CALIFORNIA PUBLIC UTILITIES COMMISSION

2020 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
to the Governor and Legislature

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

We at the California Public Utilities Commission are proud of the work we do every year for Californians.

We are keenly aware that our work touches the daily lives of all Californians. This past year, as part of our state's response to the COVID-19 pandemic, we have worked with focus and purpose to ensure California families and businesses receive safe and reliable essential services. As part of this work, the Commission placed moratoriums on gas, electric, voice, and water disconnections under certain circumstances, and deployed various strategies to encourage service providers to provide reasonable payment accommodations. We also ensured more people were able to access the California Alternate Rates for Energy (CARE), Family Electric Rates Assistance (FERA), and Lifeline bill assistance programs, to help reduce the costs of these essential services during this challenging period. As the impact of the pandemic on Californians' lives evolves, we will continue to review strategies to provide relief.

The pandemic also required us to re-think how we share information and engage with other public agencies to help Californians. For example, we worked closely with the California Department of Education and stakeholders to utilize our California Teleconnect Fund Program to provide discounts for mobile hotspots. This allowed various schools to extend much needed access to remote learning during the pandemic. We have also adapted operationally, to create virtual public Commission meetings. This change has enabled more Californians to provide their perspectives on issues during voting meetings, workshops, and public participation hearings. As we continue to combat this deadly virus, we remain committed to build upon, and expand, our efforts to assure Californians maintain access to safe and reliable utility infrastructure and services.

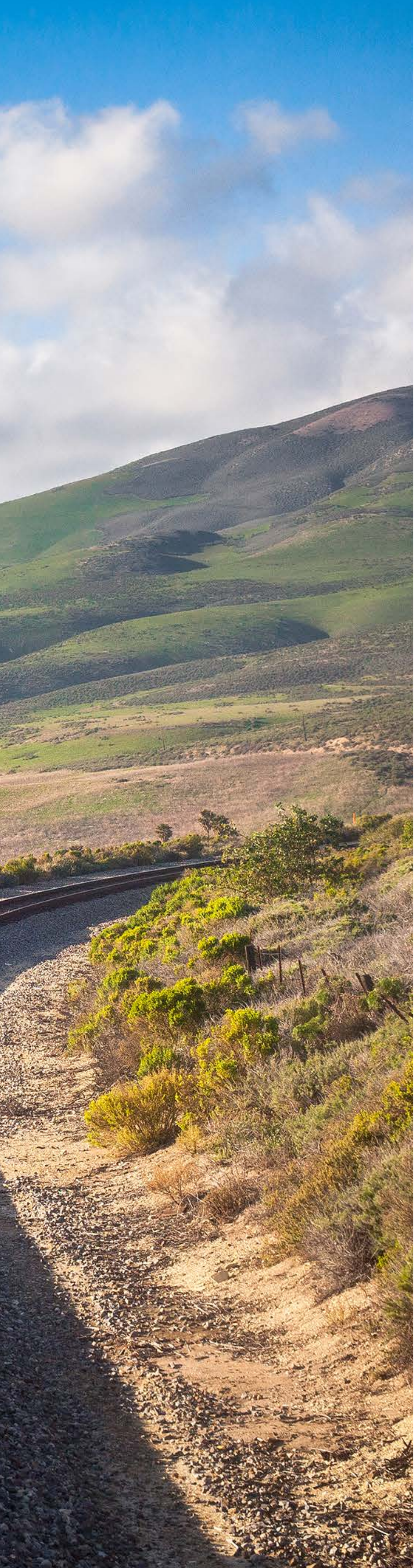
On top of the pandemic, California faced an unprecedented wildfire season in 2020. Throughout the year, we enhanced the requirements for electric utilities in their execution of power shutoffs and monitored their preparations to mitigate impacts to vulnerable customers and critical facilities. In addition, an extreme heat wave throughout the Western United States contributed to power outages on August 14 and 15. Since then, the Commission has collaborated with the California Energy Commission and the California Independent System Operator on a root cause analysis and moved forward on various actions to ensure electric reliability this summer and beyond.

While much has been done to protect and empower customers this past year, we know much work remains. The severity of the pandemic and the overlaying acceleration of climate change make the urgency of this work that much more important. In this new and evolving landscape, we remain steadfast in our commitment to provide clean, safe, and reliable utility service to Californians and protect our most vulnerable customers.

We look forward to collaborating with you in these efforts in the year ahead.

Sincerely,

Marybel Batjer, President
California Public Utilities Commission



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 privately owned communications, electric, natural gas and water companies, as well as railroad safety, rail transit, passenger-for-hire transportation carriers, and Transportation Network Companies such as Uber and Lyft. As the only unit of state government charged with protecting private utility customers, core missions for the CPUC include safeguarding the environment and assuring Californians access to safe and reliable utility infrastructure and services.

2020 Annual Report

Overview

A YEAR LIKE NO OTHER

By any measure, 2020 was an unprecedented year for the people of California. The California Public Utilities Commission faced and dealt with a unique set of challenges as well.

The COVID-19 pandemic disrupted people's lives and tested everyone's resolve. We all had to be flexible, make sacrifices and depend on one another in new ways. Every part of state government needed to make adjustments to keep employees safe and maintain productivity, all while a highly contagious and sometimes deadly virus was exacting catastrophic losses and affecting us all in unique and profound ways.

With another record-breaking year for wildfire devastation related to climate change, a year of political upheaval and summer-long protests over racial injustice, and economic fallout from the pandemic, everyone was buffeted by the stresses and challenges of 2020.

The CPUC began taking action related to COVID-19 early in the year, providing relief for consumers and quickly establishing new protocols and practices that enabled employees to work remotely while continuing to hold meetings and serve the public on pressing policy matters. Through it all, an impressive amount of crucial work was advanced on wildfire mitigation and other vital issues, as this 2020 Annual Report attests.

As part of its mission to serve the public, and as required by state law, the CPUC provides the Governor and Legislature an Annual Report on 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 2020 are highlighted, including:

- A suite of actions to make improvements in wildfire mitigation, Public Safety Power Shutoffs, greater resiliency for California's electric and communications networks through microgrids and new backup power requirements for communications providers so people can communicate during emergencies;
- Steps taken, in addition to other consumer protection actions, to provide help for utility customers affected by the COVID-19 pandemic that included protection against disconnections and higher utility bills during the state's shelter-in-place order;
- PG&E's exit from bankruptcy with new governance, oversight, and accountability;
- Modifications to the CPUC Rules of Practice and Procedure to make the organization more nimble, transparent, and efficient;
- A new, comprehensive way to assess the affordability of essential utility services for electricity, natural gas, water and communications;
- A record amount of energy storage approved by the CPUC in a single year;
- Response to the rotating outages that resulted from an unprecedented heat storm across the western United States and steps taken to ensure such outages are not repeated;
- Climate change adaptation, with renewed commitment to vulnerable communities;
- Adoption of a new enforcement policy to better serve the public through transparent, robust and consistent enforcement for regulated utilities;
- Advancing the CPUC's Environmental Justice and Social Action Plan, and other steps taken to improve diversity, equity, and inclusion both externally and within the CPUC;
- Began implementing the new CPUC Tribal Land Policy aimed at giving tribes with historical interest in property the right of first refusal before a public utility disposes the land on the open market; and,
- A new proceeding to expand broadband access, and much more.

In subsequent pages, the *Year in Review* section details the broad range of actions taken by the CPUC in 2020. Pursuant to Public Utilities Code Section 910 (a) (1), the Annual Report also includes an updated *Work Plan for 2021* 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 2020 will be available in digital format on the CPUC website at cpuc.ca.gov/AnnualReports.

Throughout the tumultuous and challenging months of 2020, the CPUC and its staff were not slowed by the pandemic, despite doing a majority of work and holding bi-monthly voting meetings remotely from late-March through the end of the year. The organization continued to manage its multi-faceted responsibilities of regulating industries that affect virtually everyone in California while helping the state's dynamic economy continue moving forward. The CPUC made these adjustments while working to carry out its primary mission of making sure Californians have access to the safe, reliable, clean, and affordable utility services they depend on.

PSPS EVENTS, WILDFIRE MITIGATION, MICROGRIDS, COMMUNICATIONS RESILIENCY AND OTHER SAFETY-RELATED ENHANCEMENTS

On May 28, the CPUC adopted guidelines directing utilities to enhance communication and collaboration with communities at risk of being affected by Public Safety Power Shutoffs (PSPS), and to implement additional measures to minimize the duration and impact of PSPS in advance of the 2020 wildfire season.

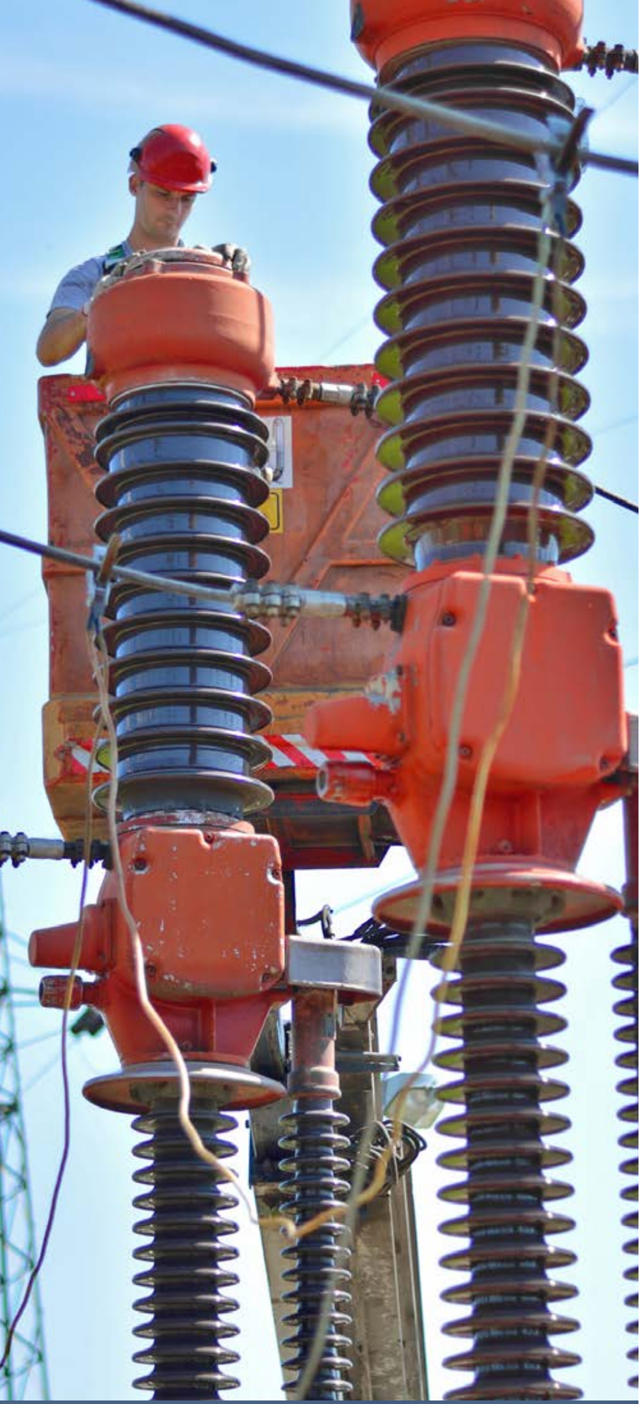
Also, four CPUC divisions—the Safety and Enforcement Division, Safety Policy Division, Energy Division, and the Wildfire Safety Division—met with utilities to oversee the electric companies' 2020 PSPS preparation. From January onward, staff from these divisions evaluated and ensured that the electric utilities were adequately preparing for the 2020 wildfire and PSPS season, including preparations affected by the COVID-19 pandemic.

While PSPS events are to be used only as a last resort in weather conditions that are particularly threatening, when the pre-emptive outages were employed during the 2020 wildfire season there was generally marked improvement over the prior year, but there is still improvement needed. In 2020, fewer customers were affected and outages were of shorter duration. Ultimately, however, the CPUC expects utilities to make the improvements necessary to avoid using PSPS altogether as a mitigation tactic.

On another essential part of wildfire mitigation, the CPUC held public workshops early in 2020 focusing on new 3-year Wildfire Mitigation Plans that electric companies are required to file under Senate Bill 901 (Dodd, 2018) and with modifications under Assembly Bill 1054 (Holden, 2019). With broad input from stakeholders and experts, the plans were reviewed and approved by the CPUC's new Wildfire Safety Division before the CPUC's Commissioners ratified the plans. The CPUC also imposed additional conditions utilities must meet to justify and explain how their wildfire mitigation initiatives increase safety and decrease the likelihood of their equipment causing future wildfires.

These steps were taken after the CPUC, acting at the first voting meeting of the year in January, voted to strengthen wildfire resiliency throughout California, boosting budgets and incentives of more than $1 billion for the CPUC's Self-Generation Incentive Program in advance of the 2020 wildfire season. The decision focused on energy storage projects to serve customers with medical needs and communities affected by PSPS events.

Because California firefighters, first responders and the public must have a resilient and dependable communications network during emergencies, the CPUC also took steps to require wireless providers to help make this a reality. Specifically, a decision approved in July will require California's wireless providers to: (1) secure 72 hours of backup power for their wireless facilities in Tier 2 and Tier 3 High Fire Threat Districts; (2) file annual Communications Resiliency Plans that detail wireless providers' ability to maintain a minimum service level and coverage during a disaster or commercial power grid outage; and (3) submit annual emergency



operations plans to the CPUC and the California Governor's Office of Emergency Services.

Microgrids also received considerable attention in the effort to mitigate fire risk and improve resiliency. Short-term actions taken to accelerate deployment of microgrids and related resiliency solutions before the 2020 fire season included streamlining aspects of the interconnection process, modernizing tariffs to maximize resiliency benefits, and requiring utilities to improve transparency and collaboration with local and tribal governments in matters related to resiliency planning. A CPUC decision also approved utility programs to work directly with communities to develop microgrids to meet resiliency needs, and to install temporary microgrids to mitigate PSPS impacts.

The CPUC also directed California's large electrical corporations to undertake a number of other actions on this front, including accelerating interconnection of resiliency projects by standardizing and streamlining pre-approved system design for interconnection that deliver energy services during grid outages; increasing simplicity and transparency by which the large electrical corporations inspect and improve a project; prioritizing interconnection of resiliency projects for key locations, facilities, and/or customers; adopting solutions that modernize net energy metering tariffs to maximize social resiliency benefits and more.

Finally in December, the CPUC released a second proposed decision facilitating the commercialization of microgrids pursuant to Senate Bill 1339 (Stern, 2018), including but not limited to developing standards, protocols, guidelines, methods, rates, and tariffs to support and reduce barriers to microgrid deployment statewide; while prioritizing system, public, and worker safety, and avoiding cost shifts between utility customers. The CPUC's Commissioners approved the decision at their first voting meeting of 2021.

COVID-19 RESPONSE AND CUSTOMER PROTECTIONS

The CPUC took a number of actions to help Californians deal with the pandemic, including:

Energy

- In March 2020, a moratorium was placed on gas and electric disconnections for non-payment of residential and small commercial customers until April 2021. A new program was also approved to help residential utility customers manage past due amounts which will enable them to manage their bills once the moratorium on disconnections ends.
- To address concerns that residential electric usage, and consequently electric bills, would dramatically increase due to families working and learning from home, the CPUC lowered the highest residential electricity rate, known as the High Usage Charge. This lower charge will be in place until the Governor's stay-at-home order is lifted.
- The CPUC re-oriented its Energy Upgrade California marketing campaign to communicate to Californians about additional ways to save energy and reduce bills while spending more time at home during the pandemic.
- Working with utilities to increase California Alternate Rates for Energy (CARE) and Family Electric Rates Assistance marketing, sign-up, and enrollments to provide newly unemployed or under-

As Commissioner Genevieve Shiroma noted: "The COVID-19 pandemic created hardships for California utility customers, especially for low-income customers already struggling to provide the basics for their families. I'm gratified that the CPUC quickly took strategic and decisive actions to provide relief while keeping on pace for wildfire mitigation and greenhouse gas reduction."

employed customers with quick knowledge of and access to these bill-assistance programs. This resulted in 300,000 new CARE enrollees. Promotional information for the LifeLine Program was also included on the investor-owned utilities' websites.

- Directing utilities to offer 60-day advance payment to contractors implementing the Energy Savings Assistance (ESA) Program—a weatherization and energy efficiency program for income-qualified customers—because the pandemic forced a hiatus in on-site work that makes up the bulk of the program. Sixty-five ESA implementers/contractors accepted more than $43 million in advanced payments for labor and non-labor costs during program suspension, to be repaid through program work as work limitations are lifted.
- Holding public workshops in May and November to discuss the impacts of COVID-19 and identify actions to support customer programs and protect customers.
- Adoption of two decisions in April (for PG&E and SCE) and May (for Liberty and PacifiCorp) to mitigate the effects of increased residential electric bills when the pandemic started by advancing distribution of the California Climate Credit for electric residential customers, so they received the credits earlier in the year.
- To help eligible low-income consumers receive discounts more quickly for both their water and energy use, the CPUC approved a modification of how data about these low-income accounts can be shared among water and energy utilities.

Communications

- Recognizing that access to essential voice services is critical to maintaining Californians' health and safety during the COVID-19 pandemic, the CPUC on December 17 approved a resolution imposing a moratorium on telephone corporations from disconnecting voice service for non-payment and from charging fees for late payment of voice services for residential and small business customers. This moratorium will begin after a 30-day implementation period, and will last for 90 days, unless the Executive Director authorizes one or more extensions not to exceed an additional 90 days. Approval followed a letter dated Nov. 23, 2020 in which the acting executive director asked telephone corporations to pledge to extend the customer protections proposed in the draft resolution immediately pending consideration by the CPUC's Commissioners.

- To help students and schools deal with remote learning during the pandemic, the CPUC's California Teleconnect Fund (CTF) staff worked with the California Department of Education (CDE) to provide discounts on mobile hotspots that would allow schools to extend the classroom to the home.
- The subsidy helps provide an internet connection to students who would not otherwise have internet access; it covers 50% of the monthly recurring charge for mobile broadband data services such as hotspots and wireless data plans for Chromebooks or other enabled devices. CTF provided $25 million to subsidize over 100,000 mobile hotspots for more than 400 school districts.
- Authorizing the California Advanced Services Fund (CASF) Adoption Account to award up to $5 million to public schools and school districts represented by their local education agency (LEAs) and to work with the CDE to determine the specific LEA needs for funding allocation. That money went to pay for 8,885 computing devices and 633 hotspots for 9 school districts.
- To provide relief to customers in the California LifeLine Program, which offers discounted home or no-cost cell service, the CPUC approved a decision that suspended renewal requirements for the program for March through February 2021 to keep customers connected.

Wildfire Safety

- On March 27, 2020, the Wildfire Safety Division, in coordination with CAL FIRE and Cal OES, sent a Joint Letter to all electrical corporations reinforcing the joint expectation that they continue to prioritize essential safety work, including wildfire and PSPS mitigation projects, while minimizing impact on customers of planned outages through close coordination with local jurisdictions.

Transportation

- The CPUC approved a resolution in August requiring all regulated passenger carriers to follow guidance issued by the federal Centers for Disease Control, the California Department of Public Health, and local Public Health Officer guidelines related to COVID-19 prevention.
- Prevention measures include both driver and passenger wearing a cloth face covering, regularly disinfecting vehicle surfaces, keeping windows open to increase ventilation, allowing the ride to be cancelled without penalty if the driver or passenger is not wearing a mask or face covering, suspending pooled rides until guidance allows them, having passengers sit in the back seat to maximize the distance between the driver and passengers, suspending offering passengers items such as phone chargers, candy and magazines, and having passengers handle their own luggage if possible.

A REORGANIZED PG&E – WITH IMPROVED GOVERNANCE, OVERSIGHT, AND ACCOUNTABILITY

On February 18, the CPUC issued a statement from President Marybel Batjer, the assigned Commissioner in the PG&E bankruptcy proceeding, addressing questions regarding the utility's future.

This Assigned Commissioner's Ruling was followed by the full Commission voting May 28 to approve PG&E's reorganization plan pursuant to statutory requirements established by Assembly Bill 1054 (Holden, 2019) and under CPUC regulatory requirements and authority.

Under the reorganization, PG&E must:

- Submit to a newly established CPUC oversight framework under which PG&E's operating permit—a Certificate of Public Convenience and Necessity—will be subject to ongoing review as part of an enhanced enforcement process focused on its safety performance;
- Re-orient management and the Board of Directors structures to create further safety accountability and better representation of PG&E's customers; and,
- Require regional restructuring to create local operating regions with the intent of changing PG&E's management culture to better reflect the diverse values and needs of its customers.

The decision included other requirements to protect PG&E's ratepayers and ensure that the utility regains solid financial footing going forward, which benefits customers, including:

- Honoring its commitment to not burden ratepayers with costs from pre-2019 fires;
- Demonstrating efforts to pay down wildfire-associated debt and return to a normal utility capital structure and improved credit rating over time; and,
- Not collecting from customers professional fees incurred in the bankruptcy proceedings.

"The CPUC's role as a regulator is to ensure PG&E's responsibilities are being discharged so that its customers receive safe and reliable service at reasonable rates consistent with achieving California's climate goals," President Batjer said.

"If PG&E, or any utility, is perceived as struggling to deliver on its responsibilities to the point that the Legislature tasks the CPUC with ensuring that the utility develops a governance structure that responds to its safety history, criminal probation, recent financial condition and other factors, then it is the CPUC's responsibility to identify and develop remedial measures to improve an investor-owned utility's governance or management structure."

November fact-finding on PG&E safety concerns

Pursuant to the reorganization plan, President Batjer sent a letter on Nov. 24, 2020, to William L. Smith, PG&E's interim CEO, citing her concerns about "what appears to be a pattern of vegetation and asset management deficiencies that implicate PG&E's ability to provide safe, reliable service to customers." In that letter, President Batjer notified the utility that CPUC staff, because of these and other safety related concerns, was conducting fact-finding to determine whether the utility should be placed under enhanced oversight and enforcement.

A more nimble CPUC

The CPUC took a significant step in September toward streamlining certain proceedings and making them more transparent and easier for people to navigate with adoption of a series of rules and procedural changes. The changes, pending review by California's Office of Administrative Law, will allow the CPUC to act more quickly on many of the big challenges California faces related to energy, wildfire mitigation, climate change and other key issues.

The changes were approved after two public workshops, extensive staff work and outreach to a diverse range of stakeholders and close consultation with the CPUC's Legal and Administrative Law Judge Divisions.

As Commissioner Clifford Rechtschaffen said at the time: "We wanted our rules to be more transparent, provide greater accessibility to the public and to make the proceedings more effective," Commissioner Clifford Rechtschaffen explained. "These rules govern how all our parties, utilities, advocacy groups and others participate in our processes. It's the guidebook for our procedures."

New ways to broadly assess affordability

In July, the CPUC became one of the first regulatory bodies in the nation to adopt metrics to assess the cumulative affordability of essential electricity, natural gas, water and communications services. The decision, designed to better understand and alleviate the burden on California utility customers when the CPUC is considering rate increases, defines affordability as the degree to which a representative household is able to pay for an essential utility service based on its socioeconomic status. The decision also adopts three metrics and supporting methodologies for the CPUC to use to evaluate the affordability of essential utility services.

The "west-wide heat storm" and rolling outages

An already challenging year took a historic and dangerous turn in mid-August when temperatures in California and across the western United States reached unprecedented levels during a multi-day heat storm. The intense heat caused demand for electricity across the West to exceed available supplies during some hours of the day. To cover the shortfall, the California Independent System Operator (CAISO) that manages most of the state's electric grid implemented two rotating outages, as well as Flex Alerts encouraging businesses and individuals to conserve energy.

A joint Root Cause Analysis on what led to the outages was requested by Governor Newsom from the CPUC, CAISO and the California Energy Commission. That analysis, sent to the Governor and released to the public on October 6, 2020, found that:

- The climate change-induced heat storm across the western U.S. resulted in the demand for electricity exceeding the existing electricity resource planning targets. The existing resource planning processes are not designed to fully address an extreme heat storm like the one experienced in mid-August;
- In transitioning to a reliable, clean, and affordable resource mix, resource planning targets have not kept pace to lead to sufficient resources that can be relied upon to meet demand in the early evening hours. This makes balancing demand and supply more challenging. These

challenges were amplified by the extreme heat storm; and,

- Some practices in the day-ahead energy market exacerbated the supply challenges under highly stressed conditions.

As President Batjer wrote when the analysis was released: "The extreme heat storm in August was an extraordinary one-in-35-year event that, with climate change, is unfortunately becoming more common. We will absolutely adjust our planning, procurement, and market policies to meet these changing circumstances and ensure our energy future is clean, reliable, and affordable for all Californians."

To make sure California always has the electricity it needs going forward, the CPUC later opened a new rulemaking to ensure reliable electric service if an extreme heat storm occurs in the summer of 2021. The rulemaking will implement changes to existing processes, programs, and rules for demand response, Resource Adequacy, and other initiatives to increase energy supply and decrease demand during the peak hours of demand or net demand peak hours in the summer of 2021, if needed.

Reducing statewide energy disconnections

In June 2020, the CPUC, continuing implementation of legislation aimed at reducing the statewide disconnection rate for residential customers unable to pay their energy bills, unanimously approved a decision directing PG&E, Southern California Edison, Southern California Gas Company and San Diego Gas & Electric to do the following: cap the number of residential customer disconnections at between 2-4% of customers per year, which will decrease in later years; establish 12-month payment plans before customers lose service; eliminate all deposits on establishment and re-establishment of service and reconnection fees; set up an arrearage management plan up to $8,000 for customers in low income assistance programs, and; develop a percentage of income payment plan pilot program for utility customers.

Resource adequacy

The CPUC took a number of steps during 2020 to advance Resource Adequacy (RA) to enhance reliability, including:

- Adopting a central procurement entity and framework for the procurement of local RA capacity in the PG&E and SCE service territories. A key purpose in creating this framework is to reduce costs to ratepayers by mitigating local market power;
- Addressing the CPUC's rules governing use of out-of-state imports by load-serving entities to meet the requirements of the RA Program. The new rules are designed to address speculative supply concerns and ensure that bids into the day-ahead and real-time markets will be backed by adequate physical supply;
- Adopting local capacity requirements for 2021-2023 and flexible capacity requirements for 2021. Additionally, this decision adopts qualifying capacity counting conventions for hydro resources and in-front-of-the-meter hybrid (solar-plus-storage) resources and creates a working group to evaluate counting conventions for hybrid resources located behind the customer meter;

- Adopting implementation details related to the central procurement framework, including the development of a local capacity requirement (LCR) reduction compensation mechanism (RCM) designed as incentives for development of new preferred resources and new energy storage resources.

ADVANCES TOWARD CALIFORNIA'S PATHBREAKING CLEAN ENERGY FUTURE

The CPUC continued its efforts in making California a national and world leader in developing clean energy programs. Over time these programs have helped California:

- Achieve an electric generation mix that today is over 60% carbon free, reducing carbon emissions over 40% from the energy sector compared to 2006;
- Install more than 8,700 megawatts of "roof top" solar generation on more than one million homes and businesses;
- Build an electric generation portfolio with more than 36% renewable generation and that is on a path to exceed 60% renewable generation by 2030; and,
- Lead the world in development of utility-scale energy storage as a cost-effective means of integrating renewable generation.

In 2020 the CPUC made further progress toward meeting California's aggressive climate goals by:

- Adopting new planning targets for retail electric service providers that would more than double the amount of clean energy capacity currently installed by 2030;
- Adopting reforms to feed-in-tariff programs (Renewable Market Adjusting Tariff and Bioenergy Marketing Adjusting Tariff) to increase development of wholesale renewable distributed generation; and,
- Authorizing $830 million for the Self-Generation Incentive Program (SGIP), which funds behind-the-meter energy generation and storage technologies that improve the efficiency and reliability of the distribution and transmission system and reduce emissions of greenhouse gases, peak demand, and ratepayer costs. More than $500 million of this funding was directed to the new SGIP equity resiliency budget to support customers and communities vulnerable to wildfires and Public Safety Power Shutoff events.

Climate change adaptation and renewed commitment for vulnerable communities

Recognizing the impacts climate change is already having on the regulated utilities Californians depend on, the CPUC considered how the utilities should integrate climate adaptation into their planning, operations, and CPUC proceedings. On August 27, the CPUC approved a decision requiring large regulated energy utilities to file climate change vulnerability assessments with the CPUC every four years on a staggered cycle; the decision also defines "disadvantaged vulnerable

communities" in a climate adaptation context, and directs the regulated investor-owned utilities to conduct specific outreach to these communities as they develop their vulnerability assessments. Future phases may expand or add guidance for small multi-jurisdictional utilities, water utilities, and communications companies under CPUC jurisdiction.

In response to AB 2514 (Skinner, 2010), the CPUC in 2020 also approved 1,207 MW of new energy storage resources, the highest amount of energy storage procurement approved by the CPUC in a single year, with the majority of procurement driven by system capacity needs identified in the Integrated Resource Planning proceeding.

Advancing environmental justice and social equity

Following through on the Environmental and Social Justice Action Plan formally adopted by the CPUC in February 2019, 2020 saw a broad range of actions taken by the CPUC to implement the goals and action items outlined in the plan. Efforts are underway to incorporate environmental justice considerations into proceedings, to promote the involvement of underrepresented communities in CPUC processes, and to increase staff capacity and knowledge about racial and environmental equity.

The CPUC in 2020 also began to implement its new Tribal Land Transfer Policy, which the CPUC's Commissioners approved at the end of 2019.

"Recognizing that California's native peoples are the victims of hundreds of years of injustice, the Tribal Land Policy represents a small step towards giving back stolen land to its original inhabitants," Commissioner Martha Guzman Aceves said.

The policy sets an expectation that, before a public utility disposes of utility property on the open market, it should first identify any tribe or tribes with a historical interest in the property, and to extend a right of first refusal to the tribe or tribes. The Policy also creates a presumption that transfers to a tribe are in the public interest. A guidelines resolution for implementation of the policy is expected to be considered early in 2021.

To oversee the new policy and work on other matters of importance to California's tribal communities, Kenneth Holbrook joined the CPUC in July after being appointed by Gov. Newsom to the newly created position of Tribal Advisor to the CPUC.

DIVERSITY, EQUITY, AND INCLUSION

During the summer, as Sacramento, Los Angeles, Oakland and other cities were the scene of numerous protests over the killing of George Floyd in Minneapolis when a police officer held him on the ground for almost eight minutes with a knee on his neck, the CPUC moved forward with earlier plans to create a cohort to participate in the Capitol Collaborative on Race and Equity, a year-long racial equity capacity building program for state employees. By participating in the program known as CCORE, these 12 CPUC staff are receiving in-depth training on institutional racism and implicit bias for the purposes of creating an agency-wide Racial Equity Action Plan.

Also in 2020, in another program that had already been anticipated, all CPUC staff participated in implicit bias training sessions from a nationally recognized leader in the field. And in July, CPUC President Marybel Batjer established a Diversity, Equity & Inclusion Working Group to advise CPUC leadership on organizational changes aimed at achieving diversity, equity, and inclusion as cultural and institutional imperatives.

An improved enforcement policy for maximum compliance, transparency, and public safety

At its voting meeting on November 5, 2020, the CPUC approved an agency-wide enforcement policy that builds on its existing enforcement tools and processes. The aim is to provide a more consistent and transparent approach to enforcement, enforcement actions, settlements and setting penalties against utilities that violate California rules and requirements for regulated utilities.

As Commissioner Liane Randolph said when the new policy was approved: “The Enforcement Policy Framework will promote consistency and ensure robust and efficient enforcement of CPUC mandates.”

Commissioner Martha Guzman Aceves said it will also “guide and lead our efforts in ensuring compliance and timely enforcement, while prioritizing environmental justice and disadvantaged communities.”

EXPANDING BROADBAND ACCESS

In September, a short time after Gov. Newsom issued Executive Order N-73-20 directing state agencies to bridge the digital divide and ordered 15 specific actions to increase access to broadband in the areas of mapping and data, funding, deployment, and adoption, the CPUC opened a new rulemaking on the issue. Specifically, the proceeding will consider the strategic direction and changes necessary to expeditiously deploy reliable, fast, and affordable broadband internet access services to all Californians.

The following month, the CPUC voted to increase access to broadband services to meet the needs of the California Universal Telephone Service Program (California LifeLine), which provides discounts on home phone and cell phone services to qualified households.

Amid the ongoing COVID-19 pandemic, and in response to Gov. Newsom's shelter-in-place order, the CPUC action underscored that California LifeLine participants need affordable and improved broadband offerings to meet their distance learning, telehealth, and other needs. The new subsidy amounts and service standards adopted will increase access to no-cost and low-cost mobile broadband plans that meet Californians' needs during the pandemic and beyond. Under the terms of this decision, California LifeLine participants will have new options for higher mobile data allowance, as well as access to subsidies for Voice over Internet Protocol (VoIP) services bundled with fixed broadband services.

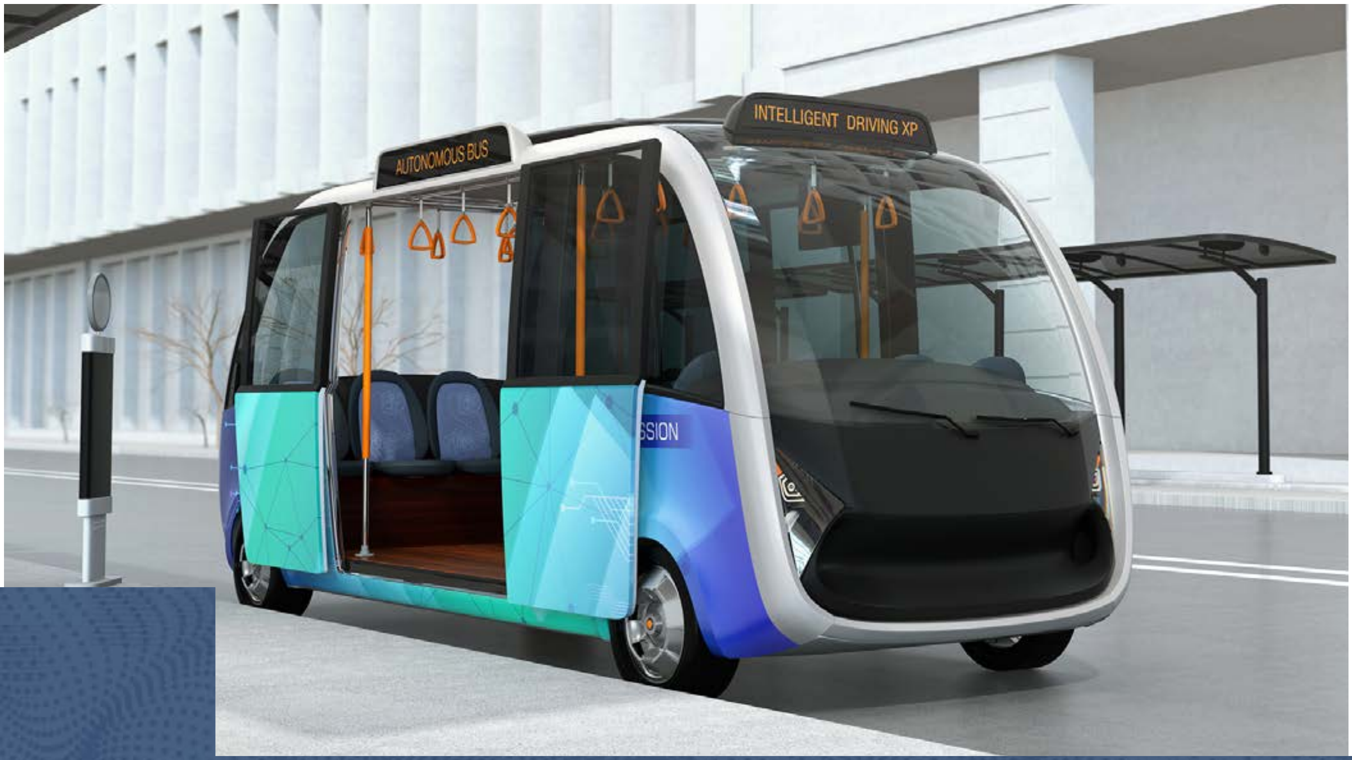
"The COVID-19 pandemic has underscored that broadband is a critical service and laid bare the depth of the digital divide in California and across the country. . . ," Commissioner Shiroma said. "This decision brings broadband service for the first time into our LifeLine proceeding as the COVID-19 pandemic has emphasized the importance of broadband access for all Californians to support distance learning, telehealth, and working from home."

T-MOBILE/SPRINT MERGER

In April, the CPUC approved the T-Mobile and Sprint Communications Co. merger with conditions to ensure consumer benefits including the requirement to provide low-income offerings, to create 1,000 new jobs in the state, to deploy fast 5G service to 99% of California's population by the end of 2026 and to provide a fixed internet broadband service to compete with those offered by current providers such as telephone and cable companies.

NEW AUTONOMOUS VEHICLE PROGRAMS

In November, the CPUC approved two new autonomous vehicle programs that allow companies to provide safe, driverless passenger service, charge fees and offer shared trips to the public.



CPUC Commissioners, Role, and Organization

CPUC COMMISSIONERS IN 2020

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. Her term ends January 1, 2027.

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 Woman 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.

LIANE M. RANDOLPH

Commissioner Liane M. Randolph was appointed to the California Public Utilities Commission by Governor Jerry Brown in January 2015. She formerly served as Deputy Secretary and General Counsel at the California Natural Resources Agency and was appointed to that position by Governor Brown in May 2011. Her CPUC term was set to expire at the end of 2020, and Gov. Newsom appointed her chair of the California Air Resources Board on December 9.

Commissioner Randolph's CPUC portfolio and interests focused on long-term electric and gas resource planning, capacity planning, energy market design, utility infrastructure, and adaptation to climate change. Commissioner Randolph led the Integrated Resource Plan proceeding established pursuant to Senate Bill 350, the investigations into the future of the Aliso Canyon natural gas storage facility, Resource Adequacy, Climate Change Adaptation for California's utilities, and major general rate cases, including Pacific Gas & Electric Company, Southern California Gas Company, and San Diego Gas & Electric Company. She was also a member of the Policy and Governance committee at the CPUC, and spearheaded reforms to the CPUC's Rules of Practice and Procedure.

Commissioner Randolph is an expert in government and administrative law. She served as Chair of the California Fair Political Practices Commission (FPPC) from 2003 to 2007, where she managed a staff of 70 in the implementation and enforcement of California's Political Reform Act. Prior to her service at the FPPC, Commissioner Randolph practiced municipal law and previously served as City Attorney for the Cities of San Leandro and Suisun City. Commissioner Randolph obtained her law degree from the University of California, Los Angeles, where she also earned a Bachelor of Arts in History.

MARTHA GUZMAN ACEVES

Martha Guzman Aceves was appointed Commissioner at the CPUC by Governor Edmund G. Brown Jr. on Dec. 28, 2016. Her portfolio includes 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, 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 serves as co-chair of the Emerging Trends Committee, and is one of two Commissioners on the Senate Bill 350 Disadvantaged Communities Advisory Group. She also represents 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.

CLIFFORD RECHTSCHAFFEN

Clifford Rechtschaffen was appointed to the California Public Utilities Commission by Governor Jerry Brown in January 2017. At the CPUC his key areas of interest include decarbonization, safety, environmental justice, and enforcement. Commissioner Rechtschaffen is the assigned Commissioner on several risk assessment, emergency management and safety proceedings, the transportation electrification proceedings, Renewables Portfolio Standard, the affordability proceeding, the biomethane and renewable gas proceedings, and the building electrification proceeding. He also co-leads several internal agency initiatives, including implementation of the Commission's Environmental and Social Justice Action Plan, the development of a more uniform and formal CPUC enforcement policy, and efforts to make CPUC proceedings more streamlined and accessible to the public. Commissioner Rechtschaffen serves as one of two Commissioners on the Senate Bill 350 Disadvantaged Communities Advisory Group, is a member of the Western Energy Imbalance Market Body of State Regulators, and is on advisory board 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 CPUC by Governor Newsom on Jan. 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, 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, and major general rate cases including for Southern California Edison and California American Water.

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 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 Subcommittee on State and National Response to COVID-19.

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.

CPUC ROLE AND ACTIVITIES

The CPUC holds business meetings at least monthly (virtually during COVID-19, typically around the state otherwise) to discuss and vote on issues that require a formal decision by the CPUC's Commissioners. Issues come before the CPUC according to a set of procedures that are accessible to regulated entities, intervenors and members of the public. The procedures are summarized below and explained in the CPUC's Rules of Practice and Procedure.

TYPES OF PROCEEDINGS

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

ADVICE LETTERS AND RESOLUTIONS – 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.

APPLICATION – initiated by a regulated entity to request the use or modification of ratepayer funds or assets.

COMPLAINT – 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 (OII) – initiated by the CPUC to examine specific issues as a result of a regulated entity's actions that 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 (OIR) – 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 of the issuance of a scoping memo that explains what the proceeding will entail. 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.

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.

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. Such proceedings carry the letter "K" in the docket number.

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. The Office is led by Deputy Executive Director Saúl Acosta Gómez (saul.gomez@cpuc.ca.gov).

OFFICE OF GOVERNMENTAL AFFAIRS (OGA) 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. OGA 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. OGA is headed by Acting Director Grant Mack (grant.mack@cpuc.ca.gov).

EXECUTIVE OFFICE, ADMINISTRATION, AND 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 Rachel Peterson, who was named Acting Executive Director in September 2020 and appointed Executive Director on Jan. 5, 2021. (rachel.peterson@cpuc.ca.gov).

ADMINISTRATIVE SERVICES is responsible for CPUC budget, facilities, contracts, procurement, and accounting functions. This division assists the CPUC in achieving its environmental and sustainability goals. Administrative Services is led by Acting Deputy Executive Director Michelle Cooke (michelle.cooke@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.

HUMAN RESOURCES (HRD) strives to attract, hire, train, and retain the best and brightest. Its mission is to provide professional expertise and guidance through clarity, kindness, and collaborative partnerships. HRD is led by Director Cris Rojas-Appleton (cris.rojas@cpuc.ca.gov).

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

UTILITY AUDITS, RISK AND COMPLIANCE DIVISION (UARCD) encompasses two branches: Utility Audits Branch (UAB) and Risk and Compliance Branch (RCB). The UAB performs audits on regulated utilities to ensure utilities implement ratepayer-funded programs in compliance with applicable laws, regulations, and CPUC directives. The RCB manages the enterprise risk system by identifying, measuring, reporting, and monitoring risk that affect CPUC's objectives. UARCD is led by Director Angie Williams (angie.williams@cpuc.ca.gov).

INDUSTRY DIVISIONS

WILDFIRE SAFETY DIVISION (WSD) was established pursuant to Assembly Bill (AB) 1054 (Holden, 2019) and AB 111 (Committee on the Budget, 2019) and commenced operations on January 1, 2020. WSD has several statutory responsibilities to advance long-term utility wildfire safety including oversight and enforcement of wildfire mitigation plans, conducting annual safety culture assessments, and reviewing requests for and issuing Safety Certifications. WSD receives and incorporates guidance from the Wildfire Safety Advisory Board and is comprised of two branches—the Wildfire Mitigation Branch and the Compliance Branch. WSD is led by Director Caroline Thomas Jacobs (caroline.thomasjacobs@cpuc.ca.gov).

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 Communications Division is led by Robert Osborn (robert.osborn@cpuc.ca.gov) and Deputy Executive Director Lucian Filler (lucian.filler@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 Energy 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 (FERC) and court proceedings. The Energy Division is led by Deputy Executive Director Edward Randolph (edward.randolph@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 92 investor-owned water utilities and 12 investor-owned sewer utilities under the CPUC's jurisdiction providing service to about 16% of California's residents. Each large water company provides its own low-income assistance program for water customers in need. The Water Division is led by Program Manager Bruce DeBerry (bruce.deberry@cpuc.ca.gov) and Deputy Executive Director Lucian Filler (lucian.filler@cpuc.ca.gov).

SAFETY AND ENFORCEMENT DIVISIONS

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

SAFETY POLICY DIVISION (SPD) 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, SPD is advancing quantitative and qualitative techniques for proactively addressing and mitigating investor-owned utility risks. This safety policy function will complement SED's advocacy role. SPD is led by Director Danjel Bout (danjel.bout@cpuc.ca.gov).

CONSUMER PROTECTION AND ENFORCEMENT DIVISION (CPED) 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. Among other things, CPED advises the CPUC on approaches to increase disability access to Transportation Network Company services, coordinates with other state agencies to implement laws that advance operation of autonomous vehicles in California, and engages in proactive compliance at high-frequency passenger transportation locations, such as airports, border locations, and special events. CPED is comprised of three branches and is led by Doug Ito (douglas.ito@cpuc.ca.gov) and Deputy Executive Director Maryam Ebke (maryam.ebke@cpuc.ca.gov).

RAIL SAFETY DIVISION (RSD) 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 RSD is comprised of the Railroad Operations and

Safety Branch (ROSB), Rail Crossings and Engineering Branch (RCEB), and Rail Transit Safety Branch (RTSB). The RSD is led by Director Roger Clugston (roger.clugston@cpuc.ca.gov) and Deputy Executive Director Maryam Ebke (maryam.ebke@cpuc.ca.gov).

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, among other work. The Office is led by Deputy Executive Director Kelly Huston (kelly.huston@cpuc.ca.gov) and 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. The News and Graphic Design Branch is led by Director Terrie Prosper (terrie.prosper@cpuc.ca.gov).
- **Public Advisor's Office (PAO)** 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 (CCAs) to review, edit, and approve customer bill notices. The Public Advisor is Allison Brown (allison.brown@cpuc.ca.gov) and the Supervisor is Juanita Hill (juanita.hill@cpuc.ca.gov).

BUSINESS AND COMMUNITY OUTREACH BRANCH (BCO) 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 (CAB) assists consumers of natural gas, electric, water, and communications services with billing and service matters. CAB answers questions, processes informal complaints, and helps resolve application denials for the LifeLine Program. CAB is led by Amy Chamarty (amy.chamarty@cpuc.ca.gov). CAB can be reached toll-free at 1-800-649-7570 or www.cpuc.ca.gov/complaints.

LEGAL AND ADMINISTRATIVE LAW DIVISIONS

ADMINISTRATIVE LAW JUDGE DIVISION (ALJ) provides an independent forum that ensures fair, unbiased, reasoned, and efficient disposition of proceedings. ALJs 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 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 under any order or act of the CPUC. The division provides legal advice to the various divisions of the CPUC and handles Public Record Act requests and subpoenas. Legal Division is led by General Counsel Arocles Aguilar (arocles.aguilar@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. The office is led by Director Elizabeth Echols (elizabeth.echols@cpuc.ca.gov).

BUDGET

The CPUC has 1,261.7 authorized positions and $449 million appropriated for state operations in 2020-21. This funding supports staff salaries, benefits, and operational expenses including contracts, travel, and facilities.

The CPUC also distributes approximately $1.2 billion in local assistance funding for Universal Service Telecommunications programs, low income energy assistance, and energy efficiency programs.

CPUC 2020-21 Operational Budget

PROGRAM ADMINISTRATION	APPROPRIATION
Regulation of Utilities	$252,408,000
Universal Service Telecommunications Programs*	$101,883,000
Regulation of Transportation	$94,771,000
Total	$449,062,000

Definitions

1. Regulation of Utilities: energy, water, sewer, and communications (other than Universal Service Telecommunications Programs) and federal funds for pipeline inspectors.
2. Regulation of Transportation: Transportation Licensing and Enforcement, Freight Safety, Rail Crossing Safety, Rail Transit Safety, and federal funds.
3. 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.

* This figure refers to the resources allocated to administer the Public Purpose Programs and excludes "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.

SUPPORT SERVICES 2020 HIGHLIGHTS

ADMINISTRATIVE SERVICES

PROJECT 400 R – CPUC Facilities shifted to comply with COVID-19 protocols and adjusted the project scope and deadlines based on revised future work environment directives. The project moved forward minimally with server and badge modifications while larger discussions took place about Sacramento Regionalization efforts and their impact to CPUC space needs and configuration at 400 R Street.

FLEET MODERNIZATION – CPUC Fleet continued its efforts to streamline the existing Fleet pool vehicle population, enforce more strict regulations for staff, public and asset safety, while creating transparency with updated reporting tools.

ACCOUNTING – The Accounting Section grew accustomed to the FI$Cal processes and is ensuring desk procedures for each unit are created and implemented. During the COVID-19 shelter-in-place order, the essential functions for continued operations was maintained through a skeletal onsite workforce which ensured payments were timely, deposits were daily, payroll was met, reports were provided to programs, transfers, loans and other transactions were timely.

BUSINESS MANAGEMENT – The Asset Management Unit and Stockroom/Warehouse Unit revised the Property Control Manual to pair with large scale revisions in asset receiving, tagging, disposal and inventory. CPUC developed an internal database for transparency and reporting.

HUMAN RESOURCES (HRD)

HRD increased the types of recruitment activities it participates in. In addition to the prior year's launch of the CPUC LinkedIn campaign, this year HRD is also partnering with Glassdoor for focused recruitment efforts. HRD has met with more than one hundred employees since the inception of its career counseling program. HRD has also participated in several virtual recruitment fairs.

The Human Resources Division developed a new Employee Health & Safety Unit (EHS) that was instrumental in the CPUC's ability to respond to the COVID-19 pandemic. Within a month of creation, EHS quickly assembled a team, developed, and implemented a COVID-19 communication plan that included a SharePoint page and relaunch of the Everbridge emergency response system which was essential while network access was limited.

The CPUC's Heat Illness and Prevention Plan was also finalized, implemented, and presented to employees who may work outdoors. A comprehensive enterprise level Safety Assessment was launched in the fall as HRD continues to build and expand internal safety programs.

Rapid expansion of the telework program, EAP resources, and virtual ergonomic evaluations made this challenging transition possible while protecting the health and safety of the CPUC workforce. The first wellness program was launched in the summer of 2020 and continues to grow.

IMPLICIT BIAS TRAINING – CPUC provided all staff implicit bias awareness training presented by Dr. Bryant Marks from Morehouse College in Atlanta. More than 1,000 employees were trained in identifying implicit bias, causes of implicit bias and how it can be reduced and managed.

INFORMATION TECHNOLOGY SERVICES

Modernized and standardized infrastructure systems, such as implementing Rubrik for backup and recovery, standardizing servers to Cisco UCS Blade Servers, implementing Pure Storage, updating critical Network and Security technologies including, Proofpoint for e-mail security and PRA exporting, Exabeam for behavior analytics, Fortinet for firewall protection, and Crowdstrike for end-point anti-virus, malware and persistent threat protection for end-user devices (desktops, laptops and cellphones). This reduced costs and streamlined infrastructure delivery.

Performed a full reconciliation of all historical expenditures for the Transportation Carrier Portal, Program Claims Management System, Informal Submissions Portal, and developed a multi-year budget for all three projects. Reconstituted and restarted these critical, troubled projects using modern technology, which are now tracking in the "green" by the Independent Project Oversight, or moving through the California Department of Technology (CDT) planning and approval process. Creating budgets for these projects allowed proper tracking as well as accountability.

Finalizing plans to migrate systems from the old, outdated SF data center to CDT's Gold Camp Data Center, a long overdue risk mitigation measure to protect the CPUC going forward.

Assessing and modernizing technology to leading edge, including audio/visual equipment, Windows 10, Windows SQL, websites, and WebEx adoption. Providing modern tools for CPUC employees improves performance and morale.

Achieving efficiencies and improving processes, including standing the Change Advisory Board and the elimination of wait time for personal computer equipment and mobile phones through process improvement and implementation of cold stock ordering.

Swiftly responded to COVID-19 statewide restrictions to ensure CPUC staff had the ability to be productive during the shelter-in-place requirements. In addition to many other tasks, this included imaging and deploying laptops, increasing bandwidth at the Gold Camp Data Center, substantially increasing VDI/VPN access, including creating a brand new virtual environment at Gold Camp Data Center to accommodate all CPUC users, and supporting remote collaboration with expanded WebEx capabilities.

Performed a comprehensive workload analysis for A/V Support, Application Development, Contracts Management, Project Management and Security. From this effort, ITSD received $2.3 million and an additional 14 staff in the budget to strengthen IT support for the CPUC. Originally an additional nine positions were approved for Security, but those were later denied as a result of COVID-19 budget adjustments.

EXTERNAL AUDITS

Utility Audits Branch (UAB): UAB completed 34 audits on regulated utilities. UAB communicates findings and recommendations to industry divisions for follow up. In addition, UAB managed two external audits conducted by contracted organizations. UAB's audit reports are published on the CPUC website at ftp://ftp.cpuc.ca.gov/utilityaudits/. UAB's major audit highlights include:

- **Balancing Accounts:** UAB is in the final stages of completing audits on two energy utilities and one water company that encompasses 38 electric, 59 gas, and 9 water balancing accounts, for a total of 106 accounts. UAB has experienced delays in completing these audits due to the pandemic.
- **California LifeLine Program:** UAB completed one telecommunication audit of Boomerang Wireless' California LifeLine Program and identified overclaimed program reimbursements for ineligible customers who were not removed in a timely manner from the program.
- **Energy Procurement Program:** UAB completed 12 audits on three energy utilities and found that all three energy utilities had various reporting errors and non-compliance issues with the CPUC directives.
- **Energy Efficiency Program:** UAB completed four performance audits of energy efficiency public purpose programs. UAB found the utilities reported unallowable costs and failed to comply with accrual policy and procedures when recording expenditures, resulting in overstatements of incentive award amounts.
- **General Order 156 Audit:** UAB completed an audit on Southern California Edison's (SCE) Supplier Diversity Program for Year 2017 and found that SCE demonstrated compliance with CPUC's General Order 156 reporting requirements.
- **Water and Sewer Utility Audits:** UAB completed 15 audits on water and sewer utilities. UAB found various non-compliance accounting and reporting issues by various water and sewer utilities. In addition, to improve water and sewer industry's accountability, UAB has implemented a process to notify those utilities that were not in compliance of filing their annual reports with the CPUC.

PUBLIC RECORDS ACT (PRA) RESPONSES

Legal Division's PRA Team received 699 total records requests and completed processing 515 requests and 17 subpoenas. These numbers represent a decrease of less than 1% in requests compared to 2019 (most likely due to the impact of COVID-19), a 7% increase over 2018, and a 240% increase since 2012. Requests have increased in complexity as well. Fully 20% of requests require email searches of up to tens of thousands of emails, ranging from a few days to several weeks to process.

KEY STATISTICS AND ACCOMPLISHMENTS

SED

Electrical Incidents Reported	112
Electrical Incidents Investigated & Closed	146
Gas Incidents Investigated	189
SED, Electric Safety and Reliability Branch (ESRB) Fine and Penalties	1
Staff Citation Penalties Levied Against Energy Utilities	$1,000,000
Notices of Violation Issued to Energy Companies	47
SED, Gas Safety and Reliability Branch (GSRB) Fine and Penalties	4
Staff Citation Penalties Levied Against Gas Utilities/Operators	$1,850,000
Notices of Probable Violation Issued to Gas Companies/Operators	432
Wildfire Investigations Open (WSEB)	9
Wildfire Investigations Closed (WSEB)	0

CPED, UTILITY ENFORCEMENT BRANCH FINES AND PENALTIES

Staff Citation Penalties Levied Against Energy Utilities	$2,746,436
Staff Citation Penalties Levied Against Communications Companies	0
Fines/Reparations Levied Against Energy Companies	0
Fines Levied Against Communications Companies	$668,182
Staff Citation Penalties Levied Against Water Utilities	0
Fines/Reparations Levied Against Water Companies	$7,107,238

ALJ STATISTICS

Proceedings Initiated / Closed	206 / 285
Number of Decisions Adopted	582
Number of Resolutions Adopted	204
Days of Evidentiary Hearings and Prehearing Conferences	205
Evidentiary Hearings	52
Prehearing Conferences	153
Number of Public Participation Hearings	11
Intervenor Compensation Decisions	114
Intervenor Compensation Claims Filed	148
Number of Expedited Complaint Proceedings Resolved	8
Number of Citation Appeals Resolved	3
Number of Mediations	11

COMMUNICATIONS DIVISION (TELCO)

Statewide Wired Broadband Availability	97%
Statewide Wired Broadband Households Served	12,800,000
Universal Service Programs Funding – Communications	$723,600,000
Advice Letters Processed	1,734
Advice Letters Closed	1,477
CD Staff Citations	40
CD Staff Citation Penalty Amount	$53,000

WILDFIRE SAFETY DIVISION

Wildfire Mitigation Plans (WMP) Evaluated	9
WMPs Approved	7
WMPs Denied	1
WMPs Pending	1
Safety Certifications Issued	3
Executive Compensation Structures Evaluated & Approved	2
Policy Recommendations Submitted to & Adopted by the CPUC's Commissioners	4

ENERGY

Low-Income Assistance Funding: CARE	$1.34 Billion
Low-Income Assistance Funding: ESA	$460 Million
Renewable Energy Generation Added	1,582 Mw; 10,210 Thousand Metric Tons CO2e
Energy Efficiency Savings: Electric	2,855 GWh; 3,264 Thousand Metric Tons CO2
Energy Efficiency Savings: Gas	92 MMTherms; 745 Thousand Metric Tons CO2
Demand Response Participation: (Market Integrated, with DLF adjustment)	1,788 MW
Customer-Sited Photovoltaic Added	148,854 Customer-Sited Photovoltaic Systems Interconnected
Transportation Electrification	$436 million authorized for up to 37,833 charge ports, $35 million authorized for the implementation of VGI pilots, and additionally IOUs were authorized to spend funds from Low Carbon Fuel Standard (LCFS) credit revenue on electric vehicle programs to support underserved communities and resiliency.
Advice Letters Processed	1,427
Resolutions Adopted	79

CPED, TRANSPORTATION LICENSING AND ANALYSIS BRANCH

Transportation Network Company (TNC) Accessibility Program (Senate Bill 1376 (Hill, 2018))	
R.19-02-012 Decisions Adopted	1
Staff Reports	1
Workshops Conducted	1
Advice Letters Filed by TNCs	25
Working Group Established	1
Regulation of Transportation Network Companies, Autonomous Vehicles	
R.12-12-011 Decisions Adopted	2
New Permits Issued for Pilot Participation	3
Total Number of Pilot Participants	7
Number of Miles Driven by Autonomous Vehicles in the Pilot Program	447,172
Pilot Data Reports Submitted (Quarterly)	26
Transportation Licensing Program	
New Applications Approved	254
Renewals Approved	1,559
Refiles Approved	71
Total Certificates & Permits Issued	1,876

CPED, TRANSPORTATION ENFORCEMENT BRANCH

Investigations Completed	245
Cease And Desist Orders	133
Warning Notices	25
Phone Disconnects	6
Citations	104
Citation Appeals	11
Fines Assessed	$342,000 (Includes $41,000 From 10 Cases Under Appeal)
Fines Paid	$155,081

RAIL SAFETY

Railroad (Freight/Commuter) Incidents Investigated	88
Rail Transit Incidents Investigated	344
Rail Transit Inspections	230

WATER DIVISION

Advice Letters Processed	414 (353 Closed / 61 Pending)
Resolutions Adopted	18
Workshops Held	2
Fines Levied Against Water Companies	$0
Water Conserved by CA Districts	16.30%

2020 – The Year in Review

WILDFIRE SAFETY

Stood Up Wildfire Safety Division

The Wildfire Safety Division (WSD) had three objectives for 2020:

1. Successfully stand up the division;
2. Meet its complex and aggressive statutory obligations on time; and,
3. Prepare for the transition to the Office of Energy Infrastructure Safety (OEIS) in 2021.

The division successfully completed all three objectives, including the following specific accomplishments:

Released a WSD Strategic Plan and Roadmap

In December, WSD released a utility wildfire mitigation strategy and roadmap that established the WSD's vision for a sustainable California with no catastrophic utility-related wildfires, and with access to safe, affordable, and reliable electricity. This strategic roadmap was developed in collaboration with multiple state agencies—including California Department of Forestry and Fire Protection (CAL FIRE), California Governor's Office of Emergency Services (Cal OES), and California Natural Resources Agency—and will help guide WSD's actions and policies well into the next decade.

Evaluated Eight Electrical Corporation 2020 Wildfire Mitigation Plans

In 2020, the WSD evaluated eight Wildfire Mitigation Plans (WMPs) submitted by investor-owned utilities and independent transmission operators covering the years 2020-2022, approving seven and denying the plan for Bear Valley Electric Service, Inc. To evaluate WMPs, WSD relied on interdepartmental assistance from subject matter experts from Safety Enforcement Division, Safety Policy Division, Administrative Law Division and support from CAL FIRE experts.

Filed in early February, the 2020 WMPs provided extensive information and data about utilities' proposed activities to prevent and reduce impacts from utility-caused wildfires focusing on 10 categories of mitigations—including situational awareness, system hardening, vegetation management, and risk-spend efficiency. The 2020 WMPs' guidelines also included a new "maturity model" tool to evaluate the companies across a broad spectrum of organizational and operational capabilities related to wildfire safety and to assess how they expect to improve over the next three years.

On June 11, the CPUC ratified WSD's approval of the seven plans recommended for approval by WSD conditioned upon an extensive set of compliance measures, both generally applied and specific to each utility (Resolutions WSD-002-009). WSD staff continues to closely monitor compliance via quarterly reports and field inspections. The resolutions also required the utilities to report on delays to implementation of WMP initiatives as a result of COVID-19.

After Bear Valley Electric Service was directed to refile its plan, the utility did so on Sept. 18 and the WSD issued a draft action statement in December requesting comment on its proposed conditional approval of the plan.

On November 19, the CPUC approved Resolution WSD-011, which contained the WSD's proposals for changes to plan requirements, performance metrics, and the overall WMP evaluation process for 2021. The proposals relied upon comments from utilities, stakeholders, and the Wildfire Safety Advisory Board.

Reviewed Four Requests for Safety Certification

The WSD is statutorily responsible for evaluating electric corporation requests for approval of subsequent Safety Certifications. A safety certification allows an electrical corporation to recover catastrophic wildfire costs from its ratepayers, or from the Wildfire Insurance Fund, if applicable, using a burden of proof test that is easier to satisfy than would be the case if it did not have a safety certification (Assembly Bill 1054, Holden, 2019). The CPUC's executive director issued initial safety certifications in 2019 to PG&E, SCE and SD&E and in February of 2020 to Bear Valley Electric Service.

In May, the WSD provided guidance to the utilities and stakeholders about documentation necessary to satisfy the statutory requirements for Safety Certification. In September, WSD approved requests for Safety Certification from SDG&E and SCE. A Safety Certification request from PG&E is pending.

Developed an Annual Safety Culture Assessment Process

Assembly Bill 1054 (Holden, 2019) also established a requirement that by December 1, 2020, the WSD propose for CPUC approval a process to conduct annual Safety Culture Assessments for each electrical corporation.

In Resolution WSD-011, approved by the CPUC on November 19, 2020, WSD set out an assessment process that relies on four evaluation tools: a workforce survey intended to assess culture in areas particularly relevant to wildfire; an organizational self-assessment on elements of organizational policies and practices that heavily influence culture as well as each electrical corporation's targets and plans to improve; safety governance documentation focused on lessons learned, evidence supporting the organizational self-assessment, detail regarding plans to improve, compliance with statutory, and verifications of compliance with past related CPUC directives, as applicable; and interviews and observational visits, as necessary.

Developed a Comprehensive Wildfire Mitigation Plan Compliance Process

Assembly Bill (AB) 1054 (Holden, 2019) established a set of requirements for the WSD to oversee compliance with utility WMPs after they are approved. Additionally, AB 1054 requires the WSD to develop, and the CPUC to adopt and approve, a "wildfire mitigation plan compliance process" which includes "appropriate performance metrics and processes for determining an electrical corporation's compliance with its approved wildfire mitigation plan."

The WSD developed and implemented a strategy and process to perform its annual and ongoing responsibilities. This compliance oversight started with audits of electrical corporation filings on their 2019 WMPs and continued with the initiation of field inspections in May 2020. Inspections are prioritized based on risk with an initial focus on enhanced vegetation management, system hardening, asset inspections, and PSPS events. WSD has completed 2,836 inspection activities throughout California and has notified the electrical corporations of 169 defects needing correction.

In 2020, the WSD undertook several measures to enhance electrical corporations' ability to achieve compliance with approved WMPs, including:

- Providing trainings to ensure that all WSD inspectors have sufficient and consistent understanding of General Orders and Public Utilities Codes relevant to electric safety for inspections and audits;
- Determining an electrical corporation's ongoing compliance based on outcomes of its inspections and whether the electrical corporation has timely correction of identified defects;
- Tracking results of WSD's ongoing compliance efforts to inform WSD's annual assessment of an electrical corporation's compliance during the prior completed compliance period; and,
- Coordinating with the CPUC's Safety and Enforcement Division (SED) on WSD's ongoing inspection activities and on SED's investigations to support the expeditious correction of defects.

On November 19, the CPUC approved Resolution WSD-012, which contained the WSD's proposed WMP compliance process. The proposal was developed based on experience gained in field inspection and audits to date and relied upon comments from utilities, stakeholders and the Wildfire Safety Advisory Board.

The goal of the WSD is to reduce wildfire risk and further minimize PSPS events by using available information and data collected during inspections to assess effectiveness and timely implementation of WMP initiatives.

Compliance Branch Inspection Activities

	YTD
No. of Activities	2950
WMP2 (Situational Awareness)	25
WMP3 (Systems Hardening)	973
WMP4 (Asset Inspection)	366
WMP5 (Vegetation Management)	620
WMP6 (PSPS)	358
WMP7 (Data Governance)	2
GO 95	606

Compliance Branch Defects Identified

	YTD
No. of Defects	171
Severe	38
Moderate	58
Minor	75

Develop a List of Independent Evaluators for Selection by Electrical Corporations

On May 14, 2020, WSD distributed proposed criteria for qualified independent evaluators for public comment to meet the requirement to make a list of qualified independent evaluators available to the electrical corporations before March 1, 2021. The Request for Qualifications (RFQ) was posted in October 2020 and the final list will be made available by March 1, 2021 after a review of applications for listing is completed and a public comment period on the draft list.

ADDITIONAL CPUC ACTIONS

SCE Grid Safety and Resiliency Program

In A.18-09-002, Southern California Edison (SCE) proposed investments of $582 million for wildfire risk mitigation measures. SCE claims that approval of its request will help address California's increasing fire risk by further hardening the electric system and enhancing utility situational awareness and operational capabilities.

In April 2020, the CPUC issued D.20-04-013 adopting a proposed settlement between the Public Advocates Office of the CPUC, Coalition of California Utility Employees, Small Business Utility Advocates, The Utility Reform Network, and SCE. Among other things, D.20-04-013 approves $407,291,000 in capital expenditures for SCE's Grid Safety and Resiliency Program. Of that amount, $282,842,000 is for the Wildfire Covered Conductor Program, which is the first large-scale deployment of covered conductors in California to harden the distribution system against extreme weather events and reduce wildfire events. D.20-04-013 also approved $26,864,000 to install new remote-control automatic reclosers, and $66,235,000 to install additional fuses that activate quickly to reduce the energy transmitted due to faults.

Emergency Disaster Relief by Wireless Providers

On July 16, the CPUC adopted D.20-07-011 from R.18-03-011, creating new wildfire and

resiliency regulations over California wireless providers. Broadly, the CPUC created new rules to ensure California's firefighters, first responders, and the public a resilient and dependable communications network during a disaster. The decision requires California's wireless providers to: (1) secure 72-hours of backup power for their wireless facilities in Tier 2 and Tier 3 High Fire Threat Districts; (2) file annual Communications Resiliency Plans that detail the wireless providers' ability to maintain a minimum service level and coverage during a disaster or commercial power grid outage; and (3) submit annual emergency operations plans to the CPUC and the California Governor's Office of Emergency Services.

Public Safety Power Shutoffs

In 2020, the CPUC oversaw a second phase of R.18-12-005 to examine PSPS practices of the electric utilities. The CPUC further refined its guidance for electrical corporations that de-energize powerlines to mitigate the risk of catastrophic wildfire. The guidelines that the CPUC developed in this second phase of the rulemaking involved increased interaction with all aspects of impacted communities, tabletop exercises to perfect de-energization events, improved communication clarity and website accessibility, community resource center deployment, requirements regarding restoration of power service, transportation/telecommunication/water system resiliency, medical baseline and access and functional needs populations assistance, and transparency.

PG&E Cost Recovery

In addition to the numerous proceedings and decisions that will implement SB 901 (Dodd, 2019), the CPUC is handling several existing proceedings related to wildfire costs. A.18-03-015 addresses costs under PG&E's Catastrophic Emergency Memorandum Account for expenditures it asserts were made pursuant to 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 total cost recovery sought in A.18-03-015 is approximately $757 million. On April 25, 2019, the CPUC issued D.19-04-039, determining that PG&E was entitled to $373 million in interim rate relief in the interest of fairness and rate stability. The CPUC has also received applications related to the review and financing of wildfire-related grid hardening and expects to receive additional applications related to this issue in the future, based on the provisions of SB 901.

Investigation Into PG&E Electrical Facilities and 2017 Wildfires

In 2019, the CPUC issued an Order Instituting Investigation (I.19-06-015) on the maintenance, operations and practices of PG&E with respect to its electric facilities, and whether the CPUC should impose penalties for the role that the utility's electric facilities had in igniting fires in its service territory in 2017.

On May 7, 2020, the CPUC issued D.20-05-019, which approves, with modifications, a settlement proposed by PG&E, the CPUC's Safety and Enforcement Division, the CPUC's Office of the Safety Advocate, and the Coalition of California Utility Employees. The settlement resolves all issues concerning the penalties and other remedies that should be imposed on PG&E for the role its electric facilities played in igniting wildfires in its service territory in 2017 and 2018. With the modifications to the settlement agreement, the decision imposes penalties totaling $2.137 billion, consisting of: $1.823 billion in disallowances for wildfire-related expenditures (an increase of $198 million from the proposed settlement agreement); $114 million in System Enhancement Initiatives and corrective actions (an increase of $64 million from the proposed settlement agreement); and a $200 million fine payable to the state's General Fund, which shall be permanently suspended.

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

In 2020, the CPUC authorized (D.20-09-023) the collection of a Wildfire Fund Non-Bypassable Charge (NBC) from eligible customers of the large electrical corporations in an amount of $0.0058 per kilowatt-hour during the months of October, November, and December 2020.

And at the final voting meeting of 2020, the CPUC authorized a Wildfire Fund Non-Bypassable Charge in the same amount for eligible customers of the large electrical corporations for 2021.

Wildfire Safety

In 2020, California again experienced devastating wildfires. In Southern California, the Bobcat Fire, which started in September, burned about 116,000 acres, damaged 47 structures, destroyed 170 structures, and resulted in six injuries. The Silverado Fire, which started in October in the unincorporated area of Orange County, burned approximately 14,000 acres and injured two firefighters. In Northern California, the Slater Fire started in September in Butte County near the town of Happy Camp. The fire killed two people and injured three. It burned approximately 156,000 acres and damaged 197 residences and 243 structures. The Zogg Fire, which also began in September in Igo, Shasta County resulted in four fatalities, one injury, 27 damaged structures and 204 destroyed structures. SED's Electric Safety and Reliability and Wildfire Safety and Enforcement Branches are working closely with CAL FIRE, the United States Forest Service, and other agencies to investigate SCE and the communications companies' compliance with the CPUC's safety rules.

ENERGY

Integrated Resource Planning

In March 2020, the CPUC adopted an optimal portfolio of resources intended to guide reduction goals for greenhouse gas emissions while maintaining affordable and reliable electric service. Pursuant to Public Utilities Code Section 454.51, on September 1, 2020, all CPUC-jurisdictional load-serving entities, including IOUs, community choice aggregators, and electric service providers, submitted individual Integrated Resource Planning (IRP) filings to demonstrate how each would assemble a portfolio consistent with the Renewables Portfolio Standard to meet their individual greenhouse gas planning targets.

On May 7, 2020, the CPUC also opened the new rulemaking proceeding for IRP (R.20-05-003). Under this proceeding, the CPUC will continue to plan for and consider procurement of new resources needed to decarbonize California's electric sector in a cost-effective manner. It will also serve as the primary venue for ongoing CPUC coordination with the CEC's Integrated Energy Policy Report process, the CAISO Transmission Planning Process, the Scoping Plan and Emissions Inventory processes of the California Air Resources Board, and the once-through-cooling policies for power plant cooling of the State Water Resources Control Board.

Resource Adequacy

The Resource Adequacy (RA) program was established to ensure that sufficient energy generation resources are available to reliably operate the grid. The program generally requires all load-serving entities within the CPUC's jurisdiction to meet procurement obligations for system, flexible, and local resources. The CPUC issued several decisions in 2020 (D.20-06-002, D.20-06-028, and D.20-06-031) that refined the RA program. Among other notable changes, the CPUC clarified requirements for import RA resources, finalized qualifying capacity rules for hybrid and co-located storage and generation (primarily solar) resources, updated Maximum Cumulative Capacity rules to support the availability of capacity during critical hours, adopted local capacity obligations for 2021-2023 and flexible capacity obligations for 2021, and adopted a central procurement framework for procuring local capacity to mitigate market power issues in "load pockets" in the PG&E and SCE Transmission Access Charge areas.

Demand Response

In response to Energy Division's 2019 Demand Response Auction Mechanism (DRAM) Evaluation Report, the CPUC adopted D.19-07-009 and D.19-12-040 (DRAM decisions) establishing design changes to the DRAM pilot intended to improve performance and reliability of DRAM resources and extended the DRAM pilot for four years (2020-2023). Specifically, the CPUC instituted new requirements for more accurate estimates of resource capacity, adopted a more sophisticated capacity payment structure that penalizes underperformance, and imposed minimum resource dispatch activity requirements.

Pursuant to the DRAM decisions, the IOUs conducted DRAM auctions for 2020 and 2021 and procured 216 MW and 206 MW (August capacity), respectively, from third-party Demand

Response (DR) providers. As part of the annual DRAM refinement process authorized by D.19-07-009, Energy Division held several DRAM Working Group sessions in 2020 discussing a variety of potential refinements to DRAM, some of which are proposed for adoption in a pending resolution and will be applied to the DRAM auctions for 2022 and 2023.

The CPUC's Energy Division implemented a new process this year to review Load Impact Protocol (LIP) reports submitted by third-party DR providers to determine DR resource capacity eligible for RA during the 2021 compliance year. Three DR providers, including one provider with a DR resource involving a behind-the-meter solar plus storage aggregation (first such market-integrated DR resource in California), were qualified through this process for a total of 217 MWs.

For DR resources provided by third-party DR providers to non-IOU load-serving entities in 2021 and beyond, the CPUC adopted a stricter minimum testing protocol and required the resources to be subjected annually to the LIP process to establish more accurate capacity estimates. In addition, the DR providers are required to adjust the designated capacity of their DR resource if during the Resource Adequacy compliance year the actual DR capacity aggregated by the provider deviates from the forecasted capacity estimate.

During the summer heat storms, DR resources (both reliability and economic programs) were triggered multiple times and believed to have mitigated the scope of rotating outages. While conclusive evaluation of how well DR performed based on settlement quality meter data will be available in early 2021 and included in the final Joint Agency Root Cause Analysis report, preliminary analysis indicated the IOU DR portfolio (in particular, the emergency Base Interruptible Program) was heavily utilized by the CAISO and generally performed well. The CPUC expects to review settlement data from the August 2020 heat storm to determine whether and what types of additional steps are needed to address concerns, if any, about DR reliability.

Renewables Portfolio Standard

The California Renewables Portfolio Standard (RPS) program was instituted by SB 1078 (Sher, 2002). The Legislature has made numerous alterations to the RPS program over the years. SB 100 (De Leon, 2018) expanded California's commitment to clean energy by increasing the State's RPS to 60% by 2030 and requiring 100% of California's electricity to come from carbon-free resources by 2045.

In August of 2020, the CPUC extended the Bioenergy Market Adjusting Tariff (BioMAT) program to December 31, 2025, and revised its contract terms and processes to improve program performance (D.20-08-043).

In October, the CPUC adopted D.20-10-005 modifying aspects of the Renewable Market Adjusting Tariff (ReMAT) program to bring it into compliance with both the Public Utility Regulatory Policies Act of 1978 and Section 399.20 of the Public Utilities Code, and resuming the ReMAT program which has been suspended since December 2017.

The CPUC also continued to monitor and enforce retail sellers' progress toward the state's 60% renewable requirement by 2030. CPUC monitoring of retail sellers' progress was expanded by SB 155 (Bradford, 2019), and in October 2020 the CPUC sent notices to 41 retail sellers that may be at risk for not meeting current and future RPS requirements. The large IOUs are forecasted to exceed the 33% target for 2020.

In R.18-07-003, the CPUC adopted D.20-09-022 accepting the RPS procurement plans for four new community choice aggregators expected to supply electricity to their service territories starting in 2021. The administrative law judges assigned to R.18-07-003 sought comments and responses on an Energy Division Staff Proposal for Alignment and Integration of RPS Procurement Planning and Integrated Resource Planning.

Residential Time of Use Rates Implementation

SDG&E completed placement of residential customers onto its Time of Use (TOU) rate in April 2020 and is monitoring customer performance. Marketing, education and outreach (ME&O) campaigns by the utility and a statewide marketing campaign ran several months before the launch of SDG&E's enrollment process and were deemed largely successful regarding customer acceptance and opt-out.

PG&E's placement of residential customers onto its TOU rate will occur in two phases. The first phase included approximately 14,984 PG&E employees, retirees, and NEM customers who were placed on the rate in October and November 2020. Though it is still early in the enrollment process, only 5.89% of customers have asked to be removed from the rate so far. The second phase of customer enrollment will begin in April 2021 and continue through March 2022. Like SDG&E, PG&E will have a robust ME&O effort that started in 2020 and will last through March 2022. The outreach effort includes rate comparison tools and customer notifications.

In SCE territory, an initial phase of residential customers placed on SCE's TOU rate commenced in October 2020. The initial segment of customers placed on the rate were generally those who were likely to experience bill savings based on their usage patterns. Thus far, approximately 8% of enrolled customers have requested to be removed from the rate. The second phase of residential customer enrollment will begin in November 2021 and continue through March 2022. SCE's ME&O campaign began in October 2020 and will continue through March 2022. SCE is also planning to notify customers and provide rate comparison tools.

Energy Storage

To reach California's goals of 100% zero carbon electricity resources and enhanced resiliency, the state will need to continue to advance policies and investments in energy storage. Pursuant to Senate Bill 700 (Weiner, 2018) the CPUC took important regulatory actions in 2020 related to the Self-Generation Incentive Program (SGIP), which offers rebates for installing energy storage technology at both residential and non-residential facilities. These storage technologies include battery storage systems that can function during a power outage. While the SGIP funds several technologies, most of the funds promote the development of battery electricity storage located at homes and businesses.

The first SGIP decision adopted in 2020, D.20-01-021, added $166 million in annual funding for the program until 2025. Including previously authorized funding, the total budget is more than $1.2 billion. The decision prioritized allocation of funding to benefit customers impacted by PSPS events or located in areas of extreme or elevated wildfire risk by increasing the equity resiliency budget to $612 million over the life of the SGIP and creating other "resiliency adders." The equity resiliency budget saw unprecedented uptake in the first nine months of 2020, leading PG&E to allocate all $270 million of its funds by mid-September.

Outside of SGIP, a number of other CPUC program support California's energy storage goals, including:

- In March, the IOUs filed applications for approval of their Energy Storage Procurement and Investment Plans pursuant to both AB 2514 (Skinner, 2010) and AB 2868 (Gatto, 2016). For the AB 2514 energy storage procurement mandate, the IOUs are largely in compliance, with the exception of a small SDG&E procurement deficit due to cancelled projects. For the AB 2868 portion of the proceeding, SCE's application proposes new pilot programs intended to accelerate the deployment of distributed storage systems.
- The New Home Energy Storage Pilot would provide a mid-stream incentive to builders of zero net energy homes to install distributed energy storage batteries before homeowners move in. The batteries would be controlled by an energy management system to optimally charge from the solar and discharge to reduce peak load and provide other potential grid benefits.
- The Smart Heat Pump Water Heater Pilot would provide incentives to add control technology to heat pump water heaters and electric water heaters that lead to reductions in peak electricity usage.
- Both pilots intend to reduce customer bills as well as offer other environmental and system benefits. A proposed decision on the proposed pilots is expected in the first quarter of 2021.

A proposed decision on SCE's proposed pilots is expected in the first quarter of 2021. PG&E

received approval under an AB 2868 Decision in 2018 for the "WattSaver" program that will offer incentives for electric water heaters (i.e., thermal energy storage) that communicate with the grid and use control systems to avoid heating during peak electricity hours. Additional implementation details for the WattSaver program were approved by Resolution in December 2020 and the program will begin implementation in 2021.

In the IRP proceeding in late 2019, the CPUC's Commissioners directed utilities to procure 3300 MWs of electric capacity that will come online in 2021 through 2023. The contracts that utilities have executed so far to meet this requirement include substantial energy storage capacity which is in addition to the amounts required by AB 2514. In 2020, the CPUC approved 1,207 MW of Energy Storage across various regulatory programs, setting a new record for the highest amount of energy storage approved by the CPUC in a calendar year.

Transportation Electrification

The CPUC continues to advance legislative mandates to accelerate transportation electrification and meet greenhouse gas reduction and air quality targets in multiple proceedings. The CPUC has approved more than $1.6 billion in funding for Transportation Electrification infrastructure. Specifically, in 2020 the CPUC took the following actions:

- R.18-12-006 is the CPUC's venue for implementing AB 2127 (Ting, 2018), which requires the CPUC and California Energy Commission 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—as required by SB 350 (De Leon, 2015)—and reducing greenhouse gas emissions 40% below 1990 levels by 2030. In addition, R.18-12-006 is the venue for implementing SB 1000 (Lara, 2018), which requires the CPUC to explore the potential facilitation and development of technologies that promote grid integration, policies that support the development of technologies 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 electric vehicles that encourages charging during periods of excess grid capacity. In 2019, the CPUC held workshops with stakeholders to discuss vehicle-to-grid integration and submetering. The CPUC also released a Draft Transportation Electrification Framework (TEF) staff proposal for public comment in the first quarter of 2020 and launched the implementation of new vehicle-grid integration requirements as directed under SB 676 (Bradford, 2019).

- The CPUC issued D.20-08-045 that approved SCE's $436 million Charge Ready 2 program, the largest-in-the-nation utility investment in new electric vehicle charging infrastructure. The proceeding, A.18-06-015, was reopened in October 2020 after an application for rehearing was filed.
- D.20-04-009 authorized SDG&E to offer an interim rate to commercial customers operating EV charging stations while the utility upgrades its customer billing system. An October decision approved the first EV charging rate designed specifically for commercial fleets, multi-unit dwellings, workplaces, and high-powered EV charging stations in SDG&E's territory. This new rate balances state goals to accelerate transportation electrification with ratepayer benefits.
- In September, the CPUC issued D.20-09-025 directing SCE and PG&E to revise their Rule 18 tariffs to reflect that charging station providers for medium- and heavy-duty and off-road vehicles are not public utilities regulated by the CPUC. The two utilities filed advice letters modifying their tariffs as directed in October 2020.
- On December 17, the CPUC approved several measures to accelerate electric vehicle and infrastructure deployment in California, including vehicle grid integration (VGI) strategies to help electric vehicles (EVs) charge in ways that are beneficial to the electrical grid, a new rate structure to help commercial EV customers save money and reduce grid impacts, and authorization for the investor-owned utilities to spend Low Carbon Fuel Standard (LCFS) credit revenue to support transportation electrification in underserved communities and projects that promote EVs and resiliency. While the dollar amount of the LCFS programs is dependent on the CARB LCFS credit market and subject to fluctuate, the VGI decision, which implements VGI requirements established in SB 676 (Bradford, 2019), authorized up to $35 million for VGI pilots. Initial utility reporting requirements were also established.

Microgrids

The CPUC adopted D.20-06-017 from R.19-09-009, satisfying an array of Senate Bill (SB) 1339's (Stern, 2018) requirements to commercialize microgrids, adopting at the same time a series of resiliency strategies to advance safety prior to the peak 2020 wildfire season. Specifically, the decision directed California's large electrical corporations to: (1) accelerate the interconnection of resiliency projects by standardizing and streamlining pre-approved system design for interconnection that deliver energy services during grid outages; (2) increase simplicity and transparency by which the large electrical corporations inspect and improve a project; (3) prioritize interconnection of resiliency projects for key locations, facilities, and/or customers; (4) adopt solutions that modernize net energy metering tariffs to maximize social resiliency benefits; (5) conduct meetings to educate and inform local and tribal government agencies on vulnerable electric transmission and distribution infrastructure as well as critical operations that service local jurisdictions; (6) develop a resiliency project guide, and assist local and tribal governments in navigating the large investor-owned utilities' interconnection processes for deploying a resiliency project; and (7) dedicate utility staff to manage the intake of local and tribal government resiliency projects, as well as create a separate, access-restricted data portal for local and tribal governments to review data essential for microgrid and resiliency project development. Additionally, the decision approves a resiliency project proposals set forth by PG&E and SDG&E which would help reduce the impacts of PSPS events.

The CPUC also continued to work in R.19-09-009 to craft a policy framework, in consultation with the California Energy Commission (CEC) and the California Independent System Operator (CAISO), to facilitate the commercialization of microgrids for distribution customers of large electrical corporations pursuant to SB 1339 and to maintain access to essential services during PSPS events and other outages.

In December 2020, the CPUC released a second decision facilitating the commercialization of microgrids pursuant to SB 1339. This proposed decision, approved in January at the CPUC's first voting meeting of 2021, will satisfy SB 1339's requirements, codified under Public Utilities Code Section 8371, which include but is not limited to: (1) developing standards, protocols, guidelines, methods, rates, and tariffs to support and reduce barriers to microgrid deployment statewide; while (2) prioritizing system, public, and worker safety, and avoiding cost shifts between ratepayers.

Net Energy Metering

The CPUC opened a new proceeding, R.20-08-020, to review the Net Energy Meter (NEM) program to ensure the program continues to meet statutory mandates including the requirement that the solar industry grows at a sustainable level and that the NEM program assures that the benefits from the NEM program are approximately equal to the total costs. In 2020, the CPUC held a prehearing conference to discuss the scope and schedule for the proceeding.

Gas & Electric Service Disconnections

The CPUC adopted D.20-06-003 which set new rules for large energy utilities to reduce disconnections of residential customers for non-payment. Key changes included requiring the utilities to offer 12-month payment plans for customers in arrears, elimination of service deposits and reconnection fees, and the establishment of a cap on the amount of disconnections the utilities can do each year. The decision also authorized the formation of a new Arrearage Management Program, which offers forgiveness of past debt to low-income customers if they can stay current with their monthly bills.

Affordable Utility Services Framework

In July 2018, the CPUC launched R.18-07-006 to develop a framework for evaluating the affordability of utility services across regulated utility industries. The decision (D.20-07-032) adopted by the CPUC in July 2020 defines "affordability" as the degree to which a representative household is able to pay for an essential utility service based on its socioeconomic status and adopts three metrics to measure affordability: phase II of the proceeding is ongoing and will focus on issuing the initial Annual Affordability Report early in 2021, developing a forecasting methodology to allow for application of the metrics on a prospective basis, and establishing the process by which the metrics will be implemented in future proceedings.

Energy Efficiency

CPUC's R.13-11-005 continued to advance the efforts in 2020 of evolving energy efficiency programs to support the goal of doubling energy efficiency savings by 2030 established by SB 350 (De Leon, 2015). This primarily involved overseeing the allocation of $7.5 billion that the CPUC authorized utilities and other program administrators to spend on energy efficiency programs through 2025 and adopting updated energy efficiency goals for 2020-2030. Additionally, Assembly Bill 841 (Ting, 2020) established a new School Efficiency Stimulus Program that will be considered within the ongoing rulemaking.

Pursuant to D.18-01-004, the CPUC oversaw a suite of competitive solicitations in 2020 to secure new, innovative, and cost-effective energy efficiency programs that will refresh IOU portfolios. During 2020, IOUs achieved CPUC-established targets to outsource at least 25% of their energy efficiency budgets to third-party implementers by mid-year and 40% of their budgets by end-of-year. Furthermore, per D.19-12-021, the CPUC began implementing its new Market Transformation Framework by launching a solicitation for a statewide administrator for the program. Additionally, the CPUC worked to integrate low-global warming potential refrigerants into its energy efficiency programs pursuant to SB 1013 (Lara, 2018). The CPUC also introduced and continued development of investigations related to energy efficiency codes and standards advocacy programs and upstream lighting programs. Finally, the CPUC completed studies and evaluations on dozens of energy-efficiency programs and new technologies, while making rapid modifications to study methodologies to account for changing circumstances due to the COVID-19 pandemic.

Low-Income Energy Programs

The utilities have filed applications for the next cycle of funding (2021-2026) for both the California Alternative Rates for Energy (CARE) program—a reduced rate program for low-income customers—and the Energy Savings Assistance program—a weatherization and energy efficiency program for low-income customers. In response, Energy Division issued a Staff Proposal recommending programmatic changes to increase the quality and depth of Energy Savings Assistance program treatments and to better align the program with other state policy objectives. Public workshops were held on the content of the applications and Staff Proposal. The Low Income Oversight Board, which meets quarterly, also provided recommendations on improvements to both programs, and provided recommendations to improve the 2022 Low Income Needs Assessment. A decision on these programs will be issued in the second quarter of 2021.

At the end of the third quarter of 2020, the California Alternative Rates for Energy program had approximately 3.2 million electric household customers enrolled—or 28% of total electric customer population—while the Family Electric Rate Assistance program had approximately 75,000 households enrolled. The Energy Savings Assistance program includes an average annual authorized budget of $547 million and average household treatment goal of approximately 401,500 homes per year.

The CPUC has been incorporating statewide goals in its decisions, including the SB 350 (De Leon, 2015) requirement to double energy efficiency savings by 2030, and the AB 3232 (Friedman, 2018) requirement to assess the potential to reduce greenhouse gas emissions in buildings by 40% below 1990 levels by 2030. The CPUC also incorporated its own environmental and social justice goals with the adoption of the Environmental and Social Justice Action Plan on February 21, 2019.

Disadvantaged Communities Advisory Group

In 2018, the CPUC and CEC approved an 11-member Advisory Group to advise on the impact of clean energy programs in disadvantaged communities. The Advisory Group held 10 public meetings in 2020 to learn more about CPUC programs and policies impacting disadvantaged communities and offer recommendations. The chair and co-chair presented their 2019 annual report to the CPUC during the November 19, 2020, CPUC voting meeting.

Solar on Multifamily Affordable Housing

The CPUC adopted D.17-12-022 to provide incentives for installation of 300 MW of solar on multifamily affordable housing (SOMAH), funded at up to $100 million annually from electric utilities' cap and trade proceeds in accordance with AB 693 (Eggman, 2015). After recognizing strong interest and participation at program launch—more than 240 applications representing over 74 MW of solar and $163 million in reserved funding were received in SOMAH's first month—the CPUC issued D.20-04-012 that continued authorization of allocation of funds to the SOMAH Program through June 30, 2026. While the initial volume of applications resulted in SOMAH's first-year funding allocations being exhausted in three of the five utility company territories, several CPUC decisions on the IOUs' Energy Resource Recovery Account and Energy Cost Adjustment Clause applications in 2020 replenished the program's funding levels. Currently, the program has received 389 applications totaling 74 MW which represents 25% of its overall goal of 300 MW.

Solar Consumer Protections

In 2020 the CPUC adopted further consumer protections related to the solar information packet (now referred to as the Solar Consumer Protection Guide), including coordination among the CPUC, the Department of Business of Oversight (now Department of Financial Protection and Innovation), the Contractors State License Board, the solar industry, clean energy financiers and electric investor-owned utilities to address complaints regarding solar providers. The CPUC also evaluated the Solar Consumer Protection Guide, in accordance with D.18-09-044, and edited the guide to make its information on how to avoid solar fraud and make an informed decision about going solar clearer and more useful to prospective residential solar photovoltaic customers. The CPUC also adopted D.20-08-001, adopting standardized inputs and assumptions for calculating estimated electric utility bill savings from residential solar photovoltaic (PV) energy systems. To address growing issues of solar consumer fraud and misrepresentation in disadvantaged communities, the CPUC considered initial proposals to adopt a citation program enforcing the IOUs solar-PV interconnection data collection requirements ordered in D.16-09-044, D.18-09-044 and D.20-02-011.

Interconnection of Distributed Energy Resources

R.17-07-007 refines Rule 21, which addresses the CPUC's policies on interconnecting Distributed Energy Resources. In 2020, the CPUC adopted certain recommendations from different staff working groups that helped inform the CPUC's decision. This represents significant progress in maximizing the renewable energy generation that can be safely integrated with existing grid infrastructure and establishes a path forward for vehicle to grid interconnection while streamlining and automating the interconnection process. These improvements will enable Distributed Energy Resources to support resiliency and renewable energy goals while minimizing ratepayer cost impacts.

Integrated Distributed Energy Resources and Distributed Resource Plans

In May, the CPUC approved D.19-05-019 that adopts a societal cost test as part of its framework for integrated Distributed Energy Resources (DERs), such as onsite energy storage and rooftop solar. The CPUC issued a staff proposal to determine how to estimate the value that results from using DERs to defer investments in transmission and distribution infrastructure. In September, the CPUC issued a staff proposal on alternative DER sourcing mechanisms, including tariffs for customer sited DER such as residential battery storage and storage paired with solar panels for deferral of planned utility infrastructure investments.

Distributed Resource Plans (DRPs) (R.14-10-003) identify optimal locations for the deployment of DERs, including distributed renewable generation resources, energy efficiency, energy storage, electric vehicles, and demand response technologies. In May, the CPUC issued a ruling adopting major reforms to the DRP Distribution Investment Deferral Framework (DIDF) which is the CPUC planning framework for utilities to determine when to procure cost-effective DERs as lower-cost non-wires alternatives (NWAs) to traditional utility infrastructure investment. A NWA must cost the same or less than the original planned utility distribution investment while providing a similar level capacity and reliability. The CPUC launched the annual DER solicitations in January and the Grid Needs Assessment and Distribution Opportunity Report planning and procurement process in August.

R.14-10-003 was initiated to comply with Public Utilities Code Section 769 regarding the development and approval of DER Plans. In 2020, the CPUC also adopted major and minor updates to the Avoided Cost Calculator, which is used to calculate the avoided costs of distributed energy resources. The administrative law judge issued a ruling taking comment on a Staff Proposal for a distributed energy resources tariff pilot, a culmination of workshops held in 2018-2019 and related party comments.

Building Decarbonization

The CPUC adopted D.20-03-027, satisfying SB 1477 (Stern, 2018) requirements, creating the Building Initiative for Low-Emissions Development (BUILD) Program and the Technology

Equipment for Clean Heating (TECH) Initiative pilot projects. In implementing the BUILD Program, the decision (1) selected the CEC to administer the program, (2) established that at least 30% of SB 1477 funds be allocated to new low-income residential housing, and (3) appropriated BUILD Program incentives only to newly constructed projects that are all-electric to support California's zero-greenhouse gas emissions future. In implementing the TECH Initiative, the decision (1) established a process for selecting the TECH Initiative's implementer with stakeholder participation, (2) directed the TECH Initiative implementer to approach building decarbonization with a menu of tactics, including upstream and mid-stream market incentives to drive market transformation, and (3) directed the TECH Initiative implementer to select eligible technologies with a performance-based approach on greenhouse gas emission reduction baselines to meet pilot goals.

Finally, the decision (1) established budgetary parameters for both the BUILD Program and TECH Initiative, (2) created performance guidelines, program metrics, and program evaluation requirements for both the BUILD Program and TECH Initiative, and (3) targeted reducing refrigerant-based greenhouse gas emissions to further building decarbonization objectives.

Climate Credits

R.20-05-002 reviews the climate credits to ensure compliance with statute and for process improvements. In October 2020, the CPUC approved a decision in this rulemaking that maintains, on an interim basis, the current method for determining the Small Business Climate Credit, including an Industry Assistance Factor of 50%; extends the existing formulas for the California Industry Assistance Credit until CARB begins the process of providing assistance or the CPUC directs further changes; and maintains the current volumetric procedure used by Bear Valley Electric Service to distribute proceeds.

Climate Adaptation

R.18-04-019 considers strategies to integrate climate change adaptation into utility planning of infrastructure, operations, and services. In mid-2020, the CPUC adopted D.20-08-046 defining disadvantaged vulnerable communities in a climate change adaptation context, requiring utilities to initiate a community engagement process with disadvantaged vulnerable communities on utility adaptation planning for climate change. The CPUC also adopted specific reporting requirements for the large gas and electric utilities, referred to as Vulnerability Assessments, for long-term—10 to 50 years—climate adaptation planning for infrastructure, operations, and services. This proceeding is based on a stakeholder process, including working groups, staff reports, and written comments.

Electric Program Investment Charge

In December 2011, the CPUC created the Electric Program Investment Charge (EPIC) under authority granted in the state's Public Utilities Code. EPIC provides investments in energy innovation that benefit IOU ratepayers through increased reliability, lower costs, and improved safety. The California Energy Commission, PG&E, SCE, and SDG&E administer EPIC within parameters set by the CPUC.

EPIC invests in three project types: Applied Research and Development, Technology Demonstration and Deployment, and Market Facilitation. In 2018, the CPUC approved the third triennial investment plans for 2018-2020. The program investment budget for 2018-2020 is $555 million, with the CEC administering 80% of the budget and the investor owned utilities administering the remaining 20%.

In August 2020, the CPUC renewed EPIC for ten years, through December 31, 2030, authorizing the CEC to file two five-year investment plan cycles with an annual budget of $147.26 million for the first five-year plan with the ability to increase its second five-year plan by inflation.

Mobile Home Park Utility Conversion Program

In April, the CPUC approved D.20-04-004 Adopting the Mobile Home Park Pilot and Establishing a Mobile Home Park Utility Conversion Program. In the decision, the CPUC determined that the Mobile Home Park Pilot adopted in D.14-03-021 to convert Master Meter gas and electric distribution systems at Mobile Home Parks (MHP) from park-owned to IOU operation, providing MHP residents with the same level of safety and service that directly served utility customers receive, was successful. Based on a detailed analysis of pilot program cost and safety data, the CPUC established a 10-year Mobile Home Park Utility Conversion Program beginning in 2021 that primarily relies on existing pilot program requirements and features but makes some needed adjustments to expand eligibility and establish annual target conversion rates and cost targets.

SED/SPD's evaluation of the three-year pilot program originating from D.14-03-021 noted the high rate of voluntary participation by park owners, the successful completion of the pilot conversion goals by the IOUs, and improved safety and reliability for park residents—many of whom live in disadvantaged communities. The program goal is to convert 50% of all mobile home spaces by 2030 based on a safety risk system developed by SED. SED revised the risk prioritization process to comply with D.20-04-004 and designed a new risk-rank model to prioritize MHPs within the program. SED will test the new risk-rank model in January 2021 and will have it finalized before the end of the MHP Utility Conversion Program application period.

Renewable Gas

The CPUC granted Southwest Gas Corporation the authority to implement a Biomethane Gas Program and revise its California Gas Tariff in D.20-05-003, approved at its May 7, 2020 CPUC Commissioners' voting meeting. As authorized, the decision directs Southwest Gas to periodically report to the CPUC on its Biomethane Gas Program activities and submit Southwest Gas' identified Gas Cost Incentive Mechanism (GCIM) costs exclusions to the CPUC for review using the GCIM reporting procedure to adequately protect ratepayers from risk and ensure that ratepayers receive the full benefit of biogas transactions.

On August 27, the CPUC issued D.20-08-035 adopting the standard renewable gas interconnection tariff. As a result, all four major gas utilities will now be subject to the same set of tariff rules with respect to the injection of renewable gas into their systems. In the final voting meeting of 2020, the CPUC adopted a standard renewable gas interconnection agreement that expands the monetary incentive program for biomethane project development by an additional $40 million funded by Cap-and-Trade allowance proceeds. The approved decision also establishes a uniform operating agreement for use by the four major gas utilities.

Long-Term Gas Planning Rulemaking

In January, the CPUC voted to open a new rulemaking, R.20-01-007, related to natural gas long-term system planning. The proceeding has three tracks. Track 1A considers whether to adopt updated reliability standards to reflect current gas system operational challenges. Track 1B will determine the regulatory changes needed to improve coordination between gas utilities and gas-fired electric generators. Track 2 will focus on reliability, affordability, and safety in the context of declining natural gas throughput. CPUC staff held workshops for Track 1A and 1B in July and issued a Workshop Report and Staff Recommendations in October. Track 2 is scheduled to commence in June 2021.

Gas Transmission and Storage

CPUC staff completed a review of PG&E's $512 million in Gas Transmission and Storage related capital expenditures from 2011 to 2014. A staff report was released on the results of this review.

Aliso Canyon Investigation

On January 29, 2020, the CPUC issued a decision deferring the issue of whether SoCalGas should be required to reimburse the state of California for the costs of the investigation into the Aliso Canyon incident. In that decision, the CPUC found that SoCalGas need not reimburse state expenditures related to the initial investigation at that time but required the company to track ongoing state expenses related to the proceeding. This decision, D.20-01-034, further provides that the review and treatment of those costs will be addressed in phase II of the proceeding.

Guidance has been provided by an ALJ ruling dated October 15, 2020. The milestones include parties must provide a case management statement on January 6, 2021 which will include a list of disputed issues and witnesses. Evidentiary hearings are expected to start in the first quarter of 2021. Also, non-confidential testimony will be posted on SoCalGas' website for parties' use and reference during hearings.

Aliso Canyon Reliability

In February 2017, the CPUC opened an OII (I.17-02-002) to determine the long-term feasibility of minimizing or eliminating the use of Aliso Canyon. Staff have conducted their own economic modeling, hydraulic flow modeling, and production cost modeling and analysis to support the investigation, discussing initial results with stakeholders during a series of workshops over the last two years. Also, in response to Governor Newsom's request in November 2019 that the CPUC expedite the path to closure, the CPUC has engaged a third-party independent expert to help identify possible alternatives to the facility and scenarios. A workshop with the third-party independent expert was held in November 2020, and a report from the expert is anticipated in spring 2021.

Natural Gas Leak Abatement Program

Pursuant to SB 1371 (Leno, 2014), the CPUC adopted rules and procedures for CPUC-regulated pipeline facilities to minimize natural gas leaks to reduce hazards and to advance greenhouse gas reduction goals. The CPUC then established the Natural Gas Leak Abatement Program (NGLA) and adopted new methodologies for evaluating costs for proposed methane reduction measures and leak compliance plans, and added a restriction on rate recovery for PG&E and SoCalGas beginning in 2025 to ensure that expenditures achieve their intended methane emissions reductions. The program includes annual reporting for tracking methane emissions with an emphasis on the transparency of data to the public and 26 best practices for minimizing methane emissions pertaining to gas meters, pipelines, storage facilities, compressors, and other infrastructure facilities.

In March 2020, compliance plans and advice letters were filed, documenting progress on implementation of the plans and forecasts of costs for 2021 and 2022. For SoCalGas and SDG&E, the new plans cost less and achieve more methane reductions than the 2018-19 plans. PG&E's NGLA compliance plan will be addressed in its GRC.

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

The CPUC initiated a formal investigation (I.18-12-007) of allegations that PG&E failed to accurately record requests to mark locations of natural gas lines, falsified some tickets, and violated other rules meant to prevent damage to natural gas pipelines during excavation activities occurring over a number of years. In October, PG&E, California Coalition of Utility Employees and SED proposed a settlement where shareholders would pay a $65 million penalty and the utility would enact a series of reforms related to the violations. However, on February 20, 2020, the CPUC decision increased the penalty to $110 million; $66 million for shareholder-paid initiatives and a $44 million penalty payment. SED continues to work with PG&E to ensure they complete the System Enhancement Initiatives required by the settlement.

Line 1600 Pipeline Safety Enhancement Program

Line 1600 in San Diego is a 16-inch diameter transmission line constructed in 1949. In December 2012 and December 2015, SDG&E conducted in-line inspection surveys and reported several hook cracks in the longitudinal seam. D.18-06-028 ordered SDG&E and SoCalGas (the operator) to submit to SED a hydrotest or replacement plan for the existing 49.7 miles of the line. The CPUC approved the operator's plan for replacing 37 miles in high-consequence areas (HCAs) and hydrotesting approximately 13 miles in non-HCAs. SED continues to monitor the construction and testing of the line.

Risk Assessment Mitigation Phase

CPUC staff hosted workshops to review findings and recommendations and completed evaluation reports for PG&E, SDG&E, and SoCalGas Risk Assessment Mitigation Phase applications.

SoCalGas/SDG&E Risk Assessment and Mitigation Phase

SoCalGas and SDG&E (jointly Sempra) filed their Risk Assessment and Mitigation Phase (RAMP) (I.19-11-010/011) in November 2019 to present their safety risks and proposed mitigations in preparation of the Test Year 2022 GRC filing. In 2020, the CPUC conducted workshops and working group sessions to review findings and recommendations. Due to the adoption of the Rate Case Decision in D.20-01-002, which moved Sempra's next GRC filing to Test Year 2024, the CPUC opted in D.20-09-004 to close the proceeding and ordered Sempra to apply the lessons learned from this proceeding to its Fall 2020 RAMP application.

Southern California Edison Risk Assessment Mitigation Phase (RAMP)

On October 8, 2020, the CPUC adopted a decision closing SCE's Risk proceeding. The decision found that SCE's 2018 RAMP submission complies with previous CPUC decisions, that the

RAMP process has positive impacts on SCE's risk management analysis and procedures, and that SCE incorporated the RAMP results into its 2021 GRC application.

PG&E Safety Reporting Mobile App

The CPUC issued D.20-10-003, initiating a pilot program to test whether customers in wildfire high threat districts can effectively contribute to reducing risks associated with electric utility service. CPUC staff will monitor PG&E's efforts to build customer-focused GIS-based mobile applications to report potential safety risks with electric infrastructure in PG&E's service territory. The pilot program launches in Summer 2021 and will be evaluated by a third party, with costs for the pilot paid by shareholders.

Investigation Into Safety Culture of PG&E

I.15-08-019 considers the impact on safety performance resulting from changes to corporate governance, management, and organizational structure. The current phase of the proceeding will consider the implementation of the CPUC recommendations resulting from D.18-11-050 and D.20-05-053. CPUC staff managed the completion of an initial safety report and recommendations by NorthStar consultants. CPUC staff managed this phase of the proceeding including the completion of the CPUC recommendations related to the Independent Safety Monitor and instituting the roles of PG&E's Chief Safety Officer and Chief Risk Officer.

Investigation Into Safety Culture of SoCalGas

I.19-06-014 investigates the safety culture of SoCalGas and its parent company, Sempra Energy, related to corporate governance, management, and practices to determine whether SoCalGas and Sempra Energy's organizational culture and governance prioritize safety and adequately direct resources to promote accountability and achieve safety performance goals, standards and improvements. The CPUC staff selected the consultant that will perform the investigation and produce and report in 2021. Costs for the consultant's investigation is paid by SoCalGas.

SoCalGas/SDG&E Pipeline Safety Enhancement Plan

In D.20-08-034, the CPUC allowed SoCalGas and SDG&E to recover $934.6 million for work completed on 44 pipeline projects and 39 valve projects. These projects included replacing pipeline segments that are one to 11 miles in length. The 39 replaced valves help control the flow of natural gas through the pipelines. This work is part of the Sempra Utilities' continued efforts to cost-effectively test or replace all natural gas transmission pipelines in their system that have not been pressure-tested.

Proceeding to Consider Amendments to General Order 95

The CPUC opened R.17-10-010, in response to its Safety and Enforcement Division's rule change petition, to consider provisions regarding maintenance of pole climbing space, worker fall protection, pole strength requirements, use of pole steps, and related issues. In September 2019, an administrative law judge's ruling was issued inviting parties to file and serve further comments to a workshop report. On January 16, 2020, the CPUC approved D.20-01-010, which adopted consensus General Order 95 changes, which are intended to clarify some of the existing rules and enhance the safety measures by adopting new safety rules. SED's Electric Safety and Reliability Branch has updated and posted on the CPUC website the new modified version of General Order 95.

Review and Clarification of Utility Risk Mitigation Spending

The CPUC issued R.20-07-013 to review and clarify the existing CPUC risk-based decision-making framework, including the process by which the CPUC reviews risk mitigation spending in its general rate cases; to review and clarify safety performance metrics, including enhanced oversight of PG&E safety spending post-bankruptcy; and to review and clarify utility safety, reliability, and maintenance reporting requirements.

Rate Case Plan

In January, the CPUC issued D.20-01-002 which changed the rate case cycle for the filing of General Rate Case (GRC) applications by the large energy utilities from three to four years. The decision is intended to improve the GRC process by allowing the utilities and stakeholders more time to implement new risk-mitigation and accountability procedures adopted in the CPUC's rulemaking to develop a Risk-Based Decision-Making Framework. Additionally, the longer rate case cycle will enable the CPUC to monitor utility spending on a timelier basis. Several workshops were held in 2020, with one planned for 2021, on various ratemaking topics, such as rate modeling, incorporating safety metrics into the rate case process, and enhanced procedural techniques to streamline and increase the efficiency of the GRC process.

Triennial Cost Allocation Proceeding

The CPUC issued D.20-02-045 addressing SoCalGas' and SDG&E's Triennial Cost Allocation Proceeding (TCAP) in A.18-07-024. The TCAP allocates the costs of providing natural gas service among customer classes, broadly categorized as core customers and noncore customers.

The TCAP decision adopted demand forecasts for core and noncore customers and allocated costs for transmission and storage functions to the various customer classes. The decision was later modified in August 2020 in D.20-02-045, based on a petition by SoCalGas and SDG&E, to defer the transportation rate increase for core commercial and industrial customers until December 31, 2020, to provide some relief to impacted small businesses from the COVID-19 pandemic. The deferred rate increase will be collected from core commercial and industrial customers over a period of 24 months beginning January 1, 2021. The TCAP also allocates gas storage inventory and injection and withdrawal capacity between the core, balancing, and unbundled storage functions. D.20-02-045 adopted a flexible storage allocation plan that is able to reallocate storage if the maximum allowable Aliso Canyon inventory is adjusted up or down in I.17-02-002.

Federal Energy Regulatory Commission Transmission Owner Rate Cases

In 2020, CPUC staff who perform advocacy for California interests in Federal Energy Regulatory Commission (FERC) proceedings completed multi-year negotiations toward settlement in several substantive Transmission Owner (TO) tariff rate cases, totaling an estimated $2.2 billion in refunds and savings over multi-year periods for California ratepayers. FERC took action approving these settlements that CPUC staff negotiated, including:

- On June 26, FERC approved the SDG&E TO tariff settlement (Docket #ER19-221) negotiated with the CPUC and other intervenors, resulting in an estimated $193 million in savings to ratepayers through 2023.
- On September 23, FERC approved the SCE TO tariff settlement (Docket #ER19-1553) negotiated with the CPUC and other intervenors resulting in an estimated $214 million in savings to ratepayers through 2023.
- On October 8, FERC approved the settlement for the Trans Bay TO rate case (Docket #ER19-2846) providing an estimated $81 million to California ratepayers through 2023.
- Also, the CPUC, other intervenors and PG&E successfully negotiated a TO tariff settlement agreement (Docket #ER19-13) filed at FERC on October 15, which FERC certified on December 10. The settlement term is through 2023 with a potential for over $1.7 billion in savings to California ratepayers.

Electric and Gas Rate Proceedings

In 2020, the CPUC addressed several significant rate cases. This work continues in 2021.

- General Rate Case, phase II: SDG&E and PG&E applications (A.19-03-002 and A.19-11-019) to update marginal costs, revenue allocation, and rate designs have continued along their procedural schedules. A proposed decision on SDG&E's application is expected in early 2021. SDG&E's rate case includes dynamic and real-time pricing tariffs, examination of a separate schools rate options, and methodologies for evaluating loss of load expectations.
- At the CPUC Comissioners' Dec. 3 voting meeting, it approved SDG&E's Electric Vehicle High Powered Rate (EV-HP) Application, authorizing a DC fast charging EV rate with a subscription charge that offers a discount to attract new customers. The rate will transition away from this discount over a 10-year period to a balanced pricing structure

between subscription charges and volumetric TOU pricing that discourages peak usage and encourages customer charging in off peak and super off-peak periods. The CPUC will evaluate the efficacy of the EV-HP rate design in a stakeholder workshop 26 months after the approval of the decision.

- PG&E, SCE, and SDG&E filed applications to implement residential default time-of-use rates and fixed charges (A.17-12-011, A.12-012, A.17-12-013). In 2020 the CPUC denied the request of the large electrical corporations to impose a default fixed charge on residential customers (D.20-03-003). The proceeding is closed, and no further work is expected in 2021.
- Throughout 2020, the CPUC examined SCE's General Rate Case application to set rates and revenues for the years 2021, 2022, 2023 and 2024. The CPUC is considering this request in several phases given the request involves over $7.6 billion in revenues for 2021, and increases of approximately $500 million per year for 2022-2024. The CPUC expects to issue a decision in the first quarter of 2021 for "Track 1" involving rates and revenues for 2021. Additional tracks of the case will address the reasonableness of wildfire mitigation costs and rates and revenues for the newly added year four of the rate case cycle (2024).
- In February 2020, the CPUC approved PacifiCorp's General Rate Case, authorizing a 4.4% decrease in rates for residential customers.
- In April 2020, SDG&E and SoCalGas filed a petition with the CPUC to extend the rates and revenues in the companies' 2019 General Rate Case for two additional years. The CPUC adopted a General Rate Case for SDG&E and SoCalGas in September 2019 for the period 2019, 2020, and 2021. SDG&E and SoCalGas now ask for those general rates to be extended for 2022 and 2023, given the CPUC's decision in January 2020 to extend energy utility rate case cycles from 3 to 4 years. This petition is pending and expected to be decided in 2021.
- The CPUC reviewed PG&E's General Rate Case, phase I (A.18-12-009) to determine whether to allow the company to increase rates to support its electric and gas operations, maintenance, capital investments, and administrative costs for the years 2020, 2021, and 2022. The company initially requested a $1.058 billion increase for 2020 and increases of $454 million and $486 million for 2021 and 2022, respectively. PG&E, The Utility Reform Network, Public

Advocates, Small Business Utility Advocates, Center for Accessible Technology, The National Diversity Coalition, Coalition of California Utility Employees, California City County Street Light Association, and the Office of the Safety Advocate reached a settlement agreement, filed in January 2020, in which the parties agreed to reduce PG&E's request by $483 million to $9.093 billion for 2020, and $9.411 billion and $9.778 billion for 2021 and 2022, respectively. The settlement included significant expenditures for wildfire mitigation capital of $2.685 billion for 2020 through 2022. The CPUC approved the settlement agreement with modifications at its December 3, 2020, voting meeting, but delayed the start date of implementing the new rates until March 1, 2021 due to the economic impacts of the pandemic on customers during winter 2020/2021.

- The CPUC issued a decision in the Liberty Utilities/CalPeco General Rate Case in August 2020. The decision adopted final revenues and rates for Liberty/CalPeco for 2019, 2020, and 2021 which were 5.8% less than the amount requested by the company. The decision allowed increases for spending on vegetation management (for wildfire prevention), energy efficiency, and solar incentives.
- Work continues on the General Rate Case for Southwest Gas. Parties to the proceeding have filed a Settlement Motion to increase Southwest Gas' authorized revenues for natural gas service in 2021 and four subsequent years (2022-2025).
- For Crimson California Pipeline, LP's Southern California crude oil pipeline transportation system, the CPUC will issue a decision for four consolidated rate applications covering 2016 through 2019. The rate increase takes into account increases permitted by an additional statutory mechanism under Public Utilities Code Section 455.3. This will enable Crimson California Pipeline, LP to cover costs, have the opportunity to earn a financial return, and continue to provide effective service to crude producers in its service territory.

PG&E Bankruptcy Order Instituting Investigation

Following PG&E's 2019 Chapter 11 bankruptcy filing, which it officially emerged from on July 1, 2020, the CPUC opened I.19-09-016 in September 2019 to consider the ratemaking and other implications of PG&E's proposed Plan of Reorganization (Plan). On May 28, 2020, the CPUC voted out D.20-05-053, approving PG&E's reorganization Plan, with additional requirements relating to financing, safety, and enhanced oversight of the company. Key components of the decision include:

- Adopted an Enhanced Oversight and Enforcement Process with a strong emphasis on safety and improved governance;
- Authorized PG&E's bankruptcy exit financing plan including $9 billion in new equity, reinstating old low-interest debt, issuing $23.775 billion of new long-term debt, and granting a 5-year waiver from capital structure compliance rules;
- Required PG&E to file an updated advice letter within 30 days to implement ratepayer savings due to restructured lower-cost debt; and,
- Found PG&E's Plan was neutral, on average, for ratepayers as required by AB 1054 (Holden, 2019).

PG&E Long-Term Debt Issuance Application

In addition to the financing issues in PG&E's bankruptcy proceeding, the CPUC in December approved PG&E's request for authorization to meet its anticipated financing needs from 2021 through 2023 by allowing it to finance its ongoing capital spending requirements, replace maturing debt, and pay 2017 wildfire claims costs. Specifically, PG&E was granted authority to issue long-term Debt Securities in an aggregate principal amount not to exceed $8.1 billion or an additional $4.5 billion if and to the extent the requested $7.5 billion securitization in A.20-04-023 is not approved.

PG&E Financial Stress Test Application

On April 30, 2020, PG&E filed A.20-04-023 seeking to apply the financial "stress test" adopted by the CPUC in D.19-06-027 and set forth in statute based on Assembly Bill 1054 (Holden, 2019). PG&E requests approval to file a financing order to securitize $7.5 billion of debt related to liabilities stemming from the 2017 North Bay Wildfires. A proposed decision in this proceeding is expected in the first quarter of 2021.

Nuclear Decommissioning

In December 2018, PG&E filed its 2018 Nuclear Decommissioning Cost Triennial Proceeding (NDCTP) application (A.18-12-008) which included the first updated decommissioning cost estimate (DCE) since the CPUC's decision to allow closure of the Diablo Canyon Nuclear Power Plant in 2024/2025. In the 2015 NDCTP (D.17-05-020), the CPUC authorized a $2.4 billion DCE for Diablo Canyon; in the 2018 NDCTP, PG&E requested a $4.8 billion DCE. On January 10, 2020, PG&E and six parties to the 2018 NDCTP filed a motion to adopt a settlement agreement in which they agreed to reduce the DCE to $3.9 billion with an annual revenue requirement of $112.5 million to be recovered from ratepayers over eight years (2020-2027). A decision on the proposed settlement agreement is expected in the first quarter of 2021.

Power Charge Indifference Adjustment

The CPUC opened R.17-06-026 to review, revise, and consider alternatives to the Power Charge Indifference Adjustments (PCIA) which ensures that when electric customers of the IOUs depart from IOU service, those customers remain responsible for costs previously incurred on their behalf by the IOUs.

With D.20-03-019 in March, the CPUC adopted requirements for how utilities show the PCIA charge on bundled customers' electricity bills to allow customers to more easily compare rates between IOU and CCA service. D.20-08-004 on August 6, 2020, established a framework for customers who depart utility service for a CCA to prepay their PCIA obligations. The CPUC is also considering proposals for allocations and market offerings of portions of the IOUs' existing generation portfolios which are at the root of current PCIA charges. A proposed decision is expected on these allocation and market offer concepts in 2021.

PCIA Under-collection

PG&E, SDG&E and SCE each filed applications in 2020 regarding under-collections in their Power Charge Indifference Adjustment (PCIA) Under-collection Balancing Accounts (PUBA, but also known as CAPBA for SDG&E). The PUBA and CAPBA track revenue that should have been paid by departed load customers via the PCIA but was not collected due to the cap on annual PCIA increases. Each utility is required to notify the CPUC when the balance in the account deviates by 7% or more from the prior year's generation revenue requirement and must file an application if the utility forecasts the balance to exceed 10%. These applications were filed in the late summer and early fall in 2020 for all three major electrical utilities. Decisions are expected to be issued by the first quarter of 2021.

Direct Access

The CPUC authorizes and facilitates direct transactions between electricity suppliers and retail end-use customers, subject to an annual maximum allowable total kilowatt-hour limit. R.19-03-009 is intended to implement the two requirements set forth in Senate Bill (SB) 237 (Hertzberg, 2018) in two phases: (1) the CPUC shall issue a final decision that increases the direct access allowance cap by 4,000 gigawatt hours (GWh) and apportions the increase to the service territories of the three large investor-owned utilities (IOUs), and (2) the CPUC shall recommend a further reopening schedule for direct access transactions. In 2019, the CPUC apportioned the 4,000 GWh increase to the IOUs and made it available to non-residential customers over a two-year period. In 2020, the procedural deadline for R.19-03-009 was extended to March 15, 2021. Pursuant to SB 237, the CPUC issued a draft report in September 2020 recommending a precondition for further opening of schedule for the full re-opening direct access to all non-residential electric load.

Core Transport Agents

Core Transport Agents (CTAs) are non-utility gas suppliers who purchase gas on behalf of residential and small commercial end-use customers. CTA customers pay the utility in their service area for delivery of the gas over the utility distribution pipelines. The CPUC continues to administer the CTA registration program and consumer protection rules for these entities. The CPUC created Moratorium 4843 to stop service disconnections for CTA customers who are behind on their bills. The CPUC worked with SoCalGas, PG&E, and SDG&E as well as the CTAs to determine how to handle nonpayment. The CTAs decided not to pursue customers who are not paying in full. Rather, such customers will be returned to the utility for bundled service.

Utility Pole Database

The CPUC initiated I.17-06-027 and R.17-06-028 to create a shared database or statewide census of utility poles and conduits in California. This information will be critical to determine whether a downed or damaged pole contributes to fires. CPUC staff advised Commissioners and led the Track 1 technical working group and workshops to address initial pole data required by the five major California pole owners (AT&T, Frontier, PG&E, SCE and SDG&E).

- On July 21, the CPUC issued D.20-07-004 which approved, with modifications, the Track 1 Work Plans filed by the five utility pole owners. The decision required that each of the five pole owners must incorporate data glossaries with consistent meanings into their respective data portals. The decision also ordered that the five utilities 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.
- On September 14, the five utility pole owners filed their Track 1 Work Plans to demonstrate compliance with the modifications set forth in D.20-07-004.

The CPUC is in the process of gathering the necessary information to develop a Track 2 decision for this proceeding. As part of that process, the CPUC is committed to ensuring that relevant infrastructure data is shared quickly and efficiently among parties to minimize unnecessary delay, promote competition, and improve adherence to and oversight of safety requirements. Track 2 also requests comments on proposed additional requirements for pole attachments.

Undergrounding Electric 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. Phase I of the proceeding is focused on identifying and evaluating various potential near-term improvements to the program and associated tariffs. The CPUC issued a staff proposal on multiple program reform options designed to improve program equity, efficiency, and effectiveness. In March, staff conducted a public workshop to discuss the staff proposal and reform concepts and hear feedback. Multiple rounds of public comments were accepted throughout the year to ensure broad participation from affected communities and stakeholders.

Cybersecurity Coordination

The CPUC responded to a Notice of Inquiry from the Federal Energy Regulatory Committee (FERC) to review and comment on current Critical Infrastructure Protection Reliability Standards, U.S. Government Accountability Office inquiries regarding distribution-level cybersecurity, and graduate student research assistance request to help improve cybersecurity of small utilities. Additionally, the CPUC's Safety Policy Division continues to work closely with and support the California Cyber Security Integration Center efforts to address critical cyber vulnerabilities across the state.

Appeal of Resource Adequacy Citation E-4195-0052

The CPUC issued Resolution ALJ-382 in K.19-03-024, denying San Jose Clean Energy's appeal of citation E-4195-0052 in the amount of $6,791,155.40 for failure to meet its 2019 year-ahead Resource Adequacy obligations. ALJ-382 reaffirmed that load-serving entities are not excused from providing service due to market conditions.

Workshops Held by the CPUC's Utility Enforcement Branch

- Disconnection Citation Program (Resolution UEB-006): Utility Enforcement Branch (UEB) held a workshop in August to discuss the proposed scope of the Disconnection Citation Program pursuant to D.20-06-003.
- Net Energy Metering Citation Program (Resolution UEB-004): UEB held a workshop in September to discuss and address issues related to the proposed Net Energy Meter (NEM) citation program. Resolution UEB-004 seeks the adoption of a NEM citation program to enforce compliance with the consumer protection measures authorized by the CPUC in D.16-01-044, D.18-09-044 and D.20-02-011.

Public Utility Regulatory Policies Act Implementation

The CPUC opened R.18-07-017 to address a federal district court finding that the CPUC's previous Public Utility Regulatory Policies Act (PURPA) implementation did not provide the full suite of pricing options for Qualifying Facilities as required by the regulation. Under that rulemaking, the CPUC adopted a new standard offer contract for Qualifying Facilities 20 megawatts or less, pursuant to PURPA. Consistent with the Act, the newly adopted contract includes prices for capacity and energy, determined either at the time of contract execution or the time of product delivery; the decision also includes an as-available energy price to be paid at the time of delivery where a Qualifying Facility has opted to sell energy to the utility without a contract. The CPUC extended the statutory deadline of R.18-07-017 to January 25, 2021.

COMMUNICATIONS

COMMUNICATIONS CONSUMER PROGRAMS

California LifeLine

The California LifeLine Program was adopted to ensure that high quality basic communications services remain affordable for low-income Californians. The CPUC continues to evolve the program by incorporating new technologies, innovative pilot programs, and other changes needed to address the changing federal policy landscape.

In its ongoing efforts to improve access to phone service, especially during the COVID-19 pandemic, the CPUC suspended renewals and usage program requirements for March 2020 through February 2021 (D.20-05-043 and subsequent rulings). This allowed program participants to continue receiving subsidies during the pandemic and wildfires that have adversely affected California. At the same time, the CPUC took steps to increase access to affordable broadband to meet LifeLine participants needs in distance learning, remote working, telehealth, etc. The CPUC recently adopted D.20-10-006 that reformed the program to ensure that low-income households have access to affordable broadband.

California High Cost Fund-A and 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 13 eligible small independent telephone companies to allow rural residents to stay connected to essential services to maintain public safety and public health. The CHCF-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, Verizon Inc., Frontier Communication, and Cox Communications.

In August, the CPUC issued D.20-08-011 allowing conditions for wireline competition in small local exchange carrier services territories. D.20-08-011 opens the service territories of the 13 Small Local Exchange Carriers (LECs) to wireline competition from Competitive Local Exchange Carriers (CLECs) as required by Section 253(a) of the Telecommunications Act of 1996.

Deaf and Disabled Telecommunications Program

The CPUC continued its outreach, making over 350 on-site and virtual presentations throughout the state to help provide communications devices and services to deaf, hard of hearing, and individuals with disabilities. The Deaf and Disabled Telecommunications Program (DDTP) added 9,000 new consumers, despite COVID-19 and the continuing decline in the use of landlines upon which much of the program is based. The 13 contact and distribution centers continued to be operational, but only appointment-based visits were available, emphasizing social distancing. Customer home visits were limited to outdoor deliveries, with technical assistance provided through communications outreach.

Bring Your Own Device mobile training for those with disabilities emphasized distance training for this year after the start of COVID-19. The CPUC provided training for those with disabilities on their mobile devices and the understanding of their device's standard applications and accessibility features. The DDTP continued to provide iPhone and Android training virtually, serving over 3,400 individuals through community-based organizations.

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. CTF also expanded its eligible services to include mobile broadband services, discontinued support for voice services, created a new claim form, and has begun a three-year recertification of more than 12,000 CTF participants pursuant to D.15-07-007 and adopted further changes to eligibility for CBOs to ensure that they provide services directly to their community.

In response to the novel COVID-19 pandemic, the CTF program coordinated with the California Department of Education to meet the needs of students and schools by providing a 50% discount on the monthly recurring service charge for mobile data services that allow schools to extend the classroom to the home. This resulted in over 104,000 hotspot devices being approved for 407 school districts.

California Advanced Services Fund

Since the inception of the California Advanced Services Fund (CASF) program, the CPUC has approved 846 projects in excess of $341.2 million dedicated to deployment and adoption of broadband service in unserved communities.

In August 2020, the CPUC issued a decision that made slight modifications to the CASF program guidance. The decision assigned to and authorized CPUC staff the responsibility and tasks of setting additional application windows for the Broadband Infrastructure Grant Account, authorized CPUC staff to utilize state operations funds to provide technical assistance to Tribes, and slightly modified the eligibility criteria for the Broadband Public Housing Account. This decision also closed the 2012 rulemaking (R.12-10-12) while the CPUC concurrently opened a new rulemaking for future development of CASF policy and guidance in a separate order.

In early January 2021, the Commission approved a decision establishing a process 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.

The CPUC held application solicitations for the Adoption Account in January and July, 2020, and warded a total of 60 grants for $5,145,786 in 2020. The CPUC held a new application solicitation in June 2020 for the Broadband Urban and Rural Consortia Grant Account and approved 2 grants totaling $900,000. The CPUC adopted Resolution T-17684 for the Broadband Public Housing Account to award 3 grants for $143,049 and also solicited applications in July, September, and October 2020.

On August 11, 2020, the CPUC issued D.20-08-005 which implemented programmatic changes to the Public Housing Account rules and guidelines set forth in D.18-06-032. D.20-08-005 also authorized the CPUC to implement the Tribal Technical Assistance program to make grants for technical assistance to tribes to identify options to improve internet and communications systems on tribal lands.

In further support of remote learning needs during the pandemic, the CPUC adopted Resolution T-17697 which authorized the CASF Adoption Account to award up to $5 million to public schools and school districts represented by their "local education agency" (LEAs) in response to the COVID-19 public health emergency, and to work with California Department of Education to determine the specific LEA needs for funding allocation. That money went to pay for 8,885 computing devices and 633 hotspots for 9 school districts thus far. Additional reporting is expected from more school districts later in 2021.

COMMUNICATIONS REGULATORY PROGRAMS

T-Mobile/Sprint Merger

In 2018, T-Mobile and the Sprint Communications Company filed a joint application to merge, which required applicants to prove the merger would be in the public interest. Following approval of the merger by the FCC, a settlement with the California Attorney

General's office and a consent decree in a federal court case brought by the U.S. Department of Justice and many states, including California (each of which included structural and behavioral requirements), the CPUC issued D.20-04-008 on April 16, 2020, approving the merger with conditions. The CPUC's conditions were necessary for the merger to provide public interest benefits, and included the requirement to provide low-income offerings, to create 1,000 new jobs in the state, to deploy fast 5G service to 99% of California's population by the end of 2026 and to provide a fixed internet broadband service to compete with those offered by current providers such as telephone and cable companies. An interim requirement calls for 86% of the population having access to broadband service with downstream speeds of 100 megabits per second by year-end 2023. On May 7, 2020, Sprint and T-Mobile filed a rehearing request for D.20-04-008. On June 28, 2020, Sprint and T-Mobile filed a Petition for Modification of D.20-04-008. On August 6, 2020, the CPUC issued D.20-08-022 modifying D.20-04-008 and denying the rehearing request. On November 11, 2020, the CPUC issued its final decision (D. 20-11-025) granting in part T-Mobile's Petition for Modification. In D.20-11-025 the CPUC agreed that the deadline for achieving the 300 Mbps service targets will be year-end 2026, rather than 2024; however, the CPUC denied T-Mobile's request to remove the CalSPEED testing requirements and the requirement to add 1,000 net jobs in California between April 1, 2020 and December 31, 2026.

Frontier Transfer of Control

On May 22, 2020, Frontier Communications Corporation and its California local exchange and long-distance subsidiaries filed an application to transfer the control of these companies (Frontier). Frontier has filed for Chapter 11 bankruptcy, which proposes to reorganize its corporate structure among other things. California law requires the CPUC to weigh in on situations when there may be a transfer or encumbrance of utility property. The CPUC opened a proceeding, A.20-05-010, to review Frontier's application and decide whether to reject or approve it. The proceeding is ongoing, and a proposed decision should be released in the first half of 2021.

Problems Resulting From Transition of Customer Accounts and Assets From Verizon California, Inc. to Frontier Communications Corporation

The CPUC initiated an investigation (I.19-12-009) into the operations, practices, and conduct of Frontier Communications Corporation, Frontier Communications of America, Inc., and Frontier California, Inc. to determine whether Frontier violated the laws, rules, and regulations of California through service outages and interruptions and disclosing and publishing customer addresses. CPED and Frontier filed a joint motion for adoption of a settlement agreement that requires Frontier to invest $2.1 million in its network and make a payment of $400,000 to the State of California General Fund.

Cox California Telecom, LLC Surcharge

The CPUC adopted D.20-07-013 dismissing with prejudice Cox California Telecom, LLC's (Cox) application requesting that the CPUC not require Cox to pay disputed surcharge amounts related to directory assistance revenues. Cox had previously paid the disputed amount of $303,182 under protest and sought reimbursement from the CPUC. CPED protested the application and requested that the CPUC reject Cox's argument and deny reimbursement of the disputed amount.

Cox California Telecom Settlement Agreement: Resolution UEB-005

The CPUC adopted Resolution UEB-005 approving the settlement agreement between CPED and Cox California Telecom, LLC (Cox). Cox will make a contribution in the amount of $350,000 to its Connect2Compete program in full settlement of CPED's investigation into Cox's billing practices for its failure to include the appropriate telephone number of the CPUC's Consumer Affairs Branch on certain bills during the time period of January 2015 to January 2018.

Consumer Protections in Response to the COVID-19 Pandemic

In response to Governor Gavin Newsom's declaration of a state of emergency and issuance of executive orders due to the novel coronavirus pandemic, the CPUC issued a resolution (M-4842) that retroactively applies emergency customer protection measures through April 16, 2021, with an option to extend this date. Additionally, the CPUC approved Resolution M-4848 at the December 17, 2020, voting meeting which imposes a moratorium on disconnection for non-payment of telephone service for 90 days with the option to extend the moratorium another 90 days due to the COVID-19 pandemic.

Service Quality

In May, the CPUC adopted Resolution T-17694 penalizing five telephone corporations a combined total of $140,976. The CPUC penalized these utilities for substandard performance regarding the service quality measures established in General Order 133-D. The majority (89%) of this penalty is attributable to Frontier Communications Corporation's subsidiaries.

In August, AT&T California was fined $3.75 million in violation of the CPUC's Rule 1.1, General Order 96-B, and D.19-08-025. On August 27, 2020, D.20-08-037 ordered AT&T to submit tariffs for Next Generation 9-1-1 service and pay the fine within 30 days after the issuance of the decision.

Communications Network Infrastructure Resiliency Strategies

In July 2020, the CPUC adopted D.20-07-011, requiring resiliency strategies for wireless service providers with facilities located in Tier 2 and 3 high-fire threat districts. The main strategies include:

- Implement back-up power duration of 72 hours;
- Build and maintain redundant communication networks;
- Harden communication networks to withstand damage;
- Use temporary facilities (e.g., mobile cell sites, mobile satellite, microwave backhaul, etc.) to restore damaged or destroyed services and facilities;

- Establish processes for communicating with first responders, other public utilities, the CPUC, and general public; and,
- Establish preparedness planning for employees and ensure sufficient staffing levels.

Service providers must use these strategies to help ensure: access to 911 and 211 services, the ability to receive emergency alerts and notifications, and access to basic internet browsing in order to ensure minimum levels of service coverage during major outage events. The CPUC adopted Resolution T-17706, establishing a template for wireless providers to use when submitting their resiliency plans. The CPUC is also considering resiliency strategies for wireline service providers.

BROADBAND

Broadband Deployment

On August 14, 2020, Governor Newsom issued Executive Order N-73-201 directing state agencies to bridge the digital divide and ordering 15 specific actions to increase access to broadband in the areas of mapping and data, funding, deployment, and adoption.

In September 2020, the CPUC opened a new Order Instituting Rulemaking to consider the strategic direction and changes necessary to expeditiously deploy reliable, fast, and affordable broadband internet access services to all Californians. The core purpose of this rulemaking is to accelerate the deployment of and access to quality, affordable internet for all Californians. This proceeding will explore short and medium-term actions in order to achieve this goal.

WATER

Public Safety and Policy Related Actions

In response to Governor Newsom's Executive Order N-28-20, the CPUC executive director wrote a letter to the Class A water utilities, followed up by CPUC Resolution M-4842, directing water utilities to implement emergency customer protections to support customers affected by the COVID-19 state of emergency. Water utilities were directed to file advice letters to report compliance with the implementation of the mandated customer protections. Utilities were required to extend protections to customers affected by the COVID-19 pandemic, particularly the suspension of disconnections of delinquent accounts and to provide reasonable payment options.

Acquisitions and Consolidations

In August, the CPUC approved the acquisition of Live Oak Springs Water Company by the County of San Diego in Resolution W-5227.

The CPUC terminated I.18-07-007 in August of the San Jose Water Company merger with

Connecticut Water Service Company, Inc. (CWSI). In D.20-08-036, the CPUC dismissed its own motion and closed the proceeding. In October 2019, SJW Group, the parent of San Jose Water Company, completed its acquisition of CWSI. The CPUC concluded that the transaction had a negligible effect on the ratepayers of San Jose Water Company.

Major General Rate Case Decisions Involving Water Utility Companies

- In August, the CPUC adopted new rates for the San Gabriel Valley Water Company GRC in D.20-08-006 in A.19-01-001.
- In August, the CPUC adopted new rates for the customers of Del Oro Water Company's 20 service districts in Resolution W-5229.
- In September, the CPUC adopted new rates for Liberty Utilities (Park Water Company and Apple Valley Ranchos Water Company) GRCs in D.20-09-019 in A.18-01-002 and A.18-01-003.
- In December, the CPUC adopted D.20-12-007 in A.18-07-001, resulting in revised rates for customers in the 21 service districts of California Water Service Company.

Major Policy Decisions Involving Water Utility Companies

In July, in D.20-07-032, the CPUC adopted metrics and methodologies for assessing the relative affordability of utility service as part of the ongoing R.18-07-006. In that decision, the CPUC determined that the definition of essential water service be set at 600 cubic feet per household per month. In the next phase of this proceeding, the CPUC will begin implementing the metrics.

In August, the CPUC determined in D.20-08-047 that the WRAMs of the water utility companies were ineffective in their primary goal of water conservation. Therefore, in their next GRC applications, the companies with full WRAMs are required to propose to convert them to the more limited "Monterey-Style" revenue adjustment mechanisms. This decision comes in ongoing R.17-06-024, in which the CPUC began a new phase related to issues of the effects on water customers of the COVID-19 virus.

Water Affordability and Rate Assistance

The CPUC evaluated the 2010 Water Action Plan objectives concerning low-income customers, including low-income rate assistance programs (LIRA) of Class A water utilities in R.17-06-024. R.17-06-024 includes within its scope examination of forecasting, rate design, consolidation of at-risk water systems, reporting mechanisms, and baseline quantity amounts for basic human needs. On August 27, 2020, the CPUC concluded phase I of R.17-06-024 by adopting D.20-08-047. The decision enhances sales forecasting in all future GRCs for Class A water utilities, orders Class A water utilities to analyze the appropriate baseline amount of water for basic human needs for each of its ratemaking areas, redirects all water utilities currently using a WRAM/Modified Cost Balancing Accounts mechanism to account for lost sales revenues to use a "Monterey-Style" revenue adjustment mechanisms in their next GRCs, and standardizes the nomenclature for Class A LIRA programs to "Customer Assistance Programs."

In June 2020, the CPUC initiated phase II of R.17-06-024 to consider potential responses to COVID-19 consumer protections. The Class A water utilities represent approximately 96-97% of all CPUC regulated water services. The CPUC estimates that about 250,000 customers (21% of Class A Water Utility residential customers) are now enrolled in LIRA (as of Oct 2020). This enrollment growth is largely attributed to the data-exchanges between energy utilities in March and July, the moratorium on disconnections, and the hold on recertifications. In October 2020, the CPUC held a workshop co-hosted with the California State Water Resources Control Board (SWRCB) to investigate the effects of the COVID-19 pandemic on Commission regulated water utilities SWRCB-regulated water systems and to discuss possible future policies. A proposed decision is expected in the first quarter of 2021.

Class A Water Utilities General Rate Cases

In August, the CPUC issued D.20-08-006 in A.19-01-001 of the San Gabriel Valley Water Company to approve a settlement, authorize a new revenue requirement, and adopt new rates.

The CPUC issued D.20-09-019 in the General Rate Case (GRC) applications of Liberty Utilities companies (Apple Valley Ranchos Water Company and Park Water Company), A.18-01-002 and A.18-01-003. The decision authorized rate changes for both companies.

In December, the CPUC approved a partial settlement of California Water Service Company's GRC application for increased rates, authorizing a 7.6% increase for 2020, a 4.4% increase on Jan. 1, 2021, and 4.4% on Jan. 1, 2022.

San Jose Water Company Billing Practices

The CPUC issued D.20-02-050, approving the settlement agreement between San Jose Water Company (SJWC) and CPED that ordered customer refunds of more than $1,757,237.99 in proration refunds to customers. The one-time credit to customers currently on the Water Rate Assistance Program will be increased to $25 for each customer, resulting in an additional credit of approximately $350,000. SJWC will also invest $5 million in capital investments in its public water system, to be funded by shareholders, and SJWC will not earn any return on this investment, nor will it be allowed to recover depreciation from ratepayers over the life of the investment. I.18-09-003 closed with the issuance of D.20-02-050.

RAIL

The CPUC's Annual Railroad Safety Report to the California State Legislature details more than 4,358 inspections performed by CPUC Railroad Operations and Safety Branch staff on the freight and commuter railroads in FY 2019/2020, and identifies more than 11,839 defects. That separate report describes activities in depth and is available on the CPUC website.

The CPUC opened 21 new rail safety proceedings. All of the proceedings sought approval of railroad crossings, and many addressed rail crossings for the California High Speed Rail Authority (largely in Kings County) and light rail extension projects in metropolitan areas, such as Los Angeles.

Pavement Marking Project

The CPUC and the California Department of Transportation (Caltrans) presented a non-transit project proposal to the Federal Highway Administration (FHWA) for the use of red dynamic envelope pavement markings, that help roadway users identify and keep clear of rail crossings. The FHWA did not approve the request, and on December 4, 2019, the FHWA issued Interim Approval 22 for Optimal Use of Red Colored Pavement for Transit Lanes only. The FHWA will monitor the effectiveness of the red pavement markings for transit systems before consideration of other uses. In 2020, the CPUC continued efforts to bring this project to fruition in coordination with lawmakers and other stakeholders.

Railroad Preemption

Caltrans published a railroad preemption policy in 2020. Railroad preemption refers to the safety-critical operation of traffic signals near rail crossings when a train is approaching. The policy resulted from years of coordination between the CPUC, Caltrans, local road agencies, consultants, and it implements major recommendations from CPUC staff. The CPUC staff reviewed design details of 50 proposed rail crossing modification projects and updated a detailed list of approximately 120 state highway intersections with railroad preemption.

Autonomous Vehicles

The CPUC reviewed and researched federal and state regulations related to autonomous vehicles (AV) and their safety impact for at-grade highway-rail crossings. The CPUC staff worked with both Caltrans and the California Department of Motor Vehicles as policies and guidelines developed. The CPUC also participated in virtual conferences to receive updates on the technology, new regulations, and guidelines that will impact operations on California roads.

STOP/YIELD Signs Project

All passive rail crossings (locations without automatic warning devices such as bells, flashing light signals and/or gates) are required to be equipped with a railroad crossbuck sign and either a "STOP" or a "YIELD" sign. A "YIELD" sign is the default requirement, while "STOP" signs are only installed if certain conditions are met. The use of "STOP" or "YIELD" signage in addition to the railroad crossbuck more clearly informs roadway users whether to be prepared to yield or stop for approaching trains. The CPUC staff previously completed an independent engineering review of each passive crossing location. The CPUC staff conducted field reviews with each responsive roadway agency (city, county, and/or Caltrans) at locations where analysis indicated a "STOP" sign, or other improvements, may be more appropriate than the default "YIELD" sign.

Field Inventory of Rail Crossings Contract

The CPUC managed the consultant contract to conduct field inventory of 551 rail crossings to update the CPUC baseline data information. The CPUC prepared the request for Field Inventory of Rail Crossings Contract phase III.

High Speed Rail Project

The CPUC staff continued to work on the High-Speed Rail Project (HSR). The California High Speed Rail Authority (CHSRA) is responsible for planning, designing, building, and operation of the system. The CPUC staff reviewed and filed responses on seven formal HSR applications filed with the CPUC for rail crossings, which are included in the count of RSD formal proceedings. The seven formal HSR applications included 15 new rail crossings. The CPUC has approved two additional HSR rail crossings through the CPUC General Order 88-B process.

XpressWest High Speed Rail

XpressWest began filing formal applications on their high-speed passenger rail project. The CPUC staff reviewed and commented on the applications submitted to the CPUC. This project will provide passenger rail service between Apple Valley in San Bernardino County and Las Vegas, Nevada, with speeds of up to 200 miles per hour. This new rail line will be fully energized with electricity along the 170-mile corridor, primarily running in the median of the Interstate 15 freeway. The project involves 40 new grade-separated rail crossings, which will require formal applications to the CPUC.

Federal Transit Administration State Safety Oversight Grant

The CPUC executed its sixth annual grant award from the Federal Transit Administration, bringing the total of FTA grant awards to over $23.8 million. The grant bolsters the safety assurance directive by providing an alternative to using California state funds.

Public Transit Agency Safety Plans for Federal Transit Administration Jurisdictional Rail Transit Agencies

As required by Code of Federal Regulations, Title 49, Part 673, CPUC staff reviewed and approved the Public Transit Agency Safety Plans (PTASP) for six out of the seven large Rail Transit Agencies (RTAs) that fall under Federal Transit Administration (FTA) jurisdiction (Bay Area Rapid Transit, Los Angeles County Metropolitan Transportation Authority, North County Transit District, Sacramento Regional Transit District, San Diego Trolley Inc., San Francisco Municipal Transportation Agency, and Santa Clara Valley Transportation Authority). There is an outstanding issue with the North County Transit District's PTASP, and CPUC staff is working with them on resolution. RTAs would have been subject to FTA and CPUC enforcement action if they had failed to acquire the required approval from CPUC by July 20, 2020. Due to the COVID-19 public health emergency, on April 22, 2020, the FTA issued a notice stating until December 31, 2020, it will refrain from taking enforcement action against RTAs that fail to comply with these requirements. On December 11, 2020, FTA issued another notice stating "… This Notice supersedes FTA's Notice of Enforcement Discretion dated April 22, 2020, and will remain in effect through July 20, 2021."

Triennial Safety and Security Reviews

The 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 public health emergency in 2020, the CPUC issued Resolution ST-241 granting the RSD director authority for the next 24 months to adjust the triennial review schedule. RSD staff postponed all 2020 comprehensive triennial reviews of RTAs under Resolution ST-214 due to the COVID-19 public health emergency. Currently, RTSB is finalizing the reports for triennial reviews that were performed in prior years for the Los Angeles County Metropolitan Transportation Agency, Oakland Airport Connector Automated People Mover (APM), Sacramento County Department of Airport APM, San Francisco International Airport AirTrain APM, San Francisco Municipal Transportation Agency, and North County Transit District.

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 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 17, 2020, BART representative provided an updated presentation to the CPUC on their activities to comply with the requirements of the CPUC decision in this matter. The RTSB must submit a CPUC staff report in 2021 on BART's compliance with the CPUC decision and improvements to BART's safety culture.

TRANSPORTATION

Transportation Network Company Accessibility Program

The CPUC continued to implement SB 1376 (Hill, 2018) to increase on-demand wheelchair accessible transportation. As part of the implementation of SB 1376, D.20-07-003 established the rules and requirements for the offset eligibility and exemption eligibility process, and the disbursement of funds for the Transportation Network Company (TNC) Access for All Fund. It also established the advice letter process as the appropriate avenue to request and approve offsets and exemptions.

CPUC started the engagement process with local and regional transit planning agencies to discuss the process of Access Fund moneys to be received by local Access Fund Administrators to set up local wheelchair accessible vehicle programs and distribute money to access providers. The proposed decision for Track 3 issues is expected in the first quarter of 2021.

Autonomous Vehicle Program

D.20-11-046 created autonomous vehicle (AV) deployment programs that allow companies to charge money for rides in AVs. Companies in the program must hold an AV deployment permit from the California Department of Motor Vehicles, submit a detailed plan to ensure passenger safety during autonomous rides, and quarterly reports that include detailed information about their operations.

Transportation Data

CPUC adopted D.20-03-014, eliminating the presumption of confidentiality for information in the TNCs' annual reports. TNCs who wish to seek confidentiality in their annual reports are now required to serve a motion 90 days before the annual reports are due under the procedures defined in General Order 66-D and D.20-03-014.

TNC data was analyzed and used to support CPUC actions in R.12-12-011 on data confidentiality and in R.19-02-012 to support certain program requirements related to wheelchair accessible vehicle trip response times.

LAX Transportation Enforcement Program

TEB continues to work jointly with Los Angeles International Airport (LAX) Ground Transportation Unit and LAX Police Department (LAXPD) to address violations by regulated passenger carrier vehicles. LAXPD issued 55 citations and impounded 48 vehicles. CPED enforcement staff settled 34 of the citations and impounds by civil compromise.

Transportation Enforcement Branch Surveillance Activities during COVID-19

TEB enforcement staff conducted surveillance field activities throughout Southern California, including airports, transit centers, and the Hollywood entertainment district. The main purpose of these activities was to monitor passenger carrier activities for compliance and to observe whether drivers of these vehicles were complying with face covering and social distancing orders.

Transportation Carrier Call Center Opened for Calls

Beginning February 12, 2020, CPUC's Transportation Licensing team expanded its availability for questions regarding pending applications, equipment updates, or general questions by establishing a new Transportation Carrier Call Center: 1-800-877-8867. Dedicated staff are available to answer calls on Monday, Wednesday, and Fridays from 1 – 3 p.m., and will follow up on voice messages left outside of those hours. In addition, Licensing staff can be reached via email at: licensing@cpuc.ca.gov.

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.

As a result of litigation efforts at the FERC, the CPUC settled four electric transmission rate cases. If the FERC ultimately approves the settlement reached with PG&E, the CPUC will have saved California electric ratepayers over $338 million in 2020 alone and nearly $2.2 billion in the rate case years 2018-2023. The CPUC continues to litigate for even greater savings through refunds in still-unresolved 2017-2019 FERC rate cases.

2020 HIGHLIGHTS

- The CPUC engaged in four rate cases of California utilities and competitive transmission owners. Each of the rate cases were or are in various stages of litigation.
- In March, the FERC approved the settlement resolving SDG&E's Fifth Transmission Owner Rate Case. The CPUC and other parties reached settlement with SDG&E in late 2019; the settlement will save ratepayers an estimated $193 million for rate years 2019-2023.
- In June, the CPUC, together with the California Attorney General, CARB and the CEC, joined a coalition of state public utilities commissions and attorneys general to successfully challenge a broad attack on state net metering programs, including California's Net Energy Metering program and California Solar Initiative.
- In August, the FERC approved a partial settlement in PG&E's 20th Transmission Owner Rate Case. The CPUC and other parties reached settlement with PG&E on March 2020 and created a new Stakeholder Transmission Asset Review process, under which stakeholders may participate in a transparent review of PG&E's Five-Year Investment Plan for transmission projects and expenditures.
- In September, the FERC approved the settlement resolving SCE's 2019A Transmission Owner Rate Case. The CPUC and other parties reached settlement with SCE in the summer of 2020; the settlement will save ratepayers an estimated $214 million for the rate

years 2018-2023 and creates the Stakeholder Review Process, whereby stakeholders can participate in a transparent transmission planning process.

- In October, the CPUC and other parties reached a settlement with Trans Bay Cable LLC on their 2019 Transmission Owner Rate Case. The settlement is presently under the FERC's consideration. If adopted without changes, the settlement could save ratepayers $81 million for rate years 2020-2023.

2020 Ongoing Activities

- 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 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 FERC issued new rules under the Public Utility Regulatory Policies Act of 1978 (PURPA). The CPUC prevailed in a challenge to states' authority to have multi-tier rates and programs under PURPA.
- 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.
- In late 2019, the CPUC protested North Baja Pipeline, LLC's North Baja Xpress Project and the proposed expansion of natural gas diversions for LNG exports. 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 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 2020 addressed the following issues, among others:

- 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 (DDTP);
- FCC Rural Digital Opportunity Fund intended to award billions of dollars for broadband deployment in unserved areas;
- Proposed mergers between communications service providers, including the recently

approved merger between T-Mobile and Sprint, and the announced merger between Verizon and TracFone;

- FCC data collection pertaining to the deployment of broadband service across the country;
- 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 national communications network; and,
- Many other proposed rules that affect California.

FEDERAL LITIGATION

In 2019, the CPUC challenged the Federal Railroad Administration's preemption of California statutes prescribing train crew staffing safety standards, in favor of a federal regulation that mandates an absence of safety requirements on train crew staffing levels. The case is still pending a final ruling from the U.S. Court of Appeals for the Ninth Circuit.

In 2020, the CPUC litigated 21 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 is evaluating next steps, including whether to challenge the new order.
- Defending the CPUC's adoption of a non-bypassable charge to implement Assembly Bill 1054 (Holden, 2019).
- The propriety of a federal criminal court's deferring to the state to regulate PG&E's risk of causing wildfires, in lieu of the federal court's adjudication of wildfire mitigation.
- Achieving a transparent stakeholder process to review utilities' transmission asset planning and expenditures through settlements of rate cases at the FERC, and thereby possibly resolving pending federal appeals under the FERC's Order 890.
- Advocated for the best interests of Californians and ratepayers in U.S. Bankruptcy Court proceedings, which led to PG&E's successful reorganization and emergence from Chapter 11 bankruptcy.

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

- Defend against a challenge to Assembly Bill 1054 (Holden, 2019) and an attempt to nullify it.
- Defend California's renewable generation procurement and rooftop solar programs.
- Challenge 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.
- Challenge FERC's adoption of a revised method to calculate compensation for resources procured through CAISO's backstop capacity procurement mechanism.
- Uphold the CPUC's transportation network company program that licenses such transportation options as Uber and Lyft.
- Defend California's Prepaid Mobile Telephony Services Surcharge Act, Assembly Bill 1717 (Perea, 2014).

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

- Ensure fair application of rules to balance the interests of ratepayers and contributors to the California High Cost Fund-A.
- Eliminate fraud in carrier subsidies from the Universal LifeLine Telephone Service Fund.
- Ensure communications carriers file certain contracts with the CPUC in compliance with their tariffs, General Order 96-B, and Public Utilities Code Sections 489 and 532.
- Ensure nondiscriminatory rates for residential customers of master-metered mobile home parks.
- Defend the CPUC's tariffed rate notice requirements contained in General Order 96-B.

Although several matters are still pending in court, the state appellate attorneys have successfully defended the CPUC in all six of the cases that have been decided in 2020.

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 a year. Most of these challenges 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 litigated eleven court challenges. Most notably, the team successfully:

- Defended a challenge to the Court of Appeal's summary denial in the California Supreme Court. Velocity filed a petition for writ of review of D.18-06-036 and D.19-06-039 alleging that the CPUC erred when it failed to consider new evidence. In D.19-06-039, the CPUC clarified why it looked to the Rules of Practice and Procedure (specifically Rule 13.14(a)) for guidance in this informal proceeding regarding the submission of evidence and the closing of the evidentiary record. On January 9, 2020, the Court of Appeal issued a summary denial of the writ petition and on March 25, 2020, the California Supreme Court denied the petition for review.
- Defended a challenge in the California Court of Appeal, of D.18-10-019 that revised the Power Charge Indifference Adjustment (PCIA) methodology which is used to ensure that when electric utility customers depart utility service, those customers remain responsible for costs previously incurred on their behalf

as required by statute. In D.18-10-019, the CPUC had balanced the interests of both utility customers and departing customers, ensuring that bundled utility customers did not experience any cost increases as a result of retail customers electing to receive service from other providers, and that customers who depart for another provider did not experience any cost increases as a result of an allocation of costs that were not incurred on their behalf. The Court summarily denied the challenge on August 4, 2020.

- Defended the CPUC's imposition of a $7,626,000 penalty on Rasier-CA (Uber) for failing to comply with information filing requirements. The CPUC had imposed those requirements when it assumed jurisdiction over transportation network companies in 2013. Raiser-CA challenged D.16-01-014 and D.19-08-040, the enforcement decisions imposing the penalty, in the California Court of Appeal. The Court summarily denied Raiser-CA's challenge on February 21, 2020.
- Defended the CPUC's decision denying the County of Orange's request for a refund from SCE for charges associated with standby electricity in the event that the County lost power. The CPUC found that the County knowingly agreed to the standby amount and that the County was in the best position to determine the amount of electricity necessary to meet its standby needs. The County challenged D.19-02-014 and D.20-01-028 in the California Court of Appeal. The Court summarily denied the challenge on February 21, 2020.
- Defended a challenge to Resolution E-4881 and D.19-08-014 in the California Court of Appeal. In Resolution E-4981 the CPUC approved a 4-year, 11-month power purchase contract between SDG&E and Otay Mesa Energy Center, LLC. Protect Our Communities Foundation challenged the CPUC's determinations alleging due process and General Order 96-B violations. The Court summarily denied the challenge on February 7, 2020.
- Defended a challenge by Bay Area Rapid Transit to the CPUC's jurisdiction to impose penalties and probation for multiple rail transit safety violations. The Court summarily denied the challenge on December 10, 2020.

Informing and Engaging California Consumers

The CPUC assists customers with utility complaints and provides information and assistance to the public, 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.

Despite the pandemic, the CPUC's Business Community Outreach team continued to connect with the communities it serves, engaging in more than 700 meetings and 1,000 events with local officials and community stakeholders, with 39% of meetings and 45% of events focused on disadvantaged communities. The team also conducted extensive tribal engagement to improve broadband, helping to facilitate 35 California tribal governments in applying for free broadband spectrum under the Federal Communications Commission's 2.5 GHz Rural Tribal Priority Window. The CPUC's Tribal Technical Assistance Program is making $5 million available to tribes to pursue improved communications on tribal lands.

The year also saw the CPUC's General Order (GO) 156 Supplier Diversity program grow to more than $12.66 billion in utility spending with diverse companies, which equates to 33.18% utility spending with diverse suppliers. At the CPUC's annual GO 156 Supplier Diversity en banc, more than 520 attendees joined to examine the supplier diversity programs of the state's regulated utilities and hear from community-based organizations, diverse suppliers, and executive leaders on the progress of GO 156. Further, to execute Senate Bill 255 (Bradford, 2019), the CPUC convened two workshops with Community Choice Aggregators on supplier diversity program implementation and reporting requirements. The CPUC also held a successful virtual Small Business Expo with more than 970 registered attendees.

Two major initiatives of the CPUC's Public Advisor team in 2020 were undertaken to increase public participation through clearer materials and an easier and more transparent way to comment on CPUC proceedings.

First, the Public Advisor team worked with internal and external partners to spearhead the rewriting and design of utility customer notices (also called bill inserts) to enhance customer notifications and education about utility issues and public hearings. This work resulted in customer notices that are easier to understand and more visually appealing. Each year, the Public Advisor team reviews for clarity and accuracy more than 200 customer notices concerning water, communications, and energy utilities.

Second, continuing the CPUC's commitment to increase transparency and accessibility, the Public Advisor team worked with internal partners to create an online portal for the public

to submit comments on CPUC matters, as well as review the comments of others. Members of the public could already make their voices heard at the CPUC in a variety of ways, such as emailing or mailing comments to the CPUC, speaking at a CPUC voting meeting, or attending public hearings and workshops. With the release of the new online comment feature, members of the public can now read comments submitted to the CPUC, and can submit their comments directly through a proceeding's docket card at www.cpuc.ca.gov/Docket. The docket card shows all documents related to a specific proceeding underway at the CPUC, such as a proceeding evaluating a utility's request for a rate change. This additional way to provide comment to the CPUC increases transparency and accessibility by making it easier for the public to provide their comments and allowing others to see the comments.

The Public Advisor team also assisted in the planning and facilitation of events to inform and educate the public and receive feedback in 2020. Of the 23 events assisted, 11 were virtual meetings where the public participated remotely due to the Governor's Executive Order to shelter in place due to COVID-19. The team 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 11 Public Participation Hearings which were held virtually received 2,487 attendees and 168 speakers in total.

In 2020, the Public Advisor team received more than 20,000 comments and inquiries from the public. The top five proceedings commented on were related to COVID-19 (M-4842), Southern California Gas Company's Aliso Canyon Natural Gas Storage Facility (I.17-02-002), PG&E's bankruptcy (I.19-09-016), Integrated Distributed Energy Resources (R.14-10-003), and Transportation Network Companies (R.12-12-011).

ASSISTING CONSUMERS WITH UTILITY COMPLAINTS

The CPUC's Consumer Affairs Branch (CAB) directly assisted Californians by handling more than 16,000 consumer cases that were submitted via phone calls and written correspondence received online or by U.S. mail. CAB's work in 2020 resulted in more than $1.4 million in refunds to consumers.

2020 Annual Summary of Contacts From Consumers

Communications	Energy	Water	Other**	Total
7,468	6,540	1,568	558	16,134

** Non-regulated complaints

Total Refunds From Consumer Complaints Submitted to CAB

Communications	Energy	Water	Total
$ 561,358.87	$ 820,115.66	$ 19,366.77	$1,400,841.30

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 allow 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 2020, TEAM and CHANGES educated 32,300 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 $100,000 in refunds to consumers from utilities.

CAB strives to provide the best experience possible for consumers, and in 2020 it established a Quality Assurance Unit that will improve the quality and speed of service.

Legislation Implemented in 2020

Bill: SB 998 (Dodd, 2018) the Water Shutoff Protection Act (WSPA)

MANDATE: Requires written policy on discontinuation of water service to certain types of residences for nonpayment available in prescribed languages and other requirements.

ACTIONS: The CPUC's Water Division implemented SB 998, the WSPA, by updating the water utilities' tariff rules for service disconnections. The WSPA applied to utilities with over 200 service connections. The new tariff rules became effective in February 2020.

Bill: SB 1376 (Hill, 2019) Transportation Network Company Accessibility Program

MANDATE: SB 1376 (Hill, 2018) was passed in September 2018 and directed the CPUC to establish a program relating to accessibility for persons with disabilities, including wheelchair users who need a wheelchair-accessible vehicle (WAV).

ACTIONS: In March 2020, CPUC issued D.20-03-007 establishing the rules and requirements for the offset eligibility process, and the disbursement of moneys in the Transportation Network Company (TNC) Access for All Fund to access providers.

CPED continued to implement SB 1376 throughout 2020.

Bill: SB 1014 (Skinner, 2018) TNC Greenhouse Gas Emissions

MANDATE: SB 1014 (California Clean Miles Standard and Incentive Program) was passed in September 2018 and seeks to lower greenhouse gas (GHG) emissions in the transportation sector from TNCs.

ACTIONS: The California Air Resources Board (CARB) established a baseline in 2020 for GHG emissions from TNCs on a per-passenger-mile basis and the CPUC will implement targets and goals that reduce emissions, based on the established baseline, beginning in 2023.

CPUC is working with CARB to develop regulatory language to implement SB 1014's GHG emissions reduction targets.

Bill: AB 82 (Budget Committee, 2020)

MANDATE: Deleted an existing law that required that a grant from the California Advanced Services Fund (CASF) Broadband Infrastructure Grant Account not include funding for costs of broadband infrastructure already funded by the federal Connect America Fund program or other similar federal public program. This will allow the CPUC to collaborate with federal agencies on increasing financial investment in unserved areas with funding sources such as the FCC's Rural Digital Opportunity Fund. The CPUC is proposing how to use state CASF grants to leverage federal funding.

ACTIONS: The CPUC released a draft decision, to be considered for vote in early 2021, to establish a process to use CASF to leverage up to $2 billion in FCC funding in the Rural Digital Opportunity Fund (RDOF) phase I auction. The CASF funds would be awarded to auction winners in the amount of 10% to 20% of the Auction 904 reserve price for a given census block.

In addition, the CPUC approved approximately $35 million in grant funding for 15 projects to build high-speed broadband internet infrastructure to serve areas of California that are not eligible for federal funding (Rural Digital Opportunity Fund).

Developing Clean Energy Resources

BILL: SB 350 (de León, 2015)

MANDATE: Established an Integrated Resource Planning process, increased the Renewables Portfolio Standard (RPS) requirement to 50% by 2030, requires the development of targets and goals that achieve a doubling of energy efficiency captured savings in buildings by 2030 and promotes electric investor-owned utility (IOU) investment in transportation electrification infrastructure.

ACTIONS: The CPUC developed a public tracking tool (located at cpuc.ca.gov/sb350/) to report key CPUC accomplishments in implementing SB 350 through 2019. The CPUC continues to implement many aspects of SB 350, including the adoption of an optimal portfolio of resources to guide load-serving entities (LSEs) in their planning and evaluation of LSE plans to achieve their share of a diverse and balanced portfolio of resources needed to achieve reduced emissions while maintaining electric reliability and affordability. The CPUC also continues to support electric IOU programs to accelerate transportation electrification, including oversight of programs to support medium- and heavy-duty vehicle electrification, pilots to test new transportation electrification technologies, and oversight and approval of programs to support passenger vehicle electrification. Finally, the CPUC continues its effort to double energy efficiency in buildings and expanding opportunities for energy efficiency market transformation programs.

The CPUC adopted a new Market Transformation Framework in December of 2019, which establishes guidelines and funding for a new portfolio of market transformation initiatives. The newly authorized portfolio will be developed and managed by an independent statewide administrator. The CPUC is working with California Energy Commission (CEC) and California Air Resources Board (CARB) program administrators and public interest groups to implement a solicitation for the new market transformation administrator. It is expected the new administrator will be in place and operational by the third quarter of 2021.

BILL: SB 100 (de León, 2018)

MANDATE: Increased the RPS to 60% by 2030, set a goal for 100% of California's electricity to come from renewable and zero carbon resources by 2045, and requires the CPUC, CEC, and CARB to issue a joint report on SB 100 policy to the Legislature by January 1, 2021, and every four years thereafter.

ACTIONS: The CPUC collaborated with the CEC and CARB as part of the joint-agency team to complete the 2021 SB 100 Joint-Agency Report (SB 100 Report). As such, the CPUC worked with its sister agencies to model resources that might be needed by 2045 to achieve SB 100, contributed to authorship of the SB 100 Report, and participated in multiple public workshops related to SB 100 modeling and the draft report.

BILL: SB 155 (Bradford, 2019)

MANDATE: Requires the CPUC to review each annual RPS compliance report filed by a retail seller, to notify a retail seller if the CPUC has determined, based upon its review, that the retail seller may be at risk of not satisfying the renewable procurement requirements for the then-current or future compliance period, and to provide recommendations in that circumstance regarding satisfying those requirements.

ACTIONS: The CPUC reviewed retail sellers' 2019 RPS Compliance Reports and provided notices to retail sellers that were at-risk of not meeting RPS requirements for the 2017-2020 and 2021-2024 compliance periods. Recommendations for actions to take to meet future RPS requirements were also included in the notices.

Improving Electric Distribution System Planning

BILL: AB 327 (Perea, 2013)

MANDATE: Amongst its many provisions, requires electrical IOUs to file Distributed Energy Resources Plans (DRPs) for approval by the CPUC.

ACTIONS: The CPUC continued to work in R.14-08-013 to implement the Distribution Investment Deferral Framework. The CPUC continued to work in R.14-10-003 to implement the Competitive Solicitation Framework pilot, issued a staff proposal on alternative distributed energy resources (DER) sourcing mechanisms, and adopted a societal cost test for informational purposes to be used in the Integrated Resource Plans in D.19-05-019.

BILL: SB 1371 (Leno, 2014) Mitigating Gas Leaks and Reducing Short-Lived Climate Pollutants

MANDATE: Requires the CPUC to adopt rules and procedures governing the operation, maintenance, repair, and replacement of gas pipeline facilities to minimize leaks, and reduce emissions of methane gas, a short-lived climate pollutant, from those facilities to the maximum extent feasible.

ACTIONS: The CPUC adopted D.19-08-020 in R.15-01-008 to reduce methane gas leakage, adding a restriction on rate recovery beginning in 2025 for methane emissions greater than 20% below the 2015 baseline levels for PG&E and SoCalGas to ensure that expenditures authorized to implement their Compliance Plans achieve their intended methane emissions. CPUC staff worked with the California Air Resources Board (CARB) to analyze 2019 utility and independent storage providers emission inventory filings and produced the Joint Annual Report in collaboration with CARB. Staff has reviewed the biennial compliance plans and related advice letters for SoCalGas and SDG&E, and resolutions are pending CPUC approval.

Improving Safety of the Aliso Canyon Natural Gas Storage Facility

BILL: SB 380 (Pavley, 2016)

MANDATE: Required the CPUC to consider the feasibility of minimizing or eliminating use of the Aliso Canyon natural gas storage facility located in the County of Los Angeles while still maintaining energy reliability for the region, and to consult with specified entities in making its determination.

ACTIONS: The CPUC presented the results of modeling conducted to determine the feasibility of minimizing or eliminating Aliso Canyon during a series of workshops in phase II of the proceeding. Additionally, in response to Governor Newsom's November 18, 2019, letter to the CPUC, a third-party independent expert was selected to identify possible alternatives to the facility and scenarios to inform a path to closure in phase III of the proceeding. The consultant held a workshop in mid-November to explain their analytical plan to stakeholders. The CPUC issued a proposed decision to keep the Aliso Canyon inventory at 34 billion cubic feet in the interim period between the date the statute expires and the issuance of a decision in phase II of the proceeding. The CPUC also has several initiatives in place or underway aimed at reducing demand for natural gas, including the building decarbonization proceeding (R.19-01-011), gas-to-electric appliance fuel substitution supported by energy efficiency funds, and the San Joaquin Valley pilots to provide heat pumps and other technologies to residents of 11 disadvantaged communities in the Central Valley who lack access to natural gas (R.15-03-010).

Accelerating the Deployment of Distributed Energy Resources

BILL: AB 841 (Ting, 2020)

MANDATE: Requires the CPUC to develop the School Energy Efficiency Stimulus Program through the electric and gas IOU energy efficiency portfolio budgets, count funding towards the utilities' solicitation requirements, and deem expenditures as cost-effective.

ACTIONS: In early October 2020, the CPUC issued a ruling seeking stakeholder input on questions related to the effective and efficient implementation of this bill's requirements. The CPUC issued a proposed decision in December providing direction to the investor-owned utility on implementation of this bill to ensure consistency and facilitate the successful completion of the bill's deadlines.

BILL: SB 1339 (Stern, 2018)

MANDATE: Directs the CPUC to take a number of specific actions to facilitate the commercialization of microgrids without shifting costs between ratepayers and placing the highest priority on system, public, and worker safety.

ACTIONS: In June 2020, the CPUC issued D.20-06-017 which fulfilled a subset of this bill's requirements, including facilitating permitting of microgrids and removing barriers to microgrid deployment. In July 2020, CPUC issued a staff proposal for fulfilling the remaining requirements of this bill. Staff proposed various changes to the electric IOUs tariffs, including Rule 2, Rule 18, and a new microgrid rate schedule; an incentive program to facilitate the commercialization of community microgrids; a process for exploring novel approaches to low-cost disconnection methods; and an approach for adopting direct current metering standards. The CPUC also launched a new working group to explore additional policy issues related to microgrids, including tariffs, grid integration protocols, and the value of resiliency.

Reducing the Risk of Utility-Caused Wildfires

BILL: AB 1054 (Holden, 2019)

MANDATE: Among many items related to wildfires and safety, this bill established a Wildfire Fund to pay eligible claims to victims of wildfires caused by utility infrastructure. This bill also requires the CPUC to exclude, in aggregate for the three large electric IOUs, the first $5 billion of Wildfire Mitigation Plan (WMP) capital expenditures from equity rate base, thereby reducing rates and saving ratepayers money.

ACTIONS: D.19-10-056 authorized the formation of the Wildfire Fund with an annual revenue requirement, while leaving the details of the implementation to be determined in 2020, such as the start date and actual customer charge amount needed to fund the adopted revenue requirement. In 2020, under R.19-07-017 the CPUC worked to calculate and adopt a non-bypassable customer charge to support the Wildfire Fund that was implemented October 1, 2020, effective through December 31, 2020, as specified in D.20-09-023.

In addition, under R.19-07-017 the CPUC worked to calculate and adopt a fixed non-bypassable charge to support the Wildfire Fund for calendar year 2021, with a decision expected by the end of the year.

In order to ensure a seamless transition for customers from the existing Department of Water Resources (DWR) bond charge to the newly implemented Wildfire Fund charge facilitated by D.20-09-023, in 2020 the CPUC worked to facilitate the orderly cessation of the existing DWR bond charge effective September 30, 2020, as described in D.20-09-005.

In 2020, the CPUC also worked to implement the cost saving requirements of this bill regarding removal of wildfire capital expenditures from electric IOU rate base cost savings through the following processes:

- SDG&E: Filed Advice Letter 3488-E and supplements resulting in Resolution E-5071 approved on August 27, 2020. Adopted ratepayer savings are $28.6 million between 2020-2022. SDG&E plans to file an application in 2021 to finance these capital expenditures with securitized debt pursuant to Sec. 8386.3(e) of the California Public Utilities Code.
- PG&E: Equity rate base exclusion implemented as part of a settlement in GRC A.18-12-009. Ratepayer savings are $184 million from 2020-2022 approved as part of a settlement agreement. PG&E plans to file an application in 2021 to finance these WMP capital expenditures with securitized debt.
- SCE: Filed A.20-07-008 to securitize the first $326 million of SCE's $1.575 billion share of excluded WMP capital expenditures. The estimated ratepayer savings is $173.5 million on a present value basis. A PD is expected to be voted on in November. SCE plans to file additional applications in 2021 to securitize the remaining excluded WMP capital expenditures. Among other items, the decision authorizes:
    - » A CPUC Financing Order that allows SCE to issue $337 million in securitized debt funded by a Fixed Recovery Charge.
    - » A CPUC Finance Team to oversee the details of the SCE debt issuance in order to ensure optimal financing terms.
    - » A requirement for future requests for securitization to be made through an application instead of a Tier 3 Advice Letter as requested by SCE.

Electrifying Transportation

BILL: SB 676 (Bradford, 2019)

MANDATE: Requires all electric IOU Transportation Electrification (TE) programs to maximize achievable vehicle-grid integration (VGI) benefits by 2030, and directs the CPUC to issue guidance on VGI strategies and metrics no later than December 31, 2020.

ACTION: To begin implementing this bill, the CPUC developed a draft Transportation Electrification Framework (TEF), which was released in February 2020 and included recommendations on VGI implementation. The CPUC issued a supplemental VGI Staff Paper in August 2020, requesting additional stakeholder feedback. The CPUC issued a decision in December 2020 regarding VGI implementation strategies and quantifiable metrics that meet the criteria of SB 676.

BILL: SB 1000 (Lara, 2018)

MANDATE: Requires the CPUC to consider, within an existing proceeding, facilitating the development of technologies that promote grid integration, including residential submetering; exploring policies that support the development of technologies and rate strategies that can reduce the effects of demand charges on electric vehicle (EV) drivers and fleets; and adopting a tariff specific to heavy-duty EV fleets or electric trucks and buses that encourages the use of charging stations when there is excess grid capacity.

ACTION: Regarding submetering, the CPUC directed the electric IOUs to commence work on drafting a Plug-In Electric Vehicle Submetering Protocol that they must submit by December 2020. A proposed decision on submetering is expected in 2021.

Regarding rates and demand charges, the CPUC oversaw the implementation of a new PG&E commercial EV rate, which was approved at the end of 2019 via D.19-10-055. This new rate is designed to offer PG&E's commercial and industrial customers—a group that includes transit fleet operators, owners of electric delivery trucks, and providers of public charging stations—the option to enroll in a subscription-based rate plan. This new rate eliminates demand charges and instead implements a subscription model similar to a cell phone bill, with time-of-use (TOU) volumetric energy charges that encourage customers to charge off-peak. Customers can "buy" a block of capacity that should meet their highest demand and then manage charging to not surpass it. The subscription charge is designed to replace demand charges and is paired with a TOU volumetric energy rate that offers lower prices for off-peak charging.

Within the decision authorizing PG&E to implement this commercial EV rate, the CPUC also directed PG&E to file an application for a dynamic rate option for these customers no later than 12 months after that decision became effective. PG&E filed an application for a new dynamic rate option in October 2020, and the CPUC is now considering that proposal.

The CPUC also approved a decision in April 2020 that authorized SDG&E to implement an interim rate waiver for its TOU-M rate. This decision allows SDG&E to offer its TOU-M rate to those that are adopting EVs or installing public EV charging stations. Without this stipulation, the TOU-M rate would be limited to customers under 40kW, and thus would not allow for these types of customers. The CPUC issued this decision as an interim solution while it reviewed SDG&E's application for an EV-specific commercial rate. In December, the CPUC issued a decision authorizing SDG&E to implement its new High-Powered EV Charging Rate for commercial and industrial customers. This is a similar rate to the one the CPUC authorized PG&E to implement.

BILL: AB 1082 and AB 1083 (Burke, 2017)

MANDATE: Encouraged the electric IOUs, by July 30, 2018, to file applications with the CPUC for pilot proposals for the installation of electric vehicle charging at school facilities, other educational institutions, state parks and state beaches.

ACTION: The CPUC oversaw the implementation of eight pilot programs that the CPUC approved at the end of 2019 via D.19-11-017. PG&E, SDG&E, SCE, and Liberty Utilities are all implementing two pilots each—one to support schools and one to support parks and beaches. The four utilities will spend a combined $55 million to install up to 800 charging ports. Between 25 and 100% of the ports will be located at schools and parks in disadvantaged communities, depending on the pilot.

Decarbonizing Buildings

BILL: SB 1477 (Stern, 2018)

MANDATE: Requires the CPUC to develop a statewide market transformation initiative to transform the state's market for low-emission space and water heating equipment for new and existing buildings, and to develop an incentive program to fund near-zero emission technology for new buildings.

ACTION: In March of 2020, the CPUC adopted D.20-03-027, creating two new pilot programs: the Building Initiative for Low-Emissions Development (BUILD) Program and the Technology and Equipment for Clean Heating (TECH) Initiative. Both pilot programs are in the implementation process and are expected to be fully operational in 2021.

BILL: SB 1013 (Lara, 2018)

MANDATE: Among its many provisions, this legislation requires the CPUC to integrate low global-warming potential refrigerants into the CPUC's energy efficiency programs.

ACTIONS: The CPUC developed a staff proposal with several steps for integrating refrigerants into its Avoided Cost Calculator, its Potentials & Goals study for energy savings, and new business plans that the state's electric and gas IOUs are scheduled to develop when planning their energy efficiency portfolios. The CPUC also proposed a working group of stakeholders to consider new incentives in the energy efficiency portfolio that could encourage adoption of particularly low global-warming potential refrigerants.

Gas Safety

BILL: SB 865 (Hill, 2020)

MANDATE: Changed the Dig Safe Act of 2016 (Act) to require mapping new subsurface installations using a geographic information systems (GIS); requires an excavator to notify the Regional Notification Center (RNC) within 48 hours of discovering or causing damage. The bill ends preventative education and outreach program provisions, and instead, requires the Dig Safe Board to give minor violators of the Act the option of completing an educational course in lieu of paying a fine.

ACTIONS: SED provided comments on amendments and edits to the draft legislation to clarify provisions in the bill.

Work Plan for 2021

WILDFIRE SAFETY

In 2021, the WSD's work plan includes the following key activities pursuant to AB 1054 (Holden, 2019):

- Evaluating electrical corporations' 2021 Wildfire Mitigation Plan (WMP) submissions per Public Utilities Code 8386.3(a);
- Conducting the inaugural, annual WSD safety culture assessment on each electrical corporation per Public Utilities Code 8389(d)(4);
- Reviewing electrical corporations' applications for requested safety certifications per Public Utilities Code 8389(f)(2);
- Publishing a list of Independent Evaluators by March 1, 2021 per Public Utilities Code 8386.3(c)(2)(A); and,
- Conducting wildfire safety compliance assurance activities, including field inspections and audits on electrical corporations' implementation of approved WMPs.

Legislated Transition

Pursuant to AB 111 (Committee on Budget, 2019), the WSD will transition from the CPUC into the Office of Energy Infrastructure Safety (OEIS) under the California Natural Resources Agency (CNRA) by July 1, 2021. The division has initiated transition activities with CNRA and is on track to successfully transition all WSD people, processes, and tools into OEIS by July 1, 2021.

Emergency Disaster Relief

Building upon the CPUC's groundbreaking efforts through D.20-07-011, this rulemaking will issue a decision creating new resiliency regulations over California's facilities-based wireline providers.

Public Safety Power Shutoffs

In 2021, the CPUC will address notification and communication during and after Public Safety Power Shutoff (PSPS) events, notifications and identification of access and functional needs populations, mitigation during and after PSPS events, and transmission level de-energization as part of R.18-12-005. The proceeding will also implement requirements of SB 560 (McGuire, 2019).

The CPUC will further consider refinements to the PSPS guidelines in 2021 to protect the public interest and safety.

PSPS Order Instituting Investigation

Following the publication of the Safety and Enforcement Division report in June 2020 and subsequent party comments to that report in I.19-11-013, SED continued to work with the CPUC on the OII. Moving into 2021, SED will continue its advisory role in the proceeding to finalize the OII.

PG&E Cost Recovery

In 2021, the CPUC will review PG&E's 2018 vegetation management costs with an independent auditor.

Investigation Into PG&E Electrical Facilities and 2017 Wildfires

The CPUC will continue implementation following its investigation (I.19-06-015) on the maintenance, operations, and practices of PG&E with respect to its electric facilities, and whether the CPUC should impose penalties for the role that the utility's electric facilities had in igniting fires in its service territory in 2017. Following a final decision (D.20-05-019) approving the settlement agreement between SED, PG&E, Coalition of California Utility Employees, and the Office of Safety Advocates (now Safety Policy Division (SPD)) in May 2020, SED began working with PG&E and SPD to implement the provisions of the settlement agreement. Moving into 2021, SED will continue its work with SPD to review and select a consultant to perform a Root Cause Analysis for each of the wildfires and monitor PG&E's progress on meeting the requirements of the settlement agreement.

ENERGY

UTILITY SAFETY RELATED ISSUES

Aliso Canyon Gas Reliability Investigation

In 2021, the CPUC will consider the reports on the economic, production cost, and hydraulic modeling completed by staff in 2020. This modeling was conducted for phase II of the proceeding (I.17-02-002) to evaluate the impact on rates and reliability of reducing or eliminating the use of the Aliso Canyon Natural Gas Facility given current system rules and infrastructure. The CPUC will issue a decision in phase II in the first half of 2021. Additionally, in response to the Governor's request in November 2019 that the CPUC expedite phase IV of the proceeding, the CPUC hired a third-party independent expert to help identify possible changes to the current rules and infrastructure that would allow Aliso Canyon to be closed while still maintaining reliability and just and reasonable rates. FTI Consulting was hired to do the analysis and will present its draft report in summer 2021. A decision in phase III of the proceeding is expected by the end of 2021.

Aliso Canyon Investigation

During 2021, the CPUC will continue I.19-06-016 regarding SoCalGas' operations and practices with respect to the 2015-16 natural gas leak at its Aliso Canyon facility. In phase I, the CPUC will consider whether SoCalGas violated applicable California laws and regulations with respect to the uncontrolled release of gas from Aliso Canyon and SoCalGas' associated maintenance, operation, and recordkeeping practices for Aliso Canyon. Phase II will consider appropriate remedies for any violations.

Natural Gas Leak Abatement Program

The CPUC will continue to perform ongoing administration of the Natural Gas Leak Abatement Program through review and approval of utility annual reports and biennial compliance plans. CPUC staff performs bi-annual reviews of ongoing R&D programs related to gas leak abatement. Successful projects are expected to become incremental leak abatement measures in future compliance plans. In addition, CPUC staff will continue working with CARB to complete the analysis of the annual emissions report filings and annual report in support of R.15-01-008, the Natural Gas Leak Abatement proceeding that has been closed since the CPUC approved the phase II decision in August 2019. The 2021 annual report will consider any adjustments necessary to update the baseline tracking figure. The annual report of emissions inventory for California utilities and independent storage providers is designed to track emissions, and trend results to identify the largest sources of emissions that can be cost effectively mitigated to meet stated goals. The annual reporting process includes identifying improvements and updates to the annual reporting templates as well as potential changes to the reporting requirements. The focus is on developing improvements to measurement methods such as updating Emissions Factors used for quantifying emissions.

Summer 2021 Reliability Rulemaking

In December 2020, the CPUC launched a new rulemaking (R.20-11-003) to ensure reliable electric service in the event that an extreme heat storm occurs in the summer of 2021. The rulemaking will implement changes to existing processes, programs, and rules for demand response, resource adequacy, and other initiatives to increase supply and decrease demand during the peak hours of demand or net demand peak hours in the summer of 2021 if needed.

Renewables Portfolio Standard

In 2021, the CPUC will continue to closely monitor the procurement activities of all retail sellers to track their progress toward achieving the increased Renewables Portfolio Standard requirement established by Senate Bill (SB) 100 (De Leon, 2018). Consistent with prior years, retail sellers will be required to file annual procurement plans. The CPUC will continue efforts to align integrated resource planning with load-serving entities' renewable portfolio compliance planning. The CPUC is expected to issue a decision on annual RPS procurement plans in early 2021, which will also address improved coordination with the Integrated Resource Planning proceeding in accordance with SB 350 (de León, 2015).

Enforcement of RPS requirements and penalties will also continue. The CPUC will also continue to notify retail sellers of potential noncompliance risk per SB 155 (Bradford, 2019).

SB 100 Joint Agency Report

The CPUC will coordinate policy, planning, and procurement efforts with sister agencies and stakeholders to ensure that efforts to achieve 100% renewable and zero-carbon electricity by 2045 are aligned strategically with efforts to achieve economy-wide carbon neutrality by 2045 and that these efforts maintain electric grid affordability and reliability. To that end, the CPUC, CEC, and CARB will issue a joint report on SB 100 (de León, 2018) policy to the Legislature by January 1, 2021.

Integrated Resource Plans

Wrapping up the second cycle of Integrated Resource Plans (IRP), the CPUC will conduct modeling and analysis to adopt a final set of optimized resources to guide procurement by 2030 so that California can meet its electric sector greenhouse gas goals while maintaining reliability at least cost. The portfolio will be developed based on aggregated electricity resources included in the individual IRPs submitted by CPUC-jurisdictional LSEs on September 1, 2020, and supplemental feasibility, reliability, cost, and emissions analysis by staff. The main IRP work will be analyzing the aggregated LSE IRPs to determine a resource portfolio that balances environmental, reliability, and cost needs. The proceeding has a near-term focus on the capacity needed to replace the Diablo Canyon power plant. The CPUC will also transmit portfolios for analysis in the CAISO's Transmission Planning Process to examine the transmission planning that might be needed to support robust clean energy growth, and will monitor compliance with the 2019 procurement order (D.19-11-016) that required LSEs to collectively procure 3,300 MW of new reliability resources between 2021 and 2023. Furthermore, in response to the recent CAISO rotating outage events and other anticipated reliability needs, the CPUC may order additional reliability-based procurement for new resources in 2021 to provide more capacity and grid services during future high-load events.

Distributed Resource Plans

Distributed Resource plans (DRPs) identify optimal locations for the deployment of distributed energy resources (DER), including distributed renewable generation resources, energy efficiency, energy storage, electric vehicles, and demand response technologies. R.14-10-003 was initiated to comply with Public Utilities Code Section 769 regarding the development and approval of DER plans. In 2021, the CPUC will consider the staff proposal on DER tariffs. The CPUC will also consider updates for how utilities compare the costs of distributed resources with major infrastructure investments in distribution and transmission in R.14-10-083 and conduct procurement solicitations for cost-effective DERs as alternatives to traditional utility infrastructure investments. In the related Integrated Distributed Energy Resource Rulemaking (R.14-10-003) the CPUC will reach a decision on whether to launch a pilot for streamlined sourcing mechanisms for DER procurement including behind-the-meter DER tariffs. The CPUC may update the DER Action Plan to create a version 2.0.

Net Energy Metering

R.20-08-020 revisits the Net Energy Metering tariffs, which concern the CPUC's policies for distributed energy resources. On August 27, 2020, an Order Instituting Rulemaking was approved by the CPUC. Per a scoping memo and schedule that were issued on November 19, 2020, the CPUC will consider guiding principles for the successor tariff in an early 2021 proposed decision. An evaluation of the NEM 2 tariff by Verdant Associates and a white paper on the successor tariff by E3 will be released in January 2021 with a proposed decision on the tariff expected by late 2021.

Evaluation of Energy Storage Procurement Program

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 AB 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, integrated renewable energy, and grid optimization. The findings of the study will guide future energy storage policy and procurement.

Undergrounding

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. A CPUC staff proposal for program reform is under evaluation and the CPUC will issue a decision on the reform proposal by April 2021.

Physical Security of Electrical Supply Facilities

In R.15-06-009, the CPUC will establish standards for emergency preparedness plans for electrical corporations and water companies regulated by the CPUC in accordance with Assembly Bill 1650 (Portantino, 2012). D.19-01-018, the phase I decision of R.15-06-009, adopted rules to address physical security threats and risks to the electric corporation's distribution systems, making California the first state in the nation to adopt rules to guard its electric distribution grid against terrorist attack. In 2020, the CPUC implemented the Interim Trial Procedures, and SED and SPD staff jointly reviewed the IOUs' confidential Preliminary Assessments that provided an overview of threat and risk assessments to IOU infrastructure and identified critical distribution assets. In 2021, after a third-party physical security expert has reviewed, the IOUs will submit their mitigation plans for these critical distribution assets to the CPUC as part of their final Physical Security Plans.

The CPUC is also expected to issue a final decision in phase II of R.15-06-009 to revise General Order 166 standards for the emergency preparedness plans for electrical corporations and water companies in accordance with Assembly Bill 1650.

PG&E Safety Reporting Mobile App

CPUC staff will monitor PG&E's efforts to devise an intensive public-education program, plan a rigorous future evaluation phase, and adhere to quarterly progress-reporting requirements.

Interconnecting Distributed Energy Resources

In 2021, the CPUC will put D.20-09-035 into effect, issue a decision addressing Working Group 4 proposals, and continue to provide forums for dispute resolution and interconnection best practices. R.17-07-007, which refines Rule 21, will open a second phase dedicated to ratemaking to assess revenue requirement impacts.

Recent improvements in inverter technologies will be operationalized to maximize renewable energy generation and resiliency while ensuring safety.

Demand Response

The CPUC-contracted independent consultant (Nexant, Inc.) will conduct its evaluation of the Demand Response (DR) Auction Mechanism (DRAM) pilot's performance in 2020 and 2021 and submit its evaluation report in the fourth quarter of 2021. CPUC staff will hold workshops in 2021 to discuss further refinements to DRAM per D.10-07-009. The utilities will conduct a new DRAM solicitation in early 2021 to procure DR resources from third parties for delivery in 2022.

The CPUC expects to review settlement data from the August 2020 heat storm to determine whether and what types of additional steps are needed to address concerns, if any, about DR reliability.

Utility Pole Database

The CPUC will use information gathered pursuant to I.17-06-027 and R.17-06-028, which creates a shared database or statewide census of utility poles and conduits in California, to determine whether a downed or damaged pole contributes to fires and to set metrics for tracking purposes. In 2021, 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. SPD will continue to provide technical safety advisory support for Track 2. This proceeding is consolidated with R.17-03-009 that considers how existing rights-of-way rules should be applied to wireless support facilities (lines and antennas).

Advancing Zero Carbon and Resiliency Through Energy Storage

On May 28, 2020, the CPUC opened a new SGIP rulemaking, R.20-05-012, which will consider in 2020 and 2021 revisions to SGIP renewable generation technology program requirements, program requirements for heat pump water heater budgets adopted in D.19-09-027 and D.20-01-021, and other needed refinements.

In A.20-04-013, the CPUC plans to issue a decision in early 2021 regarding PG&E's Local Area Reliability Service for two energy storage systems located in North Oakland intended to provide transmission reliability services.

In 2021, the CPUC will consider the final Assembly Bill (AB) 2514 (Skinner, 2010) energy storage procurement plan applications that provide oversight and guidance to the major electric investor-owned utilities towards the deployment of 1,350 MW of energy storage to be built and operational by 2024.

The CPUC is also considering two additional energy storage programs proposed by SCE for the 2020 application cycle under the authorization provided by AB 2868 (Gatto, 2016).

Clean Energy Financing Rulemaking

This is a newly opened proceeding (R.20-08-022) designed 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.

A proposed decision will be issued in the first half of 2021 to direct near-term administration of future energy efficiency financing programs. The proceeding will consider strategies to streamline financing options to support a range of technologies and eliminate funding silos where feasible.

Energy Efficiency

Due to the unprecedented impacts of the COVID-19 pandemic on the energy efficiency industry, in a July 2020 ruling in R.13-11-005, the CPUC called for all administrators of energy efficiency programs to refile business plan applications in September 2021. In early 2021, the CPUC will provide direction to energy efficiency program administrators for these filings including addressing proposals from parties for improvements to the portfolio and budget approval process as well as updating policies on the setting of energy efficiency potential and program administrator goals. In summer 2021, the CPUC will also adopt new energy efficiency goals for program administrators, including the IOUs. These goals will consider stakeholder concerns related to overall cost effectiveness of energy efficiency portfolios.

In addition to continuing oversight of ratepayer-funded energy efficiency programs, the CPUC plans to address 2021 deadlines as mandated in AB 841 (Ting, 2020) and to implement its staff proposal and strategy for including low global warming potential refrigerants in equipment funded by state energy efficiency programs in accordance with SB 1013 (Lara, 2018). The CPUC plans to use a new rulemaking on financing (R.20-08-022) to advance programs and pilots for making energy efficiency improvements and equipment accessible to a larger portion of Californians and to provide greater equity in those programs. The CPUC will continue to move forward on its Market Transformation framework, including onboarding a statewide administrator and preparing for the review of the first of the programs through this framework.

PG&E Energy Resource Recovery Account Compliance

In the first quarter of 2021 the CPUC will issue a decision resolving the issues regarding PG&E's compliance with its bundled procurement plan, electric Energy Resource Recovery Account (ERRA) entries, Portfolio Allocation Balancing Account entries, contract administration, economic dispatch of electric resources, utility-owned generation fuel procurement, and Diablo Canyon Seismic Studies Balancing Account in 2019.

The CPUC will determine whether the proposed settlement of PG&E's application regarding compliance with its bundled procurement plan and electric ERRA entries, among other matters, is in the public interest.

Energy Savings Assistance and California Alternate Rates for Energy Programs

California Alternate Rates for Energy (CARE) is a low-income energy rate assistance program instituted in 1989, providing a discount on energy rates to low-income households. Energy Savings Assistance (ESA) provides no-cost weatherization services to low-income households who meet the CARE income guidelines. In 2021, the CPUC will decide on the utilities' applications and budgets for the 2021-2026 ESA and CARE programs. The CPUC plans to issue a decision on the utility applications for the 2021-2026 CARE and ESA program cycle, taking into consideration new goals for these programs, innovative program design to provide deeper energy savings as well as health, comfort, and safety to low-income households, and coordination with other programs for assisting and serving customers. The 2022 Low Income Needs Assessment research plan will be released for public comment, followed by the data collection period. The Low Income Oversight Board will also meet quarterly to advise the CPUC on the ESA and CARE programs, as well as the 2022 Low Income Needs Assessment.

Building Decarbonization

In addition to overseeing implementation of both the BUILD Program and TECH Initiative, the CPUC will issue a decision in R.19-01-011 addressing whether or not to adopt a new program that would incentivize all-electric rebuilds for utility customers whose homes were destroyed by a wildfire or other natural disaster. The CPUC will also consider adopting a framework for layering multiple different decarbonization incentives and whether a new bill credit should be introduced for customers installing heat pump water heaters. Additionally, the CPUC will begin looking at ways to complement current appliance standards and new construction requirements in order to encourage greater decarbonization.

Microgrids

In the first quarter of 2021, the Microgrids Rulemaking will initiate Track 3 to review conceptual proposals to lay a foundation for ongoing work related to facilitating the commercialization of microgrids pursuant to SB 1339 (Stern, 2018).

The CPUC will oversee compliance with policies, programs, and rules adopted to facilitate the commercialization of microgrids pursuant to SB 1339 and to mitigate the impacts of PSPS events and other outages.

The CPUC will also continue to explore additional microgrid and resiliency-related policy issues, such as rates and tariffs, the value of resiliency, and grid integration protocols. The rulemaking may also consider a range of other actions to increase resiliency of the electricity system in the short, medium, and long-term.

Cross-Sectional Financing Initiatives

The CPUC launched a new financing proceeding (R.20-08-022) in late 2020 and will build on that launch during 2021 and beyond. CPUC financing programs have historically focused on energy efficiency measures but a central purpose of this proceeding is to enable Californians to access financing across a wide range of technologies and measures without running into institutional silos or limitations. Other central goals of the proceeding are to promote equity by improving access to financing and to help build resiliency in the state such as through greater access to financing for measures that harden the grid or enhance homes or businesses.

Electric Program Investment Charge

In 2020, the CPUC reauthorized the Electric Program Investment Charge (EPIC) research, development, and deployment program for 10 years through 2030. The CPUC expects to issue a proposed decision in R.19-10-005 to address any appropriate administrative and programmatic changes to EPIC for the 2021-2030 program period; this includes consideration of the appropriate administrative structure of EPIC and any key policies the program should align with going forward.

Resource Adequacy

In 2021, the CPUC will continue ensuring that generation sources are developed to support an electricity market that provides reliable, clean, and affordable electricity for customers. This includes exploring further refinements to the central procurement and Maximum Cumulative Capacity frameworks, coordinating closely with integrated resource planning on short-term procurement, and examining the broader Resource Adequacy program structure to protect and enhance electric reliability for Californians. In addition, the CPUC will consider additional actions to ensure a reliable and affordable electric supply for the upcoming summer, including procuring additional supply-side resources and modifying and expanding existing demand response programs to address high load conditions resulting from west-wide heatwaves such as occurred last summer.

Renewable Gas

The CPUC will implement SB 1440 (2018, Hueso), which requires consideration of whether to adopt specific biomethane procurement targets. The CPUC will also continue efforts to explore how to safely inject greater amounts of hydrogen into existing gas pipelines.

Transportation Electrification

The CPUC will implement AB 841 (Ting, 2020), modifying the manner in which utilities recover costs associated with distribution infrastructure on the utility side of the electric meter related to electric vehicle (EV) charging. The CPUC will also establish reporting requirements and data sharing associated with this bill. The bill also requires that the CPUC issue a decision on SDG&E's Application to Extend and Modify The Power Your Drive Pilot by March 1, 2021.

The CPUC will continue to implement SB 676 (Bradford, 2019), which establishes specific criteria intended to advance EV grid integration (VGI) strategies and requires the CPUC to adopt strategies and quantifiable metrics to maximize the use of feasible and cost-effective EV grid integration by January 1, 2030. The CPUC may issue additional directives on VGI related to SB 676 in 2021, and will begin to collect data required by the decision issued at the end of 2020. Finally, the CPUC plans to adopt a Transportation Electrification Framework (TEF) in 2021 in response to the draft TEF Energy Division staff released in February 2020. The TEF, if adopted, would require the IOUs to undertake a planning process to ensure that electric infrastructure will be able to support a massive influx of new EVs and would resolve policy issues previously raised on a case-by-case basis.

Solar Consumer Protections

The CPUC is currently considering a proposal to establish a recovery fund for solar customers who fail to receive financial compensation due to them at the conclusion of a proceeding before the Contractors State License Board. A decision on the recovery fund is expected in early 2021.

The CPUC opened a new proceeding (R.20-08-020) to consider work on this policy issue in 2021. The CPUC will continue to implement AB 1070 (Gonzalez Fletcher, 2017) consumer protection and notifications, and will consider enhanced consumer protection measures for solar net energy metering customers.

Affordable Utility Services Framework

The CPUC is in the process of administering phase II of the Affordability Rulemaking (R.18-07-006), which will take a deeper dive into the implementation and use of the affordability metric tools adopted in the phase I decision in 2020. Specifically, in January 2021, the CPUC will host an informal workshop on forecasting, proxy bills, and other refinements to the metrics and methodology for developing affordability analyses in key CPUC proceedings and reports. Additional workshops will be scoped and facilitated as needed to aid this ongoing implementation process. Separately, a staff proposal and workshop on the development and implementation of rate and bill tracking tools, affordability assessment tools, and other implementation issues will be developed and delivered in May and June 2021, respectively. The CPUC will evaluate comments on this staff proposal in July and August, and a proposed decision for phase II of this rulemaking is anticipated in the fourth quarter of 2021.

Direct Access

During phase II of R.19-03-009, the CPUC will undertake an analysis of the Energy Division's staff proposal and party responses to it. Based on this analysis, the CPUC will provide recommendations to the legislature regarding the schedule to reopen Direct Access to all non-residential customers, pursuant to Senate Bill 237 (Hertzberg, 2018). The recommendations must be consistent with the state's greenhouse gas emissions reduction goals, not increase local air quality conditions, ensure electric system reliability, and not cause cost-shifting.

PG&E Locate and Mark Practices Order Instituting Investigation

On February 20, 2020, the CPUC issued D.20-02-036; it ordered several shareholder-funded gas and electric system enhancement initiatives. SED is working with PG&E to implement the locate and mark settlement approved in the decision. On August 21, SED selected a consultant for the Compliance and Ethics Corrective Action Program Audit. On October 15, SED selected consultants for the Locate and Mark Compliance Audit and Locate and Mark Field Audit. SED will continue to monitor the progress and results of these audits.

Provider of Last Resort

The CPUC will open a rulemaking to implement the provider of last resort (POLR) requirements and framework directed by Sente Bill (SB) 520 (Hertzberg, 2019). Electricity is an essential utility service and the provider of last resort ensures that all retail customers have service. To fulfill this requirement, the provider of last resort 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 Provider of Last Resort was considered to be the electrical corporation in each service territory. SB 520 now allows for other LSEs to be designated as the Provider of Last Resort by the CPUC.

Long-Term Gas Planning Rulemaking

The CPUC will issue a decision in Track 1A and 1B of the proceeding that will determine whether to change the existing natural gas reliability standards and whether gas utilities need new tariffs or rules to mitigate the risks gas supply shortages pose to energy prices. The CPUC will also commence Track 2 in June 2021, which will examine ways to ensure safe, reliable, and affordable energy in a time of declining gas throughput.

Investigation Into Safety Culture of PG&E

The CPUC continues to employ an independent consultant, NorthStar, to monitor and assess the impact of PG&E's corporate governance and overall management system post-bankruptcy towards advancing and achieving safety for the general public, the company's customers and workers. The assessment will also examine the company's implementation of the CPUC recommendations stemming from Safety Culture decisions.

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

The CPUC has engaged the services of an independent consultant to perform a comprehensive assessment of the effectiveness of Southern California Gas Company (SoCalGas) and Sempra Energy's corporate governance and overall management system in advancing and achieving safety for the general public, the company's customers, and workers. The assessment will also examine the company's safeguarding of property, such as utility infrastructure and public and private assets, and the environment. The overall objective is to identify culturally driven behaviors, norms, values, beliefs and understandings that support or detract from the organization's safety performance. The consultant will scrutinize not only SoCalGas' organization but also how the culture of their holding company, Sempra, impacts SoCalGas' safety performance.

A final report will be issued in April 2021 by the consultant. A workshop to discuss its findings may be held.

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 reviewing the current state of cybersecurity efforts by IOUs, participating in electric sector cybersecurity exercises, and collaborating with federal, state, and private partners to foster increased threat intelligence sharing.

California Climate Credit

The CPUC expects to issue a decision in R.20-05-002 addressing the credit methodologies, outreach strategies, and distribution of credits to residential, small business, and industrial customers from Cap-and-Trade funding for the 2021-2030 period. It is estimated that CPUC will direct at least $10 billion in credits to customers through this rulemaking.

Adaptation to Climate Change

In 2021, the CPUC anticipates initiating a phase II of its Climate Change Adaptation proceeding and may issue a decision on climate change adaptation planning and reporting for the other CPUC jurisdictional utilities, including water, communications, and the smaller and multi-jurisdictional energy utilities. More definitive future objectives and schedule for this proceeding will be announced in a future scoping memo to be issued by the assigned Commissioner, at a yet-to-be determined date.

Electric and Gas Rate Proceedings

The CPUC will consider several significant rate cases, including the following:

- SDG&E's application to update its electric marginal costs, revenue allocation and rate designs (GRC phase II) is wrapping up and will conclude by the first quarter of 2021. This proceeding and its forthcoming decision will examine dynamic pricing and real-time pricing options and pilots as well as an evaluation of a new schools-only rate and class proposal.

- SCE will file its application to update its electric marginal costs, revenue allocation and rate designs (GRC phase II) by the second quarter of 2021. Like the SDG&E and PG&E GRCs, SCE's proceeding will take up dynamic and real time pricing design options and an evaluation of their peak hours deadband tolerance methodology, among other basic issues of distributional equity in cost recovery.
- An application of PG&E to adjust its authorized revenues for natural gas and electric service for Test Year 2023 and attrition years 2024-2026 to be filed in June.
- If CPUC does not grant PacifiCorp's pending Petition for Modification of D.20-02-025 for a one-year delay of its next GRC, PacifiCorp will file an application in the spring to adjust its authorized revenues for electric service for Test Year 2023.
- Liberty Utilities (formerly CalPeco Electric) plans to file an application to adjust its authorized revenues for electric service for Test Year 2022 in March.
- The CPUC will issue a decision on SCE's application to increase its authorized revenues for electric service for Test Year 2021 and attrition years 2022-2024 (A.19-08-013).
- Application of West Coast Gas to increase its authorized revenues for natural gas service in 2021 (A.20-09-002).
- The CPUC will take action on the petition by SoCalGas and SDG&E to modify their Test Year 2019 GRC decision, requesting to increase authorized revenues for natural gas and electric service for two additional attrition years 2022 and 2023.

Time of Use Default Rollout

In its second wave of PG&E's Time of Use (TOU) rollout, a larger group default will occur from April 2021 through March 2022 (1.9 million customers defaulting in 2021, 590,000 in 2022). SCE will begin the second wave of its default TOU rollout in August 2021, when it will transition approximately 1 million customers through the end of the year (with another 1.4 million customers being transitioned in 2022). During this transition, both PG&E and SCE will continue to run individual TOU marketing campaign activities in coordination and conjunction with a statewide global marketing program under the Energy Upgrade California campaign.

Power Charge Indifference Adjustment

Staff will continue to work on refining and improving the Power Charge Indifference Adjustment (PCIA) Framework, specifically considering proposals to optimize the IOU's legacy generation portfolios through a combination of cost reduction, sales, and allocations of valuable attributes from those portfolios to CCA and Direct Access customers who pay the PCIA.

PG&E Bankruptcy-Related

The CPUC will set up the Enhanced Oversight and Enforcement Process from ACR Proposals included in the PG&E Bankruptcy Decision (D.20-05-053). The Enhanced Oversight and Enforcement Process (Process) is designed to provide a clear roadmap for how the CPUC will closely monitor PG&E's performance in delivering safe, reliable, affordable, clean energy. In 2021, ED staff will work with SED, SPD, and WSD to establish the review process for the Safety and Operational Metrics which the Process relies on, and otherwise monitoring PG&E's progress with regards to safety or risk-driven investments.

Securitization and Financing Proceedings:

The CPUC will continue work to evaluate PG&E's Stress Test securitization application.

It is expected that pursuant to California Public Utilities Code Section 8386.3(3), all three large electric IOUs, PG&E, SCE and SDG&E, will file applications for financing orders to securitize wildfire mitigation capital expenditures (as allowed by AB 1054 (Holden, 2019)) or under-collections caused by the pandemic (as newly allowed by AB 913 (Calderon, 2020)).

The CPUC will update the AB 1054 Wildfire Fund Charge for calendar year 2022 in R.19-07-017.

During 2021, the CPUC will continue work in R.15-02-012 to refund to ratepayers any excess funds remaining in the DWR Bond Charge and Power Charge accounts.

Rate Case Streamlining

The CPUC will consider implementing proposals to standardize the organization and format of GRC and Risk Assessment Mitigation Phase (RAMP) filings. This effort is part of the update to the CPUC's Rate Case Plan (R.13-11-006) to increase the efficiency of processing GRC applications. The proposals were developed through a series of workshops held in 2020. Proposals under consideration include presentation of bill impacts using a consistent format, displaying revenue requirements in a uniform table, and issuing a common list of data request questions to obtain information from utilities applicable to all GRC proceedings.

PG&E Gas Transmission and Storage Reasonableness Review

In D.19-09-025, the CPUC adopted the revenue requirement and rates for PG&E's gas transmission and storage system for 2019 through 2022. In that decision, the CPUC delayed recovery of certain gas transmission and storage capital expenditures amounting to $512 million incurred in 2011-2014, pending an audit by the CPUC's Safety and Enforcement Division of those expenditures. In 2021, the CPUC will consider A.20-07-020 regarding this $512 million in capital expenditures, which SED has reviewed and certified.

Risk-Based Decision-Making Framework

As part of the Safety Model Assessment Proceeding Order Instituting Rulemaking (R.20-07-013), CPUC staff will continue to provide support to help refine the large energy utilities' risk identification and evaluation methodologies, develop safety performance and operational metrics, and implement a Risk-Based Decision-Making Framework applied to small and multi-jurisdictional utilities. CPUC staff will also provide support to develop a risk tolerance framework.

Safety Model Assessment Proceeding Rulemaking

The Safety Model Assessment Proceeding (SMAP) reviews the models that major energy utilities use to identify, rank, and budget for safety risk mitigations. In April of 2019, the CPUC issued D.19-04-020 adopting 26 safety performance metrics, detailed requirements for utility risk spending accountability reports, and guidelines for smaller utilities. The CPUC opened this successor rulemaking (R.20-007-013 or "SMAP II") to clarify the Risk-Based Decision-Making Framework, harmonize risk assessment, ratemaking and accountability, and refine or adopt safety performance metrics. The CPUC convened working groups and held workshops on these topics starting in December 2020.

SCE Risk Assessment Mitigation Phase

As part of SCE's 2021 GRC (A.19-08-013), the CPUC will assess SCE's Risk Assessment and Mitigation Phase related testimonies and workpapers, the level and amount of safety mitigation planned, and the reasonableness of the proposed spending for safety mitigation programs and activities.

PG&E Risk Assessment and Mitigation Phase

In 2021, the CPUC will consider PG&E's Risk Assessment and Mitigation Phase (RAMP) report (A.20-06-012) filed in May 2020. The report examines the utility's top safety risks and will be discussed by parties and evaluated by the CPUC's Safety Policy Division (SPD) for completeness. After SPD completes its evaluation in early 2021, the RAMP will be integrated into PG&E's Test Year 2023 GRC.

SDG&E and SoCalGas Risk Assessment Mitigation Phase

CPUC staff will assess Sempra's May 2021 Risk Assessment Mitigation Phase (RAMP) filing, including the top safety risks identified by Sempra and consider the associated mitigation plans. 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 will assess how Sempra integrates the developments within the RAMP proceeding and any report recommendations into Sempra's GRC and associated testimony in Sempra's May 15, 2022, GRC filing.

Line 1600 Pipeline Safety Enhancement Program

Line 1600 (L1600), 49.7 miles long, was built in 1949. In December 2012 and December 2015, SDG&E conducted in-line inspection surveys and reported several hook cracks in the long seam. SDG&E's proposal was to replace 37 miles of L1600 in high consequence areas (HCAs) and hydrotest approximately 13 miles of L1600 in non-HCAs.

SED staff continues to review construction records and monitor the progress of the construction.

Gas and Electric Service Disconnections

The CPUC issued D.20-06-003 in R.18-07-005, adopting rules and policy changes to reduce residential customer disconnections for the larger California-jurisdictional energy utilities. On December 17, 2020, the CPUC issued Resolution UEB-006, adopting a citation program to enforce the disconnection rules adopted in the decisions.

The CPUC will determine how to reduce utility disconnections in the short-term as well as develop long-term solutions for reducing the number of disconnections statewide. CPUC will continue to observe IOU exercises and provide feedback to ensure disconnections occur in the safest and most efficient manner for the people of California.

Environmental and Social Justice Action Plan

To ensure that environmental and social justice considerations are embedded in the CPUC's decision-making processes, the CPUC will continue to work towards achieving the goals outlined in the Environmental and Social Justice (ESJ) Action Plan. Examples of priority initiatives include:

- Collaborating with the California Workforce Development Board to ensure CPUC investments and directives lead to the creation of high quality jobs.
- Working with the Administrative Law Judge Division to incorporate ESJ considerations into proceedings.
- Encourage more participation of community-based organizations and environmental justice communities in CPUC proceedings by utilizing a new Docket Card tool for public comments and leveraging updates to Rules of Practice and Procedure that allow public comments to be part of a proceeding record.
- Create an ESJ session in New Employee Orientation to educate incoming CPUC staff about the ESJ Action Plan, as well as resources and tools for staff to utilize to further ESJ goals.

In early 2021, staff will host a virtual workshop to collect feedback and potential new action items to incorporate into a revised ESJ Action Plan. Additionally, a working group of ESJ liaisons representing all CPUC industry divisions will continue to meet monthly to share lessons learned and best practices for incorporating ESJ considerations into programs and policy.

Supplier Diversity Program

Senate Bill (SB) 255 (Bradford, 2019) requires expansion of the CPUC supplier diversity program by lowering the annual revenue threshold for participation from $25 million to $15 million, including electric service providers in the program, and requiring community choice aggregators to report specified information, among other changes. A proceeding to implement SB 255 was opened in 2020, with work ongoing.

COMMUNICATIONS

California LifeLine

As in 2020, the California LifeLine Program will continue to provide discounted phone service to 1.7 million low-income households, oversee the work of the third-party administrator and advise the CPUC on how to address ongoing changes to Federal Lifeline that reduce federal support for California households. A key focus in 2021 will be exploring ways to expand access to affordable broadband offerings to the underserved communities who need access to affordable broadband services. The program will also evaluate and explore ways to increase program awareness and address challenges in the enrollment and renewal process which will improve enrollment and renewal rates.

T-Mobile/Sprint Merger

Pursuant to D.20-04-008, the CPUC has hired a compliance monitor who will review and evaluate information to be submitted by T-Mobile documenting its progress in meeting the CPUC's merger conditions, and recommend penalties the CPUC should impose pursuant to a new citation program in the event of any failure to comply with the conditions. The citation program will be adopted by resolution in the first quarter of 2021. The CPUC, in concert with the compliance monitor will ensure that the company created by the merger between Sprint and T-Mobile will be well-positioned to provide a robust 5G wireless communication service network that can compete with the two larger existing wireless carriers (AT&T and Verizon). A critical part of the acceptance of the merger is the agreement to provide service for California's neediest consumers, by ensuring that T-Mobile continues LifeLine service and enrolls at least 300,000 new LifeLine customers. If not, the CPUC's attorney and the California Attorney General will enforce the CPUC's conditions of approval.

CalSPEED

The State of California FY20-21 budget provided funding for the CPUC to restart and expand CalSPEED, by which the speed and quality of mobile and fixed broadband service delivered to California consumers is measured, analyzed, and mapped. CalSPEED Mobile involves twice-a-year field measurement of LTE and emerging 5G mobile broadband service at 4,000 locations throughout the state, selected to represent urban, rural, and tribal service. CalSPEED Home utilizes in-home devices hosted by volunteers to measure the speed and quality of fixed service. Among CalSPEED's data uses will be validating the quality of broadband service deployed pursuant to state and federal infrastructure grants, helping school districts distribute equipment needed for distance learning, assisting CalOES to monitor the impact of disasters on broadband service and the extent and speed of service restoration, and assessing the deployment of the FirstNet mobile broadband public safety network.

California High Cost Fund-A

The CPUC will issue a decision in R.11-11-007 on broadband revenue imputation and numerous ratemaking issues related to the California High Cost Fund-A subsidies. These decisions will be informed by hearings and comments made on staff's straw proposal.

The CPUC will also evaluate whether a new proceeding focused on altering the California High Cost Fund-A Framework is necessary to reflect competition by CLECs in the service territories of the small LECs.

California Advanced Services Fund

The CPUC initiated a rulemaking to continue modifications to the California Advanced Services Fund (CASF) Program (R.20-08-021). All unresolved matters in the former CASF Order Instituting Rulemaking, R.12-10-012, were transferred to this new rulemaking.

The CPUC will continue to accept Adoption Account applications until all funds have been awarded to facilitate broadband adoption via local governments, senior centers, schools, libraries, nonprofits, and community-based organizations. The CPUC will open new solicitations for the Consortia Account as necessary.

Of the 54 applications received for funding from the Broadband Infrastructure Grant Account, several projects that were not selected in 2020 will be re-evaluated pending completion of the Rural Digital Opportunity Fund Auction 904.

A work plan for 2021 was laid out in the scoping memo issued on October 26, 2020. In addition to making various technical revisions, the proceeding responded to any relevant statewide action and considered whether additional steps can be taken in response to the COVID-19 pandemic.

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 deaf, hard of hearing, and individuals with disabilities. Deaf and Disabled Telecommunications Program (DDTP) will continue to add new consumers, despite COVID-19 and the continuing decline in the use of landlines, upon which much of the program is currently based. The 13 contact centers continue to be operational but operate on an appointment-basis that emphasizes social distancing. Customer home visits are 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. It will focus on standard applications and accessibility features. iPhone and Android training will be provided through primarily video services, promoting training to service center customers, and partnering with 47 community-based organizations.

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.

Communications Network Infrastructure Resiliency Strategies

The Communications Division will determine whether the applicable wireless service providers submitted their Resiliency Plans consistent with the components of the reporting template pursuant to T-17706. In addition, the CPUC will consider network resiliency strategies for wireline providers in early 2021.

Broadband Deployment

In 2021, CPUC will continue to explore short and medium-term actions in order to accelerate the deployment of and access to quality and affordable internet for all Californians.

WATER

Small Water Utility Consolidation

The CPUC will continue to facilitate consolidation of small water utility systems in coordination with the State Water Resources Control Board. Several pending cases may be completed in 2021:

- California-American Water Company is applying to purchase Bellflower Municipal Water System's Assets (A.18-09-013).
- California-American Water Company is applying to purchase the assets of Warring Water Service (A.20-04-017).
- California-American Water Company is applying to purchase the assets of East Pasadena Water Company (A.20-04-003).
- San Gabriel Valley Water Company is applying to purchase the City of Montebello's Water System Assets (A.20-10-004).

Class A Water Utility General Rate Cases

The CPUC continues to review several GRC proceedings of Class A water utility companies. Action is expected in 2021:

- California-American Water Company GRC (A.19-07-004).
- Suburban Water Company GRC (A. 20-03-001).
- Golden State Water Company GRC (A.20-07-012).
- New GRC applications are required to be filed in 2021 by San Jose Water Company, Liberty Utilities (Park Water Company and Apple Valley Ranchos Water Company), California Water Service, and Great Oaks Water Company.

Disaster and Emergency Preparedness

The CPUC is expected to provide a decision in the Disaster and Emergency Preparedness Rulemaking, R.15-06-009, early in 2021.

The CPUC is expected to adopt rules or take other actions in R.18-07-006, to establish a framework and processes for assessing the affordability of utility service.

Water Affordability and Rate Assistance

The CPUC anticipates issuing a proposed decision in early 2021 on water issues for low-income customers, including low-income rate assistance programs of Class A water utilities in R.17-06-024.

RAIL

Rail Crossings Applications

Approximately 21 new rail safety proceedings were opened in 2020. Most of the proceedings sought authorization for new rail crossings for the California High Speed Rail Authority or for light rail system expansions. The CPUC anticipates similar activity for rail safety proceedings in 2021.

General Order 143-B Rulemaking

RSD plans to recommend to the CPUC to initiate an Order Instituting Rulemaking to modify its General Order 143-B, which pertains to the design, construction, operation, and maintenance of rail fixed guideway systems.

Pavement Marking Project

Caltrans and the CPUC will continue to work with the Federal Highway Administration on the Pavement Marking Project. Upon approval, the CPUC and Caltrans plan to implement the proposed project in the summer of 2021 and provide an achievement report upon completion. The CPUC will continue efforts to bring this project to fruition 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 previously identified rail crossings with railroad preemption. The CPUC will publish web content for railroad preemption on the CPUC website.

Autonomous Vehicles

The CPUC staff will continue to participate in industry forums involving state and federal regulations and guidelines that will impact rail crossing safety. The CPUC staff will also continue teaming with the California Department of Motor Vehicles and Caltrans in updating regulations, monitoring autonomous vehicles, and researching safety and operation of autonomous vehicles on California roadways.

STOP/YIELD Signs Project

The CPUC staff will coordinate the field review of the STOP/YIELD Signs Project staff recommendations with each roadway agency (city, county, and/or Caltrans), and railroad.

Field Inventory Crossings Contract

The CPUC staff will conduct the Request for Proposal solicitation process, select a vendor, and begin work for phase III.

Future Power Outages

The CPUC will monitor and address PSPS safety impact at freight, commuter, and transit rail crossings, if requested.

XpressWest High Speed Rail

The CPUC will continue to work on the XpressWest High-Speed Passenger Train Project and provide guidance to the railroad on filing applications with the CPUC.

High-Speed Rail Project

The CPUC staff will continue to work on the High-Speed Rail Project and provide guidance to the railroad on filing applications with the CPUC.

Assembly Bill 1017 Implementation

In accordance with Assembly Bill 1017 (Horvath, 2019), the CPUC will assist local governments, and make an RCEB engineer available to assist and advise on the safety of proposed rail crossings before applying for the new or modified rail crossings.

Rail Transit Bridge, Tunnel, and Aerial Structure Evaluation Program

The CPUC began developing an inspection program by implementing a safety oversight program for bridges, tunnels, and aerial structures used by RTAs. The RTSB management designated staff engineers with civil engineering background as leads and had them complete bridge assessment and inspection training. The RTSB will continue to develop and refine the program.

Database Updates

The RSD is making major upgrades to its online database. Additionally, the RTSB is developing an online platform to oversee and track implementation of corrective action plans by rail transit agencies and improved 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 procurement. 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.

TRANSPORTATION

Transportation Network Company Accessibility Program

Continue to implement Senate Bill 1376 (Hill, 2018) and support R.19-02-012 which will ultimately increase the availability of "on-demand" transportation to wheelchair users who need a wheelchair accessible vehicle (WAV).

Disburse Access Fund moneys to local Access Fund Administrators in 2021 to set up local WAV programs and allocate funds to access providers.

Senate Bill 1014

Open a new CPUC rulemaking to implement Senate Bill 1014 (Skinner, 2018) by developing a policy framework and implementation strategy to reduce transportation network company (TNC) greenhouse gas emissions.

Autonomous Vehicle Program

Continue to implement autonomous vehicle (AV) pilot programs. Continue to support quasi-legislative proceedings to develop regulations for AVs to transport members of the public as passengers.

TNC Data

Continue to collect and analyze Annual Report data from TNCs to provide support to decisionmakers and enforce public safety rules.

Transportation Carrier Portal Project

Launch an online passenger carrier licensing portal to streamline applications and renewals, and to facilitate a more efficient information exchange with enforcement operations.

SUPPORT SERVICES

Consumer Support

The CPUC will continue to provide ongoing assistance to consumers affected by the wildfires in California (e.g., assistance with service restoration, bill credits, etc.). The CPUC will continue to collect and respond to PSPS complaints. In addition, the CPUC expects to handle increased consumer complaints related to bill impacts from utility rate increases.

Training

HRD continues its CPUC Onboarding Program for recent hires with monthly New Employee Orientations (one event/month for new staff), and CPUC Introduction Series (7 events for 150 new staff) for 17 hours total per staffer to learn about the operation and various functions of CPUC in achieving its mission.

Through agreement with CalHR, CPUC will provide 50 new supervisors the state-approved CPUC Supervisor Development Program (SDP) while meeting all requirements of the California Leadership Academy SDP.

IT Service Management

Deployment of a new Help Desk ticketing service (ServiceNow) to allow users to submit and access ticket requests more easily and efficiently.

IT Governance

Given the lack of a formalized governance methodology and structure, ITSD developed a methodology to measure and mature governance, an interim and to-be governance model and roadmap, and is in the process of deployment, including initiation of the IT Governance Council, and implementing a communication strategy.

IT Strategy

Will continue to emphasize change management principles with a commitment to proactive communication, and consistent messaging with a focus on successes during this evolution.

Executive Director's 2020 Report and Assessment

Pursuant to SB 512 (Hill, 2016), the CPUC must assess 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 2020 Work Plan and the overall performance of the CPUC.

1. **Increased compliance with state rules** – The CPUC continued its work to ensure compliance with state rules across all areas of work. For example, working with KPMG, and to meet expectations of the California Department of Technology, in 2020 the CPUC's IT team developed an Enterprise Governance framework that will launch in collaboration with the Executive Director's office in early 2021. The framework will assist all divisions in the CPUC with identifying and prioritizing IT projects.

The CPUC's website refresh will also launch in early 2021, with new content governance instructions to all divisions to maintain an easier to use and more transparent website.

In 2020, the CPUC continued to focus on reducing its vacancy rate, while also complying with Governor Newsom's COVID-driven Budget Letter 20-11 that set out criteria for agency hiring and spending. Hiring necessarily proceeded at a slower pace, and some divisions within the CPUC decided not to fill certain positions because of California's budget constraints. The CPUC also contributed approximately 38 employees, in classifications ranging from Office Technician to Public Utilities Regulatory Analyst to Utilities Engineer, to the state's overall COVID-19 contact tracing efforts. Those employees are detailed to public health departments in counties across California and are key to the state's pandemic response.

2. **Effective business systems that meet and exceed the standard expected of California state agencies** – The CPUC continues to work closely with all the 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, and will continue to build these relationships to ensure a high level of compliance with State of California rules.

    a. *Increased agency compliance with external audit recommendations* – In 2020, the CPUC continued to provide responses to audits conducted by external agencies, such as the California State Auditor, the State Personnel Board, and the Pipeline and Hazardous Materials Safety Administration, among others.

    b. *Creation of an audit compliance tracking system* – In 2020, the CPUC's Internal Audit group conducted a robust set of audits in support of the CPUC's continuous improvement of its programmatic and administrative areas. The audits covered the CPUC's business continuity plan, contract management of the LifeLine Program Third Party Administrator, the employee separation process, and travel advances, among other topics. The CPUC's Utility Audits, Risk and Compliance Branch set up a system by which all management responses to findings from internal and external audits are tracked. This system provides both senior management and internal risk and compliance officers a way to track progress toward corrective actions over time.

c. *Bringing CPUC contracting, procurement and fiscal processes into compliance with state controls* – In 2020, the CPUC continued to make progress in this area. In particular, the CPUC set up internal processes to comply with Department of Finance budget letters and California Department of Human Resources directives related to COVID-19.

3. **Dissemination and embodiment of CPUC core values** – The CPUC continued to strive to uphold its core values of Accountability, Excellence, Integrity, Open Communication and Stewardship in 2020. Human Resources communicates the core values to all new employees during the standard onboarding sessions, and all CPUC employees, from Commissioners to management to rank and file, are expected to know and consider the core values during their work.

4. **Progress toward becoming a learning organization** – The COVID-19 pandemic catalyzed an immediate need to become a learning organization. In March 2020, in response to Governor Newsom's Executive Order N-33-20, the majority of the CPUC workforce of 1,300 employees shifted to working from home. Fewer than 70 employees are working from CPUC offices on any given day, well below the Department of General Services' 25% capacity limit. In response to the abrupt shift to working from home, staff from across the CPUC have ensured that our work continues without interruption. The CPUC set up new virtual ways of sharing HR-related and COVID-related information with employees, and migrated classroom training, new employee orientation, ergonomics evaluations, and annual health benefit fairs to virtual platforms.

5. **Compliance with the CPUC's adopted strategic directives** – The CPUC pursued compliance with its adopted strategic directives in numerous ways this year. Below are selected examples:

   a. Relevant to the strategic directive on Administration, in February 2020 the CPUC hired a new Equal Employment Opportunity (EEO) Officer, Desireah LaMar. Along with conducting EEO complaint investigations, the EEO Officer has updated EEO and Sexual Harassment Prevention Policies, actively recruited for Disability Advisory Committee, and is supporting a CPUC-wide effort to ensure updated Sexual Harassment Prevention training is provided to all CPUC staff.

   b. In a similar vein, the CPUC launched significant diversity, equity, and inclusion efforts this year. Dr. Bryant T. Marks, Ph.D., founder of the National Training Institute on Race & Equity and professor at Morehouse College, conducted implicit bias training with all CPUC employees in July 2020, and a specialized manager and supervisor training in August 2020. Drawing on the results of an all-staff survey, the CPUC created a Diversity, Equity, and Inclusion (DEI) Working Group in 2020 to identify and address diversity- and inclusion-related issues, particularly in recruitment and hiring, retention, promotion, and workplace culture. Additionally, a group of 12 CPUC employees is participating in the Capitol Collaborative on Race and Equity (CCORE), an in-depth 14-month program addressing racial equity in state departments. The CCORE cohort's goal is to develop a Racial Equity Action Plan to propose to the CPUC in 2021. The CPUC held virtual events celebrating Hispanic Heritage Month, National Disability

Employment Awareness Month, and Native American Heritage Month.

c. Relevant to the strategic directive addressing engagement and communication, the CPUC's Administrative Law Judge Division acted to ensure that the COVID-19 pandemic would not interrupt the CPUC's regulatory responsibilities. All proceeding events, including evidentiary hearings, prehearing conferences, settlement conferences, mediations, and public participation hearings, were held virtually in 2020 and will continue in 2021 in compliance with public health orders. Before the pandemic, the CPUC had been exploring ways of increasing public engagement and participation in CPUC proceedings through outreach and alternatives to in-person participation, and our virtual public participation hearings are attracting a greater level of public engagement than in-person public participation hearings.

d. Relevant to the strategic directive on compliance and enforcement, on November 5, 2020, the CPUC's Commissioners approved Resolution M-4846, adopting an enforcement policy that now applies across the CPUC. It builds on the CPUC's existing enforcement tools by providing additional tools and guidance to ensure maximum compliance with regulatory rules. The enforcement policy standardizes enforcement documents and procedures; empowers staff to propose Administrative Consent Orders or Administrative Enforcement Orders for consideration by the full Commission; creates internal enforcement teams to ensure that the CPUC's enforcement actions are efficient, consistent, and effective; and establishes a standard set of guiding principles for the CPUC's enforcement actions.

6. **Progress toward an effective records retention program** – The CPUC's agency-wide response to COVID-19 required prioritization of the agency's work, necessarily halting our efforts to implement a records retention program temporarily in 2020. The CPUC will consider the resource needs and an implementation plan in 2021 to establish an effective records retention program.

7. **Progress towards developing a safety culture at the CPUC** – The CPUC's Human Resources department supported the agency's pivot to at-home work with programs and messages about resources and support for working safely at home. For example, the CPUC has made ergonomic equipment available following a virtual assessment, has refreshed all 1,300 employees' emergency contact information, and has created a heat illness prevention program to train employees who are conducting field inspections of wildfire events, gas infrastructure, electric infrastructure, and utility vegetation management. The CPUC has also contracted with Crowe Horwath to create an Enterprise Wide Safety Program, and has restarted the use of the Everbridge mass notification system for employee alerts and emergencies.

8. **Increased public and legislative confidence in the CPUC** – The CPUC continued to brief legislative leaders on matters of immediate public urgency and long-term policy initiatives in 2020. Among other topics, the CPUC's leadership briefed the Legislature on the agency's monitoring of electric utility preparation for the wildfire season and anticipated Public Safety Power Shutoffs; and on natural gas regulatory oversight improvements since the 2010 San Bruno explosion and tragedy.

The CPUC's first-ever Tribal Advisor, Kenneth Holbrook, appointed by Governor Newsom and a member of the Maidu Tribe and the Pit River Tribe, began work in July 2020. Kenneth has focused on CPUC policies and programs with connections and impacts relevant to California's tribes—in particular the standup of the California Advanced Services Fund tribal broadband technical assistance grant program, the proposed tribal land transfer policy, pursuit of increased tribal enrollment in the CARE and ESA electric rate programs, and monitoring notifications and communications with tribes during electric utility Public Safety Power Shutoff events.

Last, as part of the agency's overall efforts to address utility wildfire risk and safety, the CPUC assisted with the standup of the new Wildfire Safety Advisory Board, the continued development of the Wildfire Safety Division, and the startup of the Safety Policy Division with positions dedicated to wildfire risk mitigation.

In 2021, the criteria against which the Executive Director will be assessed will continue to include all of the above, with some modifications:

1. Success in executing and continual progress toward the policy and administrative goals set out in the CPUC's adopted Strategic Directives;
2. Continual improvement in compliance with state rules;
3. Effective business systems that meet and exceed the standard expected of California state agencies;
    a. Ongoing agency compliance with external audit recommendations;
    b. Successful execution of corrective actions to comply with internal audit findings;
    c. Ongoing agency compliance with state controls in contracting, procurement and fiscal processes; and,
    d. Progress toward an effective records retention program.
4. Embodiment and realization of the CPUC core values;
5. Continual progress toward and demonstration of being a "learning organization;"
6. Progress toward developing a safety culture at the CPUC; and,
7. Continued progress toward public and legislative confidence in the CPUC.

Appendix

TABLE OF ABBREVIATIONS

AB: Assembly Bill

ALJ: Administrative Law Judge

APM: Automated People Mover

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 FIRE: California Department of Forestry and Fire Protection

CalOES: 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

CDT: California Department of Technology

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

CHSRA: California High-Speed Rail Authority

CPED: Consumer Protection and Enforcement Division

CPUC: California Public Utilities Commission

CTA: Core Transportation Agent

CTF: California Teleconnect Fund

DDTP: Deaf and Disabled Telecommunications Program

DER: Distributed Energy Resource

DRAM: Demand Response Auction Mechanism

DRP: Distributed Energy Resources Plans

EPIC: Electric Program Investment Charge

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

FHWA: Federal Highway Administration

FTA: Federal Transit Administration

GHG: Greenhouse Gas

GO: General Order

GRC: General Rate Case

HRD: Human Resources Division

HSR: High Speed Rail Project

IOU: Investor-Owned Utility

IRP: Integrated Resource Planning

IT: Information Technology Services

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

NCTD: North [San Diego] County Transit District

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 & 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

RCEB: Rail Crossings and Engineering Branch

ROSB: Railroad Operations Safety 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 Company

SDG&E: San Diego Gas & Electric Company

SED: Safety and Enforcement Division

SGIP: Self-Generation Incentive Program

SJWC: San Jose Water Company

SoCalGas: Southern California Gas Company

SOMAH: Solar on Multifamily Affordable Housing

SPD: Safety Policy Division

TEAM: Telecommunications Education and Assistance in Multiple Languages

TEB: Transportation Enforcement Branch

TECH: Technology and Equipment for Clean Heating Initiative

TEF: Transportation Electrification Framework

TLAB: Transportation Licensing and Analysis Branch

TNC: Transportation Network Company

UAB: Utility Audits Branch

UARCD: Utility Audits, Risk and Compliance Division

UEB: Utilities Enforcement Branch

VGI: Vehicle-Grid Integration

VoIP: Voice over Internet Protocol

WMP: Wildfire Mitigation Plans

WSD: Wildfire Safety Division

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