Senate Budget and Fiscal Review—Nancy Skinner, Chair
SUBCOMMITTEE NO. 2 **Agenda**

Senator Bob Wieckowski, Chair
Senator Brian Dahle
Senator Mike McGuire
Senator Henry I. Stern

Wednesday, May 4, 2022
1:30 p.m.
State Capitol, Room 112

Consultant: Anita Lee

Items Proposed for Vote Only

Items Proposed for Discussion

Public Comment

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Items Proposed for Vote Only

3360 CALIFORNIA ENERGY COMMISSION

Issue 1: Assessing Firm Zero-carbon Resources to Support Grid Reliability – Implementation of SB 423

Summary. The California Energy Commission (CEC) requests $780,000 and three permanent positions to develop the report to be submitted to the Legislature on zero-carbon resources by December 31, 2023 and to conduct ongoing analysis for the Integrated Energy Policy Report (IEPR) as required by SB 423 (Stern), Chapter 243, Statutes of 2021.

Background. SB 423 requires the CEC to submit to the Legislature an assessment by December 31, 2023, of firm zero-carbon resources that support a clean, reliable, and resilient electrical grid and will help achieve the existing statutory goal of ensuring renewable energy and zero-carbon resources supply 100 percent of all retail sales of electricity to California customers by December 31, 2045. The report to the Legislature will require substantial new analysis for the CEC, and will include the identification of resources, evaluation of the need and role those resources, identification of barriers and solutions to implementing new technology, and evaluation of energy storage, among others.

The CEC requests $780,000 and three permanent positions to develop the report to be submitted to the Legislature on zero-carbon resources by December 31, 2023 and to conduct ongoing analysis for the Integrated Energy Policy Report (IEPR). This includes $780,000 from the Energy Resource Programs Account (ERPA) in 2022-23 to develop the report to the Legislature, and $594,000 in 2023-24 and annually thereafter to generate subsequent analyses for IEPR. This corresponds to three permanent positions starting in 2022-23 plus funding for one temporary position in 2022-23 only. The Assembly Appropriations Committee analysis was on a prior version of the bill.

Staff Recommendation. Approve as budgeted.

Issue 2: Building electrification and electric vehicle charging – Implementation of SB 68

Summary. The CEC requests $150,000 annually from the Energy Resources Programs Account (ERPA) and one permanent position to implement the requirements of SB 68 (Becker), Chapter 720, Statutes of 2021, which directs the CEC to post guidance on its website to help stakeholders overcome barriers to electrifying existing buildings and installing electric vehicle (EV) charging equipment to existing buildings. This work will require research, data gathering, updating, packaging, web design, and coordination with other divisions, agencies, and stakeholders on an ongoing basis.

Background. SB 68 requires the CEC to develop and publish guidance on best practices to help reduce barriers for building owners to transition to electric equipment and appliances, and install electric vehicle charging equipment; and authorizes awarding of moneys from an existing grant program, funded by surcharges on energy ratepayer utility bills, for technological advancements that reduce the costs of electrifying building-related applications.

The Administration requests $150,000 annually from ERPA and one permanent position to implement the requirements of SB 68. This work will require research, data gathering, updating, packaging, web design, and coordination with other divisions, agencies, and stakeholders on an ongoing basis. This request is similar to the Assembly Appropriations Committee fiscal analysis of SB 68.

Staff Recommendation. Approve as budgeted.

Issue 3: Fuel Cell Electric Vehicle Fueling Infrastructure and Fuel Production: Statewide Assessment – Implementation of SB 643

Summary. The CEC requests $150,000 annually from the Alternative and Renewable Fuel and Vehicle Technology Fund and 1.0 permanent position to implement the requirements of SB 643 (Archuleta), Chapter 646, Statutes of 2021 to prepare in consultation with the California Air Resources Board (CARB), the California Public Utilities Commission (CPUC), and other specified state agencies, a statewide assessment of the fuel cell electric vehicle (FCEV) infrastructure, fuel production, and distribution needed to meet California's zero-emission truck, bus, and off-road vehicle goals as set in Executive Order N-79-20, as well as any CARB regulation that requires or allows zero-emission heavy-duty and off-road vehicles.

Background. SB 643 requires the CEC, in consultation with CARB and CPUC, to prepare a statewide assessment at least once every three years beginning before December 31, 2023 until January 1, 2030, of FCEV fueling infrastructure and fuel production needed to support the adoption and integration of medium-duty and heavy-duty FCEV. This assessment would consider all fuel production and distribution infrastructure, including dispensing equipment, production equipment, storage, and on and off-road electrification needed to meet demand for FCEV deployment and integration. The assessment is required to provide estimates and evaluations on how hydrogen will contribute to emissions reductions across various sectors, such as contributing to a more renewable grid, decarbonizing hard-to-electrify industries and remote locations, expanding microgrids, and improving energy resiliency.

New responsibilities under this bill will include an expansion of data collection efforts to include industry sectors such as rail, marine, and off-road vehicles and an assessment of all fuel production and distribution infrastructure, including dispensing equipment, production equipment, storage, and on- and off-road electrification needed to meet demand for fuel cell electric medium- and heavy-duty deployment and integration in California.

The Administration requests $150,000 annually from the Alternative and Renewable Fuel and Vehicle Technology Fund and one permanent position to implement the requirements of SB 643 to prepare in consultation with the CARB, the CPUC, and other specified state agencies. The Assembly Appropriations Committee analysis and cost estimates were on a prior version of the bill.

Staff Recommendation. Approve as budgeted.

Issue 4: Air pollution: alternative vehicles and vehicle infrastructure – Implementation of SB 589

Summary. CEC requests $113,000 annually from the Alternative and Renewable Fuel and Vehicle Technology Fund and 0.8 permanent position to implement the requirements of SB 589 (Hueso), Chapter 732, Statutes of 2021. The additional resources will assess workforce and resource needs associated with electric vehicle charging infrastructure deployment goals.

Background. SB 589 expands the types of projects eligible for funding from the Alternative and Renewable Fuel and Vehicle Technology Program (ARFVTP) to include projects that develop in-state supply chains and the workforce for raw materials and components needed for zero-emission vehicle (ZEV) manufacturing. This bill expands the groups the CEC must consult as part of ARFVTP workforce development efforts to include the California Conservation Corps, local Conservation Corps, the California Mobility Center, and the California Community Colleges. This bill also incorporates workforce development as a resource the CEC must evaluate part of its regular assessment of resources needed to meet state ZEV deployment goals. The CEC requests $113,000 annually from the ARFVT Fund and 0.8 permanent position to implement the requirements of SB 589. This cost estimate is similar to the Assembly Appropriations Committee analysis.

Staff Recommendation. Approve as budgeted.

Issue 5: Solar Equipment List Direct Appropriation (Spring Finance Letter)

Summary. The CEC requests a permanent direct appropriation for $1,281,000 from the Public Utilities Commission Utilities Reimbursement Account to fund the CEC's Solar Equipment List Program and replace the current Interagency Agreement (IA) funding mechanism. The IA with the California Public Utilities Commission (CPUC) ends on June 30, 2022.

Background. The CEC developed the Solar Equipment List under SB 1 (Murray), Chapter 132, Statutes of 2006, establishing criteria and standards for solar incentive programs under the California Solar Initiative. All major components of solar energy systems (PV modules, inverters, and meters) had to be chosen from eligible equipment lists. To have their equipment included on the lists, manufacturers must provide certification from a nationally recognized testing laboratory that the components meet safety standards. The CEC verifies information provided by manufacturers to maintain equipment on the lists. California's large investor-owned utilities also use the solar equipment lists as a required standard for Rule 21 interconnection and for net energy metering purposes.

The CEC's Solar Equipment List program provides critical support for the state's utilities streamlined approval of interconnection for distributed solar energy resources and storage systems as well as numerous incentive and technical assistance programs.

In fiscal year 2019-20, the CEC put forth a series of budgetary actions necessary to reduce the Energy Resources Programs Account (ERPA) structural deficit. One element of those budgetary actions was to provide funding for the Solar Equipment List Program from PUCURA via an interagency agreement (IA) between the CEC and CPUC, which was effective July 1, 2019. The IA provides annual contract funding of $1,281,000 and it expires June 30, 2022. The IA payment terms require the CEC to issue 12 quarterly reimbursement invoices to the CPUC for this funding.

CEC seeks a more permanent funding solution for the Solar Equipment List program and eliminate the time-consuming administrative steps associated with seeking reimbursement via an IA, the CEC proposes an on-going annual direct appropriation of $1,281,000. This request includes support for the existing staff level of 8.0 PY and $50,000 in contract funds annually, a reduction from the current $70,000 in annual contract funds provided for under the existing agreement.

Staff Recommendation. Approve Spring Finance Letter.

8570 CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE

Issue 6: Emerging Threats Information Data Management System (Spring Finance Letter)

Summary. CDFA requests $1,954,000 in 2022-23 ($1,231,000 General Fund and $723,000 Food and Agriculture Fund) and $904,000 in 2023-24 ($570,000 General Fund and $334,000 Food and Agriculture Fund) to complete the planning activities required by the Department of Technology Project Approval Lifecycle to replace the existing legacy Emerging Threats Information Data Management System (ET). This system supports CDFA's Animal Health and Food Safety Services Division, the lead state organization for protecting consumers, livestock, and California's economy from catastrophic animal diseases, food safety and other health or agricultural related issues.

Background. In 2004, CDFA's Animal Health and Food Safety Services Division (AHFSS) initiated efforts to consolidate several stand-alone legacy systems distributed over the state into a single Web- based system to enhance the collection, processing and reporting of program activity data. The consolidation efforts resulted in development and implementation of the ET that is the central source of information management for the Animal Health, Bureau of Livestock Identification, Meat, Poultry and Egg Safety, and Milk and Dairy Food Safety Branches.

A 2016 analysis of ET, performed by the CDT Data Management Consultant, found that ET's current data model no longer represents the business need of AHFSS. The report stated that ET's "data integrity may have already been compromised" impacting the ability to exchange essential demographic information (core data, "people and places") amongst AHFSS programs. Additionally, the CDT report also identified that the means to ensure reliable shared data, necessary for key management decision, are not fully implemented, resulting in duplicate information and orphaned records. These leads to duplicated, incomplete, and invalid data.

For example, ET's critical information deficiencies was highlighted at the onset of the virulent Newcastle Disease (vND) response in 2018. CDFA's information for facilities producing or handling eggs was inconsistent across AHFSS programs, resulting in data quality issues. It took nearly three months and hundreds of hours of staff time to validate and clean information associated with the poultry and egg facilities.

The 2019 Budget Act included $2.5 million one-time General Fund for ET consultant services for project planning, data cleanup, system documentation, and the development of a potential information technology solution. The CDT Project Approval Lifecycle Stage Gate 1 Business Analysis is complete, and Stage Gate 2 Alternatives Analysis was submitted to CDT, reviewed, feedback provided, and an update to the Stage Gate 2 document underway. CDFA has committed all of the $2.5 million General Fund to work orders to complete the Stage Gate 2 document by May 2022, with additional data cleanup work to reduce project data conversion risk. Additionally, CDFA has been in discussions with CDT and the State Technology Procurement Division on the potential use of the Challenged Based Procurement approach, which would overlap Stage Gates 2 and 3.

The Spring Finance Letter requests funding to complete planning activities, project. Consultant resources will be managed by the CDFA Office of Information Technology Services. AHFSS will dedicate one Retired Annuitant staff member to ensure that the business needs of the program are met and align with the CDFA Strategic Plan goals. AHFSS will review and approve consultant timesheets and oversee the approved project budget. This funding will allow CDFA to complete PAL Stage Gate 3 and 4 activities, which include the competitive procurement and contract award for an ET replacement. The project is currently estimated to be $60 million, of which approximately $50 million is for implementation services, $2 million for licenses, and $8 million state costs. CDFA will be completing the Financial Analysis Worksheet in the coming weeks to identify the final cost estimate for Stage Gate 2.

Staff Recommendation. Approve Spring Finance Letter as proposed.

Issue 7: Extension of Invasive Shot Hole Borer Funding (Spring Finance Letter)

Summary. CDFA requests an extension of the liquidation period from June 30, 2022, to June 30, 2024, to complete the Invasive Shot Hole Borer (ISHB) research and outreach activities necessary to create a comprehensive strategy to control ISHB. These activities are needed to develop essential components of an evolving regional Integrated Pest Management program.

Background. The ISHB are invasive ambrosia beetles, native to Southeast Asia that are responsible for the death of thousands of trees in Southern California. ISHB s is associated with a fungal pathogen that the beetles carry with them and transmit to host trees and cause a disease called Fusarium Dieback (FD). The vascular stress caused by the fungal disease, combined with physical damage from the extensive beetle galleries, leads to general tree decline and, eventually, tree death.

The Budget Act of 2018 included $5 million one-time General fund for PSHB activities. The California Invasive Species Advisory Committee (CISAC) held a series of public stakeholder meetings to develop an ISHB action plan. The consensus of the stakeholder group was to use the funds for research, trapping and outreach. The CISAC ISHB sub-committees concluded their prioritization phase and grants were awarded to start addressing top priorities, with the University of California Integrated Pest Management (UC IPM) managing a master grant. Due to the timing of the CISAC process, the $5 million was reappropriated by the Budget Act of 2019. CDFA estimates that $1 million of this funding remains.

CDFA notes that the trapping portion of the contract at UC IPM is complete, however the research and outreach activities will not be fully completed by the liquidation deadline of June 30, 2022. Specifically, UC IPM is contracted to research biocontrol, IPM, epidemiology, chipping, endophytes, economic impacts and trap optimization. Much of the research has been conducted, however, due to COVID-19, some research is still incomplete due to travel restrictions.

CDFA is requesting an extension of the liquidation period from June 30, 2022, to June 30, 2024, to allow grant recipients more time to expend encumbered funds, as the COVID-19 pandemic has led to unforeseen delays.

Staff Recommendation. Approve Spring Finance Letter as proposed.

Issue 8: Information Technology Security Remediation and Sustainability (Spring Finance Letter)

Summary. CDFA requests $2,942,000 General Fund and $544,000 special funds and one permanent position in 2022-23, $2,455,000 General Fund and $540,000 special funds in 2023-24, and $1,030,000 General Fund and $540,000 special funds in 2024-25 and ongoing to manage, implement, and maintain mitigation efforts to resolve high-risk information technology security findings, "true up" its personal services and operating expense and equipment costs, and fund two existing authorized positions within CDFA's Office of Information Technology Services (OITS).

Background. OITS provides information technology (IT) services for all CDFA staff and locations. OITS is responsible for the development and maintenance of over 430 IT systems that supports CDFA's business operations and critical business functions. In addition to supporting existing systems, OITS is charged with working with the divisions to implement new systems, new functionality, and enhancements. The chart below outlines the SFL funding request.

Area	BY	BY + 1
Consulting & Professional Services	$1,407,200	$1,453,600
Hardware/Software/Software as a Service	1,154,132	624,032
True costs of the IT reclassifications	447,940	447,940
Funding for the two positions that were unfunded	244,690	244,690
Funding for the IT manager	178,807	178,807
OE&E (Office supplies, laptops, training, etc.)	53,231	45,931
Total	$3,486,000	$2,995,000

Over the past several years, CDFA has undergone annual IT Security Audits and Assessments by California Department of Technology State Information Security Office (SISO) and the California Military Department (CMD). These audits found a significant number of identified security findings. CDFA's Plan of Action and Milestones (PoAM) is a confidential document that CDFA submits quarterly to SISO on its actions to mitigate and manage these security findings. From 2019-20 through 2020-21, OITS redirected three positions to expand CDFAs Agency Information Security Office (AISO) to address workload associated with the security audits. However, CDFA believes they do not have enough funding or staff to address or mitigate the findings identified in the PoAM. CDFA notes that many of the findings require procurement of software applications, which will have one-time and ongoing costs associated with software licenses. CDFA requests $1.41 million for consulting and professional services and $1.15 million for hardware and software in 2022-22, and $1.45 million for consulting and professional services and $0.62 million for hardware and software in 2023-24 to address these security issues.

Due to CDFA OITS staffing limitations, the existing AISO is also the manager over the Infrastructure Operations team. However, SIMM 5305-A "Information Security Program Management Standard" specifies that the Information Security Officer (ISO) should not be assigned multiple roles that could present a conflict-of-interest. Therefore CDFA requests one IT Manager I position and associated funding to allow CDFA to comply with SIMM 5305-A. CFFA requests $178,807 to fund this position.

In June 2015, the state began an effort to consolidate IT classifications, many of which had not been updated in over 20 years. In developing the new IT classifications, the statewide team grouped legacy classifications with similar functions and/or salaries into new classification. The new classifications transitioned approximately 36 IT classifications into five rank-and-file IT classifications and four IT supervisory/managerial classifications. The changes took effect in January 2018. OITS had 60 authorized positions that received salary increases to match the new classifications and absorbed this increase with existing resources. OITS used its OE&E budget to bridge the salary and benefit gap, resulting in significant shortfalls for OE&E that eliminated most of the training as well as other expenses related to better equip staff to perform the work they were assigned. CDFA requests $0.45 million in 2022-23 to "true-up" personal services costs that increased because of statewide IT Classification Consolidations, which occurred in 2018.

OITS currently has two authorized positions that are not funded, one IT Specialist I and one IT Associate. When IT Consolidation was implemented, all CDFA IT positions were administratively consolidated under to OITS. While all positions and associated funding was administratively moved to OITS, two positions continued to reside within and were funded by a business program. In 2020, these two positions were formally moved under OITS to support IT needs, however, the funding did not follow them. CDFA requests $244,690 to fund these two positions.

Staff Recommendation. Approve Spring Finance Letter as proposed.

Issue 9: Technical Correction (Spring Finance Letter)

Summary. CDFA requests a technical correction to amend a code section reference in budget bill language. Specifically, CDFA requests to amend Provision 2 of Item 8570-001-6088 as follows:

> "2. The funds appropriated in Schedule (2) shall be available as follows:
> (a) $50,000 shall be available consistent with subdivision (b) of Section 80134 of the Public Resources Code.
> (b) $100,000 shall be available consistent with subdivision (b) of Section ~~81047~~ **80147** of the Public Resources Code."

Section 81047 does not exist in the public resources code. Subdivision (b) of Section 80147 of the Public Resources Code is about the State Water Efficiency and Enhancement Program.

Staff Recommendation. Approve Spring Finance Letter.

8660 CALIFORNIA PUBLIC UTILITIES COMMISSION

Issue 10: Bioenergy Market Adjusting Tariff program: Community Choice Aggregators - Implementation of AB 843

Summary. The CPUC requests $865,000 limited-term funding from the Public Utilities Commission Utilities Reimbursement Account for four three-year full- time temporary positions to implement new work resulting from AB 843 (Aguilar-Curry), Chapter 843, Statutes of 2021. This legislation requires the CPUC to develop and adopt processes for contract approval and cost recovery to administer the state's Bioenergy Market Adjusting Tariff (BioMAT) program for community choice aggregators (CCA).

Background. The BioMAT is a feed-in-tariff program created by SB 1122, which established a 250 Megawatt (MW) procurement program for small-scale bioenergy projects. The program was first implemented in 2014 and uses a standard contract and a market-based mechanism to arrive at the contract price. The goal of the BioMAT program is to promote competition for entrants to the bioenergy market using a simplified procurement mechanism. The program procurement is allocated into three discrete feedstock categories: Biogas, Dairy/Agriculture, and Sustainable Forest Management. The CPUC has overseen the procurement of nearly 50 MW of BioMAT procurement since the start of the program. The program capacity allocations are divided amongst the three large IOUs.

AB 843 authorizes CCAs to submit eligible bioenergy projects for cost recovery from electric utility ratepayers, pursuant to the BioMAT program, if open capacity exists within the 250 megawatts (MW) program limit. CCAs are governmental entities formed by cities and counties to purchase power for their residents and businesses. To implement AB 843, the CPUC must establish a filing and approval process for CCAs' standard contract terms and conditions, adopt a process for CCAs to file their BioMAT Tariffs, and establish a process for CCAs to submit eligible bioenergy contracts to the CPUC for cost recovery. The PUC requests $865,000 limited-term funding from the Public Utilities Commission Utilities Reimbursement Account for four three-year full- time temporary positions to implement AB 834. This cost is consistent with the Senate Appropriations Committee Analysis.

Staff Recommendation. Approve as budgeted.

Issue 11: Broadband Infrastructure Deployment – Implementation of AB 41

Summary. CPUC requests $159,000 ongoing for one new permanent full- time position; $105,000 one-time funding in 2022-23 for computer hardware, software, and training; and $30,000 ongoing starting in 2023-24 from the Public Utilities Commission Utilities Reimbursement Account to develop, implement, and administer the new requirements mandated by AB 41 (Wood), Chapter 659, Statutes of 2021.

Background. The CPUC began creating and hosting the state's interactive broadband map in 2010 with an American Recovery and Reinvestment grant from the National Telecommunications and Information Administration. Since that time, the CPUC has updated the map each year and added new features, such as public feedback, census data, legislative districts, and provider coverage tools. Before the CPUC publishes broadband data to the interactive map, it must go through several steps: verification, geo-processing, and validation.

AB 41 requires the CPUC to update broadband maps to specified information about local broadband service and it requires the California Department of Transportation (Caltrans) to install conduit for fiber communications lines as part of projects to build a state-owned middle-mile broadband network.

AB 41 requires the CPUC to transition from census block level data collection and analysis to "serviceable locations." This is a step-change in terms of quantity of broadband data records being collected and processed, and the increased granularity will enable staff to calculate the percentage of each census block that has broadband service meeting federal and state standards.

The CPUC requests $159,000 ongoing for one new permanent full-time position; $105,000 one-time funding in 2022-23 for computer hardware, software, and training; and $30,000 ongoing starting in 2023-24 from the CPUC Utilities Reimbursement Account to develop, implement, and administer the new requirements mandated by AB 41. The Senate Appropriations Committee analysis was for a prior version of the bill, and some of the work form the bill was included in the Broadband Package of the 2021 Budget Act.

Staff Recommendation. Approve as budgeted.

Issue 12: Broadband Services: Advance Services Fund – Implementation of AB 14

Summary. CPUC requests $564,000 ongoing from the Public Utilities Commission Utilities Reimbursement Account and the California Advanced Services Fund for three three-year full-time temporary positions to develop, implement, and administer program changes to the California Advanced Services Fund (CASF), the Deaf and Disabled Telecommunications Program (DDTP), and surcharges, as mandated by AB 14 (Aguilar-Curry), Chapter 658, Statutes of 2021, in addition to one-time costs of $1,950,000 for the Telecommunications User Fee Filing System (TUFFS) and $1,250,000 for the Program Claims Management System (PCMS), as well as $382,000 ongoing for contracts, equipment, and cloud subscriptions.

Background. The CASF is administered by the CPUC to provide grants for broadband infrastructure and adoption. Lack of broadband access generally stems from two primary causes: a lack of sufficient infrastructure and a lack of affordable broadband service. The CASF helps address the degree to which a lack of infrastructure limits broadband access. The CASF is funded by an end user surcharge on in-state telecommunications services. AB 14 extends the sunset for the CASF surcharge to December 31, 2032, allows the CPUC to limit cost-shifts for the surcharge, and authorizes the CPUC to collect specified information about affordable internet plans from internet service providers.

The DDTP Program provides assistive telecommunications equipment, speech generating devices, and relay services to qualified Californians. The program goal is to provide access to basic telephone service for Californians who have difficulty using the telephone. AB 14 also establishes a cap of $100 million on the maximum amount of funding CPUC can collect to fund DDTP.

PCMS is an IT Project currently underway to implement a system to manage and track claims related to the state's Public Purpose Programs (PPP), including CASF and DDTP. This project is currently negotiating the implementation vendor contract and the scope and requirements for this implementation have already been defined and finalized. AB 14 created additional requirements and new business rules which fall outside the scope of the existing project, some of which requires the CPUC to track Geographic Information System (GIS) data.

CPUC requests $564,000 ongoing from the CPUC Utilities Reimbursement Account and the California Advanced Services Fund for three three-year full-time temporary positions to develop, implement, and administer program changes to CASF, DDTP, and surcharges, as mandated by AB 14. CPUC also requests one-time costs of $1,950,000 for the Telecommunications User Fee Filing System and $1,250,000 for the Program Claims Management System (PCMS), as well as $382,000 ongoing for contracts, equipment, and cloud subscriptions. The Senate Appropriations Committee analysis notes that there are unknown one-time and ongoing costs for the PUC to incorporate rule changes into the CASF proceedings and adopt multiple ne programmatic processes.

Staff Recommendation. Approve as budgeted.

Issue 13: California Advance Services Fund – Implementation of SB 4

Summary. CPUC requests $1.25 million for six three-year full-time temporary positions; and $2.55 million per year for three years, $30,000 one-time, and $10,000 per year for two subsequent years for consultant services, training, and licenses from the California Advanced Services Fund to implement SB 4 (Gonzalez), Chapter 671, Statutes of 2021. The legislation makes numerous changes to the California Advanced Services Fund (CASF) program and extends the program to December 31, 2032.

Background. SB 4 extends the operation of the CASF through 2032, increases the annual funding cap for the CASF, and expands projects eligible for CASF grants to include fund broadband deployment at unserved locations used for emergency response. The changes will greatly expand eligibility for CASF-funded areas which is expected to result in a higher number of applications that will require review and processing by the CPUC. Changes to the definitions of household, area and housing units will add complexity and workload to the mapping activities. Additional workload includes managing the CASF proceeding and implementing the program expansion and other modifications called for in the legislation, and ensuring the program continues to make progress towards its statutory goals over time. New Information IT systems and additions to current systems will need to be maintained and supported. New work also includes oversight of the CEQA review, and consultation with environmental experts to ensure CEQA compliance and to assist the Communications Division with grants.

The CPUC requests $1.25 million for six three-year full-time temporary positions; and $2.55 million per year for three years, $30,000 one-time, and $10,000 per year for two subsequent years for consultant services, training, and licenses from CASF to implement SB 4. The Appropriations Committee Analysis notes that there are unknown one-time and ongoing costs to administer the programmatic changes to CASF.

Staff Recommendation. Approve as budgeted.

Issue 14: Lifeline Program – Implementation of AB 74

Summary. CPUC requests $171,000 from the Universal Lifeline Telephone Services Trust for one two-year full-time temporary position to implement AB 74 (Gonzalez), Chapter 410, Statutes of 2021 by modifying the California LifeLine (Program) application and recertification process to minimize barriers for customers to apply to the Program and recertify eligibility. Also requested are one-time funding of $309,000 for Third-Party Administrator system changes and two-year funding of $196,000 per year for outreach and communication efforts.

Background. The California LifeLine program provides affordable wireline and wireless phone service to approximately 1.4 million low-income customers. In 2005, the CPUC transferred the enrollment functions from the telephone corporations to a third party administrator (TPA). Under the CPUC's oversight and supervision, the TPA handles the application, enrollment, and renewal processes, and determines if an applicant is eligible to enroll in California LifeLine.

Applicants may qualify for California LifeLine in two ways: (1) through enrollment in an eligible public-assistance program (program-based eligibility), or (2) meeting an income threshold (income-based eligibility). Under program-based eligibility, households may qualify for the California LifeLine discounts if they provide supporting documentation that at least one household member is enrolled in one or more eligible public-assistance programs such as Medicaid/Medi-Cal, Supplemental Security Income, CalFresh, etc. California LifeLine participants must also annually renew their participation in the Program to confirm continued qualification and intent to receive ongoing discounted phone services. Participants can renew by mail, online or over the phone.

AB 74 requires the CPUC to make various changes to the enrollment and recertification process for California's Lifeline program, including, but not limited to, requiring the CPUC to allow Lifeline subscribers to recertify their eligibility for the program electronically without the use of personal identification number (PIN). The bill also requires CPUC to annually post participation and recertification rate for Lifeline on its website. CPUC requests: (1) $171,000 from the Universal Lifeline Telephone Services Trust for one two-year full-time temporary position to modify the application and recertification process, (2) $309,000 one-time for Third-Party Administrator system changes, and (3) two-year funding of $196,000 per year for outreach and communication efforts.

Staff Recommendation. Approve as budgeted.

Issue 15: Digital Infrastructure and Video Competition Act – Implementation of SB 28

Summary. CPUC requests $846,000 from the Public Utilities Commission Utilities Reimbursement Account for four three-year full-time temporary positions; as well as $42,000 one-time and $18,000 per year for two additional years for computer equipment, software, and training to implement the mandates of SB 28 (Caballero), Chapter 673, Statutes of 2021. SB 28 makes changes to the Digital Infrastructure and Video Competition Act (DIVCA) affecting households reporting and customer service requirements.

Background. DIVCA was signed into law in 2006, transferring responsibility for issuing cable television franchises from cities and counties to the CPUC. Prior to the passage of DIVCA, local governments licensed cable franchises. A cable provider seeking to offer video service in every part of California needed to obtain over 400 franchise agreements before the creation of a state franchise process. Few areas had more than one cable provider and the primary service competing against cable, satellite television service, was not required to obtain franchise agreements. DIVCA was intended to grow cable service in the state and increase competition between cable providers by lowering barriers associated with local franchising.

DIVCA requires state video franchise holders to provide certain information based on the census tract level to the CPUC by April 1 annually. SB 28 requires CPUC to collect granular data on actual locations served by franchisee to reflect the growing reliance on internet service. Additionally, the bill requires CPUC to adopt customer service requirements for cable franchises and adjudicate customer complaints. The CPUC notes that this type of work is new, and chose to submit a conservative estimate of resources, and may submit additional staffing requests in the future to implement SB 28. CPUC requests $846,000 from the CPUC Utilities Reimbursement Account for four three-year full-time temporary positions; as well as $42,000 one-time and $18,000 per year for two additional years for computer equipment, software, and training to implement SB 28. The Assembly Appropriations Committee Analysis was based on a prior version of the bill.

Staff Recommendation. Approve as budgeted.

Issue 16: Water and Sewer System Corporations Consolidation of Service – Implementation of AB 1250

Summary. The CPUC requests $2,796,000 from the Public Utilities Commission Utilities Reimbursement Account for five new permanent full-time positions and nine three-year full-time temporary positions to address an increasing number of utility applications and advice letters requesting consolidations of small community water systems and small state water systems under the expedited processes mandated by AB 1250 (Calderon), Chapter 713, Statutes of 2021.

Background. According to the SWRCB, there are currently approximately 1,500 small community water systems that are either at-risk or nearing at-risk status for failing to meet one or more key human rights to water goals or consistently failing to meet one or more primary drinking water standards. This list and number grow by approximately 47 additional small community water systems each year. AB 1250 establishes timeframes by when the CPUC is required to take action on a request for a water system consolidation for a small water system that is failing or at risk of failing, specifically twelve months for an application, as specified, and 180 days for an advice letter, as specified. CPUC requests $2,796,000 from the Public Utilities Commission Utilities Reimbursement Account for five new permanent full-time positions and nine three-year full-time temporary positions to address an increasing number of utility applications and advice letters requesting consolidations of small community water systems and small state water systems under the expedited processes. This request is similar to the fiscal analysis included in the Senate Appropriations Committee analysis.

Staff Recommendation. Approve as proposed.

Issue 17: CPUC Enterprise Solutions Ongoing Maintenance and Support Costs (Spring Finance Letter)

Summary. CPUC requests $5,824,000 for fiscal year 2022-23 and $6,115,000 ongoing from various special funds for ongoing maintenance and support costs of enterprise-wide information technology (IT) solutions and tools implemented in recent years. These funds will support CPUC projects and efforts so that legacy systems can be upgraded and/or replaced, and new systems created to address new and evolving CPUC business needs.

Background. In recent years, CPUC IT project-specific budget requests did not account for ongoing maintenance and support of technology, nor did the CPUC seek additional funds for procuring enterprise-wide IT solutions and tools that were in support of CPUC. To cover these expenditures, the CPUC has been using baseline salary savings to fund these critical services, but cannot continue to sustain the ongoing maintenance and support costs in that manner.

PUC adopted a variety of platforms and enterprise technologies in recent years, such as analytical applications, data storage, information security, back office applications, personal productive, and content management.

PUC requests $5.82 million in 2022-23 and $6.12 million ongoing from various special funds for maintenance and support of 33 enterprise IT solutions and tools. These include various subscriptions, software licenses and platforms, including Salesforce licensing at $1 million ongoing, Microsoft upgrade from E3 to E4 at $692,663 in 2022-23 and $727,296 ongoing, VMWare universal licensing at $975,341 in 2022-23 and $1,024,108 ongoing, Sitecore website platform at $459,026 in 2022-23 and $481,978 ongoing, and MuleSoft API licensing subscription at $360,533 in 2022-23 and $378,660 ongoing, among others.

Staff Recommendation. Approve Spring Finance Letter.

Issue 18: Human Resources: Human Capital Management (HCM) System (Spring Finance Letter)

Summary. CPUC requests $1,960,000 in 2022-23 and $200,000 ongoing from various special funds to procure, implement, and license the Human Capital Management (HCM) system to increase CPUC Human Resources Division (HRD) staff efficiency and provide greater timeliness and accuracy, while supporting related human resources (HR) data initiatives. Specifically, the CPUC requests the following:

- $1,400,000 one-time cost for procurement and implementation of the HCM system
- $200,000 one-time cost for California Department of Technology (CDT) Independent Project Oversight (IPO)
- $160,000 one-time cost for unanticipated/unplanned project items
- $200,000 in ongoing annual licensing fees

Background. The State Controller's Office decommissioned PUC's legacy Human Resource Information System (HRIS) in 2014. In response, PUC developed and implemented the Electronic Timesheet System (ETS) as a stopgap measure to maintain timekeeping and data reporting. ETS was integrated with the SCO California Leave Accounting System to allow PUC to track and report employee time reports and leave information. Besides the ETS, CPUC HRD relies on manual, paper-driven processes for a vast majority of its critical functions—including position control, position management, manual data compilation and analysis, manual data reports generation, paper-driven recruitment, and the employee management process, among others. These manual processes create difficulty in completion, tracking, and providing accurate timely management reports. The current systems and processes are also lacking in meeting the necessary compliance and reporting requirements of the control and oversight agencies. Additionally, existing CPUC HR systems and processes are decentralized and lack automated workflows.

The Administration notes that the HCM system will implement (1) Automated Request for Personnel Action (RPA) process, (2) Centralized duty statements and employee records, (3) Performance management (probationary reports, annual appraisals, ongoing feedback, (4) case management, (5) dashboards, tracking and analytics for succession planning, turnover, diversity, and demographics of positions, (6) mobile/ streamlined experience, and (7) tracking and retention of documents in the online system for access and audits. The Administration notes that the request will update the current manual paper-based workflows and systems to an integrated cloud-based approach. Additionally, PUC employees will have access to a self-service portal and other online features.

PUC anticipates that the HCM will help the HRD conduct performance appraisal and probation report for all active employees, increase the number HR tasks performed, provide staff with secure options to manage their leave and pay records, and conduct CPUC workforce position management among others.

The CPUC completed Stage 1 Business Analysis of the Project Approval Lifecyle process and is nearing the end of Stage 2 Alternatives Analysis. The CPUC has identified a vendor through which to procure and implement the HCM system. CPUC estimates that the project with take 11 to 12 months to "Go Live." The project will include six additional months for maintenance and operations, and at the end of 18 months the project will be complete.

Staff Recommendation. Approve Spring Finance Letter.

Issue 19: Centralized Enterprise Geographical Information Systems and Data Analytics Environment (Spring Finance Letter)

Summary. CPUC requests a one-time budget increase in the amount of $1,452,000 for fiscal year 2022-23 and ongoing costs of $1,178,000 to provide licensing and infrastructure to implement enhanced enterprise Geographical Information Systems (GIS) and data analytics capabilities for the CPUC's public purpose programs, service quality activities, and policy support (including federal policy activities), and to respond to the CPUC's need for data and maps of utility services and infrastructure to inform its work.

Background. The CPUC consists of 14 divisions including Energy, Communications, Water, Transportation, Public Advocates, and Safety and Enforcement, among others. These six divisions currently utilize desktop (non-enterprise) versions of GIS software and siloed applications which maintain their data in isolated systems. Data at the CPUC is currently stored in multiple back-end database formats including Microsoft SQL Server, Oracle, PostGreSQL, Access, Excel, and flat text files (.CSV's), etc., and data is maintained in various siloed applications which rarely share data outside their silo. When data sharing is required, the process usually requires the data provider to export their data to a flat file (.CSV) or excel spreadsheet and transfer the file via secure file transfer protocol (SFTP) to or from the CPUC. The receiver then needs to validate the data file and import the data back into a database to perform analytics. This is a time-consuming process that introduces the possibility of data corruption during the transfer process.

The CPUC currently lacks an enterprise infrastructure to maintain separate inventories of GIS and enterprise data to allow common information to be tracked and shared, prevent duplication of efforts, and track licensing at the enterprise level. The CPUC requests resources to implement enterprise level GIS and data warehousing systems to improve its organizational maturity, reduce redundancies, maintain better data quality, and allow easier and faster identification, utilization, and sharing of GIS and data resources across CPUC divisions as well as with our external business partners.

Initial costing is based on existing purchase orders and vendor quotes. Ongoing costing is based on a five percent increase in software/subscription/training costs and 20 percent of hardware costs to capture a five-year equipment replacement cycle, rounded up to the nearest $1,000.

	One-time	Ongoing	
GIS—Software licensing	$205,000	$215,000	5% increase
GIS—Hardware (workstations, etc.)	$222,000	$44,000	20% of base cost
Infrastructure—Hardware servers and storage	$185,000	$37,000	20% of base cost
Infrastructure—Software licenses	$175,000	$184,000	5% increase
Data Analytics—Software licenses and subscriptions	$605,000	$635,000	5% increase
Ongoing training and support	$60,000	$63,000	5% increase
Total	**$1,452,000**	**$1,178,000**	

Staff Recommendation. Approve Spring Finance Letter.

Items Proposed for Discussion

3360 California Energy Commission

Issue 20: Energy Resources Program Account Trailer Bill Language (Spring Finance Letter)

Summary. The CEC proposes trailer bill language to raise the statutory cap on the ERPA surcharge, tie the statutory cap to the Consumer Price Index, and extend the surcharge to behind-the-meter electricity consumption.

Background. The Energy Resources Programs Account (ERPA) is the main fund supporting the California Energy Commission (CEC). Its revenues are linked to the sale of metered electricity. ERPA revenues are from a statutory surcharge on retail electricity sales, originally capped at $0.0001 per kilowatt-hour (kWh). The statutory cap was last raised from $0.0002 per kWh to $0.0003 per kWh in 2002. In November 2018, the CEC exercised its remaining authority to adjust the surcharge by a hundredth of a mill ($0.00001) to the statutory maximum of $0.0003 per kWh. The surcharge generated approximately $69.1 million in 2020-21 and currently costs the average household about $2.13 annually (larger customers pay the same rate but pay more based on volume).

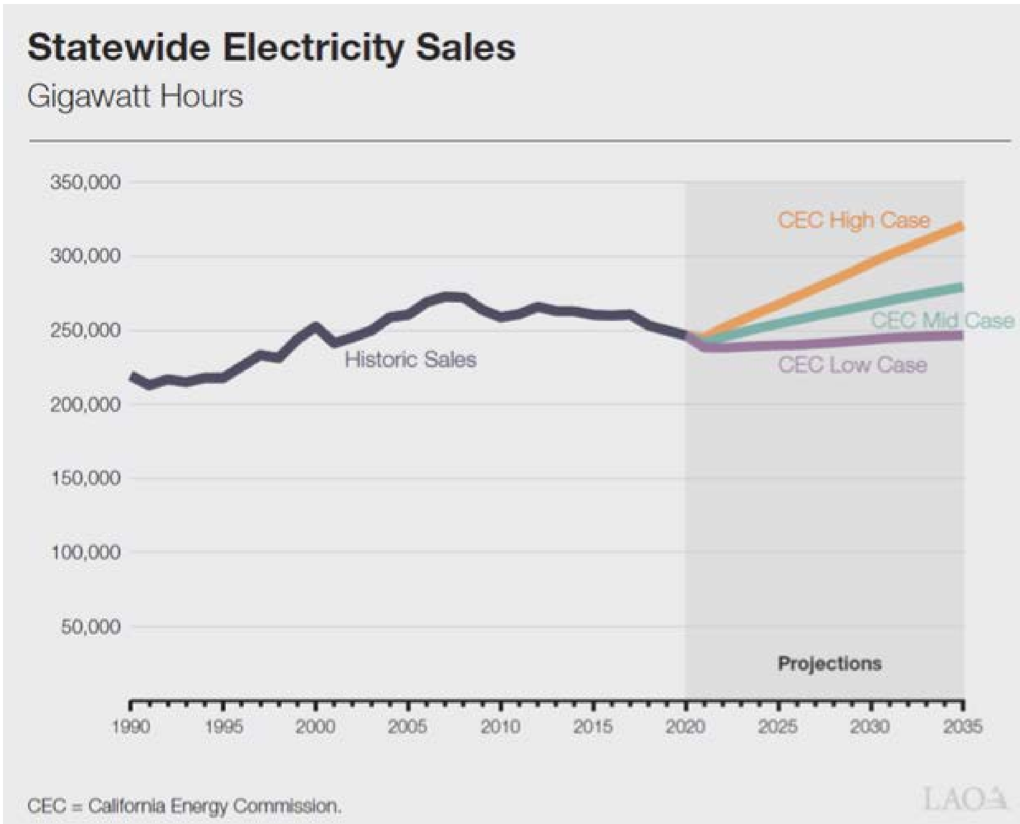
The recent growth of electricity produced behind the meter (BTM) has had an impact on both the ERPA. As more electricity consumption moves to behind the meter, the base of electricity sales from utilities subject to the consumption surcharge and fee has been gradually reduced, resulting in revenue erosion. Currently, BTM electricity generation is exempt from ERPA surcharge. Despite CEC management's actions to reduce ERPA spending by more than $37 million over four budget cycles, a structural deficit remains and CEC projects that the ERPA's fund balance will be in the red in 2024-25.

The Administration proposes to address the ERPA structural deficit by increasing the statutory surcharge cap to an inflation adjusted $0.000556 per kWh which will allow the CEC to incrementally adjust the surcharge as needed; tie the surcharge to the Consumer Price Index to help future-proof revenues and avoid the need for future Legislative authorizations; and extend the surcharge to BTM electricity.

Extending the surcharge to BTM electricity at the same rate as retail electricity sales would provide approximately $9 million in new revenue annually. The Administration notes that about half of this revenue will come from the approximately 1.43 million residential BTM customers who, on average, would see a monthly bill increase of about 21 cents per month. The other half will come from approximately 1,500 non-utility generation facilities. The proposed surcharge would apply to solar, wind, and non-utility generation. The CEC will apply the surcharge to BTM effective January 1, 2023. The ERPA surcharge rate would be the same for all customers.

Legislative Analyst's Office Comments. The LAO notes that immediate action to address the deficit is not absolutely necessary. It is also worth noting that the Administration has not provided a detailed projection of the fund condition beyond 2022-23, so there is some uncertainty about when the fund will go insolvent.

Additionally, the magnitude of the structural deficit over the long-run is unclear. Revenues are projected to grow as transportation and building electrification increases electricity sales in the coming years. For instance, as shown in the figure below, the CEC projects that electricity sales will grow under both the mid-case and high-case scenarios. As a result, the degree to which a long-term increase in the surcharge rate is needed is unclear, as revenue from increasing sales could at least partially eliminate the fund deficit.



Legislature Could Defer Decision Until Future Year, Request Additional Information. Given these two factors, the Legislature could consider rejecting the Administration's proposal this year, but adopt Supplemental Reporting Language (SRL) that requires the Administration to provide an update on the structural deficit next year, including a projection of long-term revenues and costs. This reporting requirement could be similar to SRL adopted in previous years.

Legislature Could Modify Proposal and Adopt Components with Clear Policy or Fiscal Rationale. If the Legislature wants to make changes as part of the 2022-23 budget, it could consider adopting certain aspects of the Governor's proposal, but rejecting others. For example, extending the surcharge to behind-the-meter consumption could help ensure revenue is collected more equitably across all energy consumers. Also, the LAO thinks tying the surcharge to inflation is a reasonable strategy to ensure future revenue is sufficient to pay for growth in baseline costs, such as growth in salaries and benefits for CEC staff. In both cases, the LAO thinks there is a clear policy or fiscal rationale for these changes. The Legislature could also consider options to reduce ERPA spending, such as shifting about $1.3 million in costs related to Electric Program Investment

Charge (EPIC) program to the Electric Program Investment Charge Fund. Currently, those costs are paid from ERPA because they exceed the 10 percent cap on EPIC administrative costs established by CPUC.

Staff Comments. The Administration proposed a similar trailer bill in last year's May Revision. The subcommittee rejected the trailer bill language due to the fiscal condition of the state, which allowed for funding from other sources as needed in the near term.

Staff Recommendation. Hold Open.

8660 PUBLIC UTILITIES COMMISSION

Issue 21: Summer Reliability and Generation Audits, and Public Safety Power Shutoff Oversight (Spring Finance Letter)

Summary. CPUC requests $1,892,000 ongoing for seven new permanent positions in the Safety and Enforcement Division (SED), and $200,000 per year for three years for consultant services from the PUC Utilities Reimbursement Account. These resources will address an increased workload associated with the management of electric generation audits, establishing a real-time and ongoing generation monitoring program, and strengthening the CPUC's ability to address increasing complexities of investor-owned utility wildfire operations and Public Safety Power Shutoffs (PSPS) compliance oversight.

The seven positions are as follows:

- Electric Safety and Reliability Branch (ESRB): One new permanent full-time Program & Project Supervisor (PPS), two new permanent full-time Senior Utility Engineer (SUE), and two new permanent full-time Utilities Engineer (UE)
- Wildfire Safety and Enforcement Branch (WSEB): One new permanent full-time Program & Project Supervisor (PPS), and one new permanent full-time Senior Utility Engineer (SUE)

Background. The CPUC's Safety Enforcement Division (SED) regulates the safety of utility infrastructure by traveling to facilities for inspections, audits, and investigations, as well as responding to emergencies. Over the years, statutory requirements and CPUC orders and resolutions for the CPUC to oversee generation maintenance and operation standards and PSPS oversight have expanded. SED proposes the establishment of a stand-alone PSPS Section within the Wildfire Safety Enforcement Branch (WSEB), as well as a permanent generation audit and monitoring program that prioritizes the inspection and auditing of generation facilities on an ongoing basis. A more robust CPUC response is necessary to effectively implement the expansion of staff citation authority.

Over the last few years, the CPUC enforcement, oversight and citation responsibilities for the maintenance and operation of electric generating facilities have expanded through various statutory changes, general orders and resolutions. Additionally, the Governor issued an emergency declaration in summer of 2021 to expedite clean energy projects to relieve demand on the grid during extreme weather events, and to increase State of California Flex Alerts and restrictions to perform maintenance by CAISO. The CPUC took similar actions in response to summer reliability concerns by issuing two Decisions ordering additional procurement for the summers of 2022 and 2023, and recently issued another Decision (D. 21-12-015) to address possible shortages in the range of 2,000 MW to 3,000 MW. These actions have helped to minimize reliability issues for the summer months but have not eliminated the risk.

In 2021, ESRB also initiated its own response to summer reliability concerns by launching an electric generation monitoring program for the summer months (June 1 through October 31). ESRB modified its reporting protocols to require generators to report forced or unplanned outages

50 MW or greater that lasted two hours or longer in duration to ESRB within 24 hours of the start of the outage. For planned outages longer than 24 hours in duration, the electric generating facility was required to report the outage to ESRB at least five days in advance.

Due to the increasing threat of catastrophic wildfires caused by electric IOU equipment ignition and climate change, SED workload has increased to include additional oversight in the areas of PSPS regulation. The CPUC notes a more robust response is necessary to effectively implement the expansion of staff citation authority. SED proposes the establishment of a stand-alone PSPS Section, as well as a permanent generation audit and monitoring program that prioritizes the inspection and auditing of generation facilities on an ongoing basis.

Electric Safety Reliability Branch

The CPUC currently has jurisdiction over 156 plants, all over 50 MWs, and is responsible for performing both on-site generation inspections and on-site generation audits. CPUC conducts real-time generation inspections in person to an electric facility experiencing an outage or other incident that has impacted the plant's normal operations or reliability. These visits are shorter in duration (one to two days) and are focused on the root cause of the outage or incident. Additionally, CPUC conducts planned generation audits through a formal and thorough inspection of an electric generating facility that takes place as part of ESRB's routine annual audit schedule. The planned audit is normally conducted in absence of an incident at the generating facility.

At this time, ESRB has seven staff working half-time on generation audits and incidents at generation facilities. The Administration requests five new permanent full-time positions to ensure summer reliability at generation facilities and a more proactive response to incidents at these facilities. Specifically, CPUC requests:

- One permanent Program and Project Supervisor to supervise four Utility Engineers and implement citation enforcement authority and coordinate with other CPUC divisions, among other duties.
- Two permanent Senior Utility Engineers to provide technical power and electrical engineering expertise in conducting onsite audits and real-time monitoring of summer reliability conditions, among other duties.
- Two permanent Utility Engineers to coordinate with the Senior Utility Engineers, conduct on-side generation audits and write audit reports, and conduct other tasks assigned by ESRB leadership, among other duties.

Wildfire Safety and Enforcement Branch (WSEB)

In 2018, the CPUC created the WSEB within SED to be the primary element overseeing both internal and external PSPS actions for the CPUC. Prior to the massive expansion of utility use of PSPS events that started in 2019, the WSEB organization was designed to focus on wildfire investigations.

From 2019 to present, there have been 70 PSPS events. The responsibilities of WSEB have expanded to include participating in and supporting all CPUC PSPS proceedings and workshops, and managing PSPS complaints. WSEB staff are responsible for PSP compliance oversight requirements, participate in workshops and meetings, implementing PSP enforcement actions, and conducts post event report compliance analyses. Currently there are five Public Utility Analysts supporting the branch in PSP and wildfire investigations. Due to the threat of catastrophic wildfires caused by electric IOU equipment ignition and climate change, SED workload has increased to include additional oversight in the areas of PSPS regulation.

SED proposes the establishment of a stand-alone PSPS Section, as well as a permanent generation audit and monitoring program that prioritizes the inspection and auditing of generation facilities on an ongoing basis. The PUC requests two new additional positions:

- One permanent Program and Project Supervisor to oversee PSPS planning, and state executives during PSPS events, oversee the evaluation of PSPS compliance and review/evaluate PSPS event reports, implement enforcement actions as needed for violations of PSPS Decisions, among other duties.
- One permanent full-time Senior Utilities Engineer to provide technical expertise in reviewing and analyzing utility use of circuit redesign, sectionalization, and emerging technologies or concepts such as Rapid Earth Fault Limiting Devices and Emergency Power Safety Shutoffs.

Consultant Services

The PUC requests $600,000 over three years of consultant services to work with ESRB management and staff to develop technical safety procedures, guidelines, and a long-term plan to conduct audits on these new technologies and increase productivity across the CPUC's enforcement and investigation processes. These funds will be used to contract for training on renewable energy and emerging technologies to support ESRB staff. The types of training will be focused on onsite battery storage, solar and battery paired projects, hydro, offshore wind, etc. The consulting services sought will assist SED in developing future policies, rules, and regulations, and potentially advocating for modifications to General Orders that would enable ESRB to effectively regulate these technologies in the future. ESRB staff will participate in contracting with appropriate vendors.

Staff Recommendation. Hold Open.

Issue 22: Administrative Law Judge Division Intervenor Compensation Program Support (Spring Finance Letter)

Summary. CPUC requests $866,000 per year for fiscal years 2022-23 and 2023-24, and $596,000 ongoing effective 2024-25 from various special funds for the Administrative Law Judge Division to strengthen the administration of the Intervenor Compensation program (IComp) and compensate intervenors in a timely and efficient manner in compliance with statutory deadlines. Specifically, CPUC requests:

- One new permanent full-time Staff Services Manager (SSM) II
- One new permanent full-time Staff Services Manager (SSM) I
- One new permanent full-time Associate Governmental Program Analyst (AGPA)
- Two two-year temporary AGPA
- 0.75 FTE position authority as a net-zero augmentation to convert an existing 0.25 FTE APGA position to one FTE AGPA position
- Position authority and funding for one existing full-time AGPA

Background. The Icomp program compensates parties representing ratepayer interest groups—including environmental, environmental and social justice, small business, safety advocates, and many other interest groups—that do not otherwise have the resources to participate in Commission proceedings.

The Icomp program staff's work begins upon the filing of a notice by an intervenor that has not previously filed at the CPUC. Program staff must review their formation documents and the purpose of the organization to determine eligibility. Staff then reviews whether the notice contains sufficient information of the intervenor's represented interest, and whether the intervenor is likely to substantially contribute to the proceeding. Finally, staff reviews background information for the intervenor's representative to determine compensation. For intervenors that have previously filed for compensation at the CPUC, staff reviews the notice to ensure the information is correct, and makes adjustments to the rate of compensation if necessary.

The intervenor then participates in the proceeding by attending hearings; conducting discovery; filing motions, testimonies, and briefs; and attending oral arguments at the CPUC. Within 12 to 24 months after the granting of intervenor status, the Commission usually issues a decision in the proceeding. Upon the issuance of a decision, the qualified intervenors in the proceeding file their claims for compensation. Staff checks intervenors' claims by going through the official proceeding record, and working with the assigned Administrative Law Judge (ALJ) in the proceeding to determine an appropriate level of compensation. By statute, the claims should be reviewed, accepted, adjusted, or rejected within 75 days of filing.

The program is funded primarily by ratepayers with a small portion funded by utility user fees. The Commission directs utilities to contribute a pro-rata share of compensation awards based on relevance of the proceeding to that utility. The CPUC notes that the average claim amount range varies widely due to differences in complexity and length of each proceeding. In 2020-21, the average claim amount requested was about $91,000. In 2020-21, approximately $8.6 million and

98 claims were awarded through the program, with 143 claims filed and $13.1 million claim amount requested.

The large number of current proceedings on wildfires, wildfire mitigation plans, public safety power shut-offs, COVID-19 response, and related areas are bringing many new intervenors to CPUC proceedings, including local governments whose residents have been damaged by utility-caused disasters. For each of the last several years, the CPUC has received more claims than it has been able to process, resulting in a backlog of pending claims that have risen in number each year, despite efforts to address it by redirecting staff from other units. As of August 16, 2021, there were a total of 198 pending claims, and 155 of the claims have been pending more than 75 days. PUC notes that during 2018-19, 2019-20 and 2020-21, no claims were resolved within statutory timeframes. The CPUC notes that the oldest pending claim was filed on February 15, 2019. The CPUC notes that if they are unable to process the claims timely, intervenors may pull out of proceedings. Delays in Icomp awards could also deter smaller or newer groups from participating at all.

Prior to 2015-16, Icomp program consisted of three permanent positions. In 2015-16, Icomp received one additional ADGA position bringing the total authorized positions to four. The ALJ redirected 0.25 existing AGPA to the program and one administratively established on blanket position. However, the ALJ Division is having difficulties in recruiting 0.25 position, and the additional redirected staff are unable to keep up with the increased workload.

The CPUC requests two permanent AGPA positions, two temporary AGPA positions, and to convert the 0.25 AGPA position to one full-time AGPA. The CPUC also requests one SSMII and one SSM I to provide additional management and supervision over the additional staff. With these additional positions, CPUC estimates the backlog of pending claims will be eliminated by 2025-26.

Staff Recommendation. Hold Open.