

**REGULATORY UPDATE FOR JUNE 7, 2021 (WEEK OF JUNE 1)****CALIFORNIA PUBLIC UTILITIES COMMISSION****New Proposed Decisions and Draft Resolutions<sup>1</sup>**

R.18-12-006 (EV Rates and Infrastructure). This decision adopts guidance and a streamlined advice letter process for the Electrical Corporations, Pacific Gas Electric Company (PG&E), Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), Liberty Utilities LLC, Bear Valley Electric Service, and PacifiCorp, regarding near-term priority transportation electrification investments and addresses issues of equity as they relate to transportation electrification.

A.20-11-004 (Hydrogen related Additions or Revisions to the Standard Renewable Gas Interconnection Tariff). This decision dismisses Application 20-11-004 (Application) for Hydrogen related Additions or Revisions to the Standard Renewable Gas Interconnection Tariff, filed by PG&E, Southern California Gas Company, SDG&E, and Southwest Gas Corporation (Joint Utilities). The Application is dismissed because it is incomplete, and its further consideration would be premature and inefficient. The Commission finds that a subsequent, complete application will permit more effective, efficient, and timely progress towards achieving the safe and optimal use of renewable hydrogen. This decision does not prejudice the merits of the Joint Utilities' proposed Hydrogen Blending Demonstration Program and Renewable Hydrogen Memorandum Accounts. Nor does this decision preclude the Joint Utilities from seeking Commission approval of a new or similar program in either Rulemaking (R.) 13-02-008 or a new application. However, the Commission directs the Joint Utilities to first collaborate with stakeholders including the California Energy Commission; University of California, Riverside; and parties in this proceeding. The decision also provides guidance to the Joint Utilities and stakeholders regarding Commission expectations of a future proposed hydrogen demonstration program and funding.

**Voting Meetings**

The CPUC's next voting meeting will be held on June 24, 2021. The agenda for that meeting is scheduled to be released June 14, 2021.

The CPUC held a voting meeting on June 3, 2021. The following items were on the

---

<sup>1</sup> 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 on draft resolutions are due 20 days after the draft resolution appears in the CPUC's daily calendar, per Rule 14.5.

agenda:

Item 2. Resolution ALJ-406. This resolution resolves San José Clean Energy's appeal of Citation No. E-4195-0074 by the CPUC's Consumer Protection and Enforcement Division. Citation No. E-4195-0074 cites and fines San José Clean Energy \$1,116,149.48 for failing to procure certain of its 2020 year-ahead system resource adequacy obligations. The appeal is denied, and this proceeding is closed. **Approved.**

Item 3. R.17-07-007 (Rule 21). The primary objective in this proceeding is to streamline the interconnection application process; this decision adopts a series of proposals to achieve this goal. Adopted proposals include a modified, notification-only approach for certain projects, a study on cost shifts resulting from a prior distribution upgrade exemption, installation of protective equipment on large machine generators, an option for independent unintentional islanding studies, establishment of a working group to look at distribution-level solutions to anti-islanding, new anti-islanding screens in the interconnection application process for PG&E, development of an interconnection guidebook on anti-islanding, improved efficiencies in the application process that allow for applications based on street address, choice of single batch applications, a future pilot to test operational alternatives to address operational flexibility constraints, and the development and finalization of a template aggregator agreement. **Approved.**

Item 6. Resolution E-5143. This Resolution updates a citation program under the administration of CPUC staff (Staff) to enforce compliance with RPS reporting and filing requirements. Approval of these updates to the RPS citation program will create penalties for non-compliance with the CPUC's requirements for submission of RPS Procurement Plans, as well as penalties for non-compliance with RPS reporting requirements and non-responsiveness to requests for information by Staff related to the implementation and administration of the RPS program. **Held to June 24, 2021.**

Item 10. R.20-05-012 (SGIP). This decision revises program requirements for Self-Generation Incentive Program (SGIP) renewable generation technologies and addresses other issues. This decision terminates a pause on acceptance of applications for renewable generation technology projects using a control/use/destroy baseline as adopted in D. 20-01-021. It limits eligible directed renewable fuels to those produced within California and strengthens renewable fuel documentation, verification, auditing, and enforcement requirements. This decision requires that all environmental attributes associated with renewable fuels used in a SGIP project, if any, are obtained and exclusively owned and retained by the SGIP Host Customer, which must not sell, use, or transfer any Renewable Energy Credits. It clarifies that SGIP renewable generation projects using 100 percent renewable fuels and involving internal combustion engines shall meet the same criteria for pollutant emission levels as required in Pub. Util. Code § 379.6(c)(1)-(3) for fossil-fuel combustion projects. This decision requires on-site SGIP biogas projects to meet the standard of methane purity set forth in Southern California Gas Company Tariff Rule No. 30, "Transportation of Customer-Owned Gas," and prohibits award of SGIP incentives to internal combustion engine projects in counties listed as severe or extreme federal non-attainment areas for particulate matter or ozone. This decision updates the definition of SGIP-eligible renewable fuels and revises certain SGIP application requirements for wind technologies. This decision

revises the eligibility requirements for the Equity Resiliency Budget and provides several other clarifications. **Signed, D.21-06-005.**

Item 25. I.19-11-013 (2019 PSPS Investigation). This proposed decision finds that in 2019, when proactively shutting off electric power to mitigate the risk of catastrophic wildfire caused by their infrastructure, California's three largest investor-owned electric utilities, PG&E, SCE, and SDG&E, failed in certain respects to reasonably comply with the obligation to promote safety in Pub. Util. Code § 451 and with many of the Commission's guidelines in D. 19-05-042, Resolution ESRB-8 (July 12, 2018), and other applicable laws, rules, and regulations. To address the failures of PG&E, SCE, and SDG&E to reasonably protect the public and adhere to state law and the CPUC's rules and regulations pertaining to proactive power shutoffs used as a wildfire mitigation measure, the CPUC directs utilities to, among other things:

(1) forgo collection from customers of the portion of their authorized revenue requirement equal to all future unrealized volumetric sales due to all future proactive power shutoffs;

(2) immediately initiate efforts to engage in the sharing of best practices and lessons learned for initiating, communicating, reporting, and improving all aspects of proactive power shutoffs by regularly holding utility working group meetings;

(3) immediately initiate efforts to assist the CPUC's Safety and Enforcement Division in developing a standardized 10-day post-event reporting template;

(4) file a report on an annual basis in R. 18-12-005 or a successor proceeding describing each utility's progress and status on improving compliance with the PSPS guidelines, especially the progress and status of implementing those guidelines not addressed in 10-day post-event reports;

(5) undertake specific corrective actions, set forth below, to improve the utilities' future compliance with the PSPS Guidelines and Pub. Util. Code § 451;

(6) provide Standard Emergency Management System training for all personnel involved in PSPS planning;

(7) immediately initiate efforts to improve, among other things, communications with those customers dependent on electricity for medical reasons, especially life support, before, during, and after a proactive power shutoff; and

(8) improve transparency in all aspects of utility decision-making related to initiating proactive power shutoffs.

In addition, the CPUC's Safety and Enforcement Division will increase the transparency of its review process of the 10-day post-event reports by, as a first step, preparing a standard template for 10-day post-event reports, which will be issued for comments by parties in R.18-12-005. As a second step, CPUC will establish a single webpage on the CPUC's website to function

as a central repository for all the CPUC's undertakings regarding the proactive power shutoffs that stakeholders, including the general public, can use to easily access the different aspects of the CPUC's review process of proactive power shutoffs, such as identifying the division within the CPUC undertaking a particular aspect of the review process and the subject matter of the review. As a third step, CPUC will post on this webpage the final documents related to the Safety and Enforcement Division's review of the 10-day post-event reports. **Signed, D.21-06-014.**

## **CALIFORNIA ISO**

**BPM Change Management: Proposed Revision Requests and Updated BPMs.** On June 1, 2021, the California ISO announced the posting and beginning of stakeholder review periods for new Proposed Revision Requests (PRRs) to Business Practice Manuals (BPM), the California ISO recommendations, and final decisions on previously submitted PRRs. The California ISO has posted updated versions of Business Practice Manuals (BPM) on its BPM change management website.

### Stakeholder Initiatives: Upcoming Meetings and Deadlines

**New Initiative: External Load Forward Scheduling Rights Process.** The California ISO has launched a new initiative called External Load Forward Scheduling Rights Process and scheduled a public stakeholder workshop webinar on July 13, 2021. The purpose of this first workshop is to solicit input and provide stakeholders an opportunity to present the issues that need to be addressed and guiding principles for this stakeholder initiative. Requests to present and topics for the workshop are due July 7, 2021.

**Western EIM Governance Review.** The California ISO has extended the deadline to submit written comments on the Western Energy Imbalance Market (EIM) Governance Review straw proposal – delegation of authority issues from June 4, 2021 to June 11, 2021.

**Hybrid Resources – Aggregate Capability Constraint, Final Proposal and Revised Draft Tariff Language.** The California ISO will hold a stakeholder call on June 3, 2021 to discuss the Aggregate Capability Constraint final proposal with stakeholders, as part of the Hybrid Resources Initiative. Comments are due June 14, 2021.

**Generator Interconnection, Cluster 14.** The California ISO has posted a spreadsheet containing a preliminary list of Interconnection Requests being validated in Cluster 14.

**New Initiative: EIM Resource Sufficiency Evaluation Enhancements Issue Paper.** The California ISO has launched a new initiative called Energy Imbalance Market (EIM) Resource Sufficiency Evaluation Enhancements and re-scheduled a two-day stakeholder workshop to discuss the issue paper to June 25 and 28, 2021 (from June 23-24). Comments on the issue paper and workshop discussions/materials are due July 9, 2021.

**Western EIM Sub-Entity Scheduling Coordinator Revised Draft Tariff Language Posted.** The California ISO has scheduled a stakeholder call on June 16, 2021 to review the

revised draft tariff language for the Western Energy Imbalance Market (EIM) Sub-Entity Scheduling Coordinator initiative. Comments on the revised language are due June 11, 2021.

### **CALIFORNIA ENERGY COMMISSION**

On May 21, 2021, the California Energy Commission (CEC) published a notice of a joint agency workshop with the CPUC and the California ISO to initiate a process to explore next steps to plan for the development of resources that will be needed to achieve the goals set forth in Senate Bill 100 (SB 100). The workshop was held in two sessions on June 2, 2021. The morning of the June 2 workshop, the CEC published the workshop Presentation, which included the meeting schedule and public comment process. The notice and additional information regarding the workshop sessions are available on the CEC's *SB 100 Implementation Planning for SB100 Resource Build* docket, accessible at <https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=21-SIT-01> (Docket). According to the Presentation docketed on June 2, 2021, public comments on Docket 21-SIT-01 are due by 5 pm on June 22, 2021.

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 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 IOUs 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 starts on June 14, 2021 and runs through July, 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](#). The next CEC Business Meeting is scheduled for June 9, 2021. The agenda and remote participation instructions are available [here](#).

### **CALIFORNIA AIR RESOURCES BOARD**

On May 27, 2021, the California Air Resources Board (ARB) released the [results](#) of the quarterly cap-and-trade allowance auction, conducted jointly with the province of Quebec, Canada. The

auction offered 71,647,138 current vintage allowances, and all were purchased. The settlement price for current vintage allowances was \$18.80.

On June 2, 2021, ARB, along with the Governor's Office of Business and Economic Development, CEC, and CPUC, will hold a forum on fueling infrastructure for medium- and heavy-duty zero-emission vehicles. You can register for the forum [here](#).

ARB will hold a series of [public workshops](#) related to development of the 2022 Scoping Plan Update to achieve carbon neutrality by 2045. Workshops will be held on June 8, June 9, and June 10, 2021, with focused discussion on natural and working lands, equity and environmental justice, the transportation sector, and the electricity sector. In addition, ARB's AB 32 Environmental Justice Advisory Committee will meet on June 4, 2021. The Committee will be advising ARB on the development of the 2022 Scoping Plan Update. The remote meeting can be accessed [here](#).

ARB's next Board meeting will be held June 24-25, 2021.

### **MINNESOTA PUBLIC UTILITIES COMMISSION**

#### **Commission Order re Otter Tail Power Company's Petition to Update Its Energy-Intensive, Trade-Exposed Rider, PUC Docket No. E-017/M-21-99**

On June 3, 2021, the Minnesota Public Utilities Commission (Commission) issued its order approving Otter Tail Power Company's (OTP) petition to extend its existing rider for energy-intensive, trade-exposed (EITE) customers pursuant to Minn. Stat. § 216B.1696 (EITE Statute). By way of background, the EITE Statute allows utilities to offer discounted rates to qualified EITE customers, which includes specific wood products companies in OTP's service territory. In 2017, the Commission granted OTP's previous petition approving an EITE rate for four years. The instant docket covers OTP's petition to extend the existing discount for another term. OTP's petition was generally accepted by other stakeholders, and the Commission approved the petition at a hearing on April 22, 2021.

### **OREGON**

#### **OPUC Issues Order Modifying Power Purchase Agreements in Oregon's Community Solar Program (CSP) – UM 1930**

Last Friday, the Oregon Public Utility Commission (OPUC) issued an order that approved Portland General Electric (PGE) and PacifiCorp's request to revise their CSP power purchase agreements to clarify payment terms for unsubscribed energy received from a CSP solar facility. Specifically, the revisions include modified language that limits the purchase of start-up test energy from a project that is not yet certified to a maximum period of 120 days. The final order can be located [here](#).

### OPUC Issues Order Acknowledging Idaho Power's 2019 Integrated Resource Plan – LC 74

Last Friday, the OPUC formally acknowledged Idaho Power's Second Amended 2019 Integrated Resource Plan. This acknowledgment provides valuable guidance for later ratemaking proceedings that determine prudence of resource procurement and fairness of ratepayer recovery. The full list of acknowledged action items can be located in Exhibit A of the attached order [here](#).

### PGE Seeks Procurement of Long-Term Hydroelectric PPA with Oregon Tribes

Last Wednesday, PGE filed a request with the OPUC seeking a waiver of competitive bidding rules in order to enter into a long-term hydroelectric power purchase agreement (PPA) with the Confederated Tribes of the Warm Springs Reservation of Oregon (CTWS). Under the proposed 15-year term PPA, CTWS would receive fixed capacity payments in exchange for PGE's right to receive CTWS' output allocation from the Pelton and Round Butte hydro plants and the Re-Regulation hydro plant. Additional detail on the proposed PPA's terms can be located [here](#).

## WASHINGTON

### Open Meeting on Puget Sound Energy (PSE)'s Request for Proposals – UM 210220

On Friday, June 11, 2021, from 1 to 4:00 p.m. PT, the WUTC will be holding an open meeting to discuss PSE's draft 2021 All-Source Request for Proposals for Renewable and Peak Capacity Resources. PSE's most recent filing on this matter can be located [here](#).

## FEDERAL ENERGY REGULATORY COMMISSION

- FERC staff have issued a [white paper on hybrid resources](#). The white paper is a product of a technical conference the Commission held in July 2020 on hybrid resources. The RTOs/ISOs were directed to file informational reports on hybrid resource issues by July 19, 2021. The public is invited to submit comments on both the white paper and the RTO/ISO reports by August 18, 2021.
- Last week, FERC issued a notice of intent not to act in response to a petition filed by several rooftop solar PV owners located in Alabama, who claimed that a flat fee of \$5.41/kW charged to them by Alabama Power, and approved by state regulators, violates PURPA. It is exceptionally rare for FERC to pursue an enforcement action against state regulators in response to a petition to enforce PURPA, and this decision remained consistent with prior rulings in that way. However, Chairman Glick and Commissioner Clements joined in a separate statement attached to the decision, expressing their views that the charge to rooftop solar owners may in fact violate PURPA by discriminating against QF owners. Nevertheless, FERC left it for the petitioners to pursue an enforcement action in the appropriate court. See Docket No. EL21-64-000.

- FERC's next open meeting is June 17, 2021.