

**REGULATORY UPDATE FOR MARCH 26, 2024
(WEEK OF MARCH 18, 2024)**

CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC OR COMMISSION)

New Proposed Decisions and Draft Resolutions¹

Application (A.) 22-04-008 et al. (Application of Pacific Gas and Electric Company for Authority to Establish Its Authorized Cost of Capital for Utility Operations for 2023 and to Reset the Cost of Capital Adjustment Mechanism). This decision denies the December 14, 2023 petition to modify Decision (D.) 22-12-031, Decision Addressing Test Year 2023 Cost of Capital for Pacific Gas and Electric Company (PG&E), Southern California Edison (SCE), Southern California Gas Company (SoCalGas), and San Diego Gas & Electric Company (SDG&E), as modified by D.23-01-002. The petition to modify was filed by Energy Producers and Users Coalition, the Indicated Shippers, Federal Executive Agencies, The Utility Reform Network, Environmental Defense Fund, Wild Tree Foundation, and Walmart Inc. The petitioners requested modification of the decision to suspend the Cost of Capital Mechanism through the Test Year 2023 Cost of Capital cycle while modifications to the Cost of Capital Mechanism are considered in Phase 2 of this proceeding. The Commission finds that the justifications for the proposed modifications fail and denies the petition.

Voting Meetings

The CPUC held a voting meeting in San Francisco, California on March 21, 2024 at 11 a.m. The following are results for 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, SCE's, and SDG&E's 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

¹ 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.

to monitor and report data on utilization of the LGP option to facilitate future refinements to its implementation. **Approved.**

Item 6. Res G-3593 (Southern California Gas Company's Pilot Renewable Natural Gas Tariff Program). This Resolution addresses SoCalGas's 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. **Approved.**

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. **Approved.**

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. **Approved.**

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. **Approved.**

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. **Held to April 18, 2024.**

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. **Signed, D.24-03-051.**

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. **Approved.**

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. **Approved.**

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). **Signed, D.24-03-071.**

Upcoming Workshops and Events

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 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.

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](#).

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](#).

Price Formation Enhancements. CAISO will hold a Price Formation Enhancements initiative virtual working group meeting on April 8, 2024, to present the second stage of analysis on fast-start pricing. Further information is available [here](#).

California New Resource Implementation. CAISO will host a hybrid California New Resource Implementation stakeholder meeting on May 1, 2024. The meeting aims to bolster collaboration with the stakeholder community in preparation for upcoming summer operations. Registration for in-person attendance is due April 26, 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.

2024 Integrated Energy Policy Report (IEPR) Update

On March 22, 2024, the CEC published a [Notice](#) for comments on the draft scoping order for the 2024 IEPR Update. Comments are due by 5:00 p.m. on April 5, 2024.

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. Applications for funding are available [here](#). On April 4, 2024, South Coast Air Quality Management District will host a webinar on the statewide funding program. More information on the webinar 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](#).

On April 4, 2024, CARB will host a public meeting of the AB 32 [Environmental Justice Advisory Committee](#). More information and registration for the meeting are available [here](#).

On April 10, 2024, CARB will host an all-day public workshop on potential refinements to the [proposed amendments](#) to the [Low Carbon Fuel Standard](#) released on December 19, 2023. Topics for discussion at the workshop include potential reevaluation of proposed carbon intensity benchmarks and more consideration of proposed sustainability guardrails. Registration to attend the workshop virtually can be found [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 March 21, 2024, FERC issued Order No. 2023-A, [186 FERC ¶ 61,199](#), addressing arguments raised on rehearing, setting aside, in part, and clarifying Order No. 2023, which amended FERC's regulations and its pro forma Large Generator Interconnection Procedures and Agreement, and pro forma Small Generator Interconnection Procedures and Agreement to address interconnection queue backlogs, improve certainty, and prevent undue discrimination for new technologies. FERC received 34 requests for rehearing and/or clarification. The rehearing requests raise issues related to nearly all reforms adopted in Order No. 2023. The rehearing requests filed in this proceeding were deemed denied by operation of law. However, as permitted by section 313(a) of the Federal Power Act, FERC issued this order modifying the discussion in Order No. 2023.

Specifically, FERC provides the following revisions: (1) where an interconnection customer is in the interconnection queue of a transmission provider that currently uses, or is transitioning to, a cluster study process and the transmission provider proposes on compliance to adopt new readiness requirements for its annual cluster study, the interconnection customer must comply with the transmission provider's new readiness requirements within 60 days of the FERC-approved effective date of the transmission provider's compliance filing, where such

readiness requirements are applicable given the status of the individual interconnection customer in the queue; (2) a network upgrade that is required for multiple interconnection customers in a cluster may be considered a stand-alone network upgrade if all such interconnection customers mutually agree to exercise the option to build; (3) transmission providers must complete their determination that an interconnection request is valid by the close of the cluster request window such that only interconnection customers with valid interconnection requests proceed to the customer engagement window; and (4) acceptable forms of security for the Commercial Readiness Deposit and deposits prior to the Transitional Serial Study, Transitional Cluster Study, Cluster Restudy, and the Interconnection Facilities Study should include not only cash or an irrevocable letter of credit, but also surety bonds or other forms of financial security that are reasonably acceptable to the transmission provider.

In addition, FERC granted several clarifications on the following topics: (1) conflicts with ongoing queue reform efforts; (2) public interconnection information; (3) cluster study process; (4) allocation of cluster network upgrade costs; (5) shared network upgrades; (6) withdrawal penalties; (7) study delay penalty and appeal structure; (8) affected systems; (9) revisions to the material modification process to require consideration of generating facility additions; (10) availability of surplus interconnection service; (11) operating assumptions for interconnection studies; (12) consideration of the enumerated alternative transmission technologies in interconnection studies; and (13) ride-through requirements. Lastly, FERC extended the deadline for transmission providers to submit compliance filings until the effective date of this order. Therefore, the new deadline for compliance with Order No. 2023 will be 30 days after the publication of this order in the Federal Register. Order No. 2023 compliance filings also must include the further revisions reflected in this order.

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.

U.S. DEPARTMENT OF ENERGY (DOE)

White House Announces National Zero-Emission Freight Corridor Strategy to Promote Electric Vehicle Charging and Hydrogen Fueling Infrastructure

Summary: The White House released a National Zero-Emission Freight Corridor Strategy to support infrastructure planning and enable stakeholders, including commercial truck fleets,

zero-emission fuel providers, grid and pipeline operators, regulators, and communities to identify where new electric load and hydrogen needs are likely to develop.

On March 12, 2024, the White House released the [National Zero-Emission Freight Corridor Strategy](#), developed by the Joint Office of Energy and Transportation and DOE, in collaboration with the Department of Transportation (DOT) and the Environmental Protection Agency. The strategy is intended to guide the deployment of zero-emission medium- and heavy-duty vehicle (ZE-MHDV) charging and hydrogen fueling infrastructure from 2024 to 2040 through identification of expected development opportunities. The Joint Office of Energy and Transportation is a collaboration between DOE and the DOT that was created as part of the Bipartisan Infrastructure Law. The DOE supports the buildout of a nationwide network of electric vehicle chargers, zero-emission fueling infrastructure, and zero-emission transit, including through the \$5 billion funding initiative under the [National Electric Vehicle Infrastructure \(NEVI\) Formula Program](#) that is being implemented on a statewide basis along designed Alternative Fuel Corridors.

The United States has committed to identifying viable pathways and implementation actions that promote at least 30% ZE-MHDV sales by 2030, with a goal of 100% by 2040. These commitments have been made through the [U.S. National Blueprint for Transportation Decarbonization](#) interagency framework and the [Global Memorandum of Understanding for Zero-Emission Medium- and Heavy-Duty Vehicles](#) signed at the United Nations Framework Convention on Climate Change (COP27) on November 16, 2022. The National Zero-Emission Freight (ZEF) Corridor Strategy aims to prioritize the freight truck and technology markets, and to inform where they are likely to develop next to mobilize action in the commercial ZE-MHDV market. The strategy provides a four-phase plan in three-to-five-year timespans:

- (1) Establish Hubs: 2024 - 2027
- (2) Connect Corridors: 2027 - 2030
- (3) Expand Network: 2030 - 2035
- (4) Complete Network: 2035 - 2040

To establish freight hubs in Phase 1, the strategy identifies areas of early electric MHDV fleet deployments, including states with regulations and market structures that encourage deployment of ZEVs. In Phase 1, a total of 12,000 miles are prioritized as ZEF corridors. In Phase 2, infrastructure expands beyond states that have already taken proactive steps to plan for ZE-MHDV corridors. The strategy expects that increasing infrastructure availability within freight hubs and the connecting corridors will promote longer-range transportation to occur between these locations. Phase 3 prioritizes both battery-electric and hydrogen fuel cell truck technology, with increased access to hydrogen refueling along freight corridors. Finally in Phase 4, the [DOE's Regional Clean Hydrogen Hubs](#) are expected to be in full production and provide clean hydrogen transportation fuel. In multiple instances the strategy calls on expanded private investment to enable access to MHDV charging and hydrogen refueling along corridors. In Phase 4, 49,000 miles, or 94% of the national highway freight network, are prioritized as ZEF corridors, thus establishing a national ZE-MHDV infrastructure network.

The strategy is largely intended to be a planning tool. For electricity, analysis of freight volumes at commercial charging and fueling locations, evaluation of existing capacity and potential constraints, and identification of impacts on distribution and transmission needs can support transmission planning and investment at the local, state, and regional levels. For hydrogen, the plan is intended to be used by fuel producers and vehicle manufacturers to align planning for production, fuel delivery, and market development in “favorable launch areas.” The strategy also supports the DOE’s \$7 billion investment in seven Regional Clean Hydrogen Hubs throughout the United States by aligning expected increased production capacity areas with the planned ZEF corridors.