

**REGULATORY UPDATE FOR MARCH 4, 2025  
(WEEK OF FEBRUARY 24, 2025)**

**CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC OR COMMISSION)<sup>1</sup>**

Proposed Decisions and Resolutions

Rulemaking (R.) 18-07-005 (Order Instituting Rulemaking to Consider New Approaches to Disconnections and Reconnections to Improve Energy Access and Contain Costs). This decision denies the petition for modification of Decision (D.) 23-08-049, jointly filed by Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E), Southern California Edison Company (SCE), and Southern California Gas Company (SoCalGas), (together, the Large IOUs), on August 23, 2024. The Large IOUs requested that the Commission modify D.23-08-049 to allow them to record incremental costs to implement their payment plans in a memorandum account. The decision finds that the issues the Large IOUs raised would properly have been the subject of an application for rehearing of the decision. Specifically, that a petition for modification is appropriate when a party asserts that unanticipated events arose after the decision was issued, which is not the case here, and therefore denied the petition for modification.

R.23-01-007 (Implementing Senate Bill (SB) 846 Concerning Potential Extension of Diablo Canyon Power Plant Operations). This decision considers party proposals on Phase 2 issues and makes the following determinations: (1) it is appropriate to continue to use the general framework and definitions for the use of the surplus performance-based fees as adopted in D.23-12-036 in the post-2024 period; (2) PG&E should consider affordability as a guiding principle when developing and implementing its Volumetric Performance Fee (VPF) spending plan; (3) PG&E must explain how its annual plans meet the requirements of Public Utilities Code Section 712.8(s)(1), and where PG&E implements strategies to reduce upward pressure on rates through VPF expenditures, it must explain this alignment, starting with PG&E's planned expenditure of 2026 VPF; (4) approves PG&E's proposed templates reflecting the baseline review criteria for the annual compensation report listed in Assigned Commissioner's Amended Scoping Memo and Ruling for Phase 2 of Proceeding; (5) directs PG&E to estimate, where feasible, the number of customers participating in or benefiting from each VPF project and report it in its annual reporting review filing; and (6) approves PG&E's proposal for adjustments to Diablo Canyon Independent Safety Committee's (DCISC's) funding methodology, and the DCISC membership terms remain the same.

Application (A.) 23-12-000 (Application of Bear Valley Electric Service, Inc., for Preapproval of Power Purchase Agreements and Benchmark Price Process; Authority to Recover Costs; and Authority to Establish Memorandum Account). This decision grants preapproval of

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<sup>1</sup> 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.

power purchase agreements (PPA) relating to an energy product that Bear Valley Electric Service, Inc. (Bear Valley) states will provide approximately 50 percent of its energy needs. Specifically, the decision grants preapproval of Master Agreements and unexecuted Confirmations with Exelon Generation Company, LLC, Morgan Stanley Capital Group, Inc. and Shell Energy North America LP. Bear Valley is also granted preapproval to determine a confidential benchmark price for the energy product. The decision finds that the proposed process in the Application complies with the procurement process established in D.17-04-003 and that denying the Application would cause more uncertainty for customers because Bear Valley's PPA agreement that covered its year-round energy needs has expired.

#### Voting Meeting

The CPUC will hold a [voting meeting](#) in Santa Clara, California on March 13, 2025 at 11:00 a.m. PT

#### Upcoming Events and Workshops

*Integration Capacity Analysis (ICA) Workshop (R.24-01-018)*. On Friday, March 7, 2025 the CPUC will host a workshop led by investor-owned utilities to discuss known and identified issues with the Load and Generation ICA. This quarterly workshop is required pursuant to D.24-10-030, which directed the utilities to improve timelines for energizing new projects. The workshop will be held via WebEx and interested participants can register [here](#).

### CALIFORNIA INDEPENDENT SYSTEM OPERATOR (CAISO)

#### Stakeholder Initiatives: Upcoming Meetings and Deadlines

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

**Storage Design and Modeling.** CAISO hosted a virtual working group meeting for the Storage Design and Modeling initiative on February 20, 2025. Written comments are due March 7, 2025. Further information is available [here](#).

**Interconnection Process Enhancements 2023.** On February 28, 2025, CAISO posted an updated track 3 final proposal to the Interconnection Process Enhancements 2023 initiative webpage to incorporate stakeholder feedback. Further information is available [here](#).

**Price Formation Enhancements.** CAISO will host a Price Formation Enhancements Phase 2 working group call on March 5, 2025. This session will explore the topic of balancing area authority level market power mitigation. Further information is available [here](#).

**2026 and 2030 Local Capacity Technical Study.** CAISO will hold a stakeholder call on March 6, 2025, to present and discuss the draft Local Capacity Technical Study results. Further information is available [here](#).

**Flexible Capacity Requirement Methodology.** CAISO held a public stakeholder call on February 24, 2025 to discuss the Flexible Capacity Requirement Methodology for 2026 through 2028. Written comments are due March 10, 2025. Further information is available [here](#).

**Gas Resource Management Working Group.** CAISO has published an Issue Paper for the Gas Resource Management Working Group initiative, and hosted a stakeholder call on February 13, 2025. Written comments are due March 11, 2025. Further information is available [here](#).

**FERC Order No. 1920.** CAISO will hold a public stakeholder call on March 13, 2025, to discuss the FERC Order No. 1920 compliance development. Further information is available [here](#).

**2025 Annual Interregional Coordination Meeting.** CAISO will host the Annual Interregional Coordination meeting in person at its Folsom offices on March 24, 2025. Attendees may choose to participate in person at the CAISO, or virtually. Further information is available [here](#).

**Western Energy Markets Regional Issues Forum.** The Western Energy Markets Regional Issues Forum will take place at PacifiCorp in Portland, Oregon on April 9, 2025. Registration is requested for in-person attendees. Additional information is available [here](#).

**2025 CAISO Legal Forum.** CAISO will host its Legal Forum on Thursday, April 10, 2025 at its headquarters in Folsom, California. 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](#).

## CALIFORNIA ENERGY COMMISSION (CEC)

### 2024 Integrated Energy Policy Report (IEPR) Update

The CEC is working on its 2024 IEPR Update and ongoing workshops were 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. According to the [workshop schedule](#) (which is subject to change), after various workshops throughout the past few months, the CEC will consider adoption of the 2024 IEPR Update at the March 17, 2025 Business Meeting.

### 2025 IEPR

On January 28, 2025, the CEC published a [Notice](#) requesting feedback on the Draft Scoping Order for the 2025 IEPR. According to the [Notice](#), the proposed scope includes: advancing clean energy development; electricity and natural gas forecast; and a load-shift goal update. Comments were due to the Docket Unit by 5:00 p.m. on February 11, 2025. Additional details about the proposed scope are available in the [Notice](#), which also includes a proposed

task/event schedule (which is subject to change):

<u>Task/Event</u>	<u>Estimated Date(s)</u>
• Public workshops on specific topics	December 2024 – January 2026
• Final Scoping Order released	March 2025
• Adopt order instituting informational proceeding for 2025 IEPR	April 2025
• Release draft 2025 IEPR	November 2025
• Public and tribal engagement and consultation	December 2024 – January 2026
• Release final 2025 IEPR	February 2026
• Adopt 2025 IEPR	March 2026

### Electrification Summit

On March 11 and 12, 2025, the CEC will host the second annual Electrification Summit in Sacramento. The Summit themes include healthy buildings, clean industry, and empowered communities. Day 1 information (including the [Day 1 Notice and agenda](#)) is available [here](#) and Day 2 information (including the [Day 2 Notice and agenda](#)) is available [here](#). Click [here](#) to register to attend the Summit.

### 2025 California Demand Flexibility Summit

On February 18, 2025, the CEC circulated a “Save the Date” email notification regarding the 2025 California Demand Flexibility Summit. The Summit will be held at the UC Davis Conference Center on May 22, 2025. According to the Save the Date, the Summit will provide an “opportunity to discuss the progress and challenges in achieving [California’s load shift goal of 7,000 megawatts by 2030](#).” Additional information regarding the Summit will be posted as it becomes available from the CEC.

### Renewable Portfolio Standard (RPS) Annual Reports

The CEC issued a notice for certified facilities subject to the annual reporting obligation to report generation and fuel use data to submit their reports by April 2025. Additional details regarding the reporting requirements are available [here](#).

### SBX1-2 Refinery Requirements

On March 4, 2024, the CEC issued its Second Edition with proposed changes to Refinery Maintenance Guidelines, which are implemented pursuant to Public Resources Code section 25354 (n)(2) and section 25354(f)(3). A link to the draft guidelines is available [here](#).

### CEC Business Meetings

The next CEC Business Meeting is scheduled for March 17, 2025.

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

### Low Carbon Fuel Standard (LCFS) Regulation Update

On February 25, 2025, CARB received a document from the Office of Administrative Law (OAL) detailing requested non-substantive revisions to the text of the LCFS regulation amendments. The LCFS regulation sets a declining carbon intensity target for transportation fuels used in California. Staff has 120 days to make these changes and re-submit the regulation for OAL approval. The current regulation remains in effect as CARB staff work to address the feedback from OAL.

### Meetings and Workshops

CARB will hold a [public meeting](#) on March 13, 2025 from 1:00 p.m. to 5:00 p.m. for the Assembly Bill (AB) 32 Environmental Justice Advisory Committee (EJAC). EJAC was created under AB 32, the California Global Warming Solutions Act of 2006, to help advise the board in developing the Climate Change Scoping Plan (Scoping Plan) and on pertinent issues related to AB 32. The California Global Warming Solutions Act of 2006 calls for CARB to convene the EJAC, to advise the board in developing the Scoping Plan, and any other pertinent matter in implementing AB 32.

CARB will hold two public workshops conducted jointly with the California Department of Conservation Geologic Energy Management Division (CalGEM) to discuss joint rulemaking activities related to California SB 1137. CARB's presentation will focus on the development of performance standards for the emissions detection systems required within the leak detection and response plans that operators of oil and gas production wells and production facilities located within 3,200 feet of certain populated areas (health protection zones) must submit to CalGEM for approval under the new legislation. CalGEM's presentation will focus on the process to make permanent emergency regulations regarding health protection zones for oil and gas operations.

The [workshops](#) will be held on the evenings of Wednesday, March 19, 2025 and Thursday, March 20, 2025, via remote access through Zoom.

On Wednesday, March 12 from 1:00 p.m. to 4:00 p.m., CARB will hold a public online webinar covering vehicle testing requirements for the Clean Truck Check program that began in October 2024. Register for the webinar [here](#).

### Opportunities for Public Comment

CARB has extended the public comment period for information to aid in the implementation of new climate-related disclosure laws, SB 253 and SB 261. Comments may be submitted [here](#) until March 21, 2025.

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

At its March 6, 2025, agenda meeting, the MPUC will consider Xcel Energy's petition for approval of a General Time-of-Use Service Tariff (Docket No. E002/M-20-86) as well as its petition for approval of a Residential Time-of-Use Rate Design (Docket No. E002/M-23-524). Additionally, the MPUC will consider the application of Enbridge Solar, LLC, for a site permit for its 130 MW Plummer Solar Project (Docket No. IP7103/GS-22-451).

On March 3, 2025, Minnesota Power filed its 2025-2039 Integrated Resource Plan, which plans to add 400 MW of wind projects by 2035, expand energy storage resources by 100 MW by 2035, maximize and expand customer-focused programs (i.e., energy efficiency and demand response), and add approximately 1,000 MW of natural gas capacity (Docket No. E015/RP-25-127).

### **FEDERAL ENERGY REGULATORY COMMISSION (FERC)**

On February 24, 2025, FERC issued an order, [190 FERC ¶ 61,124](#), accepting Southwest Power Pool, Inc. (SPP)'s proposed revisions to its Open Access Transmission Tariff (Tariff) to implement changes to its Network Resource Interconnection Service (NRIS) product, effective February 1, 2025. The revisions establish an expedited process for designating a resource with NRIS as a Network Resource without requiring that resource to be evaluated in the Aggregate Study process (Expedited Designation Process). The revisions also allow SPP to study NRIS resources for deliverability during the Definitive Interconnection System Impact Study process, which would then qualify a Network Resource Deliverability amount associated with each NRIS resource for the Expedited Designation Process.

At the February 20, 2025 Commission Open Meeting, the Commission issued [190 FERC ¶ 61,115](#), Order Instituting Proceeding Under Section 206 of the Federal Power Act (FPA) and Consolidating With Other Proceedings. This order consolidates the technical conference Docket No. AD24-11-000 which examined issues related to large loads co-located at generating facilities and Constellation Energy Generation's (Constellation) complaint against PJM Interconnection, L.L.C.'s (PJM) in Docket No. EL25-20-000 alleging that PJM's Tariff is unjust and unreasonable because it does not contain rules for interconnected generators when seeking to serve a co-located load configuration that is fully isolated from the grid.

Based on the combined records of the technical conference and the Constellation complaint proceeding, the Commission preliminarily finds that PJM's Tariff may be unjust, unreasonable, unduly discriminatory or preferential. Therefore, FERC institutes this show cause proceeding pursuant to section 206 of the FPA, and directs PJM and transmission owners, within 30 days of the date of the order, to either: (1) show cause as to why the Tariff, the Amended and Restated Operating Agreement of PJM, and Reliability Assurance Agreement Among Load Serving Entities in the PJM Region Tariff remains just and reasonable and not unduly discriminatory or preferential without provisions addressing with sufficient clarity or consistency the rates, terms, and conditions of service that apply to co-location arrangements; or (2) explain what changes to the Tariff would remedy the identified concerns if the Commission were to determine that the Tariff has in fact become unjust and unreasonable or unduly discriminatory or preferential and, therefore, proceeds to establish a replacement Tariff.



Also, at the February 20, 2025 Commission Open Meeting, FERC issued three orders partially accepting and directing further compliance on Order Nos. 2023 and 2023-A compliance: [190 FERC ¶ 61,105](#) Louisville Gas & Electric Company and Kentucky Utilities Company, [190 FERC ¶ 61,106](#) Tri-State Generation and Transmission Association, Inc., and [190 FERC ¶ 61,096](#) Nevada Power Company and Sierra Pacific Power Company.

Also, at the February 20, 2025 Commission Open Meeting, FERC issued a letter order, [190 FERC ¶ 61,098](#), that approves the North American Electric Reliability Corporation's newly defined term "inverter-based resource" and Reliability Standards PRC-028-1 (Disturbance Monitoring and Reporting Requirements for Inverter-Based Resources), PRC-002-5 (Disturbance Monitoring and Reporting Requirements), and PRC-030-1 (Unexpected Inverter-Based Resource Event Mitigation). FERC found that they satisfy many of the Commission's directives from Order No. 901 to establish performance requirements and requirements for sharing disturbance monitoring data and post-disturbance ramp rates for bulk electric system inverter-based resources.

On February 20, FERC issued an order, [190 FERC ¶ 61,117](#), accepting PJM's proposed revisions to its Tariff to extend the capacity must-offer requirement to all available Existing Generation Capacity Resources and update the Market Seller Offer Cap effective February 21, 2025, subject to compliance. As a result, beginning with the 2026/2027 Delivery Year, PJM proposes to revise its Tariff so that, beginning with the 2026/2027 Delivery Year, the categorical must-offer exemption will no longer apply to Intermittent, Capacity Storage, and Hybrid Resources, and only Demand Resources will remain categorically exempt from the capacity must-offer requirement. The revisions also require that all Existing Generation Capacity Resources offered into the RPM Auction offer the full annual Accredited Unforced Capacity of the resource. Additionally, beginning with the 2026/2027 Delivery Year, the resource-specific offer cap floor will be equal to the greater of: (1) gross Avoidable Cost Rate (ACR) less projected net energy and ancillary service (EAS) revenues (i.e., net ACR); or (2) Capacity Performance Quantifiable Risk (CPQR) costs without any offset for projected net EAS revenues (i.e., just CPQR costs). The existing rules for calculating CPQR are unchanged. Finally, the revised Tariff allows sellers to submit resource-specific, segmented offer caps. PJM explained that each subsequent segmented offer cap must be higher than the prior segments; however, such language was not explicit in the Tariff. Therefore, FERC directed PJM to submit a compliance filing to include that requirement in the Tariff.