

REGULATORY UPDATE FOR JULY 26, 2021 (WEEK OF JULY 19)**CALIFORNIA PUBLIC UTILITIES COMMISSION****SDG&E and PG&E Disclose Development Delays for Projects Required to be Online by August 2021**

On Friday, July 23, both San Diego Gas and Electric (SDG&E) and Pacific Gas and Electric (PG&E) submitted letters to Rachel Peterson, the Executive Director of the CPUC, formally notifying the Commission of delays in developing the 3,000 MW of system resource adequacy that the Commission had ordered the utilities to procure in November 2019 (D.19-11-016). Fifty percent of the resources procured pursuant to that decision were to be online by August 1, 2021, 75% by August 1, 2022, and 100% by August 1, 2023, to meet short-term reliability needs. PG&E's share of the 3,000 MW was 716.9 MW, later raised to 765.1 MW because some community-choice aggregators opted out of procurement. SDG&E's share was 292.2 MW, later raised to 301.3 MW. Both PG&E and SDG&E stated that development delays had made it unlikely that all of the resources that were to come online by August 1, 2021 would meet that deadline. These delays will further increase the challenges California will have in meeting energy needs during any extreme heat storms occurring later this summer.

Draft Distributed Energy Resources Action Plan 2.0 Released

The Commission released a draft Distributed Energy Resources (DER) Action Plan 2.0 on Friday, July 23. The DER Action Plan is intended to act as a roadmap for CPUC decision-makers, staff and stakeholders as they work to develop DER policy. The Commission anticipates that the number of DERs will continue to increase significantly in the next five years, and the Action Plan notes that the California Energy Commission's 2020 Integrated Energy Policy Report forecasted that over the next 10 years, behind-the-meter (BTM) solar generation would increase by 260 percent, BTM energy storage capacity would increase by 770 percent, and electric vehicle demand would increase by 370 percent. In 2016, the Commission endorsed a DER Action Plan (Plan 1.0) which covered the period 2016 to 2020. This Action Plan (2.0) is intended to cover the period from 2021 to 2026. Energy Division staff will host a workshop on August 26, 2021, at 9 a.m., to present the draft DER Action Plan 2.0 for stakeholder discussion and feedback. Written comments on the draft Plan will be due September 10, 2021. After consideration of stakeholder feedback, a final DER Action Plan will be presented to the full CPUC for a vote later in 2021. The workshop agenda and logistics information will be provided at a later date.

New Proposed Decisions and Draft Resolutions¹

None.

¹ Per California Public Regulatory Commission (CPUC or Commission) 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

Voting Meetings

The Commission's next voting meeting is scheduled for August 5, 2021.

CALIFORNIA ISO

California ISO Takes Action to Prepare for Extreme Heat. On July 9, 2021, the California ISO (CAISO) issued a Significant Event Capacity Procurement Mechanism (CPM) designation to 11 resources, totaling 309.24 MW, to address a CPM Significant Event, defined in the CAISO tariff as an event or combination of events, resulting in a "material difference from what was assumed in the resource adequacy program for purposes of determining the Resource Adequacy Capacity requirements, or produce a material change in system conditions or in CAISO Controlled Grid operations, that causes, or threatens to cause, a failure to meet Reliability Criteria absent the recurring use of a non-Resource Adequacy Resource(s) on a prospective basis." That same day, the CAISO also issued an Exceptional Dispatch CPM to an additional resource totaling 121.42 MW. The CPM term for all 12 resources is 30 days.

On July 12, 2021, the CAISO issued a CPM designation for two additional resources, totaling 64 MW.

On July 25, 2021, the CAISO issued a CPM designation for an additional resource totaling 16.61 MW.

The CAISO is continuing to seek capacity that can meet the intended minimum designation criteria of being available at least during the net peak hours (4 p.m.-9 p.m.) and, for imports, both deliverable to the CAISO at the delivery intertie and supported by firm transmission (or reasonably equivalent) rights to the delivery intertie. Parties with available capacity should contact the CAISO by submitting both a Customer Inquiry, Dispute and Information ticket and offers to the intra-monthly CPM competitive solicitation processes for September and October.

Stakeholder Initiatives: Upcoming Meetings and Deadlines

Energy Storage Enhancements - Stakeholder Presentation Working Group Meeting. The CAISO has invited stakeholders to attend a working group on July 26, 2021. This is an opportunity for stakeholders to showcase proposals for solutions to the issues outlined by the CAISO in the Energy Storage Enhancements issue paper.

2021-2022 Transmission Planning Process. The California ISO has posted a white paper and will hold a public stakeholder call on July 27, 2021, to discuss transmission capability information provided to the California Public Utilities Commission through its Integrated Resource Planning Process, and updates for the 2021-2022 transmission planning process and

on draft resolutions are due 20 days after the draft resolution appears in the CPUC's daily calendar, per Rule 14.5.

the 20-year transmission outlook. Written comments are due August 10.

Day-Ahead Market Enhancements Second Revised Straw Proposal. The CAISO has scheduled stakeholder calls on July 28–29, 2021, to discuss the second revised straw proposal for the Day-Ahead Market Enhancements initiative. Written comments on the proposal and meeting discussions are due by end of day August 18, 2021.

2021 Summer Readiness Update. The CAISO has scheduled a public call on July 29, 2021, to provide stakeholders with an update on the on-going summer 2021 readiness activities.

CALIFORNIA ENERGY COMMISSION

2021 IEPR. As part of the 2021 Integrated Energy Policy Report (IEPR) proceeding, the California Energy Commission (CEC) has scheduled several public workshops. On July 28, 2021, the CEC will host a workshop to discuss the potential role of hydrogen technologies in California’s clean energy transition. The workshop will be held remotely in two sessions, with the first session scheduled for 10:00 a.m. and the second session scheduled for 2:00 p.m. on July 28, 2021. Additional information is available [here](#). On August 3, 2021, the CEC will host a workshop on identifying programs, resources, and policies needed to help industries accelerate decarbonization and meet statutory energy and environmental goals. The workshop will be held remotely in two sessions, with the first session scheduled for 10:00 a.m. and the second session scheduled for 2:00 p.m. on August 3, 2021. Additional information is available [here](#). On August 5, 2021, the CEC will host a workshop on data inputs and assumptions for modeling and forecasting energy demand in California. The workshop will be held remotely in two sessions, with the first session scheduled for 10:00 a.m. and the second session scheduled for 2:00 p.m. on August 5, 2021. Additional information is available [here](#).

EPIC 2021-2025 Investment Plan. On June 2, 2021, CEC Staff published a Notice of Staff Workshops regarding a series of remote access workshops to discuss the Electric Program Investment Charge (EPIC) 2021-2025 Investment Plan (EPIC 4 Investment Plan) and solicit public input on specific research topics to inform the plan. The workshops will review the research initiatives proposed in the draft EPIC 4 Investment Plan and solicit public input.

As background, the CPUC established EPIC in 2012 to fill a critical gap in funding for public investments in clean energy research and technology innovation that can provide benefits to electric ratepayers through greater reliability, lower costs, and increased safety. On September 2, 2020, the CPUC renewed EPIC for an additional 10 years (January 1, 2021 through December 31, 2030) in D.20-08-042. The CPUC approved the CEC as an EPIC administrator with an annual budget of \$148 million for the first five years and ordered the investor-owned utilities to collect funds for the renewed EPIC starting January 1, 2021. The decision requires the CEC to file an investment plan to the CPUC by October 1, 2021, to cover the period of January 1, 2021 to December 31, 2025 (referred to as EPIC 4). According to the Public Notice, CEC Staff anticipates that the CPUC will issue a decision on the EPIC 4 Investment Plan in Spring 2022. More information on the CEC’s administration of the EPIC program is available [here](#).

The series of CEC Staff workshops started on June 14, 2021, and will run through July 2021, culminating in an August 4, 2021 workshop entitled “Draft Initiatives for EPIC 4” that will review the research initiatives proposed in the draft EPIC 4 Investment Plan and solicit public input. A detailed list of workshop dates and times, as well as remote attendance instructions, is available [here](#).

Lithium Valley Commission. The next Lithium Valley Commission is scheduled for Thursday, July 29, 2021, at 1:30 p.m. Additional details regarding the upcoming meeting, as well as a copy of the minutes from the June 24, 2021 meeting, can be found [here](#).

CEC Business Meetings. The next CEC Business Meeting will be held remotely on August 11, 2021.

CALIFORNIA AIR RESOURCES BOARD

California Air Resources Board (ARB) will hold a Board meeting on [community air protection](#) on July 29, 2021. At the meeting, the Board will consider the [Stockton Community Emissions Reduction Program Staff Report](#). Notice of the meeting is available [here](#). The full agenda is available [here](#).

On August 2, 2021, ARB will hold a [Technical Workshop](#) on Engineered Carbon Removal, related to the [AB 32 Scoping Plan Update](#) for 2022. In June, ARB held a [series of public workshops](#) on development of the 2022 Scoping Plan Update. Recordings of the workshops are [available online](#).

On July 27, 2021, ARB will hold a [public workshop](#) on development of the 2022 State Strategy for California’s [State Implementation Plan](#) under the federal Clean Air Act. ARB staff will discuss potential measures to support attainment of the federal eight-hour standard for ozone. The workshop can be accessed [here](#).

ARB is accepting informal public comments on the proposed [Advanced Clean Fleets](#) regulation, which aims to achieve a zero-emissions truck and bus California fleet by 2045. Comments may be [submitted](#) on or before September 15, 2021.

OREGON

OPUC Meetings this Week

On Monday, July 26, the Oregon Public Utility Commission (OPUC) Staff will hold an informal workshop to discuss proposed rules related to qualifying facility (QF) power purchase agreements under the federal Public Utility Regulatory Policies Act of 1978 (PURPA), including rules regarding commercial operation date declarations, default security that may be required of QFs, and a host of other changes to QF contracting. The draft regulations are located [here](#). The public comment period concludes on Thursday, July 29.

On Tuesday, July 27, at 9:30 a.m. PDT, the OPUC will hold a public meeting to discuss a wide range of dockets including UM 1930. The OPUC will discuss proposed rules related to certification revocation and dispute resolution under Oregon’s Community Solar Program and review the pre-certification application for the Cherry Creek Solar Project.

WASHINGTON

WUTC Meeting this Week

On Thursday, July 29, at 9:30 a.m. PDT, the Washington Utilities and Transportation Commission will hold a public meeting to address several dockets and agenda items available [here](#).

NEW YORK

PSC Authorizes Construction of 100 MW Battery Storage Facility in NYC

On July 15, 2021, the New York Public Service Commission (PSC) confirmed the construction and operation of a battery energy storage system with a capacity of up to 100 megawatts located in Queens. The project will be developed by East River ESS, LLC, an affiliate of 174 Power Global, and is expected to be operational by December 31, 2022. The facility will be developed and operated on a merchant basis and will participate in the wholesale energy markets. The project will initially operate pursuant to a seven-year contract with Con Edison.

New York’s Climate Leadership and Community Protection Act sets the goal of a zero-emission electricity sector by 2040, with an incremental goal of obtaining 70% of energy generation from renewable energy sources by 2030. Battery storage systems will likely play a major role in the effort to achieve this goal. Utility-scale battery storage in New York City will help to maximize benefits from offshore wind projects, which are currently in development.

FEDERAL ENERGY REGULATORY COMMISSION

Federal Energy Regulatory Commission’s (FERC) monthly open meeting occurred on July 15, and the agenda was relatively light as the FERC heads toward its August recess. However, the meeting did include one large policy-driven centerpiece: An Advanced Notice of Proposed Rulemaking (ANOPR) entitled “Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection.” In response to this ANOPR, FERC is seeking feedback on potential reforms in three specific areas: reforms for longer-term regional transmission planning and cost-allocation processes that take into account more holistic planning, including planning for anticipated future generation, rethinking cost responsibility for regional transmission facilities and interconnection-related network upgrades, and enhanced transmission oversight over how new transmission facilities are identified and paid for. Comments are due 75 days after publication in the Federal Register, with reply comments then being due within 30 days thereafter.

Last week, Rep. Sean Casten, D-Ill. launched a “Hot FERC Summer” campaign to boost FERC’s visibility on the hill. The campaign includes the re-introduction of a bill to allow FERC to consider greenhouse gas emissions in ratemaking, a bill on timely rehearing of FERC’s orders, and a bill on improving regional transmission planning.