

# VALLEY CLEAN ENERGY ALLIANCE

## Staff Report – Item 10

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To: Valley Clean Energy Alliance Board of Directors

From: Mitch Sears, Interim General Manager

Subject: Regulatory Monitoring Report

Date: October 18, 2018

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**RECOMMENDATION:** Receive regulatory monitoring report.

### Regulatory Priorities

The Keyes and Fox Board report includes several priority issues including:

- **CPUC Decision expected on the PCIA.** The CPUC is expected to consider the Proposed Decision and revised Alternate Proposed Decision at its October 11 Business Meeting.
- **A Ruling in the Resource Adequacy (RA) proceeding requests comments on SCE's Central Buyer proposal.** As proposed by SCE, a central buyer would procure Local RA on a residual basis and load-serving entities (LSEs) like VCE would continue to procure RA to meet their System and Flexible requirements. A three-year RA compliance period would be used.
- **New compliance obligations on the horizon for Power Source Disclosure and Net Metering programs.** In the "Other Regulatory Developments" section of the memo, two possible changes to VCE's future compliance obligations are noted. First, the California Energy Commission is soliciting feedback on implementing changes to the Power Source Disclosure Program, in accordance with AB 1110, that would require VCE and other retail suppliers to include information about their GHG emissions intensities in their Power Content Label beginning in 2020. Second, a recent CPUC Decision establishing net metering consumer protection standards requires VCE and other entities to post to their websites a "solar information packet" after it is finalized by CPUC Staff.

### Attachment:

Keyes & Fox October 10, 2018 Regulatory Memorandum

# Valley Clean Energy Alliance

## Regulatory Monitoring Report

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To: Valley Clean Energy Alliance Board of Directors

From: Tim Lindl, Partner, Keyes & Fox LLP  
Sheridan Pauker, Partner, Keyes & Fox, LLP  
Ben Inskeep, Energy Analyst, EQ Research, LLC

Subject: Regulatory Update

Date: October 10, 2018

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### Summary

Keyes & Fox LLP and EQ Research, LLC, are pleased to provide VCE's Board of Directors with this monthly informational memo describing key California regulatory and compliance-related updates from the California Public Utilities Commission (CPUC), California Energy Commission (CEC), and California Air Resources Board (CARB).

This month's report includes regulatory updates on the following priority issues:

- PCIA Rulemaking
- PG&E's 2019 Energy Resource and Recovery Account (ERRA) Forecast
- Resource Adequacy (RA)
- CCA Reentry Fees & Financial Security Requirements
- Renewables Portfolio Standard (RPS) Rulemaking
- RPS Rulemaking (Old Docket)
- Integrated Resource Plans
- Tree Mortality Nonbypassable Charge (NBC)
- PG&E Rate Design Window (RDW)
- Other Regulatory Developments

### PCIA Rulemaking

On September 20, 2018, the CPUC issued a Decision approving a settlement agreement between PG&E and parties on Track 1 issues related to medical baseline customers. On October 5, 2018, Commissioner Peterson issued a revised Alternate Proposed Decision on Track 2 issues. The Proposed Decision and revised Alternate Proposed Decision are expected to be considered at the CPUC's October 11, 2018 Business Meeting.

- **Background:** This proceeding has two tracks. [Track 1](#) addressed the PCIA exemption currently in place for CCA customers participating in the California Alternate Rates for Energy (CARE) and Medical Baseline (MB) programs. [Track 2](#) is considering alternatives to the current PCIA methodology. (A second phase of this proceeding is anticipated to begin once a Track 2 decision is issued.)

In Track 1, the CPUC approved a Settlement Agreement that PG&E had filed on behalf of several parties in March 2018.

In Track 2, both a Proposed Decision and Alternate Proposed Decision have been issued.

- **Details:** The Track 1 Decision pertaining to PG&E's pending Settlement Agreement resolved the availability of the exemption for MB customers taking energy from CCAs in PG&E's service territory. MB customers of CCAs that begin to serve residential customers after September 20, 2018 will not receive the PCIA exemption. Payment of the PCIA by MB residential customers of CCAs currently serving customers will be phased-in over a period of four years.

The Track 2 Proposed Decision (PD) rejects the utilities' proposals (*i.e.*, the Green Allocation Methodology and Portfolio Monetization Mechanism (GAM/PMM)) and CalCCA's proposal for higher administrative benchmarks, and leaves the current PCIA in place, maintaining the current brown power index, but adopting revised inputs to the benchmarks used to calculate the PCIA for RPS resources and resource adequacy. It determines that CCAs do not need to pay for either pre-2002 or post-2002 costs of non-renewable utility owned generation (UOG), or for storage-related costs beyond the 10-year limit. It also adopts an annual PCIA true-up mechanism and a "rate collar" (*i.e.*, a floor set at zero and a cap initially set at \$0.022/kWh, with the annual change of the PCIA limited to \$0.005/kWh for any PCIA charge above \$0.015/kWh) intended to limit the change of the PCIA rate from one year to the next.

The October 5 Track 2 revised Alternate Proposed Decision (APD) differs from the PD in four significant ways. First, it finds that legacy UOG is PCIA-eligible and should be recovered from CCA customers. Second, the APD terminates the 10-year limit on PCIA cost recovery for post-2002 UOG and certain storage costs, meaning these costs would be included in the PCIA going forward. Third, the revised APD establishes a maximum annual increase in PCIA of \$0.005/kWh starting in 2020 (instead of a 25% rate collar, as was initially proposed in the APD), although IOUs will be allowed to propose a revised PCIA rate if the cap results in large balancing accounts equal to 10% of forecasted PCIA revenues. Finally, the APD adopts the Platt's Portfolio Content Category 1 REC index value for the Market Price Benchmark's RPS Adder, but only for the 2019 ERRR Forecast. The revised APD also modified the annual true-up to remove the RA and REC components and consider them in Phase 2 of the proceeding, meaning only brown power will be true-up initially.

- **Analysis:** The Track 2 revised APD would result in a higher PCIA for VCE's customers than under the Track 2 PD. The revised PCIA methodology will be used to calculate the PCIA that takes effect on January 1, 2019. In addition, the PD and APD create new reporting requirements for LSEs, including CCAs, requiring them to submit specific resource contract information on January 31 each year, beginning in 2019.
- **Next Steps:** The PD and APD may be heard at the CPUC's October 11, 2018 Business Meeting. The PD and APD would also open a second phase of this proceeding, forming a working group to "consider the development and implementation of a comprehensive solution to the issue of excess resources in utility portfolios." A decision regarding PG&E's pending Settlement Agreement of Track 1 issues is forthcoming.
- **Additional Information:** Track 2 Revised Alternate Proposed Decision – [Redlined](#) and [Clean](#) versions (October 5, 2018); [D.18-09-013](#) Track 1 Decision approving PG&E Settlement Agreement (September 20, 2018); [Track 2 Alternate Proposed Decision](#) (August 14, 2018); [Track 2 Proposed Decision](#) (August 1, 2018); [D.18-07-009](#) resolving SCE & SDG&E PCIA exemption issues (July 23, 2018); [PG&E Settlement Agreement](#) pending on MB customer PCIA exemption (March 28, 2018); [Track 2 Scheduling Memo](#) (May 2, 2018); Docket No. [R.17-06-026](#).

## **PG&E's 2019 Energy Resource and Recovery Account Forecast**

On September 20, 2018 the CPUC held an evidentiary hearing. PG&E and the Joint CCA Parties filed opening briefs on October 2, 2018.

- **Background:** Utility ERRA proceedings establish the amount of the PCIA and other nonbypassable charges for 2019. More specifically, they determine fuel and purchased power costs associated with serving bundled customers that utilities may recover in rates. PG&E is forecasting a 2019 total revenue requirement of \$2.893 billion, comprised of \$1.597 billion related to its ERRA, plus three nonbypassable charges: the ongoing Competition Transition Charge (CTC), \$82.2 million; the PCIA, \$1.068 billion; and the Cost Allocation Mechanism, \$146.1 million. PG&E also requested approval of its 2019 sales forecast, as well as its 2019 GHG-related forecasts, which includes a net GHG revenue return of \$314.2 million. PG&E’s application was protested by CCA Parties and the Office of Ratepayer Advocates.
- **Details:** The August 16 Scoping Memo and Ruling identified the issues that will be considered in this proceeding, determined that an evidentiary hearing is needed, and established a procedural schedule.
- **Analysis:** This proceeding will implement the decision in the PCIA docket and establish the amount of the PCIA for VCE’s 2019 rates and the level of PG&E’s generation rates for bundled customers. VCE will not know the final amount of any PCIA increase or generation rate decrease until November, when an update to PG&E’s testimony will be provided, although estimates can be made from PG&E’s initial testimony, which was filed with the application.
- **Next Steps:** Reply briefs are due October 16. PG&E will update the requested revenue requirements, including NBCs, as well as more current CCA load forecast information, in its November Update, due on the later of November 7 or five business days after the Energy Division sets the Market Price Benchmark.
- **Additional Information:** [Scoping Memo and Ruling](#) (August 16, 2018); [CCA Parties’ Protest](#) (July 5, 2018); [PG&E’s Application](#) (June 1, 2018); [PG&E’s Testimony](#) (June 1, 2018); Docket No. [A.18-06-001](#).

## Resource Adequacy (RA)

On September 14, 2018 parties filed additional Track 2 reply comments. On October 5, 2018 the judge issued a Ruling requesting additional comments on SCE’s RA central buyer proposal.

- **Background:** This proceeding has three tracks, and is currently focused on Track 2. [Track 1](#) addressed 2019 local and flexible RA capacity obligations and several near-term refinements to the RA program and is closed. [Track 2](#) issues include consideration of the adoption of multi-year local RA requirements, a “Central Buyer” proposal for potential major revisions to RA procurement, refinements to local RA rules, seasonal local capacity requirements, local RA penalty waiver requirements, and increased transparency regarding which resources are essential for local and sub-area reliability. [Track 3](#) issues include 2020 RA requirements, potential revisions to RA counting rules for weather-sensitive and local demand response resources, and other issues that arise.
- **Details:** The Ruling states that the CPUC is interested in considering in more detail SCE’s proposal in which a central buyer would procure Local RA on a residual basis. LSEs would continue to procure RA to meet their System and Flexible requirements with the assumption that their procurement objective will be to secure the least-cost resources to meet their RA needs. If these least-cost resources also meet local area needs, then they would reduce the quantity of Local RA that the central procurement entity needs to procure to meet the residual Local RA need. The LSE would need to have procured the resource for the duration of the three-year compliance period and agree to show the resource as RA in each month of all three years.
- **Analysis:** This proceeding affects VCE’s RA compliance obligations for 2019 and 2020, and could potentially result in a new RA procurement framework in California that may impact VCE’s ability to procure RA capacity on its own behalf. Changes being considered include requiring LSEs like VCE to procure RA for 3-5 years in advance instead of only for the year ahead, as well as moving to a central buyer model for local capacity requirements, where, under various

proposals, PG&E, CAISO or another entity would be responsible for procuring RA capacity on VCE's behalf.

- **Next Steps:** Comments on SCE's proposal are due October 17, with reply comments due October 24.
- **Additional Information:** [Ruling](#) requesting comments on SCE's proposal (October 5, 2018); [2017 Resource Adequacy Report](#) (August 3, 2018); [D.18-06-030](#) setting local capacity requirements and resource adequacy program revisions and [D.18-06-031](#) adopting flexible capacity requirements for 2019 (both on June 22, 2018); [Scoping Memo and Ruling](#) (January 1, 2018; [modified](#) in part on May 2, 2018); Docket No. [R.17-09-020](#).

## CCA Reentry Fees & Financial Security Requirements

On September 4, 2018 CalCCA and AReM filed protests of PG&E's Advice Letter (AL) 5354-E. On October 2, 2018, PG&E filed a supplemental AL (5354-E-A) to resolve AReM and CalCCA's protests.

- **Background:** Reentry fees include utility administrative costs and procurement costs resulting from a mass involuntary return of CCA customers to utility service. The FSR is used to cover those potential costs. The reentry fee for incremental procurement costs is based on six months of incremental procurement. The CPUC's Decision adopted on June 7, 2018 provided that the administrative per-customer reentry fee is \$4.24 for PG&E (compared to \$1.12 for SDG&E and \$0.50 for SCE) and that the minimum FSR is \$147,000, which can be satisfied by letters of credit, surety bonds, or cash held by a third party.
- **Details:** PG&E has submitted three ALs implementing the CPUC's decision on CCA financial security requirements (FSR), including one establishing VCE's FSR:
  - [AL 5354-E-A](#) (Tier 2) proposes revisions to electric Rule 23 Community Choice Aggregator Service to incorporate the reentry fees and FSRs.
  - [AL 5350-E](#) (Tier 2), effective September 14, specifies VCE's and other CCA's FSRs, which are redacted in the Public version. Going forward, PG&E will update the FSR amounts biannually (on May 10 and November 10 each year).
  - [AL 5359-E](#) (Tier 1) provides a detailed description of the specific services that are covered under the CCA customer reentry fee for utility administrative costs and how those costs were calculated. It states that PG&E intends to identify the administrative fee as a separate item in its 2020 General Rate Case Phase II testimony and include a description of the components of the fee, how it is calculated, and a comparison of its fee with other major California utilities.
- **Analysis:** This rulemaking proceeding is closed. PG&E's ALs are related to implementing various requirements established in the final decision issued in this proceeding.
- **Next Steps:** Protests for AL 5354-E-A are due October 20. Note that CCAs will be required to submit a compliance Tier 1 AL to the Energy Division within 30 days of approval of the ALs, providing notice of compliance with the FSR and requesting return of any interim financial security posted with the CPUC.
- **Additional Information:** [AL 5354-E-A](#) revising electric Rule 23 (October 2, 2018); [AL 5359-E](#) describing reentry fee (August 17, 2018); [AL 5350-E](#) on financial security requirements (August 6, 2018); [D.18-05-022](#) establishing CCA reentry fees and financial security requirements (June 7, 2018); Docket No. [R.03-10-003](#).

## Renewables Portfolio Standard (RPS) Rulemaking

On September 12, 2018 the judge issued a Ruling requesting comments on Staff's proposal on effective load carrying capability (ELCC). On October 5, 2018, the judge issued a Proposed Decision implementing

AB 1923 regarding interconnection rules under the Bioenergy feed-in tariff program. On October 8, 2018, LSEs including VCE filed their updated RPS Procurement Plans to include consideration of the impacts of SB 100.

- **Background:** On July 12, 2018, the CPUC adopted an Order Instituting Rulemaking (OIR) establishing a new proceeding addressing RPS-related issues, R.18-07-003. The prior RPS docket, R.15-02-020 is now closed except for the limited purpose of addressing pending petitions for modification. Going forward, the new rulemaking proceeding will cover topics relevant to the RPS.

**Details:** The Ruling requested comments on the Energy Division Staff Proposal on three components of the Least-Cost Best-Fit (LCBF) methodology: ELCC, Time of Delivery (TOD) factors, and project viability. For reference, the LCBF methodology applies to how IOUs evaluate bids related to RPS procurement. In their LCBF valuations, the IOUs currently include the bid's capacity benefits by valuing the RA benefits expressed in the form of an assigned Net Qualifying Capacity (NQC) of each offer bid; unlike SDG&E and SCE, PG&E uses a form of ELCC to determine NQC values of each renewable bid. Staff proposed that the three IOUs should use a standardized ELCC approach that is specific to RPS procurement within their LCBF methodologies. Comments in response to the Ruling were filed on October 5.

The Proposed Decision implements changes to interconnection rules for the BioMAT program pursuant to AB 1923. For reference, the Bioenergy Market Adjusting Tariff (BioMAT) is a procurement program within the RPS that requires the three large IOUs (and not CCAs) to procure up to 250 MW of renewable feed-in-tariff resources from small-scale bioenergy projects.

LSEs originally filed their RPS Procurement Plans on August 20, 2018. Comments were filed on September 21, 2018 and reply comments were filed on October 5. In R.15-02-020, ALJ Mason requested updates to the RPS Procurement Plans to address procurement of resources in compliance with SB 100, which increased California's RPS target to 60% by 2030 and accelerated interim compliance period targets. These updated plans, including VCE's, were filed on October 8, 2018.

On September 21, 2018, parties filed comments in response to a June 21, 2018 ruling regarding how RPS paired with storage is valued.

- **Analysis:** This proceeding will affect VCE's RPS compliance obligations in 2019 and thereafter. This proceeding will also impact PG&E's RPS compliance obligations and impacts on above-market costs for the PCIA calculation (pending changes to the PCIA in R.17-02-026). However, a final scope and procedural schedule have not yet been established.
- **Next Steps:** Parties are awaiting the issuance of a final scoping memo. Reply comments on the ELCC Ruling are due October 15. Comments on revised RPS Procurement Plans are due October 18 (with no date set for reply comments). Comments on the Proposed Decision are due October 25, with reply comments due October 30.
- **Additional Information:** [Ruling](#) on revised RPS Procurement Plans (September 19, 2018); [Proposed Decision](#) on interconnection rules in the BioMAT program per AB 1923 (October 5, 2018); [Ruling](#) requesting comments on ELCC (September 12, 2018); [Order Instituting Rulemaking](#) (July 23, 2018); [R-18-07-003](#).

## Integrated Resource Planning (IRP)

On September 12, 2018, parties filed comments on other parties' IRPs, and reply comments were filed on September 26, 2018. On September 25, 2018, Staff published its proposal for integrating energy efficiency into the IRP process. On September 24, 2018, the CPUC issued a Ruling requesting comments on the CPUC's conduct of production cost modeling to support the IRP process. On October 5, 2018, the CPUC issued a Ruling granting a total of 29 LSE motions to file certain aspects of their 2018 IRPs (filed in August 2018) confidentially, confirming that no evidentiary hearings will be held on the 2018 plans, and requesting comments on future confidentiality treatment in IRPs.

- **Background:** In February 2018, the CPUC established the 2017-2018 IRP filing requirements and statewide reference system plan. VCE submitted its IRP on August 1.

**Details:** Staff's Proposal is intended to begin the process of determining how best to incorporate energy efficiency into the IRP optimization process, with a focus on exploring the feasibility of optimizing energy efficiency measures as candidate resources. The white paper (1) describes the various statutory, policy, and technical challenges associated with incorporating energy efficiency into the IRP resource optimization process; (2) provides results of staff's initial technical analysis of how to incorporate energy efficiency resources into the IRP optimization model; (3) proposes next steps for coordination between the Energy Efficiency and Integrated Resource Planning proceedings to implement staff's recommendations; and (4) provide the results of two reports that support the technical analysis presented.

The September 24 Ruling requests comments on two attachments to the Ruling. Attachment A details how production cost modeling will be used by the CPUC in the IRP process going forward. Attachment B is a Powerpoint slide deck detailing the production cost modeling and analysis that CPUC Staff has conducted.

The October 5 Ruling granted motions to file the following types of information confidentially: load forecasts; contracted resource adequacy volumes; and specific details of contracted resources such as resource names and IDs, as well as contract IDs. The questions posed in the Ruling relate to confidential treatment of IRPs going forward, as well as CPUC confidentiality precedent relating to CCAs and other parties more broadly.

The October 5 Ruling also finds that evidentiary hearings will not be held in this proceeding and also that LSEs will not be required to update their 2018 IRPs to address the requirements of 2018 SB 100. SB 100 will be addressed in the 2019-2020 IRP cycle.

- **Analysis:** The proceeding is now focused on addressing issues that will be relevant to VCE's 2020 IRP filing. Based on LSE IRP submissions, the CPUC will now be aggregating data to inform development of the recommended Preferred System Plan described in Decision (D.) 18-02-018.
- **Next Steps:** Comments on production cost modeling are due October 10, with reply comments due October 17. Informal comments on Staff's Proposal on incorporating energy efficiency into the IRP process are due October 31. Comments on future confidentiality treatment in LSE's IRPs, and potentially more broadly, are due November 16, with reply comments due November 30.
- **Additional Information:** [Ruling](#) on confidentiality motions (October 5, 2018); [Ruling](#) requesting comments on production cost modeling (September 24, 2018); [Staff Proposal](#) for incorporating energy efficiency into the IRP process (September 18, 2018); [VCE's 2018 IRP](#) (August 1, 2018); [Ruling](#) adopting final load forecasts and GHG reduction benchmarks (June 18, 2018); [Ruling](#) adopting GHG accounting method and benchmarks (May 25, 2018); [D.18-02-018](#) adopting IRP reference plan and load-serving entity requirements (February 13, 2018); Docket No. [R.16-02-007](#).

## Tree Mortality Nonbypassable Charge (NBC)

Briefs have been filed and parties are awaiting a Proposed Decision.

- **Background:** On November 14, 2016, PG&E, SCE, and SDG&E filed an application seeking a "Tree Mortality Non-Bypassable Charge," and proposed cost recovery through the Public Purpose Program Charge. The utilities asserted that SB 859 (2016) required these costs be allocated to all customers, including unbundled customers. The utilities define the costs to be allocated as net costs factoring in all contract costs net of energy, ancillary service, and renewable energy credit values.
- **Details:** Parties are now awaiting the issuance of a Proposed Decision.

- **Analysis:** This proceeding could result in additional costs being recovered through the Public Purpose Program Charge on CCA and bundled customers.
- **Next Steps:** A Decision is expected by late Fall 2018.
- **Additional Information:** [Scoping Memo and Ruling](#) establishing the scope and procedural schedule (May 30, 2018); [Ruling](#) denying CalCCA's Motion to include consolidated cost recovery in the scope of this proceeding (March 14, 2018); Docket No. [A.16-11-005](#).

## PG&E Rate Design Window (RDW)

On September 26, 2018, PG&E, SDG&E and SCE filed Supplemental Testimony addressing a CPUC Staff alternative methodology for calculating the cost estimates and GHG reductions from TOU rates.

- **Background:** The IOUs' RDW applications have been consolidated into one proceeding. This proceeding is divided into three phases, with the second phase further bifurcated. A May 2018 [Phase I](#) Decision granted PG&E approval to begin transitioning eligible residential customers to TOU rates beginning in October 2020.

The proceeding is now focused on [Phase II](#), which is considering the IOUs' specific rate design proposals for default TOU and other rate options, as well as implementation issues for default TOU. With respect to PG&E, [Phase IIA](#) is focused on PG&E's proposal to restructure the CARE discounts into a single line item percentage discount to the customer's total bill, and [Phase IIB](#) is addressing its rate design proposals and implementation, including a number of issues impacting CCA customers (e.g., PG&E's CCA rate comparison tool and TOU rate design roll out to CCA customers).

[Phase III](#) will consider the IOUs' proposals for fixed charges and/or minimum bills. PG&E proposed raising its minimum bill from \$10/month to \$15/month and implementing a fixed charge beginning at \$3.70/month in the first year and rising to \$7.40/month in the second year.

- **Details:** An August 2018 Ruling observed that although the IOUs used the same methodology to calculate GHG reductions, they did not use consistent values or assumptions, and that PG&E and SDG&E specifically did not explain all of the values and assumptions they used in the calculations. Furthermore, it stated that the Energy Division might want to propose a variant of the "Itron Methodology" used in the GHG calculations. Accordingly, it directed the IOUs to consult with the Energy Division and parties to discuss the accuracy of the Itron model, and to develop a consistent set of values and assumptions to be used in their calculations of cost estimates and GHG reductions, and to present revised calculations in supplemental testimony.
- **Analysis:** This proceeding will impact the timing, details, and implementation of residential TOU rates for bundled PG&E customers as well as VCE customers via rate design changes to the distribution component of customer bills. It could affect the level of VCE's rates compared to PG&E's, and to the extent VCE mirrors PG&E's residential rate design, lead to changes in the way VCE structures its residential rates.
- **Next Steps:** In Phase IIA, a Proposed Decision is expected in November, with a final Decision by December 13, 2018. In Phase IIB, ORA and intervenor testimony are due October 26 and rebuttal testimony is due December 7. A Phase IIB Decision is expected in July 2019. There are no Phase III procedural deadlines scheduled until March 2019.
- **Additional Information:** [Ruling](#) requesting supplemental testimony on GHG reduction cost estimates (August 17, 2018); [PG&E Supplemental Testimony](#) (August 17, 2018); [Ruling](#) clarifying scope (July 31, 2018); [D.18-05-011](#) (Phase I) on the timing of a transition to default TOU rates (May 17, 2018); [Amended Scoping Memo](#) (April 10, 2018); PG&E Rate Design Window Application & Testimony (December 20, 2017); Docket No. [A.17-12-011](#) (consolidated).



## Other Regulatory Developments

- **Power Source Disclosure.** The CEC issued a [Notice of Availability](#) requesting comments by October 25 on the third version of its [Implementation Proposal for AB 1110](#). The CEC is planning to institute a formal rulemaking to consider modifications to regulations implementing the Power Source Disclosure Program, which requires electricity retail suppliers including CCAs to disclose to consumers the electricity sources in their products compared with the mix of electricity sources providing power for California. The planned rulemaking will address the statutory requirements of AB 1110, as well as revisions to clarify existing provisions, improve program operations, and streamline reporting requirements. Under AB 1110, the PSD Program will also require electricity retail suppliers to disclose to customers the GHG emissions intensity of the retail suppliers' electric service products and the quantity of unbundled RECs procured in association with electric service products. Retail suppliers will begin disclosing GHG emissions intensities on the Power Content Label in 2020 for 2019 calendar year data. CEC staff plan to conduct another pre-rulemaking workshop later in 2018 to present draft regulatory language.
- **Net Metering Consumer Protection Standards.** The CPUC has issued a [Decision](#) in its net metering successor tariff docket (R.14-07-002) establishing net metering consumer protection standards, including the establishment of a "solar information packet" that certain entities, including CCAs, must provide to customers by posting it on their websites after it has been finalized. The Energy Division will manage the process for developing and designing the solar information packet, which according to the Decision's attached outline, will include information on how to choose a contractor, how solar financing works, an overview of net metering, and a consumer checklist, among other topics. Requests for rehearing of the Decision are due November 5.
- **Residential Rate Design.** On September 28, 2018 the CPUC issued a [Ruling](#) setting a prehearing conference for October 22 to discuss the future scope of this proceeding (R.12-06-013), which addresses California's long-running residential rate reform effort. The prehearing conference will address the scope and schedule for the proceeding, as well as whether there are any issues previously within the scope that still need to be resolved. For reference, since the CPUC issued D.17-12-023 on a statewide marketing, education, and outreach plan in December 2017, the CPUC suspended the previously established procedural schedule for the CARE restructuring track of the proceeding. Since then, the proceeding has been largely dormant.
- **PG&E Energy Storage Procurement Application.** On September 20, 2018 the CPUC issued [Draft Resolution E-4949](#) accepting PG&E's June Advice Letter ([AL 5322-E](#)) that requested approval of contracts for energy storage facilities totaling 567.5 MW resulting from an RFO it issued in response to CPUC Resolution E-4909. For reference, Resolution E-4909 stems from the potential designation of three Calpine power plants as reliability must run (RMR) resources by the CAISO (allowing full cost-based cost recovery rather than market-based pricing). The RFO was intended to fulfill the local capacity needs underlying the RMR designations so as to avoid the need for the RMR contracts and mitigate concerns that plant retirements coupled with increased local capacity needs would create conditions for a future exercise of market power. The Draft Resolution observes that long-term capacity contracts replacing short term contracts for gas-fired resources significantly reduces this concern. Comments on the Draft Resolution are due October 15 and the matter is expected to be considered at the CPUC's October 25 meeting.
- **California Customer Choice.** On October 3, 2018 the CPUC issued a [Media Advisory Notice](#) informing stakeholders that it will hold an En Banc hearing (see [Agenda](#)) on October 29 in its California Customer Choice Project. The meeting will feature discussion of the CPUC's "Gap Analysis" and Draft Action Plan, which is scheduled to be issued by October 19. The Gap Analysis will discuss critical issues, possible solutions and best practices culled from the various markets examined in the in the Choice Paper. The Draft Choice Action Plan will identify the remedies for these issues, indicate whether the issue is already being addressed in a CPUC proceeding (or elsewhere) and recommend a pathway for a new regulatory or legislative initiative. The morning portion of the hearing will feature a staff presentation of the Gap Analysis and Draft Action Plan. The afternoon portion of the meeting will feature comments from LSEs including

IOUs, CCAs, competitive energy service providers, and a consumer representative. That portion will be followed by comments from other stakeholders, including perspectives from representatives of labor, behind the meter customer-focused providers, social equity groups, and environmental advocacy organizations. Post-meeting comments will be accepted but a due date has not yet been established.