

**REGULATORY UPDATE FOR JULY 23, 2024
(WEEK OF JULY 15, 2024)**

CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC OR COMMISSION)

Proposed Decisions and Resolutions

Resolution (Res.) E-5339. (Modifications to the Small Business California Climate Credit Distribution Methodology). This Resolution modifies the eligibility criteria used by all electric California investor-owned utilities (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 service 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 Decision (D.)13-12-002 remain unchanged. The methodology to calculate the amount of credit remains unchanged.

Rulemaking 20-05-003 (Integrated Resource Planning). 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 load-serving entities (LSEs) under the Commission's integrated resource planning 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, up to 1 GW of enhanced 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 DWR 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. The specific resources were selected because they are technologies that present opportunities to help California achieve greenhouse gas (GHG) emissions reduction goals for 2045 and beyond, they represent emerging technologies that need to achieve economies of scale to bring costs down, and they are also not currently being procured by individual LSEs in significant enough amounts to achieve cost reductions. The timing of the need determination herein is also after 2031, thus minimizing potential interference with LSE near-term procurement activities related to LLT resources. According to the decision, centralized procurement of these resources may also make it easier, in the long term, for LSEs to procure more of these types of resources that may be vital in achieving long-term environmental goals.

Res. E-5344. (Southern California Edison Company requests approval of 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 megawatts (MW) of nameplate capacity, expected to provide 562 MW of incremental September net qualifying capacity (NQC). These contracts are with AES Clean Energy Development, LLC/Bellefield 2 for 370 MW of energy storage and REV Renewables, LLC/Commerce 1 for

192 MW of energy storage. 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, Inc./Peregrine for 100 MW of nameplate capacity. The initial contract was originally approved in Res. E-5205, and Amendment No. 3 was approved in Res. E-5253. This amendment addresses the project's viability issues by extending the expected initial delivery date and increasing the price. The MTR contract will provide an incremental 91 MW of NQC to meet SCE's 2024 MTR obligation.

Res. E-5313. (Pacific Gas and Electric Company's, SCE's, and San Diego Gas & Electric Company's interconnection of vehicle-to-grid alternating current pilot project systems). The Large IOUs submitted an advice letter after the completion of the vehicle-to-grid alternating current (V2G AC) interconnection pilot (V2G AC Interconnection Pilot) period that includes lessons learned and recommendations for a permanent interconnection pathway for V2G AC systems. This Resolution directs the Large IOUs to: (1) reopen the V2G AC Interconnection Pilot and extend it until tariff modifications for a permanent interconnection process for V2G AC systems are approved and added to, and become effective in, Rule 21; (2) participate in industry-led efforts to develop and implement an alternative certification process for V2G AC pilot project systems, if standards from nationally recognized testing laboratories or other nationally recognized industry, professional, technical associations or appropriate standards approving bodies (collectively "industry standards") to enable V2G AC interconnection are not adopted by the date of issuance of this Resolution; and (3) provide updates on any alternative certification process for V2G AC pilot project systems using an email notification process.

Application 12-01-008 et al. (Application of San Diego Gas & Electric 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 its 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 as moot.

Voting Meeting

The CPUC will hold a voting meeting in San Francisco, California on August 1, 2024 at 11:00 a.m.

Upcoming Events and Workshops

Resource Adequacy. On July 25, from 9:30 a.m. to 4:30 p.m., and on July 26, from 9:30 a.m. to 1:30 p.m., the CPUC will host a workshop to discuss Track 2 issues identified in the scoping memorandum (available [here](#)). During the workshop, Energy Division (ED) staff will present on the 2024 Study on the Loss of Load Expectation and Planning Reserve Margin, as well as the ED Report on the 2021-2023 Local Central Procurement Entity Framework. The workshop will be held both in person (CPUC Golden Gate Room) and via WebEx. Remote access is available [here](#).

CALIFORNIA INDEPENDENT SYSTEM OPERATOR (CAISO)

Stakeholder Initiatives: Upcoming Meetings and Deadlines

Annual Policy Initiatives Roadmap Process 2024. CAISO has published the 2024 final discretionary policy initiatives catalog, which includes the results of the stakeholder prioritization rankings of 2024 draft catalog items, available [here](#).

Department of Market Monitoring 2023 Special Report on Battery Storage. CAISO Department of Market Monitoring has posted a special report on battery storage providing analysis of battery resource participation and performance in the CAISO market during 2023, available [here](#).

Greenhouse Gas Coordination. CAISO rescheduled its Greenhouse Gas Coordination working group meeting from July 15, 2024 to July 29, 2024. Further information is available [here](#).

Transmission Development Forum. CAISO, in conjunction with the CPUC and the participating transmission owners, will hold its biannual public stakeholder call on July 31, 2024, to provide status updates on the transmission planning process and network upgrades identified in the generation interconnection process. Further information is available [here](#).

CAISO Stakeholder Symposium. CAISO announced that it 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):

July 30, 2024: Energy Demand Forecast Methodology Updates – 1:00 p.m. This is a remote access workshop. Attendance instructions are available in the workshop [notice](#).

August 8, 2024: Senate Bill (SB) 605: Wave and Tidal Energy – 1:00 p.m.

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.

Power Source Disclosure (PSD)

On June 26, 2024, the CEC notified electric retail sellers of a further extension to the PSD annual report deadline due to continued issues with WREGIS reporting. The new deadline for submission of 2023 PSD annual reports is July 29, 2024. Additional information is available on Docket 24-PSDP-01, and the notice is available [here](#).

Offshore Wind

On July 10, 2024, the CEC [adopted](#) the Assembly Bill 525 Offshore Wind Energy [Strategic Plan](#). All three volumes of the Strategic Plan are also available in [Docket No. 17-MISC-01](#).

Electric Vehicle (EV) Infrastructure

CFI Program. The CEC hosted a workshop on July 18, 2024 from 10:30 a.m. to 12:00 p.m. to provide updates on the development of applications for Round 2 funding under the U.S. Department of Transportation’s Charging and Fueling Infrastructure grant program (CFI Program). The CEC states that it is currently developing two separate applications to the CFI Program. The first is a multi-state proposal to develop medium- and heavy-duty (MDHD) battery EV charging infrastructure along interstate corridors in partnership with the California, Oregon, and Washington State Departments of Transportation (referred to as the “Tristate Proposal”). The second application is for MDHD zero-emission vehicle infrastructure along drayage routes near California ports, referred to as the “Drayage Proposal.” Applications for these programs are due August 28, 2024. Additional information and workshop attendance details are available [here](#).

NEVI. On July 10, 2024, the CEC announced that it is seeking nominations for Alternative Fuel Corridor (AFC) designations, which would be eligible for funding under the National Electric Vehicle Infrastructure (NEVI) Program. Nominations can be submitted by 5:00 p.m. on July 17, 2024 using this submission link: [Nominations for Round 8 AFCs](#).

Nominations for Freight EV Corridors may also be submitted. Please see the [Freight EV Corridor map](#) and the nomination submission link: [Nominations for Freight EV Corridors to Caltrans](#).

Workshop on Innovative Strategies for Accelerating MDHD Site Energization in POU Service Territories. The CEC will host a remote-only workshop on July 31 from 9 a.m. to 12 p.m. to discuss innovative strategies, such as flexible service connections and temporary power solutions, for accelerating energization of EV charging sites located in publicly owned utility (POU) service territories. Workshop details are available [here](#).

CEC Business Meetings

The next CEC Business Meeting will be held on August 14, 2024. The meeting previously scheduled for July 31, 2024 has been [canceled](#).

CALIFORNIA AIR RESOURCES BOARD (CARB)

Meetings, Workshops, and Notices

CARB will hold its next Board meeting on July 25, 2024. At the meeting, CARB will hear the [annual update](#) on progress to implement the [Community Air Protection Program](#). The full agenda is available [here](#).

On July 25, 2024, CARB will host an outreach webinar with the North American Sustainable Refrigeration Council on CARB's [E-gas Reduction Incentive Program](#) (FRIP). The webinar will provide information on the upcoming second round of FRIP funding, providing \$38.5 million for low global warming potential refrigerant technologies at industrial and commercial refrigeration facilities in California. Registration for the webinar is available [here](#).

On July 31, 2024, CARB will hold a meeting of the Advanced Clean Fleets [Truck Regulation Implementation Group](#), Outreach Work Group. Registration for the meeting is available [here](#).

On August 20, 2024, CARB will hold an evening community meeting on [clean transportation projects](#), including plans for funding projects and updates on incentive implementation. Registration for the meeting will be available [here](#).

On November 8, 2024, the CARB will hold a [public hearing](#) to consider amendments to the [Low Carbon Fuel Standard](#). The language of the proposed amendments and other rulemaking documents are available [here](#).

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 [draft 2024 Funding Guidelines](#) for agencies administering [California Climate Investments](#). Comments may be provided [here](#) through July 26, 2024.

CARB is accepting public comment on its proposed updates to the [Cap-and-Trade Program](#), presented at the July 10, 2024 [public workshop](#). Comments may be provided [here](#) until July 31, 2024.

FEDERAL ENERGY REGULATORY COMMISSION (FERC)

On July 19, the DC Circuit Court of Appeals upheld a 2022 decision by FERC related to affected system upgrades identified for and charged to Tenaska's Clear Creek Wind Project, which became operational in 2020 using provisional interconnection service. The Tenaska project was eventually tagged with \$102 million in upgrades after restudies were complete and the project had been built. The Court of Appeals determined that FERC's decision aligned with cost causation principles because the upgrades were necessary to resolve operational issues that would not have existed in the project's absence.

Senators Joe Manchin (I-W.Va.) and John Barrasso (R-Wyo.) have introduced legislation that would reform FERC's "backstop permitting authority" and expand the agency's power to approve the permitting of new transmission facilities. The legislation is titled the Energy Permitting Reform Act of 2024, and its scope reaches the permitting needed for electric, gas, and other resources.