

**REGULATORY UPDATE FOR MAY 14, 2024
(WEEK OF MAY 6, 2024)**

CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC OR COMMISSION)

New Proposed Decisions and Draft Resolutions¹

None to report.

Voting Meeting

The CPUC held a voting meeting in Sacramento, California on May 9, 2024 at 10:00 a.m. The following are results for energy-related items on the agenda:

Item 4. A.22-09-018 (Transfer of Pacific Gas and Electric Company's Non-Nuclear Generation Assets to Pacific Generation LLC). This decision denies the application of Pacific Gas and Electric (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 issuance of a certificate of public convenience and necessity to Pacific Generation to operate as a utility subject to the CPUC's jurisdiction; and other authorizations and determinations. **Signed, D.24-05-004.**

Item 5. A.22-04-008 et al. (Petition for Modification of Decision 22-12-031). This decision denies the December 14, 2023 Petition for Modification (PFM) of D.22-12-031, Decision Addressing Test Year 2023 Cost of Capital for 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, 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. (collectively, Joint Ratepayers). Joint Ratepayers 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. Because the justifications for the proposed modifications fail, the petition is denied. **Signed, D.24-05-005.**

Item 6. Res G-3603 (Gas Research and Development Program Proposed Budget Plan for Fiscal Year 2023-2024). This Resolution approves in part the California Energy Commission's (CEC) Gas Research and Development Program Proposed Budget Plan for Fiscal Year 2023-2024. The Gas Research and Development Program was established pursuant to D.04-08-010. This Resolution approves the CEC's proposed \$24 million budget, plus \$6,536,412 in unspent funds, totaling \$30,536,412. This includes a \$2.4 million administrative budget. The Resolution

¹ Per the 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 the CPUC's daily calendar, per Rule 14.5.

directs the CEC to reallocate \$10,130,876 for the Gas Leakage Mitigation Initiative theme to other gas research projects. **Approved.**

Item 7. A.22-10-022 (Liberty Utilities LLC's Recovery of Costs Associated with Various Memorandum Accounts). This decision approves an uncontested partial settlement agreement among Liberty Utilities, Cal Advocates, and A-3 Customer Coalition resolving Liberty's request to recover \$42,532,000 in costs related to six memorandum accounts that are subject to this application. Under the partial settlement agreement, Liberty may recover \$38,399,000 in revenue requirement over five years. The only issue that was not resolved in the partial settlement agreement was how to allocate the costs among the different customer classes for all of the memorandum accounts at issue except the COVID-19 Pandemic Protections Memorandum Account. The decision adopts the proposal of Liberty and Cal Advocates to distribute the costs based on a flat rate of \$0.01318/kilowatt-hour applicable to all customer classes. **Signed, D.24-05-006.**

Item 8. Res E-5299 (PG&E Diablo Canyon Transition and Relicensing Memorandum Account and Diablo Canyon Extended Operations Balancing Account). This Resolution approves PG&E's request to establish two accounts to track and record all costs needed to extend operations of the Diablo Canyon Power Plant in accordance with Senate Bill 846 and Ordering Paragraph (OP) 4 of D.22-12-005: (1) the Diablo Canyon Transition and Relicensing Memorandum Account; and (2) the Diablo Canyon Extended Operations Balancing Account. **Approved.**

Item 9. Res E-5313 (Mid-Term Reliability Renewable Resource Contracts). This Resolution approves five mid-term reliability (MTR) contracts for approximately 823 megawatts (MW) of nameplate capacity. SCE contracted these resources to help meet its MTR requirements. The contracts for which SCE sought approval in Advice Letter (AL) 5207-E are: two geothermal contracts with Fervo Energy for Cape Generating Station 3 (70 MW) and Cape Generating Station 4 (250 MW), and three solar PV contracts with 174 Power Global, Atlas Solar V (200 MW), Atlas Solar VI (100 MW) and Atlas Solar X (225 MW). **Approved.**

Item 10. A.22-06-017 et al. (Crimson California Pipeline L.P. to Increase Rates on Its Southern California System). This decision authorizes Crimson California Pipeline, L.P. to increase the rates charged for the intrastate transportation of crude oil on its Southern California pipeline network by 22.31% above the rates in effect prior to August 1, 2022. The decision authorizes the retroactive charge and collection of the difference between rates billed and the approved rate beginning January 1, 2023. The decision denies Crimson's requests for a memorandum account to track Assembly Bill (AB) 864 implementation costs and a surcharge to recover those costs. **Signed, D.24-05-007.**

Item 11. Res E-5260 (Operational Flexibility Pilot Proposals). This Resolution approves PG&E's, SCE's, and SDG&E's ALs filed in compliance with D.21-06-002 proposing pilots to test whether a distributed energy resource (DER) operational alternative would be sufficient mitigation for Operational Flexibility constraints. This Resolution orders PG&E, SCE, and SDG&E to report findings and recommendations from their individual pilots and to convene a

workshop to discuss the metrics of success, analyses, conclusions, and recommendations with stakeholders. **Approved.**

Item 13. Res E-5316 (SCE Amendments to its Mid-Term Reliability Energy Storage Contracts with Silver Peak Solar, LLC). This Resolution approves SCE's amendments to two MTR contracts for capacity procured to meet the requirements of D.21-06-035. The contracts with Silver Peak Solar LLC are amended to address supply chain issues and interconnection delays and maintain the projects' viability. The Silver Peak Contracts will provide incremental September net qualifying capacity to meet SCE's 2024 MTR procurement requirements pursuant to OP 1 of the Decision. **Approved.**

Item 14. Res G-3590 (Southern California Generation Coalition, and Shell Energy North America, LP Petition for Modification of Resolution G-3581). This Resolution denies the PFM of Res G-3581 submitted by Indicated Shippers, Southern California Generation Coalition, and Shell Energy North America (US), LP (Joint Petitioners). Consistent with Resolution G-3581, SoCalGas is required to resubmit a proposed credit mechanism for firm Backbone Transmission Service customers as part of its next Triennial Cost Allocation proceeding (TCAP) filing. **Approved.**

Item 15. Res G-3600 (Transmission Integrity Management Program Account Balance for January 1, 2019, to December 31, 2023). D. 19-09-051 authorized SoCalGas to spend \$539,000,000 on its Transmission Integrity Management Program (TIMP) and to establish a two-way balancing account to recover actual operations and maintenance and capital related costs. The decision allowed SoCalGas to recover undercollections of up to 35% of the TIMP revenue requirement via Tier 3 AL and stated that any amount above 35% is subject to a separate application procedure. SoCalGas filed AL 6060-G requesting recovery of \$238,800,000 in undercollected revenue requirement that was 120% of the authorized 2019 General Rate Case cycle revenue requirement recorded in the TIMP Balancing Account (TIMPBA) through September 2022. SoCalGas filed AL 6060-G-A replacing AL 6060-G in its entirety, to correct the electronic file format to a searchable format. In AL 6060-G-A, SoCalGas' request is the same as requested in the original AL filing as well as being substantively the same. SoCalGas' request to recover the undercollection recorded in its TIMPBA for January 1, 2019, to December 31, 2023, is approved. The TIMPBA amount will be amortized via a functionalized allocation described in the TCAP. **Held to May 30, 2024.**

Item 18. Res E-5318 (Renewable Portfolio Standard (RPS) Procurement Solicitation Protocols of San Diego Gas & Electric Company). SDG&E filed AL 4368-E on January 16, 2024, requesting the CPUC review and approve its RPS bid solicitation protocols. AL 4368-E was filed in response to Ordering Paragraph (OP) 16 of D.23-12-008, which requires that SDG&E's bid solicitation protocols contain a specified set of criteria and be submitted within 30 days of D.23-12-008's effective date. This Resolution finds that the protocols satisfy the requirements of D.23-12-008 OP 16 and so approves them without modification. **Approved.**

Item 20. A.21-04-001 (SCE 2020 Energy Resource Recovery Account). This decision closes the proceeding without addressing the issues in Phase Two. In D.23-06-054, which resolved the consolidated 2019 Energy Resource Recovery Account (ERRA) proceedings, the

Commission declined to address the issues in Phase Two. The Phase Two issues in the consolidated 2019 ERA proceeding are similar to the Phase Two issues in this proceeding, in that these issues consider whether the utilities should be disallowed from collecting revenues that they were not able to collect during the Public Safety Power Shutoff (PSPS) events that occurred during the compliance review period. D.23-06-054 declined to address the Phase Two issues based on directives in D.21-06-014, which ordered that the methodology for disallowing unrealized PSPS revenues apply starting on the effective date of D.21-06-014. For the same reasons specified in D.23-06-054, this decision declines to address Phase Two issues. **Signed, D.24-05-011.**

Item 39. A.22-05-022 et al. (Green Access Program Tariffs and Community Renewable Energy Program). This decision presents the culmination of an evaluation of current customer renewable energy subscription programs, also known as Green Access Program tariffs, and the consideration of adoption of a community renewable energy program. The decision finds that while the current Green Access Program tariff options do not meet all the evaluation goals described in AB 2316, it is efficient—in terms of costs and resources—to modify and streamline existing Green Access Program tariffs to better meet these goals. The Commission finds the proposed Net Value Billing Tariff conflicts with federal law and does not meet the requirements of AB 2316. The Commission also finds that it is beneficial to ratepayers to adopt a community renewable energy program by layering a customer subscription model and a non-ratepayer-funded adder onto identified standard supply-side tariffs and contract mechanisms that meet the requirements of AB 2316 and Public Utilities Code section 769.3 and is compliant with federal law. **Held to May 30, 2024.**

Item 40. R.22-07-005 (Assembly Bill 205 Requirements for Electric Utilities). This decision authorizes all investor-owned utilities (IOUs) to change the structure of residential customer bills by shifting the recovery of a portion of fixed costs from volumetric rates to a separate, fixed amount on bills without changing the total costs that utilities may recover from customers. As a result, this decision reduces the volumetric price of electricity (in cents per kilowatt-hour) for all residential customers of IOUs. This decision adopts a gradual, incremental approach to implementing AB 205 requirements, including the requirement to offer income-graduated fixed charge amounts. The adopted billing structure will offer discounts based on the existing income-verification processes of the utilities' California Alternate Rates for Energy and Family Electric Rate Assistance programs. The Commission will consider improvements to the new billing structure based on the initial results of implementation and a working group proposal in the next phase of this proceeding. SCE and SDG&E shall begin to apply the adopted changes to residential customer bills during the fourth quarter of 2025. PG&E, Bear Valley Electric Service, Inc., Liberty Utilities, and PacificCorp will begin to apply the adopted changes to residential customer bills during the first quarter of 2026. The new billing structure shall apply to all residential rates of the IOUs, except for master-metered rates that are not sub-metered, separately metered electric vehicle rates for customers whose primary meter has an income-graduated fixed charge, or rate schedules that are scheduled to be eliminated by the second quarter of 2026. The revenues from fixed charges will be applied to reduce volumetric rates equally across all time-of-use periods. This decision approves an aggregate total of up to \$35,600,000 for the implementation costs of the three large utilities. Each of the large utilities

shall propose a plan and budget for customer education and outreach through a Tier 3 AL. This decision approves the settlement agreement regarding AB 205 implementation between Bear Valley Electric Service, Inc., Liberty Utilities, PacificCorp d/b/a Pacific Power, and the Public Advocates Office at the CPUC, with exceptions to ensure compliance with statutory requirements. The small and multijurisdictional utilities shall each file a Tier 3 AL to provide additional information about base revenues, propose a customer education and outreach plan, and propose an implementation budget. **Signed, D.24-05-028.**

Upcoming Workshops and Events

Joint Gas IOU Workshop on GO 177 Reporting. Pursuant to the Commission's directives in [D.22-12-021](#), which established General Order 177, SoCalGas, SDG&E, and PG&E will convene a workshop on May 22, 2024 from 9:30 a.m. to 12:00 p.m. The purpose of the workshop is to provide an opportunity for parties to comment on the IOUs' gas investment reports. A workshop notice with detailed agenda and access information will be sent to the service list for R.20-01-007 at a future date.

CALIFORNIA INDEPENDENT SYSTEM OPERATOR (CAISO)

Stakeholder Initiatives: Upcoming Meetings and Deadlines

2024 California ISO Summer Loads and Resources Assessment. CAISO has posted its 2024 Summer Loads and Resources Assessment on its website, showing continued improvement in resource availability and increased overall reserve margins for this summer. Further information is available [here](#).

Annual Policy Initiatives Roadmap. CAISO will host a virtual stakeholder-led prioritization working group for the 2024 annual discretionary policy initiatives catalog on May 15, 2024. Stakeholders will present potential discretionary initiatives for prioritization in the catalog including presentations on resource adequacy, CAISO balancing area reliability and ancillary services, CPUC concerns, and potential changes to accommodate storage and other new generation technology, and attendees will have the opportunity to discuss prioritization of these proposals for inclusion in the discretionary initiatives catalog. Further information is available [here](#).

Interconnection Process Enhancements. CAISO will hold a public stakeholder workshop on May 16, 2024, to discuss the Interconnection Process Enhancements (IPE) 2023 Track 2 zonal approach and the addendum to the final proposal, which is available on the IPE initiative webpage. Further information is available [here](#).

Day-Ahead Sufficiency. CAISO posted the Day-Ahead Sufficiency straw proposal to the initiative webpage and held an associated public stakeholder call on May 13, 2024. Written comments on the straw proposal are due by May 27, 2024. Further information is available [here](#).

Resource Adequacy Modeling and Program Design. CAISO has posted a Resource Adequacy Modeling and Program Design survey and is seeking feedback from Load Serving Entities by May 16, 2024. Further information is available [here](#).

CAISO Board of Governors Meeting. CAISO staff will provide a briefing on the Interconnection Process Enhancements initiative at the May 23, 2024 CAISO Board of Governors meeting. The IPE Track 2 Final Proposal will be a decisional item at the special Board session on June 12, 2024. CAISO has posted an updated 2024 meeting schedule to reflect the June 12, 2024 general session virtual meeting. Further information is available [here](#).

Greenhouse Gas Coordination. CAISO will hold a hybrid public Greenhouse Gas Coordination working group meeting on May 29, 2024. Attendees may participate in person or virtually. In person registration is due May 24, 2024. Further information is available [here](#).

Western Energy Imbalance Market Regional Issues Forum. The Western Energy Imbalance Market Regional Issues Forum has announced its upcoming meeting, which will take place at Idaho Power in Boise, Idaho on June 20, 2024. Registration is requested for in-person attendees. 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)

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 and released a schedule for the 2024 IEPR Update, as set forth below.

Task/Event	Date
Final 2024 IEPR Update Scoping Order released	April 2024
Adopt order instituting informational proceeding for 2024 IEPR Update	May 2024
Public workshops on specific topics	May 2024–December 2024
Release draft <i>2024 IEPR Update</i>	October 2024
Release proposed <i>2024 IEPR Update</i>	January 2025
Adopt 2024 IEPR Forecast	January 2025
Adopt <i>2024 IEPR Update</i>	February 2025

The policy recommendations included in the 2024 IEPR Update will be based on the record developed during the proceeding, including data and technical analyses by staff and stakeholders. The final 2024 IEPR Update [Scoping Order](#) was published on April 23, 2024.

On May 9, 2024, CEC staff posted a 2024 IEPR [Workshop Schedule](#) (note: the schedule is subject to change):

May 16, 2024: Electricity Forecast, Load Growth Areas - 10:00 a.m. (remote access only).

July 17, 2024: SB 605: Wave and Tidal Energy - 10:00 a.m.

July 30, 2024: Electricity Forecast, Hourly Forecast Updates – 10:00 a.m.

November 7, 2024: Electricity Forecast, Load Modifier Results – 1:00 p.m.

December 12, 2024: Electricity Forecast, Annual and Hourly Results - 1:00 p.m.

January 2025 TBD: Business meeting to consider adoption of the electricity demand forecast.

February 2025 TBD: Business meeting to consider adoption of the 2024 IEPR Update.

As noted above, on May 16, CEC staff will host a workshop on electric load growth to explore areas of load growth that may be underrepresented in the CEC’s electricity demand forecast, such as data centers, electrification in the agricultural sector, and electric demand for hydrogen production. The workshop will be remote only and is scheduled for 10 a.m. to 5 p.m. Additional workshop information is available [here](#).

Electric Program Investment Charge (EPIC)

On May 16, 2024, the CEC and the CAISO will hold an informational remote-access workshop to discuss tools being used to predict behind-the-meter (BTM) DERs. According to the workshop [Notice](#), “[t]he workshop will start with an introduction from the CEC staff on the 2021-2025 EPIC investment plan and the need to fund research on BTM forecasting of DERs. There will be a presentation by staff from CAISO covering the current tools used for forecasting, technological advancements for the improvement of current tools, the need for accurate BTM forecasting, and future considerations for improving forecasts of DERs.” The workshop is scheduled to run from 9:30 a.m. to 11:00 a.m. Written comments are due to the Docket Unit by 5:00 p.m. on May 24, 2024.

The CEC’s EPIC 2023 Annual Report is now [available](#). The report outlines the status and progress of EPIC-funded activities for the 2023 calendar year.

Electric Vehicle (EV) Charging Infrastructure

Reliability Standards

On April 9, 2024, the CEC issued its Second Draft Staff Report Tracking and Improving Reliability of California’s EV chargers. The report is available [here](#). The CEC hosted a workshop to discuss the revised report and staff proposal for new regulations on April 30, and written comments may be submitted through May 15, 2024.

Customer Charging Experience (“Network Roaming”)

The CEC will host an information workshop on “network roaming” for EV charging, which refers to a customer’s ability to use their preferred EV charging payment account at chargers operated by different charging station operators. The workshop will include presentations from CEC staff along with representatives from industry entities and will provide an opportunity for public comment. The workshop is remote only and will be held on Friday, May 31 from 9 a.m. to 11 a.m. Event details are available [here](#).

National Electric Vehicle Infrastructure (NEVI) Update

The CEC and Caltrans hosted a joint workshop on May 10 to discuss the development of the NEVI Plan Update for 2024, which is due to the Joint Office for Energy and Transportation on August 1, 2024. Workshop details and related event information are available [here](#).

CEC Business Meetings

The next CEC Business Meeting will be held on June 12, 2024.

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](#).

CARB’s next [Board meeting](#) will be held May 23-24, 2024. At the meeting, CARB will consider [proposed amendments](#) to the [Advanced Clean Trucks](#) regulation and consider adoption of [revisions](#) to the [California State Implementation Plan](#). The full agenda for the meeting is available [here](#). The scheduled Board meeting originally scheduled for April 25-26, 2024 has been cancelled.

On May 16, 2024, CARB will host a meeting of the [Assembly Bill 32 Environmental Justice Advisory Committee](#). Registration and additional information are available [here](#).

On May 16, 2024, CARB will host a [public work group meeting](#) on the Driving Clean Assistance Program and provide updates on the proposed rollout of the program. Registration is available [here](#).

On May 21, 2024, CARB will hold a community meeting on clean transportation projects in California. CARB will discuss plans for funding clean transportation projects, provide updates on implementation of incentive programs and other CARB initiatives, and provide an opportunity for public comments. The meeting agenda and registration are available [here](#).

On May 22, 2024, CARB will hold a [public workshop](#) on potential regulation concepts for the transition of non-truck [transport refrigeration units](#) to zero-emission technology. Register for the workshop [here](#).

On May 29, 2024, the [California Climate Action Team](#), including CARB and other participating agencies, will hold a meeting of the [public health workgroup](#). More information and a link to register for the virtual meeting are available [here](#).

On May 31, 2024, CARB will host an [outreach meeting](#) of the [Advanced Clean Fleets Truck Regulation Implementation Group](#). This meeting is rescheduled from May 20, 2024. Registration for the meeting can be found [here](#).

On June 5, 2024, the Rule Provisions [Truck Regulation Implementation Group](#) for the [Advanced Clean Fleets Regulation](#) will hold a [meeting](#) to continue discussion of the Zero-Emission Vehicle purchase exemption process. Register for the meeting [here](#).

On June 20, 2024, CARB will hold a Q&A session on [Advanced Clean Fleets](#) requirements for [High Priority Fleets](#). More information is available [here](#).

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

MINNESOTA PUBLIC UTILITIES COMMISSION

On May 6, 2024, ALLETE, parent company of Minnesota Power and Superior Water, Light and Power, announced it had entered an agreement to be acquired by Canada Pension Plan Investment Board (CPP Investments) and Global Infrastructure Partners (GPP) and become a private company. ALLETE will be acquired for \$67 per share in cash, or \$6.2 billion including the assumption of debt. The full press release is available [here](#).

The Minnesota Public Utilities Commission held a Special Planning Meeting on May 9, 2024, to hear details on the proposed acquisition from Minnesota Power and CPP Investments and GPP.

FEDERAL ENERGY REGULATORY COMMISSION

On May 13, 2024, at a Special Transmission Reform Meeting, FERC issued two final rules addressing transmission reforms: [Order No. 1920](#), Building for the Future Through Electric

Regional Transmission Planning and Cost Allocation, and [Order No. 1977](#), Applications for Permits to Site Interstate Electric Transmission Facilities. Additional information on these orders will be provided separately.

On May 6, 2024, in [187 FERC ¶ 61,065](#), FERC issued an Order on Petition addressing PJM Interconnection, L.L.C.'s (PJM) filing in Docket No. ER23-729. In the Petition, PJM sought clarification following the United States Court of Appeals for the Third Circuit decision that vacated a portion of FERC's orders that allowed PJM to apply amendments to its Open Access Transmission Tariff (OATT), which would have allowed PJM to exclude certain Planned Generation Capacity Resources from the LDA Reliability Requirement in the 2024/2025 delivery year Base Residual Auction (BRA). In the Order on Petition, FERC directs PJM to: (1) recalculate the 2024/2025 BRA results under the status quo ante auction rules and parameters; (2) re-run the Third Incremental Auction for the 2024/2025 delivery year; and (3) make a compliance filing to remove the rejected OATT amendments.

On April 30, 2024, in [187 FERC ¶ 61,050](#), FERC accepted Southwest Power Pool, Inc.'s proposed revisions to Attachment V (Generator Interconnection Procedures) of its OATT, effective May 1, 2024. These revisions: (1) increase study deposits for new generator interconnection requests to align with the amounts established in Order No. 2023, as modified by Order No. 2023-A; (2) increase study deposits for replacement for generating facility replacement requests, for generating facility modification requests, and for surplus interconnection requests; (3) implement a non-refundable application fee of \$10,000; and (4) clarify the process for evaluating requests for modification to the information provided in the generator interconnection request.

On April 30, 2024, in [187 FERC ¶ 61,051](#), FERC rejected PJM's proposed revisions to its OATT and Operating Agreement to modify the offer selection process for its Day-Ahead Energy Market to accommodate the anticipated addition of enhanced combined cycle, energy storage, and hybrid resource models in PJM's Next Generation Markets (nGEM) clearing software.