

**REGULATORY UPDATE FOR DECEMBER 19, 2023  
(WEEK OF DECEMBER 11, 2023)**

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

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

Rulemaking (R.)11-05-005 (Renewables Portfolio Standard (RPS)). This decision denies the October 4, 2017 petition to modify Decision (D.)14-12-081, Decision Implementing Senate Bill 1122, filed by the Bioenergy Association of California (BAC). BAC requested modification of D.14-12-081 to remove or extend the Bioenergy Market Adjusting Tariff (BioMAT) program end date to 2025 and to add measures to expedite interconnection for BioMAT projects. These matters in addition to the other programmatic changes have been addressed in D.20-08-043 issued in R.18-07-003. The BioMAT program will continue to be monitored, reviewed, and revised, as necessary, in R.18-07-003 or its successor proceeding. This proceeding remains open to consider a pending petition to modify D.13-05-034.

R.22-07-005 (Demand Flexibility). This decision directs Pacific Gas and Electric Company (PG&E) and Southern California Edison Company (SCE) to expand the demand flexibility pilots authorized in D.21-12-015 to provide summer reliability benefits. The expanded demand flexibility pilots are authorized to provide system reliability benefits between June 1, 2024 and December 31, 2027. This decision directs PG&E to expand the Valley Clean Energy Alliance agricultural pumping dynamic rate pilot authorized in D.21-12-015 to expand the Valley Clean Energy Alliance pilot to (a) bundled and unbundled agricultural customers on AG-1A, AG-1B, AG-B, and AG-C rates across the utility's service territory, and (b) bundled and unbundled residential, commercial, and industrial customers with load shifting technologies across the utility's service territory. The decision also directs PG&E to remove the five megawatt (MW) cap on enrollment and meet a combined enrollment target of 100 MW of load shifting.

Voting Meetings

The CPUC held a voting meeting in San Francisco, California on December 14, 2023 at 11:00 a.m. PT. The following are results for energy-related items on the agenda:

Item 2. Resolution (Res) ALJ-435 (Appeal of Amended Citation E.18-02-001 Issued to Southern California Edison Company by Safety and Enforcement Division). This resolution dismisses Amended Citation E.18-02-0011 issued by the CPUC Safety and Enforcement Division (SED) to SCE, with one exception. SED proved by a preponderance of the evidence

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<sup>1</sup> 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.

that Rule 37 of General Order 95 was violated; that charge, without the imposition of any penalties, is sustained. **Held to January 11, 2024.**

Item 3. R.20-01-007 (OIR to Establish Policies, Processes, and Rules to Ensure Safe and Reliable Gas Systems in California and Perform Long Term Gas System Planning). This decision resolves issues regarding transmission pipelines and natural gas storage facilities included in the Assigned Commissioner’s Phase 2 Scoping Memo and Ruling issued on August 1, 2023. This decision adopts review criteria and information requirements for gas utility applications proposing to repair or replace transmission pipeline infrastructure. It adopts criteria to determine when declining demand can enable transmission pipelines to be derated or decommissioned without adversely impacting reliability. It requires gas utilities to provide an information-only submittal describing planned transmission pipeline derations. This decision does not adopt new definitions of “transmission pipeline” or “distribution pipeline.” Instead, it reinforces that gas utilities must continue to comply with CPUC Commission General Order 112-F requirements to align with Pipeline and Hazardous Materials Safety Administration definitions of these terms as most recently set forth in Code of Federal Regulations (CFR) Title 49 Part 192.3 or as amended, if relevant, in the future. This decision adopts a proposal by PG&E to update its definition of the term “transmission [pipe]line” and related terms in alignment with 49 CFR Part 192.3.1. This results in the reclassification of some 600 miles of PG&E transmission pipeline as distribution pipeline. This decision finds that natural gas storage facilities are necessary for reliability and cost management. **Signed, D.23-12-003.**

Item 4. R.20-05-012 (Heat Pump Water Heater Program Modifications). This decision modifies the existing heat pump water heater (HPWH) program in D.22-04-036 (the 2022 decision) to expand program eligibility. Specifically, this decision revises the current definition of a qualifying demand response program. This decision also revises the eligible software that can be used to model central HPWHs, specifically HPWHs serving multiple residential units or commercial spaces, from the California Building Energy Code Compliance Residential software to any software approved by the California Energy Commission for modeling central HPWHs for compliance with Title 24, Part 6 of the California Code of Regulations. Finally, this decision eliminates the requirement for HPWH program implementors to refer to the existing Self-Generation Incentive Program Handbook for anything not specified in the 2022 decision. Instead, this decision will require the HPWH program implementor to refer to a newly adopted HPWH Handbook, as approved via the AL process specified in Ordering Paragraph 13b of the 2022 decision. **Signed, D.23-12-004.**

Item 7. A.22-05-002 et al. (2024-2027 Electric Demand Response Programs). In response to the separate application requests of investor-owned utilities (IOUs) PG&E (Application (A.)22-05-002), SDG&E (A.22-05-003), and SCE (A.22-05-004). This decision directs certain Demand Response (DR) programs, program modifications, and pilots, and approves the respective IOUs’ budgets for these DR programs and pilots, for the years 2024-2027. **Signed, D.12-12-005.**

Item 9. Res SPD-18 (Bear Valley Electric Service’s 2023-2025 Wildfire Mitigation Plan). This resolution ratifies the Decision the Office of Energy Infrastructure Safety approving

Bear Valley Electric Service's 2023-2025 Wildfire Mitigation Plan pursuant to Public Utilities Code Section 8386.3(a). **Approved.**

Item 10. Res E-5303 (SDG&E Utility-Owned Energy Storage Contracts and Related Costs). This resolution approves two utility-owned energy storage contracts for 39.6 MW of incremental capacity that SDG&E procured to address 2024 and 2025 summer reliability. These contracts include two Engineering, Procurement, and Construction contracts with Stella Energy Solutions, one for 29.6 MW and another for 10 MW. This resolution approves the requested relief in AL 4290-E. **Approved.**

Item 13. R.18-07-003 (2023 Renewables Portfolio Standard Procurement Plans). This decision adopts, with modifications, the Draft 2023 Renewables Portfolio Standard Procurement Plans (RPS Plans) of the large IOUs, the small and multijurisdictional utilities, community choice aggregators, and electric service providers. The Final 2023 RPS Plans are due no later than 30 days following the issuance of this decision. **Signed, D.23-12-008.**

Item 15. Petition (P.)23-06-018 (Revision of the Adopted Interim Rules for Greenhouse Gas Emissions Performance Standard Rules). This decision denies P.23-06-018, filed by the Center for Biological Diversity (CBD), to open a rulemaking to consider a proposal to revise the Adopted Interim Rules for Greenhouse Gas Emissions Performance Standard Rules. The decision finds that the Integrated Resource Planning (IRP) proceeding is the Commission's primary mechanism to implement long-term procurement processes and programs to ensure that the electric sector contributes to California's greenhouse gas reductions goals. The decision states that CBD may opt to participate in the IRP proceeding, should it wish to provide comments regarding long-term procurement of bioenergy resources for electricity generation within California. **Signed, D.23-12-010.**

Item 18. A.21-06-022 (PGE& Application for Substation Microgrid Solutions to Mitigate Public Safety Power Shutoffs). This decision grants the Petition for Modification (PFM) of D.22-11-009 filed by PG&E. In D.22-11-009, the Commission adopted a framework for substation microgrid resiliency solutions to mitigate public safety power shutoffs for PG&E. The decision amends the threshold criteria for identifying substation microgrid solutions to include indirect impacts, approves the indirect impacts assessment as consistent with the Commission's resiliency policies, and vacates the requirement that PG&E file a separate application regarding indirect Public Safety Power Shutoff (PSPS) impacts by September 1, 2024. **Signed, D.23-12-013.**

Item 19. R.20-05-003 (Petition for Modification of Cost Allocation Mechanism). This decision grants a PFM of 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 IOUs on behalf of non-utility load-serving entities. The PFM asks the Commission 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. **Signed, D.23-12-014.**

Item 21. A.22-05-006 (Test Year 2023 General Rate Case for PacifiCorp). This decision approves a base revenue requirement of \$101,288,005, which is an increase of \$18,989,000 for PacifiCorp pursuant to its Test Year (TY) 2023 General Rate Case application. Much of the rate increase is associated with requested funding for PacifiCorp's vegetation management program and its wildfire mitigation plans for the TY 2023 GRC term. The approved revenue requirement increase is approximately 31.9% lower than the \$27,900,000 increase PacifiCorp originally requested in A.22-05-006. The total TY 2023 base revenue requirement adopted herein will increase PacifiCorp customers' rates by approximately 17.5% on average, which is lower than the 25.7% increase initially requested by the utility. The reduction is associated with the amortization of deferred unrecovered balances, the denial of the capital amount requested for a facility that will not be fully online in the TY, the denial of PacifiCorp's requested increase to its return on equity, and the denial of certain requested operations and maintenance expenses. The decision approves PacifiCorp's proposed increase in California Alternate Rates for Energy (CARE) discount from 20% to 25%, and mandatory time-of-use energy pricing for larger general service use customers. Issues related to PacifiCorp's wildfire mitigation memorandum accounts and the accounts' deferred expenditures will be addressed in Track 2 of this proceeding. **Signed, D.23-12-016.**

Item 24. Res E-5305 (SDG&E Long-Term Market Offer Transaction with San Diego Community Power). This resolution approves the transaction between SDG&E and the San Diego Community Power without modification. The resolution finds that SDG&E's execution of the transaction is consistent with D.22-11-021, which directed SDG&E and the other IOUs to offer 35% of remaining Power Charge Indifference Adjustment (PCIA) eligible long-term contracts as long-term contracts in a market offer solicitation. The sale from SDG&E to the counterparty is reasonably priced and payments received by SDG&E pursuant to the transaction shall be credited to SDG&E's ratepayers via SDG&E's Portfolio Allocation Balancing Account. The resolution finds that this transaction is consistent with SDG&E's 2022 RPS procurement plan approved by D.22-12-030. **Approved.**

Item 26. R.23-12-008/R.18-12-006 (OIR Regarding Transportation Electrification Policy and Infrastructure). This rulemaking continues the Commission's oversight of the development of infrastructure to support the acceleration of transportation electrification. This rulemaking also establishes a venue for considering future transportation electrification policy matters. This proceeding may consider the development of rates if a substantial need arises. This proceeding is the successor to R.18-12-006. This order closes R.18-12-006 for the purposes of Public Utilities Code Section 1701.5. **Signed, R.23-12-008.**

Item 28. A.21-03-008 (PG&E 2020 ERRRA Compliance). This proceeding is closed without addressing the issues in Phase Two. In D.23-06-054, which resolved the consolidated 2019 Energy Resource Recovery Account (ERRA) proceedings, the Commission declined to address the issues in Phase Two. The Phase Two issues in the consolidated 2019 ERRRA proceeding are similar to the Phase Two issues in this proceeding, in that these issues consider whether the utilities should be disallowed from collecting revenues that they were not able to collect during the PSPS events that occurred during the compliance review period. D.23-06-054 declined to address the Phase Two issues based on directives in D.21-06-014, which ordered that the methodology for disallowing unrealized PSPS revenues apply starting on the

effective date of D.21-06-014. For the same reasons specified in D.23-06-054, this decision declines to address Phase Two issues based on directives in D.21-06-014, which ordered the disallowance methodology to apply after D.21-06-014 is effective. **Signed, D.23-12-019.**

Item 30. A.23-05-013 (SDG&E 2024 Electric Procurement Revenue Requirement Forecasts). This decision approves SDG&E's 2024 Electric Procurement Revenue Requirement Forecasts, 2024 Electric Sales Forecast, and Greenhouse Gas (GHG) Related Forecasts for inclusion in its retail rates effective January 1, 2024. The decision adopts SDG&E's updated 2024 revenue requirement forecast of \$709,810,000, which is \$152,385,000 less than its currently effective revenue requirement of \$862,185,000. The adopted revenue requirement is subject to adjustment from a revision to SDG&E's 2024 forecast for resource adequacy sales that is being required in this decision. In total, the adopted revenue requirement is projected to result in a decrease to the current system average bundled rate of 1.826 cents per kilowatt hour (kWh), or 4.7%. Based on these numbers, it is projected that a typical bundled non-CARE residential customer using 400 kWh per month would expect to see a monthly bill decrease of 6%, or \$10.00. On the other hand, a typical bundled CARE residential customer using 400 kWh per month would expect to see a monthly bill decrease of approximately 8%, or \$9.00. The decision also adopts SDG&E's Electric Sales Forecast for 2024, GHG Allowance Return Rates, PCIA rates, rate components for the Green Tariff Shared Renewables Program, and modified cost allocation mechanism rates. **Signed, D.23-12-021.**

Item 31. A.23-05-012; A.23-07-012 (PG&E 2024 Energy Resource Recovery Account Forecast and 2023 Trigger Application). This decision adopts the 2024 ERRA and related energy costs, as well as the amortization of energy-related balancing accounts, and the 2024 electric sales forecast to be used by PG&E to recover these costs. The decision also adopts PG&E's 2024 forecast revenue requirements for greenhouse gas and climate-related costs. These costs were included in the scope of A.23-05-012, the routine annual ERRA Forecast (2024 ERRA Forecast). The adopted 12-month revenue requirement is \$2,711,285,000. For bundled full-service customers residential rates will increase by \$0.0086/kWh, or 2.6%; CARE rates will increase by \$0.0056/kWh, or 2.3%; and Non-CARE rates will increase by \$0.0107/kWh, or 2.8%. For Direct Access and Community Choice Aggregator customers residential rates will decrease by \$0.0042/kWh, or -2.1%; CARE rates will decrease by \$0.0060/kWh, or -7.4%; and Non-CARE rates will decrease by \$0.0037/kWh, or -1.7%. A.23-07-012 was filed as a mandatory "Trigger" application (2023 Trigger) when the unamortized ERRA under-collected balance, net of the relevant forecasted bundled service customer Portfolio Allocation Balancing Account balance, became more than 5% under-collected. The 2023 Trigger was consolidated with the 2024 ERRA Forecast. This decision authorizes PG&E to recover the 2023 Trigger under-collection over a six-month period. **Signed, D.23-12-022.**

Item 47. Investigation (I.)19-06-014 (SoCalGas and Sempra Energy's Safety Culture Improvement Plan). This decision adopts two out of the 15 initiatives in the Safety Culture Improvement Plan of SoCalGas with some modifications. This decision directs SoCalGas and Sempra Energy to revise the remainder of their plans to better align with the findings of the Independent Safety Culture Assessment, a review of SoCalGas' and Sempra's organizational safety culture between 2020 and 2021. This decision does not impose financial penalties. Consideration of violations and penalties have been addressed in I.19-06-016. However, this

decision confirms the Commission's earlier directive that SoCalGas shareholders, not ratepayers, pay the costs associated with the assessment, the improvement plan, and the implementation costs directed in this proceeding. **Signed, D.23-12-034.**

Item 48. R.23-05-018 (Modifications to Commission General Order 131-D). This decision addresses Phase 1 issues in the proceeding. The decision adopts modifications to Commission General Order 131-D to conform it to the requirements of SB 529 and to correct outdated references. **Signed, D.23-12-035.**

Item 49. R.23-01-007 (Extended Operations at Diablo Canyon Nuclear Power Plant). This decision directs and authorizes extended operations at Diablo Canyon Nuclear Power Plant (DCPP) until October 31, 2029 (Unit 1) and October 31, 2030 (Unit 2). The approval in this decision is subject to the following conditions: (1) the United States Nuclear Regulatory Commission continues to authorize DCPP operations; (2) the \$1,400,000,000 loan agreement authorized by SB 846 is not terminated; and (3) the Commission does not make a future determination that DCPP extended operations are imprudent or unreasonable. Additional processes are established for the Commission to continue to consider the prudence and cost-effectiveness of extended DCPP operations. This decision also allocates the costs and benefits of extended DCPP operations among all load-serving entities subject to the Commission's jurisdiction; creates a new NBC and associated processes to collect DCPP extended operations costs; establishes a new process, similar to the annual ERRA proceedings, to review and authorize DCPP extended operations costs; and provides further direction on the use of surplus ratepayer funds. **Signed, D.23-12-036.**

## **CALIFORNIA INDEPENDENT SYSTEM OPERATOR (CAISO)**

### Stakeholder Initiatives: Upcoming Meetings and Deadlines

**Congestion Revenue Rights Auctions.** CAISO has posted the publication and invoicing schedule to its website for January-December 2024 monthly and 2025 annual Congestion Revenue Rights auctions, available [here](#).

**Final NERC/WECC Charge Rate.** CAISO has calculated the final rate for the Northern American Electric Reliability Corporation/Western Electricity Coordinating Council (NERC/WECC) charges for assessment year 2024, available [here](#).

**Resources Available for Near Term Interconnection.** CAISO has posted an updated version of the Briefing on Resources Available for Near Term Interconnection on the Generator Interconnection [webpage](#).

**2023 Interconnection Process Enhancements Track 2.** CAISO held an informational workshop on December 18, 2023 to discuss interconnection information and the zonal approach. On December 19, 2023, CAISO held a stakeholder call to discuss the revised straw proposal. Written comments on the straw proposal are due January 9, 2024. Further information is available [here](#).

**Reliability Demand Response Resource Minimum On Time.** CAISO has launched a new initiative called Reliability Demand Response Resource Minimum On Time, and scheduled a public stakeholder call on December 20, 2023 to discuss the issue paper/draft final proposal for the initiative. Further details are available [here](#).

**Supplemental Data Requirement for all Inverter-Based Resources in the CAISO Queue and in Operation.** CAISO has initiated an effort to obtain additional inverter fault current information used in system models from all inverter-based generating facilities in CAISO's queue and in operation. Responses are due by January 26, 2024. Further details are available [here](#).

## **CALIFORNIA ENERGY COMMISSION (CEC)**

### Integrated Energy Policy Report (IEPR)

The 2023 IEPR [workshop schedule](#) is accessible on the [2023 IEPR website](#). The CEC held its last 2023 IEPR workshop on December 19, 2023 at 12:30 p.m. PT. The workshop is entitled "[California Energy Demand Forecast Results Part II](#)." According to the workshop [notice](#), "CEC staff will present the results of the hourly and peak electricity demand forecast components of the 2023 California Energy Demand Forecast." In addition, "Staff will present peak electricity demand results through 2040 for the Planning Forecast and Local Reliability Scenario." Lastly, "the 1-in-X year peak electricity demand results will be discussed."

According to the [workshop schedule](#), the CEC will consider adoption of the California Energy Demand Forecast at the January 24, 2024 Business Meeting and will consider adoption of the 2023 IEPR at the February 14, 2024 Business Meeting.

### Energy Storage Permitting

On November 15, 2023, the CEC hosted a [workshop](#) for the Center for Sustainable Energy, to introduce their [Draft Energy Storage Permitting Guidebook](#) (Guidebook) developed under Agreement EPC-19-026. According to the workshop [notice](#):

- Version 1 (November 2023) of the Guidebook draws upon stakeholder feedback on the deployment experiences and best practices identified during permitting and commissioning residential energy storage products with multiple deployments in California;
- In Q1 2024, the project team will publish an updated draft (version 2), incorporating public feedback where relevant;
- In addition to any informal interim updates to the Guidebook, the project team plans to publish an updated draft (version 3) in Q2 2024 that will include guidelines for emerging energy storage technologies based on public feedback and lessons learned from early adopter deployments; and

- In Q3 2024, a final version of the Guidebook (version 4) will be released.

#### Electric Vehicle (EV) Infrastructure

The CEC hosted a workshop on December 1, 2023 to discuss interoperability standards and improvements to the EV charging experience. The CEC is considering adopting a number of technology and communication standards (*e.g.*, roaming requirements and ISO 15118 conformance) in an effort to streamline a customer's charging experience and minimize the number of separate apps or account logins required to initiate a charge. The CEC is also considering whether to allow compliance costs to be eligible for reimbursement under certain CEC programs.

The CEC is taking comments on the workshop discussion through December 22, 2023 at 5 p.m. PT. Additional information on the workshop, including detailed questions for stakeholder comment, are available on the Docket page 22-EVI-06, available [here](#).

#### Transportation Fuels Assessment Workshop

On December 12, 2023, the CEC [cancelled](#) the Transportation Fuels Assessment workshop originally scheduled for December 14, 2023. A new workshop notice will be posted once a new date is scheduled.

#### Gas Research and Development (R&D)

CEC staff hosted a [workshop](#) on December 15, 2023 to discuss the Gas R&D Program's proposed energy-related gas research initiatives for fiscal year 2024-25. Additional information is available in the workshop [notice](#).

#### Climate Innovation

On December 12, 2023, the CEC hosted a [workshop](#) seeking input regarding technologies to support healthy forests and resilient agriculture. According to the workshop notice, the following topics will be discussed: (i) circular bioeconomy for agriculture and forests; (ii) fire mitigation and suppression technology; and (iii) climate-smart agricultural tools and equipment. Additional information is available in the workshop [notice](#).

#### Electric Program Investment Charge (EPIC) 2021-2025 Investment Plan

CEC staff hosted a workshop on December 13, 2023 to seek public comment on an anticipated research solicitation to help California achieve an environmentally sustainable clean energy transition. According to the workshop [notice](#), the anticipated research "solicitation proposes to monitor environmental and land use changes in response to solar expansion, assess wildlife risk from renewable energy generation and the built environment, and find mitigation solutions to these risks."

The preliminary research topics for the forthcoming solicitation are tentatively grouped in five areas:



- Automated mapping of solar footprints and mapping areas suitable for agrivoltaics;
- Assessing, monitoring, or mitigating the environmental and biological resource impacts of clean energy deployments;
- Testing bird-friendly windows for decarbonized buildings;
- Identifying biologically appropriate exterior lighting; and
- Advancing a clean energy circular economy.

The [notice](#) indicates that staff will introduce their “initial ideas on the scope and focus of the proposed solicitation, planned for release in the second quarter of 2024.”

#### CEC Business Meetings

The next business meeting will be held on January 24, 2024.

### **California Air Resources Board (CARB)**

#### Meetings, Workshops, and Notices

On December 18, 2023, CARB issued an [implementation update](#) on the [Airborne Toxic Control Measure](#) (ATCM) for in-use diesel-fueled transport refrigeration units (TRU) and TRU generator sets, and facilities where TRUs operate. Following a ruling in *California Trucking Association v. California Air Resources Board* (Fresno County Superior Court, Case No. 22CECG00919), CARB will not collect fees associated with the [2022 amendments](#) to the ATCM for TRUs, though CARB intends to proceed with implementation of all other requirements included in the amendments.

CARB is developing a [Community Engagement Model](#) to help staff create and implement robust engagement plans. CARB has held and is holding virtual and in-person [public dialogue sessions](#) on the draft Community Engagement Model in November and December 2023 and January 2024. The next in-person meetings will be held in Los Angeles on January 16, 2024, in the Inland Empire on January 17, 2024, in the San Diego/Imperial region on January 18, 2024, in Fresno on January 22, 2024, and in Bakersfield on January 23, 2024. There will be a virtual meeting on January 25, 2024. Comments on the draft [Community Engagement Model](#) may be submitted [here](#) between November 7, 2023 and April 3, 2024.

CARB’s next [Board meeting](#) will be held January 25-26, 2024. The agenda for the meeting will be available [here](#) 10 days prior to the meeting.

#### Opportunities for Public Comment

On December 19, 2023, CARB will post preliminary regulatory proposal documents [here](#), related to forthcoming proposed amendments to the [California Low Carbon Fuel Standard](#).

CARB anticipates releasing the formal regulatory notice of rulemaking documents in early 2024, after which the 45-day public comment period will begin.

CARB has issued for public comment [proposed modified language](#) for the draft amendments to the Heavy-Duty Engine and Vehicle Omnibus Regulation. Comments may be submitted to CARB on or before December 21, 2023.

CARB has released the proposed [Zero Emission Forklift Regulation](#) for public comment. Prior to the hearing on the proposed regulation, written comments may be submitted [here](#) on or before December 26, 2023. Written or oral comments may also be provided during the hearing, currently scheduled for June 27, 2024. Notice of the hearing is available [here](#).

In conjunction with [public dialogue sessions](#) in November and December 2023 and in January 2024, CARB is accepting comments on its draft [Community Engagement Model](#) through April 3, 2024. Comments may be submitted [here](#).

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

The MPUC held an agenda meeting on December 7, 2023 to take up the following matters: acceptance of Minnesota Power's 2023 rate case, acceptance of Xcel Energy's 2023 rate case (gas), and modifications to the Shared Savings Demand-Side Management Financial Incentive Mechanism for Energy Conservation. The agenda can be accessed [here](#).

The MPUC held a special planning meeting on December 8, 2023 and heard the Midcontinent Independent System Operator, Inc. (MISO) Quarterly Update regarding winter readiness (presentation available [here](#)) and the Southwest Power Pool update on western expansion and seams issues (presentations available [here](#) and [here](#)).

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

At the December 19, 2023 Commission Open Meeting, FERC launched an inquiry into whether and how to revise its policy on financial investment company ownership of electric utilities in Docket No. AD24-6-000. A summary of the Notice of Inquiry (NOI) will be provided in a future Regulatory Update once the NOI is published.

Also at the December 19, 2023 Commission Open Meeting, [the FERC, North American Electric Reliability Corporation, and Regional Entity Study on Blackstart and Next-Start Resource Availability Study in the Texas Interconnection](#) was presented. While this study focuses on Texas, FERC staff emphasized that it believes many of the recommendations could be beneficial to regions and entities beyond Texas. The study makes seven recommendations, focusing on three overarching themes: (1) Blackstart system restoration planning and testing; (2) an assessment of natural gas availability to Blackstart and Next-Start Resources, as well as improved electric and natural gas coordination; and (3) the prioritization of natural gas supply and transportation to Blackstart and Next-Start Resources.

On November 3, 2023, MISO concurrently filed two proposals to revise its Open Access Transmission, Energy and Operating Reserve Markets Tariff (OATT).

In [Docket No. ER24-340](#), MISO proposed three amendments to its OATT to revise its Generator Interconnection Procedures (GIP), each of which is independent and can be accepted or rejected independent of the other. First, MISO proposes the following increases to each milestone payment: M2 to \$8,000/MW of Interconnection Service requested, at M3 to 20% of the amount of Network Upgrades identified in the Preliminary System Impact Studies (SIS), minus amounts paid at M2, or \$1,000/MW floor, and at M4 to 30% of the amount of Network Upgrades identified in the Revised SIS, minus amounts paid at M2 and M3. Second, MISO proposes revisions to its withdrawal penalties procedures. MISO proposes to add an Automatic Withdrawal Penalty, which is a predetermined percentage of the M2 milestone payment that will be forfeited at withdrawal regardless of the specific harm calculations. The percentage forfeit increases at each Definitive Planning Phase (DPP): 10% before end of Decision Point I, 35% before the end of Decision Point II, 75% before the end of Decision Point II, and 100% after Generator Interconnection Agreement (GIA) negotiations begin. MISO also proposes to streamline the existing penalty-free withdrawal provisions. Finally, MISO proposed make its site controls more stringent by increasing the initial site control requirements and implementing additional requirements throughout the DPP. MISO also proposes to provide the option to provide financial security in lieu of site control for Interconnection Customer's Interconnection Facilities in the amount of \$80,000 per line mile for the entire line mileage to the point of interconnection, which will be refunded if the interconnection customer subsequently satisfies the proposed site control requirement.

In [Docket No. ER24-341](#), MISO proposed to implement a cap on the total amount of MW of Interconnection Requests that may be studied and included in a given cluster or cycle in MISO's generator interconnection queue for each region. Prior to the start of each queue cycle, MISO will determine the MW value to be studied, which will be posted on MISO's website in advance of the application deadline for a given GIP cycle. MISO notes that the cap formula will be included in its Business Practice Manual. Under MISO's proposal, interconnection requests will be processed using a first-come, first-served approach based on when the applications were queued during the open application window. Under MISO's proposal, interconnection requests that are processed after the cap is met will not be suspended and will instead continue to be evaluated by MISO. Once such requests are approved as valid, they will remain in the queue and will be studied in a future queue cycle. MISO proposes four limited exceptions to the cap for (1) interconnection requests involving an increase in the capacity of a Replacement Generating Facility; (2) interconnection requests involving a conversion of Energy Resource Interconnection Service into Network Interconnection Resource Service; (3) interconnection requests involving a Generating Facility with a Provisional Generator Interconnection Agreement; and (4) interconnection requests involving a proposed Generating Facility that is requested to be exempt from the cap by a Relevant Electric Retail Regulatory Authority. Interconnection requests subject to these exemptions will be included into a queue cycle without "bumping" other requests.

MISO has requested an effective date of January 22, 2024 for each filing, and both proposed rules will apply beginning with the 2023 queue cycle. In order to transition to these

new rules, MISO has paused all the ability of interconnection customers to enter new requests into the MISO interconnection queue pending FERC action on these proposals. All currently pending prior cycles are exempt from the proposed requirements.

On October 29, 2023, in [185 FERC ¶ 61,043](#), FERC issued a Notice of Proposed Rulemaking (NOPR) proposing changes to current Electric Quarterly Report (EQR) filing requirements, including both the method of collection and the data being collected. Among other things, FERC proposes to implement a new collection method for EQR reporting based on the eXtensible Business Reporting Language-Comma-Separated Values standard. FERC proposes to amend its regulations to require Regional Transmission Organizations and ISOs to produce reports containing market participant transaction data in XBRL-CSV format that adheres to the FERC EQR taxonomies, which sellers can use to prepare their EQR submissions. FERC also proposes to revise existing EQR reporting requirements and associated fields, as summarized in the Proposed EQR Data Dictionary and the Modified Data Fields Summary. The NOPR proposes to require Qualifying Facilities to identify the sales that they make pursuant to the Public Utility Regulatory Policies Act that are reportable to the EQR. FERC further proposes to amend its regulations to extend the quarterly filing window to four months after the close of the quarter and provide the option for sellers to file data on a rolling basis before the close of the quarter. The NOPR proposes to revise the EQR refiling policy to require refiling when there are material corrections or material omissions to previously filed EQRs for either the prior 20 quarters (*i.e.*, five years) or as far back as the error(s) occurred, depending on which timeframe is shorter. The NOPR also proposes to eliminate several existing seller requirements—specifically, to eliminate the requirement to report transmission capacity reassignment information in the EQR, the requirement to identify the index price publisher(s) to which they report transactions in the EQR, and the requirement to identify which exchange or broker was used to consummate transactions. Lastly, FERC proposes to reduce the amount of identification data that sellers must submit each quarter.

On October 19, 2023, in [185 FERC ¶ 61,031](#), FERC issued an order granting the waiver request of Twelvemile Solar Energy, LLC (Twelvemile Solar) of Articles 2.3.2 and 11.2 of the GIA among Twelvemile Solar as interconnection customer, Southwest Power Pool, Inc. (SPP) as transmission provider, and Oklahoma Gas and Electric Company as transmission owner. Specifically, FERC granted the waiver to allow for a 28-month extension of the commercial operation deadline for Twelvemile Solar’s planned 100 MW solar facility, from December 1, 2023 to March 31, 2026. FERC found that Twelvemile Solar’s waiver request satisfied the following criteria: (1) the applicant acted in good faith; (2) the waiver is of limited scope; (3) the waiver addresses a concrete problem; and (4) the waiver does not have undesirable consequences, such as harming third parties. The limited waiver only applies to the December 1, 2023 deadline and does not relieve Twelvemile Solar of any financial requirements associated with the Twelvemile Solar GIA. Further, FERC reiterated that if the Twelvemile Solar facility does not achieve commercial operation by March 31, 2026, the GIA will be subject to termination by SPP at that time.

On October 10, 2023, in [185 FERC ¶ 61,011](#), FERC issued an order addressing Midcontinent Independent System Operator, Inc.’s (MISO) proposed revisions to its Open Access Transmission, Energy and Operating Reserve Markets Tariff in compliance with the

requirements of Order No. 2222 to address the participation of distributed energy resource aggregations. FERC found that MISO's proposal partially complies with Order No. 2222, and therefore accepted MISO's compliance filing subject to a further compliance filing.

On October 6, 2023, in [185 FERC ¶ 61,013](#), FERC accepted subject to compliance proposed revisions filed by PJM Interconnection, L.L.C. (PJM) to Schedule 6A of its Open Access Transmission Tariff (Tariff) related to Black Start Units. FERC accepted with conditions PJM's proposal to establish a new category of black start resources, Fuel Assured Black Start Units, and to allow, among other resources, intermittent and hybrid resources, *i.e.*, wind, solar, hydro, energy storage, or distributed energy/demand resources with onsite generator resources, which meet certain qualifications to participate. FERC accepted and ordered that PJM revise its Tariff on compliance to clarify that distributed energy resources (DERs) are eligible to qualify. FERC also accepted with conditions PJM's proposed qualification metrics for intermittent and hybrid resources. PJM will only rely on an intermittent or hybrid Fuel Assured Black Start Unit to provide the MW level of capacity that, based on the unit's historic operations, the unit is 90% certain to be able to sustain for 16 hours. FERC accepted this proposal, but ordered that PJM clarify on compliance that the 16 hours of operation per day (which need not be continuous) at a MW level provides a confidence level of 90% based on an evaluation of the unit's historical operation over a representative period of time. Relatedly, FERC ordered PJM to clarify that the same qualification standard apply to DERs. FERC also accepted PJM's proposals related to compensation for Fuel Assured Black Start Units, as well as the performance standards and outage restrictions and testing and performance criteria for Fuel Assured Black Start Units.