

**REGULATORY UPDATE FOR NOVEMBER 21, 2023
(WEEK OF NOVEMBER 13, 2023)**

CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC OR COMMISSION)

New Proposed Decisions and Draft Resolutions¹

None to report.

Voting Meetings

The CPUC held a voting meeting in El Centro, California, on November 16, 2023, at 11 a.m. PT. The following are results for energy related items on the agenda:

Item 2. Res ALJ-435 (SCE Appeal of Amended Citation E.18-02-001 Issued by Safety and Enforcement Division). This resolution dismisses Amended Citation E.18-02-0011 issued by the Commission's Safety and Enforcement Division (SED) to SCE, with one exception. SED proved by a preponderance of the evidence that Rule 37 of General Order 95 was violated; that charge, without the imposition of any penalties, is sustained. This resolution closes the proceeding K.18-03-008. **Held to 12/14.**

Item 4. Res SED-8 (Administrative Consent Order and Agreement of the SED and PG&E Regarding the 2021 Dixie Fire). In this resolution, the Commission approves an Administrative Consent Order and Agreement between the Commission's SED and PG&E to resolve all issues involving the 2021 Dixie Fire. PG&E agrees to a \$45 million penalty, consisting of a \$2.5 million fine to the General Fund of the State of California, a \$2.5 million payment to tribes impacted by the Dixie Fire for remediations of the impacts of the Dixie Fire on tribal lands, and \$40 million in shareholder funding for capital expenditures for the initiative to transition from hard copy records to electronic records for distribution patrols and inspections. This resolution includes an analysis of the Penalty Assessment Methodology. **Held to 11/30.**

Item 6. Res SPD-14 (Performance Metrics, Wildfire Mitigation Plan Requirements, and Safety Culture Assessment Process for Electrical Corporations). This resolution retains the existing performance metrics and wildfire mitigation plan (WMP) requirements and makes minor modifications to Energy Safety's annual safety culture assessment process. This resolution satisfies the requirements of Public Utilities Code §§ 8389(d)(1), (2), and (4) related to catastrophic wildfires. **Approved.**

Item 7. R.22-10-010 (Rules for Community Choice Aggregator Participation in the Bioenergy Market Adjusting Tariff Program). This decision sets rules to enable CCAs to

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.

participate in the Bioenergy Market Adjusting Tariff (BioMAT) program, as authorized by Assembly Bill 843. These requirements include but are not limited to directing CCAs to: purchase RPS and Resource Adequacy (RA) attributes based on market price benchmarks, as calculated in the IOUs' non-bypassable charge (NBC) methodology and comply with RPS and RA resource requirements; record BioMAT costs allocated to customers in IOU NBCs in public purpose program surcharges in balancing accounts; and serve supplemental testimony in IOU ERRA forecast proceedings that request IOUs to incorporate eligible CCA BioMAT costs in IOU forecasted ERRA revenue requirements in certain circumstances. **Held to 11/30.**

Item 9. Res E-5285 (PG&E Request for Amendment of Mid-Term Reliability Contract Approved in Resolution E-5202). This resolution approves an amendment to PG&E and Nighthawk Energy Storage, LLC's contract for 300 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. **Approved.**

Item 15. A.23-06-012 (SCE Request to Issue Debt). This decision grants SCE authority pursuant to California Public Utilities Code §§ 816, 817, 818, 821, 830, and 851 to issue debt securities including debt securities secured by utility property and accounts receivable in an aggregate principal amount not to exceed \$8 billion, and preferred equity not exceeding \$350 million par or stated value. The decision also authorizes, among other things, SCE to use debt enhancements, caps, collars, swaps, and hedges to lower the cost of the debt securities and reduce financial risks and guarantee the obligations of regulated affiliates and governmental entities that are incurred on behalf of SCE for the purposes authorized by this decision. **Signed, D.23-11-060.**

Item 16. Res G-3596 (SoCalGas Annual Compliance Report on System Operator's Southern System Reliability Purchases and Sales). SoCalGas submitted AL 6053-G on November 1, 2022, containing its 2022 Annual Compliance Report on the Utility System Operator's Southern System Reliability Purchases and Sales for the period from October 1, 2021, through September 30, 2022. Due to an El Paso Natural Gas pipeline rupture near Coolidge, Arizona, on August 15, 2021, and strained Southern System conditions, SoCalGas made 141 gas purchases to satisfy the Southern System minimum flow requirements at a cost of \$48,547,425. The System Operator also incurred \$1,087,576 in transportation charges to bring the gas to the SoCal Citygate. Together, these costs totaled \$49,635,001. The gas was then resold at the SoCal Citygate for \$31,295,138. Therefore, the total net cost to SoCalGas was \$18,339,863 during this reporting period. This Resolution finds the actions taken by SoCalGas to be reasonable and approves all transactions. **Approved.**

Item 28. R.20-08-020 (Net Energy Metering Tariffs, Subtariffs, and Consumer Protections). This decision addresses the remaining six issues of this proceeding. This decision adopts a virtual net billing tariff that mirrors the net billing tariff adopted in D.22-12-056 and balances the competing requirements of the Guiding Principles adopted in D.21-02-007 and Public Utilities Code § 2827.1. The virtual net billing tariff provides retail export compensation rates based on Avoided Cost Calculator values but recognizes the unique circumstances of customers taking service on this tariff and provides higher adders for residential customers than those offered in the net billing tariff. This decision adopts an aggregation net billing subtariff

that also mirrors the net billing tariff but maintains the credit and debit approach used in the existing net energy metering aggregation subtariff. This decision improves the Watch List process, previously adopted in D.21-06-026, and establishes a process for addressing customer bill format issues. As directed by D.22-12-056, this decision establishes the process for an evaluation of the net billing tariff, virtual net billing tariff, and aggregation net billing subtariff. This decision provides a transparent process with opportunity for party feedback. Following adoption of the California Air Resources Board Greenhouse Gas Emissions Reductions Standards, this decision reviewed comments on a Staff Proposal to Implement Net Energy Metering Fuel Cell Greenhouse Gas Emission Standards. This decision adopts a revised version of the Staff Proposal. This decision adopts a plan to implement Public Utilities Code § 769.2, which requires certain contractors and projects to provide prevailing wages to construction workers and apprentices. This decision revises the interconnection application process and requires the creation of a disclosure form and an eligibility checklist. This decision also requires the IOUs to collaborate with the Department of Industrial Relations in sharing information. **Signed, D.23-11-068.**

Item 29. A.21-06-012 (PG&E Test Year 2023 General Rate Case). This decision authorizes PG&E to collect from customers \$13.759 billion as its 2023 GRC Track 1 test year revenue requirement with two adjustments. This decision also authorizes PG&E to collect from customers additional amounts for its Track 1 post-test year revenue requirements for 2024 of \$14.430 billion (+ 4.9 % or \$671 million over 2023), 2025 of \$14.731 billion (+ 12.1% or \$301 million over 2024), and 2026 of \$14.843 billion (+ 0.8% or \$122 million over 2025). The authorized TY 2023 revenue requirement represents a 12.6% increase over PG&E's 2022 authorized revenue requirement of approximately \$12.214 billion, as adopted by the Commission in PG&E's 2020 GRC, D.20-12-005. This decision also adopts a settlement in Track 2 of this proceeding that results in a total revenue requirement increase of \$221.233 million to be recovered over 2023 and 2024. This decision removes approximately \$9.408 billion from PG&E's cumulative four-year requested revenue requirement increase of \$18.315 billion. The decision finds that the installation of covered conductor presents clear advantages, at an estimated \$800,000 per mile, while undergrounding one mile of distribution infrastructure costs approximately \$3.3 million per mile. **Withdrawn.**

Item 29A. A.21-06-021 (PG&E Test Year 2023 General Rate Case). This Alternate Proposed Decision (APD) of Commissioner Reynolds differs from the PD of Administrative Law Judges DeAngelis and Larsen in the treatment of Wildfire System Hardening and Escalation. Revision 2 of the APD results in different treatment of costs related to PSPS and Enhanced Powerline Safety Settings (EPSS). The APD adopts a hybrid approach for Wildfire System Hardening of undergrounding 1,230 miles and installing covered conductor on 778 miles at forecasted capital expenditures of \$4.723 billion for 2023-2026. The APD approves two additional tranches of undergrounding for a total of eight tranches, focuses covered conductor miles approved on the highest-risk six tranches, implements various minor changes to align the timing of the System Hardening Accountability Report filings with existing WMP timelines, to clarify the metrics and details that would be included, and to align the risk reduction target with the WMP. The APD also restores the funding requested by PG&E for two programs whose funding levels had been reduced: PSPS and EPSS. Regarding escalation, the APD adopts 50%

of the requested adjustments associated with PG&E's Update Testimony. The APD removes the flexibility for PG&E to request via AL to substitute the Consumer Price Index for the adopted index factors for post-test years. The APD amortization period is 24 months. The APD results in a \$13.521 billion authorized test year revenue requirement in 2023 and post-test year revenue requirements of \$14.237 billion in 2024, \$14.596 billion in 2025, and \$14.800 billion in 2026. **Signed, D.23-11-069.**

Item 30. Investigation (I.) 19-06-014 (SoCalGas and Sempra Energy's Safety Culture Improvement Plan). This decision adopts two out of the 15 initiatives in the Safety Culture Improvement Plan of SoCalGas with some modifications. This decision directs SoCalGas and Sempra Energy to revise the remainder of their plans to better align with the findings of the Independent Safety Culture Assessment, a review of SoCalGas' and Sempra's organizational safety culture between 2020 and 2021. **Held to 11/30.**

CALIFORNIA INDEPENDENT SYSTEM OPERATOR (CAISO)

Stakeholder Initiatives: Upcoming Meetings and Deadlines

Rules of Conduct Enhancements. CAISO has posted revised draft tariff language for Track 1 of the Rules of Conduct Enhancements initiative, available [here](#).

2024 Effective Flexible Capacity Values for RA Resources. CAISO has posted the final 2024 RA Effective Flexible Capacity list, available [here](#).

Extended Day-Ahead Market Independent System Operators (ISO) BAA Participation Rules. CAISO has posted the Extended Day-Ahead Market ISO BAA Participation Rules Track A revised draft tariff language documentation. The revised draft tariff language is available [here](#).

Congestion Revenue Rights Auctions. CAISO has posted the publication and invoicing schedule to its website for January-December 2024 monthly and 2025 annual Congestion Revenue Rights auctions, available [here](#).

Department of Market Monitoring. The CAISO Department of Market Monitoring has published the 2023 Q2 Market Issues and Performance Report and will hold a stakeholder web conference on December 1, 2023, to discuss reported analysis and findings. Further information is available [here](#).

RA Modeling and Program Design. CAISO will host a RA Modeling and Program Design working group meeting on December 6, 2023 to discuss problem statements, principles, goals, and data analysis needs. Further details and registration information are available [here](#).

Western Energy Imbalance Market Regional Issues Forum. The Western Energy Imbalance Market Regional Issues Forum has announced its upcoming meeting on December 11, 2023. The draft agenda and registration details are available [here](#).

CALIFORNIA ENERGY COMMISSION (CEC)

Integrated Energy Policy Report (IEPR)

The CEC [released](#) the 2023 [Draft IEPR](#) for public comment. According to the publication [notice](#), written comments must be submitted to the Docket Unit by 5 p.m. PT on December 1, 2023.

On November 15, 2023, the CEC hosted a remote-access [workshop](#) to review draft results for the 2023 IEPR energy demand forecast load modifiers.

The CEC will host a [workshop](#) at 1 p.m. PT on December 6, 2023 regarding California Energy Demand Forecast Results. The workshop will cover annual electricity and gas forecasts and the hourly and peak electricity demand forecast.

The 2023 IEPR [workshop schedule](#) is also accessible on the [2023 IEPR website](#).

Energy Storage Permitting

On November 15, 2023, the CEC hosted a [workshop](#) for the Center for Sustainable Energy, to introduce their [Draft Energy Storage Permitting Guidebook](#) (Guidebook) developed under Agreement EPC-19-026. According to the workshop [notice](#):

- Version 1 (November 2023) of the Guidebook draws upon stakeholder feedback on the deployment experiences and best practices identified during permitting and commissioning residential energy storage products with multiple deployments in California.
- In Q1 2024, the project team will publish an updated draft (version 2), incorporating public feedback where relevant.
- In addition to any informal interim updates to the Guidebook, the project team plans to publish an updated draft (version 3) in Q2 2024 that will include guidelines for emerging energy storage technologies based on public feedback and lessons learned from early adopter deployments.
- In Q3 2024, a final version of the Guidebook (version 4) will be released.

Energy System Reliability

On November 16, 2023 the CEC will hosted a [workshop](#) to present a proposed approach for developing planning reserve margins for Publicly Owned Utilities (POUs) in the CAISO balancing area. A detailed workshop schedule was posted prior to the workshop at [Docket No. 21-ESR-01](#).

The CEC hosted a [hybrid workshop](#) on November 17, 2023, on SB 423 Emerging Renewable and Firm Zero Carbon Resources. According to the workshop [notice](#), CEC staff

discussed the proposed analytical approach for developing the Emerging Renewable and Firm Zero Carbon Resources Report (Report). SB 423 requires the CEC, in consultation with the CPUC, CAISO, and the California Air Resources Board (CARB), to submit to the Legislature by December 31, 2023, an assessment “of emerging renewable energy and firm zero-carbon resources that support a clean, reliable, and resilient electrical grid in California.”

RPS

On September 29, 2023, the CEC released the following via email list serve notification:

- As specified by Chapter 7 of the *Renewable Portfolio Standard Eligibility Guidebook*, Ninth Edition (Revised), all LSEs, including retail sellers and local POU, are required to report retirement of 2022 renewable energy credits (RECs) for California’s RPS program to the CEC by July 3, 2023. On June 30, 2023, due to technical challenges affecting e-Tags matching in Western Renewable Energy Generation Information System (WREGIS), the CEC Executive Director found good cause to extend the 2022 RPS annual reporting deadline for all LSEs to September 30, 2023, pursuant to Chapter 8.D.4 of the *Renewable Portfolio Standard Eligibility Guidebook*.
- On September 20, 2023, the Executive Director of WREGIS notified CEC staff that the system issue persists and will not be resolved until after the September 30, 2023 annual reporting deadline. The system issue prevents certain generators from having RECs created for their RPS-eligible generation, which is necessary for LSEs to report to the CEC. **The CEC Executive Director therefore finds good cause to grant an additional extension to the 2022 RPS annual reporting deadline for all LSEs. The annual reporting deadline shall be extended to 30 calendar days after WREGIS has fully resolved the system issue and notified the CEC. A subsequent notification will be given to LSEs at that time, which will trigger the 30-day annual reporting deadline.**
- This extension for LSEs applies to all REC retirements previously due by July 3, 2023 (subsequently extended to September 30, 2023), as described in the 2022 WREGIS Reporting Guidance document and the additional annual reporting requirements for POU, described in the 2022 Annual Reporting Instructions for POU. **LSEs that were ready to file their completed 2022 RPS annual filing by the September 30, 2023 deadline were encouraged to do so. LSEs that have already filed their completed 2022 RPS annual filing by the September 30, 2023, deadline do not need to take further action.**

(Emphasis in original.) Information regarding the foregoing is also available [here](#).

Electric Vehicle (EV) Infrastructure

On November 13, 2023, the CEC extended the deadline to submit written comments on the EVSE Deployment and Grid Evaluation Tool workshop that was held on October 26, 2023. The new deadline is November 22, 2023, by 5 p.m. PT. Written comments may also be submitted by email (docket@energy.ca.gov) and should include the docket number 19-AB-2127 and EVSE Deployment and Grid Evaluation (EDGE) Tool in the subject line. Additional information on the EDGE tool is available on the [EDGE Tool landing page](#).

On November 14, 2023, the CEC posted presentation materials for its meeting of the Advisory Committee for the Clean Transportation Program Investment Plan. The materials are available on the docket [here](#), and additional information on the Clean Transportation Program Investment Plan is available [here](#).

CEC Business Meetings

The next business meeting will be held on December 13, 2023.

CARB

Meetings and Workshops

On November 28, 2023, as part of the [Clean Truck Partnership](#) between CARB and truck manufacturers, CARB will hold a workshop on the role of hydrogen in medium- and heavy-duty on-road vehicles in California. Registration and more information on the workshop are available [here](#).

On November 28, 2023, CARB will hold a workshop introducing a zero-emission vehicle credit pooling concept under the [Advanced Clean Trucks](#) regulation. Registration and more information on the workshop are available [here](#).

CARB's next [Board meeting](#) will be held January 25-26, 2024. The agenda for the meeting will be available [here](#) 10 days prior to the meeting.

Opportunities for Public Comment

CARB has released the proposed [Zero Emission Forklift Regulation](#) for public comment. Prior to the hearing on the proposed Regulation, written comments may be submitted [here](#) on or before December 26, 2023. Written or oral comments may also be provided during the hearing, currently scheduled for June 27, 2024. Notice of the hearing is available [here](#).

COLORADO PUBLIC UTILITIES COMMISSION (COLORADO PUC)

The Colorado PUC will host its next Commissioners' weekly meeting on November 22, 2023, at 9 a.m. MT. The agenda includes several energy- and transportation-related items for discussion and approval on the consent agenda, which is available [here](#). The meeting, which will be held remotely, is available for online viewing [here](#).

MINNESOTA PUBLIC UTILITIES COMMISSION (MPUC)

On November 16, 2023, the MPUC met to address items relating to certification of eligible broadband carriers, Otter Tail Power’s Time of Day Pilot Rates for its EV Direct Current Fast Charging program, Xcel Energy’s Petition for Reconsideration of the definition of “standard bill credit” in its solar garden program, and the Certificate of Need and Route Permit for the Big Stone–South Alexandria–Big Oaks 345 kV transmission project (Xcel Energy, Great River Energy, Minnesota Power, Otter Tail Power and Western Minnesota Municipal Power Agency). The agenda can be found [here](#).

The MPUC will meet on November 30 to take up the following matters: telephone assistance plan review, reconsideration of Minnesota Power’s 2021 rate case, relocation of Dairyland Power’s 161 kV transmission line in Wabasha County, Dooley’s Natural Gas route permit for Swift Pipeline, and the electric reliability and service quality reports for Xcel Energy, Minnesota Power and Otter Tail Power. The agenda can be accessed [here](#).

FEDERAL ENERGY REGULATORY COMMISSION (FERC)

On October 29, 2023, in [185 FERC ¶ 61,043](#), FERC issued a Notice of Proposed Rulemaking (NOPR) proposing changes to current Electric Quarterly Report (EQR) filing requirements, including both the method of collection and the data being collected. Among other things, the Commission proposes to implement a new collection method for EQR reporting based on the eXtensible Business Reporting Language–Comma–Separated Values standard. The Commission proposes to amend its regulations to require Regional Transmission Organizations and ISOs to produce reports containing market participant transaction data in XBRL–CSV format that adheres to the FERC EQR taxonomies, which sellers can use to prepare their EQR submissions. The Commission also proposes to revise existing EQR reporting requirements and associated fields, as summarized in the Proposed EQR Data Dictionary and the Modified Data Fields Summary. The NOPR proposes to require Qualifying Facilities to identify the sales that they make pursuant to the Public Utility Regulatory Policies Act that are reportable to the EQR. The Commission further proposes to amend its regulations to extend the quarterly filing window to four months after the close of the quarter and provide the option for sellers to file data on a rolling basis before the close of the quarter. The NOPR proposes to revise the EQR refiling policy to require refiling when there are material corrections or material omissions to previously filed EQRs for either the prior 20 quarters (*i.e.*, five years) or as far back as the error(s) occurred, depending on which timeframe is shorter. The NOPR also proposes to eliminate several existing seller requirements—specifically, to eliminate the requirement to report transmission capacity reassignment information in the EQR, the requirement to identify the index price publisher(s) to which they report transactions in the EQR, and the requirement to identify which exchange or broker was used to consummate transactions. Lastly, the Commission proposes to reduce the amount of identification data that sellers must submit each quarter.

On October 19, 2023, in [185 FERC ¶ 61,031](#), FERC issued an order granting the waiver request of Twelvemile Solar Energy, LLC (Twelvemile Solar) of Articles 2.3.2 and 11.2 of the Generator Interconnection Agreement (GIA) among Twelvemile Solar as interconnection

customer, Southwest Power Pool, Inc. (SPP) as transmission provider, and Oklahoma Gas and Electric Company as transmission owner. Specifically, FERC granted the waiver to allow for a 28-month extension of the commercial operation deadline for Twelvemile Solar's planned 100 MW solar facility, from December 1, 2023, to March 31, 2026. FERC found that Twelvemile Solar's waiver request satisfied the following criteria: (1) the applicant acted in good faith; (2) the waiver is of limited scope; (3) the waiver addresses a concrete problem; and (4) the waiver does not have undesirable consequences, such as harming third parties. The limited waiver only applies to the December 1, 2023 deadline and does not relieve Twelvemile Solar of any financial requirements associated with the Twelvemile Solar GIA. Further, FERC reiterated that if the Twelvemile Solar facility does not achieve commercial operation by March 31, 2026, the GIA will be subject to termination by SPP at that time.

On October 10, 2023, in [185 FERC ¶ 61,011](#), FERC issued an order addressing Midcontinent Independent System Operator, Inc.'s (MISO) proposed revisions to its Open Access Transmission, Energy and Operating Reserve Markets Tariff in compliance with the requirements of Order No. 2222 to address the participation of distributed energy resource aggregations. FERC found that MISO's proposal partially complies with Order No. 2222, and therefore accepted MISO's compliance filing subject to a further compliance filing.

On October 6, 2023, in [185 FERC ¶ 61,013](#), FERC accepted subject to compliance proposed revisions filed by PJM Interconnection, L.L.C. (PJM) to Schedule 6A of its Open Access Transmission Tariff (Tariff) related to Black Start Units. FERC accepted with conditions PJM's proposal to establish a new category of black start resources, Fuel Assured Black Start Units, and to allow, among other resources, intermittent and hybrid resources, *i.e.*, wind, solar, hydro, energy storage, or distributed energy/demand resources with onsite generator resources, which meet certain qualifications to participate. FERC accepted and ordered that PJM revise its Tariff on compliance to clarify that DERs are eligible to qualify. FERC also accepted with conditions PJM's proposed qualification metrics for intermittent and hybrid resources. PJM will only rely on an intermittent or hybrid Fuel Assured Black Start Unit to provide the MW level of capacity that, based on the unit's historic operations, the unit is 90% certain to be able to sustain for 16 hours. FERC accepted this proposal, but ordered that PJM clarify on compliance that the 16 hours of operation per day (which need not be continuous) at a MW level provides a confidence level of 90% based on an evaluation of the unit's historical operation over a representative period of time. Relatedly, FERC ordered PJM to clarify that the same qualification standard apply to DERs. FERC also accepted PJM's proposals related to compensation for Fuel Assured Black Start Units, as well as the performance standards and outage restrictions and testing and performance criteria for Fuel Assured Black Start Units.