

**REGULATORY UPDATE FOR MARCH 19, 2024  
(WEEK OF MARCH 11, 2024)**

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

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

Rulemaking (R.) 22-11-013 (Distributed Energy Resource Rulemaking). This proposed decision authorizes \$1.5 million in reimbursable ratepayer funds for an avoided transmission and distribution (T&D) costs study. The primary purpose of the study is to examine how distributed energy resources can help California defer or avoid building more T&D infrastructure and how to accurately estimate these avoided T&D costs. The study results are anticipated to be incorporated into the 2026 Avoided Cost Calculator Update cycle to improve estimating avoided T&D costs.

Application (A.) 17-01-023 (Joint Application to Construct Estrella Substation). This proposed decision grants the joint application of Horizon West Transmission, LLC and Pacific Gas and Electric Company (PG&E) for permits to construct the proposed Estrella Substation and Paso Robles Area Reinforcement Project. As the lead agency for the environmental review of the project, the Commission finds that the project's Final Environmental Impact Report meets the requirements of the California Environmental Quality Act. The Commission also finds that while the project will result in some unavoidable significant environmental impacts, even with the implementation of the prescribed mitigation measures, the Commission finds that the benefits of the project outweigh those significant unavoidable impacts.

A.22-09-018 (Application of PG&E for Approval to Transfer Certain Generation Assets, for a Certificate of Public Convenience and Necessity, for Authorization to File Tariffs and to Issue Debt, and for Related Determinations). This proposed decision denies the application of PG&E and Pacific Generation LLC seeking authorization for PG&E to transfer substantially all of its non-nuclear generation assets to Pacific Generation. The proposed decision also denies the issuance of a certificate of public convenience and necessity to Pacific Generation to operate as a utility subject to the California Public Utilities Commission's jurisdiction, and other authorizations and determinations.

R.21-03-011 (Provider of Last Resort). This proposed decision considers whether updates are needed to the existing framework, cost recovery mechanisms, and processes governing Provider of Last Resort (POLR) service during a mass involuntary return of customers. This proposed decision adopts several updates to improve the accuracy of the existing Financial Security Requirement and re-entry fee calculations; authorizes the electric investor-owned utilities such as the POLR to track actual incremental administrative and/or procurement

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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.

costs during a mass involuntary return of customers from Community Choice Aggregation (CCA) or Electric Service Provider (ESP) service; establishes a financial monitoring process to provide early notice of a potential mass involuntary return of CCA customers to POLR service; and clarifies and/or enhances the existing rules and requirements concerning CCA and ESP registration and deregistration.

### Voting Meetings

The CPUC will hold a voting meeting in San Francisco, California on March 21, 2024 at 11 a.m. The following are the energy-related items on the agenda:

Item 4. Res E-5296 (Limited Generation Profile Specifics and Process). This Resolution approves in part, and modifies, P&E's, Southern California Edison's (SCE), and San Diego Gas and Electric's (SDG&E) Advice Letters (AL) filed in compliance with D.20-09-035, Res E-5211, and Res 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. This Resolution also orders adopting the process and steps for curtailing LGP projects; adopting the process for implementing LGP projects; adopting the granularity of LGP values; adopting data monitoring and reporting requirements; specifying the data format of LGP values to be submitted by customers; and developing a plan for conducting assessments of the LGP option. This Resolution orders PG&E, SCE and SDG&E to submit via AL changes to their Rule 21 Tariffs and other forms as applicable to allow the use of LGPs. This Resolution 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.

Item 6. Res G-3593 (Southern California Gas Company's Pilot Renewable Natural Gas Tariff Program). This Resolution addresses Southern California Gas Company (SoCalGas) AL 6025-G-A, filed on July 21, 2023, which proposes to modify some aspects of the program design for the Voluntary Renewable Natural Gas Tariff (VRNGT) program adopted in Decision (D.) 20-12-022. The proposed changes seek to: (1) remove the residential customer subscription option, enrollment website, and marketing and outreach programs, (2) make the VRNGT available to core commercial and industrial customers and municipalities that wish to purchase biomethane to comply with Senate Bill (SB) 1383 regulations, (3) reduce the two-year subscription period for non-residential customers to one year, (4) change the handling of future biomethane purchases to be able to cover biomethane shortages at any time over a 12-month period instead of annually, (5) define SB 1383-compliant biomethane, (6) include verification requirements for SB 1383-compliant biomethane, and (7) incorporate SB 1383-compliant procurement reporting to customers for compliance reporting to CalRecycle.

Item 7. Res E-5310 (San Diego Gas & Electric Company Mid-Term Reliability Contract). This Resolution approves one mid-term reliability (MTR) contract, the Edwards Sanborn agreement, for 47 megawatts (MW) of nameplate capacity. SDG&E procured this resource to help meet its MTR requirements. This contract is an energy storage power purchase agreement with EdSan 1B Group 2, LLC (currently an indirect subsidiary of Terra-Gen) from the larger Edwards Sanborn solar and energy storage project.

Item 8. Res E-5312 (PG&E MTR Contract). This Resolution approves an amendment to the contract between PG&E and Kola Energy Storage, LLC for 275 MW of lithium-ion battery storage. Whereas the delivery date for the previously approved contract was June 1, 2024, the delivery date in the amended contract is June 1, 2025. In addition, this Resolution approves the amended contract's price increase.

Item 9. Res E-5308 (SDG&E Remote Grid Standalone Power System Addendum Agreement). This Resolution approves with modification SDG&E AL 4277-E-A. The Commission grants SDG&E a tariff deviation to define the roles, responsibilities and terms associated with customers taking service from remote grids up to a 1 MW total cap, which will reduce distribution grid rebuilding and maintenance costs versus traditional infrastructure construction and operations. The Commission finds that SDG&E can likely avoid substantial wildfire mitigation and distribution infrastructure costs and effectively mitigate wildfire risk by deploying remote grids, benefiting all distribution customers. The Commission grants SDG&E's request for a tariff deviation for its Remote Grid Standalone Power System Addendum Agreement, attached in its AL, up to a total 1 MW cap.

Item 11. A.23-06-017 (PacifiCorp Wildfire Expense Memorandum Account). This decision grants PacifiCorp's request to establish a Wildfire Expense Memorandum Account to track incremental unreimbursed wildfire liability-related costs effective June 21, 2023. This decision does not grant PacifiCorp any rate recovery for wildfire liability-related costs.

Item 13. A.15-04-013 (SCE Application for a Certificate of Public Convenience). This decision denies the petition for modification of D.20-03-001 filed by the City of Norco and closes the proceeding. D.20-03-001 granted SCE a Certificate of Public Convenience and Necessity for the Riverside Transmission Reliability Project and related facilities.

Item 14. Res E-5309 (SCE MTR Energy Storage Contracts). This Resolution approves seven SCE "Batch 1" Phase 2 and 3 MTR contracts for 1,562.4 MW of nameplate capacity, expected to provide 1,187 MW of incremental September Net Qualifying Capacity for delivery periods ranging from 15 to 20 years. These seven contracts include RA-only or RA with financial settlement contracts for new in-front-of-the-meter energy storage projects: (1) AES Clean Energy Development McFarland C 185 MW project, (2) AES Clean Energy Development Bellefield 1 500 MW project, (3) ASHUSA Mordor 1 20 MW project, (4) ASHUSA Mordor 2 20 MW project, (5) Hanwa Solution Atlas VII 300 MW project, (6) Hanwa Solution Atlas VIII 382.30 MW project, and (7) Hanwa Solution Atlas IX 150 MW project. This Resolution approves the requested relief in AL 5155-E.

Item 15. Res E-5311 (Notification-Only Approach Pilot). This proposed decision approves the continuation of the Notification-Only Pilot for an additional 18 months. The Notification-Only Pilot is intended to streamline interconnection by allowing certain types of eligible non-export projects to interconnect with only a notification from the customer to the utility of the interconnection, forgoing the ordinary screening, study, and approval process. The Commission finds justification for continuing the pilot, keeping the original program design and project eligibility requirements as specified in D.21-06-002.

Item 41. R.20-05-012 (Self-Generation Incentive Program Improvements and AB 209 Implementation). This decision allocates \$280 million from the Greenhouse Gas Reduction Fund to the Self-Generation Incentive Program (SGIP) Residential Solar and Storage Equity budget and makes programmatic changes to improve SGIP and provide the framework for the new budget category, eligibility requirements, and administration. Funds will be allocated to the existing SGIP program administrators (PAs) and one new PA to serve customers of Los Angeles Department of Power and Water. The decision includes several other modifications, such as modifying the eligibility criteria for low-income residential customers, transitioning Net Energy Metering 1.0 and 2.0 customers that apply for SGIP incentives (in any budget category except Residential Solar and Storage Equity and San Joaquin Valley Residential) to the Net Billing Tariff (NBT) and requiring new SGIP applicants that install solar to enroll in the NBT, requiring all new SGIP incentive recipients to enroll in a qualified demand response program, and reallocating \$80 million of ratepayer funds from the Generation budget category to the Large-Scale Storage budget (\$40 million) and the Small Residential Storage budget (\$40 million).

#### Upcoming Workshops and Events

*Vehicle Grid Integration Forum.* On Friday, March 22, PG&E will host a Vehicle Grid Integration (VGI) Forum pursuant to the Transportation Electrification Framework decision adopted in 2022, D.22-11-040. The Forum will be held both in person at PG&E's Oakland headquarters and remotely via [Microsoft Teams](#). An agenda will be circulated in advance. Additional information on these annual VGI forums is available [here](#).

*Resource Adequacy (RA) Slice of Day Showing Tool.* Energy Division staff will host, together with California Energy Commission staff, open office hours to discuss both the Load Serving Entity showing tool that will be used under the new Slice of Day (SOD) framework and the load forecasting process ahead of the 2025 RA compliance year. The office hours will be held via [WebEx](#) on Wednesday, March 27, from 1 p.m. to 4 p.m.

*Technical Workshop on SB 1383 Operation and Maintenance Standards for Energy Storage Systems.* On Tuesday, March 26, at 9:30 a.m., the Electric Safety and Reliability Branch at the CPUC will hold a technical workshop to discuss the implementation of standards for the maintenance and operation of energy storage systems, pursuant to SB 1383. The workshop presentation and materials will be posted in advance of the workshop on the Electric Generation Safety and Reliability [webpage](#). The workshop can be accessed by [WebEx](#), and the password is 032024.

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

#### Stakeholder Initiatives: Upcoming Meetings and Deadlines

**Western Energy Imbalance Market Nominating Committee.** CAISO announced that the Western Energy Imbalance Market (WEIM) Nominating Committee started its process to nominate a slate of candidates for WEIM Governing Body seats with terms scheduled to expire in 2024. An updated list of WEIM Nominating Committee members has been posted to the WEIM [website](#).

**Distributed Generation Deliverability.** CAISO has posted the distributed generation deliverability assessment results for the 2024 cycle. Eligible distributed generation facilities that are seeking an initial or increase in deliverability status must apply for deliverability status assignment as described in the notice. Further details are available [here](#).

**Department of Market Monitoring Report.** The CAISO Department of Market Monitoring has posted the Demand Response Issues and Performance 2023 Report, providing analysis of demand response resources participation and performance in the ISO market on high load days in summer 2023. The report is available [here](#).

**Price Formation Enhancements.** CAISO will host a virtual working group meeting for the Price Formation Enhancements initiative on March 22, 2024, to present the second stage of analysis on fast-start pricing. Further information is available [here](#).

**2024 Annual Western Interregional Coordination.** The Western Planning Regions (WestConnect, NorthernGrid, and CAISO) have scheduled their 2024 Annual Interregional Coordination meeting in person at the Western Power Pool Offices in Portland, Oregon on March 26, 2024. Webinar capabilities will be available for those attending the meeting virtually. Further information is available [here](#).

**Resource Sufficiency Evaluation Enhancements.** CAISO will offer a refresher training webinar on March 14, 2024, to review the features of the Resource Sufficiency Enhancements Phase 2 Track 2 initiative. Further information is available [here](#).

**Penalty Enhancements: Demand Response, Investigation, and Tolling.** CAISO launched a new initiative called Penalty Enhancements: Demand Response, Investigation, and Tolling. CAISO will host a virtual stakeholder meeting on April 3, 2024, to discuss the straw proposal. The tentative straw proposal posting date is March 28, 2024. Further information is available [here](#).

**Interconnection Process Enhancements.** CAISO will host a public stakeholder meeting on April 4, 2024, to discuss the Interconnection Process Enhancements 2023 track 2 final proposal. The meeting will be offered in a hybrid format, and attendees may choose to participate in person at the CAISO, or virtually. Registration for in person attendance is due March 29, 2024. Further information is available [here](#).

**CAISO Stakeholder Symposium.** CAISO announced that it will host its Stakeholder Symposium on October 30, 2024 in downtown Sacramento, California, along with a welcome reception the evening of October 29. Additional information including reception details, event registration, and sponsorship opportunities will be provided in a future notice.

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

### Offshore Wind

On January 19, 2024, the CEC published a [Notice of Availability](#) regarding the release of the draft Assembly Bill 525 Strategic Plan for Offshore Wind Development (Strategic Plan). Volumes I-III of the Strategic Plan are linked in the [Notice of Availability](#) and are also available [here](#).

On March 29, 2024, the CEC will host the second of two workshops to discuss the Strategic Plan and provide an opportunity for public comment. The workshop will be held remotely and access details are available [here](#). Pursuant to the workshop notice, written comments are due by 5:00 p.m. on April 22, 2024.

### Geothermal Grant and Loan Program

The pre-application workshop for [Solicitation No. GFO-23-402](#) that was previously scheduled for February 16, 2024 has been rescheduled. Workshops have been set in various locations and dates listed below:

- March 19, 2024: [California Native American Tribes](#) (remote access only)
- March 22, 2024: [Lake County](#) (in person only)

For additional information regarding workshop times, locations, and remote access instructions, please see the links above.

### SB 100 Workshop

The CEC will conduct a joint workshop, in coordination with the CPUC and CARB, to discuss approaches to incorporating non-energy benefits and social costs into the analysis of potential resource scenarios to meet SB 100 (De León, 2018) goals. The workshop will be held both remotely and in person on Tuesday, April 16 from 9:30 a.m. to 4 p.m. Additional information can be found in the workshop notice, [here](#).

### CEC Business Meetings

The next Business Meeting will be held on April 10, 2024. The meeting agenda and access information will be available [here](#) in advance of the meeting.

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

### Meetings, Workshops, and Notices

The [California Volkswagen Mitigation Trust](#) is accepting applications for funds on a first-come, first-served basis for combustion freight and marine and zero-emission class 8 trucks. More information is available [here](#).

On March 20, 2024, CARB will hold a public workshop on [proposed amendments](#) to the Heavy Duty Engine and Vehicle Omnibus Regulation. Registration and additional information are available [here](#).

On March 21, 2024, CARB will hold a meeting of the [Advanced Clean Fleets Truck Regulation Implementation Group](#) (TRIG) on rule provisions and the zero-emissions vehicle purchase exemption process. Registration is available [here](#).

On March 25, 2024, CARB will hold an [outreach meeting](#) of the [Advanced Clean Fleets Truck Regulation Implementation Group](#). Registration is available [here](#).

On March 25, 2024, CARB will hold a [public meeting](#) to discuss proposed amendments to the [Advanced Clean Fleets](#) regulation to implement AB 1594 (Garcia, 2023). The meeting will be held in person in Sacramento and via Zoom. Additional information and registration details are available [here](#).

On March 26, 2024, CARB will hold an implementation work group meeting for the [Clean Truck and Bus Voucher Incentive Program](#) for fiscal year 2023-2024. Registration is available [here](#).

On March 27, 2024, CARB will hold an [implementation work group meeting](#) for the [Clean Off-Road Equipment](#) (CORE) Voucher Incentive Program for fiscal year 2023-2024. Registration is available [here](#).

CARB's next Board meeting is a joint meeting with the California Transportation Commission and California Department of Housing and Community Development, to be held on April 11, 2024. The agenda for the meeting will be available [here](#).

On April 18, 2024, CARB will hold the 2nd Annual [Clean Transportation Equity Incentive Symposium](#), in person and remotely. Free registration is available [here](#).

On June 27, 2024, CARB will hold a [hearing](#) on the proposed [Zero-Emission Forklift Regulation](#).

#### Opportunities for Public Comment

CARB is accepting comments on the draft [Community Engagement Model](#), to help staff create and implement robust engagement plans, through April 3, 2024. Comments may be submitted [here](#).

CARB is accepting research concepts and comments from the public for fiscal year 2025-2026, as part of its annual [Research Program](#) planning. Concepts and comments may be submitted [here](#) on or before April 16, 2024. In addition, CARB is creating a [5-Year Strategic Research Plan](#) to inform its research priorities for the years 2025 to 2030. Long-term research priorities for consideration of the 5-year plan can be submitted through the same [survey](#).

#### **MINNESOTA PUBLIC UTILITIES COMMISSION (MPUC)**

In February 2023, the MPUC ordered the Minnesota investor-owned gas utilities (Xcel Energy, CenterPoint Energy, and MERC) to pursue natural gas resource planning as a result of its investigation into Winter Storm Uri, starting with the proposal filed by the Citizens Utility Board in October 2022. At its February 22, 2024 agenda meeting, the MPUC decided the scope of content for the natural gas resource plans to be filed by Xcel, CenterPoint, and MERC. This MPUC decision included the resource planning process, as well as certain plan components. This was the first, or preliminary decision of the MPUC, and staff has planned a second comment period and agenda meeting, anticipated in August 2024, to determine filing details like the data to be collected and reported as well as how those data will be analyzed. In summary, the MPUC directed as follows:

- Xcel Energy, CenterPoint, and MERC are required to file resource plans every three years, on a staggered basis.
- The gas utility’s preferred plan should include both (1) a 10-year sales and emissions forecast and (2) a five-year action plan of the specific steps that it will take to implement that plan over the next five years.
- The Commission initiated a second stakeholder engagement, and a second comment period and agenda meeting, anticipated in August 2024, to determine resource plan filing details like the data to be collected and reported as well as how those data will be analyzed.
- The Commission also delegated authority to the Executive Secretary to begin a third stakeholder process, followed by a notice of comment period in Docket No. G999/CI-21-565 (“Future of Gas Docket”), to consider changes to rates needed to maintain affordable and equitable utility service. The Commission required the stakeholder process to consider:
  - (1) stakeholder recommendations as developed in G21 process;
  - (2) the potential for stranded costs on the natural gas system due to electrification; and
  - (3) the policy implications of electrification, including whether technological advances will allow complete electrification, given intermittency of renewables.

More to come on this complex new process.

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

On February 26, 2024, FERC issued an order, [186 FERC ¶ 61,144](#), granting PJM Interconnection, L.L.C. (PJM) waiver of Section 5.4(a) of Attachment DD to PJM’s Open Access Transmission Tariff (Tariff) to delay the commencement of the 2025/2026 Base Residual Auction (BRA) by 35 days to July 17, 2024. FERC also granted waiver of certain associated pre-auction deadlines for the 2025/2026 BRA.

On February 8, 2024, President Biden named Willie Phillips as Chairman of FERC, removing the “Acting Chairman” qualifier that had been in place for Phillips since January 3, 2023. Commissioner Allison Clements also announced that she will not seek another term at



FERC after her term expires on June 30, 2024. Commissioner Clements may choose to remain at FERC until January 3, 2025; however, her departure, whenever it occurs, will leave FERC without a quorum to conduct business until a new commissioner is installed.