

**REGULATORY UPDATE FOR FEBRUARY 6, 2024  
(WEEK OF JANUARY 29, 2024)**

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

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

Application (A.) 23-06-008 (Application of Pacific Gas and Electric Company for Recovery of Recorded Expenditures Related to Wildfire Mitigation, Catastrophic Events, and Other Recorded Costs). This decision grants the request of Pacific Gas and Electric Company (PG&E) for interim rate relief, pending a final decision on what permanent cost increase, if any, is reasonable based on the evidence. PG&E is authorized to recover a maximum of \$516 million (75 percent of PG&E's total request of \$688 million) in interim rates according to the process set forth in the decision. PG&E is required to refund, with interest, any excess amount it collects in comparison to the Commission's final determination on the amount reasonably incurred. The decision finds that the reasons to grant the interim rate recovery are to preserve PG&E's credit ratings, and to effectively manage the rate impacts likely to accrue to ratepayers.

Resolution (Res) SPD-23 (Resolution Ratifying Action of the Office of Energy Infrastructure Safety on Trans Bay Cable's 2023-2025 Wildfire Mitigation Plan). This Resolution ratifies the Energy Safety Decision, adopted on January 30, 2024, approving the 2023-2025 Wildfire Mitigation Plan (WMP) submitted by Trans Bay Cable (TBC) on May 9, 2023.

Res SPD-22 (Resolution Ratifying Action of the Office of Energy Infrastructure Safety on Horizon West Transmission's 2023-2025 WMP). This Resolution ratifies the Energy Safety Decision, adopted on January 30, 2024, approving the 2023-2025 WMP submitted by Horizon West Transmission on May 9, 2023.

Rulemaking (R.) 20-05-012 (Order Instituting Rulemaking Regarding Policies, Procedures and Rules for the Self-Generation Incentive Program and Related Issues). This decision allocates \$280 million from the Greenhouse Gas Reduction Fund to the Self-Generation Incentive Program (SGIP) Residential Solar and Storage Equity budget and makes programmatic changes to improve SGIP and provide the framework for the new budget category, eligibility requirements, and administration. Funds will be allocated to the existing SGIP program administrators (PAs) and one new PA to serve customers of Los Angeles Department of Power and Water (LADWP) as follows (in \$ millions): PG&E \$110, Southern California Edison Company (SCE) \$97, LADWP \$36, Center for Sustainable Energy for San Diego Gas & Electric Company (SDG&E) \$22, and Southern California Gas Company (SoCalGas) \$15.

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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.

Res SPD-21 (Resolution Ratifying Action of the Office of Energy Infrastructure Safety on LS Power Grid California's 2023-2025 WMP). This Resolution ratifies the Energy Safety Decision, adopted on January 30, 2024, approving the 2023 WMP Update submitted by LS Power Grid California on May 09, 2023.

R.14-03-003 (Order Instituting Rulemaking to Address Natural Gas Distribution Utility Cost and Revenue Issues Associated with Greenhouse Gas Emissions). This decision denies the petition for modification of Decision (D.) 15-10-032, as modified by D.18-03-017, filed by SoCalGas and SDG&E. The petition for modification sought to modify the timing of the Gas Climate Credit distribution from April to February, for future years. Natural gas utilities will continue to distribute the natural gas climate credit to residential customers annually in April.

A.22-06-003 (Application of Southern California Edison Company for Authorization to Recover 2021 Incremental Costs Related to Wildfire Mitigation and Vegetation Management). This decision finds SCE's capital expenditures and operations and maintenance expenses recorded in 2021 in SCE's Wildfire Mitigation Plan Memorandum Account (WMPMA), Fire Risk Mitigation Memorandum Account (FRMMA), and Vegetation Management Balancing Account (VMBA) to be incremental and reasonable. SCE is authorized to recover through distribution rates the revenue requirement associated with: (a) approved WMPMA incremental capital expenditures for 2021 of \$76.43 million; (b) approved 2021 WMPMA incremental operations and maintenance (O&M) expenses of \$81.72 million; (c) approved 2021 FRMMA incremental O&M expenses of \$15.96 million; and (d) approved 2021 VMBA incremental O&M expenses of \$212.79 million. Interest costs and franchise fees and uncollectibles will be added to these amounts, and recovery will be carried out over a 12-month period starting with the next regularly scheduled consolidated revenue requirement and rate change following issuance of this decision or as soon as practicable. This decision defers consideration of SCE's requested reasonableness review and authorization for recovery of \$21.09 million in 2021 construction work-in-progress capital expenditures to a later proceeding.

R.19-10-005 (Renewal of the Electric Program Investment Charge Program). This decision adopts five Strategic Goals for the EPIC Program as part of a public workshop process authorized in D.23-04-042 to provide clearer direction on priorities that would generate an optimal mix of research projects that maximize ratepayer benefits, lead to energy innovation, and support California's key policy goals. The five goals are: Transportation Electrification, Distributed Energy Resource Integration, Building Decarbonization, Achieving 100 Percent Net-Zero Carbon Emissions and the Coordinated Role of Gas, and Climate Adaptation. The next steps authorized by D.23-04-042 are several workshops to develop Strategic Objectives.

### Voting Meetings

The CPUC will hold a voting meeting in Lake Forest, California on February 15, 2024 at 11:00 a.m. PT. The following are 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.18-02-0011 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.

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 Public Utilities Code Section 8386.3(a).

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.

Item 12. Res E-5307 (Southern California Edison Company's Mid-Term Reliability Energy Storage Contract and Amendment to AES ES Alamitos 2 Contract). This Resolution approves a Mid-Term Reliability Energy Storage Contract with Ventasso Energy Storage, LLC and an amendment to an existing contract with AES ES Alamitos 2. The Mid-Term Reliability contract (Ventasso Contract) is expected to provide 45 MW of September Net Qualifying Capacity for a 15-year delivery period. The AES ES Alamitos 2 Contract is expected to provide 78.97 MW of September Net Qualifying Capacity compliance towards SCE's 2023 Mid-Term Reliability requirement, for a 20-year delivery period. This Resolution approves an amendment to the Alamitos 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 Advice Letter 5127-E.

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 advice letter 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 advice letter 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 advice letters 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 advice letter. 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.

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 Public Utilities 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.

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 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.

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.

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; eight are determined to be exempt from the requirement to file an IRP in 2022. An additional eleven 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 advice letter 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 out to 2039 for transmission planning purposes. This decision further recommends to the 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 where 15 gigawatts of natural gas generation resources are retired by 2039.

This decision also addresses two petitions for modification (PFM) 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 this decision primarily due to concerns regarding system reliability and equity among LSEs. 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. 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.

#### Upcoming Meetings and Workshops

*2024 Future Grid Study Workshop Series.* Through this workshop series, Gridworks, a contractor supporting the Commission, will facilitate conversations between utilities, stakeholders, and the CPUC on how to ensure installed additional Distributed Energy Resources (DERs) provide maximum value to the grid through effective distribution system operations. This three-part series will identify operational needs, assess gaps, and develop recommendations to address gaps, and is an opportunity for parties to collaborate to modernize the electric grid for a high DER future. Each workshop in the series will build upon the previous workshop, assisting parties to develop their input on the rulemaking. Workshop #1: Identifying Operational Needs will be held virtually on February 8, 2024, from 1 p.m. to 5 p.m.

*Resource Adequacy (RA) Workshop on Track 1 Proposals.* On Friday, February 14, 2024, a workshop will be held from 9:30 a.m. – 4:30 p.m. to discuss Energy Division Staff proposals and other party proposals on Track 1 issues in the RA proceeding, R.23-10-011. 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 available via Webex, [here](#).

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

### **Stakeholder Initiatives: Upcoming Meetings and Deadlines**

**2024-2025 Interregional Transmission.** CAISO announced the 2024-2025 submission period is open through March 31, 2024, for stakeholders to submit interregional transmission project proposals into the annual transmission planning process that could potentially replace or defer a regional solution that is in the ISO transmission plan. These proposals will be considered in the 2024-2025 transmission planning cycle. Further information is available [here](#).

**Western Energy Imbalance Market (WEIM) Governing Body, ISO Board of Governors, and Audit Committee.** CAISO has posted the final [agendas](#) for the WEIM Governing Body, ISO Board of Governors, and Audit Committee virtual meetings taking place February 6 - 8, 2024.

**WEIM Regional Issues Forum (RIF).** The WEIM RIF is seeking candidates to fill two Independent Power Producers and Marketers sector liaison roles on the RIF. Candidates for the liaison positions are selected in accordance with the RIF Operating Guidelines. Statements of interest are due February 8, 2024. Further information, including the selection guidelines, is available [here](#).

**Price Formation Enhancements.** CAISO will host an educational Price Formation workshop on February 12, 2024. This workshop aims to explore different methods to include commitment costs in fast-start pricing more deeply. The Price Formation Enhancements working group has also posted a comment template for feedback on the Scarcity Pricing Sprint. Comments are requested by February 20, 2024. Further information is available [here](#).

**Flexible Capacity Requirement Methodology.** CAISO will hold 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](#).

**Generator Interconnection Affidavits for Allocating and Retaining Transmission Plan Deliverability.** CAISO announced that generator interconnection customers must submit Transmission Plan (TP) Deliverability documents to CAISO to be eligible to receive or retain deliverability allocations in the TP Deliverability allocation process by February 14, 2024. This notice applies to all active generation interconnection projects that are eligible to seek an

allocation or want to retain an allocation from a prior allocation cycle. Further information is available [here](#).

**Greenhouse Gas Coordination.** CAISO will host a hybrid Greenhouse Gas Coordination working group meeting on February 22, 2024. Registration for in-person attendance is due February 15, 2024. Further details are available [here](#).

**Interconnection Process Enhancements 2023.** CAISO will host a hybrid stakeholder meeting on February 15, 2024, to discuss the Interconnection Process Enhancements 2023 track 2 draft final proposal. In-person attendance registration is due on February 12, 2024. Written comments on the draft final proposal are due February 29, 2024. 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 January 31, 2024, the CEC released a [Notice of Availability](#) of the [proposed 2023 Integrated Energy Policy Report](#) (2023 IEPR) that will be considered for adoption at the February 14, 2024 CEC Business Meeting (see [agenda](#) item 8). According to the [Notice of Availability](#), oral comments will be accepted at the Business Meeting but written comments are due by 5 p.m. on February 9, 2024.

### 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 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 from 10 am-4 pm to discuss safety related considerations of Battery Energy Storage Systems (BESS) relative to their siting, permitting, construction, and operation. The workshop will focus on large-scale stand-alone 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 (PSD) 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 pm.

#### Investment Plan Update

On January 30, 2024, the CEC released the [2023 - 2024 Investment Plan Update for Clean Transportation Program - Lead Commissioner Report](#).

#### Senate Bill 100

- Modeling Inputs and Assumptions: CEC staff will host a remote access [workshop](#) on February 16, 2024 at 9 a.m. According to the workshop [notice](#), “staff will present on the inputs and assumptions that are being developed for the SB 100 electricity supply modeling.” A detailed meeting schedule will be posted prior to the workshop at [Docket No. 23-SB-100](#). Written comments are due by 5 p.m. on March 1, 2024.
- Land Use Workshop: The CEC held a [SB 100 Land Use Workshop](#) on February 1, 2024 that focused on approaches to incorporating environmental and land use implications of potential resource scenarios into the SB 100 analysis. Written comments may be submitted to the Docket Unit by 5 p.m. on February 15, 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.

#### CEC Business Meetings

The next business meeting will be held on February 14, 2024. The meeting agenda and additional information is available [here](#).

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

#### Meetings, Workshops, and Notices

On February 8, 2024, CARB will host a public meeting of the [AB 32 Environmental Justice Advisory Committee](#). The agenda and registration for the meeting are available [here](#).

On February 8, 2024, CARB will hold a public workgroup meeting on staff proposals to implement CARB's [Clean Mobility Investment](#) implementation, including fiscal year 2023-2024 investments in sustainable community-based transportation equity projects. Registration for the meeting and more information are available [here](#).

CARB's next [Board meeting](#) will be held on February 22, 2024. The agenda will be available [here](#) 10 days prior to the meeting.

On February 20, 2024, CARB will host a meeting on its [Clean Transportation Incentives Funding Plan](#). This meeting is part of a series of monthly evening community meetings on plans for funding clean transportation in California. Registration is 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 March 21, 2024, CARB will hold a [hearing](#) on proposed [amendments](#) to the [California Low Carbon Fuel Standard](#).

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

#### Opportunities for Public Comment

CARB is accepting comments on its draft [Priority Climate Action Plan](#), developed for the U.S. Environmental Protection Agency's [Climate Pollution Reduction Grant Program](#). Comments may be submitted on the draft developed [here](#) until February 11, 2024.

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 may be submitted [here](#) until February 20, 2024, or at the public hearing on March 21, 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](#).

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

On February 1, the MPUC held its regular agenda meeting, with agenda items including intervenor compensation and altering application of a simple-cycle CT. The agenda can be found [here](#).

On February 1, 2024, Northern States Power Company d/b/a Xcel Energy submitted its Integrated Resource Plan for the years 2024-2040 (IRP). Key elements of Xcel's IRP include:

- Extending the lives of both nuclear plants—over 1,700 MWs of carbon-free baseload generation—into the 2050s;
- Adding nearly 10,000 MWs of renewable resources and over 2,100 MWs of energy storage by 2040;
- Supporting the integration of nearly 6,000 MWs of demand-side resources, including energy efficiency, demand response, and distributed solar, on the distribution system by 2040; and
- Adding the necessary firm dispatchable resources to ensure reliability and facilitate renewable integration

The MPUC will meet this Thursday, February 8, to address the best strategy for incorporating stakeholder input.

There are also ongoing developments with respect to Minnesota's community solar garden programs. In early January, the Minnesota Department of Commerce (Commerce) shared new details about the state's Low and Moderate-income Accessible Community Solar Garden program (the Program) application process and requirements. Among other features, the Program emphasizes subscribing low- and moderate-income (LMI) households and public interest organizations and establishes new consumer protection requirements. Applications for the Program will be submitted and reviewed in batches – **starting February 1, 2024** – and new caps on project size and program size will apply.

The Program requires that specific percentages of energy generated from a project be subscribed to LMI households, and/or public interest subscribers, including schools, faith communities, and nonprofit organizations, or affordable housing providers. Subscriber Organizations can use the [ECO Guidance Regarding Definition of Low-Income Household](#) to determine the eligibility of subscribers or conduct an income check for households using a [look-up tool](#) that references HUD income levels by county.

To protect consumers, the Program prohibits Subscriber Organizations from engaging in certain activities with respect to residential subscribers. Commerce has posted a [Subscriber Information Disclosure Form Cover Sheet](#) that must be adapted by Subscriber Organizations and submitted along with their applications. Subscriber Organizations are also subject to new reporting requirements and must publish certain reports containing information regarding the project's operations.

Applications to participate in the Program will be submitted and reviewed in batches. Commerce will review applications in each batch first for completeness. If the batch of applications does not exceed the annual cap for each year and projects meet the eligibility requirements, projects may be approved as community solar gardens. The Program will have an annual cap of 100 megawatts for 2024. If the annual cap is exceeded during completeness review, Commerce will begin a second stage of review that considers the project's characteristics, including whether the project delivers the financial benefits of tax benefits and other incentives to subscribers and the local community and whether the project is located on a nongreenfield site.

This detailed project review will be subject to a scoring process. Subscriber Organizations can reference the [Prioritization Scoring Rubric](#) to help them analyze their projects' attributes and the projects' likelihood of success in moving through the application review. Once Commerce has conducted its review, project applications may be approved or added to the queue depending on the project's score. At the end of the Program year, the queue will be cleared. Any projects remaining in the queue will be required to submit a new application in the next Program year.

The first application window opened on February 1, 2024, and will close on February 21, 2024. Commerce has posted on its [website](#) resources addressing application requirements, frequently asked questions, and other helpful Program information for Subscriber Organizations.

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

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 (DAEM) 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 Tariff<sup>2</sup> 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](#).

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<sup>2</sup> 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.

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.

On December 20, 2023, FERC issued a long-awaited opinion in a proceeding that originated with the 2000/01 California Energy Crisis. In relevant part, the opinion, issued in [Docket No. EL02-60](#), reversed several conclusions reached by the Presiding Judge in an initial decision from 2016 that ran counter to the U.S. Supreme Court's 2008 decision in *Morgan Stanley*, and found that an Avangrid Renewables offtake agreement benefited from the *Mobile-Sierra* presumption and that Avangrid Renewables owed no refunds to the California Parties as a result. Stoel Rives represented Avangrid Renewables at the hearing and on the post-hearing briefing to the FERC.

Also on December 20, 2023, in [185 FERC ¶ 61,210](#), FERC issued an order accepting in part, subject to condition, and denying in part, CAISO's proposed revisions to its Open Access Transmission Tariff to implement its Day-Ahead Market Enhancements (DAME) and Extended Day-Ahead Market (EDAM) proposals. Under the DAME proposal, CAISO proposed to revise its Tariff to establish two new day-ahead market products—Imbalance Reserves and Reliability Capacity. The DAME proposal would update CAISO's existing day-ahead market to implement and accommodate EDAM functions, as well as address supply and load forecast differences, or imbalances, between the day-ahead and real-time markets. Under the EDAM framework, CAISO proposed revisions to its Tariff to offer participation in the day-ahead market to external balancing authority areas (BAA) in the Western states. By joining EDAM, an external BAA voluntarily enters into participation agreements to take part in CAISO's day-ahead market, similar to the existing Western Energy Imbalance Market.

At the December 19, 2023 Commission Open Meeting, FERC issued a Notice of Inquiry (NOI) into [Federal Power Act Section 203 Blanket Authorizations for Investment Companies](#) in Docket No. AD24-6. The NOI focuses on FERC's policy addressing three-year blanket authorizations for investment companies under section 203(a)(2) of the Federal Power Act (FPA). FERC explained that since it revised its regulations to expand blanket authorizations under section 203(a)(2) and began granting case-specific blanket authorizations for holding companies, including investment companies, there have been changes in the industries that warrant consideration into whether the blanket authorization policy will continue to work as intended. Therefore, FERC is seeking comments on: (1) whether, and if so, how, it should revise

its blanket authorization policy for holding companies, including investment companies, under section 203(a)(2) of the FPA; (2) what constitutes control of a public utility in evaluating holding companies,' including investment companies,' requests for blanket authorization; and (3) what factors it should consider when evaluating control over public utilities as part of a request for blanket authorization.

Regarding control, FERC seeks comments specifically targeting large investment companies. For example, whether, and if so, how, the size of an investment company should be considered in evaluating a request for blanket authorization, if FERC should consider pre-existing ownership and control of public utilities and holding companies, and how to distinguish between the various types of investment vehicles.

Beyond large investment companies, FERC noted that arguments have been made that investment companies are able to influence utility behavior in ways that are not captured by the current analysis of control and seeks comments on how control may be exerted in ways not already captured by its policies and regulations, and what strategies or actions taken could demonstrate control or a degree of influence. Further, FERC seeks comments on what factors it should consider when evaluating control over public utilities as part of a request for blanket authorization. Specifically, FERC seeks comments on whether it should be more expansive in its review of control, for example, whether it should account for the impact of investors on long-term planning or other issues beyond day-to-day control. Further, FERC requests comments on what corporate governance factors should be considered during its evaluation of control, specifically mentioning the ability to influence board membership. Initial comments are due March 25, 2024, and reply comments are due April 24, 2024.

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 in 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.