

**REGULATORY UPDATE FOR AUGUST 29, 2023
(WEEK OF AUGUST 21, 2023)**

CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC OR COMMISSION)

New Proposed Decisions and Draft Resolutions¹

Rulemaking (R.)20-05-003 (Order Instituting Rulemaking to Continue Electric Integrated Resource Planning and Related Procurement Processes). This decision denies a petition for modification (PFM) of Decision (D.)22-05-015 filed jointly by San Diego Community Power and the Clean Energy Alliance on October 28, 2022. D.22-05-015 adopted the Modified Cost Allocation Mechanism, which allocates costs for electricity procurement by investor-owned utilities (IOUs) on behalf of non-utility load-serving entities (LSEs). The PFM sought to use the year-ahead load forecast instead of the actual load being served as the basis for the one-time provision in D.22-05-015 for purchase of resource adequacy capacity.

Voting Meetings

The CPUC will hold a voting meeting in Lakeport, California on August 31, 2023. Here are the energy-related items on the agenda:

Item 4. Application (A.) 22-08-001 (PG&E Adjustment Clause). This decision authorizes PacifiCorp to modify its Energy Cost Adjustment Clause (ECAC) rates to allow for an annual increase in revenues for 2023 of approximately \$441,869 from its previously authorized rates. This represents an increase of approximately 0.4 percent. PacifiCorp's requested rate increase of \$458,178 was reduced by \$16,309 to reflect this decision's exclusion of Reasonable Energy Price for Qualifying Facility costs from ECAC rates. These new rates will become effective upon the filing of a Tier 1 Advice Letter, subject to Energy Division disposition.

Item 6. Resolution (Res) SPD-13 (Wildfire Mitigation Plan Compliance Process for Electrical Corporations Pursuant to Public Utilities Code § 8389(d)(3)). This Resolution adopts Energy Safety's Compliance Process to assess an electrical corporation's compliance with its Wildfire Mitigation Plan (WMP), with clarifications. The proposed Compliance Process is not substantially different from the 2022 Compliance Process set forth in Resolution SPD-7. Energy Safety's two key objectives for assessing WMP compliance remain substantially the same with a few changes: it removes reference to the enforcement of compliance where the focus of Energy Safety's efforts, at this point in time, remains on assessing compliance; Energy Safety clarifies that it will evaluate and not just track the electrical corporations' WMP implementation in reducing the risk of wildfires and public safety power shutoff risk.

¹ Per 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 CPUC's daily calendar, per Rule 14.5.

Item 7. A.22-04-010 (Southern California Edison Company to Extend Its Previously Authorized Capital Structure Waiver). This decision approves Southern California Edison Company's (SCE) application for an extension of its existing waiver of Affiliate Transaction Rule IX.B, which requires the major energy utilities to maintain their authorized capital structure requirement on average over the period the capital structure is in effect for ratemaking purposes. SCE's waiver extension is approved for two years from issuance of this decision or until the Commission makes a final determination on SCE cost recovery for costs stemming from 2017 and 2018 wildfires in its service territory and the Montecito Mudslide, whichever comes first.

Item 9. A.21-12-007 (Application of Pacific Gas and Electric Company in the 2021 Nuclear Decommissioning Cost Triennial Proceeding). This decision adopts and approves the Settlement Agreement, dated December 16, 2022, between Pacific Gas and Electric Company (PG&E), The Utility Reform Network, the Public Advocates Office, Alliance for Nuclear Responsibility, County of San Luis Obispo, Northern Chumash Tribal Council, DHK Associates, and Women's Energy Matters. This decision finds that the Settlement Agreement between the parties is reasonable in light of the record of this proceeding, is consistent with the law, and is in the public interest. This decision grants the Joint Motion for Adoption of Settlement Agreement and resolves the remaining disputed issues, approving PG&E's 2021 Nuclear Decommissioning Cost Triennial Application.

Item 11. Res E-5257 PG&E Advice Letters (AL) 6546-E and SCE AL 4761-E (PG&E Electric Vehicle Fleet Program and SCE's Charge Ready Transport Program). This Resolution approves, with modifications, PG&E's proposal in compliance with D.18-05-040 to modify one *per se* reasonableness metric: the extension of program timelines. This Resolution: (1) denies the modification of vehicle purchase or conversion requirements; (2) rejects without prejudice PG&E's proposal to eliminate its programmatic site requirements; (3) approves, with modifications, SCE's proposal in compliance with D.18-05-040 to modify two *per se* reasonableness metrics (extension of the program timelines and modification of programmatic site requirements); and (4) denies the modification of vehicle purchase or conversion requirements.

Item 12. A.21-04-006 (Application of Liberty Utilities for Commission Approval to Finance, Construct, Own and Operate the Luning Expansion Project). This decision adopts as proposed an Amended and Restated Settlement Agreement (Settlement Agreement) between Liberty Utilities and the Public Advocate's Office, which authorizes an Engineering, Procurement, and Construction agreement that allows Liberty to construct, acquire, own, and operate the Luning Expansion Project, a solar plus storage asset. The Settlement Agreement also includes terms that set forth agreed upon ratemaking procedures for Liberty to recover certain related costs.

Item 13. A.23-02-001 (Joint Application of Central Valley Gas Storage, L.L.C., Southern Company, and Caliche Development Partners II, LLC for approval of transfer of control of Central Valley Gas Storage). This decision approves the application of Central Valley Gas Storage, Southern Company, and Caliche Development Partners II for a change in control of Central Valley from Southern to Caliche. In addition to approving the change of control, the decision also approves the encumbrance of the assets of, and the issuance of a corporate guaranty

by, Central Valley. The indirect change of control approved by this decision is exempt from the California Environmental Quality Act. Accordingly, additional environmental review is not required.

Item 30. I.17-02-002 (Aliso Canyon Investigation). This decision grants in part and denies in part the Joint PFM of D.21-11-008 filed by Southern California Gas Company and San Diego Gas & Electric Company. The decision does not adopt verbatim the requested changes to the text, but rather modifies the Findings of Fact, Conclusion of Law, and Ordering Paragraphs in D.21-11-008 to reflect the increase of the interim storage limit of working gas at Aliso Canyon Natural Gas Storage Facility to 68.6 billion cubic feet.

Upcoming Workshops and Other Events

RA Slice of Day Implementation. On September 7, from 2 p.m. to 5 p.m., the Energy Division will hold a remote workshop to present the Slice of Day showing tool for LSEs and to answer any questions. The showing tool will be distributed at least a week before the workshop. Remote workshop access is available [here](#) on Webex.

Load-Impact Protocol (LIP) Working Group Recurring Meeting. As a result of the LIP Simplification Workshop held on August 8, the Energy Division has announced a biweekly recurring LIP Simplification Working Group Meeting. This LIP Simplification Working Group will submit a final report with a consensus proposal to the Commission. For issues where a consensus is not reached, parties/stakeholders can submit their own proposals. A stakeholder in this process will lead the working group and in compiling the final Working Group Report, and Energy Division will help facilitate the consensus process. The next LIP Simplification Working Group meeting will be held on August 30 from 1 p.m. to 2 p.m.; a link for remote participation is available [here](#).

Supplier Diversity. The CPUC will host its 21st Annual Supplier Diversity event in Escondido, California on September 27-28, 2023. A small and diverse businesses expo will be held on September 27 for procurement and supplier diversity representatives to meet and discuss upcoming business opportunities. On September 28, the CPUC will host an *en banc* to hear from utilities, local governments, ethnic chambers of commerce, and community-based organizations on their experiences with the supplier diversity programs. More information and registration details are available [here](#).

CALIFORNIA INDEPENDENT SYSTEM OPERATOR (CAISO)

Stakeholder Initiatives: Upcoming Meetings and Deadlines

Interconnection Process Enhancements 2023. CAISO has posted the Interconnection Process Enhancements 2023 initiative [schedule](#).

20-Year Transmission Outlook. CAISO held a public stakeholder call on August 16, 2023, to discuss the 20-Year Transmission Outlook. Written comments are due on August 30, 2023. Further information is available [here](#).

Greenhouse Gas Coordination. CAISO held a public hybrid stakeholder working group meeting on August 16, 2023 related to greenhouse gas (GHG) coordination. The GHG coordination working group stakeholder process is intended to focus on developing durable electricity market solutions for climate policies across the West. Written comments on the working group discussion are due August 30, 2023. Further information is available [here](#).

Generation Deliverability Methodology Review. CAISO hosted a public stakeholder call on August 29, 2023 to discuss the straw proposal for the Generation Deliverability Methodology Review initiative. Written comments on the straw proposal and stakeholder call discussion are due September 12, 2023. Further information is available [here](#).

2024 Effective Flexible Capacity Values for Resource Adequacy Resources. CAISO has posted the preliminary 2024 Resource Adequacy Effective Flexible Capacity data on its [website](#). Comments are due September 13, 2023.

2023 Cost-of-Service Study Update. CAISO will host a public stakeholder call on August 31, 2023, to discuss the draft tariff language for the 2023 Cost-of-Service Study. The draft language, along with the draft final Cost-of-Service Study, is available on the process [webpage](#).

Extended Day-Ahead Market (EDAM) Forum. CAISO, Balancing Authority of Northern California, NV Energy, PacifiCorp, and SCE will co-host an EDAM Forum on August 30, 2023 in Las Vegas, Nevada. The forum, which aims to foster a dialogue on the evolution of the EDAM in the West, will bring together leadership from regional utilities to discuss and share their thoughts on the factors and processes in considering their participation, as well as utility regulators from across the West who will share their perspectives on the next step in market evolution and how they are actively engaging in its development.

2024 Net Qualifying Capacity Values. CAISO posted the preliminary 2024 Resource Adequacy Net Qualifying Capacity (NQC) list. Scheduling coordinators are requested to review their information and submit comments by September 5, 2023 for NQC. Further information is available [here](#).

Price Formation Enhancements. CAISO tentatively scheduled a public virtual stakeholder working group meeting on September 7, 2023, related to the Price Formation Enhancements initiative. Further information is available [here](#).

2023-2024 Transmission Planning Process. CAISO posted the 2023-2024 Transmission Planning Process preliminary reliability results, and the final study plan to its [website](#). The Transmission Planning Request Window is open August 15, 2023 to October 15, 2023.

Western Energy Imbalance Market Regional Issues Forum. The Western Energy Imbalance Market Regional Issues Forum announced its upcoming teleconference meeting on September, 12, 2023. An agenda and additional meeting materials will be available prior to the meeting on the WEIM RIF [webpage](#).

Greenhouse Gas Coordination Working Group. CAISO will hold a public hybrid stakeholder working group meeting on September 13, 2023, related to GHG coordination. Registration is due September 8, and written comments on the working group discussion are due September 27. Further information is available [here](#).

CALIFORNIA ENERGY COMMISSION (CEC)

Integrated Energy Policy Report (IEPR)

The CEC released an update to its [2023 IEPR Workshop Schedule](#). Forthcoming hybrid workshops include:

- September 8: [Potential Growth of Hydrogen](#) (10:00 a.m.-5:00 p.m. PT)
- October 25: Draft 2023 IEPR Findings and Recommendations (1:00 p.m. - 4:00 p.m. PT)
- November 15: California Electricity Demand Forecast: Load Modifier Scenario Results (10:00 a.m. - 5:00 p.m. PT)
- December 6: California Electricity Demand Forecast: Electricity Forecast Results (1:00 p.m. - 5:00 p.m. PT)

The schedule is also accessible on the [2023 IEPR website](#).

Energy System Reliability

On August 28, 2023, the CEC released the [Joint Agency Reliability Planning Assessment SB 846 Third Quarterly Report](#) (Assessment). According to the Assessment, the report provides “a quarterly review of the demand forecast, supply forecast, and risks to reliability in the California Independent System Operator territory from 2023 to 2032, as required by SB 846” and also “includes an updated analysis for summer 2023.”

SB 100 Kickoff Workshop

On August 22, 2023, the CEC, the CPUC, and the California Air Resources Board (CARB) held a joint workshop to discuss findings and recommendations from the 2021 SB 100 Joint Agency Report, as required by Senate Bill SB 100, the “100 Percent Clean Energy Act of 2018.” The notice and agenda are available [here](#).

Electric Program Investment Charge (EPIC) Program

The CEC announced that it will host a two-day event joined by the IOUs (PG&E, SCE, and San Diego Gas & Electric (SDG&E)) and clean energy leaders and entrepreneurs to discuss EPIC program goals and policy innovations. The symposium will be held on October 3-4, 2023. The Symposium agenda and additional information are available [here](#).

AB 2127: Electric Vehicle Charging Infrastructure

On September 7, 2023, the CEC will host a remote-access workshop to present and discuss findings from the second [Assembly Bill \(AB\) 2127 Electric Vehicle Charging Infrastructure Assessment Staff Draft Report](#). The workshop is scheduled to begin at 9:00 a.m. Additional information is available [here](#).

Zero Emissions Vehicles

The second application window for the Golden State Priority Project, which includes approximately \$38 million in funding for direct current, fast-charging rebates, will be opening in the next few months. The CEC will host a webinar to discuss applicant eligibility requirements and to provide guidance on completing applications. Event details and additional program information are available [here](#).

CEC Business Meetings

The next business meeting will be held on September 13, 2023. Remote attendance information and the meeting agenda can be accessed [here](#), once posted.

CALIFORNIA AIR RESOURCES BOARD (CARB)

Meetings and Workshops

CARB's next board meeting is scheduled for September 14, 2023. The agenda for the meeting will be available [here](#) 10 days prior to the meeting.

COLORADO PUBLIC UTILITIES COMMISSION (COLORADO PUC)

On August 21, 2023, Staff of the Colorado PUC (Staff) filed a Motion to Compel Public Service Company (PSCo) to produce responses to certain data requests in Docket No. 23A-0242E, which relates to PSCo's proposed Transportation Electrification Plan. Staff seeks data and consultant analysis quantifying the number of electric vehicles that are expected to be added to the road as a result of PSCo's proposed Transportation Electrification Plan investments.

Staff requested a shortened time period for responses to the motion to compel, which the assigned Administrative Law Judge (G. Harris Adams) granted via an interim order mailed on August 22, 2023 (No. R23-0564-I). PSCo submitted its response to the motion to compel on August 28, 2023.

The Colorado PUC will host its next commissioners' Weekly Meeting (CWM) on August 30, 2023 at 9:00 a.m. MT. The meeting, which will be held remotely, will be available for online viewing [here](#), and this week's CWM agenda is available [here](#).

MINNESOTA PUBLIC UTILITIES COMMISSION (MPUC)

On Thursday, August 24, the MPUC met to address a few items, including the MPUC investigation docket regarding the role aggregators of retail customers (ARCs) can play under

Minnesota law. Specifically, the question before the MPUC was whether the MPUC should permit ARCs to bid demand response into organized markets. Numerous parties submitted comments on this question, some of which answered in the affirmative and others in the negative.

Many advocates submitted comments regarding the lack of progress on demand response in recent years, which appeared reasonably well-received by MPUC Commissioners. A number of these commentors also set forth fairly extensive legal analysis regarding the MPUC's jurisdiction on this topic, concluding that the MPUC lacked statutory authority, under Minnesota law, to prohibit ARCs from operating in Minnesota. Ultimately only two Commissioners (Commissioner Schuerger and Commissioner Sullivan) appeared ready to lift the ban on ARCs or start a process that could put Minnesota on that path. The other Commissioners all felt that there were too many open questions and that efforts would be better focused on improving or expanding utility demand response programs. Commissioner Sieben in particular expressed pointed frustration with Xcel Energy's lack of progress and pushed for Xcel to address that deficiency in its 2024 integrated resource plan filing. At the end of the day, the MPUC voted 3-2 to table this docket, which appears to imply limited activity in this docket for the time being.

On Thursday, August 31, the MPUC will hold its regularly scheduled agenda hearing, covering various topics pertaining to automatic adjustment charges for natural gas utilities, interim rate refund calculations, and siting and routing permitting dockets. The agenda can be found [here](#).

OREGON PUBLIC UTILITIES COMMISSION (OREGON PUC)

On, August 22, 2023, the Oregon PUC held a public meeting to address proposals, including a Staff Report, regarding various alterations to generator interconnection procedures that apply to state-jurisdictional qualifying facilities of up to 10 MW. In general, the effort seeks to modernize the interconnection procedures for these facilities to better accommodate new technologies and other advancements that have occurred since 2007, when many of the existing rules were established.

FEDERAL ENERGY REGULATORY COMMISSION (FERC)

At the July 27, 2023 FERC meeting, FERC issued long-awaited [Order No. 2023](#), the Final Rule on Improvements to Generator Interconnection Procedures and Agreements in Docket No. RM22-14-000 (Final Rule). The Final Rule makes sweeping reforms to FERC's standard generator interconnection procedures and agreements created two decades ago.

The Final Rule imposes reforms across several key areas of the generator interconnection process. First, it requires transmission providers to use a cluster study process that is already common to organized markets, rather than the currently required serial first-come, first-served study process. The Final Rule also requires increased financial commitments for interconnection customers to enter and remain in the interconnection queue. The Final Rule establishes firm study deadlines for transmission providers and requires transmission providers to use a

standardized and transparent affected systems study process that includes firm study deadlines and uniform modeling standards. The Final Rule also includes reforms to incorporate technological advancements into the interconnection process: hybrid resources, grid-enhancing technologies, and reliability requirements for inverter-based resources. In sum, the reforms aim to allow generators to interconnect in a more reliable, efficient, and transparent manner. The rule provides a transition process that allows transmission providers to move from the existing serial study process for the most-ready projects in its current queue to the new Final Rule requirements. Compliance filings are due 90 days after publication of the Final Rule in the Federal Register.

Our full summary of this major reform is available here: [FERC issues Final Rule on Improvements to Generator Interconnection Procedures and Agreements.](#)

On July 19, 2023, the Midcontinent Independent System Operator (MISO) posted its proposal for an upcoming generator interconnection queue reform that it plans to file with FERC this fall. Among the many changes, the proposal increases milestone deposits and site control requirements, and suggests that MISO plans to also change the current standards for penalty-free withdrawals from the interconnection queue. MISO also plans to build in automatic penalties for withdrawal. In addition, MISO proposes to limit the number of MWs that will be allowed into each queue cycle, with developer-specific limits, too. The proposal is found [here](#). Comments were due to MISO by August 7, 2023.

On July 3, 2023, FERC issued an [order on rehearing](#) addressing the October 20, 2022 Order on Notice of Change in Status in Docket Nos. ER20-67-001, ER20-113-001, and ER20-116-001 (October Order). On rehearing, FERC continued to find that Bluescape Energy Partners, LLC is individually an affiliate of Evergy Kansas Central, Inc., Evergy Missouri West, Inc., Evergy Metro, Inc., and Evergy, Inc., but modified its discussion.

In the October Order, FERC found that the appointment of a non-independent director is sufficient to overcome the rebuttable presumption of a lack of control provided under 18 C.F.R. § 35.36(a)(9)(v) for persons who hold less than 10% of the outstanding voting securities of a specified company, and declined to reach arguments regarding affiliation under 18 C.F.R. § 35.36(a)(9)(iii), which provides that an affiliate includes any person(s) FERC “determines, after appropriate notice and opportunity for hearing, to stand in such relation to the specified company that there is liable to be an absence of arm’s-length bargaining in transactions between them as to make it necessary or appropriate in the public interest or for the protection of investors or consumers.” On rehearing, FERC modified its decision and found “that the appointment of a non-independent director is a *per se* determination of control.” Additionally, on rehearing, FERC found affiliation under section 35.36(a)(9)(iii) and stated that “there is liable to be an absence of arm’s length bargaining in transactions between an investor that appoints a non-independent director to the board of a seller or a seller’s upstream affiliate and that seller.”