

**REGULATORY UPDATE FOR AUGUST 13, 2024
(WEEK OF AUGUST 5, 2024)**

CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC OR COMMISSION)

Proposed Decisions and Resolutions

Rulemaking (R.) 20-08-020 (Order Instituting Rulemaking to Revisit Net Energy Metering Tariffs). This decision denies, with prejudice, the Petition for Modification of Decision 23-11-068 filed by Ivy Energy. The decision finds that the Petition does not comply with Rule 16.4 of the Commission's Rules of Practice and Procedure because the Petition does not propose specific wording to enact the requested modifications to the decision. Further, the Petition reiterates previously dismissed proposals and arguments, and a petition for modification is not a vehicle for relitigating issues previously determined in the decision. The Petition provides no new evidence to justify modification of a previously declined proposal. Finally, the decision finds that the Petition proposes a solution that is inconsistent with the law.

R.18-07-005 (Order Instituting Rulemaking to Consider New Approaches to Disconnections and Reconnections to Improve Energy Access and Contain Costs). This decision directs Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E), and Southern California Edison Company (SCE) to continue to allocate all payments made on past-due electric utility bills between utilities and Community Choice Aggregators based on their proportionate share of those past-due bills unless and until the Commission orders otherwise.

R.20-05-003 (Order Instituting Rulemaking to Continue Electric Integrated Resource Planning and Related Procurement Processes). This decision allows load-serving entities (LSEs) with compliance obligations in Decision 21-06-035, as part of the category of resources designed to replace the attributes of the Diablo Canyon Power Plant, to use short-term alternative compliance options as defined herein. LSEs are authorized to use contracts with resources that either emit zero greenhouse gases, or are otherwise eligible under the renewable portfolio standard requirements, as bridge resources for a period of not more than three years from the compliance deadline of June 1, 2025. The use of unspecified imports, as defined by the California Air Resources Board for Cap-and-Trade Program compliance, is prohibited for this alternative compliance purpose, since the emissions characteristics of the resources cannot be determined.

Resolution (Res) E-5330 (Updates to the Inputs and Assumptions used in Bill Savings Estimates Provided to Solar Customers). This Resolution updates the inputs and assumptions used in bill savings estimates provided to potential Investor-Owned Utility (IOU) solar customers by solar providers to align with the net billing tariff, pursuant to D.23-11-068 and D.20-08-001. Following Commission adoption of this Resolution and the stakeholder review process, the California Contractors State License Board will make any edits suggested by the

Commission or stakeholders if they are consistent with the requirements of Business and Professions Code § 7169(c) and finalize the Solar Energy System Disclosure Document.

R.24-01-018 (Order Instituting Rulemaking to Establish Energization Timelines). This decision establishes average and maximum energization targets and timelines for PG&E, SDG&E, and SCE in compliance with Public Utilities Code §§ 930-939. Energization activities include work associated with Electric Rules 15, 16 and electric capacity upgrades on the electric distribution system. Electric Rules 15 and 16 are tariffs that contain the rules and processes for extending electric distribution and service equipment to energize new customer load such as new homes, businesses, and charging stations for electric vehicles. This decision establishes new statewide energization targets for Electric Rules 15 and 16; upholds the timelines already established for Electric Rules 29 and 45; and establishes statewide timelines for certain upstream capacity upgrade activities. This decision requires that the three large electric IOUs plan and prioritize energization work to meet the new targets and timelines, report on time periods that exceed the targets, and adopt remedial actions if the targets are exceeded. The decision also adopts maximum targets that vary by tariff. The average and maximum tariff-based targets are intended to accelerate energization performance for all three large IOUs. Regarding upstream capacity upgrade activities, this decision adopts timelines instead of targets at this time given the complexity of this work and the lack of data submitted by large electric IOUs in this proceeding. Upstream capacity upgrades are associated with energization projects that require new infrastructure beyond the customer's project site, such as new or upgraded circuits, upgraded substations, or a wholly new substation to support the new load. The large electric IOUs should utilize the preliminary upstream capacity timelines established in this decision to set expectations for their workplans regarding energization projects that trigger upstream capacity upgrades.

Voting Meeting

The CPUC will hold a voting meeting in San Francisco, California on August 22, 2024 at 11:00 a.m. The following are energy-related items on the [agenda](#):

Item 7. Application (A.) 22-03-006 (Application of PG&E for Approval of 2023-2026 Clean Energy Optimization Pilot). This decision denies the application of PG&E for authorization of a Clean Energy Optimization Pilot funded by greenhouse gas allowance revenues.

Item 12. Res E-5339 (Small Business California Climate Credit Distribution Methodology). This Resolution modifies the eligibility criteria used by all electric California IOUs when distributing the Small Business California Climate Credit by imposing a 100-account cap on the number of eligible accounts a single entity can control. For businesses that operate across IOU territories, the cap applies separately in each IOU territory. Entities with a total number of eligible accounts in excess of the cap are ineligible for the credit and receive no Small Business California Climate Credit applied to any account. The per-account usage criteria established in D.13-12-002 remain unchanged. The methodology to calculate the amount of credit remains unchanged.

Item 14. Res E-5344 (SCE Mid-Term Reliability Energy Storage Contracts and Amendment). This Resolution approves two SCE Phase 2 and Phase 3 Mid-Term Reliability (MTR) contracts for 750 MW of nameplate capacity, expected to provide 562 MW of incremental September net qualifying capacity (NQC) of energy storage with AES Clean Energy Development and REV Renewables. These contracts are procured to satisfy a portion of SCE's 2026 and 2027 MTR requirements. This Resolution also approves one amended and restated SCE MTR contract with Tenaska Energy for 100 MW of nameplate capacity of energy storage. The initial contract was originally approved in Resolution E-5205, and Amendment No. 3 was approved in Resolution E-5253. This amendment addresses the project's viability issues by extending the expected initial delivery date and increasing the price. The MTR contract will provide an incremental 91 MW of NQC to meet SCE's 2024 MTR obligation.

Item 16. A.12-01-008; A.12-04-020; A.14-01-007 et al. (Application of SDG&E for Authority to Implement Optional Pilot Program to Increase Customer Access to Solar Generated Electricity). This decision finds the circumstances that Southern California Edison Company (SCE) sought to correct through the requested modifications in their Petition for Modification of Decision 15-01-051 have been addressed by actions adopted in Decision 24-05-065, Decision Modifying Green Access Program Tariffs and Adopting a Community Renewable Energy Program. Hence, SCE's requested modifications are no longer needed, and the Petition is dismissed because it is moot.

Item 17. Res E-5315 (Vehicle-to-Grid Alternating Current Interconnection Pilot Project). This Resolution approves with modification PG&E's, SCE's, and SDG&E's Advice Letters providing lessons learned during the vehicle-to-grid alternating current (V2G AC) Interconnection Pilot, and recommendations to extend the pilot timeline. The Resolution directs PG&E, SCE, and SDG&E to participate in industry-led efforts to develop and implement an alternative certification process for interconnection of V2G AC pilot projects if industry standards to interconnect V2G AC systems are not adopted by the date of issuance of this Resolution. The Resolution clarifies the requirements of Ordering Paragraph 54 of Decision 20-09-035 and directs PG&E, SCE, and SDG&E to submit Advice Letters proposing modifications to Rule 21 to implement a permanent interconnection process for V2G AC systems if industry standards for V2G AC systems are sufficient for safe interconnection.

Item 20. Res E-5343 (PacifiCorp Renewable Energy Credits with 3Degrees Group, Inc.). This Resolution approves PacifiCorp's Renewable Energy Credit (REC) Purchase and Sale Agreement with 3Degrees Group, Inc. The Agreement is for the annual procurement of 40,000 Portfolio Content Category (PCC) 3 RECs commencing from the effective date of the contract and continuing for a 10-year term. The RECs will come from 3Degrees' choice of certified RPS-eligible, non-PacifiCorp-owned facilities. The Agreement with 3Degrees was executed as the result of PacifiCorp's Request for Proposals (RFP) in November 2023. PacifiCorp asserts in AL 737-E that the Agreement satisfies the preferred project characteristics of its November 2023 RFP and is intended to contribute towards PacifiCorp meeting its RPS and long-term contracting requirements in future Compliance Periods. The CPUC makes no determination regarding the proposed Agreement's PCC classification in this Resolution because the RPS contract evaluation process is a separate process from the Portfolio Content Category classification.

Item 49. R.20-05-003 (Centralized Procurement of Long Lead-Time Resources). This decision makes an initial need determination under the provisions of Assembly Bill 1373, where the Commission may request that the Department of Water Resources (DWR) procure electricity from diverse long lead-time (LLT) resources on behalf of customers of all LSEs under the Commission's integrated resource planning (IRP) purview. This initial need determination totals up to 10.6 gigawatts (GW) of nameplate capacity of the following emerging technologies: up to 7.6 GW of offshore wind (OSW), up to 1 GW of enhanced geothermal systems (EGS), up to 1 GW of multi-day long-duration energy storage (LDES), and up to 1 GW of LDES with a discharge period of at least 12 hours. A subsequent informal request may be sent to DWR within six months of the adoption of this decision asking that they initiate procurement activities. The amounts selected are maximum amounts; once a procurement request is made, DWR will conduct solicitations and evaluate the quality of bids received, including costs and ratepayer risk provisions, and may procure anywhere between zero and the upper limits included in this decision.

LSEs will not be permitted to opt out of their share of centralized procurement authorized by this decision. The costs and benefits of any DWR centralized procurement approved will be allocated to all LSEs under the Commission's IRP purview. Additionally, publicly owned utilities may opt in to allow their customers to share in the benefits of these clean energy technologies. For Commission LSEs, for EGS and OSW resources, because they are energy resources, the allocation will be on the basis of forecast annual energy load. For LDES resources, because they are capacity resources, allocation will be first to utility service area based on forecast 12-month peak load, and then further allocated to individual LSEs using the same methodology currently used for the Cost Allocation Mechanism. This decision also requests that, for this LLT procurement, DWR convene a procurement group that includes representatives from LSEs. In addition, the decision sets a tentative schedule of solicitations, asking DWR to conduct two rounds of solicitations for LDES and EGS, beginning in 2026, and three rounds of solicitations for OSW beginning in 2027.

Upcoming Workshops and Events

Clean Miles Standard. On Tuesday, August 13, 2024, the CPUC held a virtual workshop from 9:30 a.m.-12:30 p.m. on the Clean Miles Standard (CMS) [Interim Greenhouse Gas Emissions Reduction Plans](#) (GHG Plans). Per the Phase 1 Decision (D.) 24-03-001 implementing the CMS, the Interim GHG Plans include the CMS Regulated Entities' proposals for meeting CMS Annual Targets, for minimizing negative impact on low- and moderate-income drivers, other Phase 1 issues, and providing data for setting the CMS Regulatory Fee and threshold for CMS incentive eligibility. CMS Regulated Entities (HopSkipDrive, Lyft, and Uber) presented their Interim GHG Plans and answered questions from participants. Additional information regarding the CMS is available on the Commission's CMS webpage, available [here](#).

Resource Adequacy (RA) Slice-of-Day (SOD) Office Hours. On Friday, August 16, 2024, from 2:00 p.m.-4:00 p.m., Energy Division staff will host office hours to take questions and discuss with stakeholders SOD implementation details and template review leading up to the 2025 year-ahead filing deadline. Registration is available [here](#).

CPUC/SURGE Implementation on Prevailing Wage Requirements. The CPUC, in partnership with SURGE (Solar-Utilities, Reporting, Guidance, and Education) has released links to prior recordings of workshops that were held to discuss implementation details of the new prevailing wage requirements that apply pursuant to AB 2143 (codified at Public Utilities Code § 769.2). The workshop recordings and Q&As are available on the CPUC SURGE website, available [here](#).

NEM Inputs and Assumptions. On Tuesday, August 20, 2024, the CPUC will host a virtual workshop from 1:30 p.m.-2:30 p.m. to present a draft update to its standardized inputs and assumptions that are used to calculate bill savings estimates provided to IOU residential customers on NEM tariffs. This bill savings estimate is required pursuant to AB 1070 (Fletcher, 2017), which directed the CPUC to “develop standardized inputs and assumptions to be used in the calculation and presentation of electricity utility bill savings to a consumer that can be expected by using a solar energy system by vendors, installers, or financing entities.” The latest draft of the inputs and assumptions is available in draft Resolution E-5330, available [here](#). The workshop will be held via WebEx, available [here](#) (password: billsavings).

GO 167 Workshop. On Friday, August 23, 2024, the CPUC’s Safety and Enforcement Division (SED) will host a third workshop on the SED Staff Proposal to Revise GO 167-B to discuss parties’ comments from the second workshop. The workshop will be held from 9:00 a.m.-12:00 p.m. and can be accessed [here](#). Additional information on the proposed changes to GO 167-B, in addition to party comments, can be accessed [here](#).

CALIFORNIA INDEPENDENT SYSTEM OPERATOR (CAISO)

Stakeholder Initiatives: Upcoming Meetings and Deadlines

Generator Interconnection Applications. CAISO has posted redacted individual generator interconnection Appendix A reports for Cluster 14 Phase 2 Generator Interconnection Applications to the Market Participant Portal. Further information is available [here](#).

2024 Transmission Plan Deliverability Allocation. CAISO has posted a revised 2024 Transmission Plan Deliverability Allocation Report to its website, available [here](#).

2024 20-Year Transmission Outlook. CAISO has posted the 2024 20-Year Transmission Outlook, available [here](#).

2024 Summer Assessment Multi-Hour Stack Model. CAISO has posted its multi-hour stack model that was used to inform its 2024 Summer Loads and Resources Assessment, available [here](#).

Day-Ahead Market Enhancements. CAISO held a Day-Ahead Market Enhancements Configurable Parameters implementation working group meeting on August 7, 2024. Comments on the working group discussion are due September 4, 2024. Additional information is available [here](#).

CAISO Board of Governors and Western Energy Markets Governing Body Meetings. CAISO has posted the final agendas and updated schedule for the CAISO Board of Governors and Western Energy Markets Governing Body virtual meetings on August 13, 2024 and August 19, 2024, available [here](#).

Subscriber Participating Transmission Owner Model. CAISO published the Subscriber Participating Transmission Owner Model Business Requirements Specification to its website. Comments are due August 15, 2024. Additional information is available [here](#).

Inter-Scheduling Coordinator Trades in Regional Markets. CAISO posted the straw proposal for the new Inter-Scheduling Coordinator Trades in Regional Markets initiative and will hold an associated public stakeholder call on August 20, 2024. Written comments are due August 30, 2024. Additional information is available [here](#).

CAISO Stakeholder Symposium. CAISO will host its Stakeholder Symposium on October 30, 2024 in downtown Sacramento, California, along with a welcome reception on the evening of October 29. Additional information, including reception details, event registration, and sponsorship opportunities, is available [here](#).

CALIFORNIA ENERGY COMMISSION (CEC)

2024 Integrated Energy Policy Report (IEPR) Update

The CEC is working on its 2024 IEPR Update, and ongoing workshops are being held through December 2024 to develop the record. The policy recommendations included in the 2024 IEPR Update will be based on the record developed during the proceedings, including data and technical analyses by staff and stakeholders. Upcoming IEPR workshops include the following (note: the [workshop schedule](#) is subject to change):

October 2, 2024: Use of the Forecast in Electricity System Planning – 10:00 a.m.
[Rescheduled from August 27]

November 7, 2024: Electricity Forecast, Load Modifier Results – 1:00 p.m.

December 12, 2024: Electricity Forecast, Annual and Hourly Results – 1:00 p.m.

January 2025 TBD: Business meeting to consider adoption of the Electricity Demand Forecast.

February 2025 TBD: Business meeting to consider adoption of the 2024 IEPR Update.

Electric Program Investment Charge (EPIC)

The 10th Annual EPIC Symposium is scheduled to be held in Sacramento, California on October 28, 2024. Additional details are forthcoming.

The CEC's EPIC 2023 Annual Report is now [available](#). The report outlines the status and progress of EPIC-funded activities for the 2023 calendar year.

Updates to the California Energy Demand Forecast

On August 21, 2024, CEC staff will hold a hybrid (both in-person and by Zoom) [webinar](#) from 10:00 a.m.-4:00 p.m. to discuss updates for distributed generation, economic and demographic inputs, Additional Achievable Energy Efficiency (AAEE), and Fuel Substitution (AAFS) inputs and assumptions for purposes of developing California's Energy Demand Forecast. A detailed meeting agenda and materials will be posted to the [DAWG webpage](#) in advance of the meeting.

Resource Planning and Reliability

On August 5, 2024, the CEC issued its combined second and third quarterly report pursuant to SB 846 (Dodd, 2022) on the Joint Agency Reliability Planning Assessment. This report provides an update to the previous assessment issued in May 2024, and includes updates on electric system demand and supply for the next 5- and 10-year period, as well as an assessment of electric system reliability under different risk scenarios. The report also provides information on the status of new resources and any delays or barriers to the resources being available to support reliability. The report, which is available [here](#), states that "system conditions for this summer have improved from the first to the third quarter as new resource projects continue to come online. For August and September, the analysis shows surplus capacity under average and extreme weather conditions, such as those witnessed in the 2020 heat wave (2020 equivalent event) and the 2022 heat wave (2022 equivalent event). For September, improvements in supply build and system conditions led to an increase in the surplus of resources expected under average conditions, up to 4,700 megawatts (MW)."

Electric Vehicle (EV) Infrastructure

Grant Funding Opportunity for Grid-Supportive Transportation Electrification. On August 5, 2024, the CEC issued its award notice for funding technologies that enable grid-supportive transportation electrification, such as by shifting loads to avoid or defer grid upgrades, improving efficiency for high-power EV charging stations, and/or aligning charging loads with available grid capacity. Additional details on the grant funding award are available [here](#).

CEC Business Meetings

The next CEC Business Meeting will be held on August 14, 2024. The meeting agenda, posted on August 2, 2024, is available [here](#). The Business Meeting can be attended remotely via Zoom, and attendance information is available [here](#).

CALIFORNIA AIR RESOURCES BOARD (CARB)

Meetings, Workshops, and Notices

On August 15, 2024, CARB will hold a public workshop on the [California Oil and Gas Methane Regulation](#) and potential changes to meet the requirements of the U.S. Environmental Protection Agency's [Emissions Guidelines](#). Following the workshop, CARB will provide the opportunity to submit written feedback. The agenda for the workshop and registration are available [here](#).

On August 15, 2024, CARB will host a public workshop in partnership with the North American Sustainable Refrigeration Council on the Commercial and Industrial Refrigeration [Draft Funding Guidelines](#) and associated program materials related to the second round of the [F-gas Reduction Incentive Program](#), including eligibility requirements and the application process. Comments on the Draft Funding Guidelines can be submitted via email to FRIP@arb.ca.gov by August 22, 2024. Information on the workshop is available [here](#).

On August 16, 2024, CARB will host a public meeting of the [Scientific Review Panel on Toxic Air Contaminants](#). The meeting notice, agenda, and link to register are available [here](#). Written comments on the Panel's review of the [Cancer Inhalation Unit Risk Factor for Isoprene](#) may be submitted [here](#) on or before August 14, 2024.

On August 16, 2024, CARB will host a public meeting of the [AB 32 Environmental Justice Advisory Committee](#). The agenda and registration information are available [here](#).

On August 20, 2024, CARB will hold an evening community meeting on [clean transportation projects](#), including plans for funding projects and updates on incentive implementation. Registration for the meeting will be available [here](#).

On August 20, 2024 and August 22, 2024, CARB will conduct two public workshops on [Community Air Grants](#) (CAG) available under the [Community Air Protection Program Blueprint 2.0](#). Details on the workshops and the draft CAG Cycle 5 [Request for Applications](#) (RFA) are available [here](#). Comments on the RFA may be submitted [here](#) on or before August 25, 2024.

On August 22, 2024, CARB will hold a hybrid virtual/in-person [public workshop](#) on the California dairy sector and CARB's progress in compiling California-specific dairy activity data and evaluating dairy sector emissions trends, associated with the 2024 [petition on livestock methane](#). Registration and workshop materials are available [here](#).

On November 8, 2024, the CARB will hold a [public hearing](#) to consider amendments to the [Low Carbon Fuel Standard](#). Modified text of the proposed amendments and additional rulemaking documents are posted [here](#) and available for public comment until August 27, 2024.

The [California Volkswagen Mitigation Trust](#) is accepting applications for funds on a first-come, first-served basis for combustion freight and marine and zero-emission class 8 trucks. Applications for funding are available [here](#).

Opportunities for Public Comment

CARB is accepting public comment on the [Cancer Inhalation Unit Risk Factor for Isoprene](#) under review by the [Scientific Review Panel on Toxic Air Contaminants](#). Comments may be submitted [here](#) on or before August 14, 2024, or orally at the related August 16, 2024 meeting.

CARB is accepting public comment on the Commercial and Industrial Refrigeration [Draft Funding Guidelines](#) and associated program materials, related to the [F-gas Reduction Incentive Program](#). Comments may be submitted via email to FRIP@arb.ca.gov by August 22, 2024.

CARB is accepting public comment on the draft CAG Cycle 5 [Request for Applications](#) associated with the [Community Air Protection Program Blueprint 2.0 Community Air Grants](#). Comments may be submitted [here](#) on or before August 25, 2024.

CARB is accepting public comment on the [modified text](#) released for the [proposed amendments](#) of the [Low Carbon Fuel Standard](#). Comments may be submitted [here](#) on or before August 27, 2024.

MINNESOTA PUBLIC UTILITIES COMMISSION (MPUC)

At the MPUC's agenda hearing from August 1, 2024, (agenda can be found [here](#)), the MPUC approved Minnesota Power's application for a certificate of need and route permit for its roughly \$1 billion investment to upgrade and expand the capacity of its high-voltage direct current transmission line and denied various petitions for reconsideration from community solar garden (CSG) developers filed in response to the MPUC's May 2024 order modifying the bill credit rate for certain CSGs from the applicable retail rate to the value of solar rate. On the former, the MPUC debated, but declined to include, ratepayer protections suggested by Commissioner Tuma. On the latter, the MPUC accepted Commissioner Mean's suggested clarifications to include reference to section 216B.25 of the Minnesota Statutes as the basis for the MPUC's authority to modify its prior decision.

On Thursday, August 8, the MPUC held a special planning meeting from 1:30 p.m.-3:00 p.m. The title is "Carbon-Free Electricity: Customer Goals and Innovation." The agenda can be found [here](#).

FEDERAL ENERGY REGULATORY COMMISSION (FERC)

On July 25, 2024, in [188 FERC ¶ 61,072](#), FERC issued an order granting PG&E's request for transmission incentives related to support work it will undertake in conjunction with

four transmission projects identified in CAISO's 2021-2022 transmission plan. PG&E requests authorization to: (1) include 100% of prudently incurred Construction Work in Progress for the support work in rate base; and (2) recover 100% of prudently incurred costs of the support work if that work is abandoned for reasons beyond PG&E's control.

On July 16 at the Southwest Power Pool (SPP) [Markets and Operations Policy Committee Meeting](#), SPP voted to approve a waiver to delay the start of the Phase 1 2024 Definitive Interconnection System Impact Study (DISIS) and a waiver to delay opening the 2025 DISIS allowing for interim provisional service. As a result, the start of Phase 1 of the 2024 DISIS will begin at the completion of the first planned Phase 2 Restudy of the 2023 DISIS. Additionally, the start of the open season of the subsequent DISIS is to begin at the earlier of (1) April 1, 2026, or (2) at the completion of Decision Point 2 of the 2024 DISIS, and will close October 31, 2026. Finally, SPP approved an interim waiver for provisional service for Large Generator Interconnection Agreements (LGIAs) to become GIAs in the subsequent DISIS.

On July 19, the DC Circuit Court of Appeals upheld a 2022 decision by FERC related to affected system upgrades identified for and charged to Tenaska's Clear Creek Wind Project, which became operational in 2020 using provisional interconnection service. The Tenaska project was eventually tagged with \$102 million in upgrades after restudies were completed and the project had been built. The Court of Appeals determined that FERC's decision aligned with cost causation principles because the upgrades were necessary to resolve operational issues that would not have existed in the project's absence.

Senators Joe Manchin (I-W.Va.) and John Barrasso (R-Wyo.) have introduced legislation that would reform FERC's "backstop permitting authority" and expand the agency's power to approve the permitting of new transmission facilities. The legislation is titled the Energy Permitting Reform Act of 2024, and its scope reaches the permitting needed for electric, gas, and other resources.