

**REGULATORY UPDATE FOR OCTOBER 15, 2024
(WEEK OF OCTOBER 7, 2024)**

CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC OR COMMISSION)

Proposed Decisions and Resolutions

None to report.

Voting Meeting

The CPUC will hold a voting meeting in Sacramento, California on October 17, 2024 at 11:00 a.m. The following are energy-related items on the [agenda](#):

Item 3. Resolution (Res) E-5330 (California Contractors State License Board for Solar Energy System Disclosure Document). This resolution updates the inputs and assumptions used in bill savings estimates provided to potential Investor-Owned Utility (IOU) solar customers by solar providers to align with the net billing tariff, pursuant to Decision (D.) 23-11-068 and D.20-08-001. Following Commission adoption of this resolution and the stakeholder review process, the California Contractors State License Board will make any edits suggested by the Commission or stakeholders if they are consistent with the requirements of Business and Professions Code § 7169(c) and finalize the Solar Energy System Disclosure Document. This disclosure document is incorporated into the required documentation necessary to interconnect as residential solar and storage system under the NEM and NBT tariffs.

Item 4. Resolution ALJ-463 (Shell Energy North America (US), L.P. d/b/a Shell Energy Solutions' (Shell Energy) appeal of Citation No. E-4195-0113 by the Commission's Consumer Protection and Enforcement Division). Citation E-4195-0113 cites and fines Shell Energy \$567,132.50 for failing to procure certain of its 2020 local resource adequacy (RA) obligations in the Stockton local reliability area. The issues addressed in the appeal related to: (1) whether the citation correctly identified Shell Energy's deficiencies in meeting its local RA obligations, and (2) whether the citation penalty for Shell Energy's local RA deficiencies was correctly calculated and lawfully assessed based on the five-factor test identified in D.98-12-075. This resolution denies the appeal and closes this proceeding.

Item 5. Application (A.) 23-04-005 (Merced Dairy Biomethane Pilot Project Costs). This decision finds reasonable and authorizes PG&E to recover in rates and reimburse Maas Energy Works, Inc. (MEW) \$4,917,819 above the bid amount of \$10,183,855 approved for the Merced Pipeline Dairy Digester Cluster Project. The amount represents approximately 58% of MEW's requested overage of \$8,517,000. PG&E procured the MEW project pursuant to Senate Bill (SB) 1383 (Stats. 2016, Ch. 395), which requires a comprehensive strategy to reduce statewide emissions of methane by 40% below 2013 levels by 2030.

Item 12. A.23-07-005 (Southern California Gas Company's Gas Cost Incentive Mechanism). This decision approves Southern California Gas Company's (SoCalGas) request for a shareholder reward of \$22,680,519 for Year 29 (2022-2023) of the company's Gas Cost

Incentive Mechanism (GCIM) performance. The Commission's Public Advocates Office verified that SoCalGas's recorded gas costs were \$417,641,233 below the benchmark, which results in a reward of \$22,680,519 to SoCalGas's shareholders and a ratepayer benefit of \$394,960,714. The purpose of the GCIM is to provide SoCalGas with a financial incentive to purchase and transport gas for core ratepayers at a cost that is equal to, or less than, prevailing market prices.

Item 13. Res E-5349 (SoCalGas Demand Response Tariffs). This resolution authorizes certain changes to Southern California Edison Company's (SCE) Summer Discount Plan (SDP), Base Interruptible Program (BIP), and Agricultural & Pumping Interruptible (AP-I) programs, as proposed in SCE Advice Letters 5237-E and 5237-E-A. Specifically, the following proposed changes are approved: changes to BIP and AP-I enrollment and retention conditions; changes to BIP and AP-I reliability cap and lottery system; and removal of event days for incentive calculations. This resolution also directs SCE to submit a Tier 2 Advice Letter within 30 days of the issuance of this resolution, proposing updated incentive rate levels for SDP and AP-I. The calculation of updated incentive rate levels must incorporate the use of accurate and current variables, including but not limited to a reduction of the Planning Reserve Margin adder from 9% to 0% consistent with D.23-06-029.

Item 14. A.22-04-008 et al. (IOU Modifications of the Energy Cost of Capital Mechanism and Future Cost of Capital Applications). This decision modifies the Cost of Capital Mechanism that impacts the authorized cost of capital for PG&E, SCE, SDG&E, and SoCalGas (Applicants) with an effective date of January 1, 2025 and the following returns on equity for each Applicant: PG&E 10.28%, SCE 0.33%, SDG&E 10.23%, and SoCalGas 10.08%. This decision also adopts a filing date of March 20 in the year prior to the test year for cost of capital applications being filed by the Applicants. This decision declines to implement distinct electric and gas returns on equity for combined service gas and electric utilities. This decision further denies PG&E's Yield-Spread Adjustment request. This decision does not make any other policy modifications to future cost of capital applications.

Item 15. Rulemaking (R.) 24-01-017 (Renewables Portfolio Standard Program Compliance Period 2017-2020). This decision enforces California's Renewables Portfolio Standard (RPS) program rules against CleanPowerSF, Direct Energy Business, LLC, and Pilot Power Group, LLC for non-compliance with mandatory inclusion of non-modifiable standard terms and conditions in their RPS contracts. The decision substantially reduces the initial proposed penalties of \$10,010,909, \$5,927,057, and \$1,014,667, respectively, and instead directs each retail seller to pay a penalty of \$500. This decision also finds that CleanPowerSF, Direct Energy Business, LLC, and Pilot Power Group, LLC have complied with the RPS program procurement quantity requirements for Compliance Period 3, covering 2017-2020. Therefore, the decision finds that pending waiver requests to determine compliance with the RPS procurement reporting requirements and to rescind the assessed penalties are moot and do not require further resolution.

Item 19. Petition 24-03-013 (Petition of the Public Advocates Office to Adopt, Amend, or Repeal a Regulation Pursuant to Public Utilities Code Section 1708.5). This decision denies the Public Advocates Office petition to open a rulemaking to align demand-side program designs and budgets with California's current electrification, decarbonization, equity, and reliability

goals (Petition). The Petition intends to exclusively align energy efficiency, low-income energy efficiency, and demand response program designs and budgets with the state's current climate and energy goals. The decision finds that although the Petition raises important issues related to affordability and other energy and climate goals, it is duplicative of active Commission proceedings, or have already been considered in other Commission proceedings within the previous 12 months. The decision also finds that the Petition is overly broad in scope and fails to meet the requirements of Rule 6.3 of the Commission's Rules of Practice and Procedure.

Item 21. Res E-5347 (PG&E Medium and Heavy-Duty Electric Vehicle Charging Infrastructure Program and EV Fleet). This resolution approves PG&E to modify one *per se* reasonableness metric for its medium- and heavy-duty electric vehicle (EV) charging infrastructure program, EV Fleet: its program site requirements. This resolution denies PG&E's request to increase the program administration cap to 12% of the infrastructure budget.

Item 44. R.21-06-017 (Distribution Planning and Execution Process Improvements). This decision adopts near-term improvements to the distribution planning and execution process and directs the IOUs to comply with certain recommendations from the Staff Proposal to Improve the Distribution Planning and Execution Process. The decision provides flexibility to the IOUs to use the results of the annual Distribution Planning Process as a basis for requesting forecasting distribution upgrade costs within a general rate case and removes Ordering Paragraph 2(h) and 2(i) of D.18-02-044 which limited such requests. The decision also makes several changes related to the Integration Capacity Analysis results in the data portals and the data portals themselves.

Upcoming Workshops and Events

DER Working Group Workshops. As part of Track 2 of the Commission's R.22-11-013 to consider DER Program Cost-Effectiveness Issues, Data Access and Use, and Equipment Performance Standards, the Commission is hosting a series of workshops from August 2024 through January 2025 to convene stakeholders and assess data needs, use cases, and desired delivery tools. This may include examination of data privacy and confidentiality rules, cybersecurity issues, and other issues. These meetings will culminate in a draft and final report with recommendations for the CPUC to consider. The remaining meetings are scheduled to occur on the following Mondays from 2:00 to 5:00 p.m.: October 21, November 18, December 16, and January 13. Additional information regarding the DER Working Group is available [here](#), and event registration details are available [here](#).

CALIFORNIA INDEPENDENT SYSTEM OPERATOR (CAISO)

Stakeholder Initiatives: Upcoming Meetings and Deadlines

Annual Policy Initiatives Roadmap 2025. CAISO has posted the Policy Initiatives Catalog and Roadmap Process document related to the 2025 Annual Policy Initiatives Roadmap Process to its [website](#). This document describes the policy catalog and roadmap development process and identifies opportunities for stakeholder engagement.

Penalty Proceeds and Nonrefundable Interconnection Funds. CAISO announced that it is distributing penalties collected under the Rules of Conduct for 2023, posting an informational report of penalties collected, and distributing forfeited nonrefundable interconnection study deposits for 2023. Further information is available [here](#).

Interconnection Process Enhancements 2023 Track 2. CAISO has posted revisions to the Constraint Mapping 2024 Interconnection Process Enhancements and Interconnection Area Substation Point of Interconnection documents related to Cluster 15 Interconnection facility information. Further information is available [here](#).

Final 2025 Effective Flexible Capacity. CAISO has posted the final 2025 Resource Adequacy Effective Flexible Capacity list to its website, available [here](#).

Final 2025 Net Qualifying Capacity. CAISO has posted the Final 2025 Resource Adequacy Net Qualifying Capacity list for requesting resources, available [here](#).

Extended Day-Ahead Market (EDAM). CAISO held a public stakeholder call on October 7, 2024, to review the draft tariff language for the application of the EDAM Access Charge for the CAISO Balancing Authority Area Participation Rules initiative. Comments are due October 21, 2024. Further information is available [here](#).

Transmission Capability Estimate Inputs. CAISO has posted updated information on the transmission capability estimate inputs for the CPUC integrated resource planning. Further information is available [here](#).

Cluster 15 Application Resubmission Window. CAISO has informed generation interconnection customers that the Cluster 15 Generation Interconnection Application Resubmission window for existing applications will be open October 1 through December 2, 2024. Further information is available [here](#).

CAISO Stakeholder Symposium. CAISO 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, is available [here](#).

Interconnection Process Enhancements 2023 Track 3A. CAISO will host a working group call on October 17, 2024, to discuss Transmission Plan Deliverability for Track 3A of the Interconnection Process Enhancements 2023 initiative. Written comments are due October 24, 2024. Further information is available [here](#).

Western Energy Markets Governing Body. CAISO has posted the final agenda for the Western Energy Markets Governing Body executive session meeting on October 18, 2024. An updated meeting schedule has also been posted. Further information is available [here](#).

Western Energy Markets Regional Issues Forum. The Western Energy Markets Regional Issues Forum has announced that it will hold a meeting at the Safe Credit Union in

Sacramento, California, on October 29, 2024. Registration is requested for in-person attendees. Additional information is available [here](#).

New Initiative Congestion Revenue Rights Enhancements. CAISO has launched a new Congestion Revenue Rights Enhancements Initiative. CAISO will host a hybrid stakeholder working group meeting on November 14, 2024, with a tentative discussion paper posting on November 7, 2024. Further information is available [here](#).

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 through December 2024 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 [workshop schedule](#) is subject to change):

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.

In addition, on September 27, 2024, the CEC circulated a “Save the Date” to the IEPR listserve recipients regarding a Demand Analysis Working Group (DAWG) meeting to discuss 2024 IEPR Update Load Modifiers Draft Results. According to the email, topics of discussion at the meeting will be to discuss the draft results for the following forecast components: BTM PV and storage; additional Achievable Transportation Electrification; additional Achievable Energy Efficiency and Fuel Substitution and data centers. This is an in-person and remote (hybrid) workshop. An agenda, supporting materials, and attendance instructions will be available in advance of the meeting on the [DAWG website](#).

Electric Program Investment Charge (EPIC)

The 10th Annual [EPIC Symposium](#) will be held in Sacramento, California on October 28, 2024. The CEC is one of four EPIC administrators, alongside PG&E, SCE, and SDG&E, that fund research, development, and demonstrations of clean energy technologies and innovations, such as battery manufacturing, zero-carbon fleets, and industrial decarbonization. Registration for the Symposium is free and is now [open](#) on the CEC’s website. The agenda for the Symposium is available [here](#), and includes two breakout sessions that will focus on (1) Medium- and Heavy-Duty Transportation Electrification, and (2) distributed energy resource integration.

SB X1-2 Pre-Rulemaking Workshop

The CEC announced it will host a workshop on November 12, 2024 from 10:00 a.m. to 12:00 p.m. to discuss the proposed rulemaking to implement provisions of the Public Resources Code in response to SB X1-2 (Stats. 2023), which amended the Petroleum Industry Information Reporting Act of 1980 (PIIRA) to include additional reporting requirements designed to collect data regarding refinery spot market transactions, inventory, and other industry information. Additional information regarding the regulations is available on Docket No. 23-OIR-03, available [here](#).

Offshore Wind Development

The CEC announced a grant funding opportunity for infrastructure projects that will support offshore wind development and develop waterfront facilities. The CEC will host a pre-application workshop to discuss the solicitation with potential applicants. The workshop is scheduled for October 16, 2024 from 10:00 a.m. to 12:00 p.m. and will be remote only. Additional information regarding the workshop and the grant opportunity is available [here](#).

On November 5, 2024, the CEC will host a webinar regarding current floating offshore wind research and development projects funded by the EPIC Program. Attendance instructions and additional information are available [here](#).

Demand-Side Grid Side (DSGS) Program Guidelines

On October 4, 2024, the CEC released proposed modifications to the DSGS Program Guidelines (Fourth Edition) for public comment in advance of the 2025 program season. In addition to other changes, the proposed modifications would refine Incentive Option 3 by increasing the minimum aggregate power rating from 100 kW to 500 kW, allowing dual participation with market-integrated demand response for exports only, and adding a day-of Energy Emergency Alert trigger for bonus compensation, among other refinements. The proposed modifications would also create a new Incentive Option 4, the “Emergency Load Flex VPP.” Additional details regarding the proposed changes are available on the [DSGS Program](#) page and a link to the draft guidelines is available here: [Docket No. 22-Renew-01](#).

The CEC will host a workshop on Friday, October 18, 2024 from 1:00 to 3:00 p.m. to discuss and take comments on the proposed modifications to the DSGS Program Guidelines. The workshop will be remote only, via Zoom. A link to the workshop notice is available [here](#).

Power Source Disclosure (PSD) Program – Amended Regulations

On September 30, 2024, the CEC issued a [notice](#) formally announcing its postponement of its hearing date to consider and possibly adopt the proposed amendments to the PSD Program regulations. The CEC states that it has postponed the hearing date in light of comments received during the public meeting held on June 11, 2024, and the 45-day comment period. On October 1, 2024, the CEC issued a notice reopening the 45-day comment period and providing proposed revisions to the amended regulations. A [revised notice](#) of availability was published on October

4, 2024. A link to the proposed amendments is available [here](#), and additional information regarding the proposed amendments to the PSD regulations is available on the 21-OIR-01 docket, [here](#).

Clean Transportation Investment Plan

On October 15, 2024, the CEC announced that it has extended the deadline to submit comments on its Revised Staff Draft 2024-2025 Investment Plan Update for the Clean Transportation Program, which is available [here](#). Comments on the Revised Staff Draft may be submitted to Docket [24-ALT-01](#) through October 22, 2024 at 5:00 p.m.

CEC Business Meetings

The next CEC Business Meeting is scheduled for November 13, 2024.

CALIFORNIA AIR RESOURCES BOARD (CARB)

Meetings, Workshops, and Notices

CARB will hold its next [Board meeting](#) on October 24, 2024. The agenda for the meeting is available [here](#). At the meeting, CARB will consider [amendments](#) to the Advanced Clean Trucks regulation.

On October 15, 2024, CARB issued a [notice](#) regarding updates to the Cap-and-Trade Regulation, include anticipated topics for forthcoming amendments to the regulation.

On October 16, 2024, CARB will host a public meeting of the [Methane Task Force](#), comprised of CARB, the Department of Conservation's Geologic Energy Management Division, the California Natural Resources Agency, and the California Environmental Protection Agency. Registration is available [here](#).

On October 23, 2024, CARB will hold a webinar on the [discussion draft](#) of the 2025 Mobile Source Strategy. More information is available [here](#).

On October 24, 2024, CARB will hold a public workshop to discuss the development of the first [statewide aircraft emissions inventory model](#). Additional information is available [here](#).

On October 29, 2024, CARB will host a [meeting](#) of the [Advanced Clean Fleets](#) regulation, Outreach Truck Regulation Implementation Group. Registration is available [here](#).

On November 1, 2024, CARB will hold a [webinar](#) on exemptions and extensions for the [Advanced Clean Fleets](#) regulation. Participants should submit any questions on the webinar topic in advance of the webinar [here](#) on or before October 22, 2024. Registration is available [here](#).

On November 4, 2024, CARB will host a [meeting](#) of the [Advanced Clean Fleets](#) regulation, Infrastructure Truck Regulation Implementation Group on hydrogen as a fuel and related topics. Registration is available [here](#).

On November 7, 2024, CARB will conduct a joint public meeting with the California Transportation Commission and the California Department of Housing and Community Development. More information is available [here](#).

On November 8, 2024, CARB will hold a [public hearing](#) to consider amendments to the [Low Carbon Fuel Standard](#). Modified text of the proposed amendments and additional rulemaking documents are posted [here](#).

On November 13, 2024, CARB and CALSTART will host a [Zero-Emissions Showcase and Ride & Drive](#) event in Pomona, California, featuring medium- and heavy-duty trucks, heavy-duty off-road equipment, school and transit buses, and commercial vans.

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 has made available additional modified text for the [proposed amendments](#) to the [Low Carbon Fuel Standard](#) and additional rulemaking documents. Public comments on modified text and documents may be provided to CARB [here](#) on or before October 16, 2024.

CARB has made available for public comment [proposed amendments](#) to the [Advanced Clean Trucks](#) regulation and the [Zero-Emission Powertrain Certification](#) test procedure. Public comment on the proposed amendments may be provided to CARB [here](#) on or before October 7, 2024.

Comments on the upcoming [joint public meeting](#) of CARB, the California Transportation Commission, and the California Department of Housing and Community Development may be submitted during the meeting or prior to the meeting [here](#) no later than October 28, 2024.

MINNESOTA PUBLIC UTILITIES COMMISSION (MPUC)

At its October 10, 2024, agenda hearing, the MPUC approved a new automatic bill credit pilot program for certain low-income customers of Northern States Power Company d/b/a Xcel Energy. The MPUC approved this pilot after determining that the pilot program advanced the objective of the Equity Stakeholder Advisory Group related to designing rates for the equitable delivery of electricity services and programs for energy-burdened customers. The MPUC Docket No. for this matter is E-002/M-24-173.

Also at its October 10, 2024, agenda hearing, the MPUC denied rehearing requests of developers relating to the Xcel Energy community solar garden program. The MPUC Docket No. for this matter is E-002/M-13-867.

At its October 15, 2024, agenda hearing, the MPUC addressed the long-pending issue of how to address the catastrophic failure of a turbine at Xcel Energy's Sherburne County Generating Station's Unit 3 (Sherco 3), which occurred on November 19, 2011. Sherco 3 was out of service until October 28, 2013. The outage, associated damage, cost-recovery for Sherco 3, and cost-recovery for related fuel and purchased energy costs have been subject to litigation for over 10 years. The latest iteration of these issues was addressed in a contested case hearing commenced by MPUC referral to the Office of Administrative Hearings (OAH) on July 13, 2022, the focus of which was to determine whether the Sherco 3 replacement energy costs for the period November 2011 to October 2013 were reasonable and prudent, and if not, the appropriate amount of refunds due customers. During the hearing on the matter after OAH review, the MPUC fairly quickly centered on consensus that Xcel Energy failed to operate and maintain Sherco 3 reasonably, prudently, and in a manner consistent with good practice. The MPUC devoted the majority of the hearing on how to best calculate the refund due ratepayers. The MPUC incorporated related efforts by Xcel Energy in pursuing claims against General Electric, and a settlement Xcel Energy reached with General Electric, as a credit to the amount Xcel Energy would refund ratepayers. The MPUC declined to incorporate other reductions to the settlement amount that were offered by Xcel Energy. A compliance filing detailing the amounts due ratepayers, with interest, will be submitted by Xcel Energy within 30 days of the written order. The MPUC Docket No. for this matter is E-002/GR-12-961, *et seq.*

FEDERAL ENERGY REGULATORY COMMISSION (FERC)

On October 17, at 10:00 a.m. Eastern Time, FERC will hold its October 2024 Open Meeting. The agenda is available [here](#).

On November 1, FERC will hold a Commissioner-led technical conference to discuss issues related to the co-location of large loads at generating facilities. The technical conference will take place on November 1, 2024, from 10:00 a.m. to 3:00 p.m. Eastern Time, with a lunch break. The technical conference will be held in-person at the Commission's headquarters at 888 First Street NE, Washington, D.C. 20426, in the Commission Meeting Room and will be webcast. Broadly, issues to be explored at the technical conference include whether co-located loads require the provision of wholesale transmission or ancillary services, related cost allocation issues, and potential resource adequacy, reliability, affordability, market, and customer impacts.

The initial agenda indicates that the technical conference will explore potential issues associated with the development and operation of large loads co-located at generating facilities, such as (1) various configuration options for large loads co-located with existing or new generation; (2) whether and how large co-located loads receive wholesale market services or benefits from the transmission system, how those benefits vary by configuration, whether and how those benefits can or should be measured for the purposes of cost allocation, what challenges arise in ensuring appropriate cost allocation, and any potential for cross-subsidization;

(3) what impact various co-location configurations may have on reliability and resource adequacy; (4) cost and impact of backup services for large co-located loads; (5) what impact large co-located load arrangements may have on Commission-jurisdictional markets, such as implications for energy, ancillary services, and capacity market prices; and (6) whether any necessary studies on reliability or grid impacts should be conducted by the relevant RTO/ISO or utility. Additionally, a roundtable with consumer advocates, state Public Utility Commissioners, and other state representatives will explore issues pertaining to affordability, consumer impacts, and state policy issues associated with large co-located load arrangements, including retail and wholesale issues such as financial subsidies. State policy issues may include, but are not limited to, policies that support the development of large loads as economic investments, policies restricting the development of large co-located loads, and policies regarding retail contracts and tariffs relevant to co-locating large loads. The panelists will also discuss the interaction between state and federal jurisdiction as it relates to large co-located loads. Further information is available [here](#).