

**REGULATORY UPDATE FOR MARCH 28, 2023
(WEEK OF MARCH 20, 2023)**

CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC)

New Proposed Decisions and Draft Resolutions¹

Application (A.) 22-10-011 (PG&E Debt Securities). This proposed decision grants Pacific Gas and Electric Company's (PG&E) request for authorization to: (1) issue, sell and deliver, or otherwise incur various types of debt securities in an aggregate principal amount not to exceed \$10.5 billion with all such issuances to take place at any time from the date of authorization until the aggregate principal amount authorized has been fully utilized, and (2) enter into interest rate hedges as described herein. In connection with the issuance of the debt securities, this decision also authorizes PG&E to: (a) guarantee the securities and other debt instruments of regulated direct or indirect subsidiaries or regulated affiliates of PG&E or of governmental entities that issue securities on behalf of PG&E; (b) execute and deliver indentures or supplemental indentures and other instruments evidencing or governing the terms of debt securities; and (c) sell, lease, assign, mortgage, or otherwise dispose of or encumber utility property, including but not limited to its accounts receivable, in connection with the issuance and sale of debt securities. This item may be heard, at the earliest, at the Commission's April 27, 2023 Business Meeting. To confirm when the item will be heard, please see the Business Meeting agenda, which is posted on the Commission's website 10 days before each Business Meeting.

A.22-05-005 (SoCalGas Gas Rules and Regulations Memorandum Account). This proposed decision finds that SoCalGas and San Diego Gas and Electricity (SDG&E) did not meet their burden of proof that this memorandum account is necessary or reasonable as proposed. SoCalGas and SDG&E filed a joint application to each establish a Gas Rules and Regulations Memorandum Account for a series of upcoming changes to various federal gas safety-related rules and regulations requesting authorization to establish the memorandum account to record costs imposed by current and proposed amendments by the Pipeline and Hazardous Materials Safety Administration. The proposed decision finds instead that the existing Z-Factor in the companies' recent Phase 1 general rate case (GRC) decisions in fact provides appropriate allowances for initial rate relief treatment until the various projects that flow from the new Rules Project are included in subsequent Phase 1 GRCs.

Draft Resolution E-5262 (PG&E AL 6825-E). This Resolution approves two energy storage contracts for a total of 38 MW of nameplate capacity that PG&E procured to satisfy a portion of its 2024 mid-term reliability requirements. These two contracts are Long-Term Resource Adequacy Agreements with energy settlements with Geysers Power Company LLC,

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.

which is a wholly owned, indirect subsidiary of Calpine Corporation. The two projects are: Bear Valley Energy Storage for 13 MW and West Ford Flat Energy Storage for 25 MW. Each contract is for 15 years beginning on July 1, 2024. This Resolution approves the requested relief in Advice Letter (AL) 6825-E.

Draft Resolution E-5263 (PG&E AL 6861). This Resolution approves a contract for storage procured by PG&E for 230 MW of nameplate capacity from Sunlight Storage II (Desert Sunlight) to satisfy a portion of its 2024 mid-term reliability requirement. The contract is for the Long-Term Resource Adequacy Agreement with energy settlements with NextERA Energy Resources, a subsidiary of NextEra Energy. The contract length is 15 years with an online date of June 1, 2024. This Resolution approves the requested relief in AL 6861-E.

Rulemaking (R.) 14-10-003 (DER Rulemaking). This proposed decision denies the Petition of the Solar Energy Industries Association and the California Solar & Storage Association to Modify Decision 22-05-022. The Petition requested that, for purposes of updating the Avoided Cost Calculator, the Commission negate a change made in 2022 to the “No New DER” scenario that eliminated load increasing distributed energy resources from the forecasted load and return to a prior version of the scenario that only removed load reducing distributed energy resources from the forecasted load. Petitioners asserted the 2022 change results in an Avoided Cost Calculator that undervalues all distributed energy resources. This decision determines that the Petitioners brought no facts to this proceeding that have not already been addressed either in this proceeding or in the resolution process approving Resolution E-5228. R.14-10-003 is closed.

R.19-10-005 (EPIC Program). This decision adopts a number of administrative improvements for the Electric Program Investment Charge (EPIC) Program to increase transparency and focus on specific strategic goals. The actions include developing and implementing a process to create a uniform impact analysis framework; instituting a public planning and coordination process to develop strategic goals and strategic objectives; and aligning future EPIC Investment Plans with the CPUC’s Environmental and Social Justice Action Plan, the Distributed Energy Resources Action Plan, and the federal Justice40 Initiative. This decision also authorizes Energy Division Staff to revise and extend the contract of the Policy + Innovation Coordination Group Project Coordinator. Additionally, this decision authorizes Energy Division Staff to develop a scope of work and undertake a Request for Proposal process to select a contractor to conduct the next EPIC program evaluation. To consider an issue raised by Southern California Edison Company (SCE) regarding potential intellectual property constraints, as well as the outcomes of the public planning processes for the uniform impact analysis framework and strategic goals and strategic objectives, the statutory deadline for this proceeding is extended until July 31, 2024.

A.20-12-010 (SCE Wildfire Expense Memorandum Account). This decision authorizes SCE to recover \$207.3 million, or 50%, of wildfire liability insurance premium costs recorded from July 1, 2020, to December 31, 2020, in SCE’s Wildfire Expense Memorandum Account for the policy period between July 1, 2020 and June 30, 2021. This amount includes \$204.6 million in Commission-jurisdictional incremental wildfire insurance premiums, plus \$0.2 million associated financing costs, \$0.1 million in memorandum account interest, and \$2.4 million for Franchise Fees & Uncollectibles. The Commission denies SCE’s request to collect \$7.2 million for a prior period adjustment related to wildfire liability insurance coverage previously allocated

to the San Onofre Nuclear Generating Station Non-Disclosure Trust fund. A.20-12-010 is closed.

Resolution G-3594 (Southwest Gas AL 1243-G). Southwest Gas Tier 3 AL 1243-G Requesting Increase in Funding for Conservation and Energy Efficiency Programs during Program Years 2023 through 2025. This Resolution approves Southwest Gas (SWG) AL 1243-G, which requests an increase in SWG's Conservation and Energy Efficiency Program budget from the currently authorized amount of \$250,000 per year to \$500,000 per year, effective January 1, 2023, and to remain at this level through the remainder of the current SWG GRC cycle that ends December 31, 2025. This AL was filed in compliance with Decision (D.) 21-03-052.

A.21-05-017 (Liberty Utilities 2022 GRC). This decision addresses the Test Year 2022 GRC application of Liberty Utilities LLC for authority to increase its authorized revenues for electric service, update its energy cost adjustment clause billing factors, establish marginal costs, allocate revenues, and design rates.

R.12-11-05/R.10-05-004 (CSI/SGIP/Distribution Generation Rulemaking). This decision grants, with modifications, the May 20, 2022 petition to modify D.11-09-015, D.15-06-002, and D.19-08-001 filed by PG&E, SoCalGas Company, SCE, and Center for Sustainable Energy seeking relief to customers who unexpectedly and permanently lose contact with their developer due to the developer declaring bankruptcy or otherwise going out of business. The Petition was filed due to the bankruptcy filing of a Self-Generation Incentive Program developer, Petersen Dean, Inc. (Petersen Dean). This decision: (1) grants the requested relief for additional time to submit documentation, release from service warranty requirements, and developer non-compliance program administrator (PA) enforcement obligations, to Petersen Dean's customers so that they can receive their incentive payments for already installed projects; (2) provides additional time to submit program documentation for any customers who unexpectedly and permanently lose contact with their developer due to the developer declaring bankruptcy or otherwise going out of business to submit program documentation; and (3) directs the PAs to file Tier 2 ALs to submit exceptions to the rules for service warranty requirements and developer non-compliance PA enforcement obligations. R.10-05-004 and R.12-11-005 are closed.

Voting Meetings

The Commission's next voting meeting is scheduled for April 6, 2023.

CALIFORNIA INDEPENDENT SYSTEM OPERATOR (CAISO)

Stakeholder Initiatives: Upcoming Meetings and Deadlines

Day-Ahead Market Enhancements. The CAISO has scheduled a hybrid public stakeholder meeting on April 7, 2023, to discuss the Day-Ahead Market Enhancements (DAME) initiative revised final proposal. Attendees may choose to participate in person at the CAISO, or virtually.

WEIM Resource Sufficiency Evaluation Enhancements Phase 2. The CAISO has posted revised final tariff language and an updated response matrix for the Western Energy

Imbalance Market (WEIM) Resource Sufficiency Evaluation Enhancements Phase 2 initiative. The additional revisions were made to accommodate an implementation issue that arose in the recent deployment of the Flexible Ramping Product.

New Initiative: Extended Day-Ahead Market ISO Balancing Authority Area Participation Rules. The CAISO is launching a new initiative called Extended Day-Ahead Market ISO Balancing Authority Area Participation Rules, and scheduled a public virtual stakeholder workshop on April 5, 2023, to discuss the scope of the initiative and potential solutions. Comments on the working group discussions are due by end of day April 19.

2021-2022 Transmission Planning Process. On March 7, 2023, the CAISO posted notices specifying the outcome of the 2021-2022 Transmission Planning Process. The notices stated that, per the ISO tariff section 24.5.5, the ISO would post on the CAISO website, within 10 business days, a report regarding the selection of the Approved Project Sponsor for each project.

Day-Ahead Market Enhancements. In response to the DAME workshops held on February 27, 2023 and March 7-8, 2023, the CAISO has posted a matrix comparing tradeoffs between the various design approaches discussed in the workshops. To provide stakeholders with additional time to review the matrix, the CAISO has extended the deadline for comments on the February and March workshops from March 24 to March 30.

CALIFORNIA ENERGY COMMISSION (CEC)

Offshore Wind

During the February 28, 2023 Business Meeting, the CEC [adopted Resolution No. 23-0228-07](#), approving the [Preliminary Assessment the of Economic Benefits of Offshore Wind Related to Seaport Investments and Workforce Development Needs and Standards](#) report.

Integrated Energy Policy Report

The CEC adopted the [2022 Integrated Energy Policy Report Update with Errata](#) on February 28, 2023.

Energy System Reliability

On February 9, 2023, the CEC published the [Joint Agency Reliability Planning Assessment](#) (Assessment) that addresses requirements for electricity reliability reporting in Senate Bill (SB) 846 (Dodd, Chapter 239, Statutes of 2022) and AB 205 (Committee on Budget, Chapter 61, Statutes of 2022). The Assessment includes the first quarterly review of the demand forecast, the supply forecast, and potential high, medium, and low risks to reliability in the CAISO territory from 2023 to 2032, as required by SB 846. The Assessment also notes that the analysis contained therein for 2023 is preliminary and will be updated in May 2023. Further, as required by AB 205, the report also provides an evaluation of summer 2022 reliability and the magnitude of reliability problems for 2023-2026.

On February 14, 2023, the CEC published a [Notice of Availability and Request for Comments on the Diablo Canyon Power Plant Extension-Draft CEC Analysis of Need to Support Reliability](#). Comments were due by February 21, 2023. A previous workshop regarding the analysis was held on January 20, 2023 and all workshop materials are available in [Docket No. 21-ESR-01](#). On February 28, 2023, the CEC [determined](#) that the Diablo Canyon Power Plant is needed to support grid reliability. The final report is available [here](#).

The CEC released the final Clean Energy Reliability Investment Plan, available [here](#).

CEC Meetings

The next CEC Business Meeting is scheduled for April 12, 2023.

CALIFORNIA AIR RESOURCES BOARD (CARB)

Meetings and Workshops

On April 6, 2023, CARB will conduct a joint public meeting with the California Transportation Commission and the California Department of Housing and Community Development. Information on the meeting is available [here](#).

CARB will hold its next Board Meeting on April 27-28, 2023. The agenda will be available [here](#) 10 days prior to the meeting.

Opportunities for Public Comment

CARB has released [modified text](#) for the [Advanced Clean Fleets Regulation](#) for public comment. The proposed modified regulatory language presents conforming modifications to the Regulation in accordance with the Board's direction at its October 2022 hearing on the proposed Regulation. CARB also added documents to the rulemaking record and has invited comments on the new documentation. Comments on the proposed modified text and additional documentation may be submitted [here](#) on or before April 7, 2023.

On February 22, 2023, CARB held a [public workshop](#) on potential changes to the [Low Carbon Fuel Standard](#). At the workshop, Staff presented additional information on potential credit generation opportunities that may affect carbon intensity targets, preliminary fuel mix, and cost outputs from the California Transportation Supply model, and concepts related to streamlining implementation. Staff has released [draft regulatory text](#) of the proposed changes. Comments on the proposed changes for Tier 1 Simplified Calculators and Lookup Table Values may be submitted [here](#) on or before April 30, 2023.

ILLINOIS COMMERCE COMMISSION (ICC)

During its March 23 voting meeting, the ICC adopted, with modifications, the proposed orders issued in each of the respective applications for approval of Beneficial Electrification

(BE) Plans filed by Commonwealth Edison Company (ComEd) and Ameren Illinois (Ameren). The Final Orders approve the BE Plans with modifications and, among other things, authorize funding for make-ready infrastructure to develop EV charging stations in Environmental Justice and low-income communities. The BE Plans include a commercial tariff for EV charging that will bill customers on a volumetric (kWh), rather demand (kW) basis. Additionally, both of the Final Orders require consistency with the minimum standards for EV charging infrastructure—including cybersecurity protocols and an uptime standard of 97%-- that were recently adopted by the Department of Transportation and Federal Highway Administration.

The Final Order in the ComEd proceeding is available in [Docket Nos. 22-0432/0442](#), and the Ameren Final Order is available in [Docket Nos. 22-0431/0443](#)

MINNESOTA

Minnesota Public Utilities Commission (MPUC) March 30, 2023, Agenda Meeting

The MPUC will meet at 8:00 a.m. PT on March 30, 2023 to review the following matter(s): (1) all telecommunications carriers relief plan for Exhaust of the 507 numbering plan; (2) reconsideration of Summit Carbon Solutions route permit for a carbon dioxide pipeline; (3) Dakota Electric Association’s grid infrastructure rider; and (4) all regulated natural gas utilities’ annual true-up filings. A link to the agenda can be found [here](#).

OREGON PUBLIC UTILITY COMMISSION (OPUC)

On March 28, 2023, the OPUC will hold a virtual Staff workshop in Docket UM 2111 to discuss Staff’s proposals in an ongoing investigation regarding interconnection processes and policies as applied to small generators and distributed energy resources. Staff’s March 27 presentation can be found [here](#).

FEDERAL ENERGY REGULATORY COMMISSION (FERC)

On March 16, 2023, FERC issued an [Order on Formula Rate Protocols and Establishing a Show Cause Proceeding](#), 182 FERC ¶ 61,156 (2023) (*Order*), finding that the transmission formula rate protocols of ComEd appear to “have become” unjust and unreasonable because they do not conform with FERC’s current policy as established in a series of orders regarding MISO and the protocols of the MISO TOs. [Order on compliance filings re MISO Under ER13-2379](#); [Order on Rehearing and Clarification re MISO](#). The *Order* identified three broad categories of concern with ComEd’s protocols: (1) the limited scope of participation by interested parties, (2) the transparency of information provided under the protocols, and (3) the adequacy of the formula rate challenge procedures. Regarding the scope of participation, the *Order* noted that its policy is to allow participation by all interested parties, and that the protocols should define “interested parties” to include customers, state public utility commissions, consumer advocate agencies, and state attorneys general. *Order* at PP 12-13. Regarding transparency, the *Order* expressed concern that ComEd’s protocols do not provide interested parties with sufficient time to review, request information, and challenge annual updates *before* the formula rate filings are made with FERC. *Order* at P 20. Regarding the adequacy of formula rate challenge procedures,

the *Order* was concerned that ComEd’s protocols did not specify procedures through which interested parties can *informally* challenge the proposed inputs to the formula rate, and that such procedures should not impede the statutory rights of other parties to file complaints regarding the formula rates. *Order* at PP 30-34. As a result, the *Order* initiated an investigation under Section 206(b) of the Federal Power Act and directed ComEd within 60 days to “show cause why” its protocols remain just and reasonable, explain what changes to its protocols would remedy the identified concerns if FERC were to find these deviations to be unjust and unreasonable, and establish a refund effective date as of the *Order*’s publication in the Federal Register.

On March 24, 2023, the PJM Independent Market Monitor (IMM) filed a [Complaint](#) against PJM Interconnection, L.L.C. (PJM), alleging that PJM refused to permit it to participate in meetings of the PJM Liaison Committee—a stakeholder committee whose charter limits attendance to PJM Members and PJM Board Members. The Complaint contends that the IMM’s exclusion from *any* PJM stakeholder process is inconsistent with the independence of PJM, the PJM Board, and the IMM, and that the IMM’s participation is “appropriate and necessary to perform its functions” as the market monitor. Apparently, the IMM was allowed to attend PJM Liaison Committee meetings until 2018, when the PJM Members Committee voted to enforce the Committee’s charter and restrict participation solely to PJM Members and PJM Board Members. The IMM’s Complaint comes on the heels of a similar [Complaint](#) filed by the Public Service Commission of West Virginia (WV PSC) that it too was being improperly barred from attending PJM Liaison Committee meetings. According to the WV PSC, its right to observe the PJM Liaison Committee meetings is critical to carrying out its responsibilities in protecting West Virginia consumers’ interests.

U.S. DEPARTMENT OF TRANSPORTATION (DOT)

On March 14, the DOT opened a new funding opportunity—the Charging and Fueling Infrastructure (CFI) Discretionary Grant Program—for EV charging and alternative-fueling infrastructure along designated highways, interstates, and major roadways. The funding opportunity includes \$2.5 billion over five years, with \$700 million in funding available from fiscal years 2022 and 2023. This program funding is *in addition to* the \$5 billion in funding that was authorized under the National Electric Vehicle Infrastructure Formula Program, as this funding opportunity is designed to “fill gaps” in the alternative fuel corridors network and to prioritize disadvantaged communities. There are two funding categories under the CFI program: (1) Community Charging and Fueling Grants (Community Program); and (2) Alternative Fuel Corridor Grants (Corridor Program).

The DOT hosted a series of webinars to share information regarding the CFI grant funding opportunity. One webinar took place on March 21 at 1 p.m. ET, and another was held on March 22 at 2 p.m. ET. The webinars were recorded and are available for viewing [here](#), together with additional information regarding the CFI grant opportunity. Applications for the CFI funding opportunity are due by May 30, 2023.