



CPUC Rulemaking on Climate Adaptation



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Assessment to Action in California

- Assessment is ongoing
 - 4th Assessment is finishing: 5th Assessment is starting
 - Much more to be learned from the researchers and scientists in terms of impacts to supply, demand, infrastructure, procedures, extremes
 - Much more to learn in terms of responses: policy and regulatory
- Action is taking the form of Guidance and Support Tools
 - Guidance: Ocean Protection Council, Governor's Office of Research & Planning, Infrastructure Planning Group (AB2800)
 - Support Tools: Cal-Adapt, but also need financial, legal, contractual, and communication tools





Prudent Next Step

- Rulemaking opened in April: “Robust climate adaptation planning in a time of worsening climate impacts is a prudent next step to ensure the safety and reliability of all investor-owned public utilities.”
 - Starts with the electric and natural gas sectors; water and telecom next
 - Builds off of tools and resources created by other state agencies
- Opportunity for Stakeholder Engagement
 - Commission decision making is stakeholder driven
 - Working Group structure of this rulemaking will seek even greater levels of input from experts outside of the usual stakeholder networks





Sector-Level Resilience

- PG&E: “climate resilience is defined as the actions to be taken related to our assets, infrastructure, operations, employees and customers to mitigate against these potential consequences and adapt to a changing climate and resulting weather patterns.”
- Electric System is a large integrated system
 - Many assets with differing functions, connections, and time horizons
 - Assets to systems to grid to economy to communities
- No New Normal
 - Adaptation will be a constant state of flexibility and change
 - Decision making under uncertainty isn’t just at the outset of a decision it permeates the entire process





Electric Sector is On-Board

- The IOUs Are Engaged
 - DOE Partnership
 - Vulnerability Assessments and Resilience Plans
 - Definition of a Resilient Utility
 - Cost/Benefit Analysis of Investments in Adaptation
- Incentives Are Aligned
 - Renewed commitment to safety
 - Efforts to keep rates affordable
 - Upgrading to a smart grid
 - Devasting climate change-related events in California





Electric Sector

Here are a few highlights from stakeholder comments to OIR:

- Performance-based adaptation framework
- Flexible Adaptation Pathways (measures implemented over time to adjust to changing technologies and information)
- Classification system for hazards and risks as extreme, cascading and compounding, or gradual
- Clear, measurable objectives that prioritize hazards
- Climate parameters specifically relevant to energy utility planning and resilience
- A common planning scenario and timeframe for the electric and natural gas industry
- Determination of planning for the averages or the extremes





Highlights (Con't)

Additional highlights from the stakeholder submittals:

- Method to view and reconcile the trade offs between mitigating climate risk and affordability, and between various risk factors
- Cross sectoral coordination; shared responsibility amongst many stakeholders (including state, local, and federal governments, private sector entities, POU's and IOU's, and community based organizations)
- Communication and partnerships and robust engagement with communities and local governments





More Action Is Possible

- Change the GRC process
 - Only looks out 3 years
 - Decisions are primarily financially focused
 - Goal is not resilience, but prudence
- Change the role of the utility in communities
 - Need to become Partners, Leaders, Investors
 - Need regional solutions





Thank You!

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