



# Rule 20 OIR Phase 2 Update For CEAC

November 16, 2022



## What is Rule 20A?

- Overhead to underground conversions requested by cities/counties through the adoption of a Utility Underground District (UUD) for locations that meet tariff defined public interest criteria.
- Requesting cities/counties must have accumulated sufficient Rule 20A work credits over time to cover the cost of the projects.
- While the program was first created in 1967 for aesthetic purposes, cities/counties now request projects for other reasons including safety & road improvement/widening.
- Rule 20A projects paid for by ratepayers through GRC rates.
- Rule 20A are extremely complex and take 3 to 7 years on average to complete



## Rule 20A Criteria (revised in June 2021)

- Such undergrounding will avoid or eliminate an unusually heavy concentration of overhead electric facilities;
- The street or road or right-of-way is extensively used by the general public and carries a heavy volume of pedestrian or vehicular traffic;
- Wheelchair access is limited or impeded in a manner that is not compliant with the Americans with Disabilities Act;
- The street or road or right-of-way adjoins or passes through a civic area or public recreation area or an area of significant scenic, cultural, and/or historic interest to the general public; or
- The street or road or right-of-way is considered an arterial street or major collector as defined by the California Department of Transportation's California Road System functional classification system.



## Rule 20A Recent Regulatory Impacts to Work Credits

- CPUC June 2021 Decision made the following changes to Work Credits:
  - Utilities are to no longer allocate any new work credits after 2022.
  - The practice of “trading” work credits is now banned (buying, selling, and borrowing work credits from other communities) with exception.
  - The practice of communities “borrowing” up to 5 years of future credits for their projects is no longer allowed as there are no more future work credit allocations.
- Impact:
  - Communities that were relying on these previously allowable practices currently do not have sufficient work credits for their Rule 20A Projects.
- Solution:
  - The Rule 20A Program is planning to reallocate unused work credits from inactive communities to these projects that have need so that they can move forward and complete.



## Rule 20 OIR Phase 2 Scope

1. Whether to take additional steps to support the completion of active Rule 20A projects in underserved communities and/or disadvantaged communities;
2. Whether to modify or discontinue the Rule 20D program;
3. Whether to add Rule 20A project eligibility criteria for wildfire safety and emergency-related undergrounding or otherwise modify Rule 20A project eligibility criteria;
4. Whether to modify the Rule 20 program to support future projects in underserved, tribal, and/or disadvantaged communities or otherwise advance the goals of the Commission's Environmental and Social Justice Action Plan; and
5. Whether the Commission or utilities should enhance engagement with local governments to inform utility investments in undergrounding for safety, resilience, or emergency-related purposes.



## Rule 20 OIR Phase 2 Schedule

### Completed

- 8/16/2022 Scoping Memo Released
- 9/15/2022 Deadline for Comments to Scoping Memo
- 9/26/2022 Deadline for Reply Comments
- 11/8/2022 Workshop

### Upcoming

- 4th Quarter - Ruling on Issues 3, 4, and 5
- No later than 90 days after submission of the record (12/14/2022) - Proposed Decision
- No sooner than 30 days after proposed decision (1/13/2022) - Final Decision



## Rule 20 OIR Phase 2 – Things to Consider

- Reallocation for Equity
- Inclusion of Wildfire and Safety in Public Interest Criteria
- Active vs Inactive status
- Conversion of Rule 20A Projects to 20B and 20C
- Future of the Program
- Cal Advocates Position
- One-way Balancing Accounts for Rule 20B and Rule 20C



## Rule 20 OIR Phase 2 – Helpful Links

- Rule 20 OIR Phase 2 Scoping Document:  
<https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M496/K524/496524794.PDF>
- Proceeding Docket:  
[https://apps.cpuc.ca.gov/apex/f?p=401:56:0::NO:RP,57,RIR:P5\\_PROCEEDING\\_SELECT:R1705010](https://apps.cpuc.ca.gov/apex/f?p=401:56:0::NO:RP,57,RIR:P5_PROCEEDING_SELECT:R1705010)

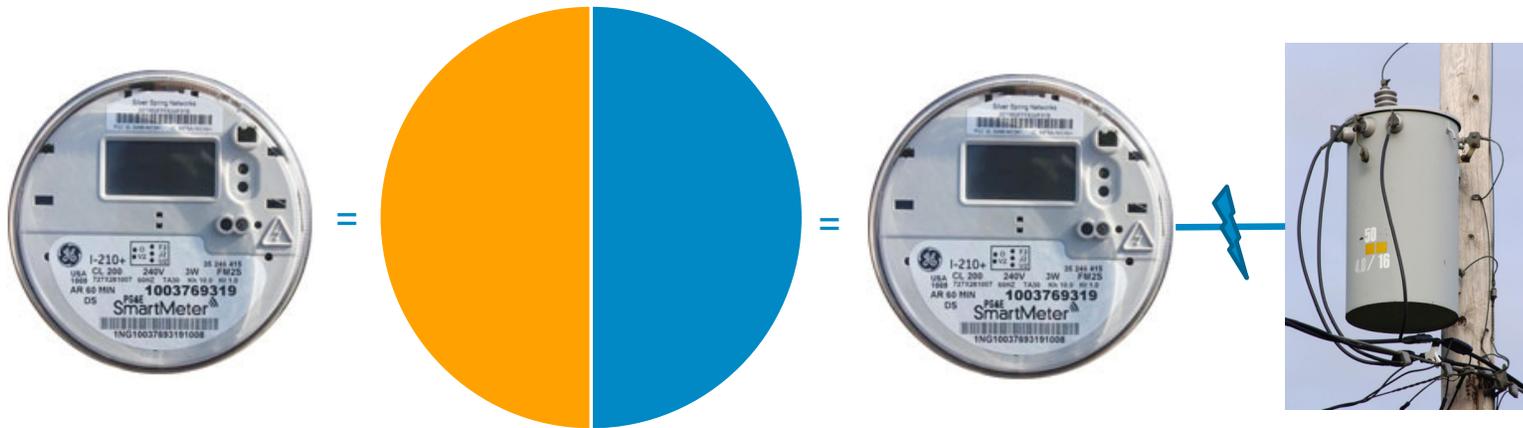


# Appendix



## Rule 20A Work Credits

- Rule 20A work credits are part of the Rule 20A tariff and it is a mechanism to distribute the potential to have a Rule 20A project across all the communities within PG&E's service territory. One work credit is equivalent to one U.S. dollar.
- Communities were allocated work credits on an annual basis using a formula referred to as the "50/50 formula."



% of total number of meters

% of total number of meters served by OH transformer