

**REGULATORY UPDATE FOR NOVEMBER 12, 2024
(WEEK OF NOVEMBER 4, 2024)**

CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC OR COMMISSION)¹

Proposed Decisions and Resolutions

Application (A.) 21-09-008 (Decision Approving Partial Recovery of Pacific Gas and Electric Company’s Costs for 2020 Electric Distribution Vegetation Management Work). This decision authorizes Pacific Gas and Electric Company (PG&E) to recover from ratepayers \$375.648 million of the \$591.890 million it requests in this application for vegetation management work it performed in 2020. PG&E’s 2020 GRC Decision (D.) 20-12-005 required PG&E to file an application to recover costs in excess of the approved \$657.615 million found to be reasonable for all vegetation management activities in 2020. This decision finds PG&E did not sufficiently demonstrate that all recorded vegetation management costs are reasonable and therefore approves \$375.648 million of PG&E’s request and disallows \$216.242 million. The alternate proposed decision finds reasonable and authorizes collection of \$375 million and denies \$216 million of PG&E’s reimbursement request. The alternate proposed decision disallows portions of the labor cost increases for both routine and enhanced vegetation management work, finding PG&E failed to provide sufficient evidence that it prudently managed known labor supply risks, including not justifying its decision to act on its approved plan to bring vegetation management work in-house. Specifically, the alternate proposed decision disallows \$137 million for routine vegetation management costs as well as the full \$69 million in incremental enhanced vegetation management costs that PG&E seeks to recover in the application.

Voting Meeting

The CPUC will hold a voting meeting in Sacramento, California on December 5, 2024 at 11:00 a.m.

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 remaining meetings are scheduled to occur on the following Mondays from 2:00 to 5:00 p.m.: November 18, December 16, 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.

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

2024-2025 Transmission Planning Process. CAISO will host a public stakeholder call on November 13, 2024, to present the preliminary assessment of the policy and economic planning study results and brief stakeholders on the projects recommended as being needed that are less than \$50 million. Comments are due by November 27, 2024. Further information is available [here](#).

EDAM Access Charge Application. CAISO has posted tariff revisions for the Extended Day-Ahead Market (EDAM) Access Charge Application for ISO Balancing Authority Participation Rules initiative. Further information is available [here](#).

Final 2025 Resource Adequacy Compliance Filings and Determination of Deficiency. CAISO has posted its aggregate assessment of the annual resource adequacy plans submitted by load serving entities and central procurement entities along with the reliability-must-run units designated by the CAISO for 2025. Load serving entities and central procurement entities may submit revised annual resource adequacy plans by close of day December 9, 2024. Further information is available [here](#).

Interconnection Process Enhancements 2023 Track 3. CAISO has posted the Track 3 consolidated revised straw proposal for the Interconnection Process Enhancements 2023 initiative, and will host a public stakeholder call on November 15, 2024 to discuss the proposal. Further information is available [here](#).

Summer Market Performance. CAISO has published the Summer Market Performance Report for September 2024 on its website, available [here](#).

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](#).

Daily Energy Storage Report. CAISO has posted the raw data files of the Daily Energy Storage Report, covering the period from January 1, 2023 through September 30, 2024, available [here](#).

FERC Order No. 1920 Engagement Period. CAISO initiated an engagement period as required under FERC Order No. 1920, to enable engagement with relevant state entities on a Long-Term Regional Transmission Cost Allocation Method and/or State Agreement Process, on

November 1, 2024, and will end this engagement period on May 1, 2025. Further information is available [here](#).

Interconnection Process Enhancements 2023 Track 2. CAISO has posted revisions to the Constraint Mapping 2024 Interconnection Process Enhancements and Interconnection Area Substation Point of Interconnection documents related to Cluster 15 Interconnection facility information. Further information is available [here](#).

Cluster 15 Application Resubmission Window. CAISO informed generation interconnection customers that the Cluster 15 Generation Interconnection Application Resubmission window for existing applications will be open October 1 through December 2, 2024. Further information is available [here](#).

2026 Local Capacity Requirements. CAISO held a public stakeholder call on October 31, 2024, to discuss the criteria, methodology, and assumptions to be used in the 2026 Local Capacity Technical study. CAISO has also posted a draft study manual that addresses these topics. Written comments on the study manual are due on November 14, 2024. Further information is available [here](#).

New Initiative Congestion Revenue Rights Enhancements. CAISO has launched a new Congestion Revenue Rights Enhancements Initiative. CAISO will host a hybrid stakeholder working group meeting on November 14, 2024. Further information is available [here](#).

Western Energy Markets Governing Body. The Western Energy Markets Governing Body Joint CAISO Board of Governors held virtual meetings on November 6 and 7, 2024, and voted to approve the Step 1 proposal of the West-Wide Governance Pathways initiative. Further information is available [here](#).

Resource Adequacy Modeling and Program Design. CAISO will hold two Resource Adequacy Modeling and Program Design policy hybrid workshops on November 18, 2024 and November 19, 2024. Attendees may choose to participate in person or virtually, and registration was due November 8, 2024. Further information is available [here](#).

Storage Bid Cost Recovery and Default Energy Bids Enhancements. CAISO has posted the draft tariff language for the Storage Bid Cost Recovery and Default Energy Bids Enhancements initiative and will host a virtual stakeholder call on November 19, 2024. 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):

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.

In addition, on September 27, 2024, the CEC circulated a “Save the Date” to the IEPR listserv recipients regarding a Demand Analysis Working Group (DAWG) meeting to discuss 2024 IEPR Update Load Modifiers Draft Results. According to the email, topics of discussion at the meeting will be the draft results for the following forecast components: behind-the-meter PV and storage; additional Achievable Transportation Electrification; additional Achievable Energy Efficiency and Fuel Substitution; and data centers. This is an in-person and remote (hybrid) workshop. An agenda, supporting materials, and attendance instructions will be available in advance of the meeting on the [DAWG website](#).

Electric Program Investment Charge (EPIC)

The 10th Annual [EPIC Symposium](#) was held in Sacramento, California on October 28, 2024. The CEC is one of four EPIC administrators, alongside PG&E, SCE, and SDG&E, that fund research, development, and demonstrations of clean energy technologies and innovations, such as battery manufacturing, zero-carbon fleets, and industrial decarbonization. The agenda for the Symposium is available [here](#), and included two breakout sessions that focused on (1) Medium- and Heavy-Duty Transportation Electrification, and (2) DER integration.

On November 5, 2024, the CEC hosted a webinar regarding current floating offshore wind research and development projects funded by the EPIC Program. Attendance instructions and additional information are available [here](#).

SB 100 Joint Agency Report

On November 22, 2024 the CEC will hold a remote [workshop](#) to discuss efforts that the state’s utilities are taking to meet SB 100 targets. The workshop will include presentations by CARB, CEC, and CPUC staff that will cover the Scoping Plan, the IEPR demand forecast, and Integrated Resource Planning (IRP) and resource development trends. Oral comments will be accepted at the workshop. Written comments are due to the CEC’s Docket Unit by 5:00 p.m. on December 6, 2024.

Offshore Wind

On October 31, 2024, the CEC circulated a “Save the Date” email regarding a California Ports and Offshore Wind Symposium scheduled for 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. Additional details will be provided by the CEC, including registration information, in the coming months.

SB X1-2 Pre-Rulemaking Workshop

The CEC hosted a workshop on November 12, 2024 from 10:00 a.m. to 12:00 p.m., to discuss the proposed rulemaking to implement provisions of the Public Resources Code in response to SB X1-2 (Stats. 2023), which amended the Petroleum Industry Information Reporting Act of 1980 to include additional reporting requirements designed to collect data regarding refinery spot market transactions, inventory, and other industry information. Additional information regarding the regulations is available on Docket No. 23-OIR-03, available [here](#).

On November 7, 2024, the CEC announced it will convene the first meeting of the Independent Consumer Fuels Advisory Committee (IFAC) to discuss roles and responsibilities and to receive staff briefings on relevant topics, pursuant to SB X1-2. Public access is permitted via Zoom and in person at the Warren-Alquist State Energy Building. Additional information is available in the meeting notice, [here](#).

Demand Scenarios Workshop

The CEC announced that it will hold a workshop on November 20, 2024 for staff to present inputs, assumptions, and results for the Demand Scenarios Project, including an overview of its modeling assumptions for buildings, industrial, transportation, and other sectors developed under this project. The scope of the project includes projections through 2050 for all significant energy types and associated GHG emissions. The workshop will be held from 1:00 to 5:00 p.m. and is remote-only. Additional information and workshop access details are available [here](#).

Power Source Disclosure (PSD) Program – Amended Regulations

On September 30, 2024, the CEC issued a [notice](#) formally announcing its postponement of its hearing date to consider and possibly adopt the proposed amendments to the PSD Program regulations. The CEC states that it has postponed the hearing date in light of comments received during the public meeting held on June 11, 2024, and the 45-day comment period. On October 1, 2024, the CEC issued a notice reopening the 45-day comment period and providing proposed revisions to the amended regulations. A [revised notice](#) of availability was published on October 4, 2024. A link to the proposed amendments is available [here](#), and additional information regarding the proposed amendments to the PSD regulations is available on the 21-OIR-01 docket, [here](#). Comments on the revised proposed amendments may be submitted to the docket through November 18, 2024.

Senate Bill 319 Implementation

On November 15, 2024, the CEC, CAISO and CPUC will hold a joint remote access [workshop](#) to discuss the implementation of SB 319, which directs the agencies, by July 1, 2025, to jointly develop an electrical transmission infrastructure development guidebook (“Guidebook”). According to SB 319, the Guidebook must describe California’s electrical transmission infrastructure planning and permitting processes conducted by the agencies. A detailed meeting agenda will be available prior to the workshop.

Zero Emissions Vehicles (ZEV)

ZEV Infrastructure Plan

On October 30, 2024, the CEC issued a notice to open a new docket for the 2024 ZEV Infrastructure Plan.

Electric Vehicle Charger Reliability Accessibility Accelerator (EVC RAA) Program Funding

The CEC has announced a competitive grant solicitation with funding for up to \$59.5 million for projects that will improve the reliability of EV charging infrastructure. The purpose of this solicitation is to repair, replace, and install at least 1,302 charging ports across the state. The CEC hosted a Pre-Application Workshop on Tuesday, November 12, 2024, 9:00 a.m. to 12:00 p.m. The event will be remote attendance only and access information is available [here](#).

Charging Interoperability

The CEC will host a workshop to gather stakeholder input on a potential Charging Interoperability and Collaboration Yard Funding Solicitation (“Charge Yard”). The purpose of the solicitation is to open a “neutral industry facility designed to support charging interoperability, implementation of global standards, advancement of next generation charging features, and industry collaboration.” The workshop will be held on Thursday, November 14, 2024 from 10:00 a.m. to 12:00 p.m., and will be remote attendance only. Workshop access and other event details are available [here](#).

CEC Business Meetings

The next CEC Business Meeting is scheduled for November 13, 2024. The agenda is available [here](#).

CALIFORNIA AIR RESOURCES BOARD (CARB)

Meetings, Workshops, and Notices

On November 8, 2024, CARB adopted amendments to the [Low Carbon Fuel Standard](#). Details on the amendments are available [here](#).

On November 13, 2024, CARB and CALSTART will host a [Zero-Emissions Showcase and Ride & Drive](#) event in Pomona, California, featuring medium- and heavy-duty trucks, heavy-duty off-road equipment, school and transit buses, and commercial vans.

On November 14, 2024, CARB will host a public meeting of the [AB 32 Environmental Justice Advisory Committee](#). The agenda for the meeting can be found [here](#). Registration is available [here](#).

On November 15, 2024, CARB's Research Screening Committee will hold a meeting. More information is available [here](#).

On November 18 and 20, 2024, CARB will hold public meetings to discuss and solicit comments on CARB's fiscal year 2025-2026 research priorities and the proposed research initiatives for the [5-Year Strategic Research Plan](#). More information and registration are available [here](#).

On November 20, 2024, CARB will host a [One-Stop Truck Event](#) in Imperial, California as an informational event for medium- and heavy-duty vehicle owners, operators, and fleets on California truck and diesel regulations, enforcement and compliance, and incentive funding opportunities. More information and registration are available [here](#).

On November 21, 2024, at its regular board meeting, CARB will conduct a public meeting to consider approval of the fiscal year 2024-2025 proposed [Funding Plan for Clean Transportation Incentives](#). The proposed plan is available [here](#). The full agenda for the board meeting can be found [here](#).

CARB has issued an updated Enforcement Notice for the Advanced Clean Fleets [Regulation](#), available [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](#).

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 comments on the fiscal year 2024-2025 proposed [Funding Plan for Clean Transportation Incentives](#) in advance of the November 21, 2024 meeting, where the CARB board will consider adoption of the plan. Comments may be submitted [here](#) before midnight on November 12, 2024 or at the hearing.

MINNESOTA PUBLIC UTILITIES COMMISSION (MPUC)

On October 29, 2024, the MPUC held a planning meeting regarding opportunities for data center development in Minnesota in light of the anticipated data center load growth in the next decade, predicated to be in excess of 1,000 MW. The meeting featured speakers from four separate stakeholder groups: data center representatives, Minnesota's investor-owned utilities and the Midcontinent Independent System Operator, Minnesota agencies, and various customer groups, who spoke to the equity impacts of data center growth, long-term planning concerns, the need for Minnesota to meet its clean energy targets, and the speed of the regulatory process as it relates to balancing vetting new projects and allowing development opportunities. Generally, data center representatives expressed optimism about the development of data centers in Minnesota, particularly as demand grows across the region. Minnesota's investor-owned utilities similarly expressed optimism about incorporation of data center load, stating Minnesota is prepared for the entry of additional large industry and positioned for success based on experience and existing infrastructure that currently supports large industry. However, it remained apparent that ambiguity lingers regarding the actual demand for data centers in Minnesota. While many industry stakeholders expressed interest in data center development, questions were raised related to cost and reliability, and how both might impact existing ratepayers. The MPUC indicated this would be the beginning of many conversations related to data center growth in the state.

FEDERAL ENERGY REGULATORY COMMISSION (FERC)

On November 1, FERC held a Commissioner-led technical conference to discuss issues related to the co-location of large loads at generating facilities. Broadly, issues explored at the technical conference 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.

The technical conference addressed issues associated with the development and operation of large loads co-located at generating facilities, such as (1) various configuration options for large loads co-located with existing or new generation; (2) whether and how large co-located loads receive wholesale market services or benefits from the transmission system, how those benefits vary by configuration, whether and how those benefits can or should be measured for the purposes of cost allocation, what challenges arise in ensuring appropriate cost allocation, and any potential for cross-subsidization; (3) what impact various co-location configurations may have on reliability and RA; (4) cost and impact of backup services for large co-located loads; (5) what impact large co-located load arrangements may have on Commission-jurisdictional markets, such as implications for energy, ancillary services, and capacity market prices; and (6) whether any necessary studies on reliability or grid impacts should be conducted by the relevant RTO/ISO or utility. Additionally, a roundtable with consumer advocates, state Public Utility Commissioners, and other state representatives explored issues pertaining to affordability, consumer impacts, and state policy issues associated with large co-located load arrangements, including retail and wholesale issues such as financial subsidies. State policy issues included policies that support the development of large loads as economic investments, policies restricting

the development of large co-located loads, and policies regarding retail contracts and tariffs relevant to co-locating large loads. The panelists also discussed the interaction between state and federal jurisdictions as it relates to large co-located loads. Further information is available [here](#).

At the October 17, 2024 Open Meeting, the Commission issued [Order No. 904: Final Rule, Compensation for Reactive Power Within the Standard Power Factor Range](#) in Docket No. RM22-2. FERC found that allowing transmission providers to charge transmission customers for a generating facility's provision of reactive power within the standard power factor range is unjust and unreasonable. Therefore, FERC revised Schedule 2 of its *pro forma* open-access transmission tariff (OATT), section 9.6.3 of its *pro forma* large generator interconnection agreement (LGIA), and section 1.8.2 of its *pro forma* small generator interconnection agreement (SGIA).

FERC explained that the revision to Schedule 2 of the *pro forma* OATT prohibits separate compensation for the provision of reactive power within the standard power factor range specified in an interconnection agreement. FERC further explained that the revisions to the *pro forma* LGIA and *pro forma* SGIA prohibit a transmission provider from including in its transmission rates any charges associated with the supply of reactive power within the specified power factor range from a generating facility. As a result, transmission providers will be required to pay an interconnection customer for reactive power only when the transmission provider requests the interconnection customer to operate its facility outside the power factor range set forth in its interconnection agreement.

All transmission providers must make compliance filings within 60 days of the effective date of the final rule, which will be 60 days after the order is published in the Federal Register. In addition to the revisions to the *pro forma* OATT, LGIA, and SGIA, the compliance filings must include a proposed effective date within 90 days from the date of the compliance filing. However, FERC noted that it will allow ISO-NE, NYISO, and PJM to request a later effective date.