

**REGULATORY UPDATE FOR JANUARY 7, 2025
(WEEKS OF DECEMBER 23 AND 30, 2024)**

CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC OR COMMISSION)¹

Proposed Decisions and Resolutions

Investigation (I.) 00-11-001 (Investigation into Implementation of Assembly Bill 970 Regarding the Identification of Electric Transmission and Distribution Constraints, Actions to Resolve Those Constraints, and Related Matters Affecting the Reliability of Electric Supply). This proposed decision grants in part the petition to modify Decision (D.) 06-09-003 jointly filed by Southern California Edison Company (SCE) and San Diego Gas & Electric Company (SDG&E). The Commission modifies D.06-09-003 to conditionally suspend the quarterly reporting requirements for transmission projects adopted therein. SCE and SDG&E will continue to report data on transmission projects to the Commission through the Transmission Project Review (TPR) Process established by Resolution E-5252. When SDG&E and SCE report their semi-annual TPR Process data, they are directed to continue to include information on Assembly Bill 970 projects that are less than \$1 million.

Resolution (Res) E-5354 (Implementation of Pacific Gas and Electric Company's Income-Graduated Fixed Charges Pursuant to Ordering Paragraph 3(c) of D.24-05-028). This Resolution approves with modifications Pacific Gas and Electric Company's (PG&E) Advice Letter (AL) 7351-E, AL 7351-E-A, AL 7351-E-B, and Substitute Sheets for AL 7351-E to implement an income-graduated fixed charge (IGFC or fixed charge) for residential customers pursuant to D.24-05-028, which changed how large investor-owned utilities bill residential customers for infrastructure-related costs. The fixed charge will be applied based on income tiers, with lower-income customers paying a lower charge and higher-income customers paying a higher charge.

Res E-5365 (SCE Midterm Reliability Contracts). This Resolution approves six SCE Midterm Reliability (MTR) Contracts for a total of 767.36 MW of nameplate capacity. These contracts are for three paired co-located resources composed of three solar photovoltaic contracts and three battery energy storage system contracts, procured as a result of Phases 2 and 3 of SCE's Midterm Reliability Request for Offers. These contracts represent all of the capacity and energy from one project: the Centennial Flats project, which will be brought online in three phases, beginning June 1, 2026 through September 1, 2026. This Resolution approves the requested relief in AL 5397-E.

Res E-5362 (SCE, Center for Sustainable Energy®, Southern California Gas Company (SoCalGas), and PG&E Self-Generation Incentive Program (SGIP) Residential Solar and

¹ Per the 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 the CPUC's daily calendar, per Rule 14.5.

Storage Equity Budget Category). This Resolution approves, with modification, the joint proposal by PG&E, Center for Sustainable Energy®, SCE, and Southern California Gas Company, hereafter referred to as the joint Program Administrators (PAs), for the SGIP new Residential Solar and Storage Equity budget and other SGIP handbook modifications. Among other modifications, the Resolution establishes 5 kW as the threshold for load justification for solar projects, projects above 5 kW require load justification and projects at 5 kW or less do not require load justification, and directs the PAs to apply the existing 5 kW per tenant load assumption for multifamily projects that currently applies for the storage incentive to the new solar incentive.

Res E-5366 (Guidance to rectify miscalculated budgets of Energy Efficiency Programs administered by Community Choice Aggregators (CCAs)). The CCAs included the total nonbypassable charge collections in their budget calculations, but later discovered that the amounts were overstated based on a misunderstanding by the CCAs of the calculation formula in D.14-01-033, the decision establishing the three-year budgets for Energy Efficiency Programs. Five of the seven CCAs have ended or will end their programs soon. They will return unspent funds. Two CCAs plan to continue for the remainder of their three years. This Resolution takes no action on the expended funds for programs that were within the approved budgets, even if they were above the corrected budget; however, unspent funds above the corrected budget must be returned. The total to be returned to ratepayers is about \$16 million.

Res G-3612 (Southern California Gas Company's AL 6316-G, Renewable Gas Standard Biomethane Procurement). This Resolution addresses Southern California Gas Company's (SoCalGas) AL 6316-G, filed on May 31, 2024, which requests CPUC approval of three biomethane procurement contracts pursuant to the Renewable Gas Standard as established in D.22-02-025. The Resolution approves the biomethane procurement contract with Organic Energy Solutions, and rejects biomethane procurement contracts with Anew Climate (Keller Canyon) and Anew Climate (Forward).

Rulemaking (R.) 23-05-018 (Order Instituting Rulemaking to Update and Amend Commission General Order 131-D). This decision resolves the outstanding Phase 2 issues and adopts General Order (GO) 131-E, attached to this decision as Attachment B. Attachment A to this decision is GO 131-D, which is redlined to reflect the revisions. GO 131-E requires an early pre-filing coordination process and provides applicants with the opportunity to prepare and submit a draft version of California Environmental Quality Act (CEQA) documents in lieu of the Proponent's Environmental Assessment to help accelerate the processing time for the Certificate of Public Convenience (CPCN) and Permit to Construct (PTC) applications. To continue exploration of methods that streamline the Commission's review and approval process for PTC and CPCN projects, this decision also adopts a pilot to further study ways to streamline the existing CEQA review process at the Commission and instructs the Commission's Energy Division staff to report on the results of this pilot review by compliance filing on December 1 of every even year starting with December 1 of 2026, to this docket. In addition, this decision makes other updates and clarifications to GO 131-D, as reflected in the attached GO 131-E, including: (1) updating and clarifying various terms, definitions, and exemptions; (2) consolidating electric and magnetic fields application requirements within existing application requirements; (3) updating reporting requirements including the list of financial information that

must be reported by electric public utilities to the Commission; (4) aligning of GO language with GO 96-B that specifies rules for dispositions of ALs; and (5) requiring protests of Commission Executive Director dispositions of ALs that grant PTC exemptions to be addressed through applications for rehearing pursuant to Assembly Bill 551.

R.22-07-005 (Order Instituting Rulemaking to Advance Demand Flexibility Through Electric Rates). This decision modifies D.24-05-028 to correct an inadvertent but substantive error identified by Commission staff: the use of “distribution” rates rather than the more general category of “delivery” rates in D.24-05-028, in the dicta on page 99, Conclusion of Law 34, and Ordering Paragraph 6. This decision also authorizes an additional scope of work, contract extension, and budget of \$650,000 for the existing third-party contractor to update the public spreadsheet tool designed to support the design of IGFC proposals, the contract scope and cost for which was originally provided in D.23-04-008.

Voting Meeting

The CPUC will hold a voting meeting in San Francisco on January 16, 2025 at 11:00 a.m. The following are energy-related items on the [agenda](#):

Item 6. Res E-5327 (Portfolio Administrators Proposals for Multi-Distributed Energy Resource Integrated Demand Side Management Frameworks and Programs). This decision approves with modifications and clarifications the proposed multi-distributed energy resource integrated demand side management frameworks and programs proposed pursuant of D.23-06-055 in Tier 3 ALs. The decision also requires PG&E, SCE, and SoCalGas to submit subsequent ALs in accordance with applicable CPUC policies, including the program launch checklist and third-party Tier 2 AL requirement, prior to program commencement to provide further details of their plans. If the pilot program is a third-party program and falls below a \$5 million budget threshold or is less than three years in duration, the IOUs must file a Tier 1 AL for each third-party contract. The decision also requires BayREN, I-REN, MCE, SoCalREN, and 3C-REN to submit a Tier 2 AL in accordance with the program launch checklist should they wish to expand their programs beyond the scope described in their AL for portfolio years 2024-2027.

Item 17. R.13-11-005 (Order Instituting Rulemaking Concerning Energy Efficiency Rolling Portfolios, Policies, Programs, Evaluation, and Related Issues). This decision resolves all outstanding matters and closes the proceeding. This decision addresses a pending motion related to energy efficiency in multifamily housing, and a pending motion about a discovery dispute related to the statewide program administrator for the market transformation framework. The Commission will address future energy efficiency policies, programs, evaluation, measurement and verification, and related matters in a successor proceeding.

Item 24. A.23-01-013 (PG&E Tariff Enabling Core Natural Gas Use for Large Back-Up Generation). This decision grants with modifications new PG&E tariff G-NR2 enabling customers to use core natural gas for 500+ kW generation for back-up power during power outages and while awaiting electrical energization completion. The decision precludes the use of back-up generators for self-generation of electricity because the tariff is intended to reduce use of large diesel back-up generators, improving air quality and noise concerns. The tariff is approved

for a five-year test period and PG&E must submit annual reports regarding the tariff's implementation and use for Commission consideration.

Item 50. R.21-10-001 (Safety Culture Assessments for Large Investor-Owned Utilities). This decision adopts a Safety Culture Assessment Framework for PG&E, SDG&E, SCE, and SoCalGas. This framework includes two components: (1) a Comprehensive Assessment of each investor-owned utility's safety culture, conducted once every four years; and (2) an annual Self-Evaluation in the three intervening years to monitor improvement. The Comprehensive Assessments will be conducted by a third-party independent evaluator. The Self-Evaluations will be conducted by the individual utility. This decision also adopts a Utility Safety Culture Working Group to foster collaboration and enhance safety culture improvement efforts.

Upcoming Workshops and Events

DER Working Group Workshops. As part of Track 2 of the Commission's 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 final meeting is scheduled for January 27 from 2:00 to 5:00 p.m. This meeting will address customer usage data and privacy. 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

2025 California CAISO Legal Forum. CAISO will host its Legal Forum on Thursday, April 10, 2025, at its headquarters in Folsom, CA. This event provides opportunities for legal professionals from the energy industry to network, discuss current legal topics, gain Minimum Continuing Legal Education credit, and tour the CAISO control room overlook. Further information is available [here](#).

Greenhouse Gas Coordination. CAISO has published an Issue Paper for its Greenhouse Gas Coordination working group. The Issue Paper will be discussed during an upcoming virtual meeting on January 21, 2025. Written comments are due February 11, 2025. Further information is available [here](#).

Cluster 15 Interconnection Long Lead-Time Resource Points Clarification. CAISO has provided clarification regarding Cluster 15 Interconnection Requests ability to receive points in the long lead-time resource category, available [here](#).

Price Formation Enhancements. CAISO will hold a Price Formation Enhancements Phase 2 working group call on January 22, 2025. This session will explore the topic of scarcity pricing. Further information is available [here](#).

2023-2024 Transmission Planning Process. CAISO has validated the project sponsor applications for the Humboldt to Fern Road 500 kV Transmission Line Project. Next, CAISO will consider whether these project sponsors are qualified, and select which qualified project sponsor should finance, construct, own, operate, and maintain each transmission solution. Further information is available [here](#).

Cluster 15 Interconnection Request Queue. CAISO has posted the initial resubmitted Cluster 15 Interconnection Request Queue Report to its website, available [here](#).

2024 Annual Policy Initiatives Roadmap. CAISO has published the 2024 Final Policy Initiatives Roadmap and dispositions of submitted initiatives to its [website](#). The Roadmap describes CAISO's planned policy initiative work plan for 2025-2027, and the dispositions include a description of the outcomes of CAISO's prioritization process for stakeholder submissions to the 2024 Catalog and Roadmap.

Interconnection Process Enhancements 2023. CAISO announced that the due date for affidavits seeking to retain Transmission Plan Deliverability (TPD) for the 2025 TPD allocation year will be September 1, 2025, with the results expected to be provided by the end of the first quarter of 2026. The date has been pushed back to 2025 to accommodate the Cluster 15 cluster studies that will begin June 1, 2025. Further information is available [here](#).

Storage Design and Modeling. CAISO launched the Storage Design and Modeling initiative, and hosted a virtual stakeholder working group meeting on December 11, 2024. Written comments are due January 8, 2025. Further information 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):

January 21, 2025: Business meeting to consider adoption of the Electricity Demand Forecast.

January 24, 2025: IEPR Commissioner Hybrid Workshop on Regional Electricity Markets and Coordination.

March 17, 2025: Business meeting to consider adoption of the 2024 IEPR Update.

On November 26, 2024 the CEC [released](#) the [Draft 2024 Integrated Energy Policy Report Update](#) for public comment. Comments were due by 5:00 p.m. on January 2, 2025.

IEPR Demand Forecast

On January 6, 2025, the CEC released new forms and instructions for retail gas and electric suppliers to use when submitting demand forecasts to the CEC. The revised forms, which vary by supplier type and are available on docket [25-IEPR-03](#), extend the submission deadline by approximately one month.

Offshore Wind

The [California Ports and Offshore Wind Symposium](#) (Symposium) will take place on February 21, 2025 at the Port of Long Beach. Topics to be discussed at the Symposium include upgrading ports to achieve offshore wind, climate, and environmental goals; developing the new offshore wind workforce in port communities; and collaborating to improve portside communities. The Symposium is free to attend and registration information is available [here](#).

Power Source Disclosure (PSD) Program

The CEC issued further revised proposed amendments to the PSD Program, as of December 6, 2024. Comments on the further revised proposed amendments were due by January 3, 2025. Comments, which were submitted by CalCCA, LADWP, and CMUA, generally sought clarifications regarding the effective date for the new reporting obligations. Additional information on the 15-Day Notice is available [here](#) and comments can be viewed on the docket page, [21-OIR-01](#).

Zero Emissions Vehicles

On December 18, 2024, the CEC held a workshop to discuss its revised proposal for reporting on EV charger utilization and IEPR forecasting needs. A copy of the presentation slides is available [here](#). The comment period is open through January 10, 2025, and comments may be filed to docket 22-EVI-04.

On December 19, the CEC announced the availability of up to \$107 million in grant funds under the second solicitation pursuant to California's National Electric Vehicle Infrastructure Formula Program. The grant funds are designed to deploy high-powered, direct-current fast-charging infrastructure for EV travel along major corridors of the state highway system. A pre-application workshop will be held on January 14, 2025 from 9:00 to 11:00 a.m. Access details are available [here](#).

CEC Business Meetings

The next CEC Business Meeting is scheduled for January 21, 2025.

CALIFORNIA AIR RESOURCES BOARD (CARB)

Meetings and Workshops

On January 13, 2025, CARB will hold a virtual Q&A session on updates to the [California Climate Investments' benefit assessment tools](#), used by administering agencies and applicants for funding to determine if a project is providing direct benefits to priority populations. Information and registration are available [here](#).

On January 16, 2025, CARB will hold a public meeting on its updated [Community Engagement Model](#). Registration and additional information are available [here](#).

On January 21, 2025, CARB will hold an evening community meeting on [clean transportation incentives](#). Registration is available [here](#).

On January 23, 2025, CARB will hold its next [Board meeting](#). The agenda will be available [here](#) 10 days prior to the meeting.

On January 30, 2025, CARB will hold a meeting of the Advanced Clean Fleets' [Truck Regulation Implementation Group](#) on outreach. Registration is available [here](#).

Notices

CARB is soliciting community leaders and racial justice experts to join its Racial Equity Inventory's [Community Partner Workgroup](#). Applications may be submitted [here](#) by January 13, 2025.

CARB has issued an updated Enforcement Notice for the Advanced Clean Fleets [Regulation](#), available [here](#). CARB is issuing regular updates on Advanced Clean Fleets, with the latest available [here](#). Subscribe here to receive the "Advanced Clean Fleets Flash" [here](#).

The F-Gas Reduction Incentive Program is accepting applications until January 31, 2025 to receive funding to install climate-friendly refrigerant technologies at commercial and industrial facilities. Applications and more information are available [here](#).

Opportunities for Public Comment

CARB is accepting public comments on the updated [California Climate Investments benefit assessment tool](#), including strategies to identify priority population needs and potential benefits of a project for priority populations. Comments may be submitted to CARB [here](#) or via email to ggrfprogram@arb.ca.gov through January 17, 2025.

CARB has issued a public [solicitation](#) for information to aid in the implementation of new climate-related disclosure laws, SB 253 and SB 261. Comments may be submitted [here](#) until February 14, 2025.

MINNESOTA PUBLIC UTILITIES COMMISSION (MPUC)

On January 9, 2025, the MPUC will discuss at its agenda meeting whether it should reconsider its October 22, 2024 Order Adopting Administrative Law Judge Report as Modified, Issuing Routing Permit, and Requiring Cultural and Archaeological Survey regarding the route permit for Magellan Pipeline Co., L.P.'s Pipestone Reroute Project (Docket No. IP7109/PPL-23-109). As part of its reconsideration, the MPUC may account for opposition voiced by several Tribal governments and Tribal-affiliated organizations, and may determine to rescind issuance of the route permit and defer a final permitting decision, or deny the permit wholesale. The MPUC will also determine whether it should reconsider its October 25 Order Granting a Certificate of Need and Issuing a Route Permit regarding the high voltage transmission line for the HVDC Modernization Project (Docket Nos. E-015/CN-22-607, E-015/TL-22-611). The MPUC's decision will determine whether the order should be modified to: grant a certificate of need and route permit for a like-sized replacement rather than the HVDC expansion, limit approval to the replacement of aging components and require Minnesota Power to assume the risk of expansion, limit the pace of Minnesota Power's investment, impose a \$660 million cost cap for the project, or impose conditions to protect ratepayers from undue risks and to ensure the project's benefits flow to customers rather than Minnesota Power affiliates. The agenda is accessible [here](#).

FEDERAL ENERGY REGULATORY COMMISSION (FERC)

At the December 19, 2024 Commission Open Meeting, in [189 FERC ¶ 61,212](#), FERC issued a Notice of Proposed Rulemaking (NOPR) on Reliability Standards for Frequency and Voltage Protection Settings and Ride-Through for Inverter-Based Resources. In the NOPR, FERC proposes to approve the first set of new North American Electric Reliability Corporation reliability standards that are intended to address inverter-based resources (IBRs). The NOPR proposes to accept reliability standards that address IBR data sharing, model validation, planning and operational studies, and performance requirements. The NOPR concerns the ability of IBRs to "ride through" frequency and voltage excursions. FERC sought comments on the NOPR, but specifically noted its desire for additional information on: (1) the performance requirements in Requirement R1; (2) the absolute rate of change of frequency in Requirement R3; and (3) the adequacy of exemptions for certain IBRs. Comments will be due 60 days after publication in the *Federal Register*.

On December 16, 2024, FERC issued [189 FERC ¶ 61,195](#), approving proposed revisions to CAISO's Open Access Transmission Tariff (Tariff) to amend its Generator Interconnection and Deliverability Allocation Procedures and its associated generator interconnection agreements (GIAs), as applied to Cluster 14 and earlier interconnection customers that have not already executed GIAs. CAISO states that the Tariff revisions will help manage the large volume of interconnection requests already studied but for which GIAs have not yet been executed or requested to be filed unexecuted or for which the construction of network upgrades has not yet begun.

The order approves Tariff revisions to: (1) subject new small asynchronous generating facilities in Clusters 14 or earlier to fault recording requirements, which CAISO currently only applies to asynchronous generating facilities larger than 20 megawatts; (2) update the granularity of the GIA phase angle measuring unit data requirements for asynchronous generating facilities; (3) require that interconnection customers sharing a network upgrade provide the financing and authorization to construct the shared network upgrade simultaneously, based on the construction timeline necessary to achieve the earliest interconnection customer's commercial operation date; (4) increase the material modification assessment deposit cost from \$10,000 to \$30,000, and extend the estimated time to complete a material modification assessment from 45 days to 60 days; (5) require a new "implementation deposit" of \$35,000 due within 30 days of the effective date of an interconnection customer's GIA; and (6) limit interconnection customers from lingering in the interconnection queue by requiring customers to remove energy only generating capacity from the queue when giving up its deliverability, unless the customer provides an energy only power purchase agreement that demonstrates that its generating capacity is viable without needing to reacquire deliverability. The approved Tariff revisions were effective December 17, 2024.