

**REGULATORY UPDATE FOR JANUARY 25 (WEEK OF JANUARY 18)****California Public Utilities Commission****New Proposed Decisions and Draft Resolutions:<sup>1</sup>**

PG&E Advice 5994-E, 5994-E-A/SCE Advice 4331-E, 4331-E-A. The Energy Division approved revisions to Pacific Gas and Electric's (PG&E) and Southern California Edison's ReMAT tariffs, consistent with D.20-10-005. PG&E's approval was with modifications, to strike language not ordered by D.20-10-005.

**Voting Meetings:**

The Commission's next voting meeting is scheduled for February 11, 2021. The agenda is scheduled to be published February 1, 2021.

**California Independent System Operator****Upcoming Meetings and Deadlines:**

**Resource Adequacy Enhancements: Draft Final Proposal and Sixth Revised Straw Proposal.** Written comments on the Sixth Revised Straw Proposal have been extended to January 29, 2021.

**Western EIM Governance Review.** The California Independent System Operator (CAISO) has extended the deadline to submit written comments on the Western Energy Imbalance Market (EIM) Governance Review revised straw proposal from January 22, 2021 to January 29, 2021.

**Market Enhancements for Summer 2021 Readiness Straw Proposal.** The CAISO has scheduled a public stakeholder call on January 27, 2021, to discuss the straw proposal for the Market Enhancements for the Summer 2021 Readiness initiative. Comments are due February 3, 2021.

**Western EIM Sub-Entity Scheduling Coordinator — Revised Straw Proposal.** The CAISO has scheduled a public stakeholder call on January 28, 2021, to discuss the revised straw proposal for the Western EIM Sub-Entity Scheduling Coordinator initiative. Comments are due February 18, 2021.

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<sup>1</sup> 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 20 days after the draft resolution appears in the Commission's daily calendar, per Rule 14.5.

### **California Energy Commission**

The California Energy Commission's (CEC) next business meeting is scheduled for January 25, 2021. The agenda is here: [https://www.energy.ca.gov/sites/default/files/2021-01/21-0125%20Agenda%20F\\_ADA.pdf](https://www.energy.ca.gov/sites/default/files/2021-01/21-0125%20Agenda%20F_ADA.pdf).

On January 21, 2021, the CEC held a [workshop](#) on clean energy alternatives to diesel backup generator systems and their use in data centers and other commercial operations in California. . A [recording](#) of the workshop is now available on the CEC's workshop homepage. Written comments on the topic may be submitted to the CEC Docket Unit by February 12, 2021.

### **Minnesota Public Utilities Commission**

#### **1. Minnesota Public Utilities Commission Planning Meeting on January 26, 2021**

On Tuesday, January 26, 2021, from 1:00 – 3:00 p.m. CDT, the Minnesota Public Utilities Commission (MPUC) will be hearing presentations on the Minnesota Hydrogen Economy. In addition to various stakeholder presentations, the Minnesota Department of Agriculture, Minnesota Pollution Control Agency, and Minnesota Department of Commerce are scheduled to provide insight. The notice, with viewing instructions, can be found [here](#).

#### **2. Xcel Energy Wind Repowering Projects**

Last Friday, January 22, 2021, the MPUC issued its Order Approving Wind Facility Repowering Projects (a copy of which can be found [here](#)) on the Xcel Energy (Xcel) system. The impetus for the filing dates back to a May 20, 2020 Notice from the MPUC (a copy of which can be found [here](#)) to file reports on investments that may assist in Minnesota's economic recovery from the COVID-19 pandemic. Although Xcel's initial filing included repowering projects on three PPAs and four self-build projects, Xcel withdrew its request for two of the PPAs. The Minnesota Department of Commerce (MDOC) recommended that the MPUC deny Xcel's request, raising concerns about the absence of need for the resources, the costs, its inability to obtain data files to replicate Xcel's modeling, and Xcel's RFP process. The MPUC disagreed with the MDOC, concluding that the "repowering projects are in the public interest because of the significant anticipated ratepayer benefits," citing the regional energy market as an efficient mechanism to incorporate renewable resources and the incorporation of newer, more efficient, technology that would utilize existing interconnection rights. The MPUC also incorporated a list of ratepayer projections, including those designed to hold Xcel accountable for the prices and terms used to evaluate the projects. Looking forward, this docket (E-002/M-20-620) will remain open for consideration of future repower project proposals.

### 3. Minnesota Power Petition for Approval of Acquisition of Solar Power to Support Economic Relief and Recovery

On November 13, 2020, Minnesota Power submitted a petition to the MPUC seeking approval of its request to acquire approximately 20 MW of utility-scale solar on an expedited procedural timeline. Minnesota Power argues that the \$40 million investment will support local jobs, assisting with economic relief and recovery in its service territory in response to the COVID-19 pandemic. As a threshold matter, Minnesota Power requested that the MPUC approve an expedited 4-month procedural timeline by January 15, 2021. Following comments on Minnesota Power's procedural request, the MPUC approved Minnesota Power's procedural request on January 21, 2021. Minnesota Power expects to file its substantive petition on or around February 4, 2021, at which point MPUC staff will set comment deadlines in accordance with the expedited schedule.

### 4. Xcel Energy Interconnection Complaints

On January 21, 2021, the MPUC met to consider whether 129 complaints against Xcel should be counted toward the Customer Complaints metric (Metric) in Xcel's Quality of Service Plan. The complaints were submitted by two solar developers and were related to individual interconnection applications. The MPUC unanimously determined that the complaints should count toward the Metric. Because the MPUC determined that the complaints apply toward Xcel's Metric, the Company exceeded its quota for 2019. The MPUC, by 3-2 vote, then determined that Xcel is subject to a \$1 million penalty. Local coverage of the MPUC's decision can be found [here](#).

## Federal Energy Regulatory Commission

1. President Biden named Commissioner Richard Glick to be the Chairman of the Federal Energy Regulatory Commission (FERC) on January 21, 2021.
2. FERC held an open meeting on January 19, 2021—Chairman Danly's last open meeting as the head of FERC—and took action on the following matters:
  - a. [Hybrid Resources](#): In response to its recent technical conference, in Docket No. AD20-9, the FERC directed each RTO/ISO to submit information related to hybrid resources addressing: (1) terminology; (2) interconnection; (3) market participation; and (4) capacity valuation. Reports are due in July and comments will be due within 30 days of each report.
  - b. [NERC Audits of Regional Reliability Entities](#): The FERC rejected North American Electric Reliability Corporation's (NERC) proposal to replace audits of regional reliability entities with an undefined alternative oversight program and directed NERC to complete audits of the regional entities' Compliance Monitoring and Enforcement Programs by June 30, 2023. The FERC also issued a Notice of Proposed Rulemaking proposing, among several other requirements, that NERC submit performance assessments every three years rather than the

current five years. Comments on the NOPR are due 30 days after publication in the Federal Register.

- c. [PJM MOPR](#): The FERC issued an order in Docket No. EL16-49-004 accepting, in part, and rejecting, in part, PJM Interconnection, L.L.C.'s (PJM) compliance filing in the Minimum Offer Price Rule proceeding. The order held that most of PJM's filing was in compliance with the FERC's previous orders, but rejected one provision regarding the market seller offer cap. Commissioner Clements issued a concurrence signaling her disagreement with past FERC action on the Minimum Offer Price Rule (MOPR).
- d. [Accounting for Renewable Energy Assets](#): The FERC issued a Notice of Inquiry (NOI) in Docket No. RM21-11, soliciting comment on (1) whether FERC should create new accounts for non-hydro renewable generating assets in the Uniform System of Accounts, (2) revisions to FERC Form No. 1 to reflect any such new accounts, (3) whether the FERC should codify the proper accounting treatment of renewable energy credits, and (4) the rate implications of these potential accounting and reporting changes. Comments on the NOI are due 60 days after publication in the Federal Register.
- e. [Hydroelectric Financial Assurance](#): The FERC issued a NOI soliciting comments on possible changes to its practices for requiring financial assurance measures in hydroelectric licenses. Such measures are intended to ensure that a licensee has the capability to carry out license requirements and maintain its projects in a safe condition. The notice proposes three options for such measures. Comments on the three options as well as additional questions on the NOI are due 60 days after publication in the Federal Register.
- f. [National Environmental Policy Act](#): The FERC issued a NOI soliciting comments on categorical exclusions listed in other agencies' National Environmental Policy Act procedures that the FERC should consider adopting and on any new categorical exclusions the FERC should consider establishing.
- g. In addition, FERC rejected a proposal by natural-gas fired generation owners to replicate PJM's Minimum Offer Price Rule in the New York ISO market. The proposal had been brought to a vote at the open meeting by Chairman Danly, but in interesting turn of events was voted down. Commissioner Chatterjee, who voted against the proposal, expressed his views that a PJM-like MOPR should not be required in multiple markets..