

**REGULATORY UPDATE FOR AUGUST 6, 2024
(WEEK OF JULY 29, 2024)**

CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC OR COMMISSION)

Proposed Decisions and Resolutions

None to report.

Voting Meeting

The CPUC held a voting meeting in San Francisco, California on August 1, 2024 at 10:00 a.m. The following are [results](#) for energy-related items on the [agenda](#):

Item 3. Application (A.) 22-02-016 (Joint Application of Southern California Edison Company and San Diego Gas & Electric Company for the 2021 Nuclear Decommissioning Cost Triennial Proceeding). This decision approves Southern California Edison Company's (SCE) and San Diego Gas & Electric Company's (SDG&E) 2021 Nuclear Decommissioning Cost Triennial Proceeding costs. This decision also adopts the Settlement Agreement between the majority of active parties. Finally, this decision approves the request to deposit any future litigation proceeds from the Department of Energy (DOE) into their respective Non-Qualified Nuclear Decommissioning Trust funds to pay for the additional spent fuel management costs the utilities will incur as a result of DOE's delayed removal. This decision approves recorded costs of \$3.11 million for San Onofre Nuclear Generating Station (SONGS) 1 projects and \$606.7 million for SONGS 2 and 3 projects but disallows \$30 million of these recorded costs as a result of the Settlement Agreement. This decision also approves the 2020 SONGS 1 Decommissioning Cost Estimate (DCE) of \$225.9 million, 2020 SONGS 2 and 3 DCE of \$4,712 million, and 2019 PVNGS (Palo Verde Nuclear Generating Station) 1, 2, and 3 DCE of \$594.2 million. **Signed, D.24-08-001.**

Item 8. Rulemaking (R.) 13-11-005 (Order Instituting Rulemaking Concerning Energy Efficiency Rolling Portfolios, Policies, Programs, Evaluation, and Related Issues). This decision approves the portfolio application of a new energy efficiency portfolio administrator, San Diego Regional Energy Network. Energy savings goals and funding for 2024-2027, and the 2024-2031 strategic business plan, are adopted. San Diego Community Power, which will serve as portfolio administrator on behalf of San Diego Regional Energy Network, must submit a joint cooperation memo with SDG&E. **Signed, D.24-08-003.**

Item 9. R.17-06-026 (Order Instituting Rulemaking to Review, Revise, and Consider Alternatives to the Power Charge Indifference Adjustment). This decision denies the Petition for Modification of Decision (D.) 23-06-006 filed by SCE on September 11, 2023. The Commission finds insufficient justification for the request to modify D.23-06-006 to specify that utilities should apply the direction in that decision to the classification and valuation of renewable energy credits generated and banked on or after January 1, 2019, and should not apply such direction to renewable energy credits generated and banked before that date. **Signed, D.24-08-004.**

Item 10. R.18-04-019 (Order Instituting Rulemaking to Consider Strategies and Guidance for Climate Change Adaptation). This decision adopts refinements to climate adaptation preparation guidance for investor-owned energy utilities provided in D.19-10-054 and D.20-08-046 to reflect climate science developments since 2018. It adopts the Shared Socioeconomic Pathway (SSP) greenhouse gas emissions scenario 3-7.0 as the reference scenario for energy utility use in the Climate Adaptation and Vulnerability Assessments (CAVA) ordered in D.20-08-046. It also identifies SSP 3-7.0 as the reference emissions scenario for use in proceedings other than R.18-04-019 and for long-term infrastructure planning, as relevant. SSP 3-7.0 replaces the Representative Concentration Pathway emissions scenario 8.5 required in D.19-10-054. This decision adopts the Global Warming Level approach as the basis of CAVA planning, replacing the targeted years approach adopted in D.20-08-046. It requires the energy utilities to begin applying the Global Warming Level approach starting with SCE's next CAVA submittal. It recommends that the energy utilities consider phasing in use of the Global Warming Level approach in emissions scenarios applied to forecasts and projections conducted in other proceedings, completing this transition by 2027. This decision updates the timing of utility submittal of CAVAs, requiring CAVAs to be filed one year prior to energy utility Risk Assessment and Mitigation Phase (RAMP) applications. This replaces guidance adopted in D.20-08-046, which required concurrent submittal of CAVA and RAMP documents. This decision adopts guidance regarding energy utility presentation of CAVA Adaptation Investment proposals in general rate case or standalone applications. It establishes a working group to develop and propose a lexicon of climate adaptation-related terms. This decision also eliminates requirements adopted in D.20-08-046 for energy utilities to survey existing third-party energy contract partners regarding their readiness for climate change. **Signed, D.24-08-005.**

Item 14. R.22-11-013 (Order Instituting Rulemaking to Consider Distributed Energy Resource Program Cost Effectiveness Issues, Data Access and Use, and Equipment Performance Standards). This decision approves updates to the Avoided Cost Calculator (ACC), beginning with the 2024 ACC. The decision finds that updates to the ACC will better align the modeling of the ACC with the most recent outputs of the Integrated Resource Planning proceeding (R.20-05-003) and enable the Commission to better evaluate the cost effectiveness of demand-side resources alongside supply-side resources. This decision adopts the following updates to the ACC: (1) uses the latest adopted system plan approved in the Integrated Resource Planning proceeding as the base model for the ACC; and (2) adopts an integrated calculation approach which recognizes the interdependence and interactive effects between the generation capacity avoided costs and greenhouse gas avoided costs and models these costs in an integrated manner. Further, the decision adopts an alternative storage dispatch modeling approach to more accurately capture storage reliability value, and a refined method for calibrating and benchmarking strategic energy risk valuation prices. **Signed, D.24-08-007.**

Item 16. A.18-05-015 (Application of SCE for Approval of Its Clean Energy Optimization Pilot). This decision denies the Petition for Modification of D.19-04-010 filed by SCE on November 27, 2023. Consistent with Rule 16.4 of the Commission's Rules of Practice and Procedure, the Commission finds insufficient justification for the request to modify D.19-04-010 to extend and expand the Clean Energy Optimization Pilot and authorize up to an additional \$44.3 million in cap-and-trade allowance revenues for the pilot. **Signed, D.24-08-008.**

Item 25. A.24-05-025 (Application of SCE Regarding Energy Resource Recovery Account Trigger Mechanism). This decision approves the uncontested request by SCE to decrease its bundled service customer generation rates to address an overcollection in its Energy Resource Recovery Account (ERRA). This refund is authorized for an amount not to exceed \$724.426 million. SCE is authorized to decline to place some of the refund into rates if updated projections reasonably demonstrate that SCE will not need all the decrease to correct the current overcollection such that it returns below the ERRA Trigger Mechanism amount. SCE is granted a period of up to 12 months, beginning on October 1, 2024, to amortize this balance. Bundled service customer rates would decrease by an average of 4.9 percent during the 12-month period if the full \$724.426 million is refunded. **Signed, D.24-08-015.**

Upcoming Workshops and Events

Clean Miles Standard. On Tuesday, August 13, 2024, the CPUC will host 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 provide data for setting the CMS Regulatory Fee and threshold for CMS incentive eligibility. CMS Regulated Entities (HopSkipDrive, Lyft, and Uber) will present their Interim GHG Plans and answer questions from participants. This workshop precedes Commission action on Interim GHG Plan approvals. The workshop will be hosted via WebEx and can be accessed [here](#). 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 p.m. to 4 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 section 769.2). The workshop recordings and Q&As are available on the CPUC SURGE website, available [here](#).

CALIFORNIA INDEPENDENT SYSTEM OPERATOR (CAISO)

Stakeholder Initiatives: Upcoming Meetings and Deadlines

2024 Transmission Plan Deliverability Allocation Results for Generator Interconnection. CAISO has posted the results of the 2024 Transmission Plan Deliverability Allocation for Generator Interconnection to its website, available [here](#).

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

Summer Market Performance Report. CAISO has published the Summer Market Performance Report for June 2024, 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](#).

Annual Policy Initiatives Roadmap Process 2024. CAISO has published the 2024 final discretionary policy initiatives catalog, which includes the results of the stakeholder prioritization rankings of 2024 draft catalog items, available [here](#).

Department of Market Monitoring 2023 Special Report on Battery Storage. CAISO Department of Market Monitoring has posted a special report on battery storage providing analysis of battery resource participation and performance in the CAISO market during 2023, available [here](#).

Department of Market Monitoring 2023 Annual Report on Market Issues and Performance. CAISO Department of Market Monitoring posted the 2023 Annual Report on Market Issues and Performance, and will hold a stakeholder call on August 7, 2024, to discuss reported analysis and findings. Additional information is available [here](#).

Day-Ahead Market Enhancements. CAISO will kick-off the Day-Ahead Market Enhancements Configurable Parameters implementation working group with a meeting on August 7, 2024. During this initial working group, CAISO will discuss the goals of the working group including anticipated timelines and milestones, a summary of the parameters considered in this effort, and the proposed testing approach for each of the parameters. Comments on the working group discussion are due September 4, 2024. Additional information is available [here](#).

Storage Bid Cost Recovery and Default Energy Bids Enhancements. CAISO has posted the Storage Bid Cost Recovery and Default Energy Bids Enhancements issue paper and straw proposal and held an associated public stakeholder call on August 5, 2024. Written comments are due August 8. Additional information is available [here](#).

Resource Adequacy Modeling and Program Design. CAISO has posted the revised discussion paper and final recommendation plan for the Resource Adequacy Modeling and Program Design working group. Written comments are due by August 12. Additional information is available [here](#).

2025 Net Qualifying Capacity Values for Resource Adequacy Resources. CAISO has posted the preliminary 2025 Resource Adequacy Net Qualifying Capacity (NQC) list. Scheduling coordinators are requested to review their information and submit comments by August 13, 2024 for NQC. Additional information is 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):

August 8, 2024: Senate Bill (SB) 605: Wave and Tidal Energy – 1:00 p.m. This is a remote access workshop. Attendance instructions are available in the workshop [notice](#). Further, the [draft report](#) entitled *Wave and Tidal Energy: Evaluation of Feasibility, Costs, and Benefits* has been released for public review and comment. The draft report will also be discussed during the workshop. According to the [Notice of Availability](#), written comments on the report are due to the CEC’s Docket Unit by 5:00 p.m. on August 22, 2024.

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.

SB 100 Demand Scenarios

On August 7, 2024, CEC staff will hold a [webinar](#) from 9:00 a.m. to 11:00 a.m. to allow staff to present the demand scenarios for use in SB 100 analysis as well as the inputs and assumptions used to develop scenarios for the 2025 SB 100 Joint Agency Report. A detailed webinar agenda is available [here](#). According to the webinar notice, “the demand scenarios that will be presented and discussed . . . are some of the inputs into the analysis of options to achieving the SB 100 targets of 100 percent clean electricity by 2045 for the 2025 SB 100 Joint Agency Report” and “the results of the modeling effort will be assessed in the 2025 SB 100 Joint Agency Report.” Written comments are due to the CEC Docket Unit by 5:00 p.m. on August 21, 2024.

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).”

Offshore Wind

On July 10, 2024, the CEC [adopted](#) the Assembly Bill 525 Offshore Wind Energy [Strategic Plan](#). All three volumes of the Strategic Plan are also available in [Docket No. 17-MISC-01](#).

Electric Vehicle (EV) Infrastructure

CFI Program. The CEC hosted a workshop on July 18, 2024 to provide updates on the development of applications for Round 2 funding under the U.S. Department of Transportation's Charging and Fueling Infrastructure grant program (CFI Program). The CEC states that it is currently developing two separate applications to the CFI Program. The first is a multi-state

proposal to develop medium- and heavy-duty (MDHD) battery EV charging infrastructure along interstate corridors in partnership with the California, Oregon, and Washington State Departments of Transportation (referred to as the “Tristate Proposal”). The second application is for MDHD zero-emission vehicle infrastructure along drayage routes near California ports, referred to as the “Drayage Proposal.” Applications for these programs are due August 28, 2024. Additional information and workshop attendance details are available [here](#).

Workshop on Innovative Strategies for Accelerating MDHD Site Energization in POU Service Territories. The CEC hosted a remote-only workshop on July 31, 2024 to discuss innovative strategies, such as flexible service connections and temporary power solutions, for accelerating energization of EV charging sites located in publicly owned utility (POU) service territories. Workshop details are available [here](#).

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 7, 2024, CARB will host the third virtual workshop of the [Commercial Harbor Craft Regulation Technical Working Group](#), related to the assessment of the commercial availability of lower-emitting combustion engines and zero-emission technology for harbor craft. More information on the workshop, and a pre-workshop survey, is available [here](#).

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 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 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](#). The language of the proposed amendments and other rulemaking documents are available [here](#).

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.

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 will hold a special planning meeting from 1:30 p.m. to 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.