

REGULATORY UPDATE FOR AUGUST 31 (COVERING WEEK OF AUGUST 24)**California Public Utilities Commission**New Proposed Decisions and Draft Resolutions¹:

None.

Voting Meetings:

The Commission held a voting meeting on August 27, 2020. The agenda included the following items, results in **bold**:

Item 2: Draft Resolution UEB-400. This Resolution would establish a citation program under the administration of the Director of the Consumer Protection and Enforcement Division to enforce compliance with the consumer protection measures authorized by the California Public Utilities Commission for net energy metering customers. This citation program is applicable to Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company, providing grid interconnection services for residential rooftop solar customers taking service under the CPUC's NEM tariff. This citation program does not cover interconnection applications for new home construction. **Held to 9/10/20 voting meeting.**

Item 3: Draft Resolution E-5071. This Resolution would approve SDG&E's Tier 3 Advice Letter 3488-E and supplemental 3488-E-A, requesting to reduce its revenue requirements by \$8.3 million in 2020, \$10.9 million in 2021 and \$10.3 million in 2022. SDG&E filed AL 3488-E pursuant to Ordering Paragraph 6 of Decision (D).19-09-05. Assembly Bill 1054, signed July 12, 2019, includes a provision requiring that the California Public Utilities Commission exclude the first \$5 billion of aggregate wildfire mitigation capital expenditures from equity rate base for the three large electric investor-owned utilities. **Approved.**

Item 4: Draft Resolution ALJ-382. This Resolution would deny San Jose Clean Energy's appeal of Citation No. E-4195-0052 by the California Public Utilities Commission's Consumer Protection and Enforcement Division, which fined San Jose Clean Energy for failing to procure certain of its 2019 system and flexible resource adequacy (RA) obligations. San Jose Clean Energy claimed that it had diligently attempted to procure the required to obtain the required RA resources, and therefore the penalty was inappropriate. The Resolution finds that the required RA resources were available to San Jose Clean Energy, though at unfavorable terms, and therefore denies the appeal. **Held to 9/10/20 voting meeting.**

¹ Per Commission Rules of Practice and Procedure, Rule 14.3, Comments on proposed decisions are due 20 days after issuance of the proposed decision, and reply comments are due five days thereafter. Comments on Draft Resolutions are due twenty days after the draft resolution appears in the Commission's daily calendar, per Rule 14.5.

Item 11: Draft Resolution E-5097. This Resolution would approve Southern California Edison Company's contract with Dynegy Moss Landing, LLC for Units 1 and 2 of the Moss Landing Generating Station from 2021 through 2022 to meet SCE's system resource adequacy requirements. **Approved.**

Item 12: Draft Resolution E-5099. This Resolution would approve Southern California Edison Company's contract with GenOn Energy Management, LLC for Units 1 and 2 of the Ormond Beach Generating Station from 2021 through 2023 to meet SCE's system, local and flexible resource adequacy requirements. **Approved.**

Item 13: Draft Resolution E-5098. This Resolution would approve Southern California Edison Company's contract with AES Alamos, LLC for Units 3, 4 and 5 of the AES Alamos Generating Station from 2021 through 2023 to meet SCE's system, local and flexible resource adequacy requirements. **Approved.**

Item 18: Draft Resolution E-5095. This Resolution would enable load serving entities operating in Southern California Edison's service territory, and whose customers pay cost responsibility surcharges to receive allocations of greenhouse gas free energy from SCE's bundled portfolio. In turn, LSEs would be able to include the allocations in their Power Content Label reporting under the California Energy Commission's Power Source Disclosure Program. The proposal is an interim mechanism that would be in effect until the Commission adopts a permanent allocation mechanism in R.17-06-026. The interim mechanism is similar to one that Pacific Gas and Electric Company proposed for its service territory in AL 5705-E, which the Commission approved via Resolution E-5046 on May 7, 2020. **Approved.**

Item 27: R.13-02-008. This draft decision would adopt with modifications a standard tariff for interconnecting renewable natural gas producers with utility pipelines that was jointly proposed by Pacific Gas and Electric Company, Southwest Gas Corporation, Southern California Gas Company, and San Diego Gas & Electric Company. **Signed, D.20-08-035.**

Item 30: New Rulemaking. This decision would initiate new rulemaking to revisit net energy metering tariffs pursuant to Commission Decision 16-01-044, and other issues related to net energy metering. **Signed, R.00-08-020.**

Item 37. R.18-07-003. This proposed decision would adopt changes to the program rules, contract terms, and processes for the Biomethane Market Adjusting Tariff (BioMAT). **Signed, D.20-08-043.**

Item 42: San Diego Gas and Electric Company Advice 3524-E. Proposed Resolution E-5083. SDG&E's 2014 Conformed Bundled Procurement Plan enables SDG&E to procure various products for terms of up to five years without the California Public Utilities Commission's preapproval, as long as no term extends beyond December 31, 2024. This resolution would approve, without modification, SDG&E's request to extend its five-year procurement authority on a rolling basis until the Commission revises or replaces the investor owned utilities' 2014 Bundled Procurement Plans. **Approved.**

Item 43: Draft Resolution E-5100. This Resolution would approve seven contracts for incremental system reliability resources that Pacific Gas and Electric Company procured through its System Reliability Request for Offers – Phase 1 solicitation in 2020. Pacific Gas and Electric Company undertook this procurement to meet its 2021 incremental procurement requirements pursuant to Decision 19-11-016 in the Integrated Resource Plan Rulemaking, 16-02-007. This Resolution would approve the contracts without modification and would also approve an interim cost recovery methodology that Pacific Gas and Electric Company proposed. See our July 27, 2020 Regulatory Update for contract details. **Approved.**

Item 44: Draft Resolution E-5101: This Resolution would approve Southern California Edison's request to procure 770 MW of nameplate energy storage capacity, counting as 644 MW of incremental Resource Adequacy capacity, to satisfy the procurement requirements ordered in D.19-11-016. See our July 27, 2020 Regulatory Update for contract details. **Approved.**

Item 45: Draft Resolution E-5059: This Resolution would adopt with modifications proposed tariff revisions by Pacific Gas and Electric Company Advice Letter 5354-E, Southern California Edison Company Advice Letter 3840-E, and San Diego Gas & Electric Company Advice Letter 3257-E to implement Reentry Fees and Financial Security Requirements for Community Choice Aggregators. Reentry fees include investor owned utility administrative costs and procurement costs resulting from a mass involuntary return of CCA customers to IOU service, and the financial security requirements must cover those potential costs. **Held, 9/10/20 voting meeting.**

California Independent System Operator

Upcoming Meetings and Deadlines:

New Initiative: Real-Time Settlement Review Issue Paper/Straw Proposal. The California ISO held a public stakeholder call on August 24, 2020, to discuss the issue paper/straw proposal for the new Real-Time Settlement Review Initiative. Written comments are due September 4, 2020.

Energy Storage and Distributed Energy Resources (ESDER) Phase 4, Final Proposal. The California ISO held a public stakeholder web conference on Aug. 27, 2020, to discuss the final proposal for the Energy Storage and Distributed Energy Resources Phase 4 initiative. Comments are due September 10.

FERC Order 831 - Import Bidding and Market Parameters: Final Proposal Posted
The California ISO has scheduled a public stakeholder call on Aug. 31, 2020, to discuss the final proposal for the FERC Order 831 - Import Bidding and Market Parameters initiative. Written comments are due September 4.

Pseudo-Ties of Shared Resources, Draft Tariff Language and Final Proposal. The California ISO will hold a public stakeholder web conference on Sept. 1, 2020, to discuss the draft tariff language and final proposal for the Pseudo-Ties of Shared Resources initiative. Comments are due September 15.

Flexible Ramping Product Refinements, Draft Tariff Language. The California ISO has scheduled a public stakeholder call on Sept. 2, 2020, to discuss the draft tariff language for the Flexible Ramping Product Refinements initiative.

Extended Day-Ahead Market. In response to stakeholder requests, the California ISO has extended the deadline to submit written comments on the Extended Day-Ahead Market bundle 1 straw proposal from Sept. 10, 2020 to Oct. 8, 2020.

2021 Net Qualifying Capacity and Effective Flexible Capacity Values for Resource Adequacy Resources. The California ISO has posted the preliminary 2021 Resource Adequacy Net Qualifying Capacity (NQC) and Effective Flexible Capacity (EFC) lists. Scheduling coordinators are requested to review their information and submit comments by Sept. 1, 2020 for EFC and by Sept. 4, 2020, for NQC.

California Energy Commission

Enforcement Procedures for the RPS for Publicly Owned Electric Utilities

The Commission has rescheduled to September 9 the Adoption Hearing regarding the Modification of Regulations Specifying Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities and the associated Negative Declaration. The hearing was originally scheduled to be held on August 12, 2020. It is currently item 4 on the Commission's September 9 meeting agenda.

California State Water Resources Control Board

On June 19, 2020, the State Water Resources Control Board (State Water Board) published a [third revised public notice](#) changing the date of the State Water Board meeting wherein the State Water Board will conduct a public hearing and consider adoption of a proposed amendment to the Water Quality Control Policy On the Use of Coastal and Estuarine Waters for Power Plant Cooling ("OTC Policy"). The State Water Board meeting will now be held on September 1, 2020 at 9:30 a.m. According to the notice, no changes were made to the public comment period, which ended on May 18, 2020. For more details about the amendment, please visit the State Water Board [program page](#).

Public Utility Commission of Oregon

The Public Utility Commission of Oregon adopted Staff's recommendation in a proceeding involving annual adjustments to PacifiCorp's standard avoided cost schedule for qualifying facilities. As adopted, PacifiCorp's prices for wind resources are higher than the base load resource, and solar prices are lower—a reversal of current renewable fixed prices and due to changes to capacity contributions to solar resources. In addition, the demarcation for resource deficiency periods moved back from 2021 to 2024, resulting in a decrease in on-peak avoided cost prices.

The Public Utility Commission of Oregon also advanced its efforts to establish dispute resolution procedures for conflicts between qualifying facilities and utilities. The PUC issued a notice of proposed rulemaking to adopt dispute resolution rules described in Docket No. AR 629.

Washington Utilities and Transportation Commission

On August 13, 2020, the Washington Utilities and Transportation Commission (WUTC) issued combined second draft rules for the integrated resource plan (IRP) (WUTC Docket UE-190698) and clean energy implementation plan (CEIP) (WUTC Docket UE-191023) rulemakings. This second draft includes both the IRP and CEIP rules to enable stakeholders and the public to better understand how the IRP informs the CEIP, and how utilities can fulfill the statutory requirements using both of these filings. Comments on these draft rules and discussion questions are due by September 11.

On August 14, 2020, the WUTC issued the second discussion draft rule for the purchase of electricity rulemaking (WUTC Docket UE-190837). Comments on the draft rule and discussion questions are due by September 14.

Montana

On August 24, 2020, the Montana Supreme Court, in a split opinion, affirmed a lower state court ruling vacating and modifying Montana Public Service Commission (MPSC) orders that reduced the standard-offer contract rates and maximum contract lengths for small solar qualifying facilities (QFs). The court found that the lower court did not err in concluding that the MPSC' calculation of the avoided-cost rate was arbitrary and unlawful, in violation of PURPA and Montana law. The matter was remanded for future regulatory proceedings. (Case Number DA 19-0223).

Federal Energy Regulatory Commission

FERC [announced a technical conference on October 27](#) on offshore wind generation integration in RTOs/ISOs. The conference will address whether existing Commission transmission, interconnection, and merchant transmission facility frameworks in RTOs/ISOs can accommodate anticipated growth in offshore wind generation in an efficient and effective manner that safeguards open access transmission principles and to consider possible changes or improvements to the current framework should they be needed to accommodate such growth. Commissioners may participate in the technical conference. Individuals interested in participating as panelists should submit a self-nomination form by [Friday, August 14, 2020](#).

FERC [announced a technical conference on September 30](#) on carbon pricing in organized wholesale electricity markets. The conference will address state adoption of mechanisms to price carbon dioxide emissions, commonly referred to as carbon pricing, in regions with Commission-jurisdictional organized wholesale electricity markets.

FERC extended through January 29, 2021 two pandemic emergency-related waivers in an effort to provide continued safety and flexibility for the public and the companies the

Commission regulates: 1) the waiver of notarization and in-person meeting requirements in open access tariffs; 2) a waiver of regulations requiring that filings with the Commission be notarized or supported by sworn declarations.

FERC's next open meeting is scheduled for September 17, 2020.