



Liberty Utilities (CalPeco Electric) LLC
933 Eloise Avenue
South Lake Tahoe, CA 96150
Tel: 800-782-2506
Fax: 530-544-4811

June 9, 2023

VIA EMAIL ONLY

EDTariffUnit@cpuc.ca.gov

**Advice Letter 220-E
(U 933-E)**

California Public Utilities Commission
Energy Division, Tariff Unit
505 Van Ness Avenue, 4th Floor
San Francisco, CA 94102-3298

Subject: Infrastructure Investment and Jobs Act Memorandum Account

In accordance with California Public Utilities Commission (“Commission”) Resolution E-5254 (Resolution), Liberty Utilities (CalPeco Electric) LLC (“Liberty”) hereby submits the following Tier 2 Advice Letter to establish the Infrastructure Investment and Jobs Act Memorandum Account (IIJAMA) to track costs for projects seeking and/or awarded federal funding.

Purpose

Pursuant to Ordering Paragraph (“OP”) 1 of the Resolution, Liberty submits this Tier 2 advice letter to establish a memorandum account to track the costs for projects that are seeking and/or awarded federal funding to inform future match funding cost recovery requests.¹

Background

The 2021 Infrastructure Investment and Jobs Act (“IIJA”) appropriated more than \$62 billion to the U.S. Department Of Energy (“DOE”) to create and fund 60 new programs, including 16 demonstration and 32 deployment programs. For most programs, funding will be available annually through the federal government’s FY 2026 (i.e., the fiscal year ending September 30, 2026). This newly available federal funding aligns with the Commission’s goals of improving energy infrastructure to support zero carbon emissions, grid reliability, safety, and bill affordability for electric and gas customers by potentially displacing the need for future ratepayer dollars for electric infrastructure, grid hardening, and resiliency projects.

To gather additional information on how California’s investor-owned utilities (“IOUs”) plan to seek and utilize matching funds of non-ratepayer funding, the Commission’s President Reynolds sent two letters to the IOUs on January 24, 2022 and November 28, 2022. In response, the IOUs provided information on potential hurdles to accessing federal IIJA grants, offered suggestions on how to best position California IOUs for maximum grant capture, and identified specific grant programs, projects, and strategies each IOU was considering for potential advancement.

¹ Resolution E-5254 at p. 15.

Congress passed two other major pieces of energy-related federal legislation in 2022 after the passage of the IIJA in 2021 – the Inflation Reduction Act (IRA) and the Creating Helpful Incentives to Produce Semiconductors and Science Act (CHIPS). Similar to the IIJA, specific programs and details of the IRA and CHIPS require matching funds (although not necessarily from IOU ratepayers) while others are still under development, allowing for grant or other utility-focused opportunities to be announced at a future time.

On April 10, 2023, pursuant to Article XII Section 6 of the California Constitution and the Public Utilities Code, the Commission issued Resolution E-5254 which adopted a procedural venue for the electric and gas IOUs to request cost recovery for match funding and tax liabilities pursuant to any funds received from the federal IIJA Clean Energy Infrastructure Grant Programs administered by the United States DOE, the federal IRA, and the federal CHIPS. The Resolution also adopted an advice letter process for IOUs to track and report costs and grant project progress.

OP 1 of the Resolution ordered Liberty to submit a Tier 2 advice letter within 60 days of issuance of the Resolution to modify its electric preliminary statements to establish the IIJAMA.

As directed by OPs 2 and 3, the IIJAMA will track the cost of any projects that are seeking and/or awarded federal funding, including incremental costs incurred during the preparation of applications, to inform oversight and evaluation of future match funding cost recovery requests. A sub-account within the IIJAMA will track the tax impacts of the federal grant awards.

Proposed New Tariffs

Preliminary Statement, Infrastructure Investment and Jobs Act Memorandum Account (IIJAMA)

Pursuant to OP 1 of the Resolution, Liberty will establish the IIJAMA to track and incremental costs associated with match funding for any projects seeking and/or awarded federal funding, including incremental costs incurred during the development and preparation of applications for such funding. In addition, the IIJAMA will record the tax impacts of the federal grant awards, which should include not only the tax liabilities related to federal grant awards, but also any related tax benefits such as the impact of depreciation.

The IIJAMA shall consist of two subaccounts:

1. IIJA Cost Subaccount – This Subaccount will record incremental costs associated with match funding for any projects seeking and/or awarded federal funding.
2. IIJA Tax Subaccount – This Subaccount will record the tax impacts—both federal and state—of the federal grant awards funding and any related tax benefits.

The disposition of the balances in these accounts will be addressed in a future General Rate Case proceeding, or a standalone project application if earlier cost recovery is needed.

Tier Designation

Pursuant to General Order (“GO”) 96-B, and D.22-08-037, OP. 12, this advice letter is submitted with a Tier 2 designation.

Effective Date

Liberty requests an effective date of April 6, 2023, which is the effective date of Resolution E-5254.

Protests

Anyone wishing to protest this Advice Letter may do so by letter sent via U.S. mail, by facsimile, or by email, any of which must be received no later than June 29, 2023, which is 20 days after the date of this Advice Letter. There are no restrictions on who may submit a protest, but the protest shall set forth the grounds upon which it is based and shall be submitted expeditiously. Protests should be mailed to:

California Public Utilities Commission
Energy Division, Tariff Unit
505 Van Ness Avenue, 4th Floor
San Francisco, CA 94102-3298
Facsimile: (415) 703-2200
Email: edtariffunit@cpuc.ca.gov

The protest should be sent via email and U.S. Mail to Liberty at the address shown below on the same date it is mailed or delivered to the Commission:

Liberty Utilities (CalPeco Electric) LLC
Attn: Advice Letter Protests
933 Eloise Avenue
South Lake Tahoe, CA 96150
Email: CaseAdmin@libertyutilities.com

Notice

In accordance with General Order 96-B, Section 4.3, a copy of this Advice Letter is being sent electronically to parties shown on the attached service lists. Address change requests to Liberty’s GO 96-B service list should be directed by electronic mail to:

AnnMarie.Sanchez@LibertyUtilities.com.

For changes to all other service lists, please contact the Commission’s Process Office at (415) 703-2021 or by electronic mail at ProcessOffice@cpuc.ca.gov.

Energy Division Tariff Unit
California Public Utilities Commission
June 9, 2023
Page 4

If additional information is required, please do not hesitate to contact me at Cindy.Fisher@libertyutilities.com.

Respectfully submitted,

LIBERTY

/s/ Cynthia Fisher
Cynthia Fisher
Manager, Rates and Regulatory Affairs

cc: Liberty General Order 96-B Service List
R.18-12-006 Service List

VIA EMAIL

gbinge@ktminc.com;
emello@sppc.com;
epoole@adplaw.com;
cem@newsdata.com;
rmccann@umich.edu;
sheila@wma.org;
abb@eslawfirm.com;
cbk@eslawfirm.com;
bhodgeusa@yahoo.com;
chilen@nvenergy.com;
phanschen@mofo.com;
liddell@energyattorney.com;
cem@newsdata.com;
dietrichlaw2@earthlink.net;
ericj@eslawfirm.com;
clerk-recorder@sierracounty.ws;
plumascoco@gmail.com;
marshall@psln.com;
stephenhollabaugh@tdpud.org;
gross@portersimon.com;
mccluretahoe@yahoo.com;
catherine.mazzeo@swgas.com;
Theresa.Faegre@libertyutilities.com;
SDG&ETariffs@semprautilities.com;
bcragg@goodinmacbride.com;
AdviceTariffManager@sce.com;

edtariffunit@cpuc.ca.gov;
jrw@cpuc.ca.gov;
rmp@cpuc.ca.gov;
jaime.gannon@cpuc.ca.gov;
mas@cpuc.ca.gov;
txb@cpuc.ca.gov;
efr@cpuc.ca.gov;
tlg@cpuc.ca.gov;
dao@cpuc.ca.gov;
ljt@cpuc.ca.gov;
mmg@cpuc.ca.gov;
kjl@cpuc.ca.gov;
denise.tyrrell@cpuc.ca.gov;
fadi.daye@cpuc.ca.gov;
winnie.ho@cpuc.ca.gov;
usrb@cpuc.ca.gov;
Rob.Oglesby@energy.ca.gov;
stevegreenwald@dwt.com;
vidhyaprabakaran@dwt.com;
judypau@dwt.com;
dwtcpucdockets@dwt.com;
patrickferguson@dwt.com;
travis.ritchie@sierraclub.org;
dan.marsh@libertyutilities.com;
sharon.yang@libertyutilities.com;
ginge@regintl.com