

**REGULATORY UPDATE FOR JANUARY 23, 2024
(WEEK OF JANUARY 15, 2024)**

CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC OR COMMISSION)

New Proposed Decisions and Draft Resolutions¹

Resolution (Res) E-5296. This Resolution approves in part and modifies in part Pacific Gas and Electric Company's (PG&E), Southern California Edison Company's (SCE), and San Diego Gas & Electric Company's (SDG&E) Advice Letters, filed in compliance with Decision (D.) 20-09-035 and Resolutions E-5211 and E-5230, providing the specifics on whether and how reductions to a customer's Limited Generation Profile (LGP) are determined, and providing recommendations regarding the standard review, certification requirements, and interconnection processes necessary for implementation of the LGP option. The Resolution orders PG&E, SCE and SDG&E to submit via Advice Letter changes to their Rule 21 Tariffs and other forms as applicable to allow the use of LGPs. The Resolution further orders PG&E, SCE and SDG&E to monitor and report data on utilization of the LGP option to facilitate future refinements to its implementation. The LGP option is a new interconnection option intended to maximize the use of existing hosting capacity on the grid.

Voting Meetings

The CPUC will hold a voting meeting in Sacramento, California on January 25, 2023 at 11:00 a.m. PT. The following are energy-related items on the agenda:

Item 2. Res SPD-15 (Proposal for Senate Bill 884 Program). This Resolution adopts the Commission's Staff Proposal for the Senate Bill (SB) 884 Program which implements the SB 884 Program pursuant to Public Utilities Code § 8388.5. The Staff Proposal for the SB 884 Program addresses the process and requirements for the Commission's review of any large electrical corporation's 10-year distribution infrastructure undergrounding plan and conditional approval of its related costs. This Resolution establishes a program and guidelines for expediting the undergrounding of the distribution equipment of large electrical corporations.

Item 5. Rulemaking (R.) 22-07-005 (Order Instituting Rulemaking to Advance Demand Flexibility Through Electric Rates). This decision directs PG&E and 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. The decision directs PG&E to expand the Valley Clean Energy Alliance agricultural pumping dynamic rate pilot to, among other requirements, remove the five-megawatt cap on enrollment and meet a combined enrollment target of 100 megawatts of load

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.

shifting. The decision directs SCE to expand its dynamic rate pilot for residential, commercial, and industrial customers by, among other requirements, partnering with community choice aggregators to enroll customers in the pilot program and meeting an enrollment target of 50 megawatts of load shifting with no cap on enrollment.

Item 7. R.11-05-005 (Order Instituting Rulemaking to Continue Implementation and Administration of California Renewables Portfolio Standard Program). This decision denies the October 4, 2017 petition to modify 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. The decision finds that 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.

Item 11. Application (A.) 23-01-004 (Application of Southern California Gas Company (SoCalGas) to Establish Gas Demand Response Pilot Programs). This decision denies SoCalGas' application seeking approval of the proposed gas demand response pilot programs and recovery of the costs associated with their proposed implementation for the years 2023-2025. The decision finds that SoCalGas failed to comply with D.20-02-023 because it did not file a new application within 60 days of the workshop, because the application for \$12.5 million in ratepayer matching funds would not be in the interest of ratepayers, and because the application failed to address alternatives that could be more effective in addressing the natural gas curtailments and reliability issues.

Item 12. Res ALJ-451 (Appeal of Orange County Power Authority of Citation No. E-4195-0134). This Resolution resolves the appeal of Citation No. E-4195-0134 issued to Orange County Power Authority (OCPA) by the Commission's Consumer Protection and Enforcement Division. The citation was issued on April 24, 2023, regarding OCPA's 2023 Year Ahead Resource Adequacy Compliance filing. The citation assessed a fine in the amount of \$147,408.00. The decision grants OCPA's request to withdraw its appeal and directs OCPA to pay the assessed fine.

Item 21. R.____ (Order Instituting Rulemaking to Continue Implementation and Administration, and Consider Further Development, of California Renewables Portfolio Standard Program). This rulemaking continues implementation and administration of the California renewables portfolio standard (RPS) program. As a successor docket to R.18-07-003, this proceeding addresses ongoing oversight of the RPS program. This oversight includes reviewing RPS procurement plans submitted by retail sellers; providing tools for analysis of and reporting on progress of retail sellers and the RPS program as a whole; assessing retail sellers' compliance with their RPS obligations; and integrating new legislative mandates and administrative requirements into the RPS program. This rulemaking also provides a forum for possible further development of the RPS program: (1) through exercise of the Commission's authority under Assembly Bill 327 to increase the percentage of RPS-eligible electricity sold to retail end-user customers; (2) through examination of the relationship of the RPS program to other state mandates that include the electricity sector (e.g., reduction in emission of greenhouse

gases); and (3) through coordination with other proceedings and initiatives of the Commission. R.18-07-003 remains open only to consider filings related to the retail sellers' final 2023 RPS Procurement Plans.

Item 44. Res SED-8 (Enforcement Division and PG&E Administrative Consent Order Regarding the 2021 Dixie Fire). In this Resolution, the Commission approves an Administrative Consent Order and Agreement (ACO) between the Commission's Safety and Enforcement Division and PG&E to resolve all issues involving the 2021 Dixie Fire. PG&E agrees to a \$45 million penalty, consisting of a \$2.5 million fine to the General Fund of the State of California, a \$2.5 million payment to tribes impacted by the Dixie Fire for remediations of the impacts of the Dixie Fire on tribal lands, and \$40 million in shareholder funding for capital expenditures for the initiative to transition from hard copy records to electronic records for distribution patrols and inspections. This Resolution includes an analysis of the Penalty Assessment Methodology.

Upcoming Meetings and Workshops

2025 Potential and Goals Study (Energy Efficiency) Webinar. On Wednesday, January 24, 2024, from 9 a.m. to 11 a.m., Energy Division staff will host a stakeholder webinar on the 2024 Potential Goals Study issued in the Energy Efficiency rulemaking proceeding. The webinar will include discussion of modeling updates, including to the Total System Benefit test, fuel substitution policies, and related matters. The webinar will be held on WebEx and can be accessed [here](#).

Energization Workshop. On Friday, February 2, 2024, Energy Division staff will host a public workshop to discuss issues related to energization timelines established under Assembly Bill 50 (Woods, 2023) and Senate Bill 410 (Becker, 2023). There will be an opportunity for public input. Further information including a detailed meeting agenda and login details will be served on the following service lists in advance of the workshop: R.17-07-007, R.18-12-006, R.21-06-017, R.22-07-005, and R.23-12-008.

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 1:00 p.m. to 5 p.m.

CALIFORNIA INDEPENDENT SYSTEM OPERATOR (CAISO)

Stakeholder Initiatives: Upcoming Meetings and Deadlines

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](#).

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](#).

Reliability Demand Response Resource Minimum On Time. CAISO has scheduled a stakeholder call to discuss the Reliability Demand Response Resource Minimum On Time final proposal on January 24, 2024 from 1:00 p.m. to 3:00 p.m. Further details are available [here](#).

Gas Resource Management. CAISO will hold a public Gas Resource Management working group call on January 25, 2024, to continue the discussion of problem statements and related analysis on gas price inputs used for market operations and cost adjustments. 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](#).

Transmission Development Forum. CAISO, in conjunction with the CPUC and the participating transmission owners, will hold a public stakeholder call on January 31, 2024, to provide status updates on the transmission planning process and network upgrades identified in the generation interconnection process. Further information is available [here](#).

2025 and 2029 Local Capacity Technical Study. CAISO has posted the draft base cases for use in the 2025 and 2029 Local Capacity Technical Studies for stakeholder review and comment. Comments are due by February 1, 2024. Further information and a link to the draft cases are available [here](#).

Western Energy Imbalance Market Regional Issues Forum (RIF). RIF is seeking candidates to fill two Independent Power Producers and Marketers sector liaison rolls 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, are 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](#).

CALIFORNIA ENERGY COMMISSION (CEC)

Offshore Wind

On January 19, 2024, the CEC published a [Notice of Availability](#) regarding the release of the draft AB 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.

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.

Senate Bill 100 Land Use Workshop

The CEC will hold a hybrid [SB 100 Land Use Workshop](#) on February 1, 2024 at 9:30 a.m. According to the workshop notice:

The workshop will focus on approaches to incorporating environmental and land use implications of potential resource scenarios into the SB 100 analysis. There will be presentations by CEC, CPUC, and California Air Resources Board (CARB) covering land use considerations in energy resource and climate planning (AB 32 Scoping Plan), and proposed goals and approaches to evaluating land use in the 2025 SB 100 Report. Representatives from California Native American tribes will participate in a panel on considerations for cultural resources in energy planning.

Written comments may be submitted to the Docket Unit by 5:00 p.m. on February 15, 2024. A detailed meeting schedule will be posted at [Docket No. 23-SB-100](#) prior to the workshop.

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. The agenda and backup materials are available [here](#).

California Air Resources Board (CARB)

Meetings, Workshops, and Notices

CARB is holding [public dialogue sessions](#) on its draft [Community Engagement Model](#), designed to help staff create and implement robust engagement plans. The last virtual meetings will be held on January 23 and January 25, 2024. Comments on the draft Community Engagement Model may be submitted [here](#) until April 3, 2024.

On January 29, 2024, CARB will hold an outreach meeting of the [Advanced Clean Fleets Regulation](#) Truck Implementation Group. More information and registration for the virtual meeting are available [here](#).

CARB's next [Board meeting](#) will be held on January 25, 2024. The agenda for the meeting is 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 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.

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

MINNESOTA PUBLIC UTILITIES COMMISSION (MPUC)

On January 3, 2024, the MPUC held a Special Planning Meeting on Grid North Partners Congestion Relief Projects, Permitting Efficiency Stakeholder Meeting Report, and Tribal Legislative Initiative. Links here: [Agenda](#), [Grid North Partners Presentation](#), and [Permitting Reform Stakeholder Report](#).

On January 4, 2024, the MPUC held an agenda meeting and heard Otter Tail Power's 2023-2037 Integrated Resource Plan. [Agenda](#).

FEDERAL ENERGY REGULATORY COMMISSION (FERC)

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.

The Commission 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. The Commission 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 New England Inc. (ISO-NE) to revise the ISO-NE's Transmission, Markets and Services Tariff (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 owed no refunds to the California Parties as a result. Stoel Rives represented Avangrid at 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 proposes 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 proposes 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 explains 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 notes 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.