

PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



November 28, 2022

Via Electronic Transmission Only

Patricia K. Poppe
Chief Executive Officer
Pacific Gas and Electric Company

Matthew McVee
Vice President
PacifiCorp

Steven D. Powell
President and Chief Executive Officer
Southern California Edison Company

Paul Marconi
President and Treasurer
Bear Valley Electric Service

Caroline Winn
Chief Executive Officer
San Diego Gas & Electric Company

Amy Timperley
Vice President of Regulation
Southwest Gas Company

Scott Drury
Chief Executive Officer
Southern California Gas Company

Raymond J. Czahar
Chief Financial Officer
West Coast Gas Company

Edward Jackson
President
Liberty Utilities (CalPeco)

Michael Lamond
Chief Financial Officer
Alpine Natural Gas

Re: Continuing Coordination on Federal Funding Opportunities in the Infrastructure Investment and Jobs Act of 2021

Dear Ms. Poppe, Mr. Powell, Ms. Winn, Mr. Drury, Mr. Jackson, Mr. McVee, Mr. Marconi, Ms. Timperley, Mr. Czahar and Mr. Lamond:

This letter serves as a follow-up to my January 24th, 2022, letter regarding the Infrastructure and Jobs Act of 2021 (IIJA)/Bipartisan Infrastructure Law (BIL) federal funding opportunities available to California electric and gas investor-owned utilities (IOUs). The California Public Utilities Commission (CPUC) views these U.S. Department of Energy (DOE) competitive grants as a significant opportunity benefitting California utility customers as well as making critical electric grid and gas infrastructure investments while maintaining rate affordability. Therefore, I write to strongly urge all necessary steps be taken to apply for these grants; additionally, it is requested that information regarding the matters outlined below be provided so that we may support these grant efforts.

Over the last eight months, the DOE has refined and released more specifics on the myriad of federal funding opportunities available to electric and gas IOUs. The most recent proposed timelines released by the DOE requires applicants to move expeditiously to meet fast-approaching

deadlines. This includes the project concept paper deadlines of December 16, 2022, and January 13, 2023, for the Grid Resilience Innovative Partnership (GRIP) programs and the full project application deadlines between March and May 2023. To support your ability to submit competitive project funding applications, the CPUC will be developing guidance. To do so, I request each electric and gas IOU provide comments on how the CPUC might address the following issues related to awards of federal funding:

- Match-funding or cost-sharing requirements.
- Treatment of tax liability for federal funding awarded.
- Ensuring that each proposed project is competitive in the DOE application process.
- Tracking and oversight of awarded funding to ensure reductions in costs to utility customers.
- Any other regulatory issues necessary to support the electric and gas IOUs' abilities to apply for the federal funding.
- Ensuring the project applications are in alignment with California state goals.

In addition, I request that each electric and gas IOU provide project specific information to ensure appropriate regulatory guidance is provided in a timely manner. Specifically, please:

- Identify the specific DOE programs your utility is and is not planning to apply for and why.
- Provide details about projects proposed for each grant and loan, including the cost range for each project.
- Identify any applicable CPUC, California Energy Commission (CEC), or other programs that may provide match funding for the project(s) identified.
- Explain how the proposed project(s) maps to existing state priorities, including electric and gas customer rate and bill reductions, safety improvements, reliability enhancements and greenhouse gas emission reductions.
- Explain if the project is related to existing CPUC-authorized funding or cost recovery requests and whether the project has already been CPUC-approved. If funding has not yet been approved, explain how the project contributes to cost reductions for ratepayers.
- Identify if any proposed projects are in state-designated disadvantaged communities or on Tribal lands.
- Explain the coordination and outreach that has already been done with other stakeholders on these projects.

Please provide a letter response via email by December 12, 2022, including any necessary attachments. CPUC staff may follow up with each electric and gas IOU individually to address other questions as needed. All IOUs may request confidential treatment for the project specific information provided in response to this letter.

I want to thank you for your attention to this matter. Should you have any questions, please reach out to Grant Mack, Director of Governmental Affairs, CPUC at grant.mack@cpuc.ca.gov and (415) 918-1757.

Sincerely,



Alice Busching Reynolds
President, California Public Utilities Commission

cc:

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