

**REGULATORY UPDATE FOR JUNE 4, 2024  
(WEEK OF MAY 27, 2024)**

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

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

Resolution (Res) E-5335 (San Diego Gas and Electric Company's Request to Modify Power Your Drive for Fleets Program Eligibility and Allow Site Exception). This Resolution approves, with modifications, San Diego Gas and Electric Company's (SDG&E) 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.

Application (A.) 22-09-015 (Southern California Gas Company and SDG&E 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 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 rejects the limited settlement regarding a hydrogen refueling station tariff proposal filed on December 14, 2023.

**Voting Meeting**

The CPUC held a voting meeting in Sacramento, California on May 30, 2024 at 11:00 a.m. The following are results for energy related items on the agenda:

Item 3. Resolution (Res) G-3600 (Transmission Integrity Management Program Account Balance for January 1, 2019, to December 31, 2023). Decision (D.)19-09-051 authorized Southern California Gas Company (SoCalGas) to spend \$539 million on its Transmission Integrity Management Program (TIMP) and to establish a two-way balancing account to recover actual operations and maintenance (O&M) and capital related costs. The decision allowed SoCalGas to recover undercollections when actual expenditures exceed authorized O&M and capital expenditures by up to 35 percent via Tier 3 Advice Letter (AL) and stated that any amount above 35 percent of authorized O&M and capital is subject to a separate application procedure. SoCalGas filed AL 6060-G requesting recovery of \$238.8 million in undercollected revenue which was 120 percent of the authorized 2019 General Rate Case (GRC) cycle revenue requirement recorded in the TIMP Balancing Account (TIMPBA) through September 2022. SoCalGas filed AL 6060-G-A replacing AL 6060-G in its entirety, to correct the electronic file

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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.

format to a searchable format. In AL 6060-G-A, SoCalGas' request is the same as requested in the original AL filing as well as being substantively the same. SoCalGas' request to recover the undercollection recorded in its TIMPBA for January 1, 2019, to December 31, 2023, is approved. **Approved.**

Item 5. A.22-03-018 (SCE's Recovery of Catastrophic Event Memorandum Account Costs). This decision authorizes SCE to recover a revenue requirement of \$190.725 million in rates over a 12-month period for costs recorded in its Catastrophic Event Memorandum Account related to 2019 winter storms, 2020 heatwaves and 2020 fires. SCE established that its requested costs were within the categories eligible for recovery and were incremental to amounts previously authorized to be recovered in rates in SCE's general rate cases. SCE also established that all of its requested costs were reasonable except for \$3,216,000 in supplemental pay to salaried, exempt employees that were disallowed. **Signed, D.24-05-037.**

Item 9. R.11-05-005 (Petition for Modification of D.13-05-034). This decision denies the February 11, 2021, petition for modification of D.13-05-034, Decision Adopting Joint Standard Contract for Section 399.20 Feed-In Tariff Program and Granting, In Part, Petitions for Modification of Decision 12-05-035, jointly filed by Pacific Gas and Electric Company (PG&E) and SCE. The Commission finds that it is inequitable to modify the Renewable Market Adjusting Tariff (ReMAT) program cost allocation method as requested. Ensuring consistency with the Bioenergy Market Adjusting Tariff program would necessitate allowing community choice aggregators to participate in ReMAT or redesigning the program so that all resource adequacy and renewables portfolio standard benefits of the program are equitably distributed among retail sellers, which is administratively burdensome. Consistent with the cost allocation approach adopted in D.13-05-034, the ReMAT procurement contract costs will continue to be included in bundled sales customers' generation rates. The above-market costs of the ReMAT procurement contracts are included in the power charge indifference adjustment for those departing load customers that were bundled sales customers at the time the ReMAT contracts were signed. **Signed, D.24-05-039.**

Item 11. R.24-05-022 (Modification of General Order 66 D). This rulemaking is opened to examine and modify General Order (GO) 66-D, specifically as it relates to the Commission's process for responding to California Public Records Act requests. Proposed modifications to GO 66-D are attached to this Order Instituting Rulemaking, and comments are sought on those proposed modifications. GO 66-D concerns the process for submitting confidential documents to the Commission, as well as the process for the Commission to consider and respond to requests for information under the California Public Records Act. **Signed, R.24-05-022.**

Item 12. A.22-02-005 et al. (SDG&E's Petition for Modification of D.23-06-055). This decision grants the petition for modification (PFM) of D.23-06-055 filed by SDG&E. In approving the energy efficiency portfolios for portfolio administrators for the years 2024 to 2027, D.23-06-055 failed to make clear whether SDG&E's proposed funding for integrated energy efficiency and demand response programs required by D.18-05-041 was explicitly authorized. This decision clarifies that the funding is authorized. **Signed, D.24-05-040.**

Item 13. R.24-05-023 (Rules Update for the Safety, Reliability, and Resiliency of Electrical Distribution Systems). This Order Instituting Rulemaking considers changes to existing policies, procedures, and rules regarding the safety, reliability, and resiliency of electrical distribution systems. The Commission has many existing policies, procedures, and rules to exercise its authority and responsibility to promote the safety and reliability of the electrical distribution system. However, against the complex backdrop of a changing climate, several newly emerging threats and risks, as well as emerging priorities, necessitate a reexamination of current practices. These emergent threats and priorities include: (1) aging equipment; (2) extreme, climate-driven weather events; (3) evolving wildfire mitigation practices; (4) increased prioritization of equity; and (5) increased prioritization of electrification, which is a critical building block of the State's strategic goal to decarbonize. Therefore, this rulemaking will be the venue for considering whether and how the Commission's oversight of distribution safety, reliability, and resiliency should be updated in response to these emergent threats and priorities. **Signed, R.24-05-023.**

Item 15. Res E-5235 (PG&E Mid-Term Reliability Contract). This Resolution approves one mid-term reliability (MTR) long-term resource adequacy agreement with energy settlement storage contract with Elisabeth Solar, LLC for 112.5 megawatts (MW) of nameplate capacity expected to begin deliveries on June 1, 2025. The contract term is 15 years. PG&E procured this resource to satisfy a portion of its MTR requirements. **Approved.**

Item 16. Res E-5237 (PG&E and SCE Tariff Updates to the Base Interruptible Program). This Resolution approves PG&E's request to amend its Schedule E-BIP tariff. It also approves with modifications SCE's request to amend its TOU-BIP tariff. The tariffs are amended to include an option for certain BIP customers to have their bill credit baseline calculation exclude days when: (1) the Governor's August 31, 2022 proclamation of a state of emergency is in effect, AND (2) those BIP customers fully suspend operations in response to the Governor's August 31, 2022 proclamation. **Approved.**

Item 18. R.18-12-006 (California Large Energy Consumer Association and Energy Producers and Users Coalition PFM of D.22-11-040). This decision denies the PFM of D.22-11-040 filed by the California Large Energy Consumers Association and Energy Producers and Users Coalition. The decision finds that the Commission previously considered the petitioners' arguments but rejected them upon issuance of D.22-11-40. The presentation of these arguments does not constitute "new facts" to satisfy the Commission's burden to exercise its discretion under Section 1708. **Signed, D.24-05-043.**

Item 20. Res E-5317 (SDG&E Amendments to MTR Contract with Daggett Solar Power I, LLC). This resolution approves SDG&E's amendments to one MTR contract for capacity procured to meet requirements of D.21-06-035 and D.23-02-040. The contract with Daggett Solar Power I, LLC is amended to address a supply chain issue. The changes in contract terms will avoid an increase in price and a delay in the Commercial Online Date. The contract amendment included in this AL is necessary for the project to continue to make progress to meet the June 1, 2025, incremental September Net Qualifying Capacity procurement requirement established in D.21-06-035. **Approved.**

Item 28. A.22-12-004 (SCE 2022 Rate Design Window Proposals). This decision approves SCE's recommendation to maintain the Time-of-Use General Service 1 (TOU GS-1) and Time-of-Use General Service 2 (TOU GS-2) rate classifications due to the magnitude of bill impacts associated with the reassignment of customers with TOU GS-1 and TOU GS-2 rate classifications to other rate groups. The decision also finds that SCE complied with its obligation under D.22-08-001 to conduct a study to assess the feasibility and customer impacts of potential changes to the TOU GS-1 classification for small commercial customers. In SCE's 2025 GRC Phase 2 proceeding, the Commission may consider SCE's proposal for TOU GS-1 and TOU GS-2 rates with customer charges differentiated by phase of service in its next GRC Phase 2 proceeding. **Signed, D.24-05-048.**

Item 29. A.23-09-013 (Wild Goose and Lodi Gas Storage Exemptions to Encumber Utility Assets). This decision grants the requests of Wild Goose Storage, LLC, and Lodi Gas Storage LLC for exemptions under Pub. Util. Code sections 853(b) and 829(c) to encumber their utility assets and issue a corporate guarantee to secure the debt refinancing of their senior affiliates. **Signed, D.24-05-049.**

Item 49. A.22-05-022 et al. (Green Access Program Tariffs and Community Renewable Energy Program). This decision presents the culmination of an evaluation of current customer renewable energy subscription programs, also known as Green Access Program tariffs, and the consideration of adoption of a community renewable energy program. The decision finds that the current Green Access Program tariff options do not meet all the evaluation goals described in Assembly Bill (AB) 2316, and finds it efficient—in terms of costs and resources—to modify and streamline existing Green Access Program tariffs to better meet those goals. Further, the Commission finds that it is beneficial to ratepayers to adopt a community renewable energy program by layering a customer subscription model and a non-ratepayer-funded adder onto identified standard supply-side tariffs and contract mechanisms that meet the requirements of AB 2316 and Pub. Util. Code section 769.3. **Signed, D.24-05-065.**

## **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](#).

**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](#).

**Gas Resource Management.** CAISO has posted the discussion paper for the Gas Resource Management initiative. Written comments are due June 5, 2024. Further information is available [here](#).

**2025 Import Capability Allocation and Transfer Registration.** CAISO announced that all scheduling coordinators for load serving entities serving load within the CAISO balancing authority area must submit completed import commitment data templates by June 5, 2024, as part of the 2025 import capability allocation and transfer registration process. Further information is available [here](#).

**CPUC Annual Resource Adequacy Subpoena.** The CPUC served its annual Resource Adequacy subpoena on CAISO on May 20, 2024. The due date for any objections to the production of responsive information is noon on June 11, 2024. Further information is available [here](#).

**Maximum Import Bid Price.** CAISO has posted the white paper comment template for the Maximum Import Bid Price analysis workshop held on May 28, 2024. Written comments on the white paper are due June 11, 2024. 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 will be available for review in advance of the meeting. 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 the agenda has been posted. 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

On March 22, 2024, the CEC published a [Notice](#) for comments on the draft scoping order for the 2024 IEPR Update and released a schedule for the 2024 IEPR Update, as set forth below.

| <b>Task/Event</b>   | <b>Date</b>            |
|---|------------------------|
| Final 2024 IEPR Update Scoping Order released                         | April 2024             |
| Adopt order instituting informational proceeding for 2024 IEPR Update | May 2024               |
| Public workshops on specific topics                                   | May 2024–December 2024 |
| Release draft <i>2024 IEPR Update</i>                                 | October 2024           |
| Release proposed <i>2024 IEPR Update</i>                              | January 2025           |
| <b>Adopt 2024 IEPR Forecast</b>                                       | January 2025           |
| Adopt <i>2024 IEPR Update</i>   | February 2025          |

The policy recommendations included in the 2024 IEPR Update will be based on the record developed during the proceeding, including data and technical analyses by staff and stakeholders.

On May 31, 2024, CEC staff posted a 2024 IEPR [Workshop Schedule](#) (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)

**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 will host a rulemaking workshop on June 11, 2024 from 10:00 a.m. to 1:00 p.m. 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. The workshop will be remote only and attendance details are available [here](#). The proposed regulations and other information related to the PSD changes are available on Docket 21-OIR-01.

#### Investment Plan for the Clean Transportation Program

The CEC released a draft staff report for the 2024-2025 Investment Plan Update for the Clean Transportation Program (Draft Staff Report). The Draft Staff Report proposes funding allocations based on identified needs and opportunities for zero-emission vehicle infrastructure. This includes allocations of \$37 million to support clean transportation needs for light-duty passenger vehicles, and \$215 million to support medium- and heavy-duty ZEV infrastructure, both through year 2025. For years 2026 through 2028, the Draft Staff Report allocates an estimated \$439 million for light-duty charging infrastructure and approximately \$240 million for drayage truck, school bus, and port infrastructure needs. These figures do not include the \$384 million that California will administer over five years under the federal NEVI program to increase charging infrastructure along designated fuel corridors. Funding allocations for hydrogen-based infrastructure needs are also identified in the Draft Staff Report.

The CEC's Advisory Committee for the Clean Transportation Program Investment Plan will host a public meeting to discuss the Draft Staff Report on June 7, 2024. Meeting details and access information are available [here](#).

#### 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 5, 2024, the Rule Provisions [Truck Regulation Implementation Group](#) for the [Advanced Clean Fleets Regulation](#) will hold a [meeting](#) to continue discussion of the Zero-Emission Vehicle purchase exemption process. Register for the meeting [here](#).

On June 5, 2024, the Infrastructure [Truck Regulation Implementation Group](#) for the [Advanced Clean Fleets Regulation](#) will hold a [meeting](#) to continue discussion of the Zero-Emission Vehicle purchase exemption process. Register for the meeting [here](#).

On June 11, 2024, CARB will hold a [One Stop Truck Event](#) for the [East Bay](#) in Dublin, California to provide education and resources on CARB's clean truck and diesel regulations, including one-on-one compliance assistance, overviews of relevant regulations, an overview of enforcement, and funding incentives. Registration for the event is available [here](#). Future One Stop Truck Events will be held in Los Angeles, Salinas, Tulare, Chico, and Imperial. View the full schedule [here](#).

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](#).

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](#).

#### Opportunities for Public Comment

[Modified text](#) of the draft [Zero-Emission Forklift Regulation](#) is available for public comment [here](#) on or before June 5, 2024.

### **MINNESOTA PUBLIC UTILITIES COMMISSION (MPUC)**

On Thursday, June 6, the MPUC will be meeting to address issues related to Minnesota's Open Access Data Standards and how the MPUC should engage in FERC's new transmission and cost allocation rule in Order No. 1920. The full agenda and briefing papers for each agenda can be found [here](#).

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

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 Open Access Transmission Tariff (Tariff) 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 the objective is to avoid the need to run FCA 19 at all, and the additional delay is needed to develop and to 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 \(lawofrenewableenergy.com\)](#).

On May 6, 2024, in [187 FERC ¶ 61,065](#), FERC issued an Order on Petition addressing PJM Interconnection, LLC's (PJM) filing in Docket No. ER23-729. In the Petition, PJM sought clarification following the United States Court of Appeals for the Third Circuit decision that vacated a portion of FERC's orders that allowed PJM to apply amendments to its Open Access

Transmission Tariff (OATT), which would have allowed PJM to exclude certain Planned Generation Capacity Resources from the LDA Reliability Requirement in the 2024/2025 delivery year Base Residual Auction (BRA). In the Order on Petition, FERC directs PJM to: (1) recalculate the 2024/2025 BRA results under the status quo ante auction rules and parameters; (2) re-run the Third Incremental Auction for the 2024/2025 delivery year; and (3) make a compliance filing to remove the rejected OATT amendments.