

**REGULATORY UPDATE FOR JUNE 18, 2024
(WEEK OF JUNE 10, 2024)**

CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC OR COMMISSION)

Voting Meeting

The CPUC will hold a voting meeting in San Luis Obispo, California on June 20, 2024 at 11:00 a.m. The following are energy related items on the [agenda](#):

Item 16. Resolution E-5329 (Diablo Canyon Independent Safety Committee). This Resolution ratifies President Reynolds’ selection of candidates for consideration by the Chair of the California Energy Commission for appointment to the Diablo Canyon Independent Safety Committee (DCISC) for a three-year term beginning July 1, 2024.

Item 17. Resolution E-5323 (2024 Renewable Market Adjusting Tariff (ReMAT) Prices). This Resolution adopts updated fixed prices by Product Category to the feed-in tariff program known as Renewable Market Adjusting Tariff (ReMAT). The Resolution directs the utilities to update their ReMAT tariffs within 30 days to reflect the new pricing categories adopted by the Commission. The pricing categories are shown in Table 1, below.

Table 1: Weighted Average RPS Contract Prices Executed 2020-2023²⁰

ReMAT Product Category	Weighted Average Price (\$/MWh)
As-Available Non-Peaking	\$52.85
As-Available Peaking	\$71.94
Baseload	\$75.96

Item 19. A.21-06-021 (Pacific Gas & Electric Company (PG&E) Phase II General Rate Case). Pursuant to Senate Bill 410, “Powering Up Californians Act,” this decision authorizes PG&E to establish an interim memorandum account to track costs for energization projects placed into service after January 1, 2024, that exceed the energization costs included in PG&E’s annual revenue requirement authorized in Phase 1 of this proceeding. The decision caps the maximum incremental revenue requirement associated with such capacity projects at \$144.310 million for 2024 projects, \$91.568 million for 2025 projects, and \$99.071 million for 2026 projects. The authorized amounts represent approximately 45 percent or \$1,814 million less than the cumulative capital expenditures cap of \$4,076 million that PG&E had 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. PG&E had requested caps on energization costs of 2.5 percent of their authorized electric distribution revenue requirements for each year. The decision states that the caps adopted therein by the Commission are designed to “balance the goal of allowing interim rate recovery

for incremental spending consistent with prioritizing energization and electrification goals with concern for the affordability of electricity rates, including the risk of ratepayer funding of projects that may not be completed by December 31, 2026.”

Item 20. R.23-10-011 (Resource Adequacy). This decision adopts Local Capacity Requirements for 2025-2027, Flexible Capacity Requirements for 2025, and refinements to the Resource Adequacy program scoped as Track 1. Among other issues, this decision confirms that the CPUC intends to implement the new Slice-of-Day Resource Adequacy Framework for the 2025 compliance year.

Item 24. (Resolution E-5322). This Resolution approves Central Coast Community Energy’s, Orange County Power Authority’s, Pioneer Community Energy’s, and Redwood Coast Energy Authority’s Bioenergy Market Adjusting Tariff (BioMAT) forecasted revenue requirements for program participation authorized under D.23-11-084 for Program Years 2024 and 2025.

Upcoming Events and Workshops.

Renewables Portfolio Standard (RPS) Webinar. Energy Division Staff will host a webinar on June 20, 2024 from 3:00 pm to 4:00 pm, as directed in the 17 May 2024 [Assigned Commissioner Ruling](#) in R.24-01-017, to answer questions from retail sellers on 2024 RPS Procurement Plans requirements and their revised templates in advance of the draft RPS Procurement Plan submissions that are due July 22, 2024. The webinar will be held on WebEx and can be accessed [here](#). Meeting materials and other information will be posted to the Commission’s RPS website, available [here](#).

CALIFORNIA INDEPENDENT SYSTEM OPERATOR (CAISO)

Stakeholder Initiatives: Upcoming Meetings and Deadlines

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](#).

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. 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)

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

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 until 5:00 p.m. on July 3, 2024.

Senate Bill 350 Disadvantaged Community Advisory Group

The CEC published a [Notice of Availability](#) of the [2024 Draft Update](#) to the Disadvantaged Communities Advisory Group (DACAG) Equity Framework (2024 Update). As background, the DACAG advises the CEC and the CPUC “on the effectiveness of clean energy programs related to SB 350 in disadvantaged communities.” Written comments on the 2024 Update are due to the CEC Docket Unit on or before June 21, 2024.

CEC Business Meetings

The next CEC Business Meeting will be held on June 26, 2024. The agenda is 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 is 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 hold 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 June 25, 2024, the Outreach [Truck Regulation Implementation Group](#) for the [Advanced Clean Fleets Regulation](#) will hold its sixth [public meeting](#). More information and registration for the meeting are available [here](#).

On July 25, 2024, the Board will hold a [public meeting](#) to hear the [annual update](#) on progress to implement the [Community Air Protection Program](#).

On November 8, 2024, the Board 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 [Community Air Protection Program Annual Progress Report](#). Comments may be submitted [here](#) on or before July 15, 2024.

FEDERAL ENERGY REGULATORY COMMISSION (FERC)

On June 13, 2024, in [187 FERC ¶ 61,170](#), FERC issued an Order to Show Cause to Midcontinent Independent System Operator, Inc. (MISO) (Docket No. EL24-80), PJM Interconnection, L.L.C. (PJM) (Docket No. EL24-81), Southwest Power Pool, Inc. (SPP) (Docket No. EL24-82), and ISO New England, Inc. (ISO-NE) (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 of the 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 transmission owner unilaterally elects to initially fund the network upgrade capital costs that it incurs to provide interconnection service to the interconnection customer, and the transmission owner 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 transmission owners 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 the Commission'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 transmission owners 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's/ISO's filing.

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

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 SPPs 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 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 forward capacity auction cycle in place of the forward annual market.