

**REGULATORY UPDATE FOR JULY 11, 2023  
(WEEK OF JULY 3, 2023)**

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

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

Rulemaking (R.) 23-01-007 (Diablo Canyon). The decision increases the compensation provided to members of the Diablo Canyon Independent Safety Committee (DCISC) and makes certain updates to the annual advice letter process used to review and update DCISC member compensation. In addition, this decision directs Pacific Gas and Electric Company (PG&E) to track the DCISC's 2023-2024 operational costs associated with assessing the potential for extended operations at Diablo Canyon Nuclear Power Plant in the Diablo Canyon Transition and Relicensing Memorandum Account.

R.13-11-005 (Energy Efficiency Rolling Portfolios, Policies, Programs, Evaluation, and Related Issues). This decision adopts total system benefit and energy savings goals for ratepayer-funded energy efficiency portfolios for 2024-2035.

Voting Meetings

The next CPUC voting meeting will be held on July 13, 2023. The following are energy-related items on the agenda:

Item 6. Resolution (Res) E-5277 (SDG&E Request to Count the Utility-Owned Westside Canal Energy Storage Project Towards Midterm Reliability Procurement Requirement). This Resolution approves San Diego Gas & Electric's (SDG&E) request to count the utility-owned Westside Canal Energy Storage Project towards its midterm reliability procurement requirements pursuant to Decision (D.) 21-06-035 and modify the project's cost-recovery mechanism. The project was originally procured to meet summer reliability procurement targets pursuant to D.21-12-015.

Item 7. Res ALJ-442 (Appeal of Citation by San Diego Community Power). This Resolution denies San Diego Community Power's (SDCP) appeal of Citation No. E-4195-0098 by the Commission's Consumer Protection and Enforcement Division. Citation No. E-4195-0098 cites and fines SDCP for failing to procure its September 2021 year-ahead system Resource Adequacy obligation.

Item 8. Res E-5276 (Southern California Edison Company's Charge Ready 2 Program). This Resolution approves Southern California Edison Company's (SCE) 12-month Charge

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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.

Ready 2 (CR2) program update. On October 27, 2022, SCE filed AL 4883-E detailing the CR2 12-month program implementation update pursuant to Ordering Paragraph 21 of D.20-08-045, providing: (1) how the adopted scope and size of the CR2 infrastructure programs are appropriated given current electric vehicle demand in SCE's service territory; (2) what aspects of the program recommendations are not workable; and (3) whether there are any cost savings that SCE has identified in the first 12 months of program implementation.

Item 11. Application (A.) 20-10- 011 (PG&E Petition for Modification of D.21-11-017). This decision largely denies the Petition for Modification filed by PG&E that sought to address certain orders related to utility expenditures contained in D.21-11-017. D.21-11-017 ordered PG&E to create and implement a real-time pricing rate option for its customers taking service on its commercial electric vehicle charging rate. This decision finds that PG&E's proposed modifications to D.21-11-017 are mostly unnecessary, and that D.21-11-017 contains sufficient flexibility to address most of the concerns raised by PG&E. However, this decision does make the requested modification to Ordering Paragraph 6 of D.21-11-017 in order to provide PG&E more time to determine if the initial customer enablement tools budget is sufficient to complete development of the tool. PG&E requested that the Commission modify the dates for filing advice letters for additional amounts for the customer enablement tool and rate comparison tool under Ordering Paragraph 6 of D.21-11-017.

Item 12. R.20-08-022 (Clean Energy Financing). This decision authorizes the expansion of the on-bill financing programs for nonresidential customers administered by PG&E, SCE, Southern California Gas Company (SoCalGas), and SDG&E to support clean energy technologies beyond energy efficiency. The decision approves the proposal of the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) to expand the clean energy technologies eligible under the California Hub for Energy Efficiency Financing programs. The decision denies SoCalGas' proposal to offer an on-bill financing program for residential customers, and CAEATFA's request for reauthorization for the Municipal Government, School, Hospital, and Large Commercial financing program, and the Local Government Sustainable Energy Coalition's proposal to create a new decarbonization incentive rate. Lastly, the decision directs further record development regarding Tariff On-Bill proposals for residential customers. **Currently on hold list, to be held to August 10 meeting.**

#### Upcoming Workshops and Other Events

**Supplier Diversity.** The CPUC will host its 21st Annual Supplier Diversity event in Escondido, California on September 27-28. A small and diverse businesses expo will be held on September 27 for procurement and supplier diversity representatives to meet and discuss upcoming business opportunities. On September 28, the CPUC will host an *en banc* to hear from utilities, local governments, ethnic Chambers of Commerce, and community-based organizations on their experiences with the supplier diversity programs. For more information and registration details, please see [here](#).

**Utility Energy Efficiency Programs.** On Friday, July 14, SoCalGas will host a stakeholder webinar to present the third-party implementation plan for its Industrial Energy

Partners Program in the Industrial Sector Solicitation. The event will be held remotely on Microsoft Teams from 2 p.m. to 3 p.m.. Login information is available [here](#). SoCalGas will host its “Innovations to Industrials” program webinar on July 18 at 3 p.m., and the meeting link is available [here](#).

**Integrated Resource Planning.** On July 18, Energy Division staff in the Integrated Resource Planning group will host a webinar from 9 a.m. to noon to present and discuss the updated busbar mapping methodology that will be used in the upcoming 2024-2025 Transmission Planning Process portfolios mapping effort. The modeling assumptions document and related information is available [here](#), and event login information will be posted to the same page in advance of the webinar.

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

### Stakeholder Initiatives: Upcoming Meetings and Deadlines

**Transmission Planning Process Phase 3.** CAISO posted the Transmission Planning Process Phase 3 - Revise Competitive Solicitation Project Proposal Fee final proposal and draft tariff language. This initiative is focused on evaluating the initial deposits required from, and total cost responsibility assigned to, each project sponsor that submits project proposals to be evaluated in the Transmission Planning Process Phase 3 competitive solicitation process. Written comments on the draft tariff language are due by end of day July 12, 2023. The final proposal and draft tariff language are available on the initiative [webpage](#).

**FERC Order No. 881 Managing Transmission Line Ratings Phase 2.** CAISO will hold its monthly data submission working group on July 13, 2023, related to the FERC Order No. 881 - Managing Transmission Line Ratings phase 2 initiative. Comments on the July 13 working group discussion are due by July 27. Meeting details are available [here](#).

**2024 Import Capability Assignment Process Step 1.** CAISO posted the ISO Maximum Resource Adequacy Import Capability for Year 2024 for the import capability assignment process to its [website](#).

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

### Integrated Energy Policy Report (IEPR)

The CEC’s [2023 IEPR Workshop Schedule](#) has been released. Forthcoming workshops include:

- July 6: Hydrogen – canceled; to be rescheduled
- August 15: California Electricity Demand Forecast: Inputs and Assumptions
- August 18: California Electricity Demand Forecast: Load Modifier Scenario Development
- September 8: Topic TBD
- November 15: California Electricity Demand Forecast: Load Modifier Scenario Results

- December 6: California Electricity Demand Forecast: Electricity Forecast Results

The schedule is also accessible on the [2023 IEPR website](#).

#### Electric Program Investment Charge (EPIC)

On July 18, 2023, CEC Staff will host a remote-access workshop to identify research needs to advance the use of virtual power plant (VPP) approaches for increased demand flexibility. The workshop will specifically focus on community-owned VPP models and include a panel session with presentations from industry representatives such as load-serving entities and their technology service providers. According to the workshop [Notice](#), input received during the workshop will be used to inform the development of future solicitations related to the Electric Program Investment Charge 2021-2025 Investment Plan (EPIC 4 Investment Plan).

#### Energy System Reliability

CEC Staff held a workshop on July 7, 2023 to provide an overview of the proposed approach comparing the anticipated costs of extending Diablo Canyon Power Plant operations for calendar years 2024-2035, or pursuing a portfolio of other feasible energy resources. The cost comparison is required under Senate Bill 846, and CEC Staff must prepare a report on its findings to submit to the legislature by September 30, 2023. The workshop will have both in-person and remote attendance options. Remote attendance options and other workshop details are available [here](#).

#### Transmission Planning

Together with the CPUC and CAISO, the CEC held a Staff workshop on June 23, 2023 to discuss resource portfolio assumptions for use by CAISO in the next 20-Year Transmission Outlook. Comments on the workshop were submitted on July 7, 2023, pursuant to a June 28, 2023 notice from the CEC extending the comment period. Additional instructions on submitting comments are included in the notice, available [here](#).

#### Electric Vehicle Infrastructure Planning

The CEC held a joint workshop on June 29, 2023, together with the California Department of Transportation, to discuss updates to California's Deployment Plan for the National Electric Vehicle Infrastructure Formula Program for 2023. Under recent guidance from

the Federal Highway Administration, states are required to submit updated Deployment Plans by August 1, 2023.

A Freight Infrastructure Planning (FIP) proposal previously noticed by the CEC and developed by the CPUC has been posted for public comment [here](#). The deadline for stakeholders to submit comments on the Draft FIP Staff Proposal is July 21, 2023.

#### CEC Business Meetings

The next CEC Business Meeting is scheduled for July 26, 2023.

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

#### Meetings and Workshops

On July 17, 2023, CARB will host a public meeting of the AB 32 [Environmental Justice Advisory Committee](#). The agenda for the meeting and registration is available [here](#).

CARB's next Board meeting is scheduled for September 14, 2023. The agenda for the meeting will be available [here](#) 10 days prior to the meeting.

#### Opportunities for Public Comment

On February 22, 2023, CARB held a [public workshop](#) on potential changes to the Low Carbon Fuel Standard program. At the workshop, Staff presented additional information on potential credit generation opportunities that may affect carbon intensity targets, preliminary fuel mix, and cost outputs from the California Transportation Supply model, and concepts related to streamlining implementation. Staff has released [draft regulatory text](#) of the proposed changes. The deadline for comments on the proposed changes for Tier 1 Simplified Calculators and Lookup Table Values has been extended until July 12, 2023. Comments may be submitted [here](#).

### **CALIFORNIA STATE WATER RESOURCES CONTROL BOARD (SWRCB)**

On July 1, 2023, SWRCB issued a [notice](#) stating that it will consider adoption of the Proposed Final Amendment to the Water Quality Control Policy on the Use of Coastal and Estuarine Waters for Power Plant Cooling to Extend the Compliance Schedule for Alamitos, Huntington Beach, Ormond Beach, and Scattergood Generating Stations (OTC Policy Amendment) and Proposed Final Staff Report. The OTC Policy Amendment also includes a change without regulatory effect to revise the compliance date for Diablo Canyon Nuclear Power Plant. The consideration of adoption meeting will be held on August 15, 2023 at 9:30 a.m.

### **COLORADO PUBLIC UTILITIES COMMISSION (COLORADO PUC)**

On July 7, 2023, the Colorado PUC issued Interim Decision No. C23-0446-I in the Transportation Electrification Plan docket opened by Public Service Company of Colorado (PSCo) in Docket No. 23A-0242E. The Interim Decision (1) grants PSCo's motion for extraordinary protection of highly confidential information, (2) grants the motion for late intervention of Walmart, (3) sets PSCo's application for hearing before the Colorado PUC *en banc*, (4) denies PSCo's request to stay discovery pending its submission of supplemental testimony on July 14, and (5) directs parties to confer and file a proposed procedural schedule by noon CT on July 11, 2023.

The next Commissioners' Weekly Meeting will occur on July 12, 2023 at 9:00 a.m. MT, and the meeting, which is held remotely, will be available for online viewing [here](#). The Weekly Meeting agenda is available [here](#).

### **ILLINOIS COMMERCE COMMISSION (ICC)**

The next ICC voting meeting will be held on July 13, 2023 at 11:30 a.m. CT. The meeting will be available for online viewing, which can be accessed [here](#), and the meeting agenda is available [here](#).

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

On July 3, 2023, FERC issued an [order on rehearing](#) addressing the October 10, 2022 Order on Notice of Change in Status in Docket Nos. ER20-67, ER20-113, and ER20-116-003 (October Order). On rehearing, FERC continued to find that Bluescape Energy Partners, LLC is individually an affiliate of Evergy Kansas Central, Inc., Evergy Missouri West, Inc., Evergy Metro, Inc., and Evergy, Inc. but modified its discussion.

In the October Order, FERC found that the appointment of a non-independent director is sufficient to overcome the rebuttable presumption of a lack of control provided under 18 C.F.R. § 35.36(a)(9)(v) for persons who hold less than 10% of the outstanding voting securities of a specified company, and declined to reach arguments regarding affiliation under 18 C.F.R. § 35.36(a)(9)(iii), which provides that an affiliate includes any person(s) FERC "determines, after appropriate notice and opportunity for hearing, to stand in such relation to the specified company that there is liable to be an absence of arm's-length bargaining in transactions between them as to make it necessary or appropriate in the public interest or for the protection of investors or consumers." On rehearing, FERC modified its decision and found "that the appointment of a non-independent director is a *per se* determination of control." Additionally, on rehearing, FERC found affiliation under section 35.36(a)(9)(iii) and stated "that there is liable to be an absence of arm's length bargaining in transactions between an investor that appoints a non-independent director to the board of a seller or a seller's upstream affiliate and that seller."

FERC has [requested comments](#) by August 14, 2023 regarding the PJM Capacity Market Forum held on June 15, 2023. FERC has also [requested comments](#) by August 24, 2023 on the

June 20, 2023 Commissioner-led forum to discuss solutions to the electric and gas challenges facing the New England region.

On June 30, 2023, FERC [accepted](#) revisions to the New York Independent System Operator, Inc. Open Access Transmission Tariff (OATT) and its Market Administration and Control Area Services Tariff (Services Tariff) related to the retention, termination, and transfer of Capacity Resource Interconnection Service (CRIS). The OATT revisions fall into four categories: (1) retention and termination of inactive and underutilized CRIS; (2) CRIS transfers; (3) the manner in which inactive, underutilized, and transferred CRIS is modeled in deliverability studies; and (4) rules for physical withholding evaluations of CRIS transfers. The revisions to the Services Tariff address physical withholding determinations and Market Mitigation Measures.

On June 27, 2023, FERC [accepted](#) revisions to Southwest Power Pool, Inc.'s (SPP) proposed revisions to Attachment V (Generator Interconnection Procedures) of the SPP OATT to clarify financial security refund eligibility for interconnection customers.

Northwestern Corporation has petitioned for a writ of certiorari to the U.S. Supreme Court in *Edison Electric Institute v. FERC*, the appeal of FERC's *Broadview Solar, LLC* orders, which the D.C. Circuit upheld in February. Read our article on the D.C. Circuit's decision [here](#).

FERC's Joint Federal-State Task Force on Electric Transmission will [meet](#) on July 16, 2023.