

**REGULATORY UPDATE FOR SEPTEMBER 6, 2023  
(WEEK OF AUGUST 28, 2023)**

**CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC OR COMMISSION)**

New Proposed Decisions and Draft Resolutions<sup>1</sup>

Rulemaking (R.) 15-03-011 (Energy Storage Procurement Framework and Design Program). This decision determines that station power rules that were previously established for stand-alone storage are now applicable to hybrid resources with on-site self-supply for charging storage devices for later resale, except that the storage may discharge to cover station power loads when the resource is otherwise idle. No physical or financial assurance to prevent grid charging is required, but the Commission directs the investor owned utilities (IOUs) to monitor hybrid resources for inappropriate or unintentional grid charging through an annual report for two years. The decision also determines that station power rules for stand-alone storage are applicable to hybrid resources with mixed self-supply and grid charging of a storage device for later resale in the near-term or until a more granular accounting system to distinguish the source of charging is developed. With respect to developing a more granular accounting system for hybrid resources, the IOUs are directed to meet and confer with other interested parties about feasibility of developing such a method and file an advice letter (AL) detailing a development and implementation plan for the accounting system and the cost associated with it. Lastly, the decision determines that station power rules for stand-alone storage are not applicable to co-located resources; netting to serve station power load is not permitted between two co-located resources.

Resolution (Res) E-5280 (PG&E Request for Approval to Retain Access to Ruby Pipeline by Forgoing [sic] the 2024 and 2025 Step Down Rights in PG&E's Ruby Pipeline Contract). In AL 6932-E, Pacific Gas and Electric Company (PG&E) requested to forgo its 2024 and 2025 step-down rights in order to ensure a reliable and diverse natural gas supply portfolio. This Resolution approves PG&E's request to retain Ruby Pipeline capacity by forgoing its 2024 and 2025 step-down rights. Pursuant to Decision (D.) 21-12-035 and associated contract, PG&E had the right to "step down" its Ruby Pipeline capacity for gas by 20 percent, or 25,000 MMBtu/d, for each of five years beginning in 2022.

Res E-5273 (PG&E Request for Amendments to Hummingbird ESA). The Resolution authorizes PG&E to amend its existing energy storage capacity agreement with Hummingbird Energy Storage, LLC to allow for a later initial delivery date, an increase in price, a six-month extension of the contract term, a modification of the project development security, and an

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<sup>1</sup> 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.

adjustment to “holdback” language. This Resolution approves the amendments without modification.

Application (A.) 21-05-011; 21-05-014 (SDG&E 2021 Risk Assessment and Mitigation Phase Report). This decision closes the 2021 risk assessment and mitigation phase (RAMP) proceeding for Sempra Utilities. The decision finds that Sempra Utilities met its compliance requirements to file a RAMP report, and Safety Policy Division and parties to the proceeding have reviewed and provided comments to the utilities. The utilities have integrated the comments and feedback in their General Rate Case (GRC) proceeding. Whether the utilities have incorporated all or some of the comments is now a subject of review in the GRC proceeding. Sempra Utilities’ 2021 RAMP proceeding is closed.

### Voting Meetings

The CPUC held a voting meeting in Lakeport, California on August 31, 2023. Here are the results for energy-related items on the agenda:

Item 4. A.22-08-001 (PG&E Adjustment Clause). This decision authorizes PacifiCorp to modify its Energy Cost Adjustment Clause (ECAC) rates to allow for an annual increase in revenues for 2023 of approximately \$441,869 from its previously authorized rates. This represents an increase of approximately 0.4 percent. PacifiCorp’s requested rate increase of \$458,178 was reduced by \$16,309 to reflect this decision’s exclusion of Reasonable Energy Price for Qualifying Facility costs from ECAC rates. These new rates will become effective upon the filing of a Tier 1 AL, subject to Energy Division disposition. **Signed, D.23-08-030.**

Item 6. Res SPD-13 (Wildfire Mitigation Plan Compliance Process for Electrical Corporations Pursuant to Public Utilities Code § 8389(d)(3)). This Resolution adopts Energy Safety’s Compliance Process to assess an electrical corporation’s compliance with its Wildfire Mitigation Plan (WMP), with clarifications. The proposed Compliance Process is not substantially different from the 2022 Compliance Process set forth in Resolution SPD-7. Energy Safety’s two key objectives for assessing WMP compliance remain substantially the same with a few changes: it removes reference to the enforcement of compliance where the focus of Energy Safety’s efforts, at this point in time, remains on assessing compliance; Energy Safety clarifies that it will evaluate and not just track the electrical corporations’ WMP implementation in reducing the risk of wildfires and public safety power shutoff risk. **Approved.**

Item 7. A.22-04-010 (Southern California Edison Company to Extend Its Previously Authorized Capital Structure Waiver). This decision approves Southern California Edison Company’s (SCE) application for an extension of its existing waiver of Affiliate Transaction Rule IX.B, which requires the major energy utilities to maintain their authorized capital structure requirement on average over the period the capital structure is in effect for ratemaking purposes. SCE’s waiver extension is approved for two years from issuance of this decision or until the Commission makes a final determination on SCE cost recovery for costs stemming from 2017 and 2018 wildfires in its service territory and the Montecito Mudslide, whichever comes first. **Signed, D.23-08-031.**

Item 9. A.21-12-007 (Application of Pacific Gas and Electric Company in the 2021 Nuclear Decommissioning Cost Triennial Proceeding). This decision adopts and approves the Settlement Agreement, dated December 16, 2022, between PG&E, The Utility Reform Network, the Public Advocates Office, Alliance for Nuclear Responsibility, County of San Luis Obispo, Northern Chumash Tribal Council, DHK Associates, and Women’s Energy Matters. This decision finds that the Settlement Agreement between the parties is reasonable in light of the record of this proceeding, is consistent with the law, and is in the public interest. 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. **Held to 9/21/2023.**

Item 11. Res E-5257 PG&E AL 6546-E and SCE AL 4761-E (PG&E Electric Vehicle Fleet Program and SCE’s Charge Ready Transport Program). This Resolution approves, with modifications, PG&E’s proposal in compliance with D.18-05-040 to modify one *per se* reasonableness metric: the extension of program timelines. This Resolution (1) denies the modification of vehicle purchase or conversion requirements; (2) rejects without prejudice PG&E’s proposal to eliminate its programmatic site requirements; (3) approves, with modifications, SCE’s proposal in compliance with D.18-05-040 to modify two *per se* reasonableness metrics (extension of the program timelines and modification of programmatic site requirements); and (4) denies the modification of vehicle purchase or conversion requirements. **Approved.**

Item 12. A.21-04-006 (Application of Liberty Utilities for Commission Approval to Finance, Construct, Own and Operate the Luning Expansion Project). This decision adopts as proposed an Amended and Restated Settlement Agreement (Settlement Agreement) between Liberty Utilities and the Public Advocate’s Office, which authorizes an Engineering, Procurement, and Construction agreement that allows Liberty to construct, acquire, own, and operate the Luning Expansion Project, a solar plus storage asset. The Settlement Agreement also includes terms that set forth agreed upon ratemaking procedures for Liberty to recover certain related costs. **Signed, D. 23-08-032.**

Item 13. A.23-02-001 (Joint Application of Central Valley Gas Storage, L.L.C., Southern Company, and Caliche Development Partners II, LLC for approval of transfer of control of Central Valley Gas Storage). This decision approves the application of Central Valley Gas Storage (Central Valley), Southern Company (Southern), and Caliche Development Partners II (Caliche) for a change in control of Central Valley from Southern to Caliche. In addition to approving the change of control, the decision also approves the encumbrance of the assets of, and the issuance of a corporate guaranty by, Central Valley. The indirect change of control approved by this decision is exempt from the California Environmental Quality Act. Accordingly, additional environmental review is not required. **Signed, D. 23-08-033.**

Item 30. I.17-02-002 (Aliso Canyon Investigation). This decision grants in part and denies in part the Joint PFM of D.21-11-008 filed by SCE and San Diego Gas & Electric Company. The decision does not adopt verbatim the requested changes to the text, but rather modifies the Findings of Fact, Conclusion of Law, and Ordering Paragraphs in D.21-11-008 to

reflect the increase of the interim storage limit of working gas at the Aliso Canyon Natural Gas Storage Facility to 68.6 billion cubic feet. **Signed, D.23-08-050.**

#### Upcoming Workshops and Other Events

**RA Slice of Day Implementation.** On September 7, 2023, from 2:00 to 5:00 p.m. PT, the Energy Division will hold a remote workshop to present the Slice of Day showing tool for load serving entities and to answer any questions. The showing tool will be distributed at least a week before the workshop. Remote workshop access is available [here](#) on Webex.

**Load-Impact Protocol (LIP) Working Group Recurring Meeting.** As a result of the LIP Simplification Workshop held on August 8, 2023, 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 13, 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* 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](#).

### **CALIFORNIA INDEPENDENT SYSTEM OPERATOR (CAISO)**

#### Stakeholder Initiatives: Upcoming Meetings and Deadlines

**Interconnection Process Enhancements 2023.** CAISO has posted a tentative [schedule](#) for the Interconnection Process Enhancements 2023 initiative, Track 2. Per the tentative schedule, a straw proposal will be posted on September 21, 2023, a stakeholder meeting will be held on September 28, 2023, and comments on the straw proposal will be due on October 12, 2023. A final decision on Track 2 is planned for the February 2024 Board of Governors meeting. The schedule dates are tentative until confirmed through a notice in the CAISO's daily briefing.

**Generation Deliverability Methodology Review.** CAISO hosted a public stakeholder call on August 29, 2023 to discuss the straw proposal for the Generation Deliverability Methodology Review initiative. Written comments on the straw proposal and stakeholder call discussion are due September 12, 2023. Further information is available [here](#).

**2024 Effective Flexible Capacity Values for Resource Adequacy Resources.** CAISO has posted the preliminary 2024 Resource Adequacy Effective Flexible Capacity values for resource adequacy resources on its [website](#). Comments are due September 13, 2023. If no modifications are requested by the September 13 comment deadline, the CAISO will use the posted values for the 2024 compliance year.

**Extended Day-Ahead Market ISO BAA Participation Rules.** CAISO posted the Track A1 final proposal and draft tariff language related to the Extended Day-Ahead Market ISO Balancing Authority Area Participation Rules initiative. The documents are available on the initiative [webpage](#), and written comments on the draft tariff language are due by end of day September 14, 2023.

**Price Formation Enhancements.** CAISO will hold a public virtual stakeholder working group meeting on September 7, 2023, related to the Price Formation Enhancements initiative. Further information is available [here](#).

**FERC Order No. 881 Phase 2.** CAISO will hold a data submission working group on September 7, 2023, related to the FERC Order No. 881 Managing Transmission Line Ratings Phase 2 initiative. Comments on the working group discussion are due September 21, 2023. Further information is available [here](#).

**2023-2024 Transmission Planning Process.** CAISO posted the 2023-2024 Transmission Planning Process preliminary reliability results and the final study plan to its [website](#). The Transmission Planning Request Window is open August 15 to October 15, 2023.

**Western Energy Imbalance Market Regional Issues Forum.** The Western Energy Imbalance Market Regional Issues Forum (WEIM RIF) announced its upcoming teleconference meeting on September 12, 2023. An agenda and additional meeting materials will be available prior to the meeting on the WEIM RIF [webpage](#).

**Greenhouse Gas Coordination Working Group.** CAISO will hold a public hybrid stakeholder working group meeting on September 13, 2023, related to greenhouse gas coordination. Registration is due September 8, 2023 and written comments on the working group discussion are due September 27, 2023. 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:

- **September 8:** [Potential Growth of Hydrogen](#) (10:00 a.m.-5:00 p.m. PT)
- **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: Electricity 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 August 28, 2023, the CEC released the [Joint Agency Reliability Planning Assessment SB 846 Third Quarterly Report](#) (Assessment). According to the Assessment, the report provides “a quarterly review of the demand forecast, supply forecast, and risks to reliability in the California Independent System Operator territory from 2023 to 2032, as required by SB 846” and also “includes an updated analysis for summer 2023.”

### SB 100 Kickoff Workshop

On August 22, 2023, the CEC, the CPUC, and the California Air Resources Board held a joint workshop to discuss findings and recommendations from the 2021 SB 100 Joint Agency Report, as required by Senate Bill SB 100, the “100 Percent Clean Energy Act of 2018.” The notice and agenda are available [here](#). The original September 5, 2023 comment deadline for the SB 100 Kickoff Workshop has been [extended](#) to 5:00 p.m. PT on September 8, 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 San Diego Gas & Electric (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](#).

### AB 2127: Electric Vehicle Charging Infrastructure

On September 7, 2023, the CEC will host a remote-access workshop to present and discuss findings from the second [Assembly Bill \(AB\) 2127 Electric Vehicle Charging Infrastructure Assessment Staff Draft Report](#). The workshop is scheduled to begin at 9:00 a.m. PT. Additional information is 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](#).

### CEC Business Meetings

The next business meeting will be held on September 13, 2023. Remote attendance information, meeting agenda, and backup materials can be accessed [here](#).

### **CALIFORNIA AIR RESOURCES BOARD (CARB)**

#### Meetings and Workshops

On September 14, 2023, CARB and the AB 32 Environmental Justice Advisory Committee are holding a joint meeting to discuss the implementation of CARB's AB 32 climate programs. The agenda for the meeting is available [here](#).

On September 15, 2023, the AB 32 Environmental Justice Advisory Committee will hold a public meeting. Additional information is available [here](#).

On September 19, 2023, CARB is hosting a [public workgroup meeting](#) to discuss its plans for funding clean transportation, including its fiscal year 2023-24 Clean Transportation Incentives Funding Plan. The agenda for the meeting is available [here](#).

CARB's next board meeting is scheduled for September 28-29, 2023. The agenda for the meeting will be available [here](#) 10 days prior to the meeting.

#### Opportunities for Public Comment

CARB is accepting comments on [proposed amendments](#) to the [Heavy-Duty Engine and Vehicle Omnibus Regulation](#). Comments may be submitted to CARB [here](#) on or before September 18, 2023.

On September 5, 2023, CARB held a [public workshop](#) to kick off the development, with the CEC and CPUC, of a report on hydrogen deployment, development, and use, in accordance with [SB 1075](#). Comments on the workshop topics may be submitted [here](#) on or before September 19, 2023.

### **COLORADO PUBLIC UTILITIES COMMISSION (COLORADO PUC)**

On September 1, 2023, the assigned Administrative Law Judge issued an Interim Decision Granting in Part the Motion to Compel (Motion) filed by Staff of the Colorado PUC (Staff) in Docket No. 23A-0242E, which relates to Public Service Company's (PSCo) proposed Transportation Electrification Plan (TEP). Staff sought to compel PSCo to produce discovery responses related to cost-benefit analyses and data prepared by PSCo's consultants to quantify the number of electric vehicles that are expected to be added to the road as a result of PSCo's proposed TEP investments. PSCo submitted its response to the motion to compel on August 28, 2023.

The Interim Order denies aspects of the Motion that sought analyses prepared by consultants of PSCo and not directly referenced in testimony, on the grounds that such

information is protected by the attorney-client and work-product privilege. However, the Interim Order directs PSCo to respond and produce non-privileged information relating to a “Milestone 4” report prepared by the consultants and referenced in testimony, and directs PSCo to respond to the data request for an estimate of additional electric vehicle load attributable to PSCo’s proposed TEP.

The Colorado PUC will host its next commissioners’ Weekly Meeting (CWM) on September 13, 2023 at 9:00 a.m. MT. The meeting, which will be held remotely, will be available for online viewing [here](#), and this week’s CWM agenda will be posted [here](#) in advance of the meeting.

### **MINNESOTA PUBLIC UTILITIES COMMISSION (MPUC)**

On August 24, 2023, the MPUC met to address a few items, including the MPUC investigation docket regarding the role aggregators of retail customers (ARCs) can play under Minnesota law. Specifically, the question before the MPUC was whether the MPUC should permit ARCs to bid demand response into organized markets. Numerous parties submitted comments on this question, some of which answered in the affirmative and others in the negative.

Many advocates submitted comments regarding the lack of progress on demand response in recent years, which appeared reasonably well-received by MPUC Commissioners. A number of these commentors also set forth fairly extensive legal analysis regarding the MPUC’s jurisdiction on this topic, concluding that the MPUC lacked statutory authority, under Minnesota law, to prohibit ARCs from operating in Minnesota. Ultimately only two Commissioners (Commissioner Schuerger and Commissioner Sullivan) appeared ready to lift the ban on ARCs or start a process that could put Minnesota on that path. The other Commissioners all felt that there were too many open questions and that efforts would be better focused on improving or expanding utility demand response programs. Commissioner Sieben in particular expressed pointed frustration with Xcel Energy’s (Xcel) lack of progress and pushed for Xcel to address that deficiency in its 2024 integrated resource plan filing. At the end of the day, the MPUC voted 3-2 to table this docket, which appears to imply limited activity in this docket for the time being.

On August 31, 2023, the MPUC held its regularly scheduled agenda hearing, covering various topics pertaining to automatic adjustment charges for natural gas utilities, interim rate refund calculations, and siting and routing permitting dockets. The agenda can be found [here](#).

### **OREGON PUBLIC UTILITIES COMMISSION (OREGON PUC)**

On August 22, 2023, the Oregon PUC held a public meeting to address proposals, including a Staff Report, regarding various alterations to generator interconnection procedures that apply to state-jurisdictional qualifying facilities of up to 10 MW. In general, the effort seeks to modernize the interconnection procedures for these facilities to better accommodate new



technologies and other advancements that have occurred since 2007, when many of the existing rules were established.

### **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 MISO 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](#).