUC can modify a decision on its own initiative or in response to a petition for modification, which is a pleading citing new or changed circumstances rather than legal error.

CITATION APPEALS: Appeals are initiated by a regulated entity to contest a citation from the CPUC alleging that a regulated entity has violated the Public Utilities Code or failed to adhere to a General Order, CPUC decision, or regulation. The introduction of a specific citation-appeal form of proceeding began in 2014.

REVIEW OF CPUC DECISIONS: CPUC decisions are subject to administrative and judicial review upon a party's filing of an application for rehearing based on an allegation of legal error. If the CPUC denies the rehearing application, the party may seek judicial review by the California Supreme Court or California Court of Appeal through the filing of a petition for a writ of review.

CPUC ORGANIZATION AND FUNCTIONS

OFFICE OF THE COMMISSION

OFFICE OF THE COMMISSION provides dedicated support to the Commissioners, as a body, for the overall coordination of Commission schedules, meetings, agendas, and associated documentation to ensure the governing body is well prepared to discharge its duties. The office designs, maintains, and continuously enhances the information management processes relative to any and all Commissioner communication and monitors compliance with the CPUC governance framework. The office reports to the CPUC president and works with other CPUC staff to ensure timely and accurate communication, coordination, and documentation of CPUC matters. In 2021, the office was led by Deputy Executive Director Saul Gomez. The office is currently led by Deputy Executive Director Kristin Stauffacher (kristin.stauffacher@cpuc.ca.gov).

OFFICE OF GOVERNMENTAL AFFAIRS facilitates the CPUC's interaction with the Legislature, provides expert policy advice to Commissioner offices, management and staff, informs and lends technical assistance to legislative staff, and engages in the legislative process to ensure that the organization's perspective is represented in policy discussions and legislation. The office is available to assist California utility customers as well as state and federal legislative offices with issues pertaining to the industries under the regulatory jurisdiction of the CPUC. The office is led by Director Grant Mack (grant.mack@cpuc.ca.gov).

OFFICE OF INTERNAL AUDIT SERVICES performs audits of the CPUC's internal controls and operational management functions and provides consulting services as requested to assist CPUC operations and improve accountability and transparency. Internal Audit reports directly to the Commissioners.

EXECUTIVE OFFICE, INTERNAL OPERATIONS, AND UTILITY AUDITS

EXECUTIVE OFFICE assures implementation of the CPUC's decisions and policies. The Executive Director manages the Executive Office and the operations of the CPUC while working closely with the Commissioners. The Executive Director and a team of Deputies and Directors work closely with other state agencies, the Legislature, Governor's Office, and external stakeholders to anticipate regulatory and agency needs, and to develop and implement appropriate strategies to meet those needs. The Executive Office is led by Executive Director Rachel Peterson (rachel.peterson@cpuc.ca.gov), who was appointed on January 5, 2021.

INTERNAL OPERATIONS is comprised of the Administrative Services Division, Human Resources Division, and Information Technology Services Division. It is led by Deputy Executive Director Ryan Dulin (ryan.dulin@cpuc.ca.gov).

ADMINISTRATIVE SERVICES DIVISION is responsible for the CPUC budget, accounting, contracts, procurement, business services, facilities, and fleet functions. This division assists the CPUC in achieving its environmental and sustainability goals. It is led by Director Michelle Morales (michelle.morales@cpuc.ca.gov).

HUMAN RESOURCES DIVISION provides professional expertise and guidance through clarity, kindness, and collaborative partnerships, bettering the lives of Californians by advancing the CPUC's diverse workforce. In 2021, it was led by Cris Rojas.

INFORMATION TECHNOLOGY SERVICES DIVISION focuses on using technological innovations to do the CPUC's work more effectively. It is led by Chief Information Officer Fredrick Gomez (fredrick.gomez@cpuc.ca.gov).

UTILITY AUDITS, RISK AND COMPLIANCE DIVISION encompasses two branches: the Utility Audits Branch (UAB) and the Risk and Compliance Branch (RCB). The UAB performs audits of regulated utilities to ensure utilities implement ratepayer-funded programs in compliance with applicable laws, regulations, and CPUC directives. The RCB oversees the enterprise risk management system by identifying, measuring, reporting, and monitoring risks that may affect CPUC's ability to achieve its mission, and ensuring CPUC's compliance with state and federal mandates and other control agency recommendations. The division is led by Director Angie Williams (angie.williams@cpuc.ca.gov).

CONSUMER PROTECTION, ENFORCEMENT, REGULATED INDUSTRY, AND SAFETY DIVISIONS

COMMUNICATIONS DIVISION assists the CPUC in developing and implementing policies to promote competition in all communications markets and to address regulatory changes required by state and federal legislation. The division manages six public purpose programs that are required by statute and are designed to ensure fair, affordable, access to necessary services: California High-Cost Funds-A and B, LifeLine, Deaf and Disabled Telecommunications Program, California Teleconnect Fund, and California Advanced Services Fund. The division is led by Robert Osborn (robert.osborn@cpuc.ca.gov).

CONSUMER PROTECTION AND ENFORCEMENT DIVISION investigates allegations of utility waste, fraud, and abuse, implements and enforces rules and regulations for transportation carriers, and issues permits and certificates for transportation companies. The division advises the CPUC on approaches to regulating the constantly evolving transportation industry including increasing disability access to Transportation Network Company services, coordinating with other state agencies to implement laws that advance operation of autonomous vehicles in California, and engaging in proactive compliance at high-frequency passenger transportation locations, such as airports, entertainment venues, border locations, and special events. The division is comprised of three branches and is led by Director Doug Ito (douglas.ito@cpuc.ca.gov).

ENERGY DIVISION assists the CPUC in its regulation of electric load-serving entities, as well as natural gas, steam, and petroleum pipeline companies. The division provides technical support to the Commissioners and administrative law judges in proceedings and other formal matters. The division also processes, approves, and oversees ministerial requests for changes to utility tariffs through advice letters and prepares resolutions for Commissioner consideration on complex requests from utilities. Additionally, the division represents the CPUC in Federal Energy Regulatory Commission and court proceedings. In 2021 the Division was led by Deputy Executive Director Edward Randolph. The Division is currently led by Directors Simon Baker (simon.baker@cpuc.ca.gov) and Pete Skala (pete.skala@cpuc.ca.gov).

RAIL SAFETY DIVISION protects the public, rail workers, and the environment by enforcing state and federal laws, regulations, orders, and directives on commuter rail, freight rail, and rail transit agencies and companies. The division is comprised of the Railroad Operations and Safety Branch, Rail Crossings and Engineering Branch, and Rail Transit Safety Branch. The division is led by Director Roger Clugston (roger.clugston@cpuc.ca.gov).

SAFETY AND ENFORCEMENT DIVISION promotes utility safety by performing gas, electric, and telecommunication infrastructure safety audits, conducting incident investigations, and investigating utility wildfires and PSPS events. The division experts provide leadership and technical expertise related to major threats to utility safety, such as wildfires, natural gas pipeline risks, and gas storage leaks. It is also advancing safety by developing robust risk management measures, collaborating with state and federal agencies, and leading efforts to improve utility safety culture. The division is led by Director Lee Palmer (leslie.palmer@cpuc.ca.gov).

SAFETY POLICY DIVISION develops policy and advises the CPUC on regulated industries' safety cultures, governance, wildfire and climate adaptation, risk assessment, physical and cyber security, emergency response, Public Safety Power Shutoffs, and other safety issues. In addition to advising on these individual risks, it is advancing quantitative and qualitative techniques for proactively addressing and mitigating investor-owned utility risks. This safety policy function complements the Safety and Enforcement Division's advocacy role. The division is led by Director Danjel Bout (danjel.bout@cpuc.ca.gov).

WATER DIVISION is responsible for ensuring California investor-owned water utilities deliver clean, safe, and reliable water and sewer service to their customers at reasonable rates. There are 90 investor-owned water utilities and 12 investor-owned sewer utilities under the CPUC's jurisdiction, providing service to about 16 percent of California's residents. The division is led by Director Terence Shia (terence.shia@cpuc.ca.gov).

WILDFIRE SAFETY DIVISION was established pursuant to Assembly Bill 1054 (Holden, 2019) and 111 (Committee on the Budget, 2019) and commenced operations on January 1, 2020. On July 1, 2021, the division transitioned from the CPUC to the California Natural Resources Agency as the Office of Energy Infrastructure Safety.

NEWS AND OUTREACH

NEWS AND OUTREACH OFFICE assists customers with utility complaints, provides information and assistance to the media, consumers, local governments, community organizations, and other stakeholders. The office is led by Director Terrie Prosper (terrie.prosper@cpuc.ca.gov) and consists of four branches:

- **News and Graphic Design** conducts media relations, social media, and provides graphic services and oversees the CPUC's websites. It is led by Director Terrie Prosper.
- **Public Advisor's Office** provides procedural information and advice to individuals and groups who want to participate in formal CPUC proceedings; keeps the CPUC informed of barriers that prevent effective public participation; assists the public at CPUC business meetings and other events; arranges for special accommodations such as American Sign Language interpreters; assists Intervenor Compensation participants, which provides monetary compensation to parties that intervene and contribute substantially to CPUC decisions; and works with the utilities and community choice aggregators to review, edit, and approve customer bill notices. The office is led by Public Advisor Allison Brown (allison.brown@cpuc.ca.gov), and the supervisor is Juanita Hill (juanita.hill@cpuc.ca.gov).

- **BUSINESS AND COMMUNITY OUTREACH BRANCH** focuses on outreach to local government and community stakeholders and leads the Utility Supplier Diversity Program and the Small Business Program. The team helps raise awareness of the CPUC's many programs and policies and encourages participation in proceedings. The branch is led by Stephanie Green (stephanie.green@cpuc.ca.gov).
- **CONSUMER AFFAIRS BRANCH** assists consumers of natural gas, electric, water, and communications services with billing and service matters. It answers questions, processes informal complaints, and helps resolve application denials for the LifeLine Program. In 2021, the Branch was led by Amy Chamarty.

ADMINISTRATIVE LAW JUDGE AND LEGAL DIVISIONS

ADMINISTRATIVE LAW JUDGE DIVISION provides an independent forum that ensures fair, unbiased, reasoned, and efficient disposition of proceedings. Administrative law judges process formal filings, preside over adjudicatory proceedings, facilitate alternative dispute resolution, conduct hearings, develop an adequate administrative record, prepare timely proposals for CPUC consideration, and prepare and coordinate CPUC meeting agendas. The division administers the CPUC's Alternative Dispute Resolution Program and the Intervenor Compensation Program. The division is led by Chief Administrative Law Judge Anne E. Simon (anne.simon@cpuc.ca.gov).

LEGAL DIVISION is led by the general counsel who is the CPUC's lead attorney. The general counsel, working with the legal staff, represents the people of the state of California and the CPUC in all actions and proceedings involving any questions under the Public Utilities Code or any order or act of the CPUC. The division provides legal advice and counsel to the various Divisions of the CPUC and handles Public Record Act requests and subpoenas. In 2021, the Division was led by General Counsel Arocles Aguilar. In 2022, the Division will be led by General Counsel Christine Hammond (christine.hammond@cpuc.ca.gov).

ADVOCATES FOR THE PUBLIC

The **PUBLIC ADVOCATES OFFICE**, formerly known as the Office of Ratepayer Advocates, is the independent consumer advocate within the CPUC. Its mission is to advocate for the lowest possible rates for customers of California's regulated utilities consistent with safety, reliability, and the state's environmental goals. Their annual reports, which highlight their yearly key actions and accomplishments, can be found at www.publicadvocates.cpuc.ca.gov. In 2021, the Office was led by Acting Director Amy Yip-Kikugawa. In 2022, the Office will be led by Matthew Baker (matthew.baker@cpuc.ca.gov).

BUDGET

The CPUC has 1,401.8 authorized positions and approximately $1.1 billion appropriated for state operations in 2021-22. This funding supports staff salaries, benefits, and operational expenses including contracts, travel, and facilities.

The CPUC also distributes approximately $1.68 billion in local assistance funding for Universal Service Telecommunications programs, low-income energy assistance, and energy efficiency programs.

CPUC 2021-22 Budget

PROGRAM ADMINISTRATION	APPROPRIATION
Regulation of Utilities*	$836,023,000
Universal Service Telecommunications Programs**	$1,849,412,000
Regulation of Transportation	$91,771,000
Administration	$78,784,000
Administration—Distributed	($78,784,000)
Total	**$2,777,206,000**

Definitions

- *Regulation of Utilities:* energy, water, sewer, and communications (other than Universal Service Telecommunications Programs) and federal funds for pipeline inspectors.
- *Universal Service Telecommunications Programs:* California High-Cost Funds-A and B, LifeLine, Deaf and Disabled Telecommunications Program, California Teleconnect Fund, and California Advanced Services Fund.
- *Regulation of Transportation:* Transportation Licensing and Enforcement, Freight Safety, Rail Crossing Safety, Rail Transit Safety, and federal funds.
- *Administration:* available budget for internal operational Divisions and units, Executive Division, and certain costs for Legal Division and Administrative Law Judge Division which provide benefits to all Divisions in the CPUC.
- *Administration–Distributed:* allocation of costs to various program and funding sources that support the Administration budget.

As part of Governor Newsom's plan, Senate Bill 156 (Committee on Budget and Fiscal Review, 2021) appropriated a one-time investment of $6 billion to expand broadband infrastructure and affordability to unserved and underserved Californians. For fiscal year 2021-22, approximately $1.12 billion was appropriated to the CPUC for last-mile, technical assistance, loan loss reserve, and capital projects. $3.25 billion was appropriated to the California Department of Technology for the middle-mile infrastructure built out.

Additionally, $23.704 million in one-time General Fund budget was appropriated to prepare for SB 100 (de León, 2018) implementation, to support clean energy investments, to prepare for energy emergencies, and energy system wildfire mitigation.

*This figure includes resources allocated for the regulation of utilities including local assistance funding for low-income energy assistance and energy efficiency programs.

** This figure refers to the resources allocated to administer the Public Purpose Programs including local assistance such as California LifeLine subsidies.

Note: Budget appropriations are provided for statutorily designated purposes and are not fungible between program administration and local assistance.

INTERNAL OPERATIONS 2021 HIGHLIGHTS

Internal Operations initiated a multi and cross-divisional effort that included working with control agencies, outside departments, and internal business controls to develop and manage the emergent department telework policy and post-pandemic physical space interactions. The result will be a best practice policy with a focus on maintaining operations and compliancy, consistent with the unique mission of the CPUC to remain flexible, efficient, and accountable to constituents.

ADMINISTRATIVE SERVICES DIVISION

The Accounting Services Section continued to adapt to the state's new FI$Cal system processes and is creating and implementing desk procedures. During the COVID-19 pandemic shelter-in-place order, the essential functions for continued operations were maintained through a skeletal onsite workforce that ensured timely processing of payments and deposits, payroll, and financial reporting to the industry Divisions and program areas. The Accounts Payable Travel Unit implemented the use of the Virtual Credit Card Number that allows for a more efficient and secure way of processing business-related travel expenses.

The Facilities Unit shifted efforts to comply with COVID-19 pandemic protocols and adjusted the scope and deadlines for the Project 400 R for one of the CPUC's Sacramento offices based on revised future work environment directives. The project moved forward with server and badge system modifications while broader discussions took place in response to the Governor's directive to identify opportunities for workspace innovation resulting from an increase in telework.

The Assets Management and Stockroom/Warehouse Units revised the Property Control Manual to pair with large scale revisions in asset receiving, tagging, disposal, and inventory. Additionally, the units developed an internal database for transparency and reporting.

The Fleet Management Unit continued its efforts to streamline the existing fleet pool vehicle population, develop improved protocols and resources for staff, public, and asset safety, while creating transparency with updated reporting tools in line with statewide telematics.

HUMAN RESOURCES DIVISION

The Human Resources Division has continued focus on updating and implementing policies and mandatory training in a virtual environment with a priority on employee health and safety. Recruitment efforts have increased with the relaunch of the Ambassador Program and Fall Virtual Career Fair. By converting another nine examinations from in person to online, the CPUC now has 67 percent of all exams available online 24/7, which has streamlined the selection/hiring process. With more than 400 appointments processed in 2021, the CPUC has onboarded 439 of new hires virtually. More than 200 employees have completed the onboarding program's introductory series cohort, and 103 employees have moved on to retirement or other job opportunities.

INFORMATION TECHNOLOGY SERVICES DIVISION

Information Technology Services Division (ITSD) developed and proposed a governance process that included the formation of an Information Technology Governance Committee (ITGC). Executive leadership approved the implementation of the ITGC, and the committee is currently active and meeting regularly. ITSD has improved the CPUC's response to the statewide restrictions related to the COVID-19 pandemic, and the ability for staff to be productive while teleworking. This included imaging and deploying laptops, increasing bandwidth at the California Department of Technology's data center, substantially increasing virtual desktop infrastructure and virtual private network access, enhancing backend technologies within the data center to accommodate all CPUC employees and supporting remote collaboration with expanded video conferencing capabilities and other emerging technologies.

ITSD is assessing and modernizing technology: including audio/visual equipment, upgrading standard laptops, technology upgrades such as transitioning to a newer platform for better incident management, and increasing video conferencing capabilities.

ITSD continues to modernize and standardize infrastructure systems, such as implementing endpoint detection and response technology and updating critical network and security technologies for e-mail security and Public Records Act exporting.

ITSD works with CPUC employees to determine information project needs, with oversight support from the California Department of Technology. ITSD continues to work with divisions to automate and modernize key business functions, such as the Transportation Carrier Portal project that launched in June 2021 and the CPUC public website redesign project that went live in July 2021. The newly redesigned CPUC public website was named a W3 Awards Gold Winner for 2021.

SUPPORT SERVICES 2021 HIGHLIGHTS

EXTERNAL UTILITY AUDITS

The **UTILITY AUDITS BRANCH (UAB)** completed 35 audits of regulated utilities. UAB communicates findings and recommendations through the issuance of audit reports. UAB's audit reports are posted on the CPUC's website. UAB's major audit highlights include:

- **Balancing Accounts:** Completed four audits of two energy and two water utilities which encompass a total of 120 balancing accounts. The audits found that two of the four utilities had various accounting and reporting discrepancies.
- **Communications:** This section was created this year to further strengthen the CPUC's oversight of regulated communication carriers. UAB is in the process of conducting audits of two carriers to determine whether claims from the California LifeLine Fund were accurate, properly supported, for eligible consumers, and for allowable costs and activities.
- **Energy Procurement:** Completed 12 audits of three utilities' energy procurement activities reported in their quarterly compliance reports and found that all three energy utilities had various reporting errors and non-compliance issues with CPUC directives.
- **Energy Efficiency:** Completed four audits to determine the total amount of unspent and uncommitted energy efficiency funds available for the School Energy Efficiency Stimulus Program. The audits confirmed the final unspent and uncommitted energy efficiency funds totaling $64.3 million for remittance to the California Energy

Commission. The audits found that three out of the four utilities accurately computed the amount of unspent and uncommitted energy efficiency funds.

- **Supplier Diversity:** Completed an audit of a communication carrier's compliance with the CPUC Utility Supplier Diversity Program and found that the carrier reported its 2019 nationwide supplier diversity programs' costs rather than California's supplier diversity programs' costs. In addition, the carrier's subcontractor costs were not substantiated by adequate supporting documentation.
- **Water and Sewer:** Completed 13 reviews of water utilities. The reviews found that all utilities had various reporting and/or non-compliance issues. In addition, to improve water and sewer industry accountability, UAB continues to notify utilities identified through the annual risk assessment that failed to file their annual reports with the CPUC as required. UAB has implemented a process to notify those utilities that were not in compliance of filing their annual reports with the CPUC.

RISK AND COMPLIANCE BRANCH

The Risk and Compliance Branch (RCB) submitted the 2021 Leadership and Accountability Report in accordance with the State Leadership Accountability Act. RCB also implemented and configured new management software to track, follow-up, and monitor the progress of internal and external audit recommendations. In addition, RCB's coordination and monitoring efforts this year resulted in the full implementation and close out of 32 audit recommendations, subsequently resulting in improved internal controls and the development of several written policies and procedures at the CPUC.

PUBLIC RECORDS ACT RESPONSES

Legal Division's Public Records Act team received 719 total records requests and completed processing 583 requests and 34 subpoenas. These numbers represent a 2 percent increase in requests compared to 2019 and 2020, a 10 percent increase over 2018, and a 251 percent increase since 2012. Requests have increased in complexity as well. At least 20 percent of requests require email searches of up to tens of thousands of emails, ranging from a few days to several weeks to process.

READ ON

The following pages include key statistics and accomplishments that paint a numerical picture of the work CPUC performed in 2021.

KEY STATISTICS AND ACCOMPLISHMENTS IN 2021

Safety Enforcement Division

Investigations and Inspections	
Electrical Incidents Reported	123
Electrical Incidents Investigated & Closed	137
Gas Incidents Reported	146
Gas Incidents Investigated & Closed	122
Large Gas Operator Inspections Conducted	30
Small Gas Operator Inspections Conducted	952
Wildfire Investigations Open	13
Wildfire Investigations Closed	4
Other Enforcement Actions	
Notices of Violation Issued to Electric Companies	43
Notices of Probable Violation Issued to Gas Companies/ Operators	29
Fines and Penalties	
Electric Safety and Reliability Branch Fines and Penalties	$682,500,000
Gas Safety and Reliability Branch Fines and Penalties	$0

Consumer Protection and Enforcement Division, Utility and Transportation Enforcement Branches

Investigations and Inspections	
Transportation Carrier Investigations Completed	158
Other Enforcement Actions	
Transportation Carrier Citations	52
Transportation Carrier Citation Appeals	5
Transportation Carrier Cease and Desist Orders	93
Transportation Carrier Warning Notices	23
Transportation Carrier Phone Disconnects	3
Fines and Penalties	
Transportation Carrier Fines Assessed	$212,500
Transportation Carrier Fines Paid	$157,203
Public Utilities Commission Transportation Reimbursement Account Fee Underpayments Recovered	$200,294
Communications Utility Consumer Protection Fines and Other Payments	$42,128,727
Energy Utility Consumer Protection Fines and Other Payments	$69,003,697
Water Utility Consumer Protection Fines and Other Payments	$0

Rail Safety

Investigations and Inspections	
Railroad (Freight/Commuter) Incidents Investigated	104
Rail Transit Incidents Investigated	337
Rail Transit Inspections	361

Administrative Law Judge Division Statistics

Proceedings Initiated / Closed	216/271
Decisions Adopted	483
Resolutions Adopted	453
Oral Arguments	5
Days of Evidentiary Hearings and Prehearing Conferences	257
Evidentiary Hearings	70
Prehearing Conferences	190
Public Participation Hearings	18
Intervenor Compensation Decisions	115
Intervenor Compensation Claims Filed	186
Expedited Complaint Proceedings Resolved	19
Citation Appeals Resolved	15
Mediations	19

Communications Division

Statewide Wired Broadband Availability	97%
Statewide Wired Broadband Households Served	13,000,000
Universal Service Programs Funding – Communications	$723,584,000
Advice Letters Processed	1,771
Advice Letters Closed	1,710
Communications Division Staff Citations	28
Communications Division Staff Citation Penalty Amount	$77,000

Energy

Low-Income Assistance Funding: California Alternate Rates for Energy	$1,383,113,494
Low-Income Assistance Funding: Energy Savings Assistance	$416,000,000
GHG-Free Capacity Added	About 2,300 MW net qualifying capacity (equal to about 4,200 MW of nameplate capacity) of new renewables and energy storage
Energy Efficiency Savings: Electric	3,931 GWh; 3,648 Thousand Metric Tons CO2 (Q1-3)
Energy Efficiency Savings: Gas	99 MM Therms; 749 Thousand Metric Tons CO2 (Q1-3)
Demand Response Participation	1,525 MW (without Distribution Loss Factor adjustment)
Customer-Sited Photovoltaic Added	San Diego Gas & Electric Company: 20,904 kWh (Q1-3) Southern California Edison: 47,056 kWh (Q1-3) Pacific Gas and Electric Company: 64,495 kWh (Q1-3) Total (all utilities): 132,455 kWh (Q1-3)
Transportation Electrification	From 2016 to 2021, $1.55 billion was authorized for a minimum of 60,000 electric vehicle and equipment charging infrastructure (commonly known as ports). Another $38.7 million for Vehicle Grid Integration pilots and $240 million for Transportation Electrification Framework near-term priorities programs was authorized and projects are in development. Additionally, investor-owned utilities were authorized to spend funds from Low-Carbon Fuel Standard credit revenue on electric vehicle programs to support under-served communities and resiliency.
Advice Letters Processed	1,608
Resolutions Adopted	88

Consumer Protection and Enforcement Division, Transportation Licensing and Analysis Branch

Transportation Network Company Accessibility Program (Senate Bill 1376 (Hill, 2018))	R.19-02-012 Decisions Adopted	2
	Staff Reports	1
	Workshops Conducted	1
	Advice Letters Filed by Transportation Network Companies	10
	Working Group Established	1
Regulation of Transportation Network Companies, Autonomous Vehicles	R.12-12-011 Decisions Adopted	1
	New Permits Issued for Pilot Participation	4
	Total Number of Pilot Permits	9
	Number of Miles Driven by Autonomous Vehicles in the Pilot Program	945,205
	Pilot Data Reports Submitted (Quarterly)	33
Transportation Licensing Program	New Applications Approved	624
	Renewals Approved	1,086
	Refiles and Transfers Approved	95
	Total Certificates & Permits Issued	1,805

Water Division

Advice Letters Processed	327 (295 Closed / 32 Pending)
Resolutions Adopted	14
Workshops Held	5
Water Conserved by Water Companies	6.3% compared to 2020

2021 – The Year in Review

COMMUNICATIONS

California Advanced Services Fund

Legislation codified in Public Utilities Code section 281 provides funds for the CPUC to provide broadband access to 98 percent of California households in each consortia region. In 2021, the CPUC worked toward this goal through the following activities:

- Approved a decision to use the California Advanced Services Fund to leverage up to $2 billion in Federal Communications Commission funding in the Rural Digital Opportunity Fund Phase I Auction 904.
- Held application solicitations for the Adoption Account in January 2021 and awarded a total of 33 grants for $1,422,887.
- Held a new application solicitation for the Broadband Urban and Rural Consortia Grant Account and approved two grants totaling $537,555.
- Issued D.21-09-004 expanding eligibility for households that complete a digital literacy training course offered under the Broadband Adoption Account to receive take-home computing devices.
- Held application solicitations for the Tribal Technical Assistance Grant in January, March, July, and October 2021, and awarded a total of 23 grants for $1,393,550 in 2021.
- Conducted the annual workshop to consult with regional consortia, stakeholders, local governments, existing facility-based broadband providers, and consumers regarding unserved areas and cost-effective strategies to achieve the broadband access goal.
- Approved 32 CASF Broadband Infrastructure projects totaling $113,200,971.
- Approved 1 Line Extension project totaling $292,548.

California High-Cost Funds A & B

Public Utilities Code section 275.6 requires the CPUC to minimize telephone rate disparities between rural and metropolitan areas to keep rates affordable in areas with lower population densities. The California High-Cost Fund-A (CHCF-A) supports 10 of the 13 eligible small independent telephone companies that draw from the Fund to allow rural residents to stay connected to essential services to maintain public safety and public health. The California High-Cost Fund-B provides subsidies to carriers of last resort for basic local telephone service to residential customers in high-cost areas that are currently served by AT&T and Frontier Communications.

In proceeding R.11-11-007, the CPUC issued D.21-06-004 updating certain standards of the general rate case process for carriers that choose to participate in the CHCF-A program and increasing the basic residential service rates of $30 – $37, inclusive of surcharges and fees, to $30 – $40. The CPUC also issued D.21-04-005 adopting imputation of net positive retail broadband internet access service revenues of the 10 Small Independent Local Exchange Carriers (Small ILECs) that draw from the fund and their internet service provider (ISP) affiliates in the calculation of CHCF-A support in the Small ILECs' general rate cases.

California LifeLine Program

The California LifeLine Program was adopted to ensure that high-quality basic communications services remain affordable for low-income Californians. The CPUC continues to develop this program in proceeding R.20-02-008 by incorporating new technologies, innovative pilot programs, and addressing the changing federal policy landscape.

Through rulings authorized by D.20-05-043, the CPUC, in conjunction with the Federal Communications Commission, suspended disconnections of program participants through the end of 2021 to address the COVID-19 pandemic emergency.

In D.21-09-023, the CPUC authorized renewals of participants by checking the databases of qualifying state and federal programs. The Communications Division began testing this innovative approach to improving the renewals rate with the CalFresh database in the fourth quarter of 2021.

The CPUC issued D.21-07-008 to extend the California LifeLine pilot (authorized in D.19-04-021) to offer foster youth a smartphone and monthly cellphone services free of charge through January 2023. This decision directed the Communications Division to develop a plan to enable foster youth to participate in the general California LifeLine Program no later than February 1, 2023. The Communications Division held a workshop on the foster youth program on October 22, 2021.

In 2021, the CPUC also extended authorization of the California LifeLine fund in D.21-09-023 to make up for the loss of federal funding for participants who qualify under California, but not federal, eligibility requirements.

California Teleconnect Fund

California Teleconnect Fund (CTF) continued its commitment to provide discounted rates for a host of communications services for schools, libraries, government-owned health care providers, and qualifying Community Based Organizations (CBO) through a surcharge on all customers who purchase intrastate communications. The CTF program created a new subcategory of CBO healthcare to support non-profits that provide telehealth and rural healthcare to their communities.

Due to the COVID-19 pandemic, the CPUC suspended recertification and program requirements since March 2020 to allow more than 12,000 CTF participants to continue to receive the CTF discount without the required three-year eligibility verification.

The CTF program continued to coordinate with the California Department of Education to meet the needs of students and schools by providing a 50 percent discount on the monthly recurring service charge for mobile data services that allow schools to extend the classroom to the home. This resulted in more than 104,000 hotspot devices being approved for 407 school districts in service through June 2021.

Deaf and Disabled Telecommunications Program

The CPUC continued its outreach during the COVID-19 pandemic, making primarily virtual presentations statewide to help provide communications devices and services to deaf, hard of hearing, and individuals with disabilities. The 13 contact centers continued to be operational but operated on an appointment-basis that emphasizes social distancing. Customer home visits were limited to outdoor deliveries, with technical assistance provided through communications outreach until the pandemic passes.

Bring Your Own Device mobile training for those with disabilities emphasized distance training for this year. It focused on standard applications and accessibility features. iPhone and Android training was provided through primarily video services, promoting training to service center customers, and partnering with community-based organizations.

On January 11, 2017, the Deaf and Disabled Telecommunications Program (DDTP) initiated a pilot program to explore alternative equipment for speech-disabled persons who cannot or will not receive the services of a Speech Language Provider and would rather choose a telecommunications assistive device for themselves. The pilot, Voice Options, offered 200 iPads with speech applications to individuals with speech disabilities for short-term and long-term loans through ten demonstration centers throughout the state. The iPads are considered supplemental telecommunications equipment, with an application and certification process needed for approval. The pilot is associated with Assembly Bill 136 (Beall, 2011) and is funded through the DDTP.

Subsequently, the CPUC entered into an interagency agreement with the California Department of Rehabilitation (DOR) to administer testing for Voice Options. On June 15, 2020, the Voice Options program was launched under DOR, with the goal to distribute 500 iPads annually to eligible Californians with a speech disability.

DOR's efforts to distribute 500 iPads during its first year of the Voice Options contract were hampered by the COVID-19 pandemic, with state and county restrictions impacting the delivery of these services at demonstration centers. To provide DOR additional time to administer and analyze the impact of Voice Options, the interagency agreement expiration date was moved from July 1, 2021, to November 30, 2022.

Service Quality

In 2021, the CPUC adopted Resolutions T-17736 and T-17743, which penalized seven telephone corporations a combined $4,147,325 for their failure to meet the General Order 133-D minimum service quality standards. Ninety-eight percent of this total penalty can be attributed to AT&T California (75 percent, $3,129,300) and Frontier California (23 percent, $967,725).

Video Franchising Program

The Digital Infrastructure and Video Competition Act (DIVCA) was signed into law in 2006, transferring responsibility for issuing cable television franchises from cities and counties to the CPUC. DIVCA contains dual state policy goals: the promotion of video competition and the deployment of more and better broadband services.

In 2021, the CPUC's Video Franchising Program issued two new 10-year state video franchises, renewed four franchises for 10 more years, adopted six amendments to existing state video franchises, and transferred one franchise. The CPUC passed a resolution adopting an annual fee that is paid by each video franchise holder and published the Annual DIVCA Video Franchising and Employment report. The Video Franchising team also collected video and broadband data from all franchise holders. Franchisees' broadband data is published on the California Interactive Broadband Map, www.broadbandmap.ca.gov, and video franchise territories are published on the California State-Issued Video Franchise Territory Map.

AT&T Migration of Resale Lines to Frontier

In A.21-05-007, AT&T Corp. applied to discontinue residential telephone services inside Frontier's California service territory. This application impacts approximately 2,700 residential customers. In the application, AT&T Corp. requested that it be allowed to transfer the impacted customers to Frontier, if they do not choose an alternate telephone service provider to ensure there will be no service disruption. In addition to party conferences, the CPUC held a public participation hearing regarding the application on November 16, 2021.

Frontier Transfer of Control Decision and Enforcement

In May 2020, Frontier Communications Corporation and its California local exchange and long-distance subsidiaries filed an application to transfer the control of these companies (Frontier), along with a proposed reorganization of its corporate structure through a Chapter 11 bankruptcy. As required by law, the CPUC opened a proceeding (A.20-05-010) to review Frontier's application and decide whether it was in the public interest. On April 15, 2021, the CPUC adopted D.21-04-008 that approved Frontier's application with conditions. The decision imposed requirements on Frontier regarding capital expenditures, service performance, workforce commitments, broadband deployment, customer price stability, financial reporting, and benefits to local and tribal communities, including a right of first offer to tribes and local governments to purchase property that Frontier proposes to sell. Subsequently, the CPUC adopted Resolution T-17734 to establish an Enforcement Program to ensure compliance with the requirements, terms, and conditions of D.21-04-008 by Frontier Communications Corporation and its California local exchange and long-distance subsidiaries. In addition, the CPUC started a process for procuring an independent compliance monitor, at the expense of Frontier, that will independently review and evaluate Frontier's adherence to the terms, requirements, and conditions of D.21-04-008.

Utility Pole Proceeding

Proceeding R.17-06-028 is a broad, on-going proceeding involving multiple utility pole safety and attachment issues separated into multiple tracks. In March 2021, the assigned administrative law judge issued a Ruling Requesting Comment on "One-Touch Make-Ready (OTMR)" requirements and a staff proposal making the first substantial changes to the CPUC's Right-of-Way ("ROW") Rules addressing utility pole attachment applications evaluations, timelines, make ready work, and contractor qualifications since being implemented in 1998. The proposed changes incorporated the Federal Communications Commission's OTMR pole attachment processes into ROW Rule Section IV. Communications Division staff prepared and submitted summaries of parties' comments with recommendations for a decision expected in 2022.

In 2020, the CPUC issued D.20-07-004 approving, with modifications, the Track 1 Work Plans filed by Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, Frontier Communications, and AT&T (the five major pole owners). D.20-07-004 required each of the five pole owners to incorporate data glossaries with consistent meanings into their respective data portals. In addition, D.20-07-004 ordered that the five utility pole owners convene a working group 60 days after the issuance of this decision to reach consensus for the data elements that will use common data definitions.

Following the approved Track 1 Work Plans, the CPUC issued D.21-10-019 in 2021. This decision builds on D.20-07-004 in Track 1 by imposing on the five major pole owners the duty to include granular information about each electric attachment and communications attachment to each pole in each major pole owner's database. By requiring the inclusion of standardized attachment data to each major pole owner's database, the CPUC takes a major step forward in providing clearer insight into each pole's safety, available capacity, and available physical space for access.

Telecommunications Customer Surcharge Reform

The CPUC initiated proceeding R.21-03-002 in March 2021 to address the need for a sustainable, cost-effective method to fund the state's Universal Service Public Purpose Programs (PPPs) and to improve the transparency and equitability of fees, taxes, and surcharges in customer bills. The current funding mechanism for PPPs, based on a percentage surcharge applied to intrastate telecommunications services revenue, is not sustainable due to the continuing decline of intrastate revenue billing base being reported by service providers. Parties to the proceeding provided data that CPUC staff will use to develop a proposal for a single aggregated fee instead of multiple line items on customer bills. The single fee would impact commercial and residential customers.

T-Mobile/Sprint Merger

In 2020, the CPUC approved the T-Mobile/Sprint merger in D.20-04-008 with numerous conditions aimed at ensuring the public would benefit from the merger. In 2021, the compliance monitor submitted required semi-annual reports, which concluded that T-Mobile is on track to fulfill its obligations as required by D.20-04-008, except as noted below.

In October 2020, T-Mobile announced that it would shut down its legacy Code Division Multiple Access (CDMA) network at the end of 2021. In response to the T-Mobile announcement, DISH Network filed a Petition for Modification of D.20-04-008, asking the CPUC to require T-Mobile to keep the CDMA network operational until at least July 1, 2023. DISH expressed concern that such a shutdown of its network would leave a substantial number of former Sprint customers without service, namely those acquired by DISH as part of the merger transaction. Further investigation led to an Order to Show Cause issued by the CPUC to determine whether T-Mobile had violated Rule 1.1 of the Commission's Rules of Practice and Procedure in 2019 and 2020 with regard to its testimony about the timing of such a shut down and the need to re-farm Commercial Mobile Radio Service (CMRS) spectrum to provide 5G service. Rulings on the petition and order are expected to be issued in the first quarter of 2022.

Verizon Acquisition of Tracfone

In November 2020, TracFone Wireless, Inc. (Tracfone), América Móvil, S.A.B. de C.V. (América Móvil), and Verizon Communications, Inc. (Verizon), jointly applied (A.20-11-001) and received approval to transfer control of Tracfone from América Móvil to Verizon. In 2021, the CPUC approved the transfer with the conditions to mitigate the potential for harm to the public. In addition, the CPUC established a reporting process, as well as a mitigation enforcement program with penalties if the performance requirements are not met.

Communications Network Resiliency Strategies and Disaster Relief

In proceeding R.18-03-011, the CPUC adopted D.21-02-029 requiring resiliency strategies for wireline service providers with facilities located in Tier 2 and 3 high fire-threat districts to ensure California's firefighters, first responders, and the public have a resilient and dependable wireline communications network during a disaster. The strategies include backup power, redundancy, network hardening, temporary facilities, communication and coordination with other utilities, emergency responders, and preparedness planning.

Specifically, the decision requires wireline service providers to:

- Within eight months, secure 72 hours of backup power for critical facilities, facilities providing service to wireless networks, and network equipment located in communities lacking sufficient wireless service coverage.
- Within 18 months, secure 72-hours of backup power for all facilities located in Tier 2 and 3 high fire-threat districts.
- File annual Communications Resiliency Plans.
- File annual Emergency Operation Plans.

In recognition of the economic fallout caused by the COVID-19 pandemic, the CPUC approved Resolution M-4857, which extended the moratoriums on disconnections for non-payment and fees for late payment for telephone service through December 31, 2021. This Resolution also authorized the Executive Director to issue one or more extensions to the moratorium beyond that date, if necessary. Any extensions issued by the Executive Director are limited to 90 days. On December 16, 2021, Executive Directed Peterson extended the moratorium until February 15, 2022.

Assurance Wireless

On April 15, 2021, the CPUC adopted Resolution UEB-008 approving a settlement agreement between the Consumer Protection and Enforcement Division (CPED) and Assurance Wireless (wholly owned by Sprint). The settlement resolves all issues regarding CPED's allegation that Assurance Wireless failed to comply with federal non-usage rules by claiming reimbursement for California Lifeline customers who should have been de-enrolled for non-usage. As of April 26, 2021, the total settlement amount of $41,686,931 has been paid to the LifeLine program.

Broadband Assessment and Deployment

Governor Gavin Newsom signed Senate Bill 156 (Committee on Budget and Fiscal Review, 2021) into law on July 20, 2021, investing $6 billion for broadband infrastructure for middle-mile and last mile projects. This investment is part of a statewide plan to expand broadband infrastructure, increase affordability, and enhance access to broadband for all Californians. The multi-year broadband infrastructure investment includes $3.25 billion to acquire, build, maintain, and operate a statewide open-access middle-mile fiber network overseen by the California Department of Technology, $2 billion in last-mile funding to connect unserved and underserved communities to broadband service, $750 million for a new Loan Loss Reserve Fund to assist local governments, tribes, and non-profits in securing enhanced private financing to construct and operate new public fiber networks, and $50 million for technical assistance grants to support the formation of municipal entities and agreements for financing of broadband infrastructure.

CalSPEED

The CPUC deploys CalSPEED to measure the quality and speed of mobile broadband connections. With its interpolation process of on-the-ground measurements, CalSPEED has consistently measured and predicted mobile broadband service availability and quality at a very high level of accuracy. The CPUC uses CalSPEED to present a complete picture of mobile broadband service throughout California. In 2021, the CPUC completed two rounds of field tests, and for the first time, added testing of 5G networks. Tests were performed in May-June, and again in October-November time periods at 4,000 locations around the state selected to represent urban, rural, and tribal areas. Eight mobile networks were measured and analyzed: AT&T, Verizon, T-Mobile, Sprint, and FirstNet LTE networks, and AT&T, Verizon, and T-Mobile 5G networks. In addition, CalSPEED captured results of crowdsourced measurements taken by consumers using the free CalSPEED mobile app downloaded from Android and Apple app stores. The CPUC also conducted targeted fixed testing using CalSPEED Home devices. Results are available on the interactive California Broadband Map, www.broadbandmap.ca.gov. Additional CalSPEED staff members were hired, and contracts were renewed with California State University, Monterey Bay, and California State University, Chico, to continue and expand CalSPEED's capabilities and analytical output.

In 2021, CalSPEED results were used by the California Office of Emergency Services (Cal OES) to select mobile networks to use at mass COVID-19 vaccination sites and to identify areas with poor mobile service in order to test the functionality of new software Cal OES is deploying for use by first responders. Caltrans used data from CalSPEED to inform its implementation of real-time bus tracking and cashless fare collection projects. In addition, staff worked with school districts to use CalSPEED to assist them in distributing mobile hot spots to students to facilitate remote instruction made necessary by the COVID-19 pandemic.

Regulating Telecommunications Services Used by Incarcerated People

In proceeding R.20-10-002, the CPUC issued D.21-08-037 in which it adopted interim rate relief for incarcerated persons' calling services. This decision caps per minute rates at $0.07 for incarcerated persons' calling services at all incarceration and detention facilities located in California and it also prohibits most ancillary service charges for these calling services, except for third-party financial transaction fees, which are capped within California at $6.95 per transaction.

Rural Digital Opportunity Fund Program of FCC

During 2021 the Communications Division worked with the Administrative Law Judges and Legal Division in reviewing and analyzing applications by the 14 California entities designated by the Federal Communications Commission (FCC) as winning bidders. Each of winning bidder must be certified as an Eligible Telecommunications Carrier (ETC) prior to receiving funding from the FCC.

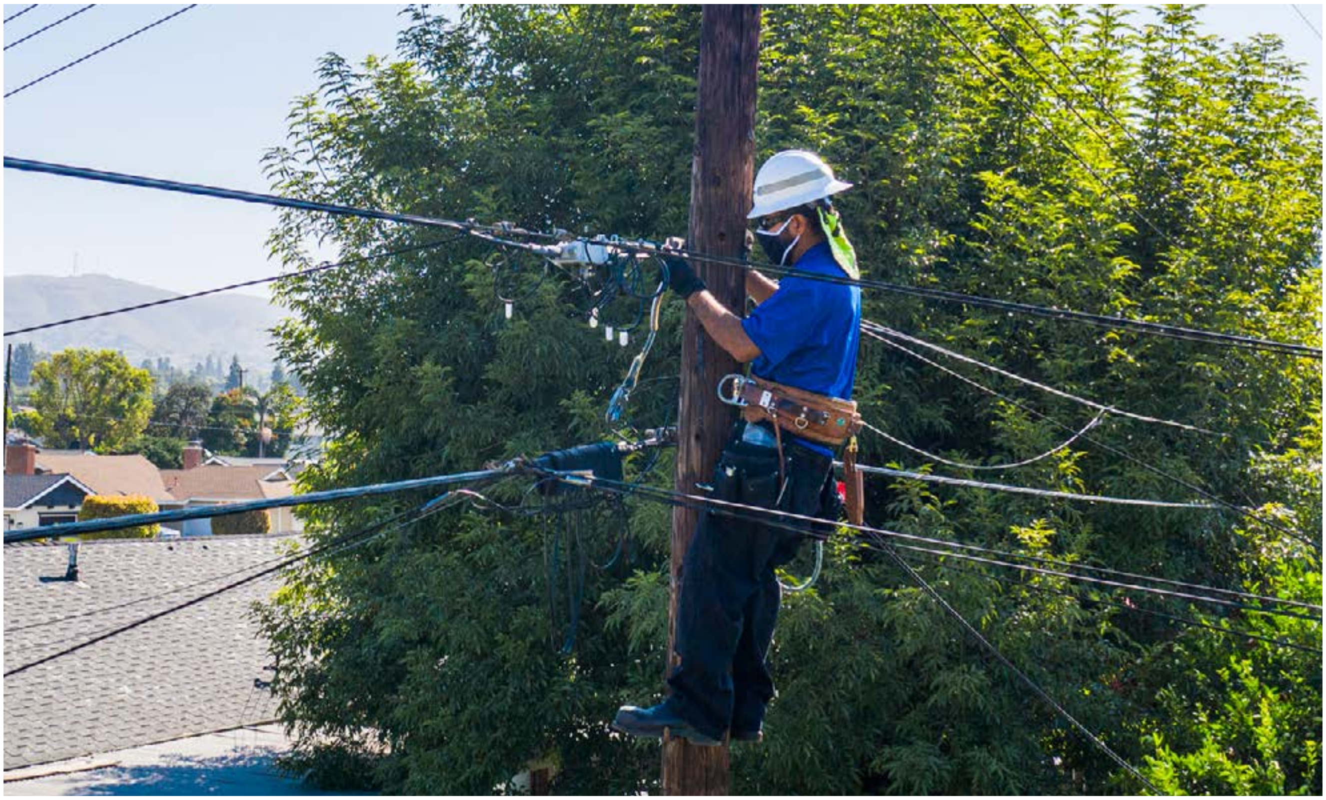
Rural Digital Opportunity Fund Program Phase I began with a budget of $16 billion nationwide, and the reverse auction resulted in $9 billion in awards, which were announced by the FCC on December 7, 2020.

ENERGY

Wildfire Safety Division Transition

Assembly Bill (AB) 1054 (Holden, Burke, Mayes, 2019) and companion bill, Assembly Bill 111 (Committee on Budget, 2019), required the CPUC to establish the Wildfire Safety Division (WSD) by January 1, 2020, and on July 1, 2021, WSD would transition from the CPUC to the California Natural Resources Agency as the Office of Energy Infrastructure Safety (OEIS).

The primary purpose of the WSD is to ensure that electrical corporations are taking effective actions to reduce utility-related wildfire risk. To monitor such actions, division staff prepared a monthly performance report, which summarized key WSD activities completed in the prior month in support of the WSD's mission.



Prior to the transition, the WSD launched a field inspection program by initiating an audit program in the Fall of 2020. In September 2020, WSD launched forensic accounting audits of 2019 and 2020 Wildfire Mitigation Plan (WMP) investments by Pacific Gas and Electric Company (PG&E), Southern California Edison (SCE), San Diego Gas & Electric Company (SDG&E), Bear Valley Electric Service, Inc., PacifiCorp, and Liberty Utilities. WSD also launched audits of PGE, SCE, and SDG&E vegetation management activities prior to the transition to the OEIS in 2021.

Requests for Safety Certification

All electrical corporations seeking a safety certification must satisfy the requirements of Public Utilities Code section 8389(f)(1) and must submit their request for a safety certification to the WSD prior to the expiration of their current safety certification. To receive a safety certification, an electrical corporation must provide documentation to satisfy the requirements of Public Utilities Code section 8389(e). In May 2021, the WSD published its proposed changes to the 2021 Safety Certification guidance for public comment. The WSD proposed two key changes to the 2021 Safety Certification process. The first proposed change is to synchronize the timeline for electrical corporations to submit their safety certification requests. The second is to develop guidance, through a public process, for the WSD to use when evaluating safety certification requests from all electrical corporations.

In June 2021, the WSD received comments on the proposed 2021 Safety Certification guidance. In response to the WSD's Action Statement denying Bear Valley Electric Services (BVES) executive compensation structure submission, BVES submitted its revised executive compensation plan in May 2021. The WSD is in the process of reviewing the revised submission for adherence to the required structure as outlined in Public Utilities Code section 8389(e)(6)(A)(1).

Annual Safety Culture Assessment Process

Pursuant to Senate Bill (SB) 901 (Dodd, 2018), Assembly Bill (AB) 111 (Committee on Budget, 2019), and Assembly Bill 1054 (Holden, Burke, Mayes, 2019), the CPUC opened Rulemaking 18-10-007. It reviewed the 2019 Wildfire Mitigation Plans (WMP) and approved those WMPs in decisions pursuant to SB 901. The legislation added new provisions in Public Utilities Code section 8389(d) for the CPUC to annually adopt and approve performance metrics for electrical corporations, requirements for wildfire mitigation plans, and a process for the WSD to conduct annual safety culture assessments for each electrical corporation.

In light of AB 1054's transfer of responsibility for review of WMPs to the WSD, the CPUC adopted Resolution WSD-001 setting forth the process for review of the 2020 WMPs. In June 2020, the CPUC ratified the WSD's approval of all electrical corporations' WMPs in Resolutions WSD-002 – 009, except for those of Bear Valley Electric Service (BVES).

The 2020 process revealed a need for several refinements in 2021. Utilities were inconsistent in their reporting of projected expenditures associated with their wildfire mitigation efforts. In some cases, few cost estimates were given. In others, there was overlap and duplication across categories. The revised WMP guidelines therefore required additional details, cost summaries and estimates of ratepayer impacts. Other changes relate to definitions and units of measurement used in reporting and elimination of duplicate tables or line items in tables that are not necessary for 2021 WMPs. The revised WMP guidance includes a "completeness checklist" detailing the 22 statutory requirements of AB 1054 amended by AB 111. It includes tables for summarizing the projected costs of mitigations proposed in the WMP, with a column for actual expenditures, and a table for estimates of the ratepayer impacts of proposed mitigation expenditures. To consolidate data and analysis related to Public Safety Power Shutoffs (PSPS), the revised WMP Guidance also includes a PSPS Section requiring utilities to describe their efforts to minimize, if not eliminate, the use of PSPS as a preferred mitigation option.

Wildfire Mitigation Plan Compliance Process

The WSD Compliance Branch assures utility compliance with their approved WMP through monthly assessments, including field inspections and audits. In 2021, WSD conducted 42 inspection activities across three WMP categories at Liberty Utilities and scheduled inspections for PacifiCorp, Horizon West Transmission, and Trans Bay Cable.

During inspections, WSD staff document any condition noted that is inconsistent with the WMP category as a defect. The table below summarizes the number of defects identified during inspections conducted in May 2021, total number of defects to date, and the status of all defects corrected by electrical corporations. Depending on the level of defect severity—with a range of severe, moderate, and minor—the WSD requires repairs in intervals that depend on severity and the location of the defect.

Defect Correction Timeline for Levels of Severity Category Correction Timeline

Category 1	Severe	Immediate resolution
Category 2	Moderate	1-2 months (in High Fire-Threat District Tier 3)
		3-6 months (in High Fire-Threat District Tier 2)
		6 months (if relevant to worker safety)
		12 months or scheduled in WMP update (other)
Category 3	Minor	12 months or resolution schedule included in WMP update

Numbers of Inspection Activities by WMP Categories

WMP Categories	May 2021	Total Activities to Date*
Number of Activities	42	5,389
WMP23 (Situational Awareness)	40	
WMP33 (System Hardening)	14	1,330
WMP43 (Asset Inspections)	14	982
WMP53 (Vegetation Management)	14	1,581
WMP63 (PSPS)	-	434
WMP73 (Data Governance)	-	3
GO 95		1,019

**Data from initiation of Field Inspection Program in May 2020 to May 31, 2021*

Selection of Independent Evaluators

In May 2021, a meeting was held introducing WSD staff to independent evaluator (IE) staff. The meeting addressed IE expectations and deadlines. Expectations included communications between the electrical corporations, IEs, and WSD, and IE's scope of work. Pursuant to California Public Utilities Code section 8386.3(c)(2)(B) the final IE reports were submitted by July 1, 2021.

CPUC Proceedings

Public Safety Power Shutoffs

In 2021, the CPUC conducted Phase 3 of Rulemaking 18-12-005 to examine electric utilities' Public Safety Power Shutoff (PSPS) practices designed to proactively shut off electric power to mitigate the risk of catastrophic wildfire caused by their infrastructure. In this phase, the CPUC refined its guidance for electrical corporations that de-energize powerlines to mitigate the risk of catastrophic wildfire. The guidelines that the CPUC developed in Phase 3 involved requiring electric investor-owned utilities to take a results-based approach to improve notification and mitigate the impacts of PSPS events. The utilities must balance the risk of harm from utility-ignited wildfires against the public harms of shutting off power. The Phase 3 guidelines are intended to ensure utilities continually improve planning, preparation, and access to resources during PSPS events, and enhance notification of, and mitigate impacts on, all customers with particular focus on access and functional needs and vulnerable populations.

In September 2021, the CPUC issued Decision 21-09-026 finding that Pacific Gas and Electric Company (PG&E) violated Public Utilities Code section 451, the Phase 1 PSPS Guidelines, and Resolution ESRB-8 when it implemented its Fall 2019 PSPS events. Among other violations, PG&E failed to provide advanced notification of de-energization events to approximately 50,000 customers and 1,100 Medical Baseline customers during the three PSPS events in Fall 2019.

The CPUC penalized PG&E $106.003 million to deter future violations and demand accountability for its flawed implementation of the Fall 2019 PSPS events. The penalty is offset by $86 million based on the bill credits PG&E has already provided to some electric customers in 2019, yielding a net penalty of $20.003 million. The penalty includes a PG&E shareholder contribution of $1.418 million to the PG&E Disability Disaster Access & Resources Program to provide backup portable batteries to qualifying customers, a PG&E shareholder-funded bill credit of $12.185 million to all electric customers affected by the Fall 2019 PSPS events, and a shareholder-funded bill credit of $6.4 million to the Medical Baseline customers affected by the Fall 2019 PSPS events.

In I.19-11-013, the CPUC examined the implementation of the three investor-owned utilities' late 2019 PSPS events. In June 2021, the CPUC approved a decision finding that California's three largest electric investor-owned utilities, PG&E, Southern California Edison Company, and San Diego Gas & Electric, failed to reasonably comply with the obligation to promote safety as required by Public Utilities Code section 451 and other laws and directives. To address such failures, the CPUC directed utilities to forgo collecting from customers the portion of their authorized revenue requirement equal to estimated unrealized volumetric sales and unrealized revenue due to future PSPS events, hold utility working group meetings to share best practices, standardize reporting, provide Standard Emergency Management System training for all personnel involved in PSPS planning, and improve communications with customers dependent on electricity for medical reasons.

PG&E Cost Recovery

In A.18-03-015, the CPUC reviewed costs documented in Pacific Gas and Electric Company's (PG&E) Catastrophic Emergency Memorandum Account for expenditures it claims were caused by three fires in 2016, four sets of storms in 2016 and 2017, and vegetation management related to tree mortality and fire risk reduction in 2016-2019. The CPUC determined in Decision 19-04-039 that Catastrophic Emergency Memorandum Account proceedings do not entitle utilities to forecasted costs, but that PG&E was entitled to $373 million in interim rate relief in the interests of fairness and rate stability. In January 2021, PG&E filed its third revised application, reducing its request to $763 million. The independent auditor completed its review of these costs in July 2021.

Non-Bypassable Charge in Support of California's New Wildfire Fund

In R.21-03-001, D.21-12-006 adopted a $0.00652/ kWh rate amount for the Wildfire Fund Non-Bypassable Charge (WF NBC) to collect a $1,000,400,704 revenue requirement for January 1, 2022, through December 31, 2022.

On March 10, 2021, the CPUC issued an Order Instituting Rulemaking. This R.21-03-001 proceeding is responsive to the D.20-12-024 order to set the WF NBC rate amount for 2022 and 2023. On June 8, 2021, the assigned Commissioner issued a scoping memo in this proceeding that set forth the issues and schedule for this proceeding and determined that an evidentiary hearing was not necessary.

In a document dated September 6, 2021, California Department of Water Resources (DWR) sent the CPUC a 90-Day Notice regarding the 2022 WF NBC. DWR asked the CPUC to adopt a 2022 WF NBC rate in the amount of $0.00660/kWh, to be charged by the investor-owned utilities (IOUs) to eligible electricity customers, beginning January 1, 2022, and running through December 31, 2022. On September 8, 2021, the assigned Administrative Law Judge (ALJ) issued an email ruling, with the DWR 90-Day Notice attached, seeking party comment as to its contents, including as to the proposed rate amount of the 2022 WF NBC.

On October 1, 2021, party opening comments were served and filed by San Diego Gas & Electric Company (SDG&E), The Utility Reform Network (TURN), and the Utility Consumers' Action Network (UCAN). On October 8, 2021, party reply comments were filed by TURN and UCAN, and a Joint Reply was filed by Pacific Gas and Electric Company, SDG&E, and Southern California Edison.

On October 18, 2021, DWR sent the CPUC a 60-Day Notice regarding the 2022 WF NBC. DWR amended its calculations found in the 90-Day Notice and asked the

CPUC to adopt a 2022 WF NBC in the amount of $0.00652/kWh, to be charged by the IOUs to eligible customers, beginning January 1, 2022, and running through December 31, 2022.

PG&E Safety Reporting Mobile Application

Pacific Gas and Electric Company's (PG&E) Mobile Application Pilot launched as expected in August 2021 with the utility making available via the Apple and Android app stores a mobile app for download by any smartphone user. As proposed and authorized, PG&E limited full functionality and reporting capability to those customers in high-risk wildfire regions of the state, with other customers able to view activity and read incident reports as they were recorded and addressed.

Integrated Resource Planning

In R.20-05-003, the CPUC conducts long-term electricity planning, including evaluating biennial integrated resource plans (IRPs) required to be filed by all load-serving entities (LSEs) delivering electricity within the CPUC's purview.

In 2021, the CPUC issued a procurement order to ensure reliability on the electric system through 2026. LSEs were required to acquire 11,500 megawatts (MW) of new clean resources to come online during the period from 2023 to 2026. This decision also ensured the replacement of the capacity from the Diablo Canyon Power Plant and required the development of 2,000 MW of long lead-time resources, including firm resources such as geothermal and long-duration storage resources such as pumped hydro.

In February 2021, the CPUC issued an order adopting the base case electricity portfolio to be used in the California Independent System Operator's (CAISO's) transmission planning process for 2021-2022.

In December 2021, the CPUC issued a proposed decision adopting the electricity portfolio for 2022-

2023 CAISO transmission planning, which will be the preferred system plan that incorporates all the LSE's individual IRP planning into a statewide portfolio.

Resource Adequacy

Pursuant to Public Utilities Code section 380, the CPUC established a Resource Adequacy (RA) policy framework to ensure the safety and reliability of California's electric service grid. The CPUC currently establishes RA obligations applicable to all load-serving entities (LSEs) within the CPUC's jurisdiction, including investor-owned utilities, energy service providers (ESPs), and community choice aggregators (CCAs). This framework guides resource procurement and promotes infrastructure investment by requiring that LSEs procure capacity so that capacity is available to the CAISO when and where needed.

In the RA proceeding, R.19-11-009, Decision 21-06-029, the CPUC adopted local capacity requirements for 2022-2024 and flexible capacity requirements for 2022 applicable to CPUC-jurisdictional LSEs, as well as other refinements to the RA program including expanding required availability hours for use limited resources. The availability window for use-limited resources now includes Saturdays in addition to weekdays and increases the number of availability hours per month from 40 to 100. The decision also adopted a point-based escalating penalty structure for system RA deficiencies to encourage RA compliance.

For the last two years the RA proceeding has been examining the restructuring of the current RA, given the increasing penetration of use-limited resources, greater reliance on preferred resources, rolling-off of a significant amount of long-term tolling contracts held by utilities, and material increases in energy and capacity prices experienced in California over the past years. The restructuring has been largely focused on addressing the growing reliance on use-limited resources in meeting future RA requirements. This includes looking at reliability across more than just the peak hour of the month. It also includes addressing how energy storage resources should be accounted for in this framework. The current framework does not address storage charging needs. The restructuring has also been focused on the concern that a capacity RA framework does not ensure that RA is linked with energy bidding behavior, thus market participants might not bid into the CAISO market at reasonable prices.

In D.21-07-014, the CPUC addressed issues related to the restructuring of the RA program. The decision set forth a process and schedule for further development of the restructure proposals which requires a minimum of five workshops over the next six months to develop the implementation details necessary for implementation in 2024. At the conclusion of the now nine scheduled workshops, a Workshop Report will be filed and served in the RA proceeding in February 2022.

In October 2021, the CPUC adopted a new Resource Adequacy OIR (21-10-002) that breaks the proceeding into an Implementation Track and a RA Reform Track. The

Implementation Track would address issues that include planning reserve margin changes, qualify capacity methodology changes, and changes to the Effective Load Carrying Capacity values. The RA Reform Track would include the current RA restructuring work being done in the successor proceeding.

Renewables Portfolio Standard

California's current Renewables Portfolio Standard (RPS) program targets (Senate Bill 100 (de León, 2018)) increase the RPS to 60 percent by 2030 and requires all the state's electricity to come from carbon-free resources by 2045. Senate Bill 350 (de León, Leno, 2015) also requires interim annual RPS targets with three-year compliance periods and requires 65 percent of RPS procurement to be derived from long-term contracts of 10 or more years.

In R.18-07-003, load-serving entities filed procurement plans in July 2021, which are under review and consideration. D.21-11-029 adopted modifications to the confidentiality rules associated with RPS contracts to increase transparency regarding renewable energy contract pricing where feasible. Decision 21-12-032 adopted modifications to the Renewable Market Adjusting Tariff (ReMAT) and developed new rules to better align the closure of the investor-owned utilities' ReMAT programs with the legislative capacity procurement mandate.

Energy Storage Rebates

Since the enactment of Assembly Bill 2868 (Gatto, 2016), the CPUC has worked to accelerate widespread deployment of distributed energy storage systems. Through the Self-Generation Incentive Program (SGIP), the CPUC offers rebates for installing energy storage technology at both households and non-residential facilities. These storage technologies include battery storage systems that can function in the event of a power outage.

In 2021 in R.20-05-012, the CPUC issued D.21-06-005. In general, it revised program and incentive requirements for behind-the-meter renewable fuel and wind projects addressed in the SGIP. Specifically, it: limits eligible directed renewable fuels used in SGIP incentivized projects to those produced within California and strengthens renewable fuel documentation, verification, auditing, and enforcement requirements (directed fuels are produced offsite from the incentivized project); clarifies that SGIP renewable generation projects using 100 percent renewable fuels and involving internal combustion engines must meet the same criteria pollutant emission levels as required in Public Utilities Code section 379.6(c)(1) – (3) for fossil-fuel combustion projects; requires on-site SGIP biogas projects to meet the standard of methane purity set forth in Southern California Gas Company Tariff Rule 30, regarding "Transportation of Customer-Owned Gas"; prohibits award of SGIP incentives to internal combustion engine projects in counties listed as severe or extreme federal nonattainment areas for particulate matter or ozone; updates the definition of SGIP-eligible renewable fuels; and, revises certain SGIP application

requirements for wind technologies. The CPUC adopted a decision, D.21-12-031, to allocate nearly $67 million in unused accumulated interest earnings back into the program budget. This additional funding will help contribute to summer reliability by providing additional incentives for the installation of eligible SGIP technologies.

Transportation Electrification

As directed by various legislative mandates (Senate Bill (SB) 350 (de León, Leno, 2015), Assembly Bill (AB) 2127 (Ting, 2018), SB 1000 (Lara, 2018), AB 841 (Ting, 2020)), the CPUC coordinates the state's efforts to accelerate transportation electrification with the California Energy Commission (CEC) and the California Air Resources Board (CARB). AB 2127 requires the CEC, with support from the CPUC, to assess the amount of electric vehicle (EV) infrastructure needed to meet the goals of putting at least five million zero-emission vehicles on the road and reducing greenhouse gas (GHG) emissions 40 percent below 1990 levels by 2030. SB 1000 requires the CPUC to explore technologies that promote grid integration, policies and rate strategies that can reduce the effects of demand charges on EV drivers and fleets, and whether to adopt a tariff for heavy duty EVs that encourages charging during periods of excess grid capacity.

The CPUC has approved EV infrastructure programs for Pacific Gas and Electric Company (PG&E), Southern California Edison (SCE), and San Diego Gas & Electric Company (SDG&E) totaling over $1.85 billion and adopted rate design options that incentivize customers to choose EVs. In R.18-12-006 in 2021, the CPUC issued D.21-07-028 to adopt guidance and a streamlined advice letter process for programs that meet near-term priority transportation electrification investments for resiliency benefits, customers that lack access to home charging, medium and heavy-duty vehicles, new building construction, and incentives for low-income customers.

The CPUC issued Resolution E-5167 approving the requests from PG&E, SCE, and SDG&E to establish new EV Infrastructure Rules and associated Memorandum Accounts, pursuant to Assembly Bill 841 (Ting, 2020), intended to streamline upgrades to electrical distribution infrastructure to support EV charging stations. Resolution E-5168 adopted similar proposals from Liberty Utilities LLC, Bear Valley Electric Service, and PacifiCorp.

The CPUC issued D.21-04-014 to authorize SDG&E's Power Your Drive extension electric vehicle charging program, a $43.5 million extension of its light-duty EV infrastructure pilot targeting Level 2 charging installations at multi-unit dwellings and workplaces.

The CPUC issued D.21-12-033 allowing plug-in electric vehicle charging costs that are in excess of Electric Rules 15 and 16 of California's six investor-owned utilities to be treated as common facility costs and allowing upgrade costs for the installation of EV charging infrastructure at any site, including multi-unit dwellings, that take service through an applicable residential electrical rate.

Microgrids

Senate Bill (SB) 1339 (Stern, 2018) directs the CPUC, in consultation with the California Energy Commission and California Independent System Operator, to undertake a number of activities to further develop policies related to microgrids.

In R.19-09-009 in January 2021, the CPUC adopted D.21-01-018 to implement an array of SB 1339's requirements to facilitate microgrid commercialization. Specifically, D.21-01-018 directed Southern California Edison (SCE) to revise its Rule 2 to permit installing added or special facilities microgrids; SCE and Pacific Gas and Electric Company (PG&E) to revise their Rules 18 and San Diego Gas & Electric Company (SDG&E) to revise its Rule 19, to allow local government microgrids to service critical customers on adjacent parcels; SCE, PG&E, and SDG&E to each create a renewable microgrid tariff that prevents cost shifting for their territories; SCE, PG&E, and SDG&E to jointly develop a statewide Microgrid Incentive Program with a $200 million budget to fund clean energy microgrids to support the critical needs of vulnerable communities impacted by grid outages and test new technologies or regulatory approaches to inform future action; and SCE, PG&E, and SDG&E to develop pathways for the evaluation and approval of low-cost, reliable electrical isolation methods to evaluate safety and reliability. D.21-01-018 also formalized the creation of a Resiliency and Microgrids Working Group to facilitate thoughtful and informed discussions to continue to support the goal of resiliency and the commercialization of microgrids within Track 3 and beyond.

In June 2021, PG&E filed A.21-06-022 proposing a framework for: identifying substations at high risk of de-energization in future Public Safety Power Shutoff (PSPS) events; assessing alternatives to mitigate those PSPS outage risks; and, where appropriate, procuring substation-level microgrid solutions to mitigate PSPS outages consistent with a pathway to transition to cleaner sources of generation.

In July 2021, the CPUC adopted D.21-07-011, suspending the capacity reservation component of the standby charge for eligible microgrid distributed technologies.

On October 26, 2021, a workshop was held on the implementation of the Microgrid Incentive Program, a $200 million program to support the creation of microgrids in vulnerable communities most impacted by grid outages. Implementation criteria for the program and a multi-property microgrid tariff are expected in the fourth track of the proceeding in 2022 in addition to work on the value of resiliency.

In December 2021, the CPUC issued D.21-12-004 targeting microgrid solutions for enhanced reliability in the summers of 2022 and 2023. The decision directed PG&E to study whether it could expand its temporary generation program for mitigating the system capacity shortfalls anticipated in the summer of 2022. The decision also directed SDG&E to develop up to four circuit-level energy storage microgrid projects that may provide a total of 40 megawatts/160 megawatt-hours of capacity to fill system capacity shortfalls anticipated in the summers of 2022 and/or 2023.

Electric Program Investment Charge

Rulemaking 19-10-005 advances the State's goal of ensuring equitable access to safe, affordable, reliable, and clean electricity through ratepayers' investments in research and innovation through the Electric Program Investment Charge (EPIC), as established by D.12-05-037. The EPIC program is administered 80 percent by the California Energy Commission (CEC) and 20 percent by the investor-owned utilities. In July 2021, D.21-07-006 approved the CEC's interim annual EPIC $148 million investment plan for its 2021-2025 cycle. The balance of the CEC's $740 million research investment portfolio was submitted to the CPUC in November 2021. In December 2021, D.21-11-028 reauthorized the investor-owned utilities to administer the EPIC program, and fully funded the program at $185 million annually from 2021-2025. The decision further directed EPIC program improvements by requiring increased transparency for administrative costs and ordered a process to define a benefits analysis framework for ratepayers' investment. Energy Division staff works closely with the EPIC program administrators to ensure that ratepayer investments are informed by CPUC proceedings, including Building Decarbonization, Energy Efficiency, Microgrids, Grid Modernization, Transportation Electrification, Wildfire Mitigation, and reduction of Public Safety Power Shutoff events. Since its inception in 2012, the CPUC has approved over $3 billion in EPIC investments.

Net Energy Metering

Customers of the three largest electric utilities who install small solar, wind, biogas, and fuel cell generation facilities to serve all or a portion of onsite electricity needs are eligible for the state's net metering program. Net Energy Metering (NEM) allows customers who generate their own energy ("customer-generators") to serve their energy needs directly onsite and to receive a financial credit on their electric bills for any surplus energy fed back to their utility.

In R.20-08-020 in 2021, the CPUC issued D.21-02-007, adopting eight guiding principles to assist in the development and evaluation of proposals for a successor to the current net energy metering tariff. The principles reflect the statutory requirements of Public Utilities Code section 2827.1 and address the issues of equity and consumer protection measures. It also includes the fair consideration of all technologies that meet the definition of renewable electrical generation facility, coordination with the CPUC's and California's energy policies, and transparency. It also addresses maximizing the value of customer-sited renewable generation, and competitive neutrality among load-serving entities. The CPUC received proposals for successors to the current net energy metering tariff, held two public workshops, and issued a proposed decision adopting a successor to the current net energy metering tariff.

Gas & Electric Service Disconnections

Senate Bill 598 (Hueso, 2017) requires the CPUC to develop policies and regulations to reduce the level of gas and electric service disconnections statewide and to improve reconnection processes and outcomes for disconnected customers. In R.18-07-005, the CPUC evaluates the causes of disconnections and possible solutions. Additionally, the CPUC must analyze the impacts of any utility rate increases on disconnection rates in each utility's general rate case.

In D.21-10-012, the CPUC established a percentage of income payment plan pilot program to reduce disconnections in communities with high recurring disconnection rates and among customers with a history of recurring disconnections.

Framework and Processes for Assessing the Affordability of Utility Service

In April 2021, the CPUC produced the first annual report on the affordability of utility services. The report utilized the three metrics adopted in D.20-07-032—Hours at Minimum Wage, Socioeconomic Vulnerability Index, and an Affordability Ratio—to measure the affordability of essential quantities of electricity, gas, water, and communications service for a representative household. These metrics demonstrate the following key findings: California households face significant disparities in their ability to afford essential utility services, even among households at similar points of the income distribution for a given area; income, more than housing costs, drives whether essential utility services are affordable; and certain areas of California face greater burdens in affording essential utility services.

On February 24, 2021, the CPUC held an Electric Rates and Costs en banc meeting to discuss the Commission's draft report pursuant to Public Utilities Code section 913.1, termed the 2021 Senate Bill (SB) 695 (Kehoe, 2009) Report. The 2021 SB 695 Report cautioned of long-term increases in electric costs and rates, with implications for equity and affordability if not directly addressed. The report also warned that rising rates, if left unchecked or handled incorrectly, could make transportation and building electrification policy goals more difficult to achieve.

At the en banc meeting, California decision makers heard from experts on utility rates, clean energy programs, and wildfire mitigation, about ways to ensure California can modernize its energy system while maintaining affordable rates. The report, including written comments submitted by stakeholders in response to the report, is available on the CPUC website.

Following the en banc meeting, the CPUC opened a new phase in the proceeding to explore strategies to mitigate future energy rate increases. CPUC staff issued a proposal and parties submitted comments regarding how to implement the affordability metrics at the CPUC, how to forecast future values for planning purposes, and how to use a tracking tool to stay knowledgeable of the many changes to energy and water costs, rates, and bills that occur each year.

Provider of Last Resort

The CPUC opened R.21-03-011 to implement the provider of last resort (POLR) requirements and framework directed by Senate Bill (SB) 520 (Hertzberg, 2019). Electricity is an essential utility service, and the POLR ensures that all retail customers have service. To fulfill this requirement, the POLR must maintain adequate electric resources in the event that another provider fails. This rulemaking will establish a framework and rules for load-serving entities (LSEs) to act as a POLR. Before SB 520, the POLR was the electrical corporation in each service territory. SB 520 now allows for other LSEs to be designated as the POLR by the CPUC.

Energy Efficiency

Rulemaking 13-11-005 continues to advance the goal of doubling energy efficiency savings by 2030 established by Senate Bill 350 (de León, Leno, 2015). In 2021, the CPUC funded Assembly Bill 841 (Ting, 2020), which established a new School Efficiency Stimulus Program. In May 2021, the CPUC adopted a new framework for evaluating the energy efficiency programs on an ongoing basis, every four years. The cost-effectiveness framework for evaluating each administrator's program portfolio was also updated, to allow more flexibility depending on the purpose of the program (including acquiring energy efficiency savings, promoting equitable access to energy efficiency benefits, and/or supporting the energy efficiency market in the longer-term, including workforce development). The CPUC also updated the energy savings goals, which feed into the state's ten-year forecast of energy demand and sets requirements for the energy efficiency program administrators.

Finally, in December, in D.21-12-011, the CPUC approved several initiatives designed to produce emergency peak demand and net peak demand reductions through energy efficiency actions by the summers of 2022 and 2023. The decision was developed in response to Governor Newsom's July 30, 2021, Emergency Proclamation.

Low-Income Energy Programs

The California Alternate Rates for Energy (CARE) Program is a low-income energy rate assistance program instituted in 1989, providing a discount on energy rates to low-income households. The Family Electric Rate Assistance (FERA) Program is another low-income energy rate assistance program established in 2004, providing a discount on energy rates for low to middle-income households. The Energy Savings Assistance Program (ESA) provides no-cost weatherization services to low-income households who meet the CARE income guidelines. Services provided include attic insulation, energy efficient refrigerators, energy efficient furnaces, weather stripping, caulking, low-flow showerheads, water heater blankets, and door and building envelope repairs which reduce air infiltration. These programs work toward statewide goals, including the Senate Bill 350 (de León, Leno, 2015) requirement to double energy efficiency savings by 2030, and the Assembly Bill 3232 (Friedman, 2018) requirement to assess the potential to reduce greenhouse gas emissions in buildings by 40 percent below 1990 levels by 2030.

In A.20-03-014 in 2021, the CPUC issued D.21-06-015 and D.21-10-023 which approved the CARE, FERA and ESA program applications for program years 2021-2026 for the four large utilities and the six small and multijurisdictional utilities.

Decision 21-06-015 approved CARE, FERA, and ESA budgets and program designs for Southern California Edison, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Gas Company. For program years 2021-2026, $8.5 billion was approved for the CARE program, $394 million was approved for the FERA program, and $2.2 billion was approved for the ESA program. Among other developments in the decision, the ESA program has shifted towards a customer-centered prioritization model based on treating households based on need and customer profile to focus on deeper energy savings and benefits to health, comfort, and safety.

Decision 21-10-023 approved budgets and program designs for Southwest Gas Corporation, Bear Valley Electric Service, Liberty Utilities, PacifiCorp, West Coast Gas Company, and Alpine Natural Gas Company's CARE and ESA programs. For program years 2021-2026, $83 million is being approved for the CARE program, and $41 million is being approved for the ESA program.

Senate Bill 256 (Hueso, 2021) recently augmented the Energy Savings Assistance recently augmented the program to allow participation of customers earning up to 250 percent of the federal poverty guideline level beginning July 1, 2022, up from the previous 200 percent of the federal poverty guideline.

Solar Consumer Protections

Assembly Bill 1070 (Gonzalez Fletcher, 2017) directed the CPUC to implement consumer protections for rooftop solar customers. In R.14-07-002 in 2021, the CPUC directed the electric investor-owned utilities (IOUs) to each establish a secure, web-based search portal of their NEM interconnection applications to aid investigative and enforcement duties of CPUC, Contractors State License Board (CSLB), and Department of Financial Protection and Innovation (DFPI) staff. The CPUC also directed the electric IOUs to publish a list of solar providers whose applications were found non-compliant with CPUC, CSLB, and/or DFPI requirements, and to enhance their semi-annual spot audits by increasing the number of applications to review.

Interconnection of Distributed Energy Resources

In R.17-07-007, the CPUC refines Rule 21, which concerns the CPUC's policies on the interconnection of distributed energy resources. In 2021, the CPUC adopted recommendations from Working Group Four, including proposals to address the prevention of unintended islanding, streamlining interconnection procedures in advance of the future increase of zero net energy projects, consideration of safety and environmental standards, and accounting for the ability of distributed energy resources management systems to address flexibility needs. Additionally, the CPUC adopted proposals to address two remaining Phase I issues involving the use of notifications in lieu of an interconnection application and distribution upgrade cost sharing. The CPUC also established a date of December 2021 to begin the second phase of the proceeding, which will address cost recovery issues.

Integrated Distributed Energy Resources and Distributed Resource Plans

Rulemaking 14-10-003 ensures compliance with Public Utilities Code section 769, which promotes the development and approval of distributed energy resources plans. In 2021, the CPUC adopted pilots to test two frameworks for procuring distributed energy resources to avoid or defer utility distribution investments: a five-year distributed energy resources distribution deferral tariff pilot referred to as the Partnership Pilot due to reliance on several partnerships; and a three-year standard offer contract pilot for procuring distributed energy resources to defer distribution investments, with a contract based on the existing Technology Neutral Pro Forma contract. The Partnership Pilot and Standard Offer Contract Pilot are the culmination of a two-year effort entailing several days of workshops, party proposals, and party comments. Also in 2021, the CPUC began its biennial major update of the Avoided Cost Calculator, holding a staff-led workshop, taking testimony, and convening a virtual multi-day evidentiary hearing.

Building Decarbonization

Senate Bill (SB) 1477 (Stern, 2018) required the CPUC to develop, in consultation with the California Energy Commission, two programs (BUILD and TECH) aimed at reducing greenhouse gas emissions associated with buildings. In D.20-03-027, the CPUC approved the California Energy Commission to be the administrator of the BUILD program, with CPUC oversight. Assembly Bill 3232 (Friedman, 2018) calls on the Energy Commission to, by 2021, develop an assessment of the feasibility of reducing the greenhouse gas emissions of California's buildings 40 percent below 1990 levels by 2030, working in consultation with the CPUC and other state agencies.

Rulemaking 19-01-011 works toward implementing SB 1477. This proceeding includes potential pilot programs to address new construction in areas damaged by wildfires; coordinating CPUC policies with Title 24 Building Energy Efficiency Standards and Title 20 Appliance Efficiency Standards developed at the Energy Commission; and establishing a building decarbonization policy framework.

In November 2021, the CPUC adopted D.21-11-002 that advances building decarbonization in several ways. The decision:

1. Adopts a set of guiding principles for the layering of incentives from various CPUC adopted building decarbonization programs. The proposed guiding principles are intended to ease program participation, advance complementary incentives, and provide guidance for ongoing coordination among various program administrators and implementors.
2. Establishes a 10-year statewide Wildfire and Natural Disaster Resiliency Rebuild (WNDRR) Program across the service areas of all participating investor-owned utilities (IOUs) regulated by the CPUC. The decision authorizes a total of $50 million funding for the WNDRR Program to support all-electric rebuilding of residential

properties that were destroyed or red-tagged due to a natural or man-made disaster on or after January 1, 2017. The WNDRR Program will provide incentives to the impacted residential customers for rebuilding of all-electric homes in alignment with the state's long-term climate and energy goals.

3. Provides guidance on data sharing to ensure complete and timely access of customer and other information to the implementers and evaluators of the building decarbonization programs adopted in this rulemaking.
4. Directs the three largest electric investor-owned utilities (IOUs), Pacific Gas and Electric Company, Southern California Edison, and San Diego Gas & Electric Company, to each propose a rate adjustment for residential customers who install electric heat pump water heaters in the IOUs' next rate design proceedings so that customers do not face higher costs due to switching to electrical appliances. In addition, the three IOUs are directed to collect information from their new customers regarding space and water heating, propane usage, and report that information annually to the CPUC. The required reported information will be used to assist in future treatment of propane usage with all-electric service.

Climate Credits

The State's Cap-and-Trade Program, enabled by the Global Warming Solutions Act (Assembly Bill 32 (Nunez, Pavley, 2006)), provides funding for clean energy and energy efficiency programs, assistance to industrial and small businesses customers, and provides California residential customers with twice-annual credits on their electricity bill as their share of the payments from the State's program. Rulemaking 20-05-002 reviewed the use of Cap-and-Trade proceeds to ensure compliance with statute and for process improvements.

After review and input from stakeholders, the CPUC issued a decision that modified the small business California Climate Credit to a flat-rate approach; amended formulae for California Industry Assistance and approved a pathway to centralize crediting for large industrial customers with the California Air Resources Board; and retained the current distribution of the California Climate Credit in April and October, except for San Diego Gas & Electric Company, which will complete a pilot of an August and September distribution through 2022. These changes are predicted to increase the amount of assistance received by small business across California, make credits to industrial users more transparent, easy to predict, and more convenient to recipients by centralizing distribution with one agency, and ensure the uninterrupted delivery of California Climate Credits to residents through 2030.

Mobile Home Park Utility Conversion Program

Following a petition filed by the Western Manufactured Housing Communities Association, the CPUC opened R.11-02-018 to examine what could be done to encourage owners of mobile home parks and manufactured housing communities (both referred herein as MHPs) to upgrade aging gas and electric distribution systems in an effort to enhance both public safety and service reliability for MHP residents. Last year, the CPUC issued a decision that established the Mobile Home Park Utility Conversion Program. It authorized electric utilities to install new gas and electric utility systems in mobile home parks to replace master-metered utility systems with direct service. The program began in 2021, and its goal is to have a total of 50 percent of all applicable mobile home spaces converted by the end of 2030 according to a risk-based priority ranking system.

The Gas Safety and Reliability Branch (GSRB) sent applications (Forms of Intent) to known master-meter systems and received completed forms from 986 mobile home communities. The Safety and Enforcement Division (SED) created a risk-prioritization list of new applicants and those parks from the 2015 Pilot list and ranked them according to their utility system's risk of failure. In July 2021, SED delivered the priority lists to participating investor-owned utilities who began contacting the parks in risk-rank order. GSRB estimated that the investor-owned utilities converted between 6,000 and 7,500 mobile home spaces to direct service in 2021, and the same number is projected for 2022. SED expects to produce the second priority list in July 2025.

In August 2021, the CPUC requested comment on likely costs, potential impacts, and implications of adopting an electrification service standard for the Mobile Home Utility Conversion. The CPUC is currently reviewing comments. The CPUC also approved D.21-08-025, adopting consumer protection measures for residents of MHPs participating in the MHP Utility Conversion Program. The decision adopted consumer protections to protect residents that participate in the MHP Utility Conversion Program from unreasonable rent increases or evictions due to infrastructure improvements funded through the program. The decision specifically adds a clause to the standard agreement signed by MHP owners that requires them to agree to not raise the rent of a unit based on the increased value of the unit due solely to infrastructure improvements provided by the program.

Renewable Gas

Last year, the CPUC issued D.20-12-031, adopting the Standard Renewable Gas Interconnection and Operating Agreement and providing funding from cap-and-trade allowance proceeds for the monetary incentive program to fund the interconnection of biomethane projects.

In June 2021, acting pursuant to Senate Bill 1440 (Hueso, 2018), an administrative law judge sought comments on a staff proposal for a mandatory biomethane procurement program for California's four largest gas utilities. If the program is approved, the gas utilities would be required to procure biomethane derived from organic waste at levels sufficient to meet California's statutory obligation to divert 75 percent of 2014 levels of organic waste away from California landfills by the end of 2025. All biomethane procurement must be cost-effective according to a methodology to be developed jointly by the gas utilities and approved by the CPUC, and all contracts submitted subsequently will be approved by advice letter at tiers determined by the cost of each contract. Each gas utility would also be required to submit a plan for CPUC approval outlining their procurement strategy through 2030 and anticipated bill and rate impacts associated with that procurement. Numerous conditions would be placed on biomethane producers in order to be eligible for procurement of their gas by an investor-owned utility, and procurement targets would be revisited in 2025. A proposed decision will be issued in early 2022.

Long-Term Gas Planning

In February 2021, the CPUC ordered parties to file comments on the following issues in R.21-01-007:

1. How should the CPUC respond to a utility's sustained failure to meet minimum design transmission standards?
2. As a result of higher-than-average gas prices, should the CPUC establish contract or tariff terms and conditions or new rules to attempt to decrease the risk of electricity price volatility caused by potential gas supply issues? If so, what terms, conditions, or new rules should be considered?
3. Should pipeline operating procedures, such as those for curtailments and operational flow orders, be uniform across the state? Would there be any market and reliability impact if pipeline operating procedures were not uniform?

In October 2021, the CPUC directed Southern California Gas Company to continue to use existing winter Operational Flow Orders pending a CPUC decision addressing the question of whether to maintain or revise such orders. Following party comments, the CPUC issued D.21-11-021 implementing the eight-stage Operational Flow Order structure adopted in D.19-05-030 for the six months commencing November 1, 2021.

Aliso Canyon Investigation

In I.19-06-016, the CPUC is investigating Southern California Gas Company's role in the 2015 well failure and resulting uncontrolled release of gas at the Aliso Canyon natural gas storage facility. Phase I of this proceeding addresses whether Southern California Gas Company violated any laws or CPUC requirements, and Phase II will address whether penalties should be imposed. Hearings for Phase I of this proceeding began in March 2021.

Aliso Canyon Natural Gas Storage Reliability

In I.17-02-002, CPUC investigates the feasibility of reducing or minimizing the use of the Aliso Canyon Natural Gas Storage Facility and evaluate proposals to replace the services provided by it. In D.21-11-008, the CPUC increased the maximum level of the storage capacity at the Aliso Canyon Natural Gas Storage Facility from 34 billion cubic feet (Bcf) to 41.16 Bcf to address reliability during the 2021/2022 winter and the future. In Phase 3 of the proceeding, the CPUC is examining results of an independent consultant's report on options for minimization or elimination of the storage facility.

Investigation Into PG&E's Failure to Comply With Locate-and-Mark Program

In I.18-12-007, the CPUC initiated a formal investigation of allegations that Pacific Gas and Electric Company (PG&E) failed to accurately record and report the number of their late responses to Underground Service Alert notifications, commonly known as the "Call before you dig" or "Call 811" program, and violated other rules meant to prevent damage to natural gas pipelines during excavation activities over a number of years. In D.20-02-036, the CPUC adopted a settlement with modifications that penalized PG&E $110 million and imposed other remedies including reporting and audits. PG&E submitted its first Locate and Mark Annual Report in accordance with D.20-02-036 on April 26, 2021. On July 13, 2021, the Safety and Enforcement Division (SED) approved the Locate and Mark Field Audit consultant's sampling methodology that will be used to conduct this audit. SED will continue its oversight of PG&E to ensure compliance with the CPUC's enforcement decision.

PG&E Risk Assessment and Mitigation Phase

The Safety Policy Division (SPD) completed an evaluation of Pacific Gas and Electric Company's (PG&E) 2020 Risk Assessment and Mitigation Phase (RAMP) application (A.20-06-012). A RAMP application contains a utility's top safety risks and is filed by the four large energy utilities one year before they file their general rate cases. The RAMP process provides the CPUC and stakeholders in utility general rate cases (GRCs) an opportunity to give feedback to the utilities on their risk evaluation methodologies and mitigation proposals before the utilities finalize and present them in the GRCs.

SPD staff evaluated PG&E's 2020 RAMP for compliance with the Safety Model Assessment Phase requirements and additional requirements in the scoping ruling for PG&E's 2020 RAMP. As part of the evaluation process, SPD staff conducted five days of public workshops and technical working group meetings. SPD's evaluation report raised questions about the extent to which PG&E's use of Public Safety Power Shutoff as a wildfire mitigation considers societal economic impacts and risk spend efficiency calculations, among other technical details. PG&E's RAMP is now under review in its general rate case (A.21-06-021).

Sempra (SoCalGas/SDG&E) Risk Assessment and Mitigation Phase

Safety Policy Division (SPD) staff is completing an assessment of Sempra's May 2021 Risk Assessment Mitigation Phase (RAMP) filing, including the top safety risks identified by Sempra and their associated mitigations. In addition, CPUC staff will consider how

Sempra's RAMP meets the intent and requirements of the Safety Model Assessment Proceeding settlement agreement and related CPUC decisions. CPUC staff reviewed how Sempra integrated the developments within the RAMP proceeding and any report recommendations into Sempra's general rate case (GRC) and associated testimony in Sempra's GRC filing.

Investigation Into Safety Culture of PG&E

After Pacific Gas and Electric Company's (PG&E) bankruptcy proceeding closed, the CPUC continues to employ independent consultant, NorthStar, to monitor and assess the progress of PG&E's corporate governance and overall management system towards advancing and achieving safety for the public, the company's customers, and workers. The assessment also examines the company's implementation of the CPUC-ordered recommendations stemming from the Safety Culture investigation and related CPUC decisions. The CPUC ordered PG&E to implement safety culture recommendations developed by NorthStar in July 2019, and PG&E continues to submit quarterly reports to the CPUC on recent updates related to implementation of the recommendations. In 2021, staff also worked with PG&E and NorthStar to understand the impact of PG&E's post-bankruptcy reorganization plan (D.20-05-053) on NorthStar's safety culture recommendations.

Investigation Into Safety Culture of SoCalGas

The CPUC opened I.19-06-014 to investigate whether the organizational culture and governance of Southern California Gas Company (SoCalGas) and its parent company, Sempra Energy, prioritize safety and adequately direct resources to promote accountability and achieve safety performance goals, standards, and improvements. In 2020, the Safety Policy Division selected Evolving Energy Consortium (2EC) to investigate and produce a report that evaluates SoCalGas' organizational culture, governance, policies, practices, and accountability metrics in relation to its record of operations, including its record of safety incidents, and to produce a report on these issues. As part of 2EC's assessment, they conducted interviews, focus groups, document reviews, observations, and a safety culture survey. In 2021, 2EC will conclude its study of SoCalGas and Sempra Energy and a final report with the findings and recommendations is expected to be issued in early 2022. By issuing the final report, I.19-06-014 will move into the next phase of the investigation, which may include party comments, a workshop, and pre-hearing conference to inform and launch the next steps in the proceeding.

PG&E Financial Stress Test Application

Senate Bill 901 (Dodd, 2018) authorizes the CPUC to review applications by electrical corporations requesting recovery of costs and expenses for financial liability from catastrophic wildfires started in 2017 by utility equipment and that increased costs to ratepayers. In April 2021, in A.20-04-023, the CPUC issued D.21-04-030 authorizing Pacific Gas and Electric Company (PG&E) to administer the Stress Test Methodology

developed pursuant to Public Utilities Code section 451.2(b). Decision 21-04-030 determined that $7.5 billion of the 2017 catastrophic wildfire costs and expenses were stress test costs that may be financed through the issuance of recovery bonds. This decision authorized PG&E to establish a Customer Credit Trust, funded by PG&E shareholders, which will provide a monthly customer credit to ratepayers to offset the Fixed Recovery Charge that may be created to pay the costs and expenses of the recovery bonds in order to achieve a ratepayer neutral result.

PG&E and SCE Financing Orders

Assembly Bill 1054 (Holden, Burke, Mayes, 2019), as codified in Public Utilities Code (PUC) section 850, authorizes the CPUC to issue a financing order to allow for recovery of costs that exceed the maximum amount a utility can pay without harming customers due to increase cost of borrowing, as determined pursuant to PUC section 451.2(b). In A.21-01-004 Pacific Gas and Electric Company (PG&E) sought permission to create a fixed recovery charge and associated authorization to issue the recovery bonds to finance the 2017 catastrophic wildfire costs and expenses that were stress test costs. Decision 21-05-015 approved PG&E's request. In A.21-06-016, Southern California Edison (SCE) sought a fixed recovery charge and authority to issue recovery bonds in the amount of $1 billion for wildfire capital expenditures, operations and maintenance expenses, and uncollectible expenses due to the pandemic. Decision 21-05-025 approved SCE's request in part, authorizing a bond issuance in the amount of $526 million for wildfire capital expenditures only.

Nuclear Decommissioning

Decision 21-09-003 approves an adjusted 2018 Diablo Canyon Power Plant Decommissioning Cost Estimate of $3,899,145,000 and a resulting annual revenue requirement of $112.5 million to be recovered over eight years (2020-2027). The decision also approved an ongoing annual revenue requirement of $3.9 million and found that $400 million spent on Humboldt Bay Power Plant decommissioning activities were reasonably incurred and closed the proceeding.

In A.18-07-013, D.21-09-003 approves the Decommissioning Cost Estimate for San Onofre Nuclear Generating Station, and closes the proceeding.

Power Charge Indifference Adjustment

In R.17-06-026, the CPUC reviews, revises, and considers alternatives to the Power Charge Indifference Adjustment (PCIA) mechanism. The PCIA is a ratemaking methodology adopted by the CPUC to ensure that when electric customers of the investor-owned utilities (IOUs) depart from IOU service and receive their electricity from a non-IOU provider they remain responsible for costs previously incurred on their behalf by the IOUs. In 2021, the CPUC adopted a voluntary allocation and market offer framework for optimizing IOU portfolios of renewable resources subject to the PCIA. This framework is designed to ensure that excess Renewables Portfolio Standard generation resources in the IOU portfolio are allocated to load-serving entities (LSE) as load departs from the IOU to join the LSE, in order to reduce overall costs of the PCIA.

Direct Access

The CPUC oversees the direct access retail electricity program. The program allows transactions between electricity suppliers and commercial customers. Participation in the program is capped. Senate Bill 237 (Hertzberg, 2018) directed the CPUC to provide the Legislature with a recommendation for increasing the cap. In 2021, in D.21-06-033, the CPUC recommended against further expansion of direct access.

Undergrounding Electric Distribution Infrastructure

In R.17-05-010, the CPUC modernized the Rule 20 electric utility program for converting overhead electric infrastructure to underground at the request of local governments. In D.21-06-013, the CPUC revised the program to discontinue new ratepayer-funded work credit allocations for Rule 20A projects, clarify Rule 20A project eligibility criteria and work credit transfer rules, and enhance Rule 20 program oversight.

Cybersecurity Coordination

In 2021, the CPUC identified vital cybersecurity challenges facing the distribution grid to collaboratively mitigate incidents across the state. These efforts were accomplished by reviewing the current state of utility cybersecurity practices, participating in electric sector cybersecurity exercises, and supporting increased threat intelligence sharing with federal, state, and private partners.

The California Office of Emergency Services through the California Cybersecurity Integration Center (Cal-CSIC) serves as the lead state agency for identifying, preventing, responding to, and recovering cybersecurity risks across all sectors and industries.

The CPUC's Security and Resiliency Branch (SRB) actively coordinated and collaborated with the Cal-CSIC in a support role, providing insights and assistance and ensuring that the Cal-CSIC received the necessary information from CPUC regulated industries to prevent and address cyber incidents.

Additionally, the CPUC's SRB worked with electric and gas utilities to identify and prevent cybersecurity and physical risks to their systems and operations through participation in cybersecurity exercises, the Safety Model Assessment Proceeding, Risk Asset Mitigation Phase filings, and through oversight of utility Physical Security Plans.

The CPUC's SRB engaged and coordinated work across Divisions on cross-cutting proceedings, including but not limited to general rate cases, risk assessment mitigation, and vehicle-to-grid integration.

The cybersecurity space for the electric and gas utilities is dynamic and constantly evolving. The CPUC remains vigilant with its state and federal partners in close collaboration with affected entities to develop more comprehensive and integrated efforts to mitigate emerging threats.

Appeal of Resource Adequacy Citation E-4195-0074

In K.20-04-005 in June 2021, the CPUC issued Resolution ALJ-4195-0074, denying San Jose Clean Energy's appeal of citation E-4195-0075 in the amount of $1,116,149.48 for failure to meet its 2020 year-ahead resource adequacy obligations. ALJ-406 reaffirmed that load-serving entities are not excused from meeting their resource adequacy obligations due to market conditions.

Application for Rehearing of Resolution UEB-006

Senate Bill 598 (Hueso, 2017) required the CPUC to work towards reducing the statewide level of gas and electric service disconnections for nonpayment by residential customers. Toward that end, the CPUC issued Resolution UEB-006, adopting a citation program to enforce compliance with Public Utilities Code section 718. In response, Southern California Edison, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Gas Company jointly filed an application to rehear Resolution UEB-006. To resolve the appeal, the CPUC issued D.21-06-040, modifying Resolution UEB-006 and denying rehearing of the resolution. Decision 21.06-040 found that the penalty structure set forth in the resolution is reasonable and will help deter noncompliance with the residential disconnection rules.

Public Utility Regulatory Policies Act Implementation

In R.18-07-017, the CPUC considers changes to the State implementation of the federal Public Utility Regulatory Policies Act of 1978 (PURPA) for the state's electric utilities. The federal policies govern Qualifying Facilities generating 20 megawatts of power or less seeking to sell electricity to California utilities pursuant to PURPA. This year, following new changes to federal PURPA regulations, the CPUC solicited comments from parties on whether there is a need to amend avoided cost pricing options available to qualifying facilities and on eligibility of energy storage paired with qualifying facilities. Rulemaking 18-07-017 remains open to consider whether any further action is required to comply with PURPA.

Safety Model Assessment Proceeding

The Safety Model Assessment Proceeding (SMAP) reviews energy utilities' models to identify, rank, and budget for safety risk mitigations. It was first adopted in 2014 to ensure that safety risk was factored into investor-owned utility (IOU) requests for funding in general rate cases.

In D.21-11-009, the CPUC adopted risk-based decision-making framework, addressing issues relating to baselines, definitions, allocation of certain costs, and improving the transparency of filings; adopted safety and operational metrics for Pacific Gas and Electric Company (PG&E), in accordance with D.20-05-053, which approved PG&E's post-bankruptcy reorganization plan, and is to be used in accordance with the Enhanced Oversight and Enforcement Process established in the same decision; and made revisions and additions to the 26 Safety Performance Metrics adopted in D.19-04-020 that apply to all four large IOUs.

Green Tariff Shared Renewables Program

Enabled by Senate Bill 43 (Wolk, 2013) the Green Tariff Shared Renewables (GTSR) Program expands access "to all eligible renewable energy resources to all ratepayers who are currently unable to access the benefits of onsite generation," and creates a mechanism whereby commercial customers and groups of individuals can meet their needs with electrical generation from eligible renewable energy resources. Applications 14-01-007 and 12-04-020 were reopened in 2021 to resolve the following three separately filed petitions for modification of Decisions 15-01-051 and 16-05-006, which adopted or modified the GTSR Program:

- Pacific Gas and Electric Company (PG&E) seeks permission to use its excess renewable procurements from other programs to meet the load in its GTSR Program because it did not anticipate the significant increase in enrollment in the GTSR Program due to a decline in GTSR Program rates.
- The "Joint CCAs" (listed in the proceeding) requested clarification of PG&E's calculation

of its Retained Resource Adequacy rate adder, which is the charge the utility incurs for the capacity needed to serve its bundled customers as it applies to GTSR rates.

- The Coalition for Community Solar Access petitioned to incorporate 20-year levelized values (differentiated by technology and utility) from the Avoided Cost Calculator into the Enhanced Community Renewables (ECR) rate structure, in place of several of the charges and credits currently utilized; and to reduce the ECR project size limit from 20 megawatts to 5 megawatts.

Clean Energy Financing

The CPUC initiated R.20-08-022 to combine and leverage multiple sources of ratepayer and other funding for customers installing clean energy technologies in their homes and businesses. The goal is to help Californians invest in more and deeper energy improvements by developing and furthering innovative financing options that can be offered by or in conjunction with electric and gas utilities.

Decision 21-08-006 authorized Pacific Gas and Electric Company, Southern California Edison, and San Diego Gas & Electric Company to spend up to $75.1 million in additional ratepayer funding to support the ongoing implementation of the California Hub for Energy Efficiency Financing (CHEEF) programs, as currently administered by the California Alternative Energy & Advanced Transportation Financing Authority (CAEATFA). Decision 21-08-006 also conditionally grants CAEATFA the authority to use the CHEEF and its associated technological platforms to provide similar programs to non-investor-owned utility customers if CAEATFA is able to secure non-utility ratepayer funding to expand the program offerings.

PG&E, SCE, and SDG&E Energy Resource Recovery Account Compliance

Pacific Gas and Electric Company (PG&E), Southern California Edison (SCE), and San Diego Gas & Electric Company (SDG&E) each filed applications for the CPUC to consider whether it managed its resources as a reasonable manager and in accordance with its bundled procurement plans during the 2019 calendar year. For each of these applications, the CPUC adopted decisions resolving Phase I issues for PG&E (D.21-07-013), SCE (D.21-07-015), and SDG&E (D.21-07-018).

The CPUC consolidated proceedings to review Phase II issues in 2019 Energy Resource Recovery Account Compliance applications from PG&E (A.20-02-009), SCE (A.20-04-002), and SDG&E's (A.20-06-001). These applications addressed the revenue impacts for Public Safety Power Shutoff (PSPS) events. The three proceedings were consolidated to facilitate adoption of a common methodology for addressing the revenue impacts for PSPS events. In October 2021, the CPUC hosted a joint workshop on the methodology for calculating the revenue impacts of the PSPS events the utilities implemented during the 2019 record year.

PG&E Company Regionalization Proposal

In the decision approving Pacific Gas and Electric Company's (PG&E) reorganization plan and closing its insolvency proceeding (D.20-05-053), the CPUC ordered PG&E to file an application for regional restructuring. Regional restructuring is one governance change the CPUC ordered PG&E to implement as a condition of approval of its reorganization plan. The CPUC found that regional restructuring has the potential to improve PG&E's safety performance and responsiveness to local communities. In compliance with the decision, PG&E filed an application with a proposed regionalization approach in June 2020. Due to the short timeline between adoption of D.20-05-053 and the filing of PG&E's regionalization application, there was general consensus among parties to the proceeding that PG&E's application would benefit from additional public input in order to further develop its proposal and subsequently submit a revised proposal to the CPUC.

On February 2021, PG&E filed an updated regionalization proposal incorporating feedback from a late 2020 workshop and party comments. A staff workshop was held in March 2021 for PG&E to present its updated proposal and to receive additional feedback. This work was followed by additional comments and status conferences.

Physical Security and Emergency Preparedness Plans

The CPUC requires investor-owned utilities (IOUs) and publicly-owned utilities (POUs) to address physical security threats and risks to electric distribution facilities based on previously adopted CPUC requirements. In July 2021, IOUs submitted physical security plans meeting the requirements of D.19-01-018.

Publicly-owned utilities were required to submit a notice of plan adoption by July 12, 2021, submit a notice of plan delay by June 14, 2021, or submit a request for exemption from D.19-01-018 requirements. The CPUC is working with POUs to provide guidance and ensure that they comply with CPUC requirements.

On May 21, 2021, the CPUC issued D.21-05-019 which updated standards for disaster and emergency preparedness plans of investor-owned electric and water utilities as set forth in General Order (GO) 166 (Standards for Operation, Reliability, and Safety During Emergencies and Disasters) and GO 103-A (Rules Governing Water Service, including Minimum Standards for Operation, Maintenance, Design, and Construction). Decision 21-05-019 updated the following:

- Updated GO 166 and GO 103-A to reflect better the language set forth by Public Utilities Code section 768.6.
- Required utilities to use California Standardized Emergency Management Systems.
- Addressed the access and functional challenges of special needs individuals.
- Added the term "Public Safety Partners" to GO 166 that includes water, wastewater, and communication providers.

- Modified Standard 11, setting the Annual Report date to April 30 for the previous twelve months ending December 31, 2021.

Modifications to General Order 167 to Authorize Staff Citations of Electric Generation Facilities Safety Violations

On June 24, 2021, the CPUC adopted Resolution ESRB-9 which modifies General Order (GO) 167 (now GO 167-B) to allow Safety and Enforcement Division (SED) to issue citations for any violation of GO 167-B to improve the safety and reliability of California electric generation facilities. The change also aligns the GO 167-B citation process with the existing CPUC electric citation program.

The modification of GO 167 resulted from the rolling outages that the California Independent System Operator (CAISO) implemented in August 2020 in response to an extreme heat storm that affected 812,600 CPUC-jurisdictional customers. In response, SED conducted in-person inspections at a select number of electric generating facilities that experienced outages during the heatwave and shared its findings with the CPUC who supported expanding SED's authority to issue citations for GO 167 maintenance and operation standards violations.

Modernizing the Grid for a High Distributed Energy Resources Future

The CPUC initiated R.21-06-017 to prepare the electric grid for a high number of distributed energy resources, including those specific to transportation electrification and those required by Assembly Bill 327 (Perea, 2013). After a workshop and public comments, the CPUC finalized the scope and schedule for this proceeding. The CPUC also took comment on the Order Instituting Rulemaking. Late in 2021, the CPUC issued a scoping memo establishing the scope and schedule for the proceeding.

Pacific Gas and Electric Company Wildfire Insurance Costs

In A.20-02-004, the CPUC authorized Pacific Gas and Electric Company (PG&E) to recover $445.5 million associated with wildfire liability insurance costs incurred from 2017-2019. The costs shall be allocated based on ratemaking mechanisms adopted in D.17-05-013 and recovered over a 36-month period. Decision 21-10-022 adopted a settlement resulting in a 10 percent reduction in PG&E's requested revenue requirement.

Ensuring Reliable Electric Service in California in the Event of an Extreme Weather Event in 2021

To make more resources available on an expedited basis to prevent a recurrence of blackouts in the event that the western United States were to further experience extremely high temperature and sustained weather events in summer of 2021, the CPUC in R.20-11-003:

- Ordered utilities to procure a minimum of an additional 2.5 percent of resources for all customers in their territories, representing an effective increase of the planning reserve margin from the existing 15 percent to 17.5 percent. This helped to ensure enough electricity resources are available to serve customers during times of peak and net peak energy use.
- Ordered Pacific Gas and Electric Company, Southern California Edison, and San Diego Gas & Electric Company to pilot an Emergency Load Reduction Program that gives demand response providers and other companies providing new services to manage electricity demand, the ability to demonstrate how their innovative programs can support the grid. The pilot program compensates customers for voluntarily reducing demand on the power system when called upon to do so by the CAISO in the event of a grid emergency. This program serves as a layer of insurance on top of existing resource adequacy plans and gives grid operators a new tool among the existing demand management programs to address unexpected power system conditions.
- Ordered utilities to modify their Critical Peak Pricing programs, which charge a higher price for electricity consumption during peak hours on selected days. CPUC ordered several modifications to the Critical Peak Pricing programs to ensure the program is more effective and responsive to the critical hours of a grid emergency, including shifting the Critical Peak Pricing event window for residential and non-residential customers to the hours of 4 p.m. to 9 p.m., increasing the maximum number of Critical Peak Pricing events allowed per year, and providing customer education with a focus on increasing participation.
- Ordered modifications to existing demand response programs to expand participation, including temporarily allowing year-round enrollment in utility "interruptible programs" that allow for industrial and large commercial customers to pay a lower rate in exchange for allowing the utility to curtail their energy usage when energy demand is high, and the reliability of the electric grid is threatened. The CPUC also increased demand response program enrollment incentives to attract new customers.
- Approved a new statewide "Flex Alert" program to educate consumers about the positive impacts of conservation, help customers understand grid conditions, and inform customers of the need to conserve when energy demand is high.

Revision of General Order 156 to Include Certain Electric Service Providers and Community Choice Aggregators

Senate Bill 255 (Bradford, 2019) directs the CPUC to incorporate community choice aggregators and electric service providers into the Supplier Diversity Program pursuant to General Order 156. To implement this legislation, the CPUC initiated R.21-03-010. In this proceeding, the CPUC considered stakeholder input on the percentage goal for lesbian, gay, bisexual, and transgender business enterprises and incorporating businesses owned and controlled by persons with disabilities.

Interconnection Rule 21

In R.11-09-011, the CPUC sought to improve distribution level interconnection rules and regulations for certain classes of electric generator and electric resources. The CPUC reopened this proceeding in April 2021 to review Rule 21 to determine if an exception in Section B.1 of Rule 21 remains appropriate and whether it could result in reliability and safety concerns for the grid. In 2021, the CPUC held a workshop and took public comment.

COVID-19 Pandemic Energy Utility Bill Relief

In R.21-02-014, the CPUC addressed the growing arrearages of energy utility customers due to the COVID-19 pandemic. The CPUC issued D.21-06-036 in June 2021, ordering additional protections and support for all energy utility customers, including the small electric utilities. The decision suspended disconnections of residential and small business customers for an additional three months, through September 2021, giving energy utilities time to notify customers of a new CPUC solution to resolving COVID-19 pandemic era utility bill debt; required utilities to automatically provide residential customers two years over which to pay off deferred energy bills, with help anticipated to become available in the California state budget; and required utilities to automatically amortize utility bill debt of small business customers for long enough so that the debt payments are no more than 10 percent over their average bill, or for small business customers located in disadvantaged communities, no more than 5 percent over their average bill.

Together with significant state and federally funded arrearage relief programs that are beginning to be implemented, the required relief allows time for customers to gradually address the debt and puts them on a path toward solvency. To address the mixed record of payment plan success, D.21-06-036 pairs payment plans with intensive follow-up efforts by community-based organizations (CBOs). As a first step toward this enhancement, the CPUC ordered energy utilities to begin documenting their partnerships with CBOs as a means of helping the hardest-to-reach customers navigate these important relief programs.

Electric and Gas Rate Proceedings

PG&E General Rate Case

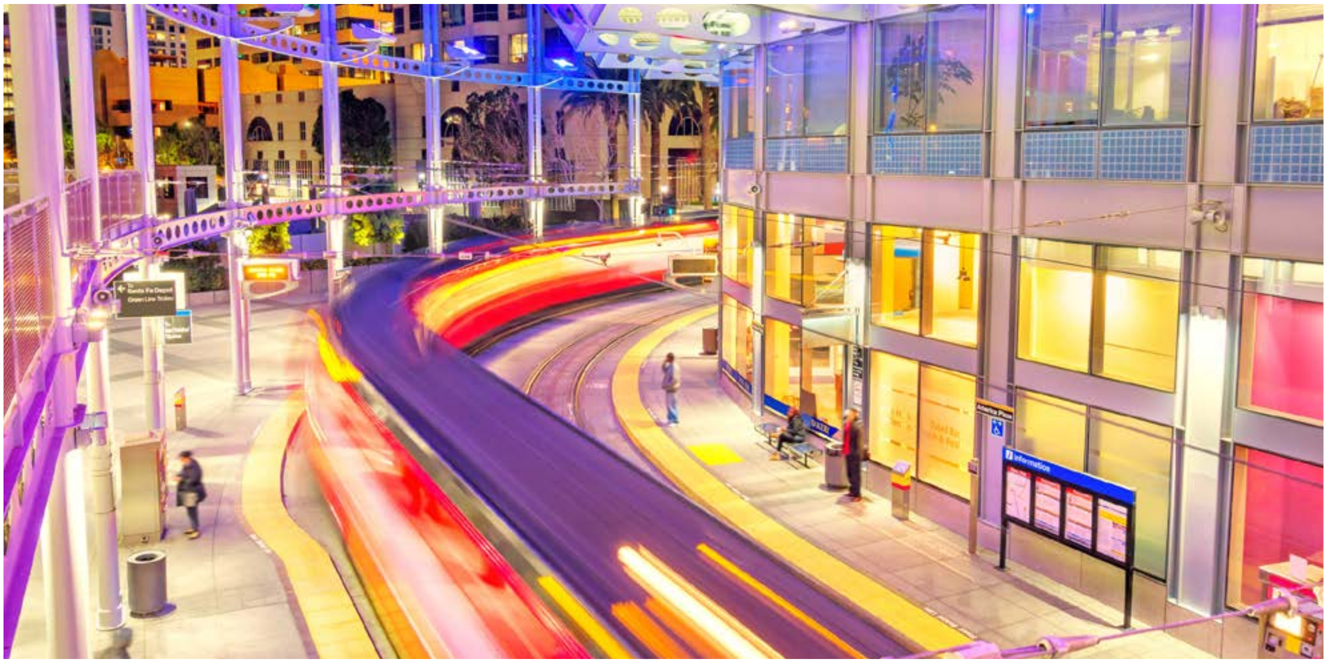
In A.21-06-021, Pacific Gas and Electric Company (PG&E) filed its application requesting authority to approve its Test Year (TY) 2023 general rate case (GRC). PG&E requests a 2023 revenue requirement of $15.46 billion for its gas and electric distribution, gas transmission and storage, and electric generation programs. PG&E's GRC cycle is four years. PG&E also seeks approval for its attrition mechanism, which will identify its forecasted program expenditures for 2024, 2025, and 2026. In addition, PG&E requests the CPUC to approve recovery of costs recorded in certain memorandum and balancing accounts for 2019, 2020, 2021, and 2022.

SCE General Rate Case

In A.19-08-013, on January 14, 2021, the CPUC approved a settlement agreement in Track 2 of the proceeding addressing Southern California Edison's (SCE) recorded 2018-2019 wildfire mitigation costs, for a total revenue requirement of $391.3 million. On August 19, 2021, the CPUC approved the Track 1 decision approving a base revenue requirement of $6.899 billion to support SCE's electric operations, maintenance, capital investments, and administrative costs in 2021. Overall, the CPUC adopted revenue increases of $489 million in 2021 (a 7.63 percent increase), $382 million in 2022 (a 5.54 percent increase), and $437 million in 2023 (a 6 percent increase). This compares to SCE's requested increase of $1.2 billion in 2021 (a 19.03 percent increase), $452 million in 2022 (a 5.92 percent increase), and $524 million in 2023 (a 6.48 percent increase). SCE attributes the most significant driver of incremental funding over this general rate case cycle to safety measures to reduce wildfire risk. The CPUC's adopted increase reflects its careful assessment and determination of the operating expenses and capital expenditures necessary for SCE to provide safe and reliable service at just and reasonable rates, taking into consideration the increasing threat of catastrophic wildfires, affordability constraints, and the economic uncertainty stemming from the COVID-19 pandemic.

SDG&E

In A.21-09-001, San Diego Gas & Electric Company (SDG&E) is requesting to establish a Residential Untiered Time-of-Use Rate with a Fixed Charge. In A.21-07-017, SDG&E seeks to recover, on an interim basis, 50 percent of the recorded expenditures in its Wildfire Mitigation Plan Memorandum accounts, incremental to what is authorized for recovery by SDG&E's general rate case, for the 2019-2023 period.



RAIL

Federal Transit Administration State Safety Oversight Grant

The State Safety Oversight (SSO) program oversees safety at rail transit systems. The Federal Transit Administration (FTA) provides federal funds through the SSO Formula Grant Program for eligible states to develop or carry out their SSO programs. The CPUC executed its seventh annual grant award from the FTA, bringing the total of FTA grant awards to over $27.6 million. The grant bolsters the safety assurance directive by providing an alternative to using California state funds.

Triennial Safety and Security Reviews

CPUC regulations require staff to perform a comprehensive review of each Rail Transit Agency's (RTA's) implementation of its safety program a minimum of once every three years. These audits require on-site visits to RTA facilities, including interviews and other interactions with RTA employees. Typically, CPUC staff performs three to four triennial reviews per year. Due to the COVID-19 pandemic, in December 2020 the CPUC issued Resolution ST-241 granting the Rail Safety Division (RSD) director authority for the next 24 months to adjust the triennial review schedule. No comprehensive triennial reviews were completed in 2020. During 2021, RSD staff performed comprehensive triennial reviews for the Sacramento Regional Transit District and Bay Area Rapid Transit District. Currently, the Rail Transit Safety Branch (RTSB) is finalizing the reports for several triennial reviews that were performed in prior years and is planning for triennial reviews to be performed in 2022.

Bay Area Rapid Transit Fine

In 2018, the CPUC assessed the Bay Area Rapid Transit District (BART) a total fine of $1,348,000 and imposed a three-year probation for safety failures that led to a train striking and killing two BART workers in 2013. One half of the total assessed fine was stayed so long as BART remains in compliance with the directives of the decision during the probationary period. The decision ordered BART to pay the remaining one half of the total assessed fine to the State of California General Fund in three installments, with the first installment due in 60 days from the effective date of the decision. The Rail Transit Safety Branch (RTSB) has been monitoring BART's implementation of the CPUC order to change operations and safety training, as required by the safety probation requirements of the CPUC decision. On April 15, 2021, BART representatives provided an updated presentation to the CPUC on their activities to comply with the CPUC's directives. On January 22, 2021, RTSB filed its staff report on BART's compliance with the CPUC decision and improvements to BART's safety culture. The report concluded that BART has complied with the CPUC's requirements and does not recommend an extension of the probationary period.

Report of State Safety Oversight Activities for Rail Fixed Guideway Public Transportation Systems in California

As required by Title 49 of the Code of Federal Regulations, Part 674.13(a)(7), the CPUC submitted the above-titled report to Governor Newsom's office, California Rail Transit Agencies (RTAs) receiving federal funding, and the Federal Transit Administration (FTA). The report summarizes: CPUC's oversight activities over RTAs in California over the previous year, the causal factors of accidents identified through investigation and the status of corrective actions, changes to the Public Transportation Agency Safety Plan of each FTA-regulated RTA, and the level of effort by the CPUC in carrying out its oversight activities over RTAs.

Rail Crossing Safety Pavement Marking Project

The CPUC and California Department of Transportation coordinated efforts on the use of red dynamic envelope pavement markings that help roadway users identify and keep clear of rail crossings. The CPUC continued efforts to bring this project to fruition in coordination with lawmakers and other stakeholders.

Railroad Preemption

Where a grade crossing is in proximity to a signalized intersection, a traffic queue from the intersection may extend onto the track resulting in a motorist being stopped on the track. At such locations, traffic signals are typically interconnected with the train-activated warning systems. The design and operation of the interconnected systems is generally referred to as "railroad preemption." Railroad preemption allows motorists to move away from the track prior to the arrival of the train and to restrict movements towards the track.

In 2021, the CPUC implemented the current preemption policy on three state highway-rail at-grade crossings. The CPUC hosted webinars with representatives from Union Pacific Railroad, BNSF Railroad Company, and California Department of Transportation (Caltrans) headquarter and district personnel to discuss ongoing preemption design details and issues at highway-rail at-grade crossings. The coalition revised the Caltrans preemption worksheets and Caltrans traffic signal control program.

Autonomous Vehicles

In 2021, CPUC filed comments on the Federal Highway Administration Proposed Amendments updating the Manual on Uniform Traffic Control Devices. The suggestions included comments on autonomous vehicles standards and the safety of autonomous vehicles at highway-rail at-grade crossings.

STOP/YIELD Signs Project

The California Manual on Uniform Traffic Control Devices requires railroads to install STOP or YIELD signs, a crossbuck sign, and pavement markings at all passive rail crossings. The Class I railroads have installed STOP or YIELD signs at many of the passive crossings, however, a portion of the installations do not align with CPUC recommendations. The CPUC is continuing efforts to work with railroads to ensure compliance with the STOP or YIELD sign requirements.

Field Inventory of Rail Crossings Contract

The CPUC is conducting an inventory of at-grade highway-rail crossings in the state. Due to the large number of crossings and data that need to be updated, the project is segmented into multiple phases. The CPUC has completed the inventory and sightline analyses of all passive crossings and has completed half of the crossings equipped with active warning devices. The CPUC is also updating the existing Rail Safety and Security Information Safety Database which is scheduled to go online in March 2023.

High-Speed Rail Project

The California High Speed Rail (HSR) Authority is responsible for planning, designing, building, and operating the system. The CPUC opened 17 new rail safety proceedings, which sought authorization to grade-separate at-grade crossings and to construct new rail crossings for the high-speed rail and light rail system expansions. The CPUC reviewed and filed responses on three formal HSR applications filed with the CPUC for rail crossings. The CPUC authorized one HSR rail crossing through the CPUC General Order 88-B process.

In 2021, the CPUC issued 19 decisions in all rail proceedings.

Brightline West High-Speed Rail

Brightline West (formerly XpressWest) continued to file formal applications with the CPUC seeking rail crossing construction authorizations for their high-speed passenger rail project. The CPUC reviewed the applications and filed responses. This project has been expanded and is now expected to provide passenger service from Rancho Cucamonga to Las Vegas at speeds of up to 180 miles per hour. This new segment from Apple Valley to Rancho Cucamonga will include approximately 40 additional new crossings, all of which will be grade-separated. This entire rail line will be electrified, primarily running in the median of the Interstate 15 freeway. All the new crossings will require formal applications to the CPUC.

State Highway – Rail Grade Crossing Action Plan

The Fixing America's Surface Transportation (FAST) Act requires the ten states identified in the Rail Safety Improvement Act of 2008 to provide the Federal Railroad Administration (FRA) with an updated State Highway - Rail Grade Crossing Action Plan. The FAST Act requires that the updated action plan describe actions the state took to implement its previous plan and strategies the state will employ to continue to reduce grade crossing safety risks. In 2021, the CPUC led the update of the California state action plan with input from the California Department of Transportation. The updated plan is due to the FRA by February 14, 2022.

TRANSPORTATION

Enforcement Unit Re-Organization

In 2021, the Transportation Enforcement Branch (TEB) reorganized its operations by restructuring its team into three statewide enforcement units: the Airport Enforcement Unit (AEU), the Field Enforcement Unit, and the Compliance Enforcement Unit (CEU). These three enforcement units encompass all TEB's safety assurance activities by enforcing passenger transportation at airport locations, and high-volume transportation services at tourist areas, border areas, and entertainment venues, as well as ensuring compliance with all relevant rules and regulations. TEB also conducted numerous safety promotion activities including training law enforcement partners, attending conferences, and engaging with the regulated industry. Finally, TEB devoted resources to increase the use of collecting and analyzing data from TEB operations to incorporate the information into CPUC's risk assessment strategies.

Risk Management

The transportation enforcement team conducted risk assessments of Transportation Charter Party Carriers (TCP), Transportation Network Companies (TNC), and Passenger Stage Corporations (PSC) as part of its ongoing responsibilities per CPUC's Strategic

Directive 2. The risk assessment consisted of survey responses from a team of subject matter experts within the TEB. The assessment was performed to review and evaluate the TCP's, TNC's, and PSC's operations and activities in terms of various risks to which those operations and activities are exposed, and to prioritize operations and activities designed to mitigate those risks in future work plans.

Compliance Inspections of Vessel Common Carriers

Vessel Common Carriers (VCCs) are carriers that transport persons or property between points within the state. There are 16 VCCs registered with the CPUC. The Transportation Enforcement Branch Compliance Enforcement Unit (CEU) conducted proactive safety assurance compliance inspections of VCCs to ensure carriers are following statutory and regulatory requirements. CEU performed compliance inspections on six out of the 16 VCCs. The result of the compliance inspections disclosed that some carriers have underreported revenue and underpaid the Public Utilities Commission Transportation Reimbursement Account (PUCTRA) fees. Approximately $30,000 in underreported PUCTRA fees and penalties were identified and collected.

Compliance Inspections of Major Transportation Charter-Party Carriers and Passenger Stage Corporations

The Compliance Enforcement Unit (CEU) conducted proactive safety assurance compliance inspections of major Transportation Charter-Party Carriers (TCPs) and Passenger Stage Corporations (PSCs) to ensure they are following statutory and regulatory requirements. The CEU performed compliance inspections on 12 major TCPs and PSCs that each earned more than five million dollars in revenues in 2020. The result of the compliance inspections disclosed that three out of 12 carriers underreported revenue and underpaid PUCTRA fees. Approximately $200,000 in underreported PUCTRA fees and penalties were identified and collected.

LAX Transportation Enforcement Program

The Transportation Enforcement Branch (TEB) continues to work jointly with Los Angeles International Airport's (LAX) Landside Ground Transportation Unit and LAX Police Department (LAXPD) to address violations committed by regulated passenger carrier vehicles. LAXPD issued 16 citations and impounded 15 vehicles. TEB enforcement staff settled 10 of the citations and impounds by the civil compromise process.

Airport Surveillance Statistics

The Transportation Enforcement Branch Airport Enforcement Unit conducts weekly surveillance at metropolitan and international airports throughout California. The purpose of the surveillance is to address violations committed by for-hire passenger carriers. Of the 4,500 vehicles observed, 552 vehicles had violations and 65 citations were issued.

Field Safety Procedures

The Transportation Enforcement Branch updated its Field Safety Procedure to guide staff while conducting field operations. The updated procedure focuses on situational awareness and roadside safety, working alongside allied agencies, and the use of appropriate personal protective equipment.

Safety Assurance Activities at Field Locations

The Transportation Enforcement Branch (TEB) increased its field presence in 2021 at locations where high passenger carrier activities are known to occur, such as wine tourism areas in Napa and Temecula, the Hollywood entertainment district, and locations where party buses are known to operate. This increased focus at field locations has increased CPUC's visible field presence, leading to effective deterrence and increased investigations and enforcement activities. The TEB worked jointly with several law enforcement agencies, such as the Napa County District Attorney's Office, the Saint Helena Police Department, the Sacramento Police Department, the California Highway Patrol, the Los Angeles Police Department, and the Fullerton Police Department to address violations by regulated passenger carrier vehicles. During the year, the TEB observed 1,170 vehicles, served 17 citations, impounded 13 vehicles, and referred cases with criminal elements to the proper authorities. The purpose of these enforcement activities was to monitor passenger carrier activities and seek compliance with the California Public Utilities Codes and General Orders.

TNC Access for All Program

Senate Bill (SB) 1376 (Hill, 2018) directed the CPUC to establish a program to address Transportation Network Company (TNC) accessibility for persons with disabilities, including wheelchair users who need a wheelchair-accessible vehicle (WAV).

The Transportation Licensing Analysis Branch (TLAB) continued to implement SB 1376 to increase on-demand wheelchair accessible transportation in California. In March 2020, TLAB issued a report analyzing wheelchair accessible vehicle response times and interim performance standards for the first five quarters (Q3 2019-Q3 2020) of the program. In 2021, the CPUC adopted D.21-03-005 (Track 3) setting additional performance requirements for TNCs and additional requirements for access providers seeking funding. In addition, TLAB conducted a workshop to solicit feedback on questions scoped in the Track 4 Scoping Memo, which were resolved in D.21-11-004.

TLAB continues to engage with Local Access Fund Administrators (LAFAs) to set up local WAV programs and distribute money to access providers. Ten regional transit planning agencies were approved to serve as LAFAs in their respective counties in Funding Year 2021-2022.

Clean Miles Standard Program

Senate Bill (SB) 1014 (Skinner, 2018) seeks to lower greenhouse gas (GHG) emissions in the transportation sector from carriers that provide prearranged transportation services. In 2021, the Transportation Licensing Analysis Branch (TLAB) initiated planning efforts to support a proceeding to implement the California Clean Miles Standard and Incentive Program, enacted through SB 1014, for increasing electrification and decreasing GHG emissions from transportation network companies (TNC) that provide ride-hailing services starting in 2023. TLAB provided data and analyses to the California Air Resources Board (CARB) over the last year to support the development of the vehicle electrification and GHG emissions reduction targets for the Clean Miles Standard Program. The CPUC opened R.21-11-014 at its November 18, 2021, Voting Meeting to implement CARB's targets and goals for SB 1014, ensure minimal negative impact on low-income and moderate-income drivers, support the goals of clean mobility, and ensure that the California Clean Miles Standard and Incentive Program complements and supports sustainable land use objectives.

Autonomous Vehicle Regulation

As of October 2021, the CPUC issued four new permits in its Autonomous Vehicle (AV) Passenger Service Pilot Programs, three for the Drivered Pilot program and one (its first) for the Driverless Pilot program. In the AV Pilot programs, permitted carriers may provide passenger service in AVs with or without a driver on a testing basis. No fares may be collected, and carriers are required to provide quarterly reports on their operations. With the addition of the new permits, as of 2021, there are nine active permits authorizing pilot AV passenger service. The CPUC also received its first permit applications in its AV Passenger Service Phase I Deployment Program in November 2021. Two permit applications are for Drivered Deployment, which requires that a driver be present in the AV, and the second for Driverless Deployment. Authorized by D.20-11-046 and later modified by D.21-05-017, the AV Deployment Program allows for the full deployment of AVs for passenger service. Carriers permitted in deployment may accept payment for their services and are required to report quarterly on a broad array of trip-level and aggregated data.

Data Analytics Program

The CPUC data analytics team in the Transportation Licensing and Analysis Branch (TLAB) analyzed Transportation Network Company (TNC) data to support decisionmakers' prioritization of unresolved issues in proceeding R.12-12-011, the original TNC rulemaking proceeding, and to support the development of any successor proceedings the Commission may choose to open to promote the CPUC's consumer protection and public safety goals. In addition, TLAB's data analytics team developed a SQL Server database and uploaded TNC data related to Annual Report submissions made on September 19, 2020, to aid data analysis and to respond to Public Records Act requests.

Transportation Carrier Portal

In June 2021, Transportation Licensing Analysis Branch (TLAB) launched the CPUC Transportation Carrier Portal, a new electronic system for transportation carriers to apply for or renew an operating authority from CPUC, monitor the status of their applications, manage and update their accounts, and pay regulatory fees. Insurance companies and insurance brokers may use the CPUC Transportation Carrier Portal to electronically file evidence of insurance coverage on behalf of transportation carriers. Consultants who assist transportation carriers, such as in preparing application documents or complying with controlled substance and alcohol testing requirements, may use the Transportation Carrier Portal to submit documents on behalf of transportation carriers. Law enforcement entities may use the Transportation Carrier Portal to view information about CPUC-regulated transportation carriers.

WATER

Drought, Affordability, and Low-Income Customers

In response to Governor Newsom's executive orders, the CPUC has continued to work with regulated water companies to conserve water. Companies have filed tariffs for Rule 14.1 (Voluntary Conservation programs) and Schedule 14.1 (Mandatory Conservation programs). Most companies have established voluntary conservation programs. Some companies have begun to establish mandatory conservation programs.

In July 2021, in D.21-07-029, the CPUC acted to continue the suspension of disconnections for nonpayment of water utility bills accumulated during the statewide water disconnection moratorium. And it required improved access to the low-income water rate assistance programs through more frequent data exchanges between the water utility companies and the energy utilities.

Acquisitions and Consolidations

In June 2021, the CPUC approved Golden State Water Company's purchase of the Robbins Water System from Sutter County Water Works District No. 1 in Resolution W-5237.

Also in June, the CPUC approved the sale of Cobb Mountain Water Company to the Cobb Area County Water District, a local municipality in Resolution W-5239.

In August, the CPUC approved the acquisition of the East Pasadena Water Company's assets by the California-American Water Company in D.21-08-002.

The Water Division prepared a White Paper on "A New Framework for Water Utility Acquisitions" during 2021. It provides a thorough review of the framework under which proposed acquisitions and consolidations are evaluated and will provide a basis for review of policy in this area if the CPUC chooses to move forward with key findings discussed.

Physical Security and Disaster and Emergency Preparedness

The CPUC adopted D.21-05-019 in May 2021, which required all Class-A and Class-B water companies to update their emergency and disaster preparedness plans and certain General Orders of the CPUC regarding emergency and disaster preparedness.

Class-A Water Utility General Rate Case Decisions

In October 2021, the CPUC granted authorization to Suburban Water Systems to increase revenues and rates in D.21-10-024 in proceeding A.21-03-001. In November 2021, the CPUC issued D.21-10-022 adopting new rates for California-American Water Company in proceeding A.19-07-004.

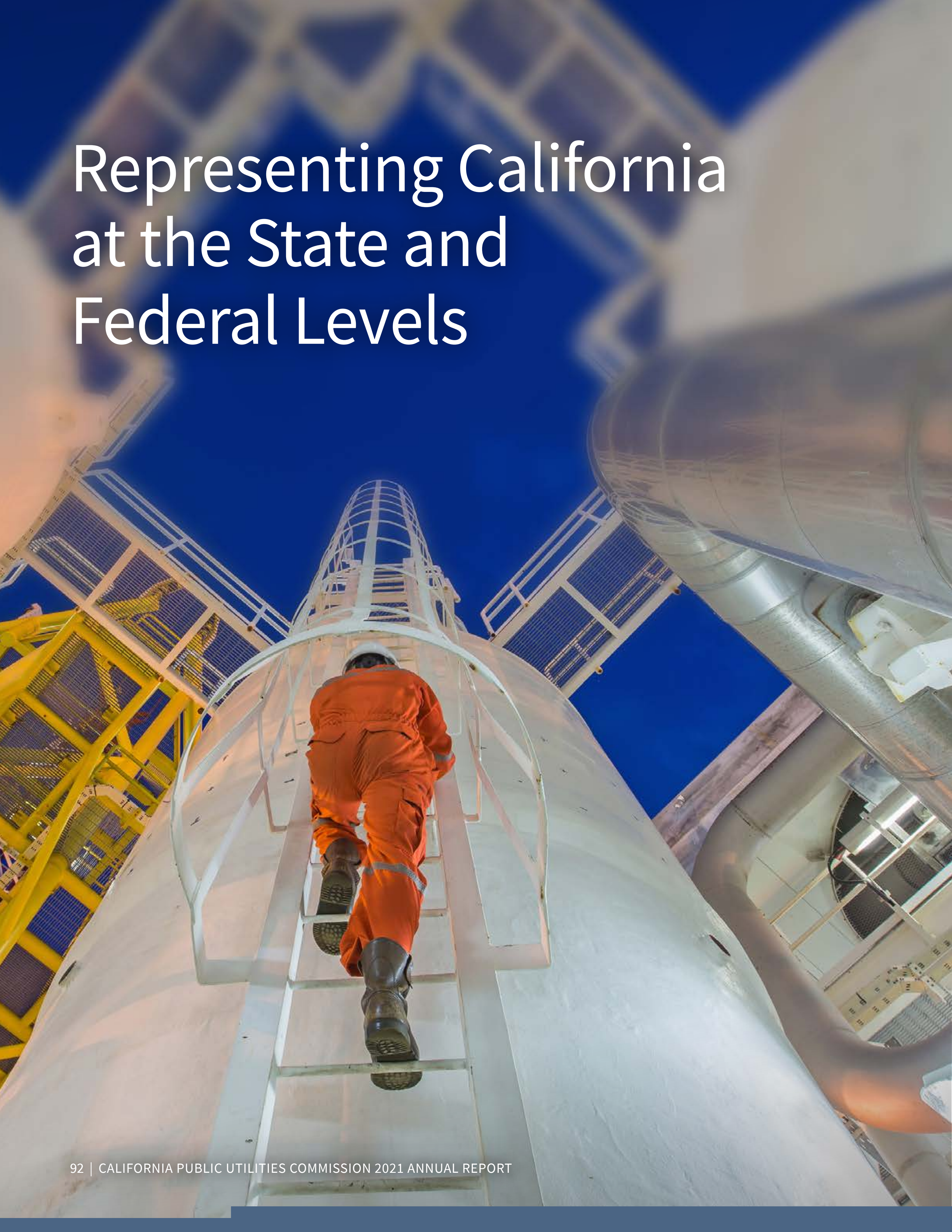
Multi-Family Assistance Pilot Program

In conjunction with California-American Water Company Advice Letter 1320, the CPUC began to consider whether it would be possible to provide low-income assistance to water consumers in multi-family buildings served by a single connection.

Other Decisions Related to Class-A Water Companies

In August 2021, the CPUC granted a Certificate of Public Service and Necessity in D.21-08-007 to construct a public utility water system near Friant in Madera County and to establish rates for service. This system will serve an estimated 1,100 new customers in a community under development.

Representing California at the State and Federal Levels



Federal Energy Regulatory Commission

Advocating for the People of the State of California, the CPUC's litigation at the Federal Energy Regulatory Commission (FERC) includes engaging in two significant undertakings: promoting and defending state electric and gas regulatory programs, and advocating as the sole representative of California's retail electric and natural gas customers who purchase service from investor-owned utilities. The CPUC also advocates for the interest of non-retail electric generator and industrial gas customers, as their interstate gas transmission costs are passed on to downstream consumers.

2021 Highlights

- Representing California's ratepayers in challenging, as the sole petitioner, a FERC order that approved an automatic 20 percent adder to payments made by the CAISO under its backstop procurement authority (the Capacity Procurement Mechanism (CPM)), without any justification by resources that the additional money was needed or would be used for maintenance or upgrades. The CPUC won this challenge before the D.C. Circuit, which issued a decision on December 17, 2021 vacating and remanding FERC's 2020 CPM Order for further proceedings.
- The CPUC advocated for California ratepayers on the subjects of potential transmission reforms to improve the electric regional transmission planning, cost allocation, generator interconnection processes, and enhancing oversight of transmission spending.
- Following disruptions arising out of the February 2021 Winter Storm Uri, the CPUC filed comments stating that the lack of winterization on the gas wells was the primary cause of the transportation disruptions and that gas supplies tied to interstate firm transportation rights should be winterized.
- The CPUC reached a settlement to resolve rate matters with one of the major interstate natural gas pipelines delivering gas to the California border, which will keep gas transportation rates stable through the end of 2023.

2021 Ongoing Activities

- The CPUC continues to advocate for transparency in electric utilities' and transmission owners' capital projects planning and replacement projects so that expenditures are prioritized according to risk-informed analyses, maximizing safety and reliability, and are prudently incurred. Staff has participated in multiple stakeholder conferences and sent hundreds of data requests to transmission owners in a long-term effort to improve transmission planning and spending.
- The CPUC continues to litigate for ratepayer savings through refunds in still-unresolved 2017-2019 FERC rate cases. FERC has reopened Pacific Gas and Electric Company's (PG&E) 2018 transmission owner rate case and the CPUC has briefed and submitted testimony to oppose PG&E's requested 13.25 percent return on equity.

- Under the FERC's proposed rule expanding the award of financial incentives for electric transmission investment, ratepayers would pay utility shareholders $145 million per year for utilities to continue membership in the California Independent System Operator (CAISO). The CPUC is advocating for the elimination or reduction of electric transmission incentives where such incentives are unneeded to incent CAISO membership or transmission construction, expansion, and replacement projects. For example, the CPUC has for years been challenging the recovery of a 50-basis-point incentive to Return on Equity for utilities that are already CAISO participants, which costs ratepayers approximately $72 million per year.
- The CPUC maintains its protest of the North Baja Pipeline, LLC's North Baja Xpress Project.
- The CPUC's advocacy is ongoing to ensure reliable interstate deliveries of natural gas to the Los Angeles Basin and San Diego.

Federal Communications Commission

The CPUC monitors and participates in rulemaking proceedings before the Federal Communications Commission (FCC), which establishes national policies affecting the provision of communications services offered by different classes of providers. The FCC proceedings in which the CPUC participated in 2021 addressed the following issues:

- FCC rules changes that may affect the CPUC's administration of billions of dollars for public purpose programs, such as California LifeLine and the Deaf and Disabled Telecommunications Program.
- FCC Rural Digital Opportunity Fund intention to award up to $20.4 billion for broadband deployment in unserved areas.
- FCC's Emergency Broadband Benefit program, which allows eligible low-income households to receive discounted broadband service and some devices, while reimbursing service providers for the discounts.
- FCC data collection efforts pertaining to the deployment of broadband service across the country, as well as updating mapping of the location of broadband facilities in California.
- Proposed changes to FCC rules regarding how broadband deployment should be measured and tracked.
- Proposals by incumbent providers to eliminate or significantly modify services to many classes of customers as part of the transition to an internet protocol-based network.
- Many other proposed rules that affect California.

Federal Litigation

In 2021, the CPUC litigated 16 cases in federal district, appellate, and U.S. bankruptcy courts. Among these cases, the CPUC achieved successful outcomes on matters as varied as:

- Representing California's interests on issues the CPUC alone raised before the FCC after the D.C. Circuit remanded the FCC's decision rescinding its net neutrality rules. The FCC issued its decision on remand on October 27, 2020, and the CPUC filed an appeal of the new order with the D.C. Circuit in January 2021. The matter is being held in abeyance pending possible FCC action.
- Challenging the Federal Railroad Administration's preemption of California statutes prescribing train crew staffing safety standards, in favor of a federal regulation that mandates the absence of safety requirements on train crew staffing levels. The court found in the CPUC's favor in February 2021.
- Upholding the CPUC's transportation network company program that licenses such transportation options as Uber and Lyft.

In Ongoing Cases, the CPUC's Federal Litigation Team Continues to:

- Defend against a challenge to the CPUC's implementation of Assembly Bill 1054 (Holden, 2019) by adopting a nonbypassable surcharge to help capitalize the Wildfire Fund, and an attempt to nullify it.
- Defend California's renewable generation procurement and rooftop solar programs.
- Challenge FERC's adoption of a revised method to calculate compensation for resources procured through CAISO's backstop capacity procurement mechanism.
- Defend the CPUC's adoption of California LifeLine offerings at no charge to consumers beyond the discount reimbursed to participating service providers.
- Defend California's Prepaid Mobile Telephony Services Surcharge Act, Assembly Bill 1717 (Perea, 2014), and procedures the CPUC adopted for collecting and remitting of public purpose program surcharges imposed on prepaid wireless telecommunications services sold in California.
- Advocate on behalf of Californians and ratepayers in a 9th Circuit Court appeal from the U.S. Bankruptcy Court proceedings approving Pacific Gas and Electric Company's plan of reorganization and emergence from Chapter 11 bankruptcy.

State Appellate Litigation

The CPUC's state litigation team defends the CPUC against court challenges of its decisions in a variety of highly technical and complex subject areas. The CPUC is challenged in court approximately twelve times each year. Most of these petitions for writ of review are at the state court appellate level, in the Court of Appeal or the California Supreme Court. In the vast majority of those challenges, the CPUC has prevailed. This year, the CPUC's state appellate team answered eight petitions for writ of review. Most notably, the team successfully:

- Defended the CPUC's decision finding that certain Competitive Local Exchange Carriers had discriminated against a similarly situated interexchange carrier by not offering certain below-tariff rates for tandem-routed intrastate switched access service (a monopoly bottleneck service) in violation of state statutes. On July 6, 2021, in a published decision, Bullseye Telecom v. CPUC, the Court of Appeal, First Appellate District, agreed with the CPUC on all issues and rejected the petitioner's claims, as set forth in three petitions for writ of review, in affirming D.19-05-023, as modified by D.20-07-035.
- Defended D.20-05-019 and D.20-12-015, which imposed $2.137 billion in penalties against Pacific Gas and Electric Company for its role in the 2017 and 2018 wildfires. The California Court of Appeal summarily denied petitioner's challenge on January 4, 2021.
- Defended in the California Court of Appeal, a challenge of D.19-04-017 and D.20-06-063, which found that the utility had not overcome the rebuttable presumption that corporate expenses in excess of the corporate expense cap are unreasonable. As a result, the Court upheld the CPUC's limitation of the corporate expense recovery to the amount determined by the corporate expense cap calculation. On January 15, 2021, the Court summarily denied Petitioner's challenge to the CPUC's decisions.
- Defended a challenge in the California Supreme Court by the City of San Marcos to D.20-09-034, which granted a permit for San Diego Gas & Electric Company to construct the TL 6975 San Marcos to Escondido project. The project was approved through a mitigated negative declaration and improves reliability by mitigating North American Electric Reliability Corporation Reliability Criteria violations, eliminating

congestion, and providing an additional feed. On July 28, 2021, the California Supreme Court summarily denied the petition for writ of review.

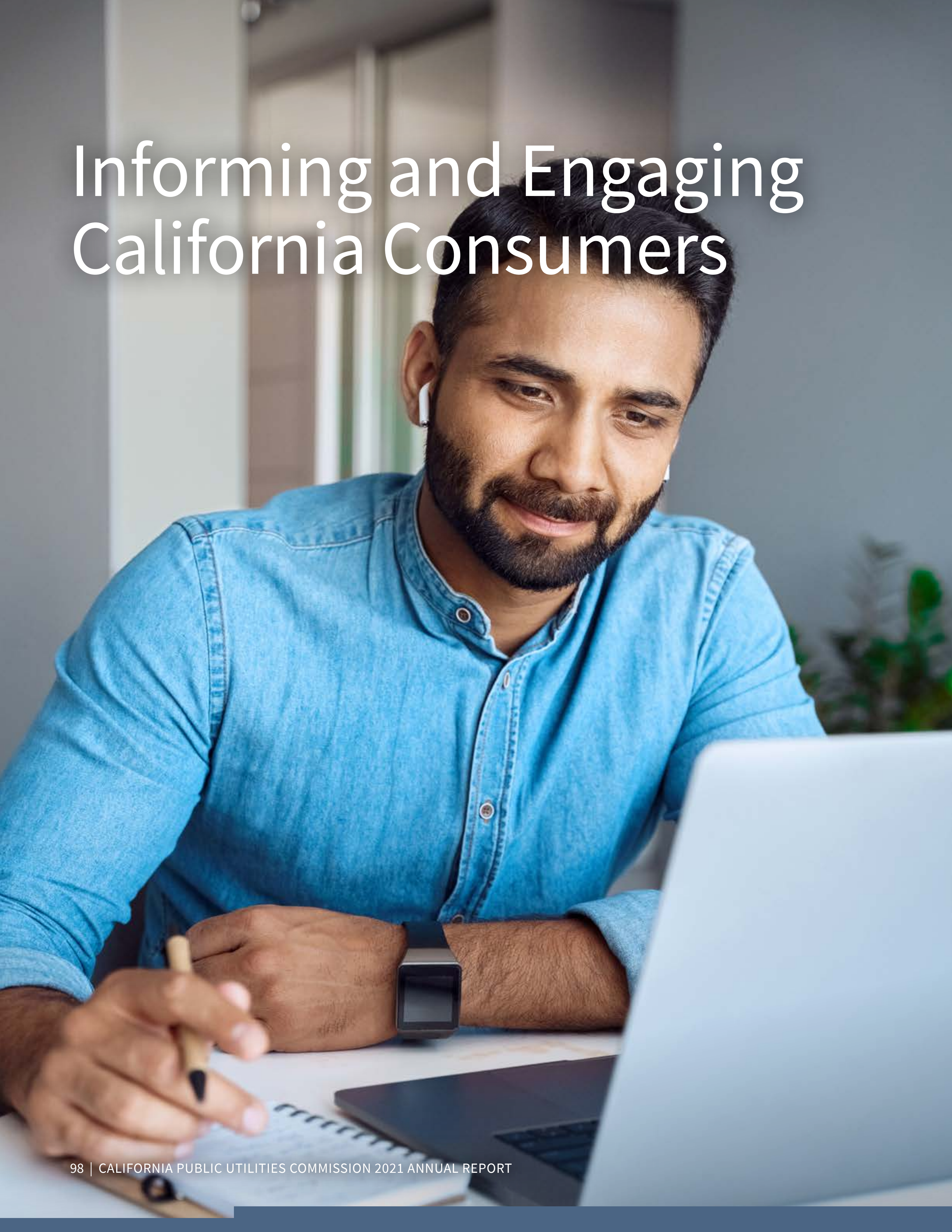
- Defended a California Environmental Quality Act challenge to the CPUC's Decisions 20-12-056, 20-12-014, and 20-02-024, allowing Southern California Gas Company and San Diego Gas and Electric Company to test and/or replace portions of a natural gas pipeline, various portions of which were located in residential areas that placed thousands of people at risk of serious harm in the event of an explosion. The California Supreme Court summarily denied the petition for writ of review on June 30, 2021.

In Ongoing Cases, the CPUC's State Litigation Team Continues to:

- Defend the CPUC's decision to end its pilot program designed to incent water utilities to promote water conservation, the Water Revenue Adjustment Mechanism.
- Defend the CPUC's jurisdiction to enforce interconnection agreements.
- Defend the CPUC's securitization and financing decisions to ensure Pacific Gas and Electric Company has a path to an investment-grade credit rating.
- Ensure that the California High-Cost Fund-A program is administered in a manner that does not result in excessive subsidy levels, in order to limit the burden on the program's contributors.
- Defend CPUC Resolution ALJ-391, which ordered Southern California Gas Company to produce certain information sought by Public Advocates Office in litigated data requests and subpoenas.

Although several matters are still pending in court, the state appellate attorneys have successfully defended the CPUC in all eleven of the petitions for writ of review that the Courts decided in 2021.

Informing and Engaging California Consumers



The CPUC assists customers with utility complaints and provides information and assistance to the public, state and local governments and community organizations, small and diverse businesses, the media, and other stakeholders about the CPUC's many pioneering and innovative programs, policies, and proceedings.

The CPUC's Business Community Outreach (BCO) team has extensive, statewide geographic coverage in all 58 counties. Despite the continued pandemic, BCO continued to connect with the communities it serves, engaging in more than 650 meetings and 700 events with local officials and community stakeholders, with 49 percent of meetings and 45 percent of events focused on disadvantaged communities. Issues that were of concern to community stakeholders include COVID-19 pandemic financial relief, broadband availability and service quality, wildfires, utility Public Safety Power Shutoff (PSPS) events and service outages, natural gas, building electrification, community choice aggregators, and homeless encampments near railroads. BCO established a quarterly CBO webinar series to engage directly with CBOs on issues that matter most to them. Topics in 2021 included: Hard-to-Reach Customer Outreach, the CPUC's Environmental & Social Justice Action Plan, and Disconnections and Affordability.

The year also saw the CPUC's General Order (GO) 156 Supplier Diversity program achieve more than $11.7 billion in utility spending with diverse companies, which equates to 30.1 percent utility spending with diverse suppliers. For the first time, 14 community choice aggregators reported their procurement spend with diverse suppliers in 2021. At the CPUC's annual GO 156 Supplier Diversity en banc meeting, more than 800 attendees joined to examine the supplier diversity programs of the state's regulated utilities and hear from community-based organizations, community choice aggregators, and executive leaders on the progress of GO 156. Additionally, the CPUC is in the process of amending GO 156, consistent with the requirements of recent legislation, Senate Bill 255 (Bradford, 2019), which seeks to extend the parameters of the Supplier Diversity Program to include non-utility entities, community choice aggregators, and electric service providers. The amendments will also include considering voluntary target percentage goals for procurement from LGBT business enterprises and including businesses owned and controlled by people with disabilities. The CPUC convened three workshops with community choice aggregators and electric service providers on the supplier diversity program implementation and reporting requirements. The CPUC also held two successful virtual Small Business Expos in April and October with 875 and 915 registered attendees each.

The changing climate and other conditions have significantly increased the threat of catastrophic wildfires on tribal land. As a result, BCO has been focused intensely on engaging tribes on a wide variety of issues associated with wildfires including PSPS events, the CPUC's Self-Generation Incentive Program, the Microgrid Incentive Program, solar programs, electric grid reliability, and integrated resource planning. BCO held 104 tribal meetings and participated in 55 tribal events. BCO works to make sure that tribes are

informed about initiatives and programs and that tribes have the tools to fully participate in CPUC proceedings, workshops, and processes to improve the safety of tribal people as the threat of global climate change increases. The CPUC Tribal Land Transfer Policy, Tribal Technical Assistance Program, Environmental and Social Justice Action Plan, and broadband programs were all of interest to the tribes.

One of the major initiatives for the CPUC's Public Advisor's Office (PAO) in 2021 was the Electric Rates, Tariffs, and Programs Website (ERTPW) project. PAO leads the mandate to implement Assembly Bill (AB) 1362 (O'Donnell, 2019), which requires the CPUC and electric providers to post residential rate tariffs and information on the CPUC website in a consolidated location for ratepayers.

The purpose of the website is to ensure greater transparency, fair competition, and customer choice in a competitive, changing, regulatory landscape in California. This effort to make electric rate information available will enable customers and local governments to compare rates and other offerings on easily accessible, reliable websites. PAO is working with external stakeholders to build a comprehensive website portal. On September 19, 2021, CPUC staff facilitated its first ERTPW workshop to solicit input from participants, IOUs, and CCAs on the proposed CPUC website portal design. Most importantly, staff met with energy providers to ensure that electric providers understand the regulatory mandate and implement or update websites in compliance with the purpose of AB 1362. PAO is currently in Phase II of the ERTPW project with a tentative completion date of December 2024 for the CPUC rate comparison website portal.

The PAO also assisted in the planning and facilitation of events to inform and educate the public and receive feedback in 2021. Of the 59 events assisted, 59 were virtual meetings where the public participated remotely due to the Governor's Executive Order to shelter in place due to the COVID-19 pandemic. The PAO was able to quickly transition to facilitating virtual meetings, which allowed the public to continue to participate in CPUC proceedings to make their voices heard. For most events, public participation increased because the public did not have to take the time to travel. The 18 Public Participation Hearings that were held virtually drew 21,385 attendees and 933 speakers.

In 2021, the PAO received 180,297 comments and inquiries from the public. The top five proceedings commented on were related to the Net Energy Metering 3.0 Order Instituting Rulemaking to Revisit Net Energy Metering Tariffs Pursuant to D.16-01-044 (R.20-08-020); Municipal Water Company Over San Jose Water; Extreme Weather Event Order Instituting Rulemaking to Establish Policies, Processes, and Rules to Ensure Reliable Electric Service During These Events (R.20-11-003); complaints about Pacific Gas and Electric Company; and Order Instituting Rulemaking to Consider Regulating Telecommunications Services Used by Incarcerated People (R.20-10-002).

Both the BCO and PAO continue to engage with stakeholders and communities from diverse regions of the state to facilitate and encourage their participation in CPUC proceedings. BCO engages through direct meetings, webinars, and building relationships with CBOs embedded in those communities. The PAO advises and assists those interested in becoming a party, facilitating public comments, or otherwise following proceedings and providing valuable input. Virtual attendance at public forums, workshops, and webinars encourages attendance and participation by communities statewide. As the data above shows, these outreach and engagement efforts are successful and ongoing, and BCO and PAO continue to meet the challenge of identifying new stakeholders and creating innovative ways to engage with the CPUC. As the CPUC moves towards hybrid meetings and workshops in 2022, BCO and PAO will continue to identify issues of potential relevance to diverse regions and engage with those communities to make their voices part of the decision-making process.

Environmental and Social Justice Action Plan

The CPUC's Environmental and Social Justice (ESJ) Action Plan serves as both a commitment to furthering principles of environmental and social justice, as well as an operating framework with which to integrate ESJ considerations throughout the agency's work. Since the adoption of Version 1.0 of the ESJ Action Plan in February 2019, the CPUC has made significant progress on incorporating ESJ considerations into its work, as well as creating a culture that takes into account the lived experiences of ESJ communities where residents are predominantly communities of color or low-income; underrepresented in the policy setting or decision-making process; subject to a disproportionate impact from one or more environmental hazards; and likely to experience disparate implementation of environmental regulations and socioeconomic investments in their communities.

Highlights of the CPUC's efforts include:

- Development of a curriculum for new employees focused on ESJ history and key concepts.
- Proactive inclusion of ESJ issues into the scoping phase and record of proceedings.
- Enhanced requirements for regulated entities to conduct outreach to limited English proficient communities and to partner with community-based organizations.
- Increased outreach to ESJ communities for participation in key proceedings and events.

In 2021, CPUC staff initiated an update to the ESJ Action Plan and published a draft Version 2.0 for public comment in October 2021. Updates to the ESJ Action Plan may include:

- Revised objectives and action items.
- More equitable distribution of action items across CPUC Divisions.
- Updated the workforce development goal to emphasize "high road" career paths.
- Guidance documents to assist CPUC staff and stakeholders in incorporating ESJ considerations in their work.

Highlights of proposed action items include:

- Consideration of a Pilot Small Grants Program for Community-Based Organizations.
- Conducting an evaluation of the Intervenor Compensation Program.
- Improving internal coordination and alignment among programs that impact ESJ communities.
- Ensuring enforcement activities prioritize ESJ communities.
- Improving evaluation and incorporating metrics to better understand impact of CPUC activities in ESJ communities.

The ESJ Action Plan Version 2.0 is expected to be finalized and adopted by the CPUC in early 2022.

Assisting Consumers With Utility Complaints

The CPUC's Consumer Affairs Branch (CAB) directly assisted Californians by handling more than 26,000 consumer cases that were submitted via phone calls and written correspondence received online, faxed, emailed or by U.S. mail. CAB's work in 2021 resulted in more than $1.5 million in refunds to consumers.

2021 Annual Summary of Contacts From Consumers

Communications	Energy	Water	Other**	Total
9,200	13,596	697	2,530	26,023

*** Non-regulated complaints*

Total Refunds From Consumer Complaints Submitted to CAB

Communications	Energy	Water	Total
$ 396,477	$ 1,086,596	$21,106	$1,504,179

CAB played a vital role helping the public understand the provisions enacted for consumer protection and continuity of services during the COVID-19 pandemic. CAB worked diligently to expedite resolution of consumer concerns, facilitate payment arrangements and reconnections of interrupted services for nonpayment, and address service outages and delayed orders due to reduced utility staffing. In addition, CAB kept decision-makers informed on the volume and nature of consumer contacts.

The CAB team also oversaw the work of the Telecommunications Education and Assistance in Multiple-languages (TEAM) and Community Help and Awareness of Natural Gas and Electricity Services (CHANGES) programs, which are a vital part of the CPUC's efforts to support limited English proficient (LEP) speakers across the state. The CPUC, in association with a lead contractor, manages 27 community-based organizations (CBOs) that provide support statewide in 70 languages. The CBOs enable the CPUC to assist LEP consumers in their preferred language with cultural sensitivity. The programs provide consumer outreach, education, needs assistance (e.g., help signing up for low-income programs), and dispute resolution. In 2021, TEAM and CHANGES educated 23,671 consumers on issues that helped them to manage their services (e.g., understanding their bill, applying for financial assistance, safety issues) and facilitated returning more than $81,780 in refunds to consumers from utilities.

CAB strives to provide the best experience possible for consumers, and in 2021 it established a Quality Assurance Unit that will improve the quality and speed of service.

2022 Work Plan

COMMUNICATIONS

California Advanced Services Fund and Last-Mile Funding

The CPUC will continue implementation of Senate Bill 156 (Committee on Budget and Fiscal Review, 2021) and Assembly Bill 164 (Ting, Budget Act of 2021) with a proposed last-mile federal funding account in R.20-09-001, as well as technical assistance grant and loan loss reserve fund accounts in R.20-08-021. The loan loss reserve fund will assist local governments and non-profit organizations develop broadband infrastructure. The CPUC will also consider potential modifications to California Advanced Services Fund program rules and requirements to achieve the program's goal of near-ubiquitous broadband access.

The CPUC will open new solicitations for the Consortia Account as necessary and will continue to accept applications for the Tribal Technical Assistance Grant. The CPUC will also determine funding allocation availability for the Broadband Adoption Account and Public Housing Accounts.

The Infrastructure Grant Account will accept new applications for the 2022 cycle in the first half of 2022 and process all applications by the end of the year. Significant rule changes will be made to the program because of the new legislation passed by Assembly Bill 14 (Aguiar-Curry, Bloom, Cristina Garcia, Eduardo Garcia, Low, Petrie-Norris, Quirk, Quirk-Silva, Reyes, Robert Rivas, Santiago, Stone, 2021) and Senate Bills 156 (Committee on Budget and Fiscal Review, 2021) and 4 (Gonzalez, 2021). To accomplish all this, the CPUC will hire more staff in a new section under Communications Division to carry out this immense and important work.

California High-Cost A & B Fund

The CPUC will continue its work in R.11-11-007 to update and clarify existing CHCF-A program rules from D.91-05-016 and D.91-09-042, and to address the support of CHCF-A and B on tribal communities.

California LifeLine

In proceeding R.20-02-008, the CPUC will implement additional improvements to the renewals process, consider recommendations from the program assessment by California State University, Sacramento, and consider how to incorporate foster youth into the program for the long-term.

Statewide Open-Access Middle Mile Network

The CPUC will provide continued support to the California Department of Technology, Department of Transportation, and other agency partners and stakeholders in implementing the state-owned open-access middle mile network. This includes coordinating middle mile construction with last-mile funding.

Telecommunication Services Outages

Pursuant to Senate Bill 341 (McGuire, 2021), the CPUC will work with the California Office of Emergency Services to develop, on or before July 1, 2022, requirements for the public outage maps maintained by telecommunications service providers pursuant to subdivision. Such requirements will include the requirements for updating and the level of detail to be included in the public outage maps derived from community isolation outages that shall be consistent with the requirements of CPUC Decisions 20-07-011 Adopting Wireless Provider Resiliency Strategies, and 21-02-029 Adopting Wireline Provider Resiliency Strategies.

Deaf and Disabled Telecommunications Program

The CPUC will continue its outreach during the COVID-19 pandemic, making primarily virtual presentations statewide to help provide communications devices and services to individuals who are deaf or hard of hearing, and individuals with disabilities. The 13 contact centers will continue to be operational but operate on an appointment-basis that emphasize social distancing until centers return to open status. Customer home visits will be limited to outdoor deliveries, with technical assistance provided through communications outreach until the crisis passes.

Bring Your Own Device mobile training for those with disabilities will emphasize distance training for this year until the end of the pandemic.

Under contract to the CPUC, Department of Rehabilitation (DOR) efforts to distribute 500 iPads during its first year of the Voice Options contract was hampered by the COVID-19 pandemic, with state and county COVID-19 restrictions impacting the delivery of these services at demonstration centers. To provide DOR additional time to administer and analyze the impact of Voice Options, the interagency agreement was extended through November 30, 2022.

Service Quality

The Communications Division will continue to analyze service quality data to determine if the General Order 133-D penalty mechanism is effective at improving carriers' service quality performance. Additionally, the division will evaluate the communications service providers' ability to restore services after an outage and produce a report of its evaluation.

Video Franchising Program

In September 2021, the Legislature passed Senate Bill (SB) 28 (Caballero, 2021), which made the following two major changes to the Digital Infrastructure and Video Competition Act of 2006: it directs the CPUC to adopt and enforce new video and broadband customer service requirements, and it directs the CPUC to collect granular data that show the location of individual homes and buildings where service is provided by state video franchise holders.

To implement SB 28, in 2022 the CPUC will initiate one or more rulemakings that will incorporate new customer service requirements/rules into General Order 169, which state video franchise holders are required to follow, define an enforcement process for the new customer service rules and a process for adjudicating customer complaints, and define the granular data that state video franchise holders are required to submit.

Utility Pole Proceedings

Rulemaking 17-06-028 and Investigation 17-06-027 will address conduit issues, with the rulemaking also addressing Joint Pole Associations and Pole Replacement barriers to broadband deployment.

- In the first quarter of 2022, the CPUC will prepare its One Touch Make Ready Rules decision.
- The CPUC will continue to monitor the Working Group's goal of reaching a consensus for the data elements that will use common data definitions.
- The CPUC will issue a decision based on the comments on the Ruling Requesting Comment On "One-Touch Make-Ready" requirements and the staff proposal making the first substantial changes to the CPUC's Right-of-Way Rules, utility pole attachment application evaluations, requirements, make ready work, and contractor requirements since being implemented in 1998.

Telecommunications Customer Surcharge Reform

In R.21-03-002, the CPUC will adopt and implement a new funding mechanism that provides stability to the state's Universal Service Public Purpose Programs for providers to collect and remit surcharges.

Phase 2 of this proceeding will investigate the impacts of adopting a single fee on customer classes and implement updates as necessary.

T-Mobile/Sprint Merger

Rulings on both the Dish Network Corporation Petition for Modification and the Order to Show Cause are expected to be issued in the first quarter 2022. When the issues raised in these proceedings have been addressed, no further proceedings in this docket are forthcoming. However, CPUC staff will continue to monitor T-Mobile's compliance with the conditions imposed by D.20-04-008 in close coordination with the independent Compliance Monitor required by the decision, who will receive regular updates from T-Mobile detailing its post-merger activities. The Monitor will issue two reports to the CPUC in 2022 advising on T-Mobile's progress on compliance with the merger conditions and recommending whether any penalties should be imposed for non-compliance.

The CPUC will continue to use CalSPEED to measure and map mobile broadband availability and quality and the pace of 5G deployment, to monitor and evaluate T-Mobile's compliance with service obligations contained in the decision approving its merger with Sprint, to help guide the CPUC's broadband infrastructure grant decisions, to provide data to the FCC to validate mobile providers' broadband coverage, and to assist other state agencies which rely on mobile broadband service to carry out their programs.

Broadband Assessment and Deployment

In the Broadband Deployment proceeding (R.20-09-001), the CPUC plans to:

- Implement new rules for the Digital Divide Account approved in D.21-10-020 to provide digital literacy grants to schools.
- Collect and consider information regarding internet service providers who are refusing to serve certain communities or neighborhoods within their service or franchise areas.
- Collect public comments on a variety of topics related to the middle-mile network, including technical, business, and operational considerations.
- Finalize proposed rules for the Federal Funding Account.
- Consider ways to leverage investor-owned utilities fiber to provide residential internet service.
- Consider measures to mitigate or eliminate redlining practices if internet service providers are doing so.

Regulating Telecommunications Services Used by Incarcerated People

In R.20-10-002, the CPUC will consider expansion of the definition of incarcerated persons' calling services used in D.21-08-037 to include video calling services and/or other communication services such as texting and/or email. The CPUC will also consider the calling service needs of incarcerated persons with disabilities and/or incarcerated persons whose support networks include those with disabilities. The CPUC will address two applications for rehearing of D.21-08-037 and will consider developing permanent rates for incarcerated persons' calling services.

Effect of De-Energization Events

There were approximately 74,500 subscribers and 190 facilities potentially impacted by the wildfire disaster and Public Safety Power Shutoff events that occurred in California during the summer and fall of 2021.

The CPUC's Communications Division (CD) 2022 Work Plan will include collecting data concerning the impact wildfire, Public Safety Power Shutoff events, and other major disaster or emergency events might have on a telecommunication service provider's wireline, wireless, voice over internet protocol, and broadband networks throughout the state.

After a state of emergency is declared by the Governor for a major disaster and/or widespread Public Safety Power Shutoff event, CD will send a data request to all providers asking for the specific impacts they may have experienced. Specifically, this information will consist of locations of the events, the number of potentially impacted customers and facilities, all methods used to temporarily restore service such as mobile hotspots and Cell on Wheels as well as whether 911 services have been impacted.

CD will compile all the data request responses and develop concise summary reports describing all the network and customer impacts that providers experienced, which decision makers could apply to future policy initiatives.

ENERGY

Aliso Canyon Well Leak Investigation

In I.19-06-016, the CPUC will issue a Presiding Officer's Decision for Phase 1. Once the final Phase 1 decision is issued, the CPUC will commence Phase 2, which will consider the appropriate remedies for any violations found in Phase 1. The CPUC will issue a Presiding Officer's Decision on the realtime reporting Order to Show Cause and commence Phase 3 of the proceeding, which will consider allegations of lack of cooperation with the investigation by the Southern California Gas Company.

Renewables Portfolio Standard

A decision adopting load-serving entities 2021 Renewables Portfolio Standard (RPS) Procurement Plans is expected in January 2022. The CPUC plans to issue a new Order Instituting Rulemaking by September 2022, incorporating outstanding issues from R.18-07-003, any remaining issues from R.15-02-020, R.11-05-050, and R.08-08-009, as well as new RPS related issues, including improved coordination with the integrated resources planning process. The CPUC will also implement Assembly Bill 843 (Aguiar-Curry, 2021), which expands the existing investor-owned utility bioenergy market adjusting tariff (BioMAT) program to include community choice aggregators.

Integrated Resource Plans

In 2022, the CPUC will monitor compliance with prior procurement orders, including the 3,300 megawatts of procurement ordered to come online by 2023 and the 11,500 megawatts of procurement ordered to come online by 2026. In addition to monitoring implementation of prior orders, the CPUC will commence the next round of Integrated Resource Planning. The ongoing planning analyses regularly update assumptions and conduct modeling to review the need for new resources, always in the context of expectations for retention of existing resources.

Integrated Distributed Energy Resources and Distributed Resource Plans

In R.14-10-003, the CPUC will consider updates to the Avoided Cost Calculator, which is used to calculate the avoid costs of distributed energy resources, issue a decision adopting such updates, and close this proceeding.

Net Energy Metering

The CPUC will consider the proposed decision adopting a successor to the current net energy metering tariff, which includes program elements related to the adoption of behind-the-meter renewable technologies in low-income and disadvantaged communities.

Evaluation of Energy Storage Procurement Program

In R.20-05-012, the CPUC will contract for a consultant to conduct an Energy Storage Procurement Program evaluation. The purpose of the evaluation is to assess the success of energy storage procurement to date pursuant to the energy storage mandate under Assembly Bill 2514 (Skinner, 2010). Specifically, the evaluation will help determine if the Energy Storage Procurement Program is meeting its established policy goals of reducing greenhouse gases, integration of renewable energy, and grid optimization.

Undergrounding Electrical Distribution Infrastructure

The CPUC initiated R.17-05-010 to review policies and funding mechanisms for the overhead to underground conversion program administered by electric utilities for cities and other jurisdictions. CPUC staff will monitor the proceeding with an interest in adding safety as one of the program eligibility criteria. Phase I is focused on identifying and evaluating various potential improvements to the program and associated tariffs. In 2022, the CPUC will consider opportunities for supporting active Rule 20A projects, whether to modify Rule 20A project eligibility criteria (such as adding wildfire safety or emergency-related project criteria), whether to modify the Rule 20A program to support projects in underserved and disadvantaged communities, and whether to modify or discontinue the unused Rule 20D program.

Physical Security and Emergency Preparedness Plans

On April 30, 2022, investor-owned utilities will officially submit Annual Reports in accordance with D.21-05-019. The Safety Policy Division will oversee General Order 166 Annual Report submissions.

PG&E Safety Reporting Mobile Application

In 2022, Pacific Gas and Electric Company (PG&E) will continue to submit its quarterly progress update reports on pilot activities and progress as the utility ramps up the number of mobile application users, data is collected, and the utility secures an independent consultant to provide an assessment of the pilot. PG&E will also commence an evaluation phase of the pilot, retaining an independent evaluator and collaborating with the Safety Policy Division to finalize an approved scope of work.

Interconnecting Distributed Energy Resources

In R.11-09-011, the CPUC will review party comments to determine whether reliability and grid safety concerns exist and, if needed, adopt modifications to Rule 21 to ensure reliability and grid safety.

Energy Efficiency

In addition to continuing oversight of ratepayer-funded energy efficiency programs, the CPUC will kick off its energy efficiency market transformation efforts with the selection of a new statewide administrator and a five-year strategy to develop deeper and longer-lasting energy efficiency benefits in California.

In early 2022, program administrators will file applications for the next 8-year business plan and the next 4-year portfolio cycle. This will be a major energy efficiency effort for 2022. The decision on these filings will be released in mid-2023.

PG&E Energy Resource Recovery Account Compliance

The CPUC will issue a decision adopting a Public Safety Power Shutoff methodology and assess whether Pacific Gas and Electric Company (PG&E), Southern California Edison (SCE), and San Diego Gas & Electric Company's (SDG&E) procurement-related revenue requirement should be adjusted to account for the unrealized volumetric sales and unrealized revenues resulting from 2019 Public Safety Power Shutoff events. The CPUC will also issue decisions in the Energy Resource Recovery Account (ERRA) proceedings of PG&E (A.21-03-008), SCE (A.21-04-001), and SDG&E (A.21-06-004) to consider whether these utilities managed their resources reasonably in accordance with bundled procurement plans during the 2020 calendar year.

Low-Income Energy Programs

The CPUC will focus on implementation of the new program designs, including: modifying the income eligibility limits of the energy savings assistance program from 200 percent of federal poverty guidelines to 250 percent of federal poverty guidelines pursuant to Senate Bill 756 (Hueso, 2021), implementing tailored marketing and outreach strategies focusing on customer needs, shifting towards a customer-centered prioritization model for treatments based on customer profile, and focusing on deeper treatments that result in greater energy savings.

Building Decarbonization

The Building Decarbonization Proceeding (R.19-01-011) will consider eliminating gas line extension allowances, refunds, and discounts provided under current gas line extension rules (as proposed in a staff proposal released in November 2021), and further policy changes to promote reduced emissions from the building sector.

Microgrids

In proceeding R.19-09-009, the CPUC will initiate conceptual proposals to lay a foundation for developing and implementing a microgrid incentive program including a multi-property tariff to continue to facilitate the commercialization of microgrids pursuant to Senate Bill 1339 (Stern, 2018). The proceeding will also be working on a value of resiliency to further understand and build metrics for resiliency investments.

Clean Energy Financing

In 2022, the Clean Energy Financing proceeding will be accepting proposals for new financing programs to expand customer financing opportunities beyond energy efficiency to include other technologies and programs to broadly address California's economy-wide decarbonization goals and greenhouse gas reduction goals to meet the needs of various customer types. The CPUC will hold workshops to obtain public feedback on the proposals and discuss metrics, reporting, and evaluation of the new financing programs.

Resource Adequacy

The CPUC will continue to ensure that generation sources are developed to support an electricity market that provides reliable, clean, and affordable electricity for customers, and consider proposals to restructure the program.

Renewable Gas

In R.13-02-008, the CPUC will issue a decision implementing Senate Bill 1440 (Hueso, 2018) which requires consideration of renewable gas procurement targets for gas utilities. The proceeding is also evaluating pipeline injection standards for hydrogen fuel.

Solar Consumer Protections

In closing R.14-07-002, the CPUC directed Pacific Gas and Electric Company (PG&E) to convene a workshop if and when the Contractor State Licensing Board distributes 50 percent of the funds authorized for the Solar Energy System Restitution Program, which is intended to provide financial assistance to consumers who received inadequate solar energy systems. PG&E must file a workshop report to summarize workshop participants' input and comments on the potential need for a solar consumer assistance fund.

Interconnection of Distributed Energy Resources

The CPUC will take testimony and convene an evidentiary hearing to address Phase II matters including the reasonableness of costs for implementation of proposals for upgrade costs and Limited Generation Profile, implementation of the previously adopted Lighting Review Process, Interconnection Portal Improvements, impacts of upgrades related to net energy metering projects paid by applicants, whether to revise the application fee for non-net energy metering systems, cost allocation of the utility notification system, and cost sharing of distribution upgrade costs.

Affordable Utility Services Framework

The CPUC will issue a decision on the staff proposal for implementation, forecasting, and tracking, in order to integrate affordability in specific CPUC proceedings. The CPUC staff will release a publicly available affordability calculator tool with ongoing data updates. The third proceeding phase will proceed with the goal of identifying strategies to mitigate energy rate increases. After a workshop, parties will file comments proposing strategies, followed by a round of opening and reply party comments on the proposals. CPUC staff will then develop and issue a report proposing actions the CPUC could take or recommend actions that other entities could take to mitigate future energy rate increases.

Long-Term Gas Planning Rulemaking

In R.20-01-007 the CPUC will address reliability standards that reflect the current and prospective operational challenges that face California gas system operators and will initiate the development of a long-term planning strategy as the state reduces its use of natural gas and related infrastructure consistent with California's climate policies. The long-term planning strategy will take into account safety, reliability, affordability, workforce, environmental justice, and rate design issues.

Investigation Into Safety Culture of Southern California Gas Company and Sempra Energy

Upon issuing the independent consultant's report on safety culture of Southern California Gas Company (SoCalGas) and Sempra Energy, the CPUC in I.19-06-014 will evaluate the utilities' governance, policies, practices, and safety metrics that have formed and continue to shape its safety culture and record of operation and performance, and implement changes as necessary. This investigation will also assess whether SoCalGas's organizational culture and governance are related to their safety incidents and performance record.

Utility Cyber Security

The CPUC will continue to identify key cybersecurity challenges facing the distribution grid and help mitigate incidents. This will be accomplished by aligning with Presidential Memorandums and Executive Orders pertaining to CPUC regulated entities, reviewing the current state of cybersecurity efforts by investor-owned utilities, participating in electric sector cybersecurity exercises, and collaborating with federal, state, and private partners to foster increased threat intelligence sharing.

Revision of General Order 156 to Include Certain Electric Service Providers and Community Choice Aggregators

In R.21-03-010 the CPUC will implement Senate Bill 255 (Bradford, 2019) by incorporating community choice aggregators and electric service providers into the General Order 156 Supplier Diversity Program, and will also establish a procurement goal for lesbian, gay, bisexual, and transgender business enterprises.

Power Charge Indifference Adjustment

The CPUC will consider solutions for improving the efficiency of consideration of Power Charge Indifference Adjustment (PCIA) issues in Energy Resource Recovery Account proceedings and improvements to PCIA calculation methods in the PCIA proceeding (R.17-06-026).

PG&E Company Regionalization Proposal

Several active parties have moved for the CPUC to consider two settlement agreements. A final decision will likely be issued in early 2022 regarding CPUC consideration of the proposed settlement agreements regarding Pacific Gas and Electric Company's proposed regionalization plan.

Safety Model Assessment Proceeding

In Phase II of R.20-07-013, the CPUC will continue to strengthen the risk-based decision-making framework (RDF) that regulated energy utilities use to assess, manage, mitigate, and minimize safety risks. The issues to be determined in Phase II will be further outlined in a Safety Model Assessment Proceeding (S-MAP) roadmap at the conclusion of Phase I. The issues to be considered in Phase II will broadly include discussing treatment of Public Safety Power Shutoff events and other utility activities with high customer impacts in the RDF, best practices for modeling wildfire risk, data transparency, risk spend efficiency assessment, climate change impacts within the RDF, and other related topics to continue refining the RDF.

SCE Risk Assessment Mitigation Phase

Safety Policy Division will review Southern California Edison (SCE) Risk Assessment Mitigation Phase (RAMP) submittals employing its standardized review approach, whose framework is in large part a product of the parties' Settlement Agreement and other regulatory requirements. Upon Safety Policy Division completing its review of the SCE RAMP, CPUC staff will issue an appraisal report with findings and recommendations, documenting where the utility met expectations or fell short.

Gas and Electric Service Disconnections

The CPUC will continue its work in R.18-07-005 to evaluate the causes of disconnections and consider potential solutions.

Implementation of Electric and Gas Disconnection Citation Program

The CPUC issued D.20-06-003 to adopt rules and policies to reduce residential customer disconnections for the larger California-jurisdictional energy utilities, including a citation program in Resolution UEB-006 to enforce compliance with the rules. As a result of the COVID-19 pandemic, the CPUC included an emergency disconnection moratorium in Resolution M-4842, which was later extended to June 30, 2021, in Resolution M-4849. The CPUC further extended the moratorium to September 30, 2021, in D.21-06-036.

Year 2022 will be the first full calendar year in which the disconnection citation program will be fully operational and playing a key role in protecting consumers from improper electric and gas disconnections.

Mobile Home Park Utility Conversion Program

In R.18-04-018, the CPUC is evaluating whether any program changes are needed to support electrification at mobile home parks, likely costs, potential impacts, and implications of adopting an electrification service standard for the Mobile Home Utility Conversion Program (MHUCP). In 2022, staff estimates that the MHUCP will result in between 6,000 and 7,500 mobile home spaces being converted to direct utility service.

Public Safety Power Shutoffs

Order Instituting Investigation 19-11-013 was reopened following the filing of a rehearing request by the Acton Town Council.

Beginning in 2022, CPUC staff will draft a compendium of Public Safety Power Shutoff (PSPS) guidelines and rules adopted in Resolution ESRB-8, D.19-05-042, D.20-05-051, and D.21-06-034. This consolidated document will reference all existing PSPS guidelines and rules that have been adopted by the CPUC in 2021 and earlier.

Additional PSPS guidelines in R.18-12-005 will likely be issued in 2022.

Wildfire Investigations

Wildfire investigations by CPUC's Safety and Enforcement Division will continue in 2022. On July 13, 2021, the Dixie Fire began in Plumas County. Separately, the Fly Fire began on July 22, 2021, and quickly merged with the Dixie Fire. Both fires are currently under investigation.

COVID-19 Energy Utility Bill Relief

In R.21-02-014, the CPUC will seek answers to Phase 2 questions through party comments and workshops, including: how best to leverage the available relief funding; whether supplemental relief for small business customers is needed, and if so, through which type of relief mechanism; permanent determination of the allocations of partial payments on COVID-19 related arrearages; implementation issues, if any, relating to the new legislation affecting COVID-19 arrearage relief, including but not limited to the Budget Act, the Trailer Bill and Assembly Bill 832 (Chiu, Bloom, Caballero, Reyes, 2021) enacted since D.21-06-036 was issued in June 2021; and what, if any, outstanding barriers, gaps, improvements in documentation and partnerships remain with community-based organizations in order to make sure that the hardest-to-reach customers navigate important relief programs.

RAIL

General Order 143-B Rulemaking

The Rail Safety Division plans to recommend to the CPUC that it initiate an Order Instituting Rulemaking to modify its General Order 143-B, pertaining to the design, construction, operation, and maintenance of rail fixed guideway systems.

Rail Transit Bridge, Tunnel, and Aerial Structure Evaluation Program

The CPUC developed a safety oversight program which implemented an inspection program for bridges, tunnels, and aerial structures used by Rail Transit Agency. The Rail Transit Safety Branch (RTSB) designated staff civil engineers to complete bridge assessment and inspection training. The RTSB will continue to develop and refine this program.

Database Updates

The Rail Safety Division is in the process of replacing its online database which is scheduled to go online in March 2023. In 2022, the Rail Transit Safety Branch will continue to develop an online platform to oversee and track implementation of corrective action plans by rail transit agencies and improve tracking of its inspections.

Expanding Rail Transit Systems and New Lines

The CPUC will continue to conduct safety oversight of numerous major transit agency capital projects, system expansions, and major rail vehicle procurements. Each project requires a Safety Certification Plan and continual involvement of CPUC staff to oversee project implementation and inspection of installations and new vehicles for safety and compliance.

Pavement Marking Project

The California Department of Transportation and the CPUC will continue efforts to complete the Pavement Making Project in coordination with lawmakers and other stakeholders.

Railroad Preemption

The CPUC will continue to review the design details of proposed projects and will update approximately 1,000 records of locations where the CPUC identified rail crossings where train-activated warning systems preempt traffic signals. The CPUC will publish web content for railroad preemption on the CPUC website.

Autonomous Vehicles

The CPUC will continue to participate in industry forums to update state and federal regulations and guidelines to address the safety of autonomous vehicles at rail crossings. The CPUC will also continue working with the California Department of Motor Vehicles and Department of Transportation to update regulations, monitor autonomous vehicles, and research safety and the operation of autonomous vehicles on California roadways in relation to the Manual on Uniform Traffic Control Devices.

STOP/YIELD Signs Project

The CPUC will continue efforts to work with railroads to ensure compliance with the STOP or YIELD sign requirements at locations identified where the installations do not align with CPUC recommendations.

Field Inventory Crossings Contract

The CPUC will continue working on the two active crossing inventory contracts. The Inventory Phase 2 contract is in the final phase of data entry into CPUC and Federal Railroad Administration databases. CPUC will continue providing guidance and oversight until the effort concludes in the first quarter of 2022. The Inventory Phase 3 contract was executed in July 2021 and the project will be ongoing for approximately two years. The CPUC will work with the contractor on the implementation of the project.

Brightline West High-Speed Rail

The CPUC will continue to work on the Brightline West (formerly XpressWest) High-Speed Passenger Train Project, by providing guidance to the railroad on the filing applications with the CPUC, and file application responses in CPUC proceedings.

High-Speed Rail Project

The CPUC will continue to work with the California High-Speed Rail Authority, review rail crossing applications in rail crossing proceedings, provide guidance on the filing of applications, and file application responses in CPUC proceedings.

State Highway - Rail Grade Crossing Action Plan

The Fixing America's Surface Transportation (FAST) Act mandates that the ten states previously identified in the Rail Safety Improvement Act of 2008 provide the Federal Railroad Administration (FRA) with an updated state action plan. The CPUC will file the state action plan with the FRA by February 14, 2022.

Manual on Uniform Traffic Control Devices

In anticipation of the revised national Manual on Uniform Traffic Control Devices (MUTCD), the CPUC will continue to work with the California Department of Transportation to review and revise the current California MUTCD for implementation in California in 2023-2024.

TRANSPORTATION

Risk Management

The Transportation Enforcement Branch (TEB) will conduct risk assessments and build a hybrid model based on qualitative and quantitative data. Risk assessments will aim to incorporate real-time data from TEB operations, including field inspections, investigations, airport surveillance activities, and proactive compliance. Such assessments will facilitate adjustments to work priorities and future work plans.

Compliance Inspections of Vessel Common Carriers

The Compliance Enforcement Unit will complete five proactive safety assurance compliance inspections for vessel common carriers.

Compliance Inspections of Major Transportation Charter Party Carriers and Passenger Stage Corporations

The Compliance Enforcement Unit will perform nine proactive safety assurance compliance inspections for Transportation Charter Party Carriers and Passenger Stage Corporations who had a revenue of more than $5 million.

Airport Safety Inspections

Transportation Enforcement Branch's Airport Enforcement Unit (AEU) will conduct regular safety inspections and operations at metropolitan and international airports throughout California. The objective is to mitigate the risks posed by illegal passenger-carrier activity on airport grounds. The frequency of the inspections will be determined by the number of violations encountered through AEU surveillance and available airport personnel to support targeted operations. AEU liaisons will partner with airports statewide to implement safety enforcement plans that will continue to reduce passenger transportation risk and improve safety.

Safety Assurance Activities at Field Locations

The Transportation Enforcement Branch will continue its commitment to an increased safety presence by conducting operations and field activities at various locations statewide in 2022. Such locations could include sporting venues and events, concerts, entertainment district activities, bus inspections, border inspections, party bus operations, and wine tourism operations.

Transportation Network Companies Access for All Program

Transportation Licensing and Analysis Branch (TLAB) will continue to implement Senate Bill 1376 (Hill, 2018) and support R.19-02-012 to increase the availability of "on-demand" transportation to wheelchair users who need a wheelchair accessible vehicle (WAV). TLAB will disburse Access Fund monies to Local Access Fund Administrators in 2022 to set up local WAV programs and allocate funds to access providers. TLAB will also continue to review and issue dispositions of advice letters from Transportation Network Companies requesting funding for their investments in on-demand WAV transportation through offset and exemption requests.

Clean Miles Standard Program

The Transportation Licensing and Analysis Branch (TLAB) will support a new proceeding (R.21-11-014) to address the Clean Miles Standard pursuant to Senate Bill 1014 (Skinner, 2018) following the CPUC's issuance of an Order Instituting Rulemaking. TLAB will continue to provide policy advisory services to the Commission and facilitate as-needed workshops throughout the open proceeding.

Autonomous Vehicle Regulation

The Transportation Licensing and Analysis Branch (TLAB) will continue to provide policy advisory services in the ongoing R.12-12-011 and any successor proceedings that the CPUC may choose to open covering autonomous vehicle (AV) regulations. In addition, TLAB will continue implementing the CPUC's prior decisions that established the AV Passenger Service Pilot programs (D.18-05-043) and the Phase I AV Passenger

Service Deployment programs, including reviewing and making determinations on permit applications and reviewing quarterly data report submittals.

Transportation Network Companies Rulemaking

The Transportation Licensing and Analysis Branch will continue to provide policy advisory services in the ongoing R.12-12-011 proceeding and any successor proceedings that the CPUC may choose to open covering regulations for Transportation Network Companies.

Data Analytics Program

To provide more efficient and effective advisory services to CPUC management, staff will continue to develop use of analytical tools to expand the storage and use of Transportation Network Companies (TNC) data, create training for Consumer Protection Enforcement Division staff to utilize analytics tools more efficiently, and develop more efficient cloud-based storage solutions to perform more efficient big data analytics and visualizations. In addition, to aid data access for the public, Transportation Licensing and Analysis Branch (TLAB) will implement several tasks related to analysis of annual TNC data with the potential to extend the effort to quarterly Autonomous Vehicle (AV) data, TNC Access for All data, Clean Miles Standard data, and other transportation data collected under the direction of the CPUC.

TLAB's data analytics team will provide technical analysis to inform policy recommendations in ongoing transportation proceedings, including those that regulate TNCs, AVs, and specialized programs such as the Clean Miles Standard and TNC Access for All programs. Specifically, the data analytics team will be available to perform as-needed data analysis to support R.12-12-011 successor proceedings that the CPUC may choose to open, and the Clean Miles Standard proceeding.

Transportation Carrier Portal

The Transportation Licensing and Analysis Branch (TLAB) will work with CPUC IT and the third-party vendor who developed the system to enhance the capabilities of the Transportation Carrier Portal to increase the efficiency of the transportation carrier licensing process and improve the convenience of the system for internal and external users. Specifically, TLAB will implement changes to the Transportation Carrier Portal system during a year-long Maintenance and Operations (M&O) period including automating routine processes, enabling transportation carriers to make corrections to submittals, increasing the availability of notifications to internal and external users, and expanding the ability to submit compliance filings. The TLAB will also develop and improve reference materials, such as user guides, articles, and "how-to" videos for internal and external users as well as conduct targeted outreach and training activities for transportation carriers, law enforcement partners, and insurance entities.

Transportation Carrier Regulations

The Transportation Licensing and Analysis Branch's (TLAB's) licensing section will identify and propose revisions to the existing rules and regulations governing charter-party carriers (TCPs), passenger stage corporations (PSCs), and vessel common carriers (VCCs) to make updates to outdated requirements and to address issues related to safety, access, and competition in the for-hire transportation market. Actions to be taken include conducting a comprehensive review of the General Orders, resolutions, and key CPUC decisions that govern the transportation industry generally, including existing requirements related to insurance, as well as the regulation of PSCs and VCCs on matters such as filing and updating tariffs as well as rate setting activities (e.g., general rate cases). Furthermore, TLAB will conduct research and draft a staff report to propose "Industry Rules" for an advice letter process in the transportation industry.

ESJ Action Plan

The CPUC's Environmental and Social Justice (ESJ) Action Plan serves as both a commitment to furthering principles of environmental and social justice, as well as an operating framework with which to integrate ESJ considerations throughout the CPUC's work. The Transportation Licensing and Analysis Branch (TLAB) will continue to dedicate staff time to reviewing and analyzing transportation data through an environmental and social justice lens. TLAB will also support implementation of the updated ESJ goals and action items in 2022.

WATER

Acquisitions and Consolidations

In A.20-10-004, San Gabriel Valley Water Company applied for authorization to purchase the City of Montebello's water system assets. This process started in 2020 and continued in 2021. With the passage of AB 850 (Gallagher, 2021), this acquisition is expected to be completed in 2022.

In A.18-09-013, California-American Water applied to purchase the assets of the Bellflower municipal water system in 2018. In 2020, the company also applied to purchase the assets of the Warring Water Service in A.20-04-017. These matters are still pending and are expected to be decided in 2022.

In August 2021, Suburban Water Company applied for authorization to purchase Sativa County Water District's assets in A.21-08-011. The proceeding will continue into 2022.

Water Cost of Capital

In May 2021, four Class-A water companies filed required applications for review of their cost of capital, which would affect their authorized returns and subsequently rates

charged to customers. These companies included California-American Water Company, California Water Service Company, Golden State Water Company, and San Jose Water Company. The matter will continue into 2022.

General Rate Case Proceedings

California Water Service Company, Great Oaks Water Company, San Jose Water Company, Apple Valley Ranchos Water Company, and Park Water Company filed general rate case (GRC) proceedings in 2021. Golden State Water Company GRC proceeding A.20-07-012 is ongoing. The Southern California Edison Company GRC application to increase rates for its Catalina Water Company in proceeding A.20-10-018 also is ongoing. Both proceedings are ongoing with completion anticipated in 2022.

Executive Director's 2021 Report and Assessment

A MESSAGE FROM THE EXECUTIVE DIRECTOR

The Executive Director's Annual Report is an opportunity to highlight the CPUC's accomplishments that may be less visible to the public but are nevertheless critical to ensuring that the CPUC operates efficiently and effectively, better enabling it to accomplish its critical mission of empowering California through access to safe, clean, and affordable utility services and infrastructure. With the guidance of the CPUC President and Commissioners, the Executive Director leads and monitors the work of CPUC Divisions to implement orders, regulations, and statutory mandates. The CPUC's important achievements and improvements in regulating utility service and infrastructure are discussed in detail throughout this report and are incorporated into the Executive Director's 2021 Report and Assessment. In order to prevent repetition, the Executive Director's report here focuses on achievements in organizational effectiveness.

Sincerely,

Rachel Peterson, Executive Director
California Public Utilities Commission

Pursuant to Senate Bill 512 (Hill, 2016), the CPUC assesses the performance of the Executive Director and the CPUC based on "criteria established in the prior year's Work Plan." This chapter assesses the Executive Director's performance against the criteria set out in the 2021 Work Plan and the overall performance of the CPUC.

1. SUCCESS IN EXECUTING AND CONTINUAL PROGRESS TOWARD THE POLICY AND ADMINISTRATIVE GOALS SET OUT IN THE CPUC'S ADOPTED STRATEGIC DIRECTIVES

The CPUC pursued success in the policy and administrative goals set out in the CPUC's adopted strategic directives in numerous ways this year. Below are selected examples of the CPUC's initiatives and efforts to both comply with all state rules and regulations, and invest strategically in initiatives that will continue to modernize and build the CPUC's capacity and effectiveness:

DIVERSITY, EQUITY, AND INCLUSION: The CPUC is seeking to build and retain the diverse, skilled workforce needed to carry out its essential and complex regulatory mission in California. As part of the CPUC's strategic directive on administration, the Diversity, Equity, and Inclusion (DEI) Working Group presented several proposals that the CPUC has implemented, including a cultural events calendar for a lunchtime speaker series and informational email program to create awareness about cultural events, and encouraging the use of pronouns.

The CPUC has also sponsored a 12-employee group to participate in the Capitol Collaborative on Race and Equity (CCORE), an in-depth 14-month program addressing racial equity in state departments. The CCORE team is finalizing a proposed Racial Equity Action Plan for the CPUC and aims to present it to the CPUC's leadership by the end of 2021.

As part of the CPUC's strategic directive on administration and to promote fair practices in hiring, the CPUC implemented a new diversity hiring training requirement for any employee serving on an interview panel, in order to reduce bias during interviews.

ENVIRONMENTAL AND SOCIAL JUSTICE: As part of the CPUC's strategic directive on climate change and environmental sustainability as well as the strategic directive on economic prosperity, in May 2021, the CPUC's New Employee Orientation established a 2-hour session focused entirely on Environmental and Social Justice (ESJ) issues. The session provides incoming staff with a brief history of redlining and the environmental justice movement, an introduction to the ESJ Action Plan, and provides resources to help staff implement ESJ priorities in their work.

In furtherance of the CPUC's strategic directives on climate change and economic prosperity, in July 2021, the Utility Supplier Diversity Program issued a white paper, "Economic Opportunities in Environmental and Social Justice Communities." The white paper found that utilities have made significant investment in ESJ communities, with 42.2 percent of utility spending with diverse firms occurring within ESJ communities.

Continuing this strategic work, in October 2021 the CPUC issued a draft revised ESJ Action Plan for comment. As a result of feedback received during CPUC public

engagement events, including advisory group meetings, proceedings, Voting Meetings, and a February 2021 workshop, all Objectives and Action Items in the revised draft ESJ Action Plan will be updated to reflect present-day priorities and efforts.

ENFORCEMENT POLICY IMPLEMENTATION: As part of the CPUC's strategic directive on compliance and enforcement, in late 2020 the Commission adopted an Enforcement Policy with the goals of robust, timely, effective enforcement to ensure maximum compliance across all the industries that the CPUC regulates. The CPUC began implementing the Enforcement Policy in 2021, developing model forms and assembling a CPUC-wide enforcement team for trainings and discussions about how to implement the Enforcement Policy in each division.

EXCELLENT CUSTOMER SERVICE, HUMAN RESOURCES: As part of the CPUC's strategic directive on administration, in 2021, our Human Resources Division's (HRD) Talent Acquisition Team launched an Ambassador Program to recruit a diverse and enthusiastic group of employees interested in a partnership with the Talent Acquisition team. The Ambassadors appeared at the CPUC's virtual open house in Fall 2021 to speak with attendees about the diverse job opportunities, and have committed to partnering with HRD in recruitment, mentoring, and retention efforts.

In 2021, the CPUC Human Resources Division continued the modernization of its resources with a new resource hub of HRD program offerings, COVID-19 pandemic workplace safety updates, hot topics, and more for staff at each stage of the employee lifecycle. The new resource hub includes portals with information that varies depending on a staff member's role as a rank and file employee, supervisor, or human resources liaison. It is a central location where all forms, policies, and other personnel documents can be found using tags and filters enabling a quick search based on document type, category, or unit.

2. CONTINUAL IMPROVEMENT IN COMPLIANCE WITH STATE RULES

PRELIMINARY SPACE PLANNING: Governor Newsom's Budget Letter 20-37 states the intent for state agencies to take steps to reduce their physical footprint in light of the success of teleworking during the pandemic and a desire to reduce operating costs. In 2021, the CPUC issued preliminary space planning guidance to all staff, and surveyed staff for their preferences for home-based or hybrid work options and operational requirements. The CPUC is now developing longer-term space planning guidance and a new telework policy consistent with the new statewide telework guidance, in preparation for a return to a hybrid of telework and in-person work in 2022.

3. EFFECTIVE BUSINESS SYSTEMS THAT MEET AND EXCEED THE STANDARD EXPECTED OF CALIFORNIA STATE AGENCIES

The CPUC continues to work closely with all state control agencies, including the Department of Finance, Department of General Services, California Department of Human Resources, State Controller's Office, and the California Department of Technology. In 2021, the CPUC managed its business systems to comply with all budget letters, COVID-19 pandemic workplace safety rules, and other control agency requirements. The CPUC will continue to build these relationships and ensure a high level of compliance with State of California rules.

a. Successful execution of corrective actions to comply with external and internal audit findings

INSTITUTING CORRECTIVE ACTIONS: In 2021 the CPUC provided 21 responses to external audits and 12 responses to internal audits, and ensured that Divisions are implementing corrective actions.

BUSINESS CONTINUITY PLAN: One of these corrective actions is the development of the CPUC's Business Continuity Plan—the actions and responsibilities that CPUC Divisions will have in the event of an emergency that threatens or halts part or all of CPUC's business activities. The CPUC continued development of the Business Continuity Plan in 2021, with anticipated initial draft in 2022. This will in turn drive the Technology Recovery Plan, which will set out recovery actions for the CPUC's technology applications and support.

b. Progress toward an effective records retention program

RECORDS RETENTION PROGRAM: The CPUC re-started its efforts to improve its records retention program during the COVID-19 pandemic. The CPUC Records Management Team revised the existing records retention policies and procedures, began offering online training to any CPUC staff for forms assistance, and established an agency resource hub on the records retention program. The team continues to ensure that all division records coordinators comply with laws and rules in records management.

4. EMBODIMENT AND REALIZATION OF CPUC CORE VALUES

The CPUC continued to strive to uphold its core values of Accountability, Excellence, Integrity, Open Communication, and Stewardship in 2021.

EMPLOYEE VALUE PROPOSITION: The CPUC is striving to be an employer of choice for a diverse, skilled workforce. The significant changes in work brought about by the COVID-19 pandemic are leading to consideration of what the CPUC can improve to transform and equip itself for the future. As a result, in 2021 the CPUC began developing an Employee Value Proposition (EVP)—a genuine and consistent message about the value a candidate gains by choosing to work for the CPUC. HRD surveyed employees to establish a baseline of what present staff feel the value of working at the CPUC is, and will continue to develop the EVP as a recruitment and communications tool in 2022.

5. CONTINUAL PROGRESS TOWARD AND DEMONSTRATION OF BEING A "LEARNING ORGANIZATION"

TRAINING, LEARNING, AND DEVELOPMENT: The Training, Learning, and Development unit in HRD developed a comprehensive information hub to provide easy access to trainings for CPUC staff. Resources include information on signing up for mandatory trainings, those offered through the California Department of Human Resources (CalHR), a library of CPUC-specific on-demand trainings, and access to LinkedIn Learning with customized playlists of trainings of interest to CPUC staff.

LEARNING THROUGH CELEBRATING CULTURAL EVENTS: The CPUC held many cultural virtual events in 2021: Hispanic Heritage Month, Native American History Month, Black History Month, Women's History Month, Asian American and Pacific Islander (AAPI) Heritage Month, LGBTQ+ Pride Month, and National Disability Employment Awareness Month. The panels during these events addressed topics such as stopping AAPI hate crimes, focusing on the AAPI immigrant experience, and learning from AAPI leaders working in the energy field.

To highlight one of these events as an example, in July 2021 the CPUC observed Disability Independence Day by hosting an all-staff conversation with Susan Henderson and Silvia Yee from the Disability Rights Education and Defense Fund (DREDF). DREDF played an important role in the passage of the Americans with Disabilities Act of 1990.

6. PROGRESS TOWARDS DEVELOPING A SAFETY CULTURE AT THE CPUC

The Employee Health and Safety Unit provides resources and guidance regarding the health and safety of CPUC employees.

HEALTH AND SAFETY RESOURCE HUB: Information on all of the CPUC's employee safety programs, and accident and illness prevention programs has been collected in the Employee Health and Safety section of the CPUC's revamped Human Resources internal resource hub. The numerous employee health and safety programs include: the Heat Illness Prevention Program, the Ergonomic Assessment Program, the Reasonable Accommodation Program, the Workplace Violence Prevention Program, the Everbridge Mass Notification Program, the Department of Motor Vehicles Pull Notice Program, and a training program in First Aid, Cardiopulmonary Resuscitation, and Automated External Defibrillators.

WELLNESS & SAFETY NEWSLETTERS: In 2021, the Human Resources Division Employee Health and Safety Unit launched the new Safety Newsletter, with articles on preventing workplace violence, flu shots, and distracted driving. The Employee Health and Safety Unit also continued distributing newsletters from statewide wellness programs including HealthierU and the Employee Assistance Program.

COVID-19 RESOURCE HUB: The Employee Health and Safety Unit helps keep CPUC staff up to date on all new developments and guidelines for state employee safety during the continuing COVID-19 pandemic, including employee leave benefits, telework resources, and state and national guidance.

7. INCREASED PUBLIC AND LEGISLATIVE CONFIDENCE IN THE CPUC

OFFICE OF GOVERNMENTAL AFFAIRS: Each year, the Office of Governmental Affairs engages the Legislature in the legislative and budget processes on behalf of the CPUC. This engagement helps shape proposed policies and budget appropriations contained in legislation so that they are designed as the most effective solutions to present and emerging issues in the industries the CPUC regulates. As part of this engagement, OGA organized and provided five formal legislative staff informational briefings in 2021 on topics such as telecommunication service resiliency, Demand Response, electric safety oversight, building decarbonization, and the fee charged by investor-owned utilities to cover sunk generation costs once a customer receives their generation services from another provider such as a community choice aggregator, also known as the Power Charge Indifference Adjustment.

SUPPORTING THE CPUC TRIBAL ADVISOR: In 2021, the CPUC's Tribal Advisor, Kenneth Holbrook, focused on implementation of the Tribal Land Transfer Policy. On January 14, 2021, the CPUC adopted guidelines to facilitate the implementation of the Tribal Land Transfer Policy, which established a CPUC preference for the transfer of real property to tribes when an investor-owned utility plans to dispose of real property within a tribe's ancestral territory. The guidelines provide tribes with information required to determine whether they are interested in the real property, provide the tribes with meaningful consultation in making that determination, and ensure that the investor-owned utilities act in good faith in all efforts to transfer real property to the appropriate tribe. As noted in Resolution E-5067, in 2021 the CPUC began drafting an Order Instituting Rulemaking that is anticipated to launch in 2022.

PUBLIC PARTICIPATION HEARINGS, FORUMS, AND WORKSHOPS: The CPUC continues to prioritize transparency and input from the public. While not an exhaustive list, in 2021 the CPUC held 18 Public Participation Hearings, 12 other events designed to provide a forum for the general public, at least 41 technical workshops, 11 Board meetings, and 12 Advisory Group meetings. Some of these public forums include Public Safety Power Shutoff readiness, Public Meetings on Utility Safety Practices, Diversity, Equity and Inclusion in Energy, Reducing Arrearages for Residential and Small Business Customers, Wildfire Risk Analysis Results, and Cost of Phone Calls from California Prisons and Jails.

CPUC HOLDING PG&E ACCOUNTABLE: The CPUC continues to prioritize public safety in numerous actions in 2021 to hold Pacific Gas and Electric Company (PG&E) accountable:

- **STEP 1 OF ENHANCED OVERSIGHT AND ENFORCEMENT PROCESS:** When the CPUC approved PG&E's bankruptcy reorganization plan in 2020, the CPUC established an Enhanced Oversight and Enforcement Process to take additional steps to assure PG&E is improving its safety performance. The steps range from Step 1, which contains enhanced reporting, to Step 6, involving the potential revocation of PG&E's ability to operate as a California electric utility. In April 2021, in Resolution M-4852, the CPUC placed PG&E into Step 1, enhanced reporting and oversight due to insufficient progress with risk-driven wildfire mitigation efforts. This enhanced reporting includes an initial Corrective Action Plan and an update every 90 days.

- **MONITORING RESULTING FROM PG&E SAFETY NOTIFICATIONS:** Between November 2020, and May 2021, PG&E reported multiple safety deficiencies including missed intrusive utility pole inspections, missed inspections of hydroelectric substations, missing targets for pole inspections and vegetation management as part of wildfire mitigation activities, missed distribution pole inspections, and the discovery of vulnerabilities in poles treated with Cellon. As a result of these notices, the CPUC initiated data requests and briefings, and continues to monitor all corrective actions. On August 18, 2021, President Batjer notified PG&E of these actions the CPUC is taking to monitor PG&E.
- **PUBLIC BRIEFINGS ON PUBLIC SAFETY POWER SHUTOFFS AND TREE OVERSTRIKE:** The CPUC directed PG&E and other utilities to present their preparedness for Public Safety Power Shutoffs at public briefings in March, April, June, and August 2021. Some of these were briefings jointly held by Energy Safety, the California Governor's Office of Emergency Services, and the California Department of Fire and Forestry Protection. The goal of these briefings was to evaluate how the utilities are mitigating the impact of these proactive deenergization events. The April 2021 workshop on tree overstrike explored how PG&E will incorporate the possibility of trees falling on utility lines into Public Safety Power Shutoff predictive modeling.
- **REPORTING ON TREE OVERSTRIKE CRITERIA:** In a June 28, 2021, letter, the CPUC Executive Director directed PG&E to comply with additional noticing requirements, public safety coordination, tree overstrike data reporting, and post-event reporting.
- **REPORTING ON PUBLIC SAFETY POWER SHUTOFFS:** The CPUC has ordered PG&E to make many improvements to its Public Safety Power Shutoff process, most recently in Resolution M-4856, adopted August 5, 2021. The resolution orders PG&E to enhance its reporting on Public Safety Power Shutoff decision-making, including the extent to which "tree overstrike" criteria contribute to PG&E's decision to de-energize.
- **INDEPENDENT SAFETY MONITOR:** The CPUC introduced an Independent Safety Monitor embedded within PG&E, in a resolution approved by the Commission on August 5, 2021. The Independent Safety Monitor will have a role functionally equivalent to the Federal Monitor that has been embedded at PG&E during the pendency of PG&E's federal criminal proceeding, and will provide the CPUC with ongoing reports on the quality of PG&E's risk-driven safety mitigations and its safety recordkeeping.
- **MANAGEMENT OF FELLED WOOD:** In an August 24, 2021, letter, the CPUC Executive Director directed PG&E to increase the scale of its felled wood removal program

following 2020 post-wildfire restoration work, as well as take reasonable, well-executed actions to manage, fell, appropriately cut, and remove trees felled for any post-wildfire restoration efforts for 2021.

- **NATURAL GAS SAFETY MONITORING:** The CPUC continues monitoring PG&E's safety enhancement actions ordered following the CPUC's formal 2018-2020 investigation of PG&E's natural gas system locate and mark investigation.
- **MONITORING COMPLIANCE AFTER WILDFIRE DECISIONS:** The CPUC continues monitoring PG&E's safety enhancement actions ordered following the CPUC's formal investigation of 2017-2018 wildfires ignited by PG&E's electrical equipment.

OFFICE OF ENERGY INFRASTRUCTURE SAFETY: Pursuant to statutory mandate, the CPUC supported the transition of the Wildfire Safety Division along with the Wildfire Safety Advisory Board to the Office of Energy Infrastructure Safety (OEIS or Energy Safety), a new agency under the California Natural Resources Agency. The CPUC supported this transition through support from its Human Resources, Information Technology, Administrative (Budget/Fiscal), Legal, and Administrative Law Judge Divisions. The CPUC and OEIS established a formal Memorandum of Understanding so the two agencies can work together efficiently to continually reduce the risk of utility-ignited wildfire in California.

Summary Evaluation of Executive Director Performance

Based on the criteria set forth, the Executive Director has met the performance criteria established in the 2020 annual report. Note that the format of the annual report's first section is a general review of the CPUC performance.

PERFORMANCE CRITERIA FOR 2022

In 2022, the criteria against which the CPUC and the Executive Director will be assessed will continue to include the above, with some modifications:

1. Success in executing and continual progress toward the regulatory policy and administrative goals set out in the CPUC's adopted Strategic Directives.
2. Continual improvement in compliance with state rules through the implementation of effective business systems and innovation in core operations.
3. Progress toward developing a safety culture at the CPUC.
4. Progress towards creating an inclusive environment through investing in the CPUC workforce.
5. Continued progress toward public and legislative confidence in the CPUC through effective communication.

Appendix

TABLE OF ABBREVIATIONS

AB: Assembly Bill

ALJ: Administrative Law Judge

AT&T: American Telephone and Telegraph

AV: Autonomous Vehicle

BART: Bay Area Rapid Transit

BCO: Business and Community Outreach

BioMAT: Bioenergy Market Adjusting Tariff

BUILD: Building Initiative for Low-Emissions Development Program

CAB: Consumer Affairs Branch

CAISO: California Independent System Operator

Cal OES: California Governor's Office of Emergency Services

Caltrans: California Department of Transportation

CARB: California Air Resources Board

CARE: California Alternate Rates for Electricity

CASF: California Advanced Services Fund

CBO: Community-Based Organization

CCA: Community Choice Aggregator, Community Choice Aggregation

CEC: California Energy Commission

CHANGES: Community Help and Awareness of Natural Gas and Electric Services

CHCF-A: California High-Cost Fund-A

CHCF-B: California High-Cost Fund-B

CPED: Consumer Protection and Enforcement Division

CPUC: California Public Utilities Commission

CTF: California Teleconnect Fund

DDTP: Deaf and Disabled Telecommunications Program

ERRA: Energy Resource Recovery Account

ESA: Energy Savings Assistance Program

ESJ Action Plan: Environmental and Social Justice Action Plan

EV: Electric Vehicle

FCC: Federal Communications Commission

FERC: Federal Energy Regulatory Commission

FTA: Federal Transit Administration

GHG: Greenhouse Gas

GO: General Order

GRC: General Rate Case

HRD: Human Resources Division

HSR: High Speed Rail

IOU: Investor-Owned Utility

IRP: Integrated Resource Planning

IT: Information Technology

ITSD: Information Technology Services Division

LAX: Los Angeles Airport

LEP: Limited English Proficient

LSE: Load-Serving Entity

MHP: Mobile Home Park

MW: Megawatt

NARUC: National Association of Regulatory Utility Commissioners

NEM: Net Energy Metering

OGA: Office of Government Affairs

OII: Order Instituting Investigation

OIR: Order Instituting Rulemaking

PAO: Public Advisor's Office

PCIA: Power Charge Indifference Adjustment

PG&E: Pacific Gas and Electric Company

PSPS: Public Safety Power Shutoff

PURPA: Public Utilities Regulatory Policies Act (federal)

RA: Resource Adequacy

RAMP: Risk Assessment Mitigation Phase

RCB: Risk and Compliance Branch

RPS: Renewables Portfolio Standard

RSD: Rail Safety Division

RTA: Rail Transit Agencies

RTSB: Rail Transit Safety Branch

SB: Senate Bill

SCE: Southern California Edison

SDG&E: San Diego Gas & Electric Company

SED: Safety and Enforcement Division

SGIP: Self-Generation Incentive Program

SoCalGas: Southern California Gas Company

SPD: Safety Policy Division

TEAM: Telecommunications Education and Assistance in Multiple Languages

TEB: Transportation Enforcement Branch

TECH: Technology and Equipment for Clean Heating Initiative

TLAB: Transportation Licensing and Analysis Branch

TNC: Transportation Network Company

UAB: Utility Audits Branch

UEB: Utilities Enforcement Branch

WMP: Wildfire Mitigation Plans

WSD: Wildfire Safety Division

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