

REGULATORY UPDATE FOR SEPTEMBER 20, 2021 (WEEK OF SEPTEMBER 13)**CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC)****New Proposed Decisions and Draft Resolutions¹**

A.21-06-016 (SCE Wildfire Recovery Bonds). This Financing Order grants in part and denies in part the second application of Southern California Edison Company (SCE) for authority under Assembly Bill 1054 and Public Utilities (Pub. Util.) Code §§ 850 and 850.1 to issue Recovery Bonds to recover certain wildfire-related capital expenditures, certain operations and maintenance expenses, and certain uncollectible bad debts expense amassed during the COVID-19 pandemic, as well as financing costs related to issuing the Recovery Bonds. The Order authorizes SCE to issue Recovery Bonds to recover approximately \$526 million in capital expenditures and applicable financing costs, resulting in a ratepayer savings of approximately \$403 million compared to traditional utility financing mechanisms on a net present value basis. The Recovery Bonds will be issued by a legally separate Special Purpose Entity, which will transfer the Recovery Bonds proceeds to SCE in exchange for the right to receive revenues to repay the Recovery Bonds' principal, interest, and related costs. The Recovery Bonds' principal, interest, and related costs will be recovered via a surcharge called the Fixed Recovery Charge. All consumers of electricity in SCE's service territory will be required to pay the Fixed Recovery Charge, except for those consumers that are exempt pursuant to Pub. Util. Code § 850.1(i).

Voting Meetings

The Commission held a voting meeting on September 23, 2021. The following energy-related items were on the agenda. The Commission's next voting meeting is scheduled for October 7, 2021.

Item 4. R.19-10-005 (EPIC Program). In this decision, the Commission authorizes Pacific Gas & Electric Company (PG&E), SCE, and San Diego Gas & Electric (SDG&E) to continue in their role as administrators of the Electric Program Investment Charge (EPIC) Program, subject to additional administrative requirements. Like the California Energy Commission (CEC), the Investor-owned Utilities (IOU) are authorized to file two five-year investment plans, with the first cycle covering 2021-2025 (EPIC 4) and the second cycle covering 2026-2030 (EPIC 5). The Commission authorizes EPIC 4 investment plan budgets of \$18.44 million annually for PG&E, \$3.24 million annually for SDG&E, and \$15.131 million annually for SCE. To bring greater focus to the EPIC Program and improve transparency, the Commission adopts a number of administrative requirements, as well as the guiding principles and mission statement contained in Appendix A of the Proposed Decision. Given the number of

¹ Per California Public Utilities Commission (CPUC or Commission) 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.

revisions in this decision, the Commission extends the filing deadline for the CEC's EPIC 4 investment plan from October 1, 2021 to December 1, 2021. Although the Commission authorizes the IOUs as administrators, and authorize their investment plan budgets, this decision does not approve their investment plans. **Held to October 7 meeting.**

Item 5. Draft Resolution E-5168. On February 26, 2021, PacifiCorp d/b/a Pacific Power (PacifiCorp) filed AL 643-E, which was withdrawn on May 17, 2021 and replaced with AL 649-E on May 21, 2021. PacifiCorp filed AL 649-E-A on June 18, 2021, which clarifies language within its May 21 filing. On March 1, 2021, BVES filed AL 413-E and Liberty Utilities (Calpeco Electric) LLC (Liberty) filed AL 166-E. The three IOUs request approval to establish a new Electric Rule: Rule 24 for BVES, Liberty, and PacifiCorp—known as the EV Infrastructure Rules. The ALs also request approval of an associated Electric Vehicle Infrastructure Memorandum Account to track the costs associated with offering these new rules. This Resolution requires modifications to the proposed EV Infrastructure Rules to create consistency in policy across the IOU service territories, increase transparency for customers, and ensure additional protections for ratepayers. This Resolution requires each IOU to file a Tier 1 AL within 60 days of adoption of this Resolution to make the modifications that this Resolution orders and to address the outstanding implementation details related to the rules. The Resolution additionally orders each IOU to also file a Tier 2 AL to address outstanding implementation details that the Tier 1 AL filing does not cover. **Held to October 7 meeting.**

Item 6. Draft Resolution E-5167. On February 26, 2021, SCE filed AL 4429-E, SDG&E filed AL 3705-E, and PG&E filed AL 6102-E that was later replaced by AL 6102-E-A filed on March 17, 2021. The ALs request the establishment of new rules—Electric Rule 45 for SDG&E and Electric Rule 29 for SCE and PG&E—known as the EV Infrastructure Rules (Rules) and request associated Memorandum Accounts (Memo Accounts) to track the costs associated with offering these new Rules. This Resolution approves, with modifications, PG&E's, SCE's, and SDG&E's proposed Rules and associated Memo Accounts. Under the proposed Rules, ratepayers cover the costs of service line extensions and electrical distribution infrastructure—or EV Service Extensions—for separately metered EV charging for customers other than those in single-family residences. Per the direction of Pub. Util. Code § 740.19, these costs related to utility-side distribution infrastructure that support EV charging will be recovered through the IOUs' general rate cases (GRC). As a result, IOUs will no longer request approval for utility-side costs associated with separately metered EV charging in an application or AL proposing a new transmission electrification (TE) program. In the past, the IOUs tracked these costs in Balancing Accounts associated with individual TE programs, whereas with the approval of this Resolution the IOUs will, moving forward, track these costs within a Memo Account and seek approval of those costs within a GRC. **Held to October 7 meeting.**

Item 10. R.14-07-002 (Net Energy Metering). This decision establishes a process to assess the continued need for an assistance fund for residential customers of the investor-owned electric utilities that have not received the expected benefits of their net energy metering solar installations either due to fraud, poor workmanship, or other violations of Contractors License Law, and where no other administrative remedy for consumer financial assistance is available. A working group will review the status of currently appropriated funds to assist consumers and

provide future data and recommendations to the Commission on the potential need for a new funding source. This consolidated proceeding is closed. **Signed, D.21-09-024.**

Item 14. Draft Resolution G-3584. This Resolution approves the CEC's Natural Gas Research and Development Program Proposed Budget Plan for Fiscal Year 2021-2022. The Natural Gas Research and Development Program was established pursuant to D.04-08-010. The CPUC approves the CEC's proposed \$24 million budget. **Approved.**

Item 15. R.18-12-005 (PSPS). Addresses and resolves Appeals, pursuant to Rule 14.4, of the Presiding Officer's Decision on alleged violations of PG&E with respect to its implementation of the Fall 2019 Public Safety Power Shutoff Events. **Signed, D.21-09-026.**

Item 27. R.13-11-005 (Energy Efficiency). This decision adopts energy savings goals for ratepayer-funded energy efficiency program portfolios for 2022–2032, and provides updated guidance to program administrators for 2022-2023 budget advice letters and 2024-2027 applications. **Signed, D.21-09-037.**

Item 28. Draft Resolution WSD-021. This Resolution ratifies the Action Statement (Appendix A of the Resolution) of the Office of Energy Infrastructure Safety approving PG&E's 2021 Wildfire Mitigation Plan Update pursuant to Pub. Util. Code § 8386. **Held to October 21, 2021 meeting.**

CALIFORNIA ISO (CAISO)

Generator Downsizing Request Submittal Window for Generator Interconnection Projects Opens

The CAISO will begin to accept downsizing requests on October 15, 2021 for active interconnection requests and commercial generating facilities seeking to downsize under the annual generator downsizing process. All downsizing requests and deposits must be submitted by 5 p.m. (Pacific Time), November 15, 2021.

Board of Governors Meeting September 22-23, 2021

The CAISO's Board of Governors held a meeting September 22-23, 2021. The Board approved the EIM Governance Review Committee's Part 2 Governance Documents, which makes governance changes to the delegation of authority to the EIM Governing Body.

The Board also granted CAISO Management the authority to extend, through calendar year 2022, the reliability must-run contracts for the Dynegy Oakland, LLC; Starwood Energy Group; CSU Channel Islands Site Authority; Midway Sunset Cogeneration Company; and KES Kingsburg, LP generating units. Management stated that any extensions would depend on whether these resources executed resource adequacy contracts—obtaining such contracts would obviate the need to continue designating the units as reliability must run. Eric Eisenman, PG&E's Director of FERC and ISO Relations, noted PG&E's concerns about the CSU Channel Islands Site Authority resource, which was originally designated as a local resource, but would now be designated as a system resource. That designation would require PG&E to share in the

costs of retaining that resource, but PG&E had not been given the opportunity to participate in establishing the rate for that resource when it was originally designated. PG&E did not recommend against retaining the resource, but did suggest that the reliability must-run designation process needed reform.

Management will update the Board on the extent to which it exercised this discretion at the November Board meeting.

Stakeholder Initiatives: Upcoming Meetings and Deadlines

Clarifications to Reliability Must-Run Designation Process. The California ISO will hold a public stakeholder call on September 29, 2021 to discuss the straw proposal for the Clarifications to Reliability Must-Run Designation Process initiative. Comments must be submitted by October 13, 2021.

2021-2022 Transmission Planning Process. The California ISO will hold public stakeholder calls on September 27-28, 2021 to discuss the reliability study results, participating transmission owner's reliability projects, and updates on other analysis related to the 2021-2022 transmission planning process. The ISO will also provide an update on the 20-year transmission outlook. Written comments are due October 12, 2021.

Maximum Import Capability Enhancements: Draft Final Proposal and Draft Tariff Language Posted. The CAISO held a public stakeholder call on September 20, 2021 to discuss the draft final proposal and draft tariff language for the Maximum Import Capability Enhancements initiative. Written comments are due October 4, 2021.

External Load Forward Scheduling Rights Process Issue Paper. Written comments on the issue paper for the External Load Forward Scheduling Rights Process initiative are due by end of day September 30, 2021.

CALIFORNIA ENERGY COMMISSION

Energy System Reliability (21-ESR-01). On September 23, 2021, CEC Staff held an Informational Workshop on Midterm Reliability Modeling to the Energy System Reliability. The workshop followed the CEC's August 30, 2021 workshop, which provided an update on actions to support electric grid reliability, including the Midterm Reliability Analysis and incremental efficiency improvement potential for natural gas power plants. The event recording from the September 23, 2021 workshop is available [here](#). Stoel's Renewable + Law Blog provides a summary of the August 30, 2021 workshop [here](#).

On September 8, 2021, CEC staff also issued a revised 2022 Summer Supply Stack Analysis (Analysis) in the Energy System Reliability [docket](#). The revised Analysis assesses supply conditions against average and extreme weather conditions for summer 2022. Via an updated docket entry on September 21, 2021, Staff posted an "Updated" Revised Analysis that replaced the September 8 version. Staff's Analysis projects a need for between 200 to 4,350 MWs of additional resources to ensure reliability during summer 2022 under extreme weather

events. The revised Analysis updates the draft 2022 Summer Stack Analysis provided at the CEC's August 11, 2021 Business Meeting. The previous draft Analysis had calculated a higher need of between 600 and 5,200 MWs for 2022 summer reliability under extreme weather events. During the September 8, 2021 Business Meeting, the CEC adopted Resolution No. 21-0908-8 adopting the Summer 2022 Supply Stack Analysis. A copy of Resolution No. 21-0908-8 was posted to the Energy System Reliability [docket](#) on September 16, 2021.

Temporary and Emergency Generation Program. In response to Governor Newsom's Emergency Proclamation issued on July 30, 2021, the CEC developed a temporary emergency program to expedite clean energy projects and address heat-related threats to California's energy supply. Last week, the CEC uploaded materials to the Temporary and Emergency Generation Program [page](#) regarding the battery storage system licensing process. Such documents include the criteria and procedures for expedited permitting of battery energy storage systems and the battery storage system application checklist. The Program page also includes materials regarding the temporary power generator licensing process and the process for expedited project change petitions.

CEC Business Meetings. The next CEC Business Meeting is scheduled for September 30, 2021, during which the CEC will be considering, among other things, the adoption of CEC staff's Mid-Term Reliability Analysis Report. According to the Business Meeting [agenda](#), the report summarizes risks associated with a rapid increase in battery storage, contains information regarding the potential of additional incremental thermal capacity at existing power plants, and includes an assessment of the potential for outages under different weather conditions for the summers 2022–2026 in CAISO territory.

CALIFORNIA STATE WATER RESOURCES CONTROL BOARD (SWRCB)

Proposed Final Amendment to OTC Policy. On October 19, 2021, the SWRCB will consider adoption of the Proposed Final Amendment to the Water Quality Control Policy on the Use of Coastal and Estuarine Waters for Power Plant Cooling (OTC Policy) to Revise the Compliance Schedule for the Redondo Beach Generating Station and the Proposed Final Staff Report. The amendment materials propose an extension of the OTC Policy compliance date for the Redondo Beach Generating Station to ensure grid reliability.

Additional information regarding the October 19, 2021 Board meeting is available [here](#). Copies of the Proposed Final Amendment, Proposed Final Staff Report, and Responses to Comments are available on the OTC Policy program's Policy Documents [website](#).

CALIFORNIA AIR RESOURCES BOARD (ARB)

The Assembly Bill (AB) 32 Environmental Justice Advisory Committee will hold a virtual public meeting September 27, 2021. Details on the virtual meetings are available [here](#) and [here](#).

On September 30, 2021, ARB will hold a [virtual public workshop](#) on modeling inputs for a range of scenarios under consideration to achieve carbon neutrality in California by 2045, as

part of the AB 32 Scoping Plan Update. Recordings of this workshop and other past AB 32 Scoping Plan Update meetings and workshops are available [here](#).

Upcoming ARB Board meetings will be held virtually October 14 and October 28-29, 2021. Details and a full agenda will be available [here](#) 10 days prior to each meeting. At the October 14 meeting, ARB will consider the Community Emissions Reduction Program for the Portside Environmental Justice Neighborhoods, developed under the AB 617 Community Air Protection Program. Comments on the Community Emissions Reduction Program can be submitted on or before October 4, 2021 [here](#).

ARB is accepting informal public comments on the proposed [Advanced Clean Fleets](#) regulation, which aims to achieve a zero-emissions truck and bus California fleet by 2045. Comments may be submitted [here](#) on or before December 31, 2021.

MINNESOTA PUBLIC UTILITIES COMMISSION

Minnesota Power Electric Vehicle Charging Petition, MPUC Docket No. 21-257

In this docket, Minnesota Power sought Minnesota Public Utilities Commission (Commission) approval to construct 16 public charging stations around its service territory. In response to Minnesota Power's petition, various parties weighed in. And, while there was support for the petition, it wasn't universal in all respects. For example, the Department of Commerce (Department) concluded there weren't sufficient ratepayer benefits to justify the deferred accounting aspect of Minnesota Power's request and the Department wanted Minnesota Power to include in its first compliance filing a plan for potentially selling the very charging stations Minnesota Power proposed to construct.

The Commission met to consider the matter on September 23, 2021 and found that there was a robust record of public interest benefit to approve Minnesota Power's plans. In addition, the Commission requested compliance filings to evaluate an additional reduction to Minnesota Power's proposed charging rates, which would increase the share of costs borne by ratepayers. The Commission did, however, direct Minnesota Power to investigate the use grant money (e.g., Volkswagen Settlement) to fund a portion of Minnesota Power's proposal. A written order is pending.

Minnesota Power Demand Response Product C Proposal, MPUC Docket No. 21-28

Over the last several years, Minnesota Power has worked with its large industrial customers to implement various demand response resources on its system. To date, despite multiple attempts, Minnesota Power's only demand response product is a one-year, emergency curtailment product (Product A). The instant docket represents Minnesota Power's continued attempt to implement a longer-term demand response product on its system. This longer term product, Product C, utilizes longer term contracts to allow Minnesota Power to plan for the use of demand response over multiple years. Minnesota Power proposed funding Product C through the use of capacity sales, to negate any potential rate increase for other ratepayers. Previously,

after hearing opposition from certain stakeholders, the Commission requested Minnesota Power supplement its filing to provide more information about the capacity sales and corresponding customer agreements, which was done throughout the summer. After additional filings and comments, the Commission heard the matter on September 23, 2021. Ultimately, the Commission approved the Product C agreements as drafted, allowing Product C to move forward as a pilot program. The Commission also imposed various reporting requirements, and Minnesota Power will continue to provide information for continued evaluation. A written order is pending.

OREGON PUBLIC UTILITY COMMISSION (OPUC)

OPUC Approves Idaho Power's Updates to Schedule 85 – UM 1730(6)

Last Wednesday, OPUC issued Order 21-306, which approved Idaho Power's update of Schedule 85 (cogeneration and QF standard contract rates). Idaho Power had previously filed its update on May 1, 2021; however, OPUC requested that the utility submit a supplement filing with updated wind and soar integration charges. The supplemental filing was accepted via order and can be located [here](#).

New Certified Project Under the Oregon Community Solar Program (CSP) – UM 1930

Last Wednesday, the OPUC issued Order 21-307, which approved the Oregon Shakespeare Festival CSP for certification under the Oregon CSP. The project is a 129.6 kw AC rooftop solar project located in Pacific Power's territory in Jackson County. More information can be located [here](#).

OPUC Meetings This Week

On Thursday, September 30 at 10:00 a.m. PT, OPUC will hold a scheduling conference in an interconnection dispute between Zena Solar, LLC (Zena) and Portland General Electric (PGE). In its initial complaint, Zena alleged that PGE violated the terms of the parties' interconnection agreement and small generator interconnection rules by charging Zena system upgrades in excess of what is "reasonable and necessary" when interconnection would cause adverse system impacts. The specifics of the dispute can be located [here](#). Any party wanting to participate in the proceeding is encouraged to file a petition to intervene prior to the conference. Dial in information for the conference can be located [here](#).

On Friday, October 1 at 2:00 p.m. PT, OPUC will hold a scheduling conference in LC 77, related to PacifiCorp's 2021 Integrated Resource Plan. Any party wanting to participate in the proceeding is encouraged to file a petition to intervene prior to the conference. More information can be located [here](#).

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION (WUTC)

WUTC Meetings This Week

On Monday, September 27 at 1:00 p.m. PT, WUTC will hold a workshop to discuss implementation of Washington's Clean Energy Transformation Act. The conference will include a presentation on greenhouse gas accounting by California's ARB. More information can be located [here](#).

Later in the week on Thursday, September 30 at 9:30 a.m. PT, WUTC will hold a public meeting to discuss the agenda items located [here](#).

NEW YORK PUBLIC SERVICE COMMISSION (NYPSC)

New York State Selects Two Transmission Projects to Deliver Low-Carbon Power to NYC

New York State Governor Kathy Hochul announced on September 20 that New York State has selected two transmission line projects to help decarbonize power in New York City. The state has chosen the Clean Path New York project and the Champlain Hudson Power Express (CHPE) project from among the seven proposed projects submitted in response to the Clean Energy Standard [Tier 4](#) solicitation issued in January.

The CHPE project, developed by Transmission Developers, Inc. and Hydro-Quebec, is an underground and underwater transmission line that would run 339 miles between the Canada-U.S. border and New York City. The Clean Path New York project is being developed by Forward Power, a joint venture between Invenergy, EnergyRe, and the New York Power Authority, and is a 174-mile transmission line that would run from Delaware County in New York's Southern Tier economic development region through the Mid-Hudson region to New York City. Once finalized, the New York State Energy Research and Development Authority will submit the negotiated contracts for the projects to the NYPSC for consideration and approval.

FEDERAL ENERGY REGULATORY COMMISSION (FERC)

FERC's September 23, 2021 [open meeting](#) last week held some promise for those who have been watching the development of the Southeastern Energy Exchange Market (SEEM), which had appeared on the meeting's agenda. However, the SEEM docket was pulled from the agenda just prior to last Thursday's meeting, indicating a lack of consensus among FERC's commissioners and, of course, leading to much speculation about what had transpired.

President Biden has announced that he intends to nominate Willie L. Phillips, Jr. as a Commissioner of FERC. Phillips is currently Chairman of the Public Service Commission of the District of Columbia (DCPSC). Phillips has been on the DCPSC since 2014 and has been the Chairman since 2018. Prior to his tenure on the DCPSC, Phillips served as Assistant General

Counsel for the North American Electric Reliability Corporation. If confirmed, Phillips would replace Republican Neil Chatterjee and give Democrats a 3-2 majority on FERC.

FERC's annual Commissioner-led [reliability technical conference](#) will take place on September 30, 2021.

FERC will hold its [first Federal-State Transmission Task Force Meeting](#) on November 10, 2021. The Task Force, established by the FERC in June, is composed of FERC Commissioners and 10 state regulators representing the five National Association of Regulatory Utility Commissioners regions. It will explore transmission-related issues to identify and realize the benefits of electricity transmission while ensuring that the costs are allocated efficiently and fairly.