

REGULATORY UPDATE FOR JUNE 7, 2022 (WEEK OF MAY 31, 2022)**CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC or COMMISSION)****New Proposed Decisions and Draft Resolutions¹**

R.08-08-009/R.11-05-005 (Resource Adequacy Proceedings). This decision denies two petitions for modification of Decision (D.) 10-12-048 related to potential security issues associated with making certain transmission and distribution system information available to the public. In D.10-12-048, the Commission adopted the renewable auction mechanism (RAM) to provide opportunities for development of small renewables portfolio standard (RPS) projects. In two separate petitions to modify D.10-12-048, three investor-owned utilities assert that, for security reasons, this system information should be treated as confidential and should not be made available to the public. Because RAM has now been operating for approximately a decade with the transmission and distribution system information already made available to the public, there are now other proceedings in which the Commission has required public disclosure of the same or similar information, and no valid security concerns have been demonstrated that warrant modification of D.10-12-048, the decision dismisses the petition of Southern California Edison Company for modification of D.10-12-048, filed on December 16, 2011 in R.08-08-009, and the petition of Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E), and Southern California Edison Company (SCE) for modification of D.10-12-048 and Resolution E-4414, filed on December 10, 2018 in R.11-05-005, as moot.

Voting Meetings

The Commission held a voting meeting on June 2, 2022. The agenda includes the following energy-related items:

Item 2. Resolution E-5194. This resolution adopts, with modification and clarification, the criteria and process proposed by SDG&E, PG&E, and SCE pursuant to Section 3.5.3 of D.21-01-018 for evaluating the safety and reliability of electric isolation technologies prior to deployment or implementation of the technologies. **Held to June 23, 2022.**

Item 4. P.22-01-018 (U.C. Regents, E&B Natural Resources PCIA Petition). This order denies the petition of Regents of the University of California, School Project for Utility Rate Reduction, and E&B Natural Resources Management Corporation to open a rulemaking to consider the inequitable effects of the Commission's direct access rules and associated investor-owned utility (IOU) tariffs and requested relief for overbilled Power Charge Indifference Adjustment surcharges. **Signed, D.22-06-001.**

¹ Per CPUC 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.

Item 6. A.19-07-021 (SCE Wildfire CEMA recovery). This decision grants SCE the authority it requests to recover the capital costs recorded in its 2017 Firestorms Catastrophic Event Memorandum Account, incurred in responding to the 2017 Canyons 1 and 2, Creek, and Pier Fires. As discussed in D.21-08-024, the costs related to the Thomas and Rye Fires continue to be denied without prejudice. This decision closes this proceeding. **Signed, D.22-06-002.**

Item 7. Draft Resolution E-5198. Public Utilities Code Section (PU Code Section) 381.1 gives Community Choice Aggregators (CCAs) the option to elect to become an administrator of cost-effective energy efficiency (EE) programs, subject to CPUC adoption of a CCA's EE Program Administration Plan (EE Plan) that has been approved by the CCA's governing board. Sonoma Clean Power (SCP) submitted a three-year budget request of \$3,074,682 to the CPUC on December 1, 2021, via Tier 3 advice letter (AL) 16-E and supplemental AL 16-E-A on March 9, 2022. This resolution approves SCP's request to elect to administer its EE Plan according to the criteria set forth in PU Code Sections 381.1(e) and (f)(1)-(6) and CPUC direction in D.14-01-033 on enabling CCAs to administer EE programs. The budget that SCP requested to receive to fund its EE Plan is \$3,074,682. PG&E is ordered to transfer \$3,074,682 to SCP for its three-year EE Plan. **Approved.**

Item 8. R.18-07-017 (PURPA Implementation). This decision: (1) authorizes the IOUs to offer the New Qualifying Facilities Standard Offer Contract (New QF SOC) to storage-paired QFs; (2) authorizes the Joint IOUs to modify the New QF SOC to add their proposed Section 9.02(j) (Additional Covenants by Seller) and Section 9.04(i) (Indemnity) from their June 2020 ALs for storage-paired QFs that exclusively charge from the eligible energy resources; (3) requires IOUs to submit a Tier 1 AL each within 15 days of issuance of this decision with a pro forma New QF SOC including a redline version comparing the new contract with the superseded prior contract; (4) authorizes the IOUs to bilaterally negotiate with storage-paired QFs charging from the grid while using the New QF SOC as the base contract and submit a Tier 2 AL for approval of the nonstandard contract; the negotiations are limited to modifying the New QF SOC's scheduling and metering provisions and revising or eliminating Section 9.02(j) and Section 9.04(i); (5) clarifies that storage-paired QFs that include hybrid and co-located storage configurations with a combined nameplate capacity above 20 megawatts (MWs) are eligible for the New QF SOC as long as the net power production capacity is limited to 20 MW at the point of interconnection; (6) defers to the Resource Adequacy Proceeding to define hybrid and co-located storage-paired QFs considering the California Independent System Operator (ISO) initiatives for market participation and operationalization of these resources, and the definitions adopted in D.20-06-031 shall continue to apply; and (7) declines to adopt any specific pricing mechanism for storage paired with QFs. The pricing options adopted in D.20-05-006 for capacity and energy remain unchanged. **Signed, D.22-06-003.**

Item 9. A.21-11-021 (EPIC Funding). This decision approves the Electric Program Investment Charge 2021-2025 (EPIC 4) Investment Plan filed by the California Energy Commission, subject to several modifications. Authority to continue EPIC in 2021 to 2025 and its annual funding of \$147.26 million were already authorized by the Commission in D.20-08-042. In addition, an interim EPIC 4 Plan for 2021 was already authorized in D.21-07-006. Thus, what is specifically being authorized in this decision is years two to five of the EPIC 4 Plan for

2022 to 2025. The total budget for these four years of \$592 million was already authorized in D.20-08-042. **Signed, D.22-06-004.**

Item 14. R.20-11-003 (Summer Reliability). On January 31, 2022, Valley Clean Energy (VCE), Polaris Energy Services, and Temix Inc. (Pilot Partners) filed a petition for modification requesting that the Commission modify specific provisions of D.21-12-015 (the 2022 and 2023 Summer Reliability Decision) that relate to the VCE Dynamic Rate Pilot (VCE Pilot) that was authorized in that decision. This decision resolves that petition for modification. D.21-03-056 is modified to allocate an incremental \$690,000 to VCE for the purpose of carrying out administrative activity in the implementation and execution of the VCE Pilot. All other requests for modification that the Pilot Partners made in the petition for modification are denied. **Signed, D.22-06-005.**

The Commission's next voting meeting will be held on June 23, 2022.

CALIFORNIA ISO

Stakeholder Initiatives: Upcoming Meetings and Deadlines

Interconnection Process Enhancements 2021. The California ISO held a public stakeholder meeting on May 31, 2022 to discuss feedback received from stakeholders related to the data transparency topic for the Interconnection Process Enhancement 2021 initiative. Written comments are due June 14, 2022.

Generation Deliverability Study Dispatch Assumptions. The California ISO held a public stakeholder call on June 6, 2022 to discuss updating the generation deliverability study dispatch assumptions. Written comments are due June 20, 2022.

Energy Storage Enhancements. The California ISO has posted on its initiatives webpage a question-and-answer matrix for the Energy Storage Enhancements initiative, in response to stakeholder requests to address comments submitted on the Revised Straw Proposal and during the April 13, 2022 stakeholder workshop. The California ISO's proposed enhancements to the existing Non-Generator Resource model and the new energy storage model will be spun off into a second initiative to allow for additional time to develop these topics. The logistics of separating this work will be included in the next iteration of the Energy Storage Enhancements paper, which will be a second revised straw proposal. A formal notice with further detail will be issued in the coming weeks announcing the next meeting scheduled for late June.

Extended Day-Ahead Market Initiative. The California ISO held a stakeholder meeting on the straw proposal on May 25-26, 2022. The deadline to submit written comments on the straw proposal has been extended from June 9, 2022 to June 16, 2022.

2021-2022 Transmission Planning Process. Completed proposals for the Collinsville and Manning substation projects must be submitted prior to the close of business on July 15, 2022. Completed proposals for the Newark – Northern Receiving Station and Metcalf – San

Jose B HVDC competitive solicitation projects must be submitted prior to the close of business on August 26, 2022.

FERC Order No. 881 – Managing Transmission Line Ratings. The California ISO held a public stakeholder call on May 24, 2022 to discuss its compliance with FERC Order No. 881 – Managing Transmission Line Ratings. Written comments on the discussion are due June 7, 2022.

Price Formation Enhancements. The California ISO will hold a public stakeholder workshop on June 9, 2022 to discuss the new Price Formation Enhancement initiative.

CALIFORNIA ENERGY COMMISSION (CEC)

Gas Research and Development (Gas R&D)

The CEC will hold a Communities, Equity, and Environmental Stakeholder Workshop on June 9, 2022 at 10:00 a.m. PT to elicit stakeholder input regarding incorporating community, equity, and environmental considerations into research recommendations for the CEC’s Gas R&D strategy. Additional information regarding the June 9, 2022 workshop is available [here](#). The workshop presentation has also been posted at TN# 243452 in [Docket No. 19-ERDD-01](#).

The CEC will also hold a remote technology stakeholder workshop on June 16, 2022 at 9:30 a.m. PT regarding establishing a long-term gas research strategy to achieve statewide carbon neutrality goals. Additional information regarding the June 16 workshop is available at TN #243283 in [Docket No. 19-ERDD-01](#).

Offshore Wind

On May 18, 2022, CEC staff held a workshop on offshore wind energy development off the California coast focused on “Maximum Feasible Capacity and Megawatt Planning Goals for 2030 and 2045.” During the workshop, CEC staff presented a [draft report](#) that includes staff’s proposed findings and recommendations addressing the requirements of Assembly Bill (AB) 525 for the CEC to evaluate and quantify the maximum feasible capacity of offshore wind to achieve reliability, ratepayer, employment, and decarbonization benefits and establish MW offshore wind planning goals for 2030 and 2045. A summary of the workshop can be found on the Stoel Rives Renewable + Law blog [here](#).

Since the May 18 workshop, the CEC has removed Item 3 from the CEC’s May 24, 2022 Business Meeting agenda, which had previously indicated that the CEC would consider adoption of the California Offshore Wind Energy Development Report at the May 24 Business Meeting. On May 23, 2022, the CEC circulated an update regarding the removal of the agenda item to subscribers of the CEC’s Offshore Renewable Energy List. The email correspondence stated the following regarding removal of the draft report from the May 24 agenda:

In light of new information [submitted during the workshop and public comment opportunity](#), including information recommending that the CEC establish different MW

offshore wind planning goals for 2030 and 2045 than those in the draft report based on studies released after the draft report posted; Commissioner Vaccaro will conduct a public workshop to further examine this new information to consider possible changes to the draft report recommendations for MW offshore wind planning goals for 2030 and 2045.

The CEC also posted a hearing notice at TN #243213 in [Docket No. 17-MISC-01](#) regarding the California Coastal Commission's June 8, 2022 meeting. According to Item 7a on the June 8 meeting agenda, the Coastal Commission will consider the Bureau of Ocean Energy Management's proposed leasing associated with future development of the Morro Bay Wind Energy Area. Additional information is available at Item 7a [here](#).

Lithium Valley Commission

The next Lithium Valley Commission meeting will be held on June 16, 2022 at 1:00 p.m. PT in Calipatria, California. Remote access is also available. Additional information is available at TN# 243450 in [Docket No. 20-LITHIUM-01](#).

Renewable Portfolio Standard (RPS)

California load-serving entities (LSEs), including retail sellers and local publicly owned electric utilities (POUs), must report 2021 retirements of Renewable Energy Certificates for California's RPS to the CEC by July 1, 2022. As specified by the *Renewable Portfolio Standard Eligibility Guidebook, Ninth Edition (Revised)*, all LSEs are required to track and report RPS procurement using the Western Renewable Generation Information System (WREGIS).

POUs are required to submit 2021 Annual Summary Reports and supporting documentation, including new or revised contracts executed in the prior year, e-Tag Reports, and Hourly Reports through the RPS Online System, by the July 1 deadline.

To assist LSEs with annual reporting, CEC staff prepared the following documents:

- [2021 WREGIS Reporting Guidance](#)
- [2021 Annual Reporting Instructions](#)

CEC Business Meetings

The next CEC Business Meetings are scheduled for [June 8, 2022](#) and June 24, 2022.

CALIFORNIA AIR RESOURCES BOARD (CARB)

Meetings and Workshops

CARB will hold its next Board meeting on June 9, 2022. At the meeting, the Board will conduct a [public hearing](#) on the proposed [Advanced Clean Cars II](#) regulation, which will

transition new light-duty vehicle sales in California to 100% zero-emission by 2035. The agenda for the meeting and information on remote access are available [here](#).

On June 24, 2022, the Board will hold a public hearing on the draft [AB 32 Scoping Plan Update](#). Comments on the draft Update may be submitted [here](#) on or before June 24, 2022.

Opportunities for Public Comment

Comments on the draft [AB 32 Scoping Plan Update](#), which assesses progress towards achieving targets to decrease California's greenhouse gas emissions by 40% below 1990 levels by 2030 and lays out a path to achieve carbon neutrality by 2045, may be submitted [here](#) on or before June 24, 2022.

CARB has held a series of [public workshops](#) on draft regulatory language for the proposed [Advanced Clean Fleets regulation](#) to achieve zero-emission medium and heavy-duty zero-emission truck and bus fleets by 2045. Informal comments on the proposed regulation may be submitted [here](#) on or before December 31, 2022.

MINNESOTA PUBLIC UTILITIES COMMISSION (MPUC)

At the MPUC's weekly agenda meeting that will occur at 8:00 a.m. PT on June 9, 2022, the MPUC will address the following two matters: (1) Xcel's request to amend the MPUC's initial order in its last Integrated Resource Plan (IRP); and (2) the MPUC's investigation on grid and customer security issues related to public display or access to electric distribution grid data.

OREGON PUBLIC UTILITIES COMMISSION (OPUC)

Recent Updates in Oregon Clean Energy Planning

On May 25, 2022, the Oregon Department of Environmental Quality (DEQ) issued an order pursuant to HB 2021 that established the baseline emissions necessary for electric companies to meet the following clean energy targets:

- 80% below baseline emissions by 2030
- 90% below baseline emissions by 2035
- 100% below baseline emissions by 2040

The final order can be located [here](#), along with other materials found on the DEQ's [Clean Energy Targets webpage](#).

Relatedly, last Friday, June 3, 2022, the OPUC issued Order 22-206 that established the timing and framework for PacifiCorp and Portland General Electric Company's first Clean Energy Plan (CEP) filing. Specifically, those utilities are required to file the CEP with their next IRP. The CEP must be consistent with the IRP's analysis and action plan. Lastly, the CEP must

describe exactly how both the IRP and CEP have meet the objectives and requirements under HB 2021. The final order can be located [here](#).

OPUC Meetings This Week

On June 7, 2022 at 1:30 p.m. PT the OPUC is holding a staff workshop in UM 1730 related to Idaho Power's updated avoided cost rates for Public Utility Regulatory Policies Act power sales. The dial-in details can be located [here](#).

NEW YORK

On June 2, 2022, Governor Kathy Hochul announced awards for 22 solar and energy storage projects totaling over 2 gigawatts of energy. This latest round of energy procurement continues New York's push to meet the Climate Leadership and Community Protection Act, which mandates that the state obtain 70% of its electricity from renewable sources by 2030 and create a net-zero grid by 2040.

FEDERAL ENERGY REGULATORY COMMISSION (FERC)

FERC issued two orders this spring providing more clarity on QF re-certifications. Read about the key takeaways on our blog [here](#).

FERC issued its [2022 summer assessment](#) on May 19, 2022. The report notes that electric markets are expected to have sufficient capacity to maintain reliable operations this summer under normal conditions but that extreme weather events could pose operational challenges. Much of the United States west of the Mississippi is at elevated or high risk of energy shortfalls during peak summer conditions. In the western U.S., weak hydro and wildfire risk threaten electricity transfers; in Texas, drought-related heat events raise the risk of extreme demand; in the Southwest Power Pool (SPP), output from thermal generators may be reduced due to river water levels; and in the Midcontinent Independent System Operator (MISO), capacity shortfalls from generator retirements and increased demand raise the risk of energy shortages.

PJM plans to file substantial reforms to its generator interconnection procedures, which changes will cause customers to do more in demonstrating project viability and financial commitments in order to advance an interconnection request. A detailed presentation from PJM that outlines the upcoming filing is [here](#).

On May 28, 2022, SPP and MISO stated that they plan to eliminate the affected systems study process and replace it with a more interregional transmission analysis similar to their jointed targeted interconnection queue analysis. The proposal would create a "JTIQ affected system zone," where SPP and MISO would identify transmission facilities near their seams that are likely to be impacted by neighboring generation-interconnection requests. Nearby interconnecting generators will be assigned a per-MW charge based on their zonal impact.