



CPUC Public Agenda 3367

Thursday, November 19, 2015 9:30 a.m.

San Francisco, CA



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

www.cpuc.ca.gov





The Pledge of Allegiance

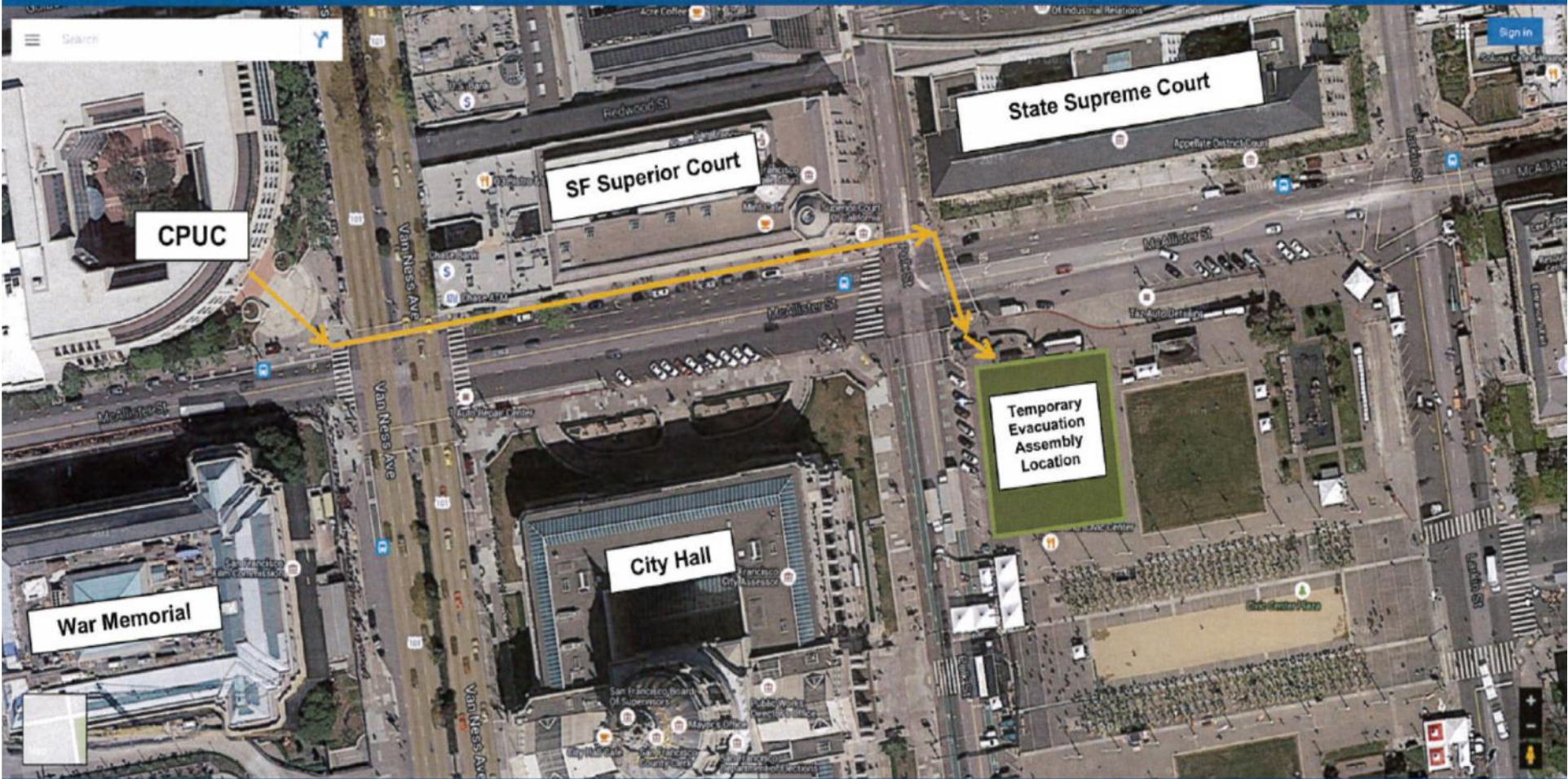


“I pledge allegiance to the Flag of the
United States of America,
and to the Republic for which it stands,
one nation under God,
indivisible,
with liberty and justice for all.”





Temporary Evacuation Assembly Location





Public Comment

- Per Resolution ALJ-252, any member of the public (excluding parties and their representatives) who wishes to address the CPUC about matters before the Commission must sign up with the Public Advisor's Office table before the meeting begins. If an individual has signed up using the electronic system on the Commission's website, they must check in with the Public Advisor's Office on the day of the meeting, by the sign-up deadline.
- Once called, each speaker has up to 3 minutes at the discretion of the Commission President. Depending on the number of speakers, the time limit may be reduced to 1 minute.
- A sign will be posted when 1 minute remains.
- A bell will ring when time has expired.
- At the end of the Public Comment Section, the Commission President will ask if there are any additional individuals who wish to speak. Individuals who wish to speak but did not sign up by the deadline, will be granted a maximum of one minute to make their comments.

The following items are NOT subject to Public Comment:

- 29, 30
- All items on the Closed Session Agenda





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- Once called, each speaker has up to 2 minutes at the discretion of the Commission President. Depending on the number of speakers, the time limit may be reduced to 1 minute.
- A sign will be posted when 1 minute remains.
- A bell will ring when time has expired.
- At the end of the Public Comment Section, the Commission President will ask if there are any additional individuals who wish to speak. Individuals who wish to speak but did not sign up by the deadline, will be granted a maximum of one minute to make their comments.

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Public Agenda Changes

Items shown on the Consent Agenda will be taken up and voted on as a group in one of the first items of business of each CPUC meeting.

- Items on Today's Consent Agenda are: **1, 2, 4, 5, 6, 7, 8, 9, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23.**
- Any Commissioner, with consent of the other Commissioners, may request an item from the Regular Agenda be moved to the Consent Agenda prior to the meeting.
- **Item 31** from the Regular Agenda has been added to the Consent Agenda.
- Any Commissioner may request an item be removed from the Consent Agenda for discussion on the Regular Agenda prior to the meeting.
- **No Items** have been moved to the Regular Agenda.
- **No Items** have been withdrawn.
- The following items have been held to future Commission Meetings:
 - Held to **12/3/15**: **10 and 27**
 - Held to **1/14/16**: **3**





Regular Agenda

- Each item on the Regular Agenda (and its alternate if any) will be introduced by the assigned Commissioner or CPUC staff and discussed before it is moved for a vote.
- For each agenda item, a summary of the proposed action is included on the agenda; the CPUC's final decision may, however, differ from that proposed.
- The complete text of every Proposed Decision or Draft Resolution is available for download on the CPUC's website: www.cpuc.ca.gov.
- Late changes to agenda items are available on the Escutia Table.





Regular Agenda – Intervenor Compensation Orders

Item # 24 [14333] – Compensation to The Utility Reform Network

I12-10-013, A13-01-016, A13-01-005, A13-03-013 and A13-03-014 - Related matters.

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

Ratesetting

Comr. Sandoval / Judge Darling

PROPOSED OUTCOME:

- Awards The Utility Reform Network (TURN) \$289,794.41 for substantial contribution to Decision (D.) 14-11-040. D.14-11-040 approved the settlement agreement between Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), and four settling parties, which provided resolution of rate recovery issues related to the shutdown of San Onofre Nuclear Generating Station. TURN requested \$289,821.00.

SAFETY CONSIDERATIONS:

- Substantial contribution by intervenors, as found here, enhances the Commission's regulation and oversight of public utilities, which under Pub. Util. Code § 451 must "promote the safety, health, comfort, and convenience of its patrons, employees, and the public."

ESTIMATED COST:

- \$289,794.41 plus interest, to be paid by ratepayers of SCE and SDG&E.





Regular Agenda – Energy Orders

Item # 25 [14352] – Approving, in Part, Results of Southern California Edison Company’s Local Capacity Requirements Request for Offers for the Western LA Basin Pursuant to Decisions 13-02-015 and 14-03-004

A14-11-012 - Application of Southern California Edison Company for Approval of the Results of Its 2013 Local Capacity Requirements Request for Offers for the Western Los Angeles Basin.

Ratesetting

Comr. Florio / Judge DeAngelis

PROPOSED OUTCOME:

- Approves the results of the request for offers (RFO) conducted by Southern California Edison Company (SCE) pursuant to the Commission’s directives in Decisions (D.) 13-02-015 and D.14-03-004 issued in Rulemaking 12-03-014, with the exception of seven contracts.
- Denies six contracts with NRG Distributed Generation PR, LLC and one contract with NRG Curtailment Solutions, LLC on the basis that the terms and conditions of those contracts are unreasonable.
- Finds that SCE has reasonably complied with the RFO directives in D.13-02-015 and D.14-03-004.
- SCE shall continue to procure, as needed, to meet the minimum amount of procurement ordered in the decisions using any available procurement mechanisms.
- Closes the proceeding.

SAFETY CONSIDERATIONS:

- Allows the Commission to continue to fulfill its duties under Pub. Util. Code Sec. 451, including taking all actions necessary to promote the safety, health, comfort, and convenience of utility patrons, employees, and the public.

ESTIMATED COST:

- Actual costs of the power purchase agreements are confidential at this time.





Regular Agenda – Energy Orders

Item # 25a [14353] – COMMISSIONER FLORIO'S ALTERNATE TO ITEM 14352

A14-11-012 - Application of Southern California Edison Company for Approval of the Results of Its 2013 Local Capacity Requirements Request for Offers for the Western Los Angeles Basin.

Ratesetting

Comr. Florio

PROPOSED OUTCOME:

- Approves the results of the request for offers (RFO) conducted by Southern California Edison Company (SCE) pursuant to the Commission's directives in Decisions (D.) 13-02-015 and D.14-03-004 issued in Rulemaking 12-03-014, with the exception of seven contracts.
- Denies six contracts with NRG Distributed Generation PR, LLC and one contract with NRG Curtailment Solutions, LLC on the basis that the terms and conditions of those contracts are unreasonable.
- Finds that SCE has reasonably complied with the RFO directives in D.13-02-015 and D.14-03-004.
- Authorizes but does not require SCE to procure additional resources per D.13-02-015 and D.14-03-004.
- Addresses back-up generation and demand response.
- Closes the proceeding.

SAFETY CONSIDERATIONS:

- Allows the Commission to continue to fulfill its duties under Pub. Util. Code Sec. 451, including taking all actions necessary to promote the safety, health, comfort, and convenience of utility patrons, employees, and the public.

ESTIMATED COST:

- Actual costs of the power purchase agreements are confidential at this time.





Regular Agenda – Energy Orders

Item # 26 [14379] – Demand Response Cost Effectiveness Protocols and Load Modifying Resource Valuation

R13-09-011 - Order Instituting Rulemaking to Enhance the Role of Demand Response in Meeting the State's Resource Planning Needs and Operational Requirements.

Ratesetting

Comr. Florio / Judge Hymes

PROPOSED OUTCOME:

- Declines to adopt the California Independent System Operator (CAISO) Hard Trigger Proposal and all other hard trigger mechanisms.
- Determines that at this time there is no viable solution to value event-based load modifying resources.
- Concludes that demand response that cannot be integrated into the CAISO market has no value.
- Makes several determinations in regards to proposed 2015 demand response cost-effective protocols:
 - Defers the development and adoption of an avoided cost calculator to Rulemaking (R.) 14-08-013.
 - Adopts a placeholder for the “A” Factor, but schedules a workshop to finalize RECAP Model as an Interim Model until a probabilistic model is created.
 - Adopts a “B” factor that better reflects resource adequacy standards.
 - Adopts a “C” Factor, but solely as a sensitivity analysis.
 - Adopts the use of workpapers to justify Transmission and Distribution on avoided costs until a locational net benefits methodology is finalized in R.14-08-013.
 - Adopts an “E” Factor, as proposed in draft protocol.
 - Adopts a placeholder for an “F” Factor and schedules a workshop to develop the methodology.
 - Adopts the use of a written justification for the “G” Factor until the locational net benefit methodology is adopted, making the need for a G Factor moot.

SAFETY CONSIDERATIONS:

- No safety issues indicated in the proceeding except to ensure reliability.

ESTIMATED COST:

- There is no cost impact associated with this decision.





Regular Agenda – Energy Orders

Item # 26a [14380] – COMMISSIONER FLORIO’S ALTERNATE TO ITEM 14379

R13-09-011 - Order Instituting Rulemaking to Enhance the Role of Demand Response in Meeting the State’s Resource Planning Needs and Operational Requirements.

Ratesetting

Comr. Florio

PROPOSED OUTCOME:

- Declines to adopt the California Independent System Operator (CAISO) Hard Trigger Proposal and all other hard trigger mechanisms.
- Determines that at this time there is no viable solution to value event-based load modifying resources.
- Concludes that demand response that cannot be integrated into the CAISO market has no value.
- Makes several determinations in regards to proposed 2015 demand response cost-effective protocols:
 - Defers the development and adoption of an avoided cost calculator to Rulemaking (R.) 14-08-013.
 - Adopts a placeholder for the “A” Factor, but schedules a workshop to finalize RECAP Model as an Interim Model until a probabilistic model is created.
 - Adopts a “B” factor that better reflects resource adequacy standards.
 - Adopts a “C” Factor, but solely as a sensitivity analysis.
 - Adopts the use of workpapers to justify Transmission and Distribution on avoided costs until a locational net benefits methodology is finalized in R.14-08-013.
 - Adopts an “E” Factor, as proposed in draft protocol.
 - Adopts a placeholder for an “F” Factor and schedules a workshop to develop the methodology.
 - Adopts the use of a written justification for the “G” Factor until the locational net benefit methodology is adopted, making the need for a G Factor moot.
 - Effective January 1, 2017, capacity value shall be attributed only to demand response if the resource is integrated into the wholesale market or a non-event based program embedded in the California Energy Commission’s unmanaged/base case load forecasts.

SAFETY CONSIDERATIONS:

- No safety issues indicated in the proceeding except to ensure reliability.

ESTIMATED COST:

- There is no cost impact associated with this decision.





Regular Agenda – Energy Orders

Item # 27 [14339] - Order Instituting Rulemaking to Assess Electricity Usage Patterns and Provide Guidance for the Development of Future Time-Of-Use Rates.

R_____ - Order Instituting Rulemaking to Assess Peak Electricity Usage Patterns and Consider Appropriate Time Periods for Future Time-Of-Use Rates and Energy Resource Contract Payments.

PROPOSED OUTCOME:

- Initiates a Rulemaking to assess electricity usage patterns, provide guidance for the development of future time-of-use, and develop a process for periodic assessment of time-of-use rate periods.

SAFETY CONSIDERATIONS:

- None for this proceeding, which focuses on technical aspects of rate design.

ESTIMATED COST:

- None for this proceeding, which focuses on technical aspects of rate design.





Regular Agenda – Orders Extending Statutory Deadline

Item # 28 [14428] – Order Extending Statutory Deadline

I12-10-013, A13-01-016, A13-03-005, A13-03-013, A13-03-014 - Related matters.

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

Ratesetting

Comr. Sandoval / Judge Darling

PROPOSED OUTCOME:

- Extends the statutory deadline for completion of this proceeding to January 25, 2016.

SAFETY CONSIDERATIONS:

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

ESTIMATED COST:

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





Regular Agenda – Orders Extending Statutory Deadline

Item # 29 [14429] – Order Extending Statutory Deadline

I14-11-008 - Order Instituting Investigation and Order to Show Cause on the Commission's Own Motion into the Operations and Practices of Pacific Gas and Electric Company with respect to Facilities Records for its Natural Gas Distribution System Pipelines.

Adjudicatory

Comr. Peterman / Judge Bushey

PROPOSED OUTCOME:

- Extends statutory deadline for completion of this proceeding to November 20, 2016.

SAFETY CONSIDERATIONS:

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

ESTIMATED COST:

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





Regular Agenda – Orders Extending Statutory Deadline

Item # 30 [14437] – Order Extending Statutory Deadline

C14-12-001 - Camille Mouchawar, Trustee of the Camille Mouchawar Trust, doing business as Lakeridge Mobile Home Park and Kathie Trolines vs. LIWW, LLC.

Adjudicatory

Comr. Sandoval / Judge Farrar

PROPOSED OUTCOME:

- Extends statutory deadline for completion of this proceeding to June 1, 2016.

SAFETY CONSIDERATIONS:

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

ESTIMATED COST:

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





Commissioners' Reports





Management Reports





Regular Agenda – Management Reports and Resolutions

Item #32 [14365]

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





UTILITY SAFETY AND RELIABILITY

A Sample of Recent Activities



Peter V. Allen
Deputy Director, Safety and Enforcement Division
California Public Utilities Commission

November 19, 2015





UTILITY SAFETY AND RELIABILITY

- Electric Safety and Reliability Branch
- Gas Safety and Reliability Branch
- Risk Assessment Section





UTILITY SAFETY AND RELIABILITY

- Electric Safety and Reliability Branch
Charlotte TerKeurst
- Gas Safety and Reliability Branch
Ken Bruno
- Risk Assessment Section
Arthur O'Donnell





UTILITY SAFETY AND RELIABILITY





UTILITY SAFETY AND RELIABILITY

- Electric Safety and Reliability Branch

Long Beach Investigation

Huntington Beach Oil

San Jose and Metcalf Citations

Caltrain Electrification

Bark Beetle and Drought





UTILITY SAFETY AND RELIABILITY

- Long Beach - SCE





UTILITY SAFETY AND RELIABILITY

- Huntington Beach OII - SCE





UTILITY SAFETY AND RELIABILITY

- Caltrain Electrification



Caltrain
Modernization
Program





UTILITY SAFETY AND RELIABILITY

- Bark Beetle and Drought Issues





UTILITY SAFETY AND RELIABILITY

- Electric Citations - PG&E





UTILITY SAFETY AND RELIABILITY

- Gas Safety and Reliability Branch

Fresno Investigation

Bakersfield Investigation

Line 147

Aliso Canyon





UTILITY SAFETY AND RELIABILITY

- Fresno Investigation – PG&E





UTILITY SAFETY AND RELIABILITY

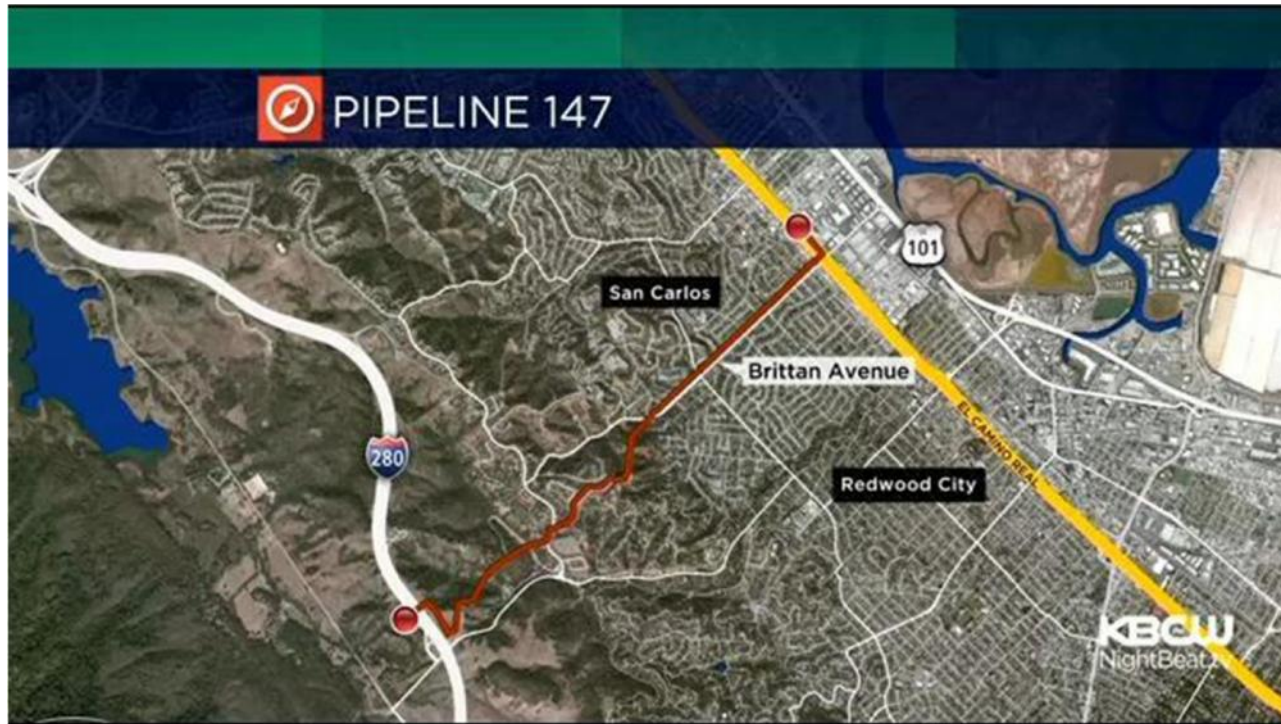
- Bakersfield Investigation – PG&E





UTILITY SAFETY AND RELIABILITY

- Line 147 – PG&E





UTILITY SAFETY AND RELIABILITY

- Aliso Canyon – SoCal Gas





UTILITY SAFETY AND RELIABILITY

- Risk Assessment Section

SMAP – Safety Model Assessment Proceeding

ALARP – As Low As Reasonably Practicable

Energy Storage





UTILITY SAFETY AND RELIABILITY

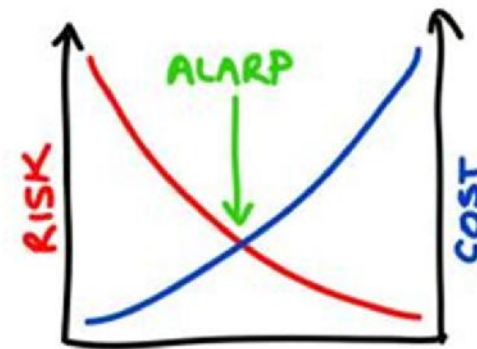
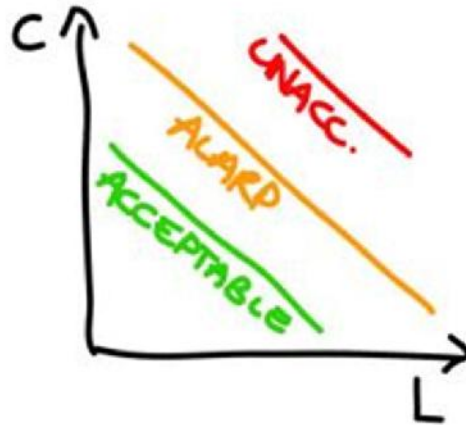
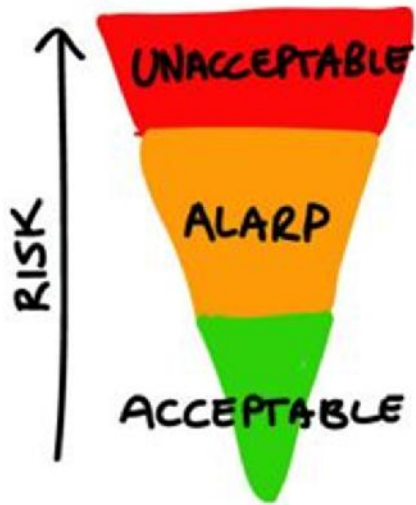
- SMAP





UTILITY SAFETY AND RELIABILITY

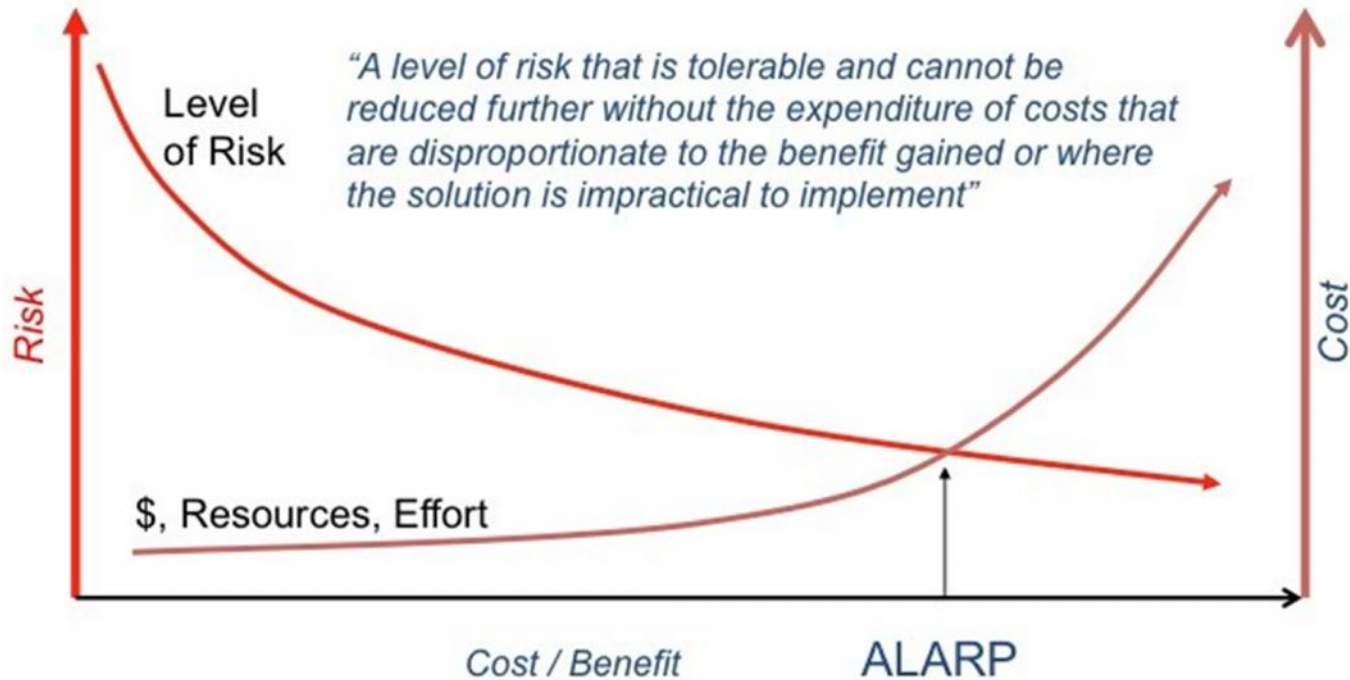
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UTILITY SAFETY AND RELIABILITY

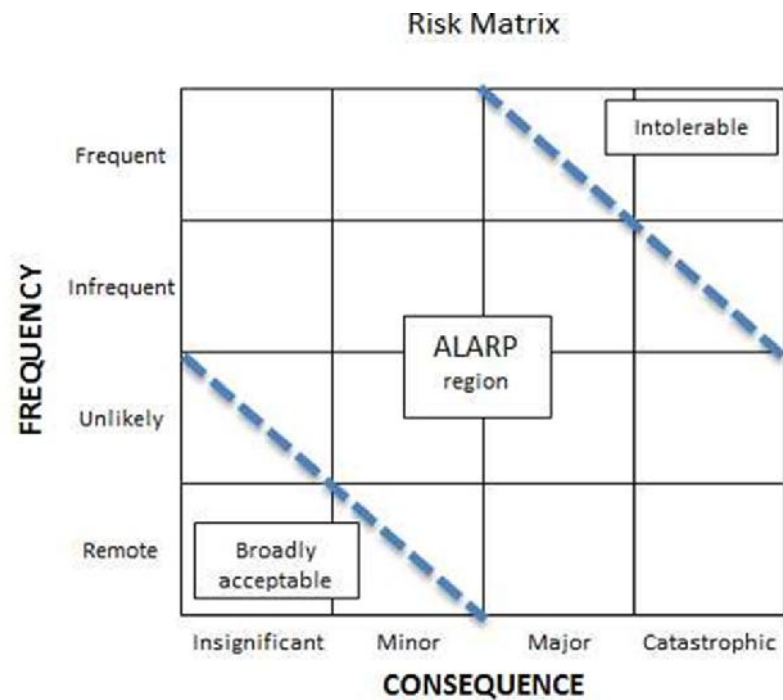
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UTILITY SAFETY AND RELIABILITY

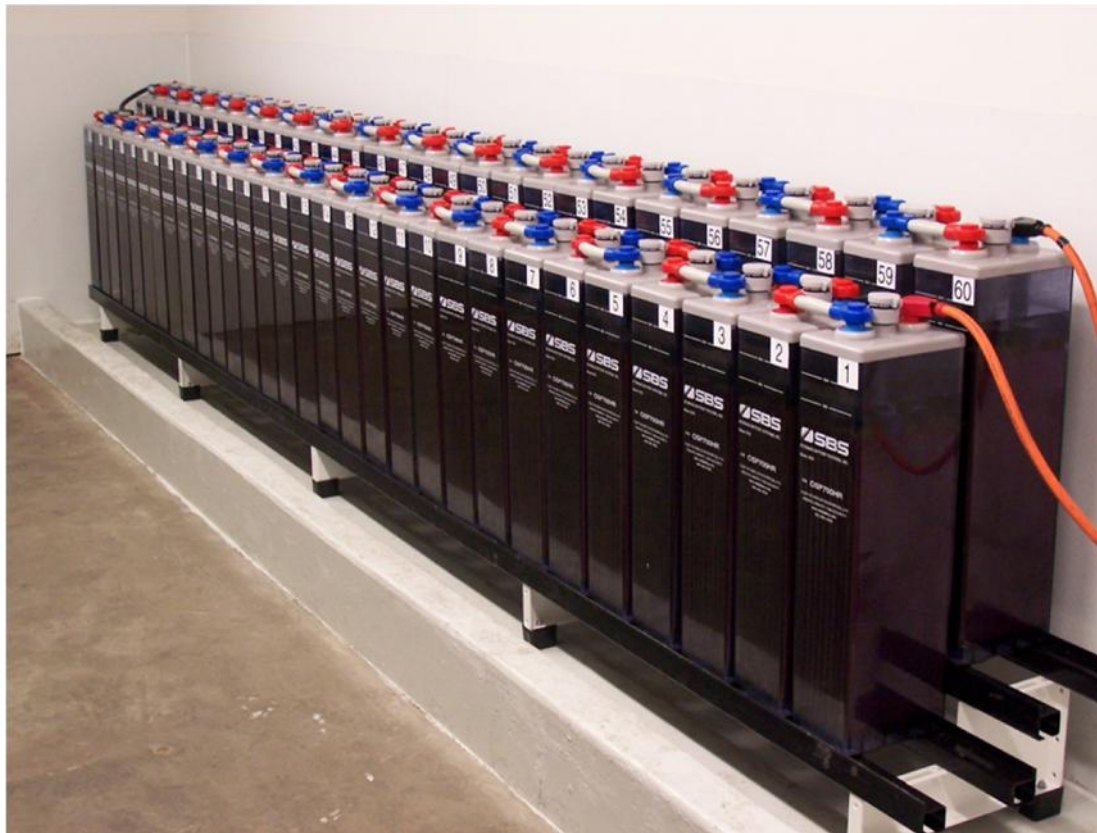
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UTILITY SAFETY AND RELIABILITY

- Energy Storage





Regular Agenda – Management Reports and Resolutions

Item #32 [14365]

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





Regular Agenda – Management Reports and Resolutions

Item #33 [14366]

Management Report on Administrative Activities





THE
CENTER *for*
MULTICULTURAL
SCIENCE



Dr. Jake Beniflah
Executive Director
Center for Multicultural Science
jake@multicultural-science.org

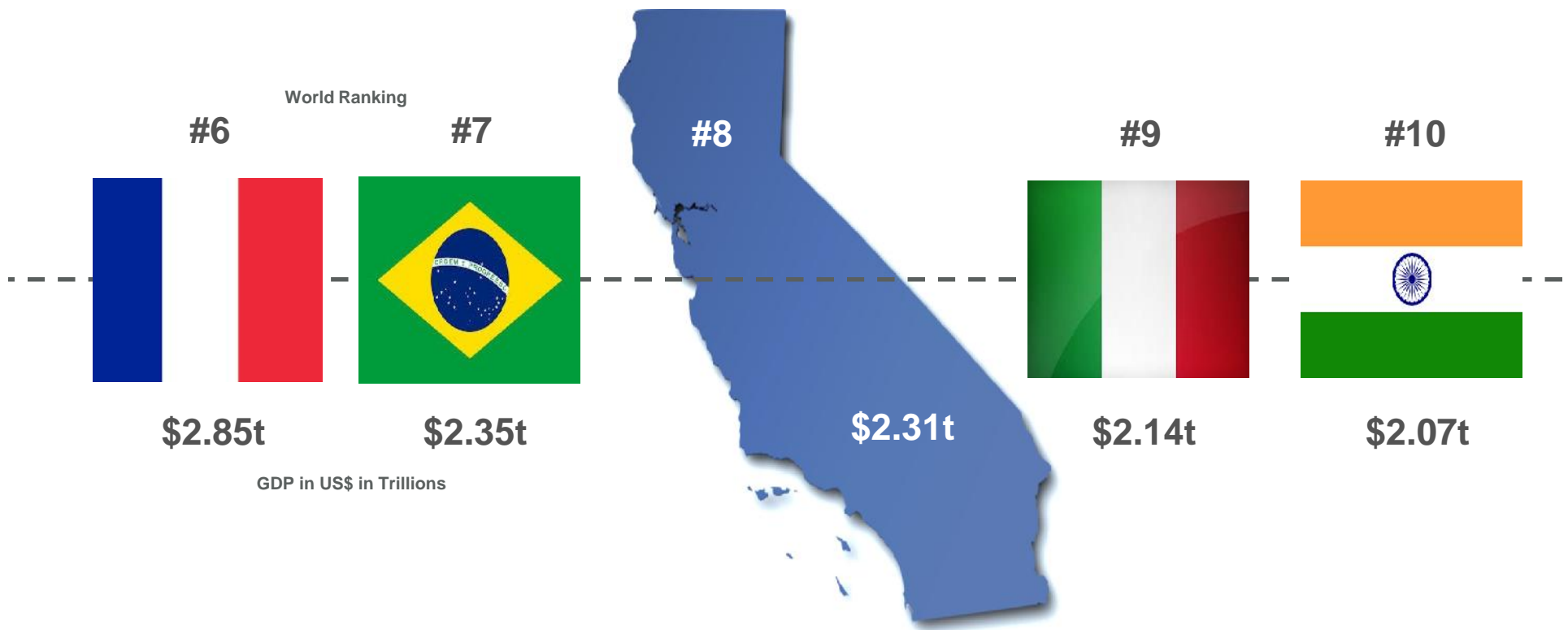
A Presentation for En Banc - October 8,
2015

CPUC Supplier Diversity Study



Economic Power of California

California is considered the 8th largest economy in the world (GDP)



Source: World Bank (2014)

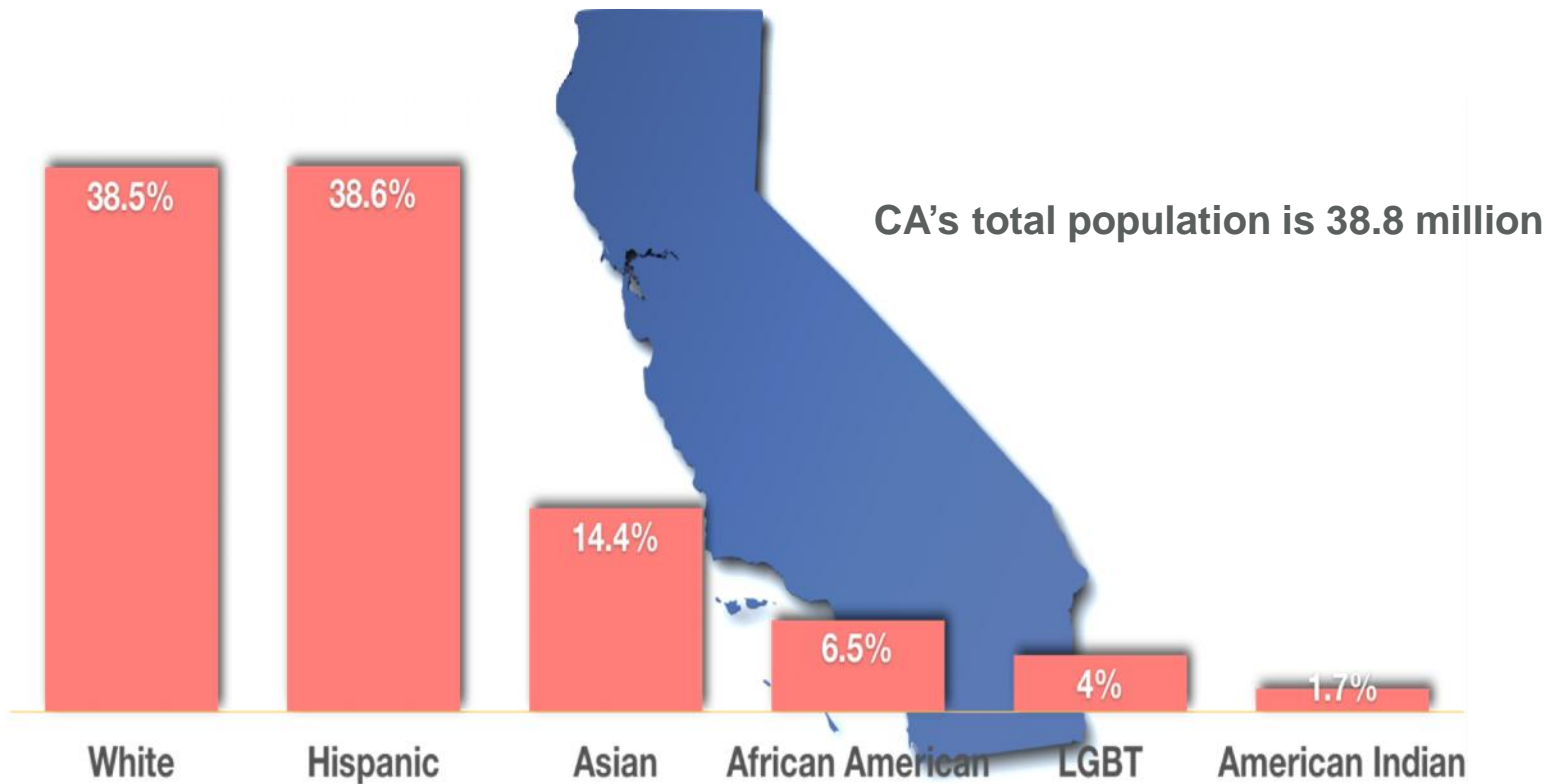
http://data.worldbank.org/indicator/NY.GDP.MKTP.CD/countries?order=wbapi_data_value_2014%20wbapi_data_value%20wbapi_data_value-last&sort=desc&display=default





Demographic Power of California

In 2015, California became a majority “minority” state due to growing diverse population



Source: US Census (2014)

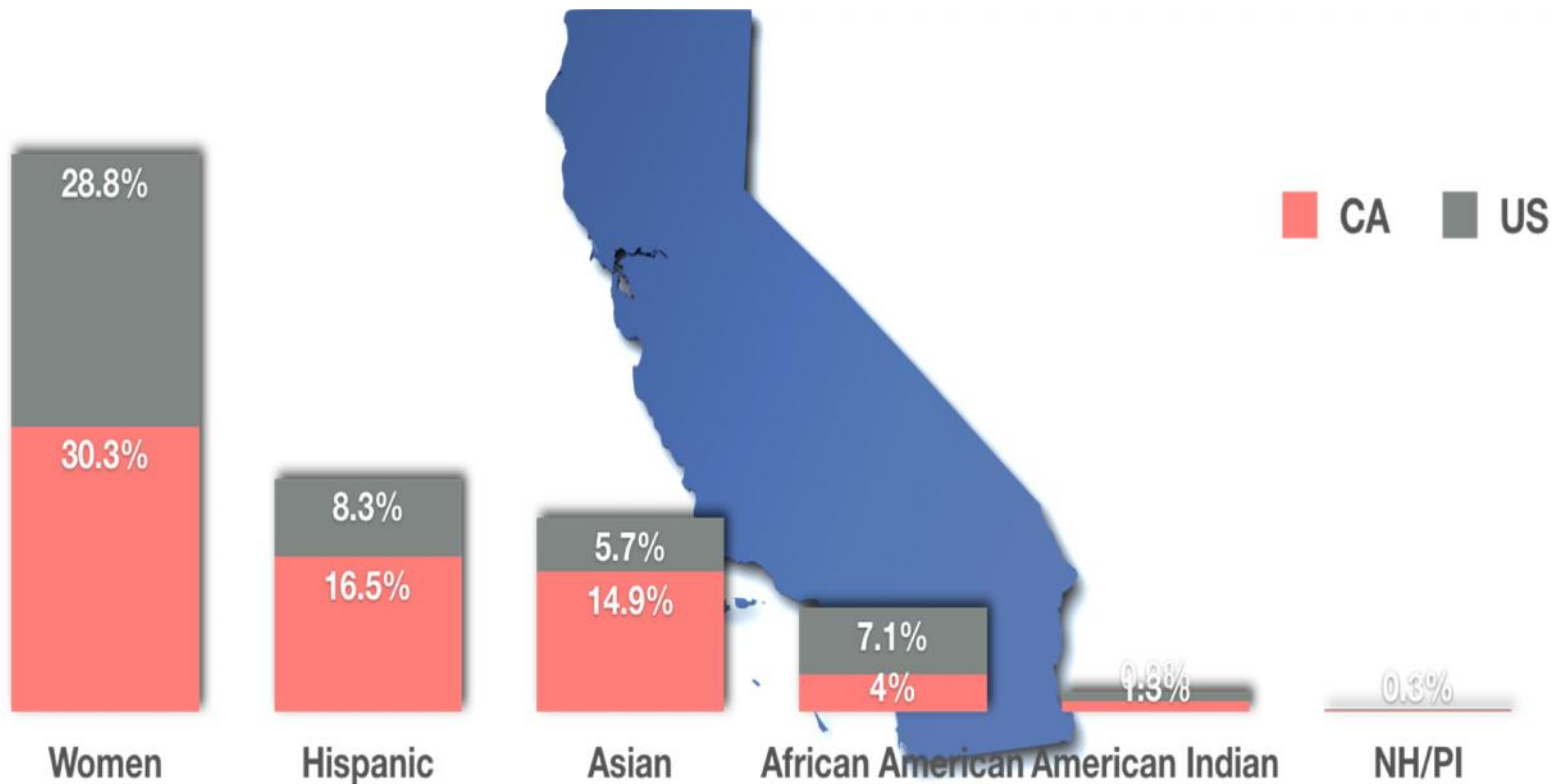
<http://quickfacts.census.gov/qfd/states/06000.html>





Small Business Power of California

Ethnic/racial diversity is a key to driving CA's small business engine



Source: US Census (2014)

<http://quickfacts.census.gov/qfd/states/06000.html>



CPUC Supplier Diversity Study

First ever study to quantify supplier diversity to GO 156



General Order 156: A Study to Quantify the Value of Supplier Diversity

Authors:

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California Public Utilities Commission
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Dr. Jake Beniflah
Executive Director
The Center for Multicultural Science
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September 28, 2015

September 28, 2015

<http://www.cpuc.ca.gov/PUC/supplierdiversity/>





CPUC Supplier Diversity Study

Methodology



8,600 companies in Clearinghouse database Approx. 3,000 identified, 342 responses (11%)

Certification



50%



47%



18%

1%



1%



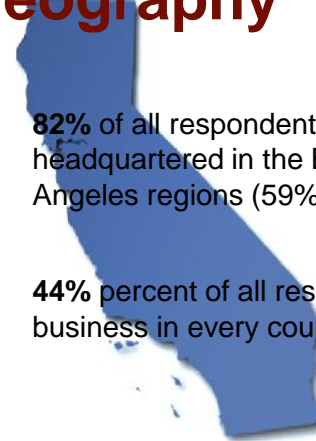
Industries



20% "Construction," 25% "Professional, Scientific and Technical Services," 34% "Other" services

70% "Owners," 15% "Managers," 6% "Directors," and 9% from "Other"

Geography



82% of all respondents said they were headquartered in the Bay Area (23%) and the Los Angeles regions (59%)

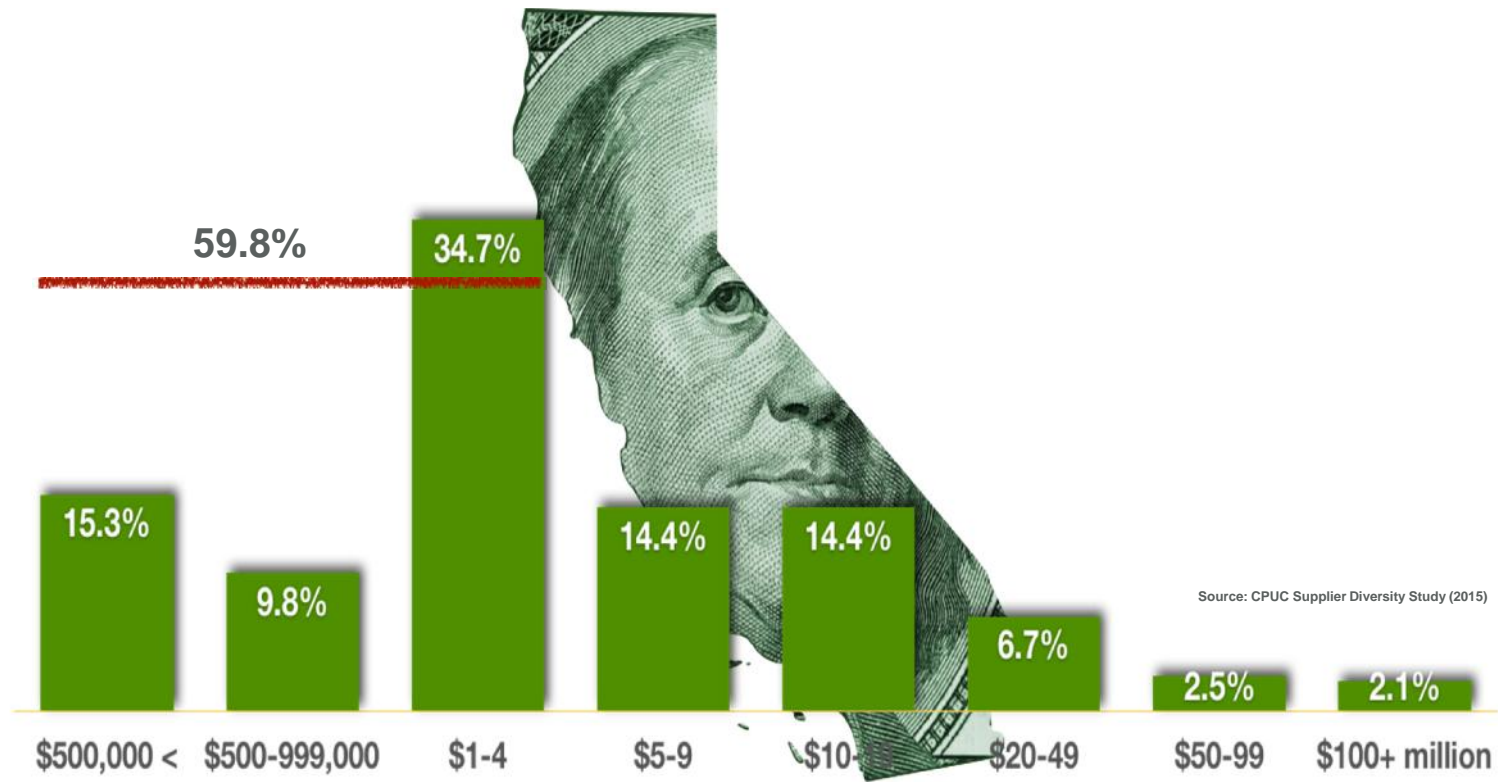
44% percent of all respondents said they did business in every county in California





Total CA Gross Receipts

About 60% of respondents earned \$4 million or less in gross receipts in 2014



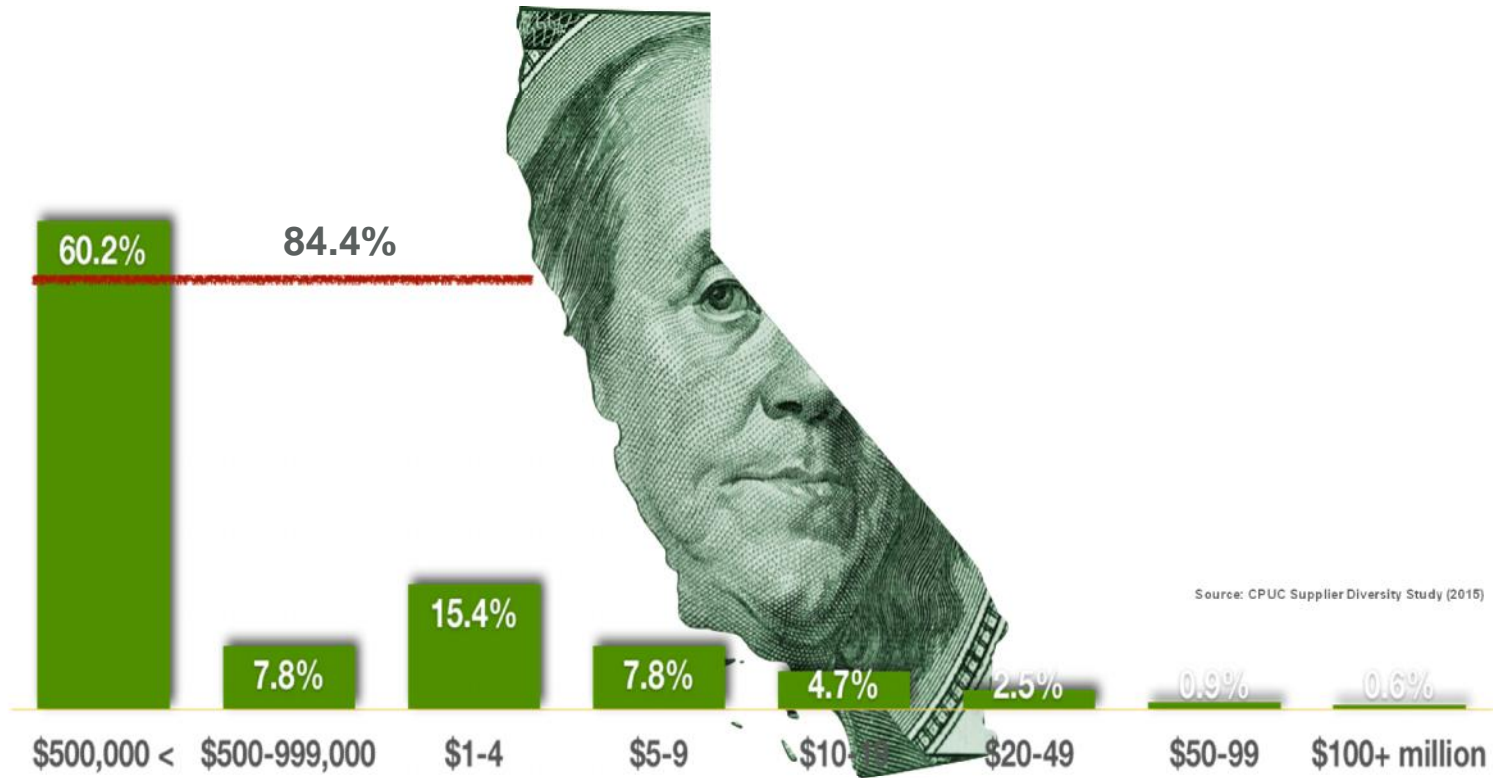
Q9: How much did your company earn in CA gross receipts in 2014?





CA Gross Receipts Based on Utility Contracts

60% of respondents had utility contracts worth \$500,000 or less in 2014



Q10: Based on the total CA gross receipts in 2014, how much of those gross receipts were earned by working with CA utility companies?





Number of Total Contracts

37% of respondents were awarded 1-5 contracts in 2014



Q17: How many contracts in total were you awarded in 2014?





Dollar Value of Total Contracts Awarded

26% of respondents were awarded \$1-4.9 million in total contracts in 2014



Source: CPUC Supplier Diversity Study (2015)

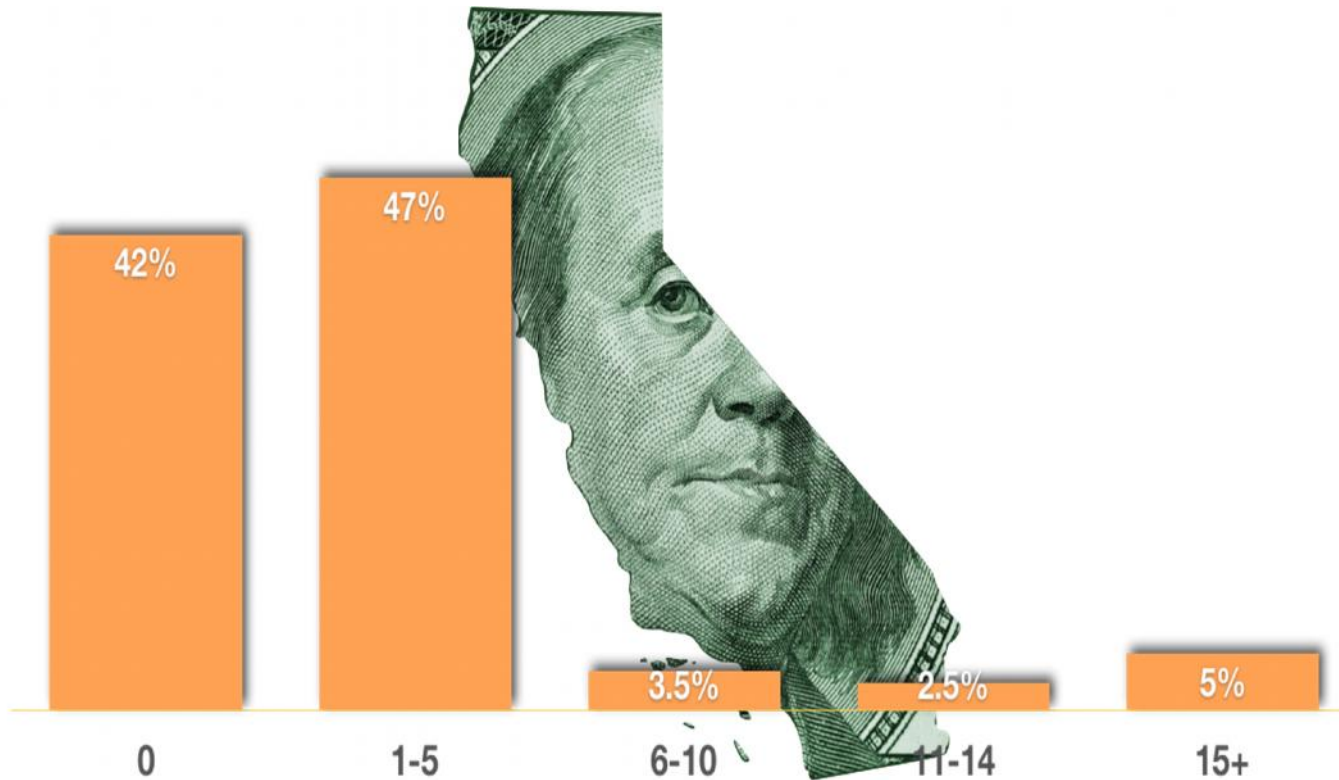
Q19: What is the total dollar value of all contracts awarded in 2014?





Number of Utility Contracts

Close to Half (47%) of respondents were awarded 1-5 utility contracts in 2014



Source: CPUC Supplier Diversity Study (2015)

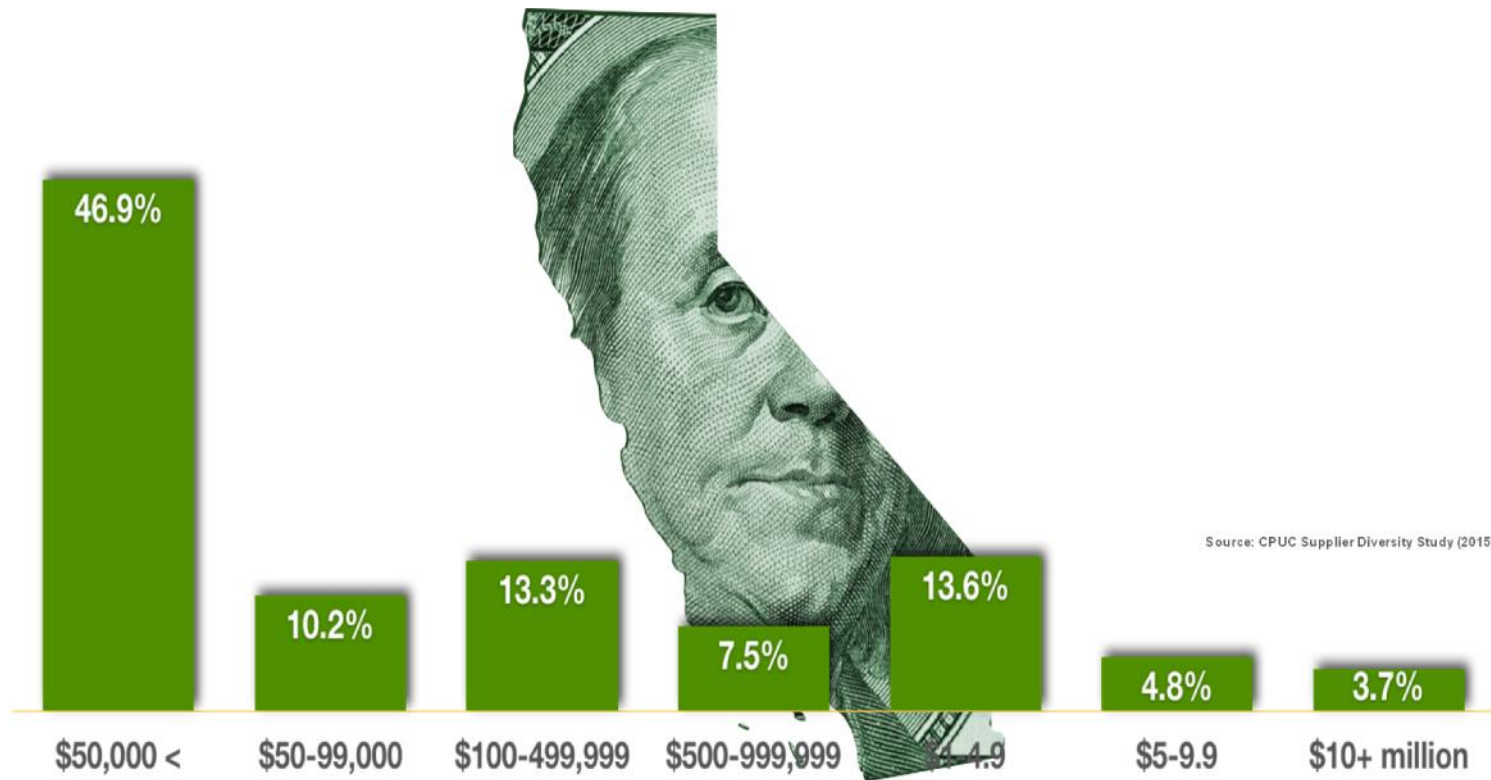
Q18: Based on the total number of contract awarded, how many contracts were you awarded by the utility companies in 2014?





Dollar Value of Utility Contracts Awarded

Close to Half (47%) of respondents were awarded utility contracts worth \$50,000 or less in 2014



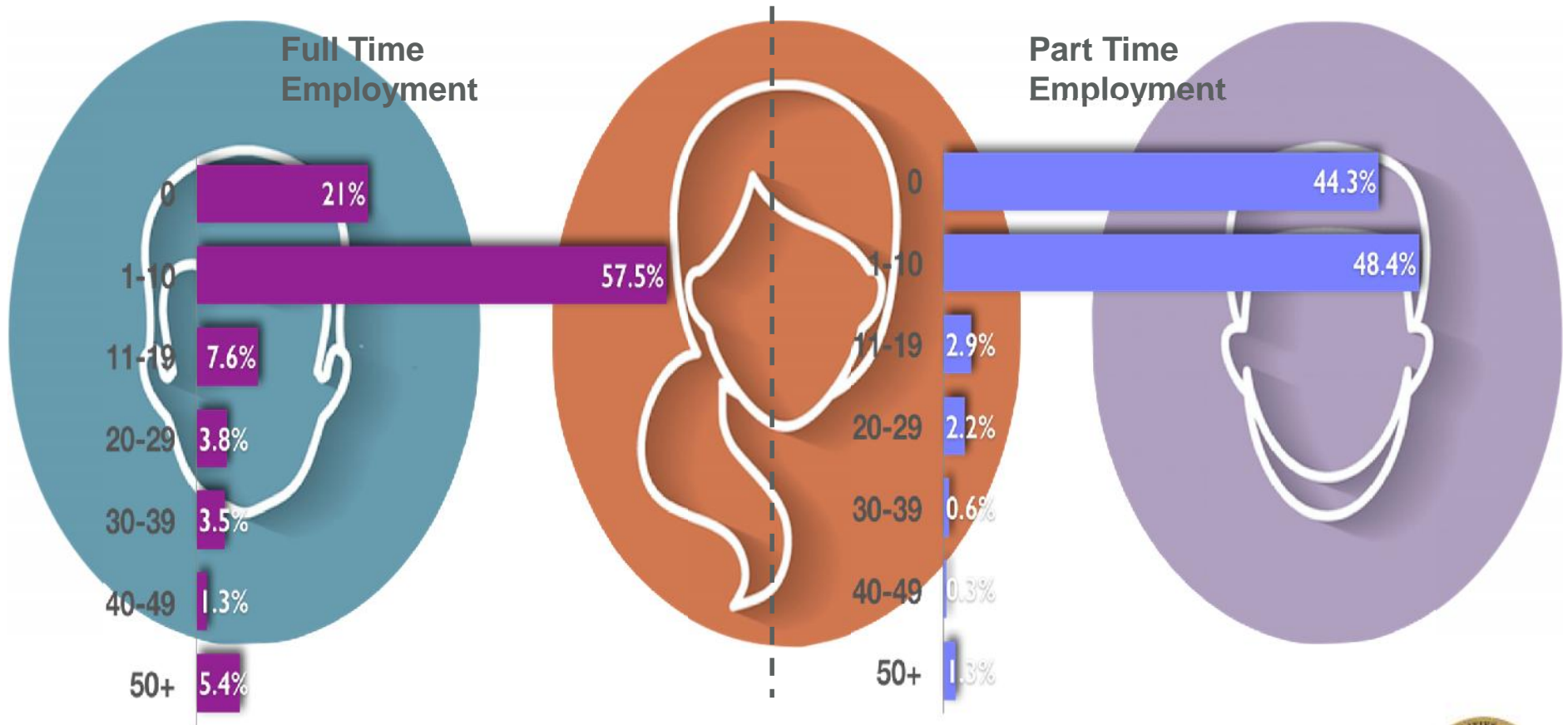
Q20: Based on the total dollar value awarded in contracts, what is the dollar value of those contracts awarded by the utility companies in 2014?





Employment - FT and PT

57% and 48% of respondents hired 1-10 FT and PT employees respectively in 2014



Source: CPUC Supplier Diversity Study (2015)

Q15: How many FT employees in CA did you add in 2014? Q16: How many PT employees in CA did you add in 2014?





State Taxes

80% of respondents paid \$500,000 or less in CA States taxes in 2014



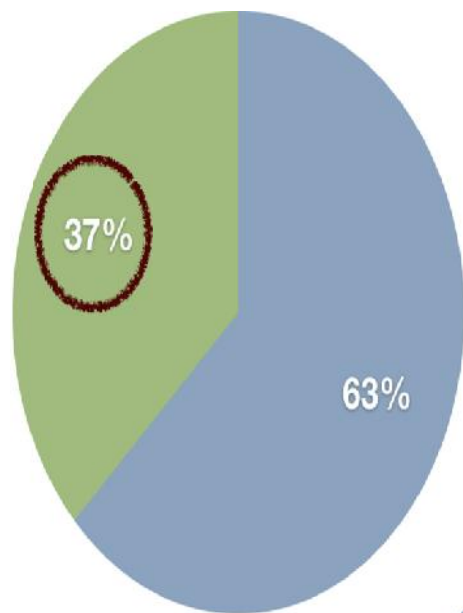
Q12: How much did your company contribute to CA state income tax in 2014?





Outsourcing

63% of respondents in study sub-contracted to diverse suppliers



● Yes ● No



There is an opportunity to further outsource to diverse suppliers.

Q8: Do you sub-contract to diverse suppliers?

Source: CPUC Supplier Diversity Study (2015)



Summary

First study to measure the value of supplier diversity as part of GO 156

Results quantify the economic VALUE not only for diverse suppliers, but for the state of California

Study continues to underscore the important link of economic empowerment between diverse suppliers and communities



What's Next?

Conduct Phase 2 study in 2016 to delve into “best practices” of diverse suppliers part of GO 156

Continue to measure progress and challenges of diverse suppliers in 2017 to drive superior value





**General Order 156:
A Study to Quantify the Value of Supplier Diversity**

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September 28, 2015

September 28, 2015

<http://www.cpuc.ca.gov/PUC/supplierdiversity/>



Regular Agenda – Management Reports and Resolutions

Item #33 [14366]

Management Report on Administrative Activities





Management Reports





The CPUC Thanks You For Attending Today's Meeting

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

**December 3, 2015 at 9:30 a.m.
in San Francisco, CA**

