

REGULATORY UPDATE FOR JULY 6 (COVERING WEEK OF JUNE 29)**California State Legislature**

On July 1, 2020, the Governor signed Senate Bill (SB) 350, the Golden State Energy Act. SB 350 authorizes the CPUC to petition a court to appoint a receiver to assume possession of Pacific Gas and Electric Company's property and to operate its electrical and gas systems if the CPUC determines in a proceeding that the appointment of a receiver is warranted pursuant to the processes or procedures set forth in a specified CPUC investigation. The bill further authorizes a court to appoint a receiver, and would require the receiver to control and operate Pacific Gas and Electric Company upon such terms and conditions as the court prescribes.

California Public Utilities Commission**New Proposed Decisions and Draft Resolutions¹:**

R.17-06-026. Proposed Decision Adopting a Framework and Evaluation Criteria for the Power Charge Indifference Adjustment Prepayment Agreements. The Power Charge Indifference Adjustment (PCIA) is a mechanism adopted by the Commission as part of a ratemaking methodology developed to ensure that when electric customers of an investor-owned utility (IOU) depart from IOU service and receive their electricity from a non-IOU provider, those customers remain responsible for costs previously incurred on their behalf by the IOUs. In D.18-10-019, the Commission adopted an option for Community Choice Aggregation programs (CCAs) and Direct Access (DA) customers to prepay their PCIA obligation. This decision adopts a framework for prepayment agreements for PCIA obligations. Upon review of the Working Group Two recommendations, this decision (1) adopts the consensus framework of PCIA prepayment agreements; (2) adopts the consensus guiding principles, except for one principle regarding partial payments; (3) adopts evaluation criteria for prepayment agreements; (4) does not adopt any proposed prepayment concepts; and (5) clarifies that risk should be incorporated into the prepayment calculations by using mutually acceptable terms and conditions that adequately mitigate the risks identified by Working Group Two. This decision also directs Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company to file Tier 2 Advice Letters establishing a prepayment request processing framework.

Other Filings:

R.18-07-003 (RPS rulemaking). The assigned commissioner and administrative law judge issued a ruling seeking comments from parties on proposed modifications to the Renewable Market Adjusting Tariff (ReMAT) program. The ReMAT program, a feed-in tariff

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.

for small renewable generation 3 MW or less, has been suspended since December 15, 2017, based upon an injunction issued in *Winding Creek Solar, LLC v. Peevey*, 293 F.Supp.3d 980, 989-90 (N.D. Cal. 2017) aff'd sub nom. *Winding Creek Solar, LLC v. Carla Peterman*, 932 F.3d 861 (9th Cir. 2019). Staff proposes to use administratively determined prices by product category with a time-of-delivery adjustment. The staff proposal would replace ReMAT's adjusting pricing mechanism and eliminate the bi-monthly program periods and program period caps. Parties may submit comments by July 21, 2020, and reply comments due by July 28, 2020.

Voting Meetings:

The Commission's next voting meeting is scheduled for July 16. The agenda for that meeting will be published today, July 6.

Commission workshops

July 15, 2020, 9 a.m. to 4 p.m. Public Webinar: 2020 Demand Response Auction Mechanism (DRAM) Refinements Workshop Session 2.

California Independent System Operator

Upcoming Meetings and Deadlines:

System Market Power Mitigation, Draft Final Proposal. The California ISO held a public stakeholder web conference on June 24, 2020, to discuss the draft final proposal for the System Market Power Mitigation initiative. Written comments are due July 14.

Day-Ahead Market Enhancements: Written Comments Deadline Extended. In response to requests from stakeholders, the California ISO has extended the deadline for written comments on the Day-Ahead Market Enhancements revised straw proposal. The submission deadline has been extended from July 6 to July 13.

California Energy Commission

On July 1, 2020, the California Energy Commission (CEC) held a public workshop related to offshore wind energy off the Central Coast of California. The workshop was part of the Bureau of Ocean Energy Management (BOEM) California Intergovernmental Renewable Energy Task Force (California Task Force) and was a follow-up to the [Outreach on Additional Considerations for Offshore Wind Energy off the Central Coast of California](#) presented to the California Task Force during the [March 9, 2020 California Task Force meeting](#). The purpose of the public workshop was to take public comment on potential additional offshore wind energy locations off the Central Coast of California. Written comments are due by 5:00 p.m. on July 31, 2020.

On July 7 (10 a.m.) and 9 (10 a.m., 2 p.m.), 2020, as part of the 2020 Integrated Energy Policy Report Update (2020 IEPR Update), the CEC will host remote access workshops to gather information on trends in assessing the future role for microgrids in California. CEC Chair David Hochschild, the lead commissioner for the microgrid portion of the 2020 IEPR Update, will co-

host this workshop with CEC Vice Chair Janea A. Scott. CPUC President Marybel Batjer, CPUC Commissioner Genevieve Shiroma and Steve Berberich, President and Chief Executive Officer of the California Independent System Operator, will also participate in the workshop.

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](#).

Federal Energy Regulatory Commission

On June 30, 2020, the United States Court of Appeals for the District of Columbia Circuit issued a decision in *Allegheny Defense Project v. Federal Energy Regulatory Commission*, striking down FERC’s use of tolling orders to extend the time for it to respond to requests for rehearing. The order was issued in a case that implicates the Natural Gas Act, however FERC’s use of tolling orders under the Federal Power Act will also likely be impacted because the relevant statutory language is identical.

Parties must seek rehearing of FERC’s orders before they may seek judicial review. A party must request rehearing within 30 days of an order, and “[u]pon such application the Commission shall have power to grant or deny rehearing or to abrogate or modify its order without further hearing. Unless the Commission acts upon the application for rehearing within thirty days after it is filed, such application may be deemed to have been denied.” However, for decades FERC’s Secretary has used delegated authority to issue orders within the thirty-day time period to toll the time for action on requests for rehearing. Those tolling orders take no substantive action on a request for rehearing—nor could they, given the Secretary’s limited authority—and so they operated merely to delay FERC action on a request for rehearing for an open-ended period of time. The DC Circuit’s decision found that the Natural Gas Act does not allow FERC to issue tolling orders for the sole purpose of preventing rehearing from being deemed denied by its inaction and the statutory rights to judicial review attaching. Rather, FERC must at least substantively engage with a request for rehearing application within the thirty-day period, or the request is deemed denied and aggrieved parties may seek judicial review.

FERC will hold a [technical conference](#) on July 8-9 on the impacts of COVID-19 on the energy industry. The agenda includes panels on system operations and planning challenges, electricity demand and transmission planning, natural gas and oil demand, and access to capital (credit, liquidity, and return on equity).

FERC will hold a [technical conference](#) on July 23 on hybrid resources. The conference will address technical and market issues prompted by growing interest in generation and electric storage resources paired at the same plant location.

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.

The next Commission meeting is scheduled for [July 16, 2020](#).