

**REGULATORY UPDATE FOR JUNE 25, 2024
(WEEK OF JUNE 17, 2024)**

CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC OR COMMISSION)

Proposed Decisions and Resolutions

Rulemaking (R.) 13-05-003 (Energy Efficiency Rolling Portfolios, Policies, Programs, Evaluation, and Related Issues). This decision approves the portfolio application of a new energy efficiency portfolio administrator, San Diego Regional Energy Network. Energy savings goals and funding for 2024 – 2027 are adopted. San Diego Community Power, which will serve as portfolio administrator on behalf of San Diego Regional Energy Network, must submit a joint cooperation memo with San Diego Gas & Electric Company (SDG&E).

R.17-06-026 (Power Charge Indifference Adjustment). This decision denies the Petition for Modification of Decision (D.) 23-06-006 filed by Southern California Edison Company on September 11, 2023. Consistent with Rule 16.4 of the Commission’s Rules of Practice and Procedure, the Commission finds insufficient justification for the request to modify D.23-06-006 to specify that utilities should apply the direction in that decision to the classification and valuation of renewable energy credits generated and banked on or after January 1, 2019, and should not apply such direction to renewable energy credits generated and banked before that date. This decision also modifies D.23-06-006 to clarify the language regarding D.19-10-001.

R.18-04-019 (Strategies and Guidance for Climate Change Adaptation). This decision adopts refinements to climate adaptation preparation guidance for investor-owned energy utilities provided in D.19-10-054 and D.20-08-046 to reflect climate science developments since 2018. It adopts the Shared Socioeconomic Pathway (SSP) greenhouse gas emissions scenario 3-7.0 as the reference scenario for energy utility use in the Climate Adaptation and Vulnerability Assessments (CAVA) ordered in D.20-08-046. It also identifies SSP 3-7.0 as the reference emissions scenario for use in proceedings other than R.18-04-019 and for long-term infrastructure planning, as relevant. SSP 3-7.0 replaces the Representative Concentration Pathway emissions scenario 8.5 required in D.19-10-054. This decision adopts the Global Warming Level approach as the basis of CAVA planning, replacing the targeted years approach adopted in D.20-08-046. It requires the energy utilities to begin applying the Global Warming Level approach starting with Southern California Edison Company’s next CAVA submittal. It recommends that the energy utilities consider phasing in use of the Global Warming Level approach in emissions scenarios applied to forecasts and projections conducted in other proceedings, completing this transition by 2027. This decision updates the timing of utility submittal of CAVAs, requiring CAVAs to be filed one year prior to energy utility Risk Assessment and Mitigation Phase (RAMP) applications. This replaces guidance adopted in D.20-08-046, which required concurrent submittal of CAVA and RAMP documents. This decision adopts guidance regarding energy utility presentation of CAVA Adaptation Investment proposals in general rate case or standalone applications. It establishes a working group to develop and propose a lexicon of climate adaptation-related terms. This decision also eliminates requirements

adopted in D.20-08-046 for energy utilities to survey existing third-party energy contract partners regarding their readiness for climate change.

Voting Meeting

The CPUC held a voting meeting in San Luis Obispo, California on June 20, 2024 at 11:00 a.m. The following are results for 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 for a three-year term beginning July 1, 2024. **Approved.**

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 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. **Approved.**

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.” **Held to July 11, 2024.**

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. **Signed, D.24-06-004.**

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 forecasted revenue requirements for program participation authorized under D.23-11-084 for Program Years 2024 and 2025. **Approved.**

Upcoming Events and Workshops

IOU Income-Graduated Residential Fixed Charge Marketing, Education, and Outreach Workshop. On July 10 from 9:00 a.m. to noon PG&E, Southern California Edison (SCE), and SDG&E will jointly host a public workshop to discuss each utility’s marketing, education, and outreach plans and proposed terminology, high-level messages, and metrics regarding Assembly Bill 205 income-graduated residential fixed charges. The workshop link is 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](#).

New Participating Transmission Owner Application to CAISO. CAISO has received a new Participating Transmission Owner application from Great Basin Transmission, LLC (Great Basin) with respect to certain transmission entitlements controlled by Great Basin on the proposed Southwest Intertie Project – North and on the existing One Nevada Transmission Line, which Great Basin intends to turn over to CAISO operational control. Further information is available [here](#).

2023-2024 Transmission Planning Process, Phase 3 Competitive Solicitation. On June 26, CAISO will be opening the 2023-2024 Transmission Planning Process, Phase 3 Competitive Solicitation bid window to receive proposals for the Humboldt – Collinsville 500kV Substation and Line Project. Completed proposals for this project must be submitted prior to the close of business on October 7, 2024. Also on June 26, CAISO will be opening the 2023-2024 Transmission Planning Process, Phase 3 Competitive Solicitation bid window to receive proposals for the Humboldt – Fern Road 500kV Line Project. Completed proposals for this

competitive solicitation project must be submitted by October 28, 2024. The CAISO will hold a public stakeholder call on June 26, 2024, to discuss the Phase 3 Transmission Planning Process for both of the competitive solicitation projects. Further information is available [here](#).

Greenhouse Gas Coordination. CAISO will host a Greenhouse Gas Coordination working group meeting on June 26, 2024. Further information is available [here](#).

Market Performance and Planning. CAISO has posted the agenda for its hybrid quarterly Market Performance and Planning Forum on June 27, 2024. Registration for in-person attendance was due June 24, 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: Senate Bill (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.

SB 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 were due to the CEC Docket Unit by June 21, 2024.

Offshore Wind

On June 25, 2024, the CEC published the AB 525 Offshore Wind Energy Strategic Plan. The Plan contains three volumes: [Volume I](#) is an Overview Report, [Volume II](#) is the Main Report, and [Volume III](#) contains the Plan Appendices. All three volumes of the Plan are also available in [Docket No. 17-MISC-01](#). The CEC will [consider adoption](#) of the Strategic Plan at the June 26, 2024 CEC Business Meeting.

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](#).

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 26, 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 10, 2024, CARB will hold a [public workshop](#) on updates to the Cap-and-Trade Program. Written feedback on the proposed updates may be provided following the workshop, until July 31, 2024. Additional information is 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.

MINNESOTA PUBLIC UTILITIES COMMISSION (MPUC)

On May 30, 2024, the MPUC issued its long-awaited order in the Community Solar Garden (CSG) Docket (E-002/M-13-867), reflecting its decision from February 15, 2024, directing Xcel Energy to transition the bill credit of applicable retail rate (ARR)-era CSGs from the ARR to the value of solar. The MPUC's May 30 Order can be found [here](#). Over June 18 to June 20, multiple public, non-profit, and business entities submitted petitions to the MPUC to reconsider its May 30 Order, highlighting the potential impacts the May 30 Order will have on relevant CSGs and subscribers. On a separate topic, but also in the CSG Docket, developers

have submitted co-location appeals to the MPUC regarding CSG applications attempting to utilize the new CSG program enacted in 2023. These rate and program transitions will continue receiving coverage in this update over the coming weeks and months.

On Thursday, June 27, 2024, the MPUC will have its regularly scheduled agenda meeting. The agenda will be focused on automatic adjustment true-up filings of Otter Tail Power Co. and Minnesota Power. The agenda can be found [here](#).

Also on Thursday, June 27, 2024, the Minnesota Court of Appeals will hear oral arguments on appeals stemming from Minnesota Power's 2021 rate case (Appellate Case Nos. A23-0867, A23-0871, & A23-1957). The Court of Appeals will be hearing arguments relating to the MPUC's decisions regarding revenue requirement, revenue allocation, and interim rates. Additional coverage will follow once the Court of Appeals issues its decision.

FEDERAL ENERGY REGULATORY COMMISSION (FERC or COMMISSION)

On June 13, 2024, in [187 FERC ¶ 61,170](#), FERC issued an Order to Show Cause 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 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 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 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 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 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](#), SPP submitted proposed revisions to its OATT, Bylaws, and Membership Agreement in order to facilitate the commitment of numerous entities in the Western Interconnection to join SPP as TOs, 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 SPP's 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.