

**REGULATORY UPDATE FOR AUGUST 27, 2024
(WEEK OF AUGUST 19, 2024)**

CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC OR COMMISSION)

Proposed Decisions and Resolutions

Application (A.) 23-05-005 (Reasonableness Review of Merced Dairy Biomethane Pilot Project Costs). This decision finds reasonable and authorizes Pacific Gas and Electric Company (PG&E) to recover in rates and reimburse Maas Energy Works, Inc. (MEW) \$4,848,720 above the bid amount of \$10,183,855 approved for the Merced Pipeline Dairy Digester Cluster Project. The authorized amount represents approximately 57% of MEW's requested overage of \$8,517,000.

Resolution (Res) E-5346 (Self-Generation Incentive Program Advanced Payment Program). This Resolution approves, with modification, the joint proposal by PG&E, Center for Sustainable Energy (CSE), Southern California Edison Company (SCE), Southern California Gas Company (SCG), the joint Program Administrators (PAs), Self-Generation Incentive Program (SGIP), and Advanced Payment Program (APP) for the new Residential Solar and Storage Equity budget (RSSE) and other SGIP handbook modifications. The major modifications include: altering the APP developer approval criteria to remove the requirement of a Better Business Bureau (BBB) rating while adding a negative BBB screen; requiring all APP developers to have successfully completed residential SGIP projects in the past; continued reliance on the existing practice of verifying an active California State License Bureau (CSLB) license and incorporating the Commission's Public Watch List of Non-Compliant Solar Providers when available; reducing the APP project extension allowance from three six-month extensions to one six-month extension (except for Tribal customer projects); and creating a tiered upfront incentive payment cap for developers that can provide an Investment Grade credit rating (provided by Moody's, Finch, or S&P). All APP-approved developers will have an initial statewide upfront incentive cap of \$1 million. Developers that meet the higher upfront incentive requirements will have access to \$2 million in the smaller PA territories of SCG, CSE, and Los Angeles Department of Water and Power and to \$5 million across all PA territories.

A.22-02-005 et al. (PG&E 2024-2031 Energy Efficiency Business Plan and 2024-2027 Portfolio Plan). This decision modifies the Rural Regional Energy Network (RREN) approved in Decision (D.) 23-06-055, which was designed to delivery energy efficiency programs to underserved rural customers, by splitting it into two regional energy networks (RENs) serving different geographic areas. RREN-North will serve the North Coast and Northern Sierra regions, while RREN-Central will serve the Central Coast and San Joaquin Valley regions. The original budget of \$84 million for the program period 2024-2027 approved in D.23-06-055 is split by programs planned for delivery in each region and reduced to account for the fact that 2024 is more than half over, resulting in a total authorization of \$33.1 million for RREN-North and \$36.3 million for RREN-Central, for use over the remainder of 2024 through the end of 2027. RREN-North and RREN-Central, similar to all other RENs, will submit a new application for continuation of its programs in 2026. PG&E will serve as the fiscal agent partner for the lead portfolio administrator Redwood Coast Energy Authority for RREN-North, while SCE will serve

as the fiscal agent partner with the County of San Luis Obispo as the lead portfolio administrator for RREN-Central. The other utilities contributing funds to RREN-Central, because they serve its geographic area, will work with SCE to facilitate the transfer of funds. This decision clarifies that any REN intending to make a change to the organization serving as its lead portfolio administrator should submit a Tier 2 advice letter notifying the Commission of the requested change. If the Commission approves the transfer of lead administrative responsibilities for a REN, the contracting utility serving as the fiscal agent for that REN will then have 180 days to make the necessary changes to contracts and other agreements or processes.

A.21-12-007 (PG&E 2021 Nuclear Decommissioning Cost Triennial Proceeding) led by PG&E. Accordingly, PG&E is authorized to defer the filing of its next Nuclear Decommissioning Triennial Proceeding Application to no later than July 1, 2027. In support of granting the deferral, the Commission notes that it is currently examining various aspects of the extension of operations at Diablo Canyon Power Plant in three other Commission proceedings, and it is persuaded by PG&E's statement that, should the Petition be denied, and PG&E be required to file the next Nuclear Decommissioning Triennial Proceeding Application in December 2024, it would not be requesting a new revenue requirement.

Rulemaking (R.) 20-01-007 (Long-Term Gas System Planning). This decision partially grants the petition for modification filed jointly by the California Environmental Justice Alliance, Environmental Defense Fund, Sierra Club, Southern California Generation Coalition, and The Utility Reform Network, and modifies D.22-12-021 to require gas utilities to convene a workshop within 60 days after the annual reports are submitted and to include the year 2025 in Ordering Paragraph 12. The Petition is denied in all other respects and the decision closes this proceeding.

Voting Meeting

The CPUC held a voting meeting in San Francisco, California on August 22, 2024 at 11:00 a.m. The following are results for energy-related items on the [agenda](#):

Item 7. 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. **Signed, D.24-08-036.**

Item 12. Res E-5339 (Small Business California Climate Credit Distribution Methodology). This Resolution modifies the eligibility criteria used by all electric California investor-owned utilities (IOU) 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. **Approved.**

Item 14. Res E-5344 (SCE Mid-Term Reliability Energy Storage Contracts and Amendment). This Resolution approves two 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. **Approved.**

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 D.15-01-051 have been addressed by actions adopted in D.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. **Signed, D.24-08-040.**

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 D.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. **Approved.**

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. **Approved.**

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. **Signed, D.24-08-064.**

Upcoming Workshops and Events

Distributed Energy Resources (DER) Working Group Workshops. As part of Track 2 of the Commission's Rulemaking (R.) 22-11-013 to consider DER Program Cost-Effectiveness Issues, Data Access and Use, and Equipment Performance Standards, the Commission is hosting a series of workshops from August 2024 through January 2025 to convene stakeholders and assess data needs, use cases, and desired delivery tools. This may include examination of data privacy and confidentiality rules, cybersecurity issues, and other issues. These meetings will culminate in a draft and final report with recommendations for the CPUC to consider. The remaining meetings are scheduled to occur on the following Mondays from 2 p.m. - 5p.m.: September 16, September 23, September 30, October 21, November 18, December 16, and January 13. Additional information regarding the DER Working Group is available [here](#), and event registration details are available [here](#).

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 [here](#).

2024 Transmission Plan Deliverability Allocation. CAISO has posted a revised 2024 Transmission Plan Deliverability Allocation Report to its website, available [here](#).

Interconnection Process Enhancements. CAISO will host working group meetings to inform a second revised straw proposal for Track 3A for the Interconnection Process Enhancements 2023 initiative. The first working group meeting will be virtual on August 28, 2024, followed by a hybrid meeting on September 4, 2024. Further information is 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 [here](#).

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 [here](#).

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](#).

Market Performance and Planning Forum. CAISO will hold its quarterly Market Performance and Planning Forum on September 18, 2024. Attendees may choose to participate in person or virtually. If you plan to attend the meeting in person, registration is due by September 13, 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 by September 13, 2024. Further information is available [here](#).

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 [here](#).

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 [here](#).

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 [workshop schedule](#) 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 [available](#). The report outlines the status and progress of EPIC-funded activities for the 2023 calendar year.

Dairy Decarbonization Workshop

On August 30, 2024, the CEC will host a remote-access workshop to explore innovative solutions to reduce greenhouse gas (GHG) emissions in California's dairy sector, with a particular focus on heat pump technologies. Workshop access and a detailed agenda are available [here](#).

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 November 8, 2024, the CARB will hold a [public hearing](#) to consider amendments to the [Low Carbon Fuel Standard](#). Modified text of the proposed amendments and additional rulemaking documents are posted [here](#) and available for public comment until August 27, 2024.

The [California Volkswagen Mitigation Trust](#) 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 [here](#).

Opportunities for Public Comment

CARB is accepting public comment on the [modified text](#) released for the [proposed amendments](#) of the [Low Carbon Fuel Standard](#). Comments may be submitted [here](#) on or before August 27, 2024.

FEDERAL ENERGY REGULATORY COMMISSION (FERC)

On August 20, in [188 FERC ¶ 61,132](#), FERC issued an order denying without prejudice Basin Electric Power Cooperative's (Basin) proposed revisions to its Rate Schedule A to add three Crypto Block Chain Rate Schedules (Crypto Rate Schedules) and a Large Load Rate Schedule. Basin also proposed clarifying revisions to Rate Schedule A necessary to incorporate the new rate schedules, including revisions to two rate schedules that Basin stated are non-jurisdictional. The Commission found that, among other things, Basin did not meet its burden to demonstrate that its proposal to treat all Crypto Loads differently from other loads of similar size is just and reasonable and not unduly discriminatory or preferential. Specifically, Basin did not provide adequate evidence to support its assertion that all Crypto Loads pose a greater stranded asset risk than other loads of similar size. Additionally, the Commission found that Basin did not meet its burden to demonstrate that its proposed use of the Southwest Power Pool (SPP) cost of new entry as a proxy for the market value of capacity in the SPP region is just and reasonable as proposed to be used in the calculation of the planning reserve charge in both the Crypto and Large Load Rate Schedules.

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 p.m. 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 [188 FERC ¶ 61,072](#), 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.