

**REGULATORY UPDATE FOR JANUARY 14, 2026
(JANUARY 7, 2025 – JANUARY 13, 2026)**

I. STATE REGULATORY AGENCIES

California Public Utilities Commission (CPUC or Commission)¹

Proposed Decisions and Resolutions

Resolution (Res) E-5396. This Resolution approves, with modifications, PacifiCorp's Advice Letter (AL) 744-E, AL 744-E-A, AL 744-E-B to implement an Income-Graduated Fixed Charge (BSC) for residential customers pursuant to Decision (D.) 24-05-028 to accelerate the state's clean energy transition. The BSC will be applied based on income tiers, with lower-income customers paying a lower charge and higher-income customers paying a higher charge.

Voting Meeting

The CPUC will hold a voting meeting in San Francisco, California on January 15, 2026, at 11:00 a.m. PT. The energy-related items on the [Agenda](#) are below:

Item 2. Rulemaking (R.) 18-07-003 (Order Instituting Rulemaking to Continue Implementation and Administration and Consider Further Development of California Renewables Portfolio Standard Program). This decision denies the March 6, 2025 petition to modify D.20-08-043, filed by the Bioenergy Association of California (BAC). BAC is seeking to extend or remove the end date of the Bioenergy Market Adjusting Tariff (BioMAT) and proposes other programmatic changes, primarily due to underutilization of this high-cost program and availability of other procurement options for bioenergy resources. The decision contends that maintaining the BioMAT end date, December 31, 2025, as directed by the Commission in D.20-08-043, is in alignment with the October 30, 2024 Governor's Executive Order N-5-24 on affordability, and will allow Commission resources to be directed toward more effective clean energy programs.

Item 3. Application (A.) 23-07-008 (In the Matter of the Application of California Resources Production Corporation (CRPC) for a Certificate of Public Convenience and Necessity to Operate as a Gas Corporation in the State of California). This decision denies A.23-07-008 and the request to hold this proceeding in abeyance made by the cities of Antioch and Brentwood, California. The decision further denies CRPC's motion to amend A.23-07-008 and grants for a period of three years CRPC's motions to file certain materials as confidential under seal.

¹ Per CPUC 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 20 days after the draft resolution appears in the CPUC's daily calendar, per Rule 14.5.

Item 5. Res E-5437. This Resolution approves one mid-term reliability (MTR) long term resource adequacy agreement with energy settlement storage contract between Pacific Gas and Electric Company (PG&E) and the Balsam Project, LLC (Balsam Project) contract, for the Dirac Battery Energy Storage System (Dirac Project). The Dirac Project will be developed by Aypa Power Development through their subsidiary, Balsam Project. The Balsam Project contract is for a total of 225 megawatts (MW) of nameplate capacity and is expected to be commercially online by May 20, 2028, and deliver for a term of 15 years beginning August 1, 2028. PG&E procured this lithium-ion battery resource to satisfy a portion of its MTR requirements.

Item 6. A.23-04-003 (Application of Southern California Edison Company (SCE) for a Commission Finding that its Procurement-Related and Other Operations for the Record Period January 1 Through December 31, 2022 Complied with its Adopted Procurement Plan; for Verification of its Entries in the Energy Resource Recovery Account and Other Regulatory Accounts; and for Recovery of \$51.442 Million Recorded in Five Accounts). This proposed decision (PD) addresses whether SCE met the standard for compliance for its Energy Resources Recovery Account (ERRA) activities in 2022. Except in two instances, the PD finds that SCE met the applicable standards and requirements for this ERRA compliance application and that the entries in its balancing and memorandum accounts were reasonable and correct. According to the PD, SCE prudently managed its generation resources and complied with its Bundled Procurement Plan in procuring fuel, greenhouse gas (GHG) compliance instruments, resource adequacy, and other resources.

Item 7. Res E-5432. This Resolution approves an amendment to the contract between PG&E and Nighthawk Energy Storage, LLC (Nighthawk), a subsidiary of its project developer, Arevon Energy Inc., for 300 MW of lithium-ion battery storage. Whereas the delivery date for the previously approved contract was June 1, 2025, the delivery date in the amended contract is June 1, 2026. In addition, this Resolution approves the amended contract price.

Item 10. Res G-3617. This Resolution addresses the Southwest Gas Corporation AL 1338-G, filed on July 29, 2025, which requests Commission approval of one biomethane procurement contract pursuant to the Renewable Gas Standard as established in D.22-02-025.

Item 12. Res O-0100. This Resolution authorizes San Pablo Pay Pipeline Company LLC to bill and collect \$894,683 in retroactive recovery from shippers. This amount is in accordance with D.25-06-044, with an adjustment made to the calculation of interest owed.

Item 16. Res G-3618. This Resolution denies PG&E AL 5077-G-A and AL 5069-G with proposed Gas Research, Development, and Demonstration Investment Plans (Gas RD&D Plan) for Calendar Years (CYs) 2024 and 2025. PG&E's Gas RD&D Plan was established pursuant to D.23-11-069, requiring PG&E to submit and obtain Commission approval of an annual Tier 3 AL describing PG&E's proposed Gas RD&D Plan prior to utilizing authorized funds. Based on Commission review of requirements, the Commission denies PG&E's Gas RD&D Plans with proposed budgets of \$8,092,000 for CY 2024 and \$8,267,000 for CY 2025, totaling \$16,359,000. These budgets include administrative budgets of 10% for total administrative costs of \$809,200 for 2024 and \$826,700 for 2025. This Resolution denies PG&E's request to recover \$7,207,712

in expenses for CYs 2023 and 2024. The Commission directs PG&E to submit revised 2024 and 2025 Gas RD&D Plans via respective Tier 3 ALs with modifications specified in the Resolution.

Item 17. Res E-5439. This Resolution approves, with modifications, PG&E AL 7635-E, which requests Commission approval of four agreements to support the energization of a new 90 MW data center load in San Jose, California as requested by Microsoft Corporation. These agreements facilitate the construction of new transmission facilities to serve Microsoft's load. The Commission approves the AL with modifications, finding the agreements necessary and largely appropriate to energize this new load.

Item 38. A.22-05-015/22-05-016 (Application of Southern California Gas Company (SoCalGas) for Authority, Among Other Things, to Update its Gas Revenue Requirement and Base Rates Effective on January 1, 2024). In this application, SDG&E seeks recovery of costs recorded in its Electric and Gas Wildfire Mitigation Plan Memorandum Accounts from May 2019 through the end of 2022, above amounts not authorized by the Commission in SDG&E's 2019 Test Year General Rate Case decision (D.19-05-051). The amount requested includes recovery of operations and maintenance (O&M) costs totaling \$284 million and capital expenditures placed in service during the 2019 to 2022 period of \$1,188 million. This decision finds unreasonable and disallows \$192.561 million in O&M costs and \$242.391 million in capital expenditures. The Commission approves the balance requested of \$90.566 million in O&M expenses and \$945.248 million in capital expenditures.

Item 39. R.21-03-011 (Order Instituting Rulemaking to Implement Senate Bill (SB) 520 and Address Other Matters Related to Provider of Last Resort (POLR)). This PD sets guidelines for entities other than Investor-Owned Utilities (IOUs) to file an application for POLR status and for the Commission to develop situation-specific criteria for eligibility to serve as a POLR. This decision adopts a streamlined version of the approach presented in the Administrative Law Judge's (ALJ) Ruling Seeking Comment on Procedural Pathway to Address Applications for POLR Status dated May 28, 2025. According to the PD, any application seeking non-IOU POLR status that is submitted to the Commission should demonstrate that the applicant meets the requirements set forth in SB 520 and shall include supporting evidence demonstrating the applicant meets those criteria. Currently, there are no non-IOU entities expressing intent to serve as a POLR for all the customers within a given geographic region. There are some entities that have expressed interest in the responsibilities a non-IOU POLR would have, under certain conditions. The PD provides that the guidelines set out in the PD conserve Commission and stakeholder resources until the necessary evidence and data are available for the Commission to consider the fact-specific circumstances that an individual applicant seeking non-POLR status may present.

Upcoming Workshops and Events.

Building Decarbonization Best Practices and Future Pathways. On January 21-22, 2026 from 9 a.m. to 4:30 p.m. PT, the CPUC will host a workshop to discuss lessons learned, best practices, and forward-looking strategies from prior and ongoing building decarbonization programs and activities. Participants will also discuss pathways for scaling decarbonization, including zonal decarbonization, technology applications, funding, and policy

strategies. Presenters will include state agencies, local governments, tribal governments, Community Choice Aggregators, Regional Energy Networks, utilities, energy program implementers and evaluators, ratepayer advocates, and building industry representatives. Registration information is available [here](#), and the workshop will be held both in person at the CPUC Headquarters (505 Van Ness Avenue, San Francisco, California) and remote via WebEx. The meetings will be recorded and made available on the CPUC's [Building Decarbonization page](#).

CALIFORNIA ENERGY COMMISSION (CEC)

2025 Integrated Energy Policy Report (IEPR)

On January 7, 2026, the CEC published a [Notice of Availability](#) for the California Energy Demand Forecast, 2025 – 2045 (IEPR Forecast). The IEPR Forecast will be considered for adoption at the January 21, 2026 CEC Business Meeting.

Third Solicitation Under the National Electric Vehicle Infrastructure Program

The CEC announced the opening of its third solicitation for the deployment of electric vehicle (EV) charging stations with publicly accessible, high-powered, direct current fast chargers to support light-duty EV travel along major corridors in California.

A pre-solicitation workshop will be held on January 14, 2026 from 9:30 a.m. to 12:00 p.m. PT. Additional information and access details are available [here](#).

Demand Analysis Working Group (DAWG)

DAWG held [a meeting on January 5, 2026](#) to discuss the California Energy Demand Forecast revised results for the 2025 IEPR. According to DAWG, the virtual meeting was informational in nature as CEC “staff intends to propose adoption of the[] results at the CEC Business Meeting on January 20, 2026.” The meeting agenda is available [here](#).

CEC Business Meetings

The next CEC Business Meeting is scheduled for January 21, 2026. The agenda is available [here](#).

CALIFORNIA AIR RESOURCES BOARD (CARB)

Amendments to Cap-and-Invest and Mandatory Reporting Regulations

On January 13, 2026, CARB posted preliminary regulatory proposal documents for the Regulation for the California Cap on GHG Emissions and Market-Based Compliance Mechanisms (Cap-and-Invest Regulation, formerly Cap-and-Trade Regulation) and Mandatory Reporting Regulation for public review ahead of a formal comment period. CARB staff posted these materials to the [Cap-and-Invest Regulation webpage](#) and [Mandatory GHG Emissions Reporting Regulation webpage](#). CARB will be submitting these rulemaking materials to the

Office of Administrative Law (OAL). CARB anticipates that OAL will publish the Notice of Public Hearing (Notice) for each regulation on January 23, 2026, commencing a 45-day public comment period that will end on March 9, 2026.

New Guidance Documents on 2022 Amendments to the Airborne Toxic Control Measure for In-Use Diesel-Fueled Transport Refrigeration Units (TRU)

CARB posted new and updated [guidance documents](#) on the 2022 Amendments to the Airborne Toxic Control Measure for In-Use Diesel-Fueled TRU and TRU Generator Sets, and Facilities Where TRUs Operate. These documents include information on the TRU operating and applicable facility registration fee requirements that were implemented beginning January 1, 2026.

Climate Risk Disclosure Laws Update

On February 26, 2026, CARB will conduct a public hearing to consider approving for adoption the proposed California Corporate GHG Reporting and Climate-Related Financial Risk Disclosure Initial Regulation. The Notice of Public Hearing to Consider the Proposed California Corporate GHG Reporting and Climate-Related Financial Risk Disclosure Initial Regulation (Notice), Staff Report, and proposed regulatory text were sent to the California Office of Administrative Law (OAL) on December 9, 2025. These materials are currently available on CARB's [webpage](#). OAL published the Notice on December 26, 2025, commencing a 45-day public comment period that will end on February 9, 2026. Given the holiday season and the strong interest in this program, staff is providing extra time for public review of materials prior to the start of the 45-day formal comment period.

MINNESOTA PUBLIC UTILITIES COMMISSION (MPUC)

At its January 15, 2026, agenda meeting, the MPUC will consider: (1) adoption of a fuel life-cycle analysis framework as part of its evaluation of utility compliance with Minnesota's Carbon-Free Standard (Docket No. E-999/CI-24-352), (2) adoption of the ALJ Report and associated site and route permits for Minnesota Power's 85 MW Boswell Solar Project and Associated 2.45-mile, 230-kilovolt Transmission Line (Docket Nos. E015/GS-24-425; E015/TL-24-426), and (3) approval of Minnesota Power's request to modify its service Extension Tariff (Docket No. E015/M-12-1359). Regarding its consideration of the fuel life-cycle analysis framework in Docket No. CI-24-352, the MPUC and parties filed preferred and modified decision options for consideration at the agenda meeting. For ease of reference, the MPUC combined all party preferred and modified decision options [here](#).

PACIFIC NORTHWEST (OPUC, WUTC, BPA)

Oregon Public Utility Commission (OPUC)

On January 20, 2026, the OPUC will hold a regular public meeting to, among various agenda items, consider the Community Solar Program Administrator's decision to grant a 13-month extension to the certification deadline for the 2.8 MWac CP Sheridan project in order to

permit additional time to secure financing and complete construction of their project. In addition, the OPUC will also consider an agenda item entitled “Community Solar project siting requirements and characteristics of a single development.” The full agenda is [here](#). Also, on January 2, 2026, the OPUC approved a modified protective order to be used in Docket No. [UM 2323](#) in which Portland General Electric seeks a waiver of the competitive bidding rules to purchase 200 MWac / 800 MW hour (MWh) of capacity associated with the Meadowlark Battery Energy Storage System. Lastly, on January 13, 2026, the OPUC held a [remote hearing](#) to consider amendments to the rules governing the requirement that all electric companies serving more than 25,000 customers must source at least 10 percent of their aggregate electrical capacity from small-scale renewable energy and biomass co-generation facilities. The amendments will address the calculation of the statutory compliance obligation and small-scale renewable project eligibility. Any person may file comments in the [docket](#) by January 23, 2026.

Bonneville Power Administration (BPA)

BPA has proposed to renew the Port Townsend Paper Corporation’s direct service industrial power sales contract, which would otherwise expire in October 2028. The renewed contract will expire on September 30, 2044. A draft agency Record of Decision is available [here](#). In addition, BPA will hold a customer-led workshop at 9:00 a.m. PT on January 15 for customer presentations and clarifying questions related to BPA’s presentations at previous TC-27 workshops. Additional details are available on BPA’s TC-27 [workshop page](#).

FEDERAL ENERGY REGULATORY COMMISSION (FERC)

December Commission Meeting

FERC [latest monthly open meeting](#) was held December 18, 2025. Among other actions, FERC:

- On remands from the D.C. Circuit, issued orders reversing FERC’s previous decisions to order Tenaska Power Services Co. and Shell Energy N.A. (US) to pay refunds for spot market energy sales that exceeded a soft price cap of \$1,000 per MWh;
- Denied a request for rehearing made in response to a FERC order that accepted a proposed index-based rate increase;
- Accepted a local gas distribution company’s proposal to update its natural gas quality standards based on its experiences and those of its customers under current standards; and
- Issued draft presidential permits to Texas Pipeline Exports, LLC for the operation of certain natural gas facilities at the international boundary between the United States and Mexico.

INDEPENDENT SYSTEM OPERATORS (ISO) AND REGIONAL TRANSMISSION ORGANIZATIONS (RTO)

CALIFORNIA INDEPENDENT SYSTEM OPERATOR (CAISO)

Stakeholder Initiatives: Upcoming Meetings and Deadlines

2024-2025 Transmission Planning Process Phase 3 Competitive Solicitation. The CAISO has posted a [list](#) of project sponsors whose applications are deemed qualified for the Northern Receiving Station – San Jose B 230 kV Line Project. The CAISO will now initiate the selection process to determine which qualified project sponsor should finance, construct, own, operate, and maintain the transmission solution.

Draft CISO Balancing Authority Area Supplement to the Extended Day-Ahead Market (EDAM) Business Practice Manual. The CAISO has published a draft version of the CISO Balancing Authority Area Supplement to [EDAM Business Practice Manual - Attachment A](#). Stakeholders are encouraged to submit comments by January 23, 2025.

Resource Adequacy Modeling and Program Design. The CAISO will hold a virtual public stakeholder meeting on January 26, 2026, to discuss Track 1 and 2A tariff amendments. The information to the meeting is available [here](#).

2027 Flexible Capacity Needs Assessment Process. The CAISO is conducting its 2027 Flexible capacity needs assessment. The data template is available for scheduling coordinators of load serving entities to provide CAISO with the variable energy resources contract data needed for the study. Scheduling coordinators should submit this data by January 15, 2026.

Process Enhancements 5.0: Final Proposal Posted. The CAISO posted the [final proposal](#) for the Interconnection Process Enhancements 5.0 initiative and hosted a virtual stakeholder meeting on January 7, 2026. The CAISO's proposal would apply commercial viability criteria (CVC) to projects that request extensions to their commercial operation date and cause projects that cannot satisfy the CVC to be withdrawn from the queue. Written comments are due January 21, 2026.

Congestion Revenue Rights Enhancements. CAISO has published a discussion paper on Congestion Revenue Rights Enhancements, available [here](#). CAISO also published the issue paper and straw proposal for the Congestion Revenue Rights Enhancements initiative. CAISO will host a virtual stakeholder meeting for this initiative on January 21, 2026, to discuss this paper and give stakeholders an opportunity to ask questions. Written comments in response to questions identified throughout the issue paper are due February 4, 2026. Further information is available [here](#).

Final 2026-2028 Policy Roadmap. CAISO has published the 2026-2028 Policy Roadmap, which outlines the policy initiatives and schedules planned for the next three years. Further information is available [here](#).

PJM INTERCONNECTION (PJM)

FERC Directs PJM to Establish Co-Location Rules

FERC issued an order on December 18, 2025, that found PJM's tariff to be unjust and unreasonable for lacking clear and consistent provisions addressing rates, terms, and conditions of services for generators serving co-located load and eligible customers taking transmission service on behalf of co-located load. FERC also noted that PJM's tariff did not include types of transmission service that reflect eligible customers taking service on behalf of co-located loads that are willing and able to limit use of the transmission system under certain conditions.

FERC directed PJM to revise its tariff to set forth the terms and conditions an interconnection customer in PJM seeking to serve co-located load must follow to effectuate a co-location agreement. FERC also ordered PJM to require eligible customers taking transmission service on behalf of co-located load to take one of three transmission service options: an interim non-firm service, a Firm Contract Demand service, or a Non-Firm Contract Demand service. PJM must submit its compliance filing within 60 days of the order, which it [previewed](#) to stakeholders on January 9, 2026.

PJM Previews Co-Location Rules

PJM [presented](#) to stakeholders how it anticipates responding to FERC's directive to revise its tariff regarding co-located loads. PJM stated it is considering:

- Revising section 404(A)(2)(a)(v) of its tariff to clarify that PJM shall consider requests for interconnection service below the full generating capability of the generating facility;
- Revising its tariff to clarify that developers seeking to build generation to serve co-located load may use the tariff to accelerate to the final agreement negotiation phase of an interconnection request that has no network upgrade cost allocation and requires no further studies;
- Revising its tariff to clarify that developers seeking to build new generation to serve co-located load may request provisional interconnection service; and
- Revising section 414 of its tariff to clarify that developers seeking to build new generation to serve co-located load at an existing point of interconnection may request surplus interconnection service if the existing interconnection customer has available surplus interconnection service at that point of interconnection.

NEW YORK INDEPENDENT SYSTEM OPERATOR (NYISO)

2026-2027 Informational Capacity Accreditation Factors

NYISO published its final locational minimum installed capacity requirements for its 2027/2027 capability year. The Capability Accreditation Factors reflect the marginal reliability value of a representative unit over a perfect unit. The full results are available [here](#).

ISO NEW ENGLAND (ISO-NE)

2026 Major Projects

ISO-NE [stated](#) in the coming year it expects to undertake the following major projects:

- Capacity market reforms
- Longer-term transmission planning
- Asset condition review
- Ancillary services
- Energy adequacy
- Interconnection queue
- Forecast report
- Consumer engagement

2025 Increase in Duck Curve Days

ISO-NE [stated](#) that the frequency of days in which the regional power grid supplied less electricity midday than overnight (otherwise known as duck curve days) continued to increase in 2025. ISO-NE noted that the increase is likely due to the growing prevalence of solar power generation.