

**REGULATORY UPDATE FOR FEBRUARY 21, 2024
(WEEK OF FEBRUARY 12, 2024)**

CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC OR COMMISSION)

New Proposed Decisions and Draft Resolutions¹

Resolution (Res) E-5308 (San Diego Gas & Electric Remote Grid Standalone Power System Addendum Agreement). This Resolution approves with modification San Diego Gas & Electric Company (SDG&E) Advice Letter (AL) 4277-E-A. The Commission approves SDG&E's proposal, including a tariff deviation, authorizing use of the Addendum Agreement only for an initial set of Remote Grids up to one megawatt (MW) of historical measured peak customer load. The Commission finds that this outcome is consistent with the vision adopted in the Commission's 2022 Distributed Energy Resources Action Plan, specifically the Commission's interest in maximizing the ratepayer and societal value of Distributed Energy Resources.

Application (A.) 23-06-017 (PacifiCorp Wildfire Expense Memorandum Account). This decision grants PacifiCorp's request to establish a Wildfire Expense Memorandum Account to track incremental unreimbursed wildfire liability-related costs effective June 21, 2023. This decision does not grant PacifiCorp any rate of recovery for wildfire liability-related costs.

A.15-04-013 (Southern California Edison Riverside Transmission Reliability Project Certificate of Public Convenience and Necessity). This decision denies the petition for modification (PFM) of Decision 20-03-001 filed by the City of Norco. Decision (D.) 20-03-001 granted Southern California Edison Company (SCE) a Certificate of Public Convenience and Necessity (CPCN) for the Riverside Transmission Reliability Project and related facilities. The Commission denies the PFM because Norco filed its petition three years after D.20-03-001 was issued to seek the Commission's reconsideration of the same concerns it raised in 2018 and 2019. The Commission finds that the facts are not new and the delay, by its nature, undermines Norco's assertion that its circumstances are extraordinary.

Res E-5309 (SCE Midterm Reliability Contracts). This Resolution approves seven SCE "Batch 1" Phase 2 and 3 Mid-Term Reliability (MTR) contracts: (1) AES Clean Energy Development McFarland C 185 MW project, (2) AES Clean Energy Development Bellefield 1 500 MW project, (3) ASHUSA, a subsidiary of Atlantica North America LLC, Mordor 1 20 MW project, (4) ASHUSA Mordor 2 20 MW project, (5) Hanwa Solution Corporation Atlas VII 300 MW project, (6) Hanwa Solution Corporation Atlas VIII 382.30 MW project, and (7) Hanwa Solution Corporation Atlas IX 150 MW project for a total 1,562.4 MW of nameplate capacity. The contracts are expected to provide 1,187 MW of incremental September Net Qualifying

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.

Capacity for delivery periods ranging from 15 to 20 years. These seven contracts include resource adequacy (RA)-only or RA with financial settlement contracts for new in-front-of-the-meter energy storage projects. This Resolution approves the requested relief in AL 5155-E.

Res E-5311 (SCE, SDG&E, and Pacific Gas and Electric Notification-Only Pilot). This Resolution approves the modified utility requests included in Pacific Gas and Electric's (PG&E) AL 6888-E, SCE's AL 4992-E, and SDG&E's AL 4175-E to continue the non-export notification-only pilot for an additional 18 months, keeping the original program design and project eligibility requirements as specified in Decision D.21-06-002. The notification-only pilot allows certain types of eligible non-export projects to interconnect with only a notification from the customer to the utility of the interconnection, forgoing the ordinary screening, study, and approval process.

Res SPD-25 (PacifiCorp Wildfire Mitigation Plan). This Resolution ratifies the decision of the Office of Energy Infrastructure Safety approving PacifiCorp's 2023-2025 Wildfire Mitigation Plan pursuant to Public Utilities Code (Pub. Util. Code) Section 8386.3(a).

Res SPD-24 (Liberty Utilities Wildfire Mitigation Plan). This Resolution ratifies the decision of the Office of Energy Infrastructure Safety approving Liberty Utilities' 2023-2025 Wildfire Mitigation Plan pursuant to Pub. Util. Code Section 8386.3(a).

Voting Meetings

The CPUC held a voting meeting in Lake Forest, California on February 15, 2024 at 11:00 a.m. PT. The following are results for energy-related items on the agenda:

Item 2. 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.18-02-001 issued by the CPUC SED to SCE, with one exception. SED proved by a preponderance of the evidence that Rule 37 Minimum Clearance of Wires above Railroads, Thoroughfares, Buildings, etc. of General Order 95 was violated. This charge, without the imposition of any penalties, is sustained. **Held to March 7, 2024.**

Item 10. Res SPD-20 (Office of Energy Infrastructure Safety on Pacific Gas & Electric Company's 2023-2025 Wildfire Mitigation Plan). This Resolution ratifies the decision of the Office of Energy Infrastructure Safety approving PG&E's 2023-2025 WMP pursuant to Pub. Util. Code § 8386.3(a). **Approved.**

Item 11. A.22-05-015 (San Diego Gas & Electric Company Interim Rate Recovery of Wildfire Mitigation Plan Memorandum Account Costs). This decision grants in part the October 27, 2023, SDG&E motion to recover, on an interim basis and subject to refund, its potentially undercollected wildfire mitigation plan memorandum account (WMPMA) recorded balance as of December 31, 2022. This decision authorizes SDG&E to recover \$289.9 million of the potentially undercollected WMPMA balance in rates during 2024 and 2025. This decision denies SDG&E's request to continue recovering the remaining WMPMA balance beyond 2025. **Signed, D.24-02-010.**

Item 12. Res E-5307 (Southern California Edison Company's MTR Energy Storage Contract and Amendment to AES ES Alamos 2 Contract). This Resolution approves an MTR Energy Storage Contract with Ventasso Energy Storage, LLC and an amendment to an existing contract with AES ES Alamos 2. The MTR contract (Ventasso Contract) is expected to provide 45 MW of September Net Qualifying Capacity for a 15-year delivery period. The AES ES Alamos 2 Contract is expected to provide 78.97 MW of September Net Qualifying Capacity compliance towards SCE's 2023 MTR requirement, for a 20-year delivery period. This Resolution approves an amendment to the Alamos 2 Contract but does not impact the original contract capacity or incremental September Net Qualifying Capacity as approved in Resolution E-5205. The amendment is necessary to maintain project viability, as further discussed in SCE's AL 5127-E Confidential Attachment A. Both contracts include resource adequacy-only contracts for new in-front-of-the-meter energy storage projects. This Resolution approves the requested relief in AL 5127-E. **Signed, D.24-02-010.**

Item 13. R.21-11-014 (Clean Miles Standard Program). This decision establishes the initial rules and regulations for implementing the Clean Miles Standard Program in accordance with Senate Bill 1014. This decision defines regulated entities subject to Clean Miles Standard Program regulations as transportation network companies, charter-party carriers, and autonomous vehicle passenger companies. Transportation network companies with fewer than five million miles of vehicle miles traveled in a given calendar year are exempt from the requirements of this decision. The Commission will determine what rules to adopt for autonomous vehicle passenger companies and charter-party carriers that are not transportation network companies in Phase 2 of this proceeding. This decision directs regulated entities to file plans to meet program goals, including the annual targets established by the California Air Resources Board to increase vehicle miles traveled by zero emissions vehicles to 90 percent and eliminate greenhouse gas emissions by 2030. Regulated entities must file a Tier 3 AL to propose an interim greenhouse gas emissions reduction plan within 120 days of the effective date of this decision. These entities will also be required to file an updated greenhouse gas emissions reduction plan after the Phase 2 decision and thereafter every two years.

This decision also establishes a new Drivers Assistance Program that will be administered by a third-party administrator and funded by a per-trip regulatory fee collected by regulated entities. The Drivers Assistance Program will provide low- and moderate-income drivers of transportation network companies with incentives for making the transition to zero emissions vehicles and act as a one-stop shop for drivers to access other incentives for zero emissions vehicles and charging. The Commission's Staff will select a third-party program administrator for the Drivers Assistance Program through a request for proposals process conducted by Uber Technologies, Inc. as the contracting agent. The Commission's Staff will oversee the performance of the program administrator. The program administrator shall file a Tier 3 AL to propose an implementation plan and handbook for the Drivers Assistance Program within 150 days of entering a contract to perform program services. The Commission will set the Clean Miles Standard Regulatory Fee and Drivers Assistance Program budget through resolutions of Tier 3 ALs filed by regulated entities subject to this decision. This decision establishes the following initial Drivers Assistance Program incentive levels: (a) \$10,400 upfront to purchase or lease a new zero emissions vehicle and offset initial charging costs; (b) \$8,800

upfront to purchase or lease a used zero emissions vehicle and offset initial charging costs; and (c) \$670 paid annually for up to four years to offset ongoing charging costs. The program administrator will propose adjustments to the incentive levels by AL. This decision also addresses other issues for commencing implementation of the Clean Miles Standard Program, including exempt entities and trips, data reporting and verification, advancing clean mobility, monitoring environmental and social justice impacts, outreach and engagement with drivers and community-based organizations, and coordinating with other state efforts to electrify transportation. **Held to March 7, 2024.**

Item 18. A.23-08-009 (Pacific Gas and Electric Company Recovery Bonds for Fire Risk Mitigation Expenditures). This Financing Order grants the request by PG&E for authority under Assembly Bill 1054 and Pub. Util. Code §§ 850(a)(2) and 850.1 to issue Wildfire Hardening Recovery Bonds totaling up to approximately \$1.412 billion. These Recovery Bonds will finance additional fire risk mitigation plan capital expenditures. The Recovery Bonds will be issued by a legally separate Special Purpose Entity, which will transfer the Recovery Bonds' proceeds to PG&E in exchange for the right to receive revenues to repay the Recovery Bonds' principal, interest, and related costs. According to PG&E, the Recovery Bonds are anticipated to save PG&E's ratepayers an estimated \$465 million compared to traditional utility financing mechanisms on a net present value basis. The precise amount of savings will depend on several factors that are not known at this time, such as the final term and interest rate on the Recovery Bonds. The Recovery Bonds' principal, interest, and related costs will be recovered via a surcharge called the Fixed Recovery Charge. All consumers of electricity in PG&E's service territory (as described by Pub. Util. Code §§ 850(b)(3) and 850.1(a)(2)) will be required to pay the Fixed Recovery Charge, except for those consumers that are exempt pursuant to Pub. Util. Code § 850.1(i) (Exempt Fixed Recovery Charge Customer Classes). Pursuant to Pub. Util. Code § 850.1(e), the provisions in this Financing Order authorizing the issuance of the Recovery Bonds and the recovery of Recovery Bond principal, interest, and certain other Recovery Bond-related costs from consumers are irrevocable. This Financing Order also sets forth, in accordance with D.20-12-005 and consistent with D.21-06-030, the necessary mechanism for adjustment to PG&E's general rate case revenue requirements to account for the savings that will be created by the execution of the Recovery Bonds. **Signed, D.24-02-011.**

Item 28. A.22-11-018 (Liberty Utilities' Modifications to Energy Cost Adjustment Clause Rates). This decision grants the Joint Motion of Liberty Utilities (Liberty), the A-3 Customer Coalition, and the Public Advocates Office approval of their all-party Settlement Agreement that resolves all issues in the scope in this proceeding. The Settlement Agreement (1) authorizes Liberty to modify its Energy Cost Adjustment Clause (ECAC) rates to allow for recovery of its fuel and purchased power costs and certain other energy-related costs; (2) adopts an annual ECAC revenue requirement of \$44.043 million based on \$34.825 million in revenue associated with Liberty's Offset Rate and revenue of \$9.217 million related to its ECAC Balancing Rate collection (reflecting a total undercollection of \$23.043 million as of December 31, 2022, to be amortized over 30 months); and (3) adopts a semi-annual California Climate Credit to residential customers of \$80.25. The Settlement Agreement reflects a 41.8 percent increase in cost recovery from ECAC rates approved by the Commission in 2022, an increase largely driven by sharp increases in Western energy and capacity prices (due to west-wide

capacity shortages in recent summers) as well as an undercollection in ECAC rates in 2021 and an undercollection of new ECAC rates in 2022 due to the delayed implementation of 2022 ECAC rates to October 1, 2022, when they were designed to be effective January 1, 2022. Residential rates will reflect a 2.1 percent to 9.8 percent annual increase as a result of the increase in Liberty's ECAC rates. **Signed, D.24-02-021.**

Item 55. R.18-07-005 (Community-Based Organization Energy Arrearages Case Management Pilot). This decision approves a Community-Based Organization Arrears Case Management Pilot Program to reduce residential energy service disconnections by PG&E, SCE, SDG&E, and SoCalGas. The utilities are directed to contract with community-based organizations to provide case management services to assist up to 12,000 customers with managing their unpaid bills, enrolling in energy assistance and energy efficiency programs, and arranging bill payment plans. Within 180 days of the effective date of this decision, the utilities must award contracts for such assistance to community-based organizations. Two years after the effective date of this decision, the pilot program will conclude. **Signed, D.24-02-046.**

Item 56. R.20-05-003 (2023 Integrated Resource Planning Preferred System Plan and Related Matters, and Addressing Two Petitions for Modification). This decision evaluates the 2022 individual integrated resource plan (IRP) filings of all the load serving entities (LSEs) under the Commission's IRP purview. Twenty-nine LSEs have IRPs that are approved or certified in this decision; nine are determined to be exempt from the requirement to file an IRP in 2022. An additional 12 LSEs did not provide all the required information in their IRPs and therefore their IRPs are not approved or certified in this decision. Those LSEs will have the opportunity to provide the required information in a Tier 2 AL and have their IRPs approved or certified after the subsequent submission.

This decision also adopts a Preferred System Plan (PSP) portfolio that meets a statewide 25 million metric ton (MMT) greenhouse gas (GHG) target for the electric sector in 2035, based on an aggregation of the individual IRPs of LSEs, reflecting the resource preferences of those LSEs through 2035. Commission Staff augmented the resources using modeling analysis to ensure reliability standards and GHG targets were met through 2035, and to extend the resource planning timeframe to 2039 for transmission planning purposes. This decision further recommends to the California Independent System Operator (CAISO) that the 25 MMT PSP portfolio be utilized as both the reliability base case and the policy-driven base case for study in its 2024-2025 Transmission Planning Process (TPP). This decision also recommends that the CAISO analyze a policy-driven sensitivity case designed to test the transmission buildout needed for a grid stress case when 15 gigawatts of natural gas generation resources are retired by 2039.

This decision also addresses two PFMs of earlier procurement decisions in this proceeding, namely D.21-06-035 and D.23-02-040. The first PFM was filed jointly by SCE and PG&E seeking a two-year extension on the energy required to be procured in D.21-06-035 to partially replace the attributes of the Diablo Canyon Power Plant. The SCE and PG&E PFM is denied in its current form in this decision primarily due to concerns regarding system reliability and equity among LSEs; the decision allows for continued exploration of creative solutions to fulfill the spirit of the Diablo Canyon replacement requirements in D.21-06-035. The second PFM was filed jointly by California Energy Storage Alliance (CESA) and Western Power

Trading Forum (WPTF), seeking modifications to D.23-02-040 and D.21-06-035, to allow extension of deadlines for procurement of long lead time (LLT) resources when certain conditions are met. The CESA and WPTF PFM is granted, in part, with modifications as discussed further in the decision. LSEs that require an extension to bring online the required LLT resources beyond the June 1, 2028 deadline must procure generic capacity to cover the shortfall, and still bring online LLT resources by no later than June 1, 2031.

This decision also formally adopts high-level aspects of the reliability framework for IRP that has been used throughout the past two years in the proceeding, including a 0.1 loss of load expectation standard for determining reliability need, a planning reserve margin based on gross peak, and resource counting conventions using a marginal effective load carrying capability analysis that is updated periodically. This framework will be in place at least until the consideration of a programmatic approach to procurement in the context of IRP, and will be coordinated closely with the RA program framework. Finally, the decision makes reimbursable funding available to Commission Staff for consulting resources to continue to support the IRP process for the next six years. **Signed, D.24-02-047.**

Upcoming Meetings and Workshops

Resource Adequacy (RA) Workshop on Track 1 Proposals. On Wednesday, February 28, 2024, a workshop will be held from 9:30 a.m. to 4:30 p.m. to discuss Energy Division Staff proposals and other party proposals on Track 1 issues in RA proceeding R.23-10-011 that were not discussed at the earlier workshop held on February 14, 2024. Track 1 considers the following issues, which are considered “highest priority” due to the time-sensitive nature of implementing the Slice-of-Day (SOD) Framework for the 2024 RA compliance year: (1) 2025-2027 Local Capacity Requirements; (2) 2025 Flexible Capacity Requirements; (3) refinements to the SOD Framework, including the Planning Reserve Margin; (4) Unforced Capacity Methodology (UCAP); (5) demand response load impact protocols (LIP); (6) RA compliance and penalties; and (7) any other time-sensitive issues identified by Energy Division or other parties, including possible consideration of the Central Procurement Entity process, which is also scoped for Track 2 of the proceeding. The workshop will be held both in-person and via Webex.

CALIFORNIA INDEPENDENT SYSTEM OPERATOR (CAISO)

Stakeholder Initiatives: Upcoming Meetings and Deadlines

Flexible Capacity Requirement Methodology. CAISO held a public stakeholder call on February 12, 2024, to discuss the Flexible Capacity Requirement Methodology for 2025 through 2027. Written comments are due by February 26, 2024 through the CAISO commenting tool. Further information is available [here](#).

Interconnection Process Enhancements 2023. CAISO hosted a hybrid stakeholder meeting on February 15, 2024, to discuss the Interconnection Process Enhancements 2023 track 2 draft final proposal. Written comments on the draft final proposal are due February 29, 2024. Further information is available [here](#).

Greenhouse Gas Coordination. CAISO will host a virtual Greenhouse Gas Coordination working group meeting on February 22, 2024. Further details are available [here](#).

Market Surveillance Committee. CAISO has posted the final agenda for the Market Surveillance Committee teleconference meeting on February 23, 2024. The objective of this meeting will be for the Market Surveillance Committee to discuss RA: capacity accounting, planning reserve margins and performance incentives. Further information is available [here](#).

Resource Adequacy Modeling and Program Design. CAISO will hold a public Resource Adequacy Modeling and Program Design stakeholder working group meeting on February 27, 2024. Attendees may choose to participate in the meeting in-person at the CAISO, or virtually. Further information is available [here](#).

Annual Policy Initiatives Roadmap Process 2024. CAISO is accepting stakeholder submissions to the 2024 Annual Policy Initiatives Catalog until February 28, 2024. Stakeholders may submit discretionary initiatives for potential inclusion in the Policy Roadmap. Further information is available [here](#).

Western Energy Imbalance Market Nominating Committee. CAISO announced that the Western Energy Imbalance Market (WEIM) Nominating Committee started its process to nominate a slate of candidates for WEIM Governing Body seats with terms scheduled to expire in 2024. An updated list of WEIM Nominating Committee members has been posted to the WEIM [website](#).

2024 Annual Western Interregional Coordination. The Western Planning Regions (WestConnect, NorthernGrid and CAISO) have scheduled their 2024 Annual Interregional Coordination meeting in-person at the Western Power Pool Offices in Portland, Oregon on March 26, 2024. Webinar capabilities will be available for those attending the meeting virtually. Further information is available [here](#).

CAISO Stakeholder Symposium. CAISO announced that it will host its Stakeholder Symposium on October 30, 2024 in downtown Sacramento, California, along with a welcome reception the evening of October 29. Additional information including reception details, event registration and sponsorship opportunities will be provided in a future notice.

CALIFORNIA ENERGY COMMISSION (CEC)

2023 Integrated Energy Policy Report

On February 14, 2024, the CEC adopted the 2023 Integrated Energy Policy Report (Report). The Report (with Errata) and Report Highlights are available on the 2023 Integrated Energy Policy Report [website](#).

Offshore Wind

On January 19, 2024, the CEC published a [Notice of Availability](#) regarding the release of the draft Assembly Bill 525 Strategic Plan for Offshore Wind Development. Volumes I-III of

the Plan are linked in the [Notice of Availability](#) and are also available [here](#). According to the [Notice of Availability](#), comments are due by 5:00 p.m. on March 22, 2024. The CEC plans on hosting a workshop to provide information and receive feedback on the draft AB 525 Strategic Plan, to be determined at a future date.

Battery Energy Storage Systems (BESS) Safety Workshop

A remote-only workshop will be held on February 23, 2024 at 10:00 a.m. to discuss safety related considerations of BESS relative to their siting, permitting, construction, and operation. The workshop will focus on large-scale standalone systems and how those systems operate safely in communities throughout California. The CEC states: “Given the enormous role BESS can contribute to helping California reach its climate goals [including by integrating large quantities of variable renewable energy generation], it is important to work collaboratively to develop a better and common understanding of how BESS technology can be designed and installed to operate both safely and reliably” Remote participation is available by Zoom, [here](#). A workshop agenda and additional event information will be posted to the docket [24-BSS-01](#).

Power Source Disclosure

On January 31, 2024, CEC Staff released its [amended draft regulations](#) governing the Power Source Disclosure program for comment. Staff included a summary of key changes since its last issuance of the proposed regulations on September 20, 2023. CEC revised several proposals pursuant to stakeholder comments submitted in October 2023, and a summary of the changes and FAQs is available [here](#). Comments on the amended draft regulations are due by February 21, 2024 at 5:00 p.m.

Clean Transportation Program Investment Plan Update

On January 30, 2024, the CEC released the [2023-2024 Investment Plan Update for Clean Transportation Program - Lead Commissioner Report](#). This Plan serves as a guide for the allocation of program funding to clean transportation programs for the fiscal year 2023-2024. Under Assembly Bill 126, funding for the Clean Transportation Program was extended from 2023 through July 1, 2035. The Plan shows funding allocations of more \$600 million to support light-duty passenger vehicle ZEV infrastructure and over \$1.1 billion to support medium- and heavy-duty ZEV infrastructure.

On February 8, 2024, the CEC provided notice of an opportunity to serve on the Advisory Committee of the Clean Transportation Program Investment Plan. Applications to

serve on the Committee may be submitted by March 1, 2024. More information on the position and how to apply is available [here](#).

Senate Bill 100

On February 16, 2024, CEC Staff held a [workshop](#) regarding the inputs and assumptions that are being developed for the SB 100 electricity supply modeling. A detailed meeting schedule is available at [Docket No. 23-SB-100](#). Written comments are due by 5:00 p.m. on March 1, 2024.

Energy Storage Permitting

On November 15, 2023, the CEC hosted a [workshop](#) for the Center for Sustainable Energy, to introduce its [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.

SB X1-2 and SB 1322 Pre-Rulemaking Workshop

On February 27, 2024 at 10:00 a.m., CEC Staff will host a remote and in-person pre-rulemaking [workshop](#) regarding rules related to the data collection and analysis provisions in Pub. Res. Code Section 25354 and rules to manage necessary refinery maintenance and turnarounds pursuant to Section 25354.2. According to the workshop notice, Staff “will present draft language for proposed CEC regulations and amendments to the existing regulations associated with the Petroleum Industry Information Reporting Act (PIIRA) located in the California Code of Regulations, title 20, division 2, chapter 3, article 3.” A detailed schedule will be available at [Docket 23-OIR-03](#) prior to the workshop.

According to the [Notice](#), SB X1-2 “took effect in June 2023. Among other things, SB X1-2 revised and introduced several new petroleum industry reporting requirements, with submittals beginning in July 2023. The new information includes spot market transactions, firm ownership, agreements and contracts, inventory holdings by type, refinery maintenance schedules, 96-hour notice of marine vessel imports, expanded refinery operator reporting, and

new pipeline and port operator reporting. SB X1-2 also authorized the CEC to regulate the timing of refinery maintenance and turnaround.”

SB 350 Disadvantaged Communities Advisory Group (DCAG)

On February 16, 2024, DCAG released the *Draft 2022 & 2023 Report* of the Disadvantaged Communities Advisory Group. The report and related materials are available in [Docket No. 16-OIR-06](#).

CEC Business Meetings

The next Business Meeting will be held on March 13, 2024.

CALIFORNIA AIR RESOURCES BOARD (CARB)

Meetings, Workshops, and Notices

CARB’s [Board meetings](#) previously scheduled for February 22 and March 21, 2024 have been cancelled. The next meeting of the Board is a joint CARB, California Transportation Commission, and California Department of Housing and Community Development meeting, to be held on April 11, 2024. The agenda for the meeting will be available [here](#).

On February 26, 2024, CARB will host a public outreach [meeting](#) of the Truck Regulation Implementation Group on the implementation of the [Advanced Clean Fleets](#) regulation. More information and registration for the meeting are available [here](#).

On February 29, 2024, the [Methane Task Force](#) will host a virtual public meeting. The Task Force is comprised of the California Department of Conservation’s Geologic Energy Management Division, CARB, and their umbrella agencies, the California Natural Resources Agency and California Environmental Protection Agency. The meeting will cover updates on the State Oil and Gas Well Abandonment Program, Fugitive Emission Study efforts, the Oil and Gas Methane Regulation, and the Study of Neighborhood Air near Petroleum Sources. More information on the meeting is available [here](#) and registration is available [here](#).

On February 29, 2024, CARB will hold a virtual public meeting to collect initial ideas and have discussion forums, as part of its development of a [5-Year Strategic Research Plan](#). Information and registration for the meeting are available [here](#). Long-term research priorities can be submitted to CARB [here](#) through April 10, 2024.

On March 1, 2024, the [Harbor Trucking Association](#), with support from [California Climate Investments](#) and other partners, will host a Zero-Emission Ride & Drive event for battery and fuel cell electric trucks in San Bernardino, California. More information is available [here](#).

CARB has [postponed](#) the scheduled [March 21, 2024](#) hearing on proposed [amendments](#) to the [California Low Carbon Fuel Standard](#). A new hearing date has not been set, but CARB anticipates hosting a workshop in mid-April to discuss potential refinements to the proposed

amendments. The current 45-day public comment period on the draft amendments is not being extended and ended on February 20, 2024.

On June 27, 2024, CARB will hold a [hearing](#) on the proposed [Zero-Emission Forklift Regulation](#).

Opportunities for Public Comment

CARB has posted the [2024 annual update](#) to the carbon intensities for the [Low Carbon Fuel Standard](#) look-up table pathways for (1) grid electricity used as a transportation fuel in California and (2) electricity supplied under the smart charging or smart electrolysis provision. Prior to certification of the updated pathway carbon intensity values, CARB is soliciting public comment until March 8, 2024. Comments may be submitted [here](#).

CARB has issued [draft amendments](#) to the [California Low Carbon Fuel Standard](#) for public comment. Comments were due February 20, 2024.

CARB is accepting comments on the draft [Community Engagement Model](#), to help Staff create and implement robust engagement plans, through April 3, 2024. Comments may be submitted [here](#).

CARB is accepting research concepts and comments from the public for fiscal year 2025-2026, as part of its annual [Research Program](#) planning. Concepts and comments may be submitted [here](#) on or before April 10, 2024. In addition, CARB is creating a [5-Year Strategic Research Plan](#) to inform its research priorities for the years 2025 to 2030. Long-term research priorities for consideration of the 5-Year Plan can be submitted through the same [survey](#).

MINNESOTA PUBLIC UTILITIES COMMISSION (MPUC)

On February 15, 2024, the MPUC held its regular agenda meeting, with agenda items including updating credits for community solar gardens. Among the issues discussed at the hearing was whether the Commission had the legal authority to revisit its previous orders and modify the “standard CSG contract,” and whether that would constitute retroactive ratemaking. The public interest standard was also discussed, with representations made that the program was too costly for non-subscribers and that Xcel can purchase utility solar for half the cost of the CSG program. It was stated that therefore the Commission needed to modify the program in the public interest, and the Commission’s decision would not be arbitrary because the value of solar (VOS) is contemplated in statute. After a lengthy discussion, the MPUC decided as follows:

1. For legacy community solar gardens on the applicable retail rate (“ARR”), the MPUC directed Xcel to transition from credits using ARR to credits using the VOS, plus an adder, effective April 1, 2025. There are two separate adders, with applicability based on customer class of the subscriber.
 - a. \$.01/kWh adder from April 1, 2025, to January 1, 2026, for the large general service class. This credit adder terminates after one year.

- b. \$.03/kWh adder for the residential and small general service classes. There is no sunset on this credit adder.

The links to the decision can be found here: [Webcast](#), [Briefing Papers](#), and [Commissioner Sullivan’s Decision Option](#).

On February 22, 2024, the MPUC will meet for its regular agenda meeting. The single agenda item is the scope of natural gas resource planning. The agenda and webcast link can be found [here](#).

FEDERAL ENERGY REGULATORY COMMISSION (FERC)

On February 8, 2024, President Biden named Willie Phillips as Chairman of FERC, removing the “Acting Chairman” qualifier that had been in place for Phillips since January 3, 2023. Commissioner Allison Clements also announced that she will not seek another term at FERC after her term expires on June 30, 2024. Commissioner Clements may choose to remain at FERC until January 3, 2025; however, her departure, whenever it occurs, will leave FERC without a quorum to conduct business until a new commissioner is installed.

On January 29, 2024, FERC issued an order, [186 FERC ¶ 61,076](#), accepting ISO New England Inc.’s (ISO-NE) revisions to Section I.2.2 to Market Rule 1, and Appendix A to Market Rule 1 of its Transmission, Markets and Services Tariff to establish a jointly optimized day-ahead market for energy and ancillary services (DAM) and sunset the existing Forward Reserve Market (FRM), effective March 1, 2025. To terminate the existing FRM, ISO-NE notes that it will shorten the final Forward Reserve Procurement Period, which will now end on February 28, 2025.

The revised DAM combines the Day-Ahead Energy Market with a new Day-Ahead Ancillary Services Market (DAASM), which includes four new ancillary service products: Day-Ahead Ten-Minute Spinning Reserves, Day-Ahead Ten-Minute Non-Spinning Reserves, Day-Ahead Thirty-Minute Operating Reserves, and Day-Ahead Energy Imbalance Reserves. There are specific requirements imposed on eligibility to provide the new ancillary service products. Under the new structure, ISO-NE will use a two-component call option structure for awards in the DAASM. First, the resource will receive a credit for its DAASM award, which will be determined based on the day-ahead clearing price and day-ahead award for the given product and hour of the Operating Day. Second, the resource is assessed a “close-out” charge based on the quantity of the award multiplied by the greater of (i) zero and (ii) the difference between the real-time hub price and the strike price set by ISO-NE. The demand quantities for each of the four DAASM products will be set by the operating reserve requirement for the product and the energy gap forecast.

On January 29, 2024, FERC issued a letter order, [186 FERC ¶ 61,068](#), accepting Southwest Power Pool, Inc.’s (SPP) proposed revisions to Attachment V and Appendices 3, 5,

15, and 16 to Attachment V in its Open Access Transmission Tariff² to update guidance and data requirements for interconnection request submissions proposed Tariff revisions, effective February 1, 2024. These revisions direct interconnection customers to submit interconnection requests electronically through SPP's online portal and allow for electronic communications regarding interconnection studies. The revisions also update the information required to be submitted in an interconnection request, which is used in interconnection studies and model development.

On January 25, 2024, FERC issued an order, [186 FERC ¶ 61,065](#), granting New York Independent System Operator, Inc. (NYISO) a waiver of requirements in Articles 30.3, 30.6, 30.7, and 30.10 of the NYISO Open Access Transmission Tariff that require the Developer to elect within a prescribed period of time, and NYISO to perform, feasibility and system impact studies or to withdraw the Developer's project from the interconnection queue. The waiver is granted for the period between November 30, 2023, and the date of a further FERC order on NYISO's partial compliance filing to Order No. 2023, which was filed in the same docket, ER24-342, as the waiver request. FERC made no findings as to the merits of NYISO's partial compliance filing.

On January 24, 2024, ISO-NE's revisions to the Forward Capacity Market qualification rules for Distributed Energy Capacity Resource were accepted via delegated letter order in [Docket No. ER24-484](#).

On January 19, 2024, FERC issued its order, [186 FERC ¶ 61,054](#), on the Midcontinent Independent System Operator (MISO) proposals to revise its Open Access Transmission, Energy and Operating Reserve Markets Tariff (OATT) filed in Docket Nos. ER24-340 and ER24-341. FERC accepted MISO's proposal to increase milestone payments, adopt an automatic withdrawal penalty, revise certain withdrawal penalty provisions, and expand site control requirements for interconnection facilities, effective January 22, 2024. FERC rejected MISO's proposal to implement a cap on the total megawatt value of interconnection requests that may be studied in a cluster.

On January 2, 2024, in [Docket No. ER24-339](#), FERC issued an order accepting a proposal by ISO-NE to revise the ISO-NE's Transmission, Markets and Services Tariff to delay the 19th Forward Capacity Auction, including all pre-auction and post-auction activities related thereto, by one calendar year. The revisions do not change the Capacity Commitment Period, which remains the June 1, 2028 through May 31, 2029 delivery year.

² Attachment V of the Tariff contains SPP's Generator Interconnection Procedures (GIP). Appendices 3, 5, 15, and 16 to the GIP contain SPP's *pro forma* Generator Interconnection Study Agreement, *pro forma* Interim Availability Interconnection System Impact Study Agreement, *pro forma* Surplus Interconnection Service Impact Study Agreement, and *pro forma* Surplus Interconnection Service Facilities Study Agreement, respectively.