

REGULATORY UPDATE FOR AUGUST 20, 2024 (WEEK OF AUGUST 12, 2024)

CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC OR COMMISSION)

Proposed Decisions and Resolutions

None.

Voting Meeting

The CPUC will hold a voting meeting in San Francisco, California on August 22, 2024 at 11:00 a.m. The following are energy-related items on the <u>agenda</u>:

Item 7. Application (A.) 22-03-006 (Application of PG&E for Approval of 2023-2026 Clean Energy Optimization Pilot). This decision denies PG&E's application for authorization of a Clean Energy Optimization Pilot funded by greenhouse gas allowance revenues.

Item 12. Res E-5339 (Small Business California Climate Credit Distribution Methodology). This Resolution modifies the eligibility criteria used by all electric California IOUs when distributing the Small Business California Climate Credit by imposing a 100-account cap on the number of eligible accounts a single entity can control. For businesses that operate across IOU territories, the cap applies separately in each IOU territory. Entities with a total number of eligible accounts in excess of the cap are ineligible for the credit and receive no Small Business California Climate Credit applied to any account. The per-account usage criteria established in D.13-12-002 remain unchanged. The methodology to calculate the amount of credit also remains unchanged.

Item 14. Res E-5344 (SCE Mid-Term Reliability Energy Storage Contracts and Amendment). This Resolution approves two Southern California Edison (SCE) Phase 2 and Phase 3 Mid-Term Reliability (MTR) contracts for 750 MW of nameplate capacity, expected to provide 562 MW of incremental September net qualifying capacity (NQC) of energy storage with AES Clean Energy Development and REV Renewables. These contracts are procured to satisfy a portion of SCE's 2026 and 2027 MTR requirements. This Resolution also approves one amended and restated SCE MTR contract with Tenaska Energy for 100 MW of nameplate capacity of energy storage. The MTR contract will provide an incremental 91 MW of NQC to meet SCE's 2024 MTR obligation.

Item 16. A.12-01-008; A.12-04-020; A.14-01-007 et al. (Application of SDG&E for Authority to Implement Optional Pilot Program to Increase Customer Access to Solar Generated Electricity). This decision finds the circumstances that SCE sought to correct through the requested modifications in their Petition for Modification of Decision 15-01-051 have been addressed by actions adopted in Decision 24-05-065, Decision Modifying Green Access Program Tariffs and Adopting a Community Renewable Energy Program. Hence, SCE's requested modifications are no longer needed, and the Petition is dismissed because it is moot.



Item 17. Res E-5315 (Vehicle-to-Grid Alternating Current Interconnection Pilot Project). This Resolution approves with modification PG&E's, SCE's, and SDG&E's Advice Letters providing lessons learned during the vehicle-to-grid alternating current (V2G AC) Interconnection Pilot, and recommendations to extend the pilot timeline. The Resolution directs PG&E, SCE, and SDG&E to participate in industry-led efforts to develop and implement an alternative certification process for interconnection of V2G AC pilot projects if industry standards to interconnect V2G AC systems are not adopted by the date of issuance of this Resolution. The Resolution clarifies the requirements of Ordering Paragraph 54 of Decision 20-09-035 and directs PG&E, SCE, and SDG&E to submit Advice Letters proposing modifications to Rule 21 to implement a permanent interconnection process for V2G AC systems if industry standards for V2G AC systems are sufficient for safe interconnection.

Item 20. Res E-5343 (PacifiCorp Renewable Energy Credits with 3Degrees Group, Inc.). This Resolution approves PacifiCorp's Renewable Energy Credit (REC) Purchase and Sale Agreement with 3Degrees Group, Inc. The Agreement is for the annual procurement of 40,000 Portfolio Content Category (PCC) 3 RECs commencing from the effective date of the contract and continuing for a 10-year term. The RECs will come from 3Degrees' choice of certified RPS-eligible, non-PacifiCorp-owned facilities. The Agreement with 3Degrees was executed as the result of PacifiCorp's Request for Proposals (RFP) in November 2023. PacifiCorp asserts in AL 737-E that the Agreement satisfies the preferred project characteristics of its November 2023 RFP and is intended to contribute towards PacifiCorp meeting its RPS and long-term contracting requirements in future Compliance Periods. The CPUC makes no determination regarding the proposed Agreement's PCC classification in this Resolution because the RPS contract evaluation process is a separate process from the PCC classification.

Item 49. R.20-05-003 (Centralized Procurement of Long Lead-Time Resources). This decision makes an initial need determination under the provisions of Assembly Bill 1373, where the Commission may request that the Department of Water Resources (DWR) procure electricity from diverse long lead-time (LLT) resources on behalf of customers of all LSEs under the Commission's integrated resource planning (IRP) purview. This initial need determination totals up to 10.6 gigawatts (GW) of nameplate capacity of the following emerging technologies: up to 7.6 GW of offshore wind (OSW), up to 1 GW of geothermal systems, up to 1 GW of multi-day long-duration energy storage (LDES), and up to 1 GW of LDES with a discharge period of at least 12 hours. A subsequent informal request may be sent to DWR within six months of the adoption of this decision asking that they initiate procurement activities. The amounts selected are maximum amounts; once a procurement request is made, DWR will conduct solicitations and evaluate the quality of bids received, including costs and ratepayer risk provisions, and may procure anywhere between zero and the upper limits included in this decision.

Upcoming Workshops and Events

GO 167 Workshop. On Friday, August 23, 2024, the CPUC's Safety and Enforcement Division (SED) will host a third workshop on the SED Staff Proposal to Revise GO 167-B to discuss parties' comments from the second workshop. The workshop will be held from 9:00 a.m.-12:00 p.m. and can be accessed <u>here</u>. Additional information on the proposed changes to GO 167-B, in addition to party comments, can be accessed <u>here</u>.



CALIFORNIA INDEPENDENT SYSTEM OPERATOR (CAISO)

Stakeholder Initiatives: Upcoming Meetings and Deadlines

Generator Interconnection Applications. CAISO has posted redacted individual generator interconnection Appendix A reports for Cluster 14 Phase 2 Generator Interconnection Applications to the Market Participant Portal. Further information is available <u>here</u>.

2024 Transmission Plan Deliverability Allocation. CAISO has posted a revised 2024 Transmission Plan Deliverability Allocation Report to its website, available <u>here</u>.

2024 20-Year Transmission Outlook. CAISO has posted the 2024 20-Year Transmission Outlook, available <u>here</u>.

2024 Summer Assessment Multi-Hour Stack Model. CAISO has posted its multi-hour stack model that was used to inform its 2024 Summer Loads and Resources Assessment, available here.

Day-Ahead Market Enhancements. CAISO held a Day-Ahead Market Enhancements Configurable Parameters implementation working group meeting on August 7, 2024. Comments on the working group discussion are due September 4, 2024. Additional information is available <u>here</u>.

Penalty Enhancements Demand Response, Investigation and Tolling. CAISO has posted the Penalty Enhancements: Demand Response, Investigation, and Tolling draft tariff language and will hold a virtual public stakeholder call on August 22, 2024. Further information is available <u>here</u>

2025 NQC Values for Resource Adequacy Resources. CAISO announced that it would like to acknowledge that the preliminary 2025 Resource Adequacy NQC list posted earlier this month was impacted by errors identified by the CPUC, in its 2025 wind and solar exceedance production profiles. CAISO has posted the updated preliminary 2025 Resource Adequacy NQC list. Scheduling coordinators are requested to review their information and submit comments by August 23, 2024 for NQC. Further information is available <u>here</u>.

Inter-Scheduling Coordinator Trades in Regional Markets. CAISO posted the straw proposal for the new Inter-Scheduling Coordinator Trades in Regional Markets initiative and held an associated public stakeholder call on August 20, 2024. Written comments are due August 30, 2024. Additional information is available <u>here.</u>

2025 Effective Flexible Capacity Values for Resource Adequacy Resources. CAISO has posted the preliminary 2025 Resource Adequacy Effective Flexible Capacity list. Scheduling coordinators are requested to review their information and submit comments by September 6, 2024. Further information is available here.

Hybrid Resource Interconnection Standards. CAISO will host the hybrid annual Resource Interconnection Standards Fair on September 17, 2024. The objective of the forum is to



provide stakeholders with an opportunity to learn more about CAISO's interconnection process and recent changes affecting Cluster 15. If you plan to attend the meeting in person, registration is due September 13, 2024. Further information is available <u>here</u>.

2024-2025 Transmission Planning Process. CAISO has posted the 2024-2025 Transmission Planning Process preliminary reliability results to its website. The request window is open until October, 15, 2024. Further information is available <u>here</u>.

CAISO Stakeholder Symposium. CAISO will host its Stakeholder Symposium on October 30, 2024 in downtown Sacramento, California, along with a welcome reception on the evening of October 29. Additional information, including reception details, event registration, and sponsorship opportunities, is available <u>here</u>.

CALIFORNIA ENERGY COMMISSION (CEC)

2024 Integrated Energy Policy Report (IEPR) Update

The CEC is working on its 2024 IEPR Update, and ongoing workshops are being held through December 2024 to develop the record. The policy recommendations included in the 2024 IEPR Update will be based on the record developed during the proceedings, including data and technical analyses by staff and stakeholders. Upcoming IEPR workshops include the following (note: the <u>workshop schedule</u> is subject to change):

October 2, 2024: Use of the Forecast in Electricity System Planning – 10:00 a.m. [Rescheduled from August 27]

November 7, 2024: Electricity Forecast, Load Modifier Results – 1:00 p.m.

December 12, 2024: Electricity Forecast, Annual and Hourly Results – 1:00 p.m.

January 2025 TBD: Business meeting to consider adoption of the Electricity Demand Forecast.

February 2025 TBD: Business meeting to consider adoption of the 2024 IEPR Update.

Electric Program Investment Charge (EPIC)

The 10th Annual EPIC Symposium is scheduled to be held in Sacramento, California on October 28, 2024. Additional details are forthcoming.

The CEC's EPIC 2023 Annual Report is now <u>available</u>. The report outlines the status and progress of EPIC-funded activities for the 2023 calendar year.



Updates to the California Energy Demand Forecast

On August 21, 2024, CEC staff will hold a hybrid (both in-person and by Zoom) webinar from 10:00 a.m. to 4:00 p.m. to discuss updates for distributed generation, economic and demographic inputs, Additional Achievable Energy Efficiency (AAEE), and Fuel Substitution (AAFS) inputs and assumptions for purposes of developing California's Energy Demand Forecast. A detailed meeting agenda and materials will be posted to the <u>DAWG webpage</u> in advance of the meeting.

Resource Planning and Reliability

On August 5, 2024, the CEC issued its combined second and third quarterly reports pursuant to SB 846 (Dodd, 2022) on the Joint Agency Reliability Planning Assessment. This report provides an update to the previous assessment issued in May 2024, and includes updates on electric system demand and supply for the next five- and 10-year periods, as well as an assessment of electric system reliability under different risk scenarios. The report also provides information on the status of new resources and any delays or barriers to the resources being available to support reliability. The report, which is available here, states that "system conditions for this summer have improved from the first to the third quarter as new resource projects continue to come online. For August and September, the analysis shows surplus capacity under average and extreme weather conditions, such as those witnessed in the 2020 heat wave (2020 equivalent event) and the 2022 heat wave (2022 equivalent event). For September, improvements in supply build and system conditions led to an increase in the surplus of resources expected under average conditions, up to 4,700 megawatts (MW)."

Electric Vehicle (EV) Infrastructure

Grant Funding Opportunity for Grid-Supportive Transportation Electrification. On August 5, 2024, the CEC issued its award notice for funding technologies that enable grid-supportive transportation electrification, such as by shifting loads to avoid or defer grid upgrades, improving efficiency for high-power EV charging stations, and/or aligning charging loads with available grid capacity. Additional details on the grant funding award are available here.

Dairy Decarbonization Workshop

On Friday, August 30, the CEC will host a remote-access workshop to explore innovative solutions to reduce GHG emissions in California's dairy sector, with a particular focus on heat pump technologies. Workshop access and a detailed agenda are available <u>here</u>.

CEC Business Meetings

The next CEC Business Meeting is scheduled for September 11, 2024. The meeting agenda will be posted at least 10 days before the date of the meeting.



CALIFORNIA AIR RESOURCES BOARD (CARB)

Meetings, Workshops, and Notices

On August 20, 2024, CARB will hold an evening community meeting on <u>clean</u> <u>transportation projects</u>, including plans for funding projects and updates on incentive implementation. Registration for the meeting will be available <u>here</u>.

On August 20, 2024 and August 22, 2024, CARB will conduct two public workshops on <u>Community Air Grants</u> (CAG) available under the <u>Community Air Protection Program Blueprint</u> 2.0. Details on the workshops and the draft CAG Cycle 5 <u>Request for Applications</u> (RFA) are available <u>here</u>. Comments on the RFA may be submitted <u>here</u> on or before August 25, 2024.

On August 22, 2024, CARB will hold a hybrid virtual/in-person <u>public workshop</u> on the California dairy sector and CARB's progress in compiling California-specific dairy activity data and evaluating dairy sector emissions trends, associated with the 2024 <u>petition on livestock</u> <u>methane</u>. Registration and workshop materials are available <u>here</u>.

On November 8, 2024, the CARB will hold a <u>public hearing</u> to consider amendments to the <u>Low Carbon Fuel Standard</u>. Modified text of the proposed amendments and additional rulemaking documents are posted <u>here</u> and available for public comment until August 27, 2024.

The <u>California Volkswagen Mitigation Trust</u> is accepting applications for funds on a first-come, first-served basis for combustion freight and marine and zero-emission class 8 trucks. Applications for funding are available <u>here</u>.

Opportunities for Public Comment

CARB is accepting public comment on the Commercial and Industrial Refrigeration <u>Draft Funding Guidelines</u> and associated program materials, related to the <u>F-gas Reduction</u> <u>Incentive Program</u>. Comments may be submitted via email to <u>FRIP@arb.ca.gov</u> by August 22, 2024.

CARB is accepting public comment on the draft CAG Cycle 5 <u>Request for Applications</u> associated with the <u>Community Air Protection Program Blueprint 2.0 Community Air</u> <u>Grants</u>. Comments may be submitted <u>here</u> on or before August 25, 2024.

CARB is accepting public comment on the <u>modified text</u> released for the <u>proposed</u> <u>amendments</u> of the <u>Low Carbon Fuel Standard</u>. Comments may be submitted <u>here</u> on or before August 27, 2024.

FEDERAL ENERGY REGULATORY COMMISSION (FERC)

On August 16, 2024, in AD24-11-000, FERC announced that it will hold a Commissioner-led Technical Conference Regarding Large Loads Co-Located at Generating Facilities on November 1, 2024 from 10:00 a.m. to 3:00 pm EST. The issues to be explored at



the technical conference may include whether co-located loads require the provision of wholesale transmission or ancillary services, related cost allocation issues, and potential Resource Adequacy, reliability, affordability, market, and customer impacts.

On August 14, 2024, in Docket No. AD24-9-000, FERC announced the agenda and speakers for the Innovations and Efficiencies in Generator Interconnection Staff-led Workshop that will be held on Tuesday, September 10, 2024 and Wednesday, September 11, 2024 from approximately 9:00 a.m. to 5:00 p.m. EST. Topics at the workshop include: Innovations Panel 1: Integrated Transmission Planning and Generator Interconnection; Innovations Panel 2: Exploring Different Approaches to Processing and Studying Generator Interconnection Requests; Innovations Panel 3: Prioritizing Certain Generator Interconnection Requests; Efficiencies Panel 1: Further Efficiencies in the Generator Interconnection Process; Efficiencies Panel 2: Automation and Advanced Computing Technologies; and Efficiencies Panel 3: Post-Generator Interconnection Agreement Construction Phase.

On July 25, 2024, in <u>188 FERC ¶ 61,072</u>, FERC issued an order granting PG&E's request for transmission incentives related to support work it will undertake in conjunction with four transmission projects identified in CAISO's 2021-2022 transmission plan. PG&E requests authorization to: (1) include 100% of prudently incurred Construction Work in Progress for the support work in rate base; and (2) recover 100% of prudently incurred costs of the support work if that work is abandoned for reasons beyond PG&E's control.