

DOCKETED

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**Jan 24 2022 Letter to California Utilities on Federal Funding
through IIJA**

Additional submitted attachment is included below.

PUBLIC UTILITIES COMMISSION
505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



January 24, 2022

Via Electronic Transmission Only

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Pacific Gas and Electric Company

Etta Lockey
Vice President of Regulatory Affairs
PacifiCorp

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President and Chief Executive Officer
Southern California Edison Company

John P. Hester
President and Chief Executive Officer
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Amy Timperley
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Chief Executive Officer
Southern California Gas Company

Raymond J. Czahar
Chief Financial Officer
West Coast Gas Company

Travis Johnson
Vice President of Operations
Liberty Utilities (CalPeco)

Michael Lamond
Chief Financial Officer
Alpine Natural Gas

Re: Infrastructure Investment and Jobs Act of 2021- Federal Funding Opportunities

Dear Ms. Poppe, Mr. Powell, Ms. Winn, Mr. Drury, Mr. Johnson, Ms. Lockey, Mr. Hester, Ms. Timperley, Mr. Czahar and Mr. Lamond:

On November 6, 2021, the United States Congress passed the Infrastructure Investment and Jobs Act (IIJA), a generational investment that provides an opportunity for modernization of our nation's electric grids, roads, bridges, rail, transit, ports, airports, water systems and broadband.

The California Public Utilities Commission (CPUC) has identified a list of potential federal funding opportunities available to the electric and gas investor-owned utilities (IOUs), including Pacific Gas and Electric (PG&E), Southern California Edison (SCE), San Diego Gas & Electric (SDG&E), Southern California Gas Company (SoCalGas), Liberty Utilities, PacifiCorp, Bear Valley Electric, Southwest Gas Company, West Coast Gas Company and Alpine Natural Gas that are of keen interest to California and align with many of our state's energy policies. Most of the funding is available through Competitive Grants that will be distributed by the United States Department of Energy (DOE). The CPUC views this as a one-time opportunity to benefit California utility customers and make critical grid and gas infrastructure investments. These investments can

help to minimize energy bill charges, improve the reliability and resiliency of our electric and gas systems, and achieve our ambitious climate change goals.

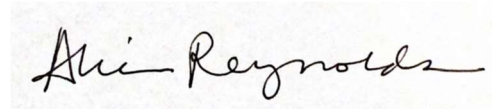
The list of potential Competitive Grant funding opportunities that the CPUC is aware of are below:

- Preventing Outages and Enhancing the Resilience of the Electric Grid Program (\$2.5B) – Provides support for activities that reduce the likelihood and consequence of impacts to the electric grid due extreme weather, wildfire, and natural disaster.
- Smart Grid Investment Matching Grant Program (\$3B) – Provides grants to provide flexibility and help quickly rebalance the electrical system, facilitate the aggregation or integration of distributed energy resources, provide energy storage to meet fluctuating, provide voltage support, integrate intermittent generation sources, increase the network's operational transfer capacity, and anticipate and mitigate impacts of extreme weather events or natural disasters on grid resilience.
- Transmission Facilitation Program (\$2.5B) – For DOE to help develop nationally significant transmission lines, increase resilience by connecting regions of the country, and contribute to goals to lower electricity sector greenhouse gas emissions.
- Hydroelectric Production Incentives (\$125M) – Provides additional funding for section 242 incentives for non-federal hydropower electricity production, including from hydropower facilities that have come online between 2005 and the passage of the IIJA.
- Hydroelectric Efficiency Improvement Incentives (\$75M) – Provides additional funding for section 243 payments for non-federal hydropower efficiency improvements and raises the amount of a project that can be covered from 10% to 30%.
- Hydropower Capital Improvements (\$553.6M) – Provides payments to qualified non-federal hydropower operators for capital improvements to enhance a facility's grid resiliency assets, improve dam safety, and make environmental upgrades.
- Clean Hydrogen Hubs (\$8B) – Provides funding for projects that contribute to the development of at least four clean hydrogen hubs.
- Clean Hydrogen Manufacturing & Recycling Program (\$500M) – Provides funding for research, development and demonstration projects to advance new clean hydrogen production, processing, delivery, storage and end-use equipment manufacturing technologies and techniques.
- Clean Hydrogen Electrolysis Program (\$1B) – Provides funding for research, development and demonstration projects to reduce the cost of hydrogen produced using electrolyzers.

Please respond by February 18, 2022, with a letter describing your utility's plan to apply for available federal funding appropriated through the IIJA, including any necessary attachments, transmitted via email to my fellow CPUC Commissioners and me, with a cc to the list of persons below. Our staff may follow up with you to address other questions as needed.

My fellow CPUC Commissioners and I share a deep concern for the affordability of electric and gas utility service in California, and the impacts of our changing climate. In turn, we believe this funding could alleviate some upward rate pressure, while simultaneously advancing our ambitious energy and climate goals.

Sincerely,



Alice Reynolds
President
California Public Utilities Commission

cc:

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