

REGULATORY UPDATE FOR NOVEMBER 8, 2021 (WEEK OF NOVEMBER 1)**CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC or COMMISSION)**New Proposed Decisions and Draft Resolutions¹

Draft Resolution SED-5. In this Resolution, the CPUC approves an Administrative Consent Order and Agreement between the Commission's Safety and Enforcement Division and Southern California Edison Company (SCE) to resolve all issues involving the 2017 Liberty, Rye, Meyers, and Thomas Fires and the 2018 Woolsey Fire (collectively, the 2017/2018 Southern California Fires), whereby SCE agrees to fines, safety measures, and disallowances totaling \$550 million follows: \$110 million fine to the General Fund of the State of California; \$65 million in shareholder-funded safety measures; and \$375 million in permanent disallowances of cost recovery.

Draft Resolution SED-6. In this Resolution, the Commission approves an Administrative Consent Order and Agreement between the Commission's Safety and Enforcement Division and Pacific Gas and Electric Company (PG&E) to resolve all issues involving the 2019 Kincade Fire. PG&E agrees to pay a \$40 million fine to the General Fund of the State of California and to not seek rate recovery of capital expenditures in the amount of \$85 million for the permanent removal of abandoned transmission facilities within its service territory, for a total of \$125 million.

Voting Meetings

The Commission held a voting meeting on November 4, 2021. The following energy-related items are on the agenda. The Commission's next voting meeting is scheduled for November 18.

Item 3. Draft Resolution 5165. In Decision (D.) 20-09-035, the CPUC adopted Proposals 23e—allowing interconnection applicants with a Vehicle-to-Grid (V2G) Direct Current Electric Vehicle Supply Equipment system to request permission to switch to bidirectional mode after completing the Rule 21 interconnection process—and 23i—exempting V2G Alternating Current system pilots, temporarily, from Rule 21 smart inverter requirements. Ordering Paragraph 42 directed San Diego Gas and Electric Company, SCE, and PG&E to file a Tier 3 Advice Letter to request approval of the implementation steps for these two proposals after presenting them at a V2G Workshop. This Resolution approves with modifications the

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.

proposed implementation plans for Proposals 23e and 23i put forth in the Joint Advice Letter SDG&E AL 3774-E, SCE AL 4510-E, and PG&E 6209-E. **Approved.**

Item 8. A.16-10-012 (DCR Transmission CPCN). This decision grants DCR Transmission, LLC a certificate of public convenience and necessity for the Ten West Link Transmission Line Project to construct a 125-mile, series-compensated 500-kilovolt (kV) transmission line with a conductor capacity of approximately 3,200 megawatts (MW) between the Colorado River 500-kV substation, owned by SCE, and the Delaney 500-kV substation, owned by Arizona Public Services Company. **Signed, D.21-11-003.**

Item 16. 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. **Held to November 18 meeting.**

Item 16A. R.18-07-003 (RPS Implementation). This alternate proposed decision from Commissioner Rechtschaffen would generally lengthen the confidentiality periods for some forms of RPS procurement records. However, while both decisions would aggregate bid data for public disclosure after the final contracts are submitted for CPUC approval when at least three bidders are in the resource category, this decision would require individual bidders' bid information and bid evaluation and scoring information to be public one year after the final contracts are submitted to the CPUC for approval (or one year after the solicitation is closed if no contracts are executed). **Held to November 18 meeting.**

Item 17. I.17-02-002 (Aliso Canyon). This decision sets the interim storage capacity at the Aliso Canyon Natural Gas Storage Facility at a range between zero and 68.6 billion cubic feet. The new level adopted in this decision is based on the necessity to protect customers from natural gas reliability issues and rate impacts for both natural gas and electricity in the current timeframe, before any mitigation of these potential reliability and cost risks is completed. The decision is an interim solution to address the immediate needs of the upcoming winter season because if there is inadequate gas to meet demand in winter 2021-2022, there will be health and safety consequences. **Withdrawn.**

Item 17A. I.17-02-002 (Aliso Canyon). Alternate proposed decision of Commission Guzman-Aceves. This decision sets the interim storage capacity at the Aliso Canyon Natural Gas Storage Facility at a range between zero and 41.16 billion cubic feet. **Signed, D.21-11-008.**

Item 18. R.20-07-013 (Risk-Based Decision-Making Framework). This decision adopts 32 Safety and Operational Metrics for PG&E, to be used in accordance with D.20-05-053, which approved PG&E's post-bankruptcy reorganization plan. The decision requires PG&E to report on these Safety and Operational Metrics every six months starting March 31, 2022. The metrics are included in Appendix A to the decision. The decision also adopts 10 new Safety Performance Metrics (SPMs), building on those adopted in D.19-04-020, for application to PG&E, SCE, Southern California Gas Company (SoCalGas), and SDG&E, that delete four and modify 19 of 26 existing SPMs for a total of 32 SPMs. These are included in Appendix B to the decision. The decision modifies the "Transparency Guidelines" proposed by PG&E and requires SCE to test these guidelines to the best of its ability concurrent with its 2022 Risk Assessment

Mitigation Phase filing. The Commission will consider formally adopting these guidelines in a subsequent decision. The Transparency Guidelines as modified in this decision are contained in Appendix C to the decision. The decision approves minor technical clarifications to the Risk-Based Decision-Making Framework adopted in D.18-12-014. **Signed, D.21-11-009.**

CALIFORNIA ISO (CAISO)

Board of Governors Meeting

The CAISO held a Board of Governors meeting on November 3 and 4, 2021. The Board voted to approve changes to the maximum import capability process that came out of the Maximum Import Capability Enhancements stakeholder initiative. A memorandum summarizing the revisions may be found [here](#).

Stakeholder Initiatives: Upcoming Meetings and Deadlines

Extended Day-Ahead Market Initiative. The CAISO is hosting a foundational workshop for the Extended Day-Ahead Market initiative on November 12, 2021.

Reliability Demand Response Resource Bidding Enhancements. The CAISO held a public stakeholder call on November 4, 2021 to discuss the issue paper and straw proposal for the Reliability Demand Response Resource Bidding Enhancements initiative. Comments are due November 12, 2021.

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.

CALIFORNIA ENERGY COMMISSION (CEC)

Electric Program Investment Charge (EPIC)

The CEC issued a “Save the Date” for 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

No additional information is available as of the date of this update. We will provide additional information as it is available.

Docket 19-ERDD-01

CEC staff, in collaboration with the Department of Water Resources, will hold a joint workshop on November 16, 2021 at 12:00 p.m. 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 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 Tuesday, November 17, 2021 from 6:00 to 8:00 p.m. 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 November 15, 2021. The meeting agenda is available [here](#).

CALIFORNIA AIR RESOURCES BOARD (ARB)

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](#).

On November 9 and November 16, 2021, ARB will host virtual public meetings of the AB 32 Environmental Justice Advisory Committee. The agenda and a link to the meeting are available [here](#).

On November 10, 2021, the AB 617 Consultation Group will hold a virtual meeting. AB 617 established the Community Air Protection Program to develop and implement community air monitoring systems and community emissions reduction programs. Additional information on the Community Air Protection Program and the proposed communities is available [here](#). The agenda and a link to the upcoming meeting 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.

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.

OREGON

OPUC Approves Pacific Power's Avoided Cost Updates for QF Purchases – UM 1729

Last Wednesday, the OPUC issued Order 21-389, which approved Pacific Power's annual update for avoided cost purchases from qualifying facilities (QFs) under PURPA. The proposed avoided cost rates for QFs are driven by Pacific Power's forecast of natural gas and electricity prices for the upcoming year. The approved QF rates can be located in the final order [here](#).

Certification Extensions Granted for 10 Projects Under Oregon's Community Solar Program (CSP) – UM 1930

Last Wednesday, the OPUC issued Order 21-388, which granted an extension to 10 solar facilities due to a variety of factors caused by the COVID-19 pandemic including supply chain and permitting delays. The Oregon CSP Program Administrator initially reviewed the extension requests and recommended that OPUC grant the requests due to each applicant's progress towards meeting other criteria for project certification. The 10 projects were granted extensions ranging from 70 days to six months. The full list of projects can be located in the final order [here](#).

WASHINGTON

WUTC Meeting This Week

On Friday, November 12 at 9:30 a.m. PST, the WUTC will hold a public meeting to discuss a wide range of dockets including UE-210792 (related to Puget Sound Energy's Tariff WN U-60 and the Low Income Program).

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 which 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 on-going 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 will hold 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.