

January 29, 2025

Advice Letter No. 1324-G

(U 905 G)

Public Utilities Commission of the State of California

Subject: Quarterly Report on Status of Infrastructure Investment and Jobs Act (IIJA),

Inflation Reduction Act (IRA), or Creating Helpful Incentives to Produce Semiconductors and Science Act (CHIPS) Projects Pursuant to Resolution

E-5254

<u>Purpose</u>

The purpose of this Advice Letter is for Southwest Gas Corporation (Southwest Gas) to submit its quarterly report in compliance with Ordering Paragraph (OP) 5 in Resolution E-5254 (Resolution). There are not tariff sheets associated with this submission.

Background

In 2021, Congress passed the IIJA, which 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. This federal funding aligns with the Commission's goals of improving energy infrastructure to support zero carbon emissions, grid reliability, safety, and affordability for electric and gas customers. On January 24, 2022 and November 28, 2022, Commission President Alice Busching Reynolds sent two letters to California's gas and electric investor-owned utilities (IOUs)¹ to gather additional information on how the IOUs plan to seek and utilize matching funds that are not directly ratepayer funded.

In 2022 Congress passed IRA and CHIPS. While the IIJA relies more on grants to utility providers, the IRA's principal climate and energy-related tools are tax rebates and consumer credits or incentives, whereas CHIPS invests in research and development to catalyze commercialization of new clean energy technologies faster and at cheaper price points. However, like 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 6, 2023, the Commission approved the Resolution, which adopted a process for the IOUs to request cost recovery for match funding and tax liabilities pursuant to any funds received from IIJA's Clean Energy Infrastructure Grant Programs administered by the DOE,

¹ Bear Valley Electric Service, Inc., Liberty Utilities (CalPeco Electric) LLC, Pacific Gas and Electric Company, PacifiCorp d.b.a. Pacific Power, San Diego Gas & Electric Company, Southern California Edison Company, Southern California Gas Company, and Southwest Gas.



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IRA, and CHIPS. The Resolution also adopted an advice letter process for IOUs to track and report costs and grant project progress. OP 5 in the Resolution states:

Starting in Q3 of 2023 until all projects funded with IIJA grants are completed and implemented or Energy Division has notified the IOU that further reporting is no longer needed...[the IOUs]...shall submit quarterly Tier 1 Information-Only advice letters containing, at a minimum, the information requested in Table 2 of this Resolution...²

Southwest Gas Quarterly Status Report on Federal Funding through IIJA, IRA or CHIPS

Southwest Gas does not have any planned projects that meet the DOE's criteria for federal grant funding under IIJA, IRA or CHIPS at this time. As such, Southwest Gas has not included a quarterly report attachment for Fourth Quarter 2024 with this Advice Letter.

This submission will not increase any current rate or charge, cause the withdrawal of service, or conflict with any rate schedule or rule.

Effective Date

Pursuant to OP 5 in Resolution and General Order (GO) 96-B, this Advice Letter is classified as Tier 1 (Effective Pending Disposition). Southwest Gas respectfully requests that this Advice Letter be made effective January 29, 2025, which is the date submitted.

Protest

Anyone may protest this Advice Letter to the Commission's Energy Division. The protest must state the grounds upon which it is based with specificity and must be sent no later than 20 days after the date of this Advice Letter submission. Protests are to be submitted electronically to the Commission's Energy Division at:

Email: edtariffunit@cpuc.ca.gov

In addition, protests and all other correspondence regarding this Advice Letter should be sent electronically to:

Ms. Valerie J. Ontiveroz Regulatory Manager/California

Email: <u>valerie.ontiveroz@swgas.com</u> regserve@swgas.com

² Resolution E-5254 at pg. 20.



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Notice

Southwest Gas is exempt from the notice requirements set forth in General Rule 4.2 in GO 96-B since this Advice Letter is submitted in compliance with OP 5 in the Resolution and will not result in higher rates or charges, or more restrictive terms or conditions, than those currently in effect.

Service

In accordance with GO 96-B, General Rule 7.2, Southwest Gas is serving copies of this Advice Letter to interested parties shown on the attached list.

Respectfully submitted,

SOUTHWEST GAS CORPORATION

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Attachments

Distribution List

Advice Letter No. 1324-G

In conformance with GO 96-B, General Rule 4.3

The following individuals or entities have been served by electronic mail:

Linda Serizawa, Interim Director Public Advocates Office California Public Utilities Commission Linda.Serizawa@cpuc.ca.gov

Pacific Gas & Electric Company PGETariffs@pge.com

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San Diego Gas & Electric Company SDG&ETariffs@SempraUtilities.com

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California Public Utilities Commission

ADVICE LETTER UMMARY



LIVEROTOTIETT			
MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)			
Company name/CPUC Utility No.:			
Utility type: ELC GAS WATER PLC HEAT	Contact Person: Phone #: E-mail: E-mail Disposition Notice to:		
EXPLANATION OF UTILITY TYPE ELC = Electric GAS = Gas WATER = Water PLC = Pipeline HEAT = Heat WATER = Water	(Date Submitted / Received Stamp by CPUC)		
Advice Letter (AL) #:	Tier Designation:		
Subject of AL:			
Keywords (choose from CPUC listing):	Olympia Olympia		
AL Type: Monthly Quarterly Annual One-Time Other:			
If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #:			
Does AL replace a withdrawn or rejected AL? If so, identify the prior AL:			
Summarize differences between the AL and the prior withdrawn or rejected AL:			
Confidential treatment requested? Yes No			
If yes, specification of confidential information: Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:			
Resolution required? Yes No			
Requested effective date:	No. of tariff sheets:		
Estimated system annual revenue effect (%):			
Estimated system average rate effect (%):			
When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).			
Tariff schedules affected:			
Service affected and changes proposed ^{1:}			
Pending advice letters that revise the same tariff sheets:			

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division Attention: Tariff Unit 505 Van Ness Avenue San Francisco, CA 94102

Email: EDTariffUnit@cpuc.ca.gov

Name:

Title:

Utility Name: Address:

City:

State:

State:

Telephone (xxx) xxx-xxxx: Facsimile (xxx) xxx-xxxx:

Email:

Name:

Title:

Utility Name:

Address:

City:

Telephone (xxx) xxx-xxxx: Facsimile (xxx) xxx-xxxx:

Email:

ENERGY Advice Letter Keywords

Affiliate	Direct Access	Preliminary Statement
Agreements	Disconnect Service	Procurement
Agriculture	ECAC / Energy Cost Adjustment	Qualifying Facility
Avoided Cost	EOR / Enhanced Oil Recovery	Rebates
Balancing Account	Energy Charge	Refunds
Baseline	Energy Efficiency	Reliability
Bilingual	Establish Service	Re-MAT/Bio-MAT
Billings	Expand Service Area	Revenue Allocation
Bioenergy	Forms	Rule 21
Brokerage Fees	Franchise Fee / User Tax	Rules
CARE	G.O. 131-D	Section 851
CPUC Reimbursement Fee	GRC / General Rate Case	Self Generation
Capacity	Hazardous Waste	Service Area Map
Cogeneration	Increase Rates	Service Outage
Compliance	Interruptible Service	Solar
Conditions of Service	Interutility Transportation	Standby Service
Connection	LIEE / Low-Income Energy Efficiency	Storage
Conservation	LIRA / Low-Income Ratepayer Assistance	Street Lights
Consolidate Tariffs	Late Payment Charge	Surcharges
Contracts	Line Extensions	Tariffs
Core	Memorandum Account	Taxes
Credit	Metered Energy Efficiency	Text Changes
Curtailable Service	Metering	Transformer
Customer Charge	Mobile Home Parks	Transition Cost
Customer Owned Generation	Name Change	Transmission Lines
Decrease Rates	Non-Core	Transportation Electrification
Demand Charge	Non-firm Service Contracts	Transportation Rates
Demand Side Fund	Nuclear	Undergrounding
Demand Side Management	Oil Pipelines	Voltage Discount
Demand Side Response	PBR / Performance Based Ratemaking	Wind Power
Deposits	Portfolio	Withdrawal of Service
Depreciation	Power Lines	