

REGULATORY UPDATE FOR NOVEMBER 15, 2021 (WEEK OF NOVEMBER 8)**CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC or COMMISSION)****New Proposed Decisions and Draft Resolutions¹**

Draft Resolution E-5173. This Resolution would approve two resource adequacy power purchase agreements between Southern California Edison (SCE) and AES Redondo Beach, LLC for Units 5 and 6 of the AES Redondo Beach Generating Station for April 1, 2022 through December 31, 2022 to meet SCE's system, LA Basin local, and flexible resource adequacy requirements.

R.20-05-012 (SGIP). This decision allocates all Self-Generation Incentive Program (SGIP) accumulated unallocated funds, approximately \$67 million, to SGIP energy storage budgets. The accumulated funds derive primarily from previously unreported accrued interest earned on SGIP ratepayer revenue collections since the program's inception in 2001. This decision allocates the funds first to energy storage budgets with waitlisted applications as of the date of adoption of this decision, with priority given to waitlisted Equity Resiliency budget, Equity, and then General Market applications. It then allocates funds that remain after all waitlisted applications have been served, if any, to Equity Resiliency budgets. This decision requires the SGIP Program Administrators to file a Tier 1 advice letter no later than 30 days from the date of adoption of this decision reporting on the resulting funding allocations. It requires an annual Tier 1 budget advice letter and updates fiscal audit requirements for the SGIP Program Administrators for the next five years.

R.18-07-003, R.15-02-020, R.11-05-005 (RPS Implementation, ReMAT). This decision addresses issues related to the Renewable Market Adjusting Tariff (ReMAT) that were not addressed in Decision (D.) 20-10-005. The decision directs San Diego Gas & Electric Company (SDG&E) to reopen its ReMAT program following the parameters adopted in D.20-10-005, as modified in this decision. This decision further establishes a de minimis threshold for each product category, and a process through which the investor-owned utilities shall aggregate remaining capacity across one or two of the three product categories, if necessary, to meet their individual shares of the statewide ReMAT capacity target. This decision reaffirms the utilities' option to provide information-only time-of-delivery factors, as adopted in D.19-12-042, resolves several petitions for modification of D.12-05-035 and D.13-05-034, and defers consideration of the joint petition for modification of D.13-05-034 filed by Pacific Gas and Electric Company (PG&E) and SCE until more information is available.

Draft Resolution E-5183. This resolution approves the SCE Engineering, Procurement, Construction, and Maintenance contract with Ameresco, Inc. for the engineering, procurement,

¹ Per CPUC Rules of Practice and Procedure Rule 14.3, comments on proposed decisions are due 20 days after issuance of the proposed decision, and reply comments are due five days thereafter. Comments on draft resolutions are due 20 days after the draft resolution appears in the CPUC's daily calendar, per Rule 14.5.

construction, and maintenance of 535.7 megawatts (MW) of energy storage to address summer reliability, as requested in Advice Letter (AL) 4617-E, other than determining that the contract capacity will not be applied towards load-serving entities' Mid-Term Reliability procurement obligations at this time.

A.12-01-008, and related matters (Green Tariff Shared Renewables). This decision resolves three petitions for modification of D.15-01-051 and D.16-05-006, modifying the Green Tariff Shared Renewables (GTSR) Program in a variety of ways. The decision conditionally grants a petition for modification filed by PG&E, allowing PG&E to count certain resources procured to meet its Renewables Portfolio Standard (RPS) obligations to count towards GTSR service, but obligates PG&E to conduct additional solicitations to bring new GTSR resources on line, and cannot enroll new GTSR customers until it has done so. The decision also grants a petition filed by 10 community choice aggregators, requesting changes to how the retained resource adequacy rate adder is calculated. The change to the rate adder only applies to PG&E at this time. Finally, the decision denies without prejudice a petition filed by the Coalition for Community Solar Access.

Voting Meetings

The Commission's next voting meeting is scheduled for November 18, 2021. The agenda includes the following energy-related items.

Item 3. Draft Resolution L-612. On November 19, 2020, Brandon Rittiman sought the disclosure of certain records of the CPUC pursuant to the California Public Records Act. Rittiman sought all communications between Commission President Marybel Batjer or her executive staff with the following employees of the Governor's office: Ana Matasanos, Alice Reynolds, Ann Patterson, and Rachel Wagoner. This Resolution would deny the appeal of Rittiman for a reconsideration of the Commission Staff determination that the records he sought are exempt from disclosure pursuant to California Government Code § 6254(1), which exempts from public disclosure "[c]orrespondence of and to the Governor or employees of the Governor's office or in the custody of or maintained by the Governor's Legal Affairs Secretary."

Item 6. Draft Resolution 5175-E. On October 23, 2020, SCE filed AL 4322-E, requesting approval of the process to qualify Electric Vehicle Supply Equipment (EVSE) for the Charge Ready 2 Infrastructure and Market Education program (Charge Ready 2). SCE proposes two processes: one to continually approve EVSE that meet technical qualifications on a rolling basis for customers within Charge Ready 2 who will own the EVSE, and one in which SCE will issue a Request for Qualification for purchasing EVSE that SCE will own through the program. As proposed, the EVSE that are either purchased or qualified through these pathways must conform to the applicable eligibility requirements within SCE's Standard Equipment EVSE Qualification Package. This Resolution authorizes, with modifications, SCE's qualification processes.

Item 13. A.19-11-009 (PG&E rate design). This decision adopts marginal costs for PG&E to be used in the allocation of revenue among PG&E's customer classes and the design of retail rates for PG&E's customers. This decision largely adopts PG&E's proposed marginal

costs and methodologies for deriving them but adopts marginal connection equipment costs proposed by the Agricultural Energy Consumers Association and marginal transmission capacity costs proposed by the Solar Energy Industries Association. This decision also adopts, without modification, several uncontested settlements on rate design issues and revenue allocation. The proceeding will remain open to consider issues related to real-time pricing proposals for PG&E's customers.

Item 19. R.20-01-007 (Gas system reliability). D.19-05-030 adopted an eight-stage winter penalty structure for Southern California Gas Company (SoCalGas) and SDG&E that allows for more moderate increases between Operational Flow Order (OFO) stages than the prior winter penalty regime. Instead of the OFO penalty increasing from \$5 to \$25 between Stages 3 and 4, the new rules create intermediate Stages 3.1, 3.2, and 3.3, which impose penalties of \$10, \$15, and \$20, respectively. The revised rules have been in effect for the past two winters, but they were due to expire on October 31, 2021. On October 12, 2021, the Assigned Commissioner issued a ruling temporarily extending the OFO rules and structure adopted in D.19-05-030 until a full Commission decision is issued concerning the matter. This decision affirms the Assigned Commissioner's ruling and approves the extension of the current winter OFO rules for the six months beginning November 1, 2021.

Item 27. R.19-10-005 (EPIC program). This decision authorizes PG&E, SCE, and SDG&E (collectively the IOUs) to continue in their role as administrators of the Electric Program Investment Charge (EPIC) program, subject to additional administrative requirements. Like the California Energy Commission (CEC), the IOUs are authorized to file two five-year investment plans, with the first cycle covering 2021-2025 (EPIC 4) and the second cycle covering 2026-2030 (EPIC 5). The decision authorizes EPIC 4 investment plan budgets of \$18.444 million annually for PG&E, \$3.24 million annually for SDG&E, and \$15.131 million annually for SCE.

Item 27A. The alternate proposed decision (APD) of Commissioner Guzman Aceves differs from the Proposed Decision (PD, Item 27) in that it provides further justification for the continuation of the IOU administrative role, while only authorizing their funding through 2025. Additionally, the APD differs from the PD in that it increases the administrative cost cap for a fourth EPIC administrator, the CEC, from a soft cap of 10% to a firm cap of 15%. The APD matches the outcome of the PD in other respects.

Item 28. R.18-07-003 (RPS Implementation). This decision changes the confidentiality provisions relating to RPS procurement records, generally allowing broader, and earlier, access to RPS procurement records.

Item 28A. This alternate proposed decision from Commissioner Rechtschaffen adopts a revised confidentiality matrix for RPS-eligible procurement records that allows the following: (a) RPS load forecast data will be confidential for two future years and the year of filing; (b) RPS-eligible contract prices and terms will become public six months after the date of Commission approval; (c) for contracts that do not require Commission approval, the contract prices and terms will become public six months after contract execution date; (d) aggregated bid information from an Investor-Owned Utility's competitive solicitation will be public after the

final contract is submitted for Commission approval when there are at least three bidders in the resource category; (e) individual bid information will become public one year after the final contract is submitted to the Commission for approval; and (f) contract amendments cannot revise prior confidentiality terms, and the public can access the contract data 30 days after the new contract execution date.

CALIFORNIA ISO (CAISO)

Stakeholder Initiatives: Upcoming Meetings and Deadlines

Clarifications to Reliability Must-Run Designation Process. The CAISO will hold a public stakeholder call on November 8, 2021 to discuss the final proposal for the Clarifications to Reliability Must-Run Designation Process initiative. Comments are due November 22, 2021.

Annual Policy Initiatives Roadmap Process. The California ISO will hold a call on November 16, 2021 to discuss the 2022 draft Policy Initiatives Roadmap, as part of the Annual Policy Initiatives Roadmap Process. In addition, the California ISO will post the 2022 Revised Policy Initiatives Catalog. Comments are due December 1, 2021.

Resource Adequacy Enhancements Phase 2 Initiative. The California ISO is postponing stakeholder engagement activities for the Resource Adequacy Enhancements Phase 2 initiative until February 2022 to align timeline with other contingent policy initiatives.

Demand Response Baseline Enhancements. The California ISO will hold an informational stakeholder call on November 16, 2021 to present results of a California ISO-commissioned study by Recurve of an advanced performance methodology for Demand Response resources using open-source baselining and comparison groups.

2021 Contract Management Enhancements. The California ISO has scheduled a public stakeholder call on November 17, 2021 to discuss the final proposal for the 2021 Contract Management Enhancements initiative.

2021-2022 Transmission Planning Process. The California ISO will hold a public stakeholder call on November 18, 2021 to discuss the 2021-2022 transmission planning process. Comments on the stakeholder call are due December 2, 2021.

Adjustment to Intertie Constraint Penalty Prices. The California ISO will hold a stakeholder call on November 19, 2021, to discuss proposed adjustments to intertie constraint penalty prices with stakeholders. Comments are due December 3, 2021.

EIM Resource Sufficiency Evaluation Enhancements. The California ISO has scheduled a stakeholder call on December 14, 2021 to discuss the revised draft final proposal for Phase 1 of the Energy Imbalance Market Resource Sufficiency Evaluation Enhancements initiative. Comments on the revised proposal and meeting are due December 22, 2021.

CALIFORNIA ENERGY COMMISSION (CEC)

Electric Program Investment Charge (EPIC)

The CEC has announced a two-day EPIC Symposium scheduled for December 14-15, 2021. The Symposium will focus on how California's investments in public interest research will transform the state's energy system. Over the two-day event, panel sessions will focus on:

- Grid resiliency and reliability
- Equity and affordability
- Decarbonization of the built environment
- Innovation and entrepreneurship in California

To register for this event, visit <https://www.energizeinnovation.fund/events/epic-symposium#tab-registration>.

Docket 19-ERDD-01

CEC staff, in collaboration with the Department of Water Resources, will hold a joint workshop on November 16, 2021 at 9 a.m. PT entitled "Cloud Seeding for Precipitation Enhancement." The workshop will explore the science and current practice of cloud seeding for precipitation enhancement for augmenting water resources and hydropower potential in California. Additional information, including the workshop agenda, is available [here](#).

On November 17, 2021, the CEC will host a workshop entitled "Strategic Pathways and Analytics for Tactical Decommissioning of Portions of Natural Gas Infrastructure." According to the meeting notice (see TN# 240245 available [here](#)), representatives from SoCalGas and PG&E will provide an update on the latest efforts and outlook about natural gas planning while meeting the state's climate goals. While a detailed meeting agenda is not yet available, the workshop notice provides that the CEC, research teams, and the two utilities plan to achieve the following at the workshop:

- Present the general purpose and work plans for pilot projects;
- Share initial thoughts on the natural gas decommissioning pilots and relevant data needed for decision-making and site selection;
- Share lessons learned among project team members from past projects on strategic decommissioning;
- Discuss how the projects will fit into the utilities' broader decarbonization business transformation efforts; and

- Offer stakeholders, experts, and the public the opportunity to provide input on additional consideration needed to identify and facilitate successful demonstration pilots.

Lithium Valley Commission

The Lithium Valley Commission will host a remote access community forum on November 17, 2021 from 6 to 8 p.m. PT. The forum will provide an overview about and introduction to the Lithium Valley Commission and the concept of the Lithium Valley. The Commission seeks to engage the community directly and encourage public participation in the efforts of the Lithium Valley Commission. Additional information is available [here](#).

CEC Business Meetings

The next CEC Business Meeting is scheduled for December 8, 2021.

CALIFORNIA AIR RESOURCES BOARD (ARB)

On November 16, 2021, ARB will host a virtual public meeting of the AB 32 Environmental Justice Advisory Committee. The agenda and a link to the meeting are available [here](#).

ARB's next regular Board meeting will be held November 19, 2021. The agenda is available [here](#). At the meeting, the Board will consider the final draft investment plan for cap-and-trade auction proceeds. This is the fourth investment plan and identifies a suite of future funding priorities for California climate investments. The draft plan was previously released for public comment, and ARB is accepting comments on the final draft plan. The public notice on this item is available [here](#). At the meeting the Board will also consider the proposed fiscal year 2021-2022 funding plan for clean transportation incentives. The public notice on this item is available [here](#). Comments on both these items can be submitted [here](#) on or before November 8, 2021.

ARB is holding virtual public workshops as part of the Assembly Bill (AB) 32 Scoping Plan Update. On November 2, 2021, ARB, in collaboration with the CEC, CPUC, and CAISO, held a [public workshop](#) to discuss the role of the electricity sector in meeting the state's energy, climate, and air quality goals. Comments on the workshop can be submitted [here](#) on or before November 19, 2021. Recordings of past AB 32 Scoping Plan Update meetings and workshops are available [here](#).

ARB is accepting informal public comments on the proposed [Advanced Clean Fleets](#) regulation, which aims to achieve a zero-emissions truck and bus California fleet by 2045. Comments may be submitted [here](#) on or before December 31, 2021.

MINNESOTA

MPUC Meeting This Week

On November 18, 2021 at 10 a.m. PT, the Minnesota Public Utilities Commission will hold a public agenda meeting on a variety of dockets, including environmental review issues related to the 150 MW Hayward Solar Project and two complaints filed by a community solar garden developer against Northern States Power Company d/b/a Xcel Energy.

WASHINGTON

Avista's Draft 2022 All-Source Request for Proposals (RFP)

On November 1, 2021, Avista filed a draft 2022 RFP with the Washington Utilities and Transportation Commission. The 2022 RFP is now available for public comment by any interested person. The 2022 RFP is posted [here](#). The last day to file comments is December 15, 2021.

OREGON

OPUC Meetings This Week

On November 16, 2021 at 9:30 a.m. PT, the Oregon Public Utility Commission (OPUC) will hold a public meeting to discuss a wide range of dockets including UM 1981 (related to PacifiCorp's accounting costs for Oregon's Community Solar Program), LC 73 (related to Portland General Electric's (PGE) 2019 Integrated Resource Plan), and ADV 1321 (related to PGE's Schedule 55 Large Non-Residential GEAR Program). The agenda and dial-in information can be located [here](#).

On November 18, 2021 at 2 p.m. PT, the OPUC will hold a prehearing conference to discuss the procedural schedule related to UM 2032, the docket related to network upgrade costs for Qualifying Facilities seeking to interconnect with Oregon utilities. The dial-in information can be located [here](#).

TEXAS

On October 21, 2021, the Public Utility Commission of Texas (PUCT) approved a rule that creates requirements for power companies to better prepare for winter weather. The rule stems from the Texas Legislature's passage of Senate Bill 3 (S.B. 3) in response to the devastation caused to the energy grid by winter storm Uri.

S.B. 3, effective June 8, 2021, is a multi-pronged law that attempts to make the Texas energy system more resilient to the effects of extreme winter weather events. Key to S.B. 3 is a requirement that the PUCT implement winter weatherization requirements so that each of the entities providing electric generation service must implement measures to prepare its generation assets to provide adequate electric generation service during a weather emergency. The new rule, codified as 16 Texas Administrative Code § 25.55, requires electric generators and transmission service providers (TSPs) (collectively, generation entities) to implement the winter weather readiness recommendations identified in the 2012 Quanta Technology Report on Extreme Weather Preparedness Best Practices and the FERC/NERC 2011 Report on Outages and Curtailments During the Southwest Cold Weather Event on February 1-5, 2011. The rule also requires affected entities to fix any known, acute issues that arose from winter weather conditions during the 2020-2021 winter weather season. The deadline for implementation of many components of the new rule is December 1, 2021.

By December 1, 2021, a generation entity within the Electric Reliability Council of Texas (ERCOT) must:

1. Use best efforts to implement weather emergency preparation measures intended to ensure sustained operation of all cold weather critical components during winter weather conditions;
2. Install adequate wind breaks for resources susceptible to outages or derates caused by wind; inspect thermal insulation for damage or degradation and repair damaged or degraded insulation; confirm the operability of instrument air moisture prevention systems; and conduct maintenance of freeze protection components for all applicable equipment, including fuel delivery systems controlled by the generation entity, the failure of which could cause an outage or derate;
3. Establish a schedule for testing of such freeze protection components on a monthly basis from November through March, and install monitoring systems for cold weather critical components, including circuitry providing freeze protection or preventing instrument air moisture;
4. Use best efforts to address cold weather critical component failures that occurred due to winter weather conditions during the 2020-2021 winter;
5. Provide training on winter weather preparations and operations to relevant operational personnel; and
6. Determine minimum design and experienced operating temperature and other operating limitations based on temperature, precipitation, humidity, wind speed, and wind direction.

The generation entity must also, by December 1, 2021, submit to both the PUCT and ERCOT, on a form prescribed by ERCOT, a winter weather readiness report that:

1. Provides a description of all activities engaged in by the generation entity to complete the above-listed requirements, including any good-cause based reason for noncompliance; and

2. Includes a notarized attestation sworn by the generation entity's highest-ranking representative, official, or officer attesting to the accuracy of the information in the report and completion of all of the above-listed requirements, subject to any notice of or request for good cause exception.

The draft report forms for both generators and TSPs is available here: [Winter Weather Readiness \(ercot.com\)](#).

With the extremely tight timeframe to comply with the rule, generation entities are entitled to request an exception to the requirements for good cause. The generation entity must still file a winter weather readiness report; however, that report would include a notice that provides:

1. An explanation and supporting documentation of the generation entity's inability to comply with a specific requirement;
2. A description and supporting documentation of the generation entity's efforts to comply with the requirements; and
3. A plan, including supporting documentation and a proposed deadline for each unfulfilled requirement, to comply with requirements.

PUCT Staff will collaborate with ERCOT in reviewing these good-cause exemption notices and the PUCT reserves the right to notify the generation entity that it disagrees with the assertion of good cause. If PUCT Staff disagrees with the assertion of good cause, the generation entity must preserve the good-cause exemption by submitting, within seven days of receipt of the notice of disagreement, a request for approval of the good-cause exemption to the PUCT. The request for approval must contain, in addition to all of the requirements of the good-cause exemption notice, (1) proof that notice of the request has been provided to ERCOT, and (2) a notarized attestation sworn to by the generation entity's highest-ranking representative, official, or officer with binding authority over the entity attesting to the accuracy and veracity of the information in the request for approval.

Another component of the new rule provides for ERCOT inspections of generators and TSPs to ensure compliance with the requirements in the 2021-2022 winter season. ERCOT has the ability to make determinations on good cause exemption requests during an inspection. ERCOT will prioritize inspections based on the risk level. The outcome of the ERCOT inspection may subject a generator to a PUCT enforcement investigation or civil penalties.

This rule represents the first of two phases in the PUCT's response to the requirements of S.B.3. At a future date, the PUCT will implement a second, more comprehensive set of weather emergency preparedness reliability standards.

FEDERAL ENERGY REGULATORY COMMISSION (FERC)

On November 4, voters in Maine passed a ballot initiative (Maine Question 1) to stop construction of the New England Clean Energy Connect (NECEC) project that would deliver

1,200 MW of clean hydropower from Quebec, Canada to the ISO-NE grid. The referendum effort to stop the NECEC was championed by conservation groups and a number of gas-fired power plant owners. The impact of this development on the FERC's ongoing complaint proceedings remains to be seen.

MBR Database: FERC extended the deadline for baseline submissions to the new [market-based rate relational database](#). Baseline submissions will now be due February 1, 2022. Baseline submissions are required for all entities with market-based rate authorization.

Upcoming Conferences and Meetings

FERC's monthly open meeting will occur this Thursday, November 18, 2021. Notable entries on the agenda include the following:

- A request for rehearing of FERC's denial of a complaint filed by Hecate Energy Greene Country 3 vs. NYISO, where the complainant had sought relief from certain upgrades being assigned to it in the generator interconnection queue. Docket No. EL21-49-001.
- A complaint filed by Luna Valley Solar against PG&E and CAISO, seeking relief from certain financial posting requirements in the CAISO generator interconnection procedures. Docket No. EL21-70-000.
- A complaint filed by Edgcombe Solar against Duke Energy in which the complainant is seeking reimbursement for network upgrades built on Duke Energy's Affected System. Docket No. EL21-73-000.

FERC held its [first Federal-State Transmission Task Force Meeting](#) on November 10, 2021 to explore transmission-related issues to identify and realize the benefits of electricity transmission while ensuring that the costs are allocated efficiently and fairly.

FERC will hold a [technical conference](#) on November 15, 2021 to examine in detail issues and potential reforms related to regional transmission planning as described in the July 15, 2021, Advanced Notice of Proposed Rulemaking. Specifically, the technical conference will examine issues related to incorporating sufficiently long-term and comprehensive forecasts of future transmission needs during regional transmission planning processes, including considering the anticipated needs of future generations in identifying needed transmission facilities.

FERC will hold a staff-led [technical conference](#) on November 19, 2021 to discuss methods natural gas companies may use to mitigate the effects of direct and indirect greenhouse gas emissions resulting from Natural Gas Act §§ 3 and 7 authorizations.