

**REGULATORY UPDATE FOR JULY 16, 2024
(WEEK OF JULY 8, 2024)**

CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC OR COMMISSION)

Proposed Decisions and Resolutions

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

Voting Meeting

The CPUC held a voting meeting in San Francisco, California on July 11, 2024 at 11:00 a.m. The following are results for energy-related items on the [agenda](#):

Item 3. Application 21-06-021 (PG&E GRC). This decision authorizes PG&E to record and track, in an interim memorandum account, costs for energization projects placed in service after January 1, 2024 that exceed the energization costs included in PG&E's annual revenue requirement authorized in Phase I of this proceeding. Energization costs include connecting new customers to the electrical distribution grid, upgrading electrical distribution capacity to existing customers, and building adequate electrical distribution and transmission capacity to accommodate future load. The maximum incremental revenue requirement associated with such capacity projects is capped at \$144.310 million for 2024 projects, \$91.568 million for 2025 projects, and \$99.071 million for 2026 projects, corresponding to capital of \$975 million in 2024, \$618 million in 2025, and \$669 million in 2026, or \$2,262 million total, which is 45 percent or \$1.814 million less than the cumulative capital expenditures cap of \$4.076 million that PG&E requested. The authorized sums equate to an increase in electric distribution revenue requirement of 1.98 percent for 2024, 1.18 percent for 2025, and 1.19 percent for 2026, and 4.03 percent cumulatively. **Signed, D.24-07-008.**

Item 5. Resolution (Res) ESRB-11 (General Order 174). The Commission's General Order (GO) 174 requires all jurisdictional utilities, both publicly and investor-owned, to adopt and implement safety rules and inspection practices for electric substations. Substations subject to the California Independent System Operator's (CAISO) operational control and/or subject to the Federal Energy Regulatory Commission (FERC) reliability standards are excluded from the GO 174 requirements. This Resolution modifies the requirements of GO 174 to include those substations that are also subject to CAISO operational control and/or FERC jurisdiction. **Approved.**

Item 6. A.22-02-016 (2021 Nuclear Decommissioning Cost Triennial Proceeding of SCE and San Diego Gas & Electric Company). This decision approves Southern California Edison (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 Palo Verde Nuclear Generating Station 1, 2 and 3 DCE of \$594.2 million. **Held to August 1, 2024.**

Item 7. Res E-5355 et al. (Power Your Drive for Fleets Program Eligibility). This Resolution approves, with modifications, SDG&E's request for customers to comply with requirements for Power Your Drive for Fleets by allowing site hosts to provide evidence that electric vehicle operators have procured two electric vehicles or converted two diesel fueled vehicles to electric per site. **Approved.**

Item 8. A.22-09-015 (Southern California Gas Company (SoCalGas) and SDG&E to Revise Natural Gas Rates and Implement Storage Proposals). This decision adopts the all-party settlement agreement filed on December 15, 2023, that resolves a majority of previously disputed issues between the parties in the proceeding and grants SDG&E and SoCalGas authority to revise their natural gas rates and implement storage proposals effective January 1, 2024. This decision rejects the limited settlement regarding a fixed customer charge filed on December 1, 2023, and the limited settlement regarding a hydrogen refueling station tariff proposal filed on December 14, 2023. **Signed, D.24-07-009.**

Item 10. Res E-5326 (Rate Structures for Vehicle Grid Integration Pilots). This Resolution approves, with modifications, the rate design for Phase II of the PG&E Vehicle Grid Integration (VGI) Pilots real time pricing (RTP) rate proposed by PG&E in Advice Letter (AL) 6694-E. This Resolution removes the time of use (TOU) option from the VGI Pilots and directs PG&E to enroll all TOU VGI customers on the RTP rate. This Resolution also stipulates that customer shadow bill credits (savings on a customer's pilot bill relative to a customer's otherwise applicable tariff bill) should be tracked in the appropriate revenue and cost balancing accounts and that pilot funds should not be used for customer shadow bill credits. **Approved.**

Item 12. Res E-5333 (SCE Mid-Term Reliability Renewable Resource Contracts). This Resolution approves three mid-term reliability (MTR) contracts for approximately 254.5 megawatts (MW) of nameplate capacity. SCE contracted these resources to help meet its MTR requirements. The contracts for which SCE seeks approval in AL 5248-E are executed with Overnight Solar LLC, a subsidiary of ASHUSA/Atlantica North America LLC, for 150 MW of solar photovoltaic (PV); Windhub Solar B LLC, a subsidiary of Balanced Rock, for 20 MW solar PV; and Luna Valley Solar 1 LLC, a subsidiary of Clearway, for 84.5 MW solar PV. All three contracts were procured to meet SCE's MTR requirements of Zero-Emissions Generation, Generation Paired with Storage, or Demand Response Resources Technology for Diablo Canyon replacement energy over terms of 15 or 20 years. In accordance with D.21-06-035, SCE proposes to allocate the costs associated with the MTR contracts to applicable customers, which includes bundled service customers and departing load customers with 2021 vintage cost

responsibility, using the Portfolio Allocation Balancing Account in accordance with SCE's Advice 4589-E, which became effective on October 16, 2021. **Approved.**

Item 13. Res E-5334 (SCE MTR Contract with Silver State South Storage, LLC). This Resolution approves the SCE MTR contract with Silver State South, LLC for 200 MWs of nameplate capacity. The MTR contract is a resource adequacy with a financial settlement contract for a new in-front-of-the meter energy storage project: the Silver State South Storage project. The initial contract signed by SCE for this project was not previously brought to the Commission for approval due to interconnection delays identified shortly after execution. The initial contract has been amended and restated to address interconnection delays to maintain the projects' viability. The MTR contract will provide incremental September net qualifying capacity to meet SCE's 2024 MTR procurement requirements. This Resolution approves the requested relief in AL 5257-E. **Approved.**

Item 18. Res E-5320 (SDG&E Contract Options for Utility Owned Energy Storage Contract and Related Costs). This Resolution denies SDG&E's request for approval of one of two options for utility owned storage contracts procured to address 2024 and 2025 summer reliability. Option one is a Build, Own, and Transfer (BOT) contract with CED Westside Canal Battery Storage, LLC for 119 MW of nameplate capacity. Option two is a BOT contract with CED Westside Canal Battery Storage, LLC for 219 MW of nameplate capacity. This Resolution denies the requested relief in AL 4403-E, 4403-E-A, and 4403-E-B. **Approved.**

Item 21. R.22-11-013 (Societal Cost Test for Distributed Energy Resources). This decision adopts the Societal Cost Test (SCT) as an additional test for the Commission to consider when evaluating the cost-effectiveness of Distributed Energy Resources (DER) programs. The decision adopts the following four required inputs in the SCT: (1) Two Values for the Social Cost of Carbon: Base Social Cost of Carbon = 2020\$/metric ton values in the range of approximately \$53 in 2020 and approximately \$81 in 2045, and High Social Cost of Carbon = 2020\$/metric ton values in the range of approximately \$155 in 2020 and approximately \$249 in 2045 (95th percentile of possible climate impacts); (2) Social Discount Rate of three percent; (3) Base Value of Methane Leakage (based on the National Average Natural Gas Leakage Rate of 2.3 percent); and (4) a Statewide Air Quality Adder of \$14 per megawatt-hour. The SCT, with the above inputs, is adopted and must be considered in all DER proceedings. This test will be used as one component to inform the broader framework of tests used as an input for determining cost-effectiveness for DER programs. **Signed, D.24-07-015.**

Item 23. Res E-5324 (IOU Net Billing Tariff Bill Savings Estimates). This Resolution approves PG&E AL 6884-E, SCE AL 4984-E, and SDG&E AL 4176-E, effective upon this Resolution's effective date. D.22-12-056 established the framework for the Net Billing tariff and directed PG&E, SCE, and SDG&E to propose adjustment factors calculated using the difference in each utility's residential stand-alone solar customers' net exports under no netting versus interval netting in the last year in Tier 3 ALs no later than 90 days after the adoption date of the decision. The utilities timely submitted their ALs on March 15, 2023. The ALs are approved. **Approved.**

Upcoming Events and Workshops

Green Access Programs. On July 19, 2024 from 2:00 p.m. to 4:00 p.m., PG&E will host a workshop that will be facilitated by both IOUs and participating CCAs to discuss specific data elements and data formats for Green Access Programs reporting and inclusion on the California Distributed Generation Statistics website. A detailed workshop agenda is forthcoming. The workshop will be held via Microsoft Teams and can be accessed [here](#).

Energy Efficiency. PG&E will host a webinar on July 22, 2024 from 10:00 a.m. to 11:00 a.m. to present a draft version of the updated Implementation Plans for the Code Readiness Program under its Energy Efficiency programs. Additional information, including the draft Implementation Plan, will be available on the [CAEECC website](#) by July 17, 2024.

CALIFORNIA INDEPENDENT SYSTEM OPERATOR (CAISO)

Stakeholder Initiatives: Upcoming Meetings and Deadlines

Greenhouse Gas Coordination. CAISO rescheduled its Greenhouse Gas Coordination working group meeting from July 15, 2024 to July 29, 2024. Further information is available [here](#).

Storage Bid Cost Recovery and Default Energy Bids Enhancements. CAISO has extended the Storage Bid Cost Recovery and Default Energy Bids Enhancements workshop comment deadline from July 11 to July 18, 2024. CAISO will hold a second virtual workshop related to this topic on July 22, 2024. Further information is available [here](#).

West-Wide Governance Pathways. CAISO will hold a virtual stakeholder call on July 23, 2024 to discuss comments received on and updates to the West-Wide Governance Pathways Step 1 proposal. Further information is available [here](#).

Western Energy Imbalance Market (WEIM) Governing Body, Joint, ISO Board of Governors, DMM Oversight Committee, and Audit Committee. CAISO has posted the final agendas for the WEIM Governing Body, Joint, ISO Board of Governors, Department of Market Monitoring Oversight Committee, and Audit Committee hybrid meetings taking place July 16-18, 2024, available [here](#).

CAISO Stakeholder Symposium. CAISO announced that it 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):

July 30, 2024: Energy Demand Forecast Methodology Updates – 1:00 p.m. [Note new workshop name and time]

August 8, 2024: Senate Bill (SB) 605: Wave and Tidal Energy – 1:00 p.m. [Note new time]

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.

Power Source Disclosure (PSD)

On June 26, 2024, the CEC notified electric retail sellers of a further extension to the PSD annual report deadline due to continued issues with WREGIS reporting. The new deadline for submission of 2023 PSD annual reports is July 29, 2024. Additional information is available on Docket 24-PSDP-01, and the notice is available [here](#).

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 will host a workshop on July 18, 2024 from 10:30 a.m. to 12:00 p.m. 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](#).

NEVI. On July 10, 2024, the CEC announced that it is seeking nominations for Alternative Fuel Corridor (AFC) designations, which would be eligible for funding under the National Electric Vehicle Infrastructure (NEVI) Program. Nominations can be submitted by 5:00 p.m. on July 17, 2024 using this submission link: [Nominations for Round 8 AFCs](#). Nominations for Freight EV Corridors may also be submitted. Please see the [Freight EV Corridor map](#) and the nomination submission link: [Nominations for Freight EV Corridors to Caltrans](#).

CEC Business Meetings

The next CEC Business Meeting will be held on August 14, 2024. The meeting previously scheduled for July 31, 2024 has been [canceled](#).

CALIFORNIA AIR RESOURCES BOARD (CARB)

Meetings, Workshops, and Notices

CARB will hold its next Board meeting on July 25, 2024. At the meeting, CARB will hear the [annual update](#) on progress to implement the [Community Air Protection Program](#). The full agenda is available [here](#).

On July 18, 2024, CARB will host a meeting of the [AB 32 Environmental Justice Advisory Committee](#). The agenda and more information are available [here](#).

On July 23, 2024, CARB will hold a [One-Stop Truck Event](#) in the Los Angeles area to provide education and resources on CARB’s clean truck and diesel regulations, compliance, and funding. Registration and the agenda for the event are available [here](#).

On July 23, 2024, CARB will hold a virtual public workshop related to implementation of the [Sustainable Communities and Climate Protection Act](#) of 2008 (SB 375), including (1) updates to regional greenhouse gas emission reduction [targets](#), and (2) proposed medium-term changes to the program [guidelines](#) for the Sustainable Communities Strategy evaluation process. Additional information is available [here](#).

On July 31, 2024, CARB will hold a meeting of the Advanced Clean Fleets [Truck Regulation Implementation Group](#), Outreach Work Group. Registration for the meeting is 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 [draft 2024 Funding Guidelines](#) for agencies administering [California Climate Investments](#). Comments may be provided [here](#) through July 26, 2024.

CARB is accepting public comment on its proposed updates to the [Cap-and-Trade Program](#), presented at the July 10, 2024 [public workshop](#). Comments may be provided [here](#) until July 31, 2024.

MINNESOTA PUBLIC UTILITIES COMMISSION (MPUC)

The MPUC held its agenda meeting on July 2, 2024, and reviewed the 2023 Integrated Distribution Plans for four rate-regulated electric utilities: Xcel Energy, Minnesota Power, Otter Tail Power Company, and Dakota Electric Association. The agenda and Briefing Papers are available [here](#).

FEDERAL ENERGY REGULATORY COMMISSION (FERC)

On June 13, 2024, in [187 FERC ¶ 61,170](#), FERC issued an Order to Show Cause (Order) to Midcontinent Independent System Operator, Inc. (Docket No. EL24-80), PJM Interconnection, L.L.C. (Docket No. EL24-81), Southwest Power Pool, Inc. (SPP) (Docket No. EL24-82), and ISO New England, Inc. (Docket No. EL24-83) (collectively, the Responding RTO/ISOs) related to the interconnection-related network upgrade cost responsibility options provided for in each Responding RTO/ISO's Open Access Transmission Tariff (OATT).

Each Responding RTO/ISO's OATT includes provisions that establish participant funding and provide two options for financing participant-funded network upgrades: Generator Upfront Funding and transmission owner (TO) Initial Funding. In general, under TO Initial Funding, the TO unilaterally elects to initially fund the network upgrade capital costs that it incurs to provide interconnection service to the interconnection customer, and the TO subsequently recovers the network upgrade capital costs through charges that provide a return on, and of, these network upgrade capital costs from the interconnection customer.

The Order found that the Responding RTO/ISOs' respective OATTs appear to be unjust, unreasonable, and unduly discriminatory or preferential because they include provisions for TOs to unilaterally elect TO Initial Funding because (1) TO Initial Funding may increase the costs of interconnection service without corresponding improvements to that service, may unjustifiably increase costs such that it results in barriers to interconnection, and may result in undue discrimination among interconnection customers, and (2) there may be no risks associated with owning, operating, and maintaining network upgrades for which TOs are not already otherwise compensated.

Each Responding RTO/ISO must respond to the Order to either show cause as to why its OATT remains just and reasonable and not unduly discriminatory or preferential, or to explain what changes to its OATT it believes would remedy FERC's concerns if its OATT is found to be unjust and unreasonable. Each Responding RTO/ISO must also respond to questions posed in Appendix A, which seek to address FERC's concerns related to (1) the increase in the costs of interconnection service compared with Generator Upfront Funding, (2) the potential for TO Initial Funding to be implemented in an unduly discriminatory or preferential manner among interconnection customers and any evidence of actual undue discrimination, and (3) whether TOs have uncompensated risks associated with owning, operating, and maintaining network upgrades. The Responding RTO/ISOs' responses are due within 90 days of the Order, i.e., by September 11, 2024. Any responses to a Responding RTO/ISO's filing will be due within 30 days of the date of the relevant Responding RTO/ISO's filing.

On June 13, 2024, the U.S. Senate voted to confirm David Rosner, Lindsay S. See, and Judy W. Chang as FERC Commissioners.