

**REGULATORY UPDATE FOR SEPTEMBER 26, 2023
(WEEK OF SEPTEMBER 18, 2023)**

CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC OR COMMISSION)

New Proposed Decisions and Draft Resolutions¹

Application (A.) 19-11-019 (PG&E Application to Revise its Electric Marginal Costs, Revenue Allocation and Rate Design). This proposed decision addresses two issues that emerged in this proceeding subsequent to the original closure of the proceeding in Decision (D.) 22-09-002. First, this decision grants a petition for modification concerning commercial rate schedules B-19 and B-20 filed in February 2023. The modification would authorize Pacific Gas and Electric Company (PG&E) to adjust distribution rates to recover wildfire hardening recovery bond revenue requirement collected on commercial rate schedules B-19 and B-20 (excluding Option R and Option S customers on those rates) through customer and demand charges, rather than through energy charges. Second, this decision addresses modifications made by PG&E to residential rate schedule E-TOU-D that were contrary to the orders of D.21-11-016. This decision finds that the customers that were adversely affected by the modifications should be made whole, and that the expenses for doing so should be borne by the PG&E shareholders.

A.21-12-006 (SDG&E Application for Approval of Real Time Pricing Pilot Rate). This proposed decision authorizes San Diego Gas & Electric Company (SDG&E), pursuant to the settlement discussed in the decision, to conduct a dynamic export rate pilot program for customers on the following commercial rates: Electric Vehicle High Power rate, Schedule AL-TOU, and Schedule TOU-A. Enrollment for the pilot will begin on January 1, 2025, and the pilot will conclude after two years. This decision authorizes up to \$2,361,259 to implement the pilot program. This decision dismisses without prejudice the application of SDG&E for a real time pricing import rate pilot and directs the utility to file a new application for a dynamic import rate within 90 days of the issuance of a decision in Rulemaking (R.) 22-07-005 that provides guidance for dynamic rate applications.

A.22-05-013 (SCE 2022 RAMP Application). This proposed decision closes Southern California Edison Company's (SCE) 2022 Risk Assessment Mitigation Phase (RAMP) proceeding. This RAMP proceeding informs SCE's Test Year (TY) 2025 General Rate Case (GRC) proceeding which was filed on May 12, 2023 in A.23-05-010 and is currently ongoing as of the date of this decision. The RAMP submission presents SCE's enterprise-wide risks, risk model, risk spend efficiency methodology, and plans to mitigate these risks. The Commission's Safety Policy Division (SPD) prepared an evaluation report and parties to the proceeding were given an opportunity to comment on both SCE's RAMP submission and SPD's Evaluation report. SPD and intervenors identified deficiencies and areas for improvement such as the need

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.

for increased granularity in presenting data, including other factors that impact risk such as weather and wildfire smoke, the correct application of discount rates in Risk Spend Efficiency scores, SCE's Multi-Attribute Value Function calculations, and the impact of Public Safety Power Shutoff events. The RAMP submission and comments and recommendations from SPD and parties inform SCE's TY 2025 GRC and incorporate SCE's consideration of these comments and recommendations. SCE's consideration and integration of these comments and suggestions into its safety-related proposals in A.23-05-010 complete this RAMP process, and no further action in this proceeding is required. Approval of SCE's proposed mitigations to its safety risks as well as proposed costs shall be addressed in A.23-05-010.

Voting Meetings

The CPUC held a voting meeting in Sacramento, California on September 21, 2023. Here are the results for energy-related items on the agenda:

Item 2. A.21-12-000 (PG&E 2021 Nuclear Decommissioning Cost Triennial Proceeding). This decision adopts and approves the December 16, 2022 settlement agreement between PG&E, the Utility Reform Network, the Public Advocates Office at the CPUC, Alliance for Nuclear Responsibility, County of San Luis Obispo, Northern Chumash Tribal Council, DHK Associates, and Women's Energy Matters. This decision grants the Joint Motion for Adoption of Settlement Agreement and resolves the remaining disputed issues, approving PG&E's 2021 Nuclear Decommissioning Cost Triennial Application. **Signed, D.23-09-004.**

Item 4. Res WSEB-1 (Public Safety Power Shutoff Program). This resolution approves a citation program to be administered by the Commission Staff, as designated by the Commission's Executive Director, to enforce electric investor-owned utility (IOU) compliance with the Commission's Public Safety Power Shutoff (PSPS) Guidelines. The scope of this resolution and the PSPS Citation Program is limited to establishing fines for certain violations of the PSPS Guidelines. This PSPS Citation Program will apply to all IOUs. The Commission delegates authority to Staff to draft and issue citations to levy fines for specific violations as set forth in this PSPS Citation Program. **Approved.**

Item 6. A.21-10-010 (PG&E Electric Vehicle Charge 2 Program). This first revised decision grants the Petition for Modification (PFM) of D.22-12-054 filed by PG&E. In D.22-12-054, the Commission approved \$52,248,000 in funding for PG&E to implement Phase 1 of its Electric Vehicle Charge 2 (EVC 2) program and support the installation of approximately 2,822 Level 2 and Direct Current Fast Charger ports at multi-family housing, workplace, and public destination sites in PG&E's service territory. The decision allows PG&E to not implement the EVC 2 program finding that a unique set of factors appeared after D.22-12-054 was issued which obviated the need for the EVC 2 program, including: (a) only 17.5 percent of the \$1.8 billion in authorized ratepayer funds has been used for customer-owned electric vehicle charging infrastructure; and (b) SB 101 was signed into law, providing funding over four years for an array of electric vehicle chargers including Level 2 chargers at multi-family housing, which was one of the market segments targeted by the EVC 2 program. **Signed, D.23-09-005.**

Item 8. A.19-11-019 (Application of PG&E to Revise Its Electric Marginal Costs, Revenue Allocation and Rate Design). This decision addresses two issues that emerged in this proceeding subsequent to the original closure of the proceeding in D.22-09-002. First, this decision grants a PFM concerning commercial rate schedules B-19 and B-20 filed in February 2023. Second, this decision addresses modifications made by PG&E to residential rate schedule E-TOU-D that were contrary to the orders of D.21-11-016. This decision finds that the customers that were adversely affected by the modifications should be made whole, and that the expenses for doing so should be borne by the shareholders of PG&E. **Withdrawn.**

Item 10. Res E-5286, AL 5061-E (SCE Amendment to Goleta Energy Storage Contract). This resolution approves Amendment 3 to SCE's contract with Goleta Energy Storage, LLC. The amendment extends the online date from June 1, 2023 to June 1, 2024 and reduces the delivery period from 17.4 years to 16 years, 5 months, among other things. The decision finds that the Goleta project will contribute to meeting the needs identified in SB 801, provide 40 MW of capacity in the Moorpark sub-area, and provide the system capacity assumed in the D.19-11-016 and D.21-06-035 baselines. Cost allocation will remain through CAM as approved in Resolution E-5033. **Approved.**

Item 15. Res E-5273, AL 6914-E (PG&E Request for Amendments to Hummingbird Energy Storage Agreement). This resolution approves, without modification, PG&E AL 6914-E seeking to amend its contract with Hummingbird Energy Storage, LLC (Hummingbird). The resolution approves amendments that increase the contract price, push back the contract online date, and extend the contract length. They also increase the project development security and amend the "holdback" language consistent with PG&E's recent procurements pursuant to the Mid-Term Reliability decisions. The resolution finds that the amendments are prudent because without a price increase, Hummingbird is at risk of default due to unanticipated, significant cost increases (e.g., battery prices, labor costs, insurance). The Commission authorizes these cost increases because the need for market power mitigation that originally motivated this contract is still present. Even with the price increase, the project is still priced comparably to recent procurements and the project still provides net value to PG&E customers. **Approved.**

Item 31. Rulemaking (R.) 20-08-020 (Order Instituting Rulemaking to Revisit Net Energy Metering Tariffs Pursuant to D.16-01-044, and to Address Other Issues Related to Net Energy Metering). 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. 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. Following adoption of the California Air Resources Board Greenhouse Gas Emissions Reductions Standards, this decision (i) reviewed comments on a Staff Proposal to Implement Net Energy Metering Fuel Cell

Greenhouse Gas Emission Standards; (ii) adopts a revised version of the Staff Proposal; (iii) adopts a plan to implement Pub. Util. Code § 769.2, which requires certain contractors and projects to provide prevailing wages to construction workers and apprentices; (iv) revises the interconnection application process and requires the creation of a disclosure form and an eligibility checklist; and (v) requires the investor-owned utilities to collaborate with the Department of Industrial Relations in sharing information. **Held to 10/12/2023.**

Upcoming Workshops and Other Events

Energy Division Office Hours on Resource Adequacy (RA) Slice of Day. Energy Division Staff will host several scheduled office hours to meet with stakeholders on questions related to the new slice of day process and load serving entity (LSE) showing tool. The office hours will be held on WebEx and login access is available [here](#). The next office hours are scheduled for October 19 and November 16. Energy Division encourages stakeholders to submit questions via email in advance. Additional details on the new slice of day implementation process are available on the Commission's RA webpage, available [here](#).

Load-Impact Protocol (LIP) Working Group Recurring Meeting. The Energy Division has announced a biweekly recurring LIP Simplification Working Group meeting. This LIP Simplification Working Group will submit a final report with a consensus proposal to the Commission. For issues where a consensus is not reached, parties/stakeholders can submit their own proposals. A stakeholder in this process will lead the working group and in compiling the final Working Group Report, and Energy Division will help facilitate the consensus process. The next LIP Simplification Working Group meeting will be held on September 27, 2023 from 1:00 to 2:00 p.m. PT; a link for remote participation is available [here](#).

Supplier Diversity. The CPUC will host its 21st Annual Supplier Diversity event in Escondido, California on September 27-28, 2023. A small and diverse businesses expo will be held on September 27 for procurement and supplier diversity representatives to meet and discuss upcoming business opportunities. On September 28, the CPUC will host an *en banc* forum to hear from utilities, local governments, ethnic chambers of commerce, and community-based organizations on their experiences with the supplier diversity programs. More information and registration details are available [here](#).

Vehicle Electrification Workshop on Energization Issues. Energy Division Staff will host a public workshop on Friday, September 29, 2023, to discuss issues pertaining to the Electric Vehicle Charging Infrastructure Service Energization Process and the 125-Business Day Service Energization Average Timing requirement the Commission adopted via Res E-5247. The workshop will be held in person at the California Energy Commission from 9:30 a.m.- 4:00 p.m., and remote participation is also available via Zoom (access link [here](#)).

2023 GO 177 Annual Report Workshop. Pursuant to the directives set forth by the Commission in D.22-12-021, Southern California Gas Company, SDG&E, and PG&E will convene the first General Order 177 Reporting Workshop virtually on October 16, 2023, from 9:00 a.m. to 12:00 p.m.

CALIFORNIA INDEPENDENT SYSTEM OPERATOR (CAISO)

Stakeholder Initiatives: Upcoming Meetings and Deadlines

Interconnection Process Enhancements 2023. CAISO posted the Interconnection Process Enhancements straw proposal, and a stakeholder meeting will be held virtually on September 28, 2023. Comments on the straw proposal are due on October 12, 2023. A final decision on Track 2 is planned for the February 2024 Board of Governors meeting. Further information is available [here](#).

Price Formation Enhancements Initiative. CAISO posted a discussion paper on the Price Formation Enhancements initiative webpage and will host a virtual meeting on September 27, 2023. The discussion paper reflects the discourse in, and stakeholder input on, the Price Formation Enhancements working groups to date. Further information is available [here](#).

2023-2024 Transmission Planning Process. CAISO will hold public stakeholder calls on September 26-27, 2023, to discuss the reliability study results, participating transmission owner's reliability projects, and updates on other analysis related to the 2023-2024 Transmission Planning Process. Written comments are due October 11, 2023. Further information is available [here](#).

Greenhouse Gas Coordination Working Group. CAISO held a virtual stakeholder working group meeting on September 13, 2023, related to greenhouse gas coordination. Written comments on the working group discussion are due September 27, 2023. Additional information is available [here](#).

Market Performance and Planning Forum. CAISO scheduled an upcoming quarterly Market Performance and Planning Forum on September 27, 2023. During the meeting, CAISO will also discuss the Summer Market Performance Report for July 2023. The agenda, presentation, and Summer Market Performance Report for July 2023 will be available prior to the virtual meeting, [here](#).

2024 Annual Acquired Resource Notification. All scheduling coordinators representing an Acquired Resource in the RA program shall submit a Customer Inquiry, Dispute and Information (CIDI) ticket which must include the title Acquired Resource 2024 (LSE ID) to CAISO about the status of each Acquired Resource. Notification is due by October 31, 2023; however, CAISO recommends submitting as soon as possible to allow time to handle any questions/discrepancies. If a scheduling coordinator does not submit a CIDI ticket by the deadline, they will lose their status as an Acquired Resource. Further information is available [here](#).

CALIFORNIA ENERGY COMMISSION (CEC)

Integrated Energy Policy Report (IEPR)

The CEC released an update to its [2023 IEPR Workshop Schedule](#). Forthcoming hybrid

workshops include:

- October 25: Draft 2023 IEPR Findings and Recommendations (1:00 p.m.-4:00 p.m. PT)
- November 15: California Electricity Demand Forecast, Load Modifier Scenario Results (10:00 a.m.-5:00 p.m. PT)
- December 6: California Electricity Demand Forecast Results (1:00 p.m.-5:00 p.m. PT)

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

Energy System Reliability

On September 26, 2023, the CEC published the Draft Senate Bill 846 Diablo Canyon Power Plant Extension Cost Comparison (Comparison to Alternative Portfolio of Resources Consistent with Greenhouse Gas Reduction Goals) Report (“[Draft Report](#)”). According to the public [notice](#), the CEC will review and consider comments submitted on the Draft Report prior to submitting a final draft report to the legislature, which is expected by mid-October 2023. As published in the [notice](#), written comments must be submitted to the CEC Docket Unit by 5:00 p.m. on October 9, 2023.

Electric Program Investment Charge (EPIC) Program

The CEC announced that it will host a two-day event joined by the IOUs (PG&E, SCE, and SDG&E) and clean energy leaders and entrepreneurs to discuss EPIC program goals and policy innovations. The symposium will be held on October 3-4, 2023. The symposium agenda and additional information are available [here](#).

Zero Emissions Vehicles

The second application window for the Golden State Priority Project, which includes approximately \$38 million in funding for direct current, fast charging rebates, will be opening in the next few months. The CEC will host a webinar to discuss applicant eligibility requirements and to provide guidance on completing applications. Event details and additional program information are available [here](#).

Power Source Disclosure

On September 26, 2023, the CEC held a pre-rulemaking workshop to solicit feedback on proposed changes to the Power Source Disclosure program regulations. Written comments may be submitted to the CEC’s Docket Unit by 5:00 p.m. on October 24, 2023. Additional information is available [here](#) and in the rulemaking docket, [Docket No. 21-OIR-01](#).

CEC Business Meetings

The next business meeting will be held on October 18, 2023.

CALIFORNIA AIR RESOURCES BOARD (CARB)

Meetings and Workshops

CARB's next board meeting is scheduled for September 28, 2023. The agenda for the meeting is available [here](#). The Board will hear an update on the [Low Carbon Fuel Standard](#) (LCFS), and the major concepts under consideration for the upcoming LCFS rulemaking.

On October 4, 2023, CARB will hold a public webinar on proposed amendments to [area designations](#) for the state ambient air quality standards. More information and registration for the webinar are available [here](#).

On October 5, 2023, CARB will hold a [public workshop](#) on updates to the California Cap-and-Trade Program and Mandatory GHG Reporting Program. Following the workshop, CARB will solicit feedback through October 26, 2023. More information and registration for the workshop are available [here](#).

On October 11, 2023, CARB will host a virtual community meeting on [SB 596](#) and CARB's efforts to decarbonize the cement sector. More information and registration for the meeting are available [here](#).

On November 2, 2023, CARB, the California Transportation Commission and the California Department of Housing and Community Development will conduct a [joint public meeting](#). The agenda will be available 10 days prior to the meeting.

Opportunities for Public Comment

CARB is soliciting interest in joining the Truck Regulations Implementation Group, to provide input and help coordinate efforts related to outreach, training, and implementation strategies for the [Advanced Clean Fleets Regulation](#). The application to be an active member of the group is available [here](#) until September 29, 2023.

In advance of the November 2, 2023 [joint meeting](#) between CARB, the California Transportation Commission and the California Department of Housing and Community Development, written comments may be submitted [here](#) on or before October 23, 2023.

COLORADO PUBLIC UTILITIES COMMISSION (COLORADO PUC)

The Colorado PUC will host its next Commissioners' Weekly Meeting (CWM) on September 27, 2023 at 9:00 a.m. MT. The meeting, which will be held remotely, is available for online viewing [here](#) and the agenda is available [here](#).

On September 18, 2023, Public Service Company of Colorado (Company) filed its proposed Clean Energy Plan (CEP) for review with the Colorado PUC in Proceeding No. 21A-0141E. The CEP projects achieving more than 80% of renewable electric supply from the Company by 2028, and would propose approximately \$15 billion in new resource investment by 2030. The Company states that the CEP "demonstrates a proactive and combined 'Field of

Dreams’ transmission and generation planning approach” that meets resource adequacy needs and “can be an example for the West and the country.” Pursuant to schedule modifications adopted by the Colorado PUC during the September 13 CWM (a written decision is still pending), the Independent Evaluator’s report on the CEP is due on October 20 and parties have an opportunity to file comments on November 8. A Commission decision on the CEP is anticipated by year-end.

MINNESOTA PUBLIC UTILITIES COMMISSION (MPUC)

On September 12, 2023, a group of solar advocates (“Solar Advocates”) filed a formal complaint against Northern States Power Company d/b/a Xcel Energy (“Xcel”) regarding Xcel’s use of the Technical Planning Standard document in a manner that, the Solar Advocates allege, violates various aspects of Minnesota law. In particular, the Solar Advocates claim that Xcel is unlawfully limiting the generating capacity of distributed generation systems. The complaint filed by the Solar Advocates can be found [here](#). On September 22, 2023, the Commission issued a notice of comment period (the “Notice”). The overarching issue set forth in the Notice is whether the Commission should investigate the allegations in the Solar Advocates’ complaint. The initial comment period closes on October 13, 2023, and the reply comment period closes on October 27, 2023. The Notice can be found [here](#).

On September 21, 2023, the MPUC approved Xcel’s requests related to various aspects of new utility-scale solar development, namely the Sherco Solar 3 and Apple River Project proposals. Sherco 3 is a self-build 250 MW capacity solar project that will be built in Clear Lake Township. It will be an expansion of the 460 MW Sherco Solar project that was previously approved by the MPUC (and known as Sherco Solar 1 and 2). The Apple River Project is a 100 MW capacity solar project that will be developed in Polk County, Wisconsin, and sold to Xcel under a PPA. Additional details can be found in the MPUC staff briefing papers, available [here](#).

FEDERAL ENERGY REGULATORY COMMISSION (FERC)

On August 31, 2023, FERC issued two orders addressing Midcontinent Independent System Operator, Inc.’s (MISO) treatment of Dispatchable Intermittent Resources (e.g., dispatchable wind and solar resources) in its Open Access Transmission, Energy and Operating Reserve Markets Tariff (Tariff). In [184 FERC ¶ 61,137](#), FERC denied a complaint filed by Solar Energy Industries Association (SEIA), which alleged that the Tariff is unjust, unreasonable, and unduly discriminatory or preferential because it prohibits wind, solar, and battery hybrid resources from providing ancillary services in the wholesale market. FERC found that SEIA failed to meet its burden under Federal Power Act Section 206. In [184 FERC ¶ 61,134](#), FERC accepted MISO’s proposed revisions to its Tariff to make Dispatchable Intermittent Resources ineligible to provide the Up Ramp Capability and Down Ramp Capability products and to change the Down Ramp demand curve from \$5/MWh to \$0/MWh.

At the July 27, 2023 FERC meeting, FERC issued long-awaited [Order No. 2023](#), the Final Rule on Improvements to Generator Interconnection Procedures and Agreements in Docket No. RM22-14-000 (Final Rule). The Final Rule makes sweeping reforms to FERC’s standard generator interconnection procedures and agreements created two decades ago.

The Final Rule imposes reforms across several key areas of the generator interconnection process. First, it requires transmission providers to use a cluster study process that is already common to organized markets, rather than the currently required serial first-come, first-served study process. The Final Rule also requires increased financial commitments for interconnection customers to enter and remain in the interconnection queue. The Final Rule establishes firm study deadlines for transmission providers and requires transmission providers to use a standardized and transparent affected systems study process that includes firm study deadlines and uniform modeling standards. Also, the Final Rule includes reforms to incorporate technological advancements into the interconnection process: hybrid resources, grid-enhancing technologies, and reliability requirements for inverter-based resources. In sum, the reforms aim to allow generators to interconnect in a more reliable, efficient, and transparent manner. The rule provides a transition process that allows transmission providers to move from the existing serial study process for the most-ready projects in its current queue to the new Final Rule requirements. Compliance filings are due 90 days after publication of the Final Rule in the Federal Register.

Our full summary of this major reform is available here: [FERC Issues Final Rule on Improvements to Generator Interconnection Procedures and Agreements](#).