

**REGULATORY UPDATE FOR JUNE 11, 2024  
(WEEK OF JUNE 3, 2024)**

**CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC OR COMMISSION)**

New Proposed Decisions and Draft Resolutions<sup>1</sup>

Application (A.) 22-09-015 (Application of Southern California Gas Company and San Diego Gas & Electric Company for Authority to Revise Natural Gas Rates and Implement Storage Proposals Effective January 1, 2024 in This Cost Allocation Proceeding). 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 San Diego Gas & Electric Company (SDG&E) and Southern California Gas Company (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.

Resolution (Res) E-5326 (Pacific Gas and Electric Company Request for Approval of 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 Pilot 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. Lastly, this Resolution disposes of the timely protest of the Public Advocates Office and the timely response of the Vehicle Grid Integration Council to PG&E AL 6694-E.

Res E-5333 (SCE Request for Approval of Mid-Term Reliability Renewable Resource Contracts). This Resolution approves three mid-term reliability (MTR) contracts for approximately 254.5 megawatts (MW) of nameplate capacity. Southern California Edison Company (SCE) contracted these resources to help meet its MTR requirements. The approved contracts for which SCE sought approval in AL 5248-E are: ASHUSA – Overnight Solar LLC 150 MW solar PV 15-year contract; Balanced Rock – Windhub Solar B, LLC 20 MW solar PV

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<sup>1</sup> Per the CPUC's 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.

15-year contract; and Clearway – Luna Valley Solar 1, LLC 84.5 MW solar PV 20-year contract. This Resolution approves the request relief in ALs 5257-E, 5257-E-A.

Res E-5334 (SCE’s Amended and Restated MTR Contract with Silver State South Storage, LLC). This Resolution approves SCE’s MTR contract with Silver State South, LLC for 200 MW of nameplate capacity. The MTR contract is a Resource Adequacy (RA) with 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 project’s viability. The MTR contract will provide incremental September net qualifying capacity to meet SCE’s 2024 MTR procurement requirements pursuant to Ordering Paragraph 1 of the decision. This Resolution approves the requested relief in AL 5257-E.

Res ESRB-11 (General Order 174 Rules for Electric Utility Substations). 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 CAISO’s operational control and/or subject to FERC reliability standards are excluded from the GO 174 requirements. Currently, there are over 80 mandatory reliability standards in effect that address many aspects of the reliable operation of the nation’s electric grid. This Resolution modifies the requirements of GO 174 to include those substations that are also subject to CAISO operational control and/or FERC jurisdiction.

Res E-5320 (SDG&E Request for Approval of One of Two Mutually Exclusive 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 (RWE AG) for 119 MW of nameplate capacity. Option two is a BOT contract with RWE AG for 219 MW of nameplate capacity. This Resolution denies the requested relief in ALs 4403-E, 4403-E-A, and 4403-E-B.

A.23-10-001 (SCE Application for Authorization to Recover 2022 Incremental Costs Related to Wildfire Mitigation and Vegetation Management). This decision grants, in part, the January 12, 2024 motion filed by SCE requesting interim rate recovery of \$210.013 million (including interest, as of August 2023), subject to refund, associated with costs primarily incurred in 2022 and recorded in three wildfire mitigation and vegetation management-related memorandum and balancing accounts: (1) Wildfire Mitigation Plan Memorandum Account, (2) Fire Risk Mitigation Memorandum Account, and (3) Vegetation Management Balancing Account. The Commission’s approval represents an interim rate recovery of 55% of \$383.5 million, the total amount SCE seeks authority to collect from ratepayers in this proceeding. This decision authorizes SCE to file a Tier 2 Advice Letter to implement the interim rate increase, subject to refund. This decision denies SCE’s request to recover amounts above the 55%

authorized today at the end of the 17-month collection period if a decision on the reasonableness of the total remains pending.

A.22-10-021 (SCE Application for Authorization to Recover Costs of Several Catastrophic Events Recorded in Its Catastrophic Expense Memorandum Account). This decision grants the request by SDG&E to recover approximately \$51.4 million (\$42.9 million in operations and maintenance expenses and \$8.4 million in capital expenditures), plus interest, in costs incurred to provide emergency-related services regarding eight government-issued, official emergencies from 2014 to 2022. This decision finds the requested costs, as recorded in eight Catastrophic Emergency Memorandum Accounts, reasonable and authorizes SDG&E to recover the expense costs through its electric distribution revenue requirement and gas distribution revenue requirement as soon as possible, amortized over a 12-month period. The decision also authorizes recovery of the capital expenditures over a timeframe that will be, in part, determined in the 2028 general rate case. SDG&E is authorized to file a Tier 1 Advice Letter to implement these rate changes and close the eight accounts.

#### Voting Meeting

The CPUC will hold a voting meeting in San Luis Obispo, California on June 20, 2024 at 11:00 a.m.

### **CALIFORNIA INDEPENDENT SYSTEM OPERATOR (CAISO)**

#### Stakeholder Initiatives: Upcoming Meetings and Deadlines

**Interconnection Process Enhancements 2023.** CAISO has posted a final revised addendum to the Interconnection Process Enhancements 2023 final proposal to its website, available [here](#).

**2023-2024 Transmission Planning Process.** CAISO has posted the 2023-2024 Board approved Transmission Plan to its website, available [here](#).

**Notice of New Intertie.** CAISO informed market participants that a new intertie, DELANEY500, will be added effective June 12, 2024.

**2023 NERC/WECC Metered Demand Calculations for Assessment Year 2025.** CAISO has posted the 2023 North American Electric Reliability Corporation/Western Electricity Coordinating Council metered demand for assessment year 2025 for scheduling coordinator review. Further information is available [here](#).

**CAISO Board of Governors Meeting.** CAISO has posted the final agenda for the June 12, 2024 general session virtual meeting. The Interconnection Process Enhancements Track 2 Final Proposal will be a decisional item at the board of governors meeting on June 12, 2024. Further information is available [here](#).

**Penalty Enhancements Demand Response Investigation and Tolling.** CAISO has posted the Penalty Enhancements Demand Response, Investigation, and Tolling revised straw

proposal to the initiative webpage and held a public stakeholder call on June 3, 2024. Comments are due June 14. Further information is available [here](#).

**Annual Policy Initiatives Roadmap Process 2024.** CAISO will host a virtual meeting on June 12, 2024 to open the discretionary initiative ranking to stakeholders and present the final selection of discretionary initiatives for prioritization. The draft catalog and further information is available [here](#).

**West-Wide Governance Pathways Initiative.** CAISO has posted the West-Wide Governance Pathways Initiative Step 1 Recommendation and will hold a public stakeholder call to discuss it on June 18, 2024. Further information is available [here](#).

**Resource Adequacy Modeling and Program Design.** CAISO will host a Resource Adequacy Modeling and Program Design working group meeting on June 18, 2024. In-person registration is due June 13, 2024. Further information is available [here](#).

**Western Energy Imbalance Market Regional Issues Forum.** The Western Energy Imbalance Market Regional Issues Forum has announced its upcoming meeting, which will take place at Idaho Power in Boise, Idaho on June 20, 2024. Registration is requested for in-person attendees, and a revised agenda has been posted. Further information is available [here](#).

**Greenhouse Gas Coordination.** CAISO will host a Greenhouse Gas Coordination working group meeting on June 26, 2024. In-person registration is due June 19, 2024. Further information is 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, will be provided in a future notice.

## CALIFORNIA ENERGY COMMISSION (CEC)

### Resource Planning and Reliability

CEC staff held a [Summer Reliability Workshop](#) on May 29, 2024 at 9:30 a.m. According to the workshop [Notice](#), in addition to CEC staff, representatives from CAISO, CPUC, Department of Water Resources, California Department of Forestry and Fire Protection (CALFIRE), and Western Electricity Coordinating Council (WECC) provided information on anticipated summer conditions. This included an overview of anticipated summer weather and fire conditions and a summary of new clean energy resources coming online and hydroelectric resource availability. Written comments are due by 5:00 p.m. on June 12, 2024.

### 2024 Integrated Energy Policy Report (IEPR) Update

The CEC is working on its 2024 IEPR Update and ongoing workshops are being held from May – December 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 schedule is subject to change):

**July 30, 2024:** Electricity Forecast, Hourly Forecast Updates – 10:00 a.m.

**August 8, 2024:** SB 605: Wave and Tidal Energy (previously scheduled for July 17, 2024) – 10:00 a.m.

**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

#### 2023 IEPR Correction

On June 7, the CEC issued a notice for an upcoming Demand Analysis Working Group (DAWG) meeting that will be held on June 12 from 9:00 a.m. to 10:00 a.m. to discuss staff's plan to correct for an error discovered in the 2023 IEPR relating to the additional achievable fuel substitution scenario (AAFS). The key topics of discussion for this DAWG meeting will be:

- The discovery of the error in one of the model input files for the AAFS scenarios in the 2023 IEPR demand forecast which impacts the hourly electricity results. For the portion of AAFS that was modeled using the Fuel Substitution Scenario Analysis Tool (FSSAT), a cooling load shape was incorrectly applied to a portion of HVAC heating load.
- The electricity impacts from correcting the error. Correcting the error reduces summer load and increases winter load.
- Overview and status of stakeholder outreach and next steps.

The workshop will be held via Zoom and meeting details are available [here](#).

#### Electric Program Investment Charge (EPIC)

On May 17, 2024, the CEC transmitted an email “Save the Date” regarding the 2024 EPIC Symposium. 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.

### Workshop on Power Source Disclosure (PSD) Regulations (SB 1158)

The CEC hosted a rulemaking workshop on June 11, 2024 to take feedback on proposed changes to the PSD consistent with the requirements of Senate Bill (SB) 1158, which requires reporting of hourly electric data to match retail load served. Presentation materials and other information related to the PSD changes are available on Docket 21-OIR-01.

Comments on the workshop and proposed PSD regulations will be accepted through July 3, 2024 at 5:00 p.m.

### CEC Business Meetings

The next CEC Business Meeting will be held on June 12, 2024. The agenda and supporting materials are available [here](#).

## **CALIFORNIA AIR RESOURCES BOARD (CARB)**

### Meetings, Workshops, and Notices

CARB will hold its next Board meeting on June 27, 2024. At the meeting, CARB will consider adoption of the proposed [Zero-Emission Forklift Regulation](#). The full agenda for the meeting will be available [here](#) 10 days prior to the meeting.

On June 13, 2024, CARB will hold a [kick-off workshop](#) for the Fiscal Year 2024-25 funding plan for clean transportation incentives. More information is available [here](#).

On June 14, 2024, CARB will host a public meeting of the AB 32 [Environmental Justice Advisory Committee](#). The agenda for the meeting, and a link to registration, are available [here](#).

On June 20, 2024, CARB will hold a Q&A session on [Advanced Clean Fleets](#) requirements for [High Priority Fleets](#). More information is available [here](#).

CARB is holding a series of in-person public workgroup meetings on updates to the [FARMER \(Funding Agricultural Replacement Measures for Emission Reductions\) Program](#) Guidelines:

- On June 25, 2024, at Tehama County Air Pollution Control District in Red Bluff, California.
- On June 26, 2024, at Sonoma County Farm Bureau in Santa Rosa, California.
- On July 10, 2024, at San Joaquin Valley Air Pollution Control District in Fresno, California.
- On July 11, 2024, at CARB's Riverside Headquarters Building in Riverside, California.

On July 2, 2024, CARB will also a virtual public workgroup meeting via Zoom. More information and registration is available [here](#).

On June 26, 2024, CARB will hold a public workshop to inform potential updates to the [Advanced Clean Cars II](#) regulations. Registration and additional information are available [here](#).

On November 8, 2024, 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](#).

### **FEDERAL ENERGY REGULATORY COMMISSION (FERC)**

On June 7, 2024, in [187 FERC ¶ 61,143](#), FERC accepted PacifiCorp's, Nevada Power Company's, and Sierra Pacific Power Company's (collectively, Applicants) filed proposed revisions to their Market-Based Rate Tariffs to effectuate their participation in the Western Resource Adequacy Program (WRAP). The Commission's acceptance of the proposed revisions to the Market-Based Rate Tariffs is limited to transactions within WRAP and relies in part on the provisions of WRAP that limit the potential for the exercise of market power. The Commission finds that under the WRAP design, when Load Responsible Entities choose to join WRAP, once committed under the Operations Program, they are obligated to comply with its requirements, including requirements to make non-discretionary sales, or face charges for non-compliance. As such, the Applicants and other participants in WRAP will have no discretion as to: whether to make a sale; the quantity of any sale; or the price of any sale. For any such sale, the Applicants will act as a price-taker and, therefore, will not know the WRAP settlement price until after the markets close. As such, the Commission concludes for purposes of the WRAP transactions, Applicants' ability to exercise market power is adequately mitigated by the proposed revisions to their Market-Based Rate Tariffs.

On June 4, in [Docket No. ER24-2184](#), Southwest Power Pool, Inc. (SPP) submitted proposed revisions to its Open Access Transmission Tariff (Tariff or OATT), Bylaws, and Membership Agreement in order to facilitate the commitment of numerous entities in the Western Interconnection to join SPP as Transmission Owners, to place their respective transmission facilities under the functional control of SPP, and to begin taking transmission service under the Tariff. The proposed integration of transmission facilities located in the Western Interconnection into the SPP RTO represents a substantial expansion of the SPP footprint.

On May 31, 2024, in [187 FERC ¶ 61,123](#), FERC accepted Southwest Power Pool, Inc.'s (SPP) proposed revisions to Attachment J (Recovery of Costs Associated with New Facilities) of its OATT to add Schedule 3 to allow the remaining annual transmission revenue requirement for certain transmission facilities, the Sunflower Byway Facilities, to be entirely allocated on a regional, postage-stamp basis, effective June 1, 2024. The Commission found that SPP has demonstrated that, under its proposal, the costs of the transmission facilities will be allocated in a manner that is at least roughly commensurate with estimated benefits, consistent with the cost causation principle. Specifically, the Commission found that because the Sunflower Byway

Facilities provide benefits to the entire SPP region, the proposed 100 percent regional, postage-stamp cost allocation is just and reasonable. The Commission relied on the fact that SPP’s flow analyses demonstrate that more than 70 percent of the power flows on the Sunflower Byway Facilities result from generation not affiliated with load in the zone. The Commission rejected protesters’ arguments that the proposed cost allocation for the remaining costs of the Sunflower Byway Facilities is inappropriate because those facilities were constructed to address zonal reliability issues or forecasted load growth that was never realized, rather than regional needs. In response, the Commission reiterated that SPP’s proposal will prospectively allocate the Sunflower Byway Facilities’ remaining costs in a manner that is at least roughly commensurate with estimated benefits. The Commission also rejected arguments that SPP’s analysis was insufficiently granular (i.e., it does not provide information about benefits to individual transmission pricing zones) to determine whether the entire SPP region would receive benefits at least roughly commensurate with costs, finding that cost allocation precedent does not require such “exacting precision” in the Commission’s cost allocation decisions.

On May 20, 2024, in [187 FERC ¶ 61,083](#), FERC granted a proposal by ISO New England Inc. (ISO-NE) and the New England Power Pool Participants Committee (NEPOOL) to revise the ISO-NE Transmission, Markets and Services Tariff (Tariff) to delay the 19th Forward Capacity Auction (FCA 19) by two years. With the delay, the qualification process for FCA 19 will begin in February 2027 and the auction will be held in February 2028. However, ISO-NE and NEPOOL explained that the objective is to avoid the need to run FCA 19 at all, and the additional delay is needed to develop and implement a prompt and seasonal capacity market design and compatible capacity accreditation reforms to be used during early 2028 for the 19th capacity auction cycle in place of the forward annual market.

On May 13, 2024, at a Special Transmission Reform Meeting, FERC issued two final rules addressing transmission reforms: [Order No. 1920](#), Building for the Future Through Electric Regional Transmission Planning and Cost Allocation, and [Order No. 1977](#), Applications for Permits to Site Interstate Electric Transmission Facilities. For a summary of Order No. 1920, please see [Federal Energy Regulatory Commission Issues Long-Awaited Transmission Planning and Cost Allocation Final Rule | Renewable + Law \(lawofrenewableenergy.com\)](#).