

**REGULATORY UPDATE FOR APRIL 5, 2022 (WEEK OF MARCH 28, 2022)****CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC or COMMISSION)****New Proposed Decisions and Draft Resolutions<sup>1</sup>**

Draft Resolution E-5179. This Resolution approves Southern California Edison's (SCE) plan to shut down and decommission the Tehachapi Storage Project (TSP), with modifications to cost recovery as recommended by the Public Advocates Office. SCE stated that decommissioning of the TSP is necessary due to SCE's inability to source components for the TSP's first-generation battery storage system. SCE justified the decommissioning of the project based upon the costs required to continue operations of the TSP, a lack of impact on grid reliability from decommissioning, and safety concerns. SCE stated that decommissioning the TSP will avoid exceeding the authorized funding if operations were to otherwise continue. SCE ceased operations of the TSP on May 17, 2021. The resolution concludes that costs of prudent safety upgrades that would allow safe continued operation would overwhelm potential benefits of future operations.

R.20-05-003 (IRP Proceeding). This decision adopts a Modified Cost Adjustment Mechanism to calculate above-market costs of utility procurement to procure resources for load-serving entities that either opted out of procurement or failed to procure as required in response to procurement Decision (D.) 19-11-016 (total 3,300 MW) or D.21-06-035 (total 11,500 MW).

Draft Resolution E-5196. In Advice Letter (AL) 3738-E, San Diego Gas and Electric Company (SDG&E) requests several modifications to Appendices A, B, D, E, F, H, J, and K of its 2014 Conformed Bundled Procurement Plan. These changes, as proposed, would allow SDG&E more procurement flexibility to respond to changes in the marketplace and changes due to regulation. This Resolution approves SDG&E's request in AL 3738-E without modification.

R.14-10-003 (IDER Framework). This proposed decision adopts several changes to the Avoided Cost Calculator used in a variety of Commission proceedings, and changes the procedural framework for future updates, including eliminating the minor updates that previously occurred during odd-numbered years, to allow greater time to focus on major updates that occur during even-numbered years.

Draft Resolution E-5194. This Resolution adopts, with modification and clarification, the criteria and process proposed by SDG&E, Pacific Gas & Electric Company (PG&E), and SCE pursuant to Section 3.5.3 of D. 21- 01-018 for evaluating the safety and reliability of electric isolation technologies prior to deployment or implementation of the technologies.

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<sup>1</sup> Per CPUC 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.

### Voting Meetings

The Commission's next voting meeting will be held April 7, 2022. The agenda includes the following energy-related items.

Item 4. R.17-07-007 (Rule 21 Interconnections). This decision adopts the recommendation to not make any changes to the interconnection processes for small and multi-jurisdictional utilities (SMJUs), with three minor modifications involving cost itemization, itemized billing processes, and participation in the Unintentional Islanding Working Group. Further, this decision directs SMJUs to hold a workshop, within 90 days of the adoption of this decision, to discuss interconnection portal improvements.

Item 7. Resolution E-5192. This Resolution approves a total budget of \$11.7 million for PG&E to implement three short-term pilots to address specific barriers to vehicle-grid integration:

- Pilot #1: Vehicle-to-grid Residential Pilot Program (residential pilot) is approved as modified in this resolution at \$7.5 million.
- Pilot #2: Vehicle-to-grid Commercial Pilot Program (commercial fleets pilot) is approved as modified in this resolution at \$2.7 million.
- Pilot #3: Vehicle-to-microgrid Public Safety Power Shutoff Microgrid Pilot (microgrids pilot) is approved as modified in this resolution at \$1.5 million.

This Resolution also denies the proposed budget of \$2.3 million for pilot #4 to explore vehicle-to-grid export value because AL 6259-E does not fully comply with D.20-12-029 requirements regarding budget, scope, and reporting. This Resolution does, however, authorize PG&E to refile a new Tier 2 AL within 60 days to correct these deficiencies, if it chooses.

Item 40. R.21-03-010 (Revisions to GO 156). In accordance with Senate Bill 255 (Bradford, Stat. 2019, Ch. 407), this decision revises the Commission's Supplier Diversity Program set forth in General Order 156 to incorporate community choice aggregators and electric service providers. The decision also incorporates a voluntary procurement goal for lesbian, gay, bisexual, and transgender business enterprises and adds a new group of business enterprises: those owned and controlled by persons with disabilities. Additionally, this decision adopts workforce and board diversity reporting and makes other program revisions to reflect recent Commission decisions on the Supplier Diversity Program.

Item 41 R.20-05-012 (Self-Generation Incentive Program). This decision adopts final budgets, incentive levels, and other program requirements for the Self-Generation Incentive Program Heat Pump Water Heater program adopted in D.19-09-027 and D.20-01-021.

## CALIFORNIA ISO

### Stakeholder Initiatives: Upcoming Meetings and Deadlines

**2021-2022 Transmission Planning Process.** The California ISO has posted the key selection factors for the solutions eligible for competitive solicitation recommended in the Board Approved 2021-2022 Transmission Plan.

**WEIM Resource Sufficiency Evaluation Enhancements Phase 1B.** The California ISO held a stakeholder call on April 1, 2022 to present analysis as part of the Western Energy Imbalance Market (WEIM) Resource Sufficiency Evaluation Enhancements Phase 1B initiative. Comments on the analysis and call discussion are due April 15, 2022.

**Distributed Generation Deliverability Assessment Results Posted.** The California ISO has posted distributed generation deliverability assessment results for the 2022 cycle. Eligible distributed generation facilities that are seeking an initial or increase in deliverability status must apply for deliverability status assignment by April 15, 2022 for interconnections to investor-owned utility systems.

**Extended Day-Ahead Market.** The California ISO has posted the final summary reports for the Extended Day-Ahead Market stakeholder working groups. Links to the reports are available [here](#).

**2022-2023 Transmission Planning Process.** The California ISO has published the 2022-2023 Transmission Planning process final study plan. It is available [here](#).

## CALIFORNIA ENERGY COMMISSION (CEC)

### 2022 Integrated Energy Policy Report (IEPR) Update

On March 2, 2022, the CEC commenced the 2022 IEPR Update proceeding. The [Draft Scoping Order for the 2022 IEPR Update](#) outlines three proposed major topic areas for the 2022 IEPR Update: (i) to establish a framework to center equity and environmental justice throughout CEC efforts; (ii) to create a California Planning Library; and (iii) to address emerging topics. Details about each of the three proposed major topic areas are set forth in the Notice. The Notice also contains a proposed schedule for the 2022 IEPR Update, as follows:

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|--|-----------------------|
| • Final Scoping Order Released                                     | April 2022            |
| • Public Workshops on Specific Topics                              | April – December 2022 |
| • Adopt order instituting informational proceeding for 2022 Update | April 2022            |
| • Release Draft 2022 IEPR Update                                   | October 2022          |
| • Release Final 2022 IEPR Update                                   | January 2023          |
| • Adopted 2022 IEPR Update   | February 2023         |

Written comments submitted on the draft 2022 IEPR Scoping Order ([Docket No. 22-IEPR-01](#)) are available [here](#).

The CEC will hold various workshops, meetings, and hearings related to the 2022 IEPR. Upcoming workshops include:

On April 7, 2022, the CEC will host a workshop to present the inputs, assumptions, and results of the Demand Scenarios Project from the 2021 IEPR, Vol. IV: California Energy Demand Forecast, and the status of the inter-agency effort to develop a scenario for the CPUC and California ISO to use in their resource planning and transmission system planning processes. Additional information regarding the April 7 workshop is available at TN# 242480 in [Docket No. 22-IEPR-03](#).

On April 13, 2022, the CEC will host a workshop to solicit comments on proposed data collection and analyses for the 2022 IEPR relating to electricity resource plans. Additional information regarding the April 13 workshop is available at TN# 242541 in [Docket No. 22-IEPR-03](#).

#### Research Idea Exchange – Docket No. 19-ERDD-01

CEC Staff will hold a public workshop on April 5, 2022 at 10:00 a.m. PT regarding opportunities to advance non-lithium-ion long-duration energy storage technologies through the Electric Program Investment Charge and recently announced federal infrastructure funding. The agenda and additional details regarding the April 5 workshop are available at TN# 242476 in [Docket No. 19-ERDD-01](#).

#### Rulemaking Proceeding (Docket No. 21-OIR-02)

On February 24, 2022, the CEC published a Notice of Proposed Action regarding *Delegation of Geothermal Power Plant Siting Authority to Local Government Sections 1802, 1860 through 1870*. A public hearing has been scheduled for April 14, 2022. A copy of the Notice is available at TN# 241941 [here](#).

In support of the proposed rulemaking, the CEC also published an Initial Statement of Reasons in support of the rulemaking proceeding. According to the statement, the CEC proposes to adopt amendments to the relevant sections of the CEC's procedures to delegate its site certification authority over geothermal power plants to counties contained in the California Code of Regulations, title 20. The rulemaking is in response to the Governor's July 30, 2021 Emergency Proclamation and also supports the June 2021 decision by the CPUC to procure 11,500 MW of new electricity resources before 2026, with at least 1,000 MW coming from "firm resources with zero-onsite emissions" such as geothermal. According to the Notice, the CEC states that the existing regulations – adopted in the late 1970s – have never been used because they are overly burdensome and the CEC and counties have not been able to use the delegation authority afforded therein. According to the CEC, streamlining the regulations will help remove

barriers to geothermal power plant certification. The Initial Statement of Reasons is TN# 241940 in [Docket No. 21-OIR-02](#).

### Offshore Wind

On March 18, 2022, the California Coastal Commission submitted a Public Hearing Notice to [Docket No. 17-MISC-01](#) regarding the Bureau of Ocean Energy Management's Consistency Determination for leasing activities associated with future offshore wind development in the Humboldt Wind Energy Area in federal waters approximately 21 miles offshore of Eureka, California. The hearing is scheduled for April 7, 2022 at 9:00 a.m. PT and involves Coastal Development Permit Application No. CD-0001-22. According to the Notice, the Staff Report for the public hearing is available [here](#). Additional information regarding the April 7 hearing is available at TN# 242377 in [Docket No. 17-MISC-01](#).

At the March 9, 2022 CEC Business Meeting, the CEC approved a \$10.5 million grant for renovations at the Port of Humboldt Bay to support future offshore wind activities. According to the CEC's [news release](#), once completed, the new Humboldt Bay Offshore Wind Heavy Lift Marine Terminal will be capable of handling large heavy cargo vessels; offshore wind floating platform development, integration, and decommissioning; and various other maritime activities.

### CEC Business Meetings

The next monthly CEC Business Meeting is scheduled for April 13, 2022.

## **CALIFORNIA STATE WATER RESOURCES CONTROL BOARD (SWRCB)**

The Statewide Advisory Committee on Cooling Water Intake Structures (SACCWIS) held a meeting on March 14, 2022 to discuss the [Draft 2022 Report of the Statewide Advisory Committee on Cooling Water Intake Structures](#). SACCWIS includes representatives from the CEC, CPUC, California Coastal Commission, California State Lands Commission, California Air Resources Board, California ISO, and SWRCB. A copy of the final Report and the draft minutes of the meeting are available [here](#).

## **CALIFORNIA AIR RESOURCES BOARD (CARB)**

### Meetings and Workshops

On April 7, 2022, CARB will hold a joint meeting with the California Transportation Commission and the California Department of Housing and Community Development. Topics of the meeting include (1) state perspectives on housing and transportation, (2) state funding for coordinated housing and transportation, and (3) practitioner perspectives on regional transformation and partnership. The agenda for the meeting is available [here](#). The meeting will be held live in Rocklin, California, with participation available at teleconference locations in San

Diego and San Luis Obispo, California and in Tucson, Arizona. A listen-only teleconference option is also available.

On April 8, 2022, CARB will hold a work group meeting on the Long-Term Heavy-Duty Investment Strategy for fiscal year 2022-23, related to the California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program. Information on the meeting, including the agenda and registration is available [here](#).

The next regular Board meeting will be held April 28, 2022. The agenda will be made available [here](#) 10 days prior to the meeting.

#### Opportunities for Public Comment

On March 29, 2022, CARB held a workshop on methane, dairies and livestock, and renewable natural gas in California, related to the state's requirement to reduce methane emissions at California dairy and livestock operations to 40% below 2013 levels by 2030 under Senate Bill (SB) 1383 (Lara 2016). Information on the workshop and CARB's implementation of SB 1383 is available [here](#). Comments on the workshop can be submitted on or before April 12, 2022 [here](#).

Comments on the draft environmental analysis for the federal Clean Air Act 2022 State Implementation Plan Strategy can be submitted [here](#) on or before May 13, 2022.

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

##### Northern States Power dba Xcel Energy ("Xcel") Property Tax, Incentive Compensation Plan, and Department of Energy Settlement Payment, MPUC Docket Nos. 19-688, 21-369, and 21-815

On March 31, 2022, the MPUC met to consider ratepayer refunds related to Xcel's property tax true-up, incentive compensation plan, and Department of Energy (DOE) settlement. After discussion, the MPUC approved Xcel's proposed \$12,542,557 property tax refund and ordered that a 4.31% interest rate be applied to the refund. Additionally, the MPUC accepted Xcel's incentive compensation report and approved Xcel's \$2,101,585 refund at a 3.25% interest rate. Lastly, the MPUC approved the proposed \$12,118,943 refund related to the DOE settlement subject to certain conditions. One condition is that Xcel must refund customers within 35 days of receipt of the funds otherwise the interest rate applied to the refund will increase. For each refund, Xcel will submit a compliance filing within 30 days of refunding customers.

### MPUC Review of Minnesota Electric Utilities' Transportation Electrification Plans, MPUC Docket No. 17-879

On March 31, 2022, the MPUC reviewed the Transportation Electrification Plans (TEPs) for each Minnesota electric utility. After review, the MPUC approved the TEPs and required subsequent filings from the utilities. A written order is pending.

### MPUC Agenda Meeting This Week

The MPUC will hold an agenda meeting on April 7, 2022 at 8:00 a.m. PT. During the meeting, the MPUC will make decisions in the following three matters: (1) Minnesota Power's application for a route permit for the Duluth Loop Reliability Project in Saint Louis County (MPUC Docket No. 21-141); (2) Xcel's application for a large wind energy conversion system site permit for the Freeborn Wind Farm (MPUC Docket No. 17-410); and (3) Xcel's petition for approval of a power purchase agreement with Saint Paul Cogeneration, LLC.

## **OREGON PUBLIC UTILITY COMMISSION (OPUC) AND LEGISLATIVE UPDATES**

### OPUC Meetings This Week

On April 5, 2022 at 9:30 a.m. PT, the OPUC will host a public meeting to discuss a wide range of dockets including UM 2212 (related to PacifiCorp's 2023-2025 Renewable Portfolio Implementation Plan) and UM 2216 (related to Portland General Electric's 2022 Renewable Portfolio Standard Implementation Plan). Later in the day, at 2:30 p.m. PT, the OPUC will host a conference in LC 78 related to Idaho Power's 2021 Integrated Resource Plan.

Later in the week on April 8, 2022 the OPUC will hold a virtual staff workshop in UM 2143 related to resource adequacy in the state. The dial-in details can be located [here](#).

## **NEW YORK DEPARTMENT OF PUBLIC SERVICE**

On March 29, 2022, Governor Hochul announced that the NYPA Board of Trustees approved economic development awards to 17 companies. These awards will support 2,300 jobs, 1,600 of which are new, and create \$671 million in capital investments. Of the 17 awards, 14 applicants will receive low-cost power via the ReCharge NY program. The ReCharge NY program involves NYPA's designation of 930 MW of electricity from its own generation (St. Lawrence-Franklin D. Roosevelt hydroelectric power plants) and economical purchases in the market, to provide low-cost power to businesses and non-profits.

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

On March 11, 2022, FERC accepted tariff revisions proposed by the NYISO that implement the NYTOs' federal right of first refusal to build an upgrade to its existing transmission facilities that are part of another developer's Order No. 1000 Public Policy

Transmission Project. The order, available [here](#), demonstrates that competitive markets for transmission development, which was one of the goals of Order No. 1000, are still struggling to take hold.