

**REGULATORY UPDATE FOR NOVEMBER 19, 2024
(WEEK OF NOVEMBER 11, 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 held a voting meeting in Bakersfield, California on November 7, 2024 at 11:00 a.m. The following are [results](#) for energy-related items on the [agenda](#):

Item 6. Rule (R.) 19-09-09 (Multi-Property Microgrid Tariffs). This decision adopts a ratepayer-oriented multi-property microgrid tariff for PG&E, San Diego Gas & Electric Company (SDG&E), and Southern California Edison Company. Senate Bill (SB) 1339 (Stern, Stats. 2018, ch. 566) requires that the Commission develop methods to reduce barriers for microgrid deployment without shifting costs to non-participating ratepayers. In compliance with this statute, the Commission reviewed the ratepayer cost impacts associated with stakeholder proposals for the multi-property microgrid tariff. This decision adopts a multi-property microgrid tariff that it finds does not shift costs to non-participating ratepayers. It preserves the Commission’s substantial and non-delegable responsibility to ensure safe and reliable service at just and reasonable rates by: (1) rejecting unjust compensation mechanisms for microgrid

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.

developers; (2) rejecting prospective, market-based setting of rates; and (3) preserving and enforcing California's statutorily regulated electric reliability and system safety requirements. The Microgrid Incentive Program supports disadvantaged and vulnerable communities that are impacted by grid outages and may otherwise be unable to deploy a multi-property microgrid project without facing substantial capital costs. The decision finds that non-utility-owned microgrids deployed through the Microgrid Incentive Program must use the adopted multi-property microgrid tariff. **Signed, D.24-11-004.**

Item 10. R.14-07-002; A.16-07-015 (Solar on Multifamily Affordable Housing Program). This decision adopts modifications to the Solar on Multifamily Affordable Housing (SOMAH) program to enhance the program's effectiveness and streamline its approach towards its objective of bringing 300 megawatts of solar to California affordable housing properties. Goals, metrics, and key performance indicators are adopted to assess and advance progress toward the program's goals. Other key program modifications include making safety and code compliance-related costs and integrated battery energy storage costs eligible for program incentives; suspending required use of the expected performance-based buydown method and calculator due to outdated inputs and directing updates to the method and tool; providing 60 percent of total project incentives after the proof of project milestone approval to all projects by default; and establishing an advanced payment pathway for tribal projects. The decision also establishes new requirements and guidance for enhanced data collection and sharing, creates more effective marketing, education, and outreach requirements, provides support for virtual net energy metering interconnection and billing for SOMAH, and makes changes to encourage participation of eligible applicants in Liberty Utilities and PacifiCorp service territories. The decision orders the program administrator, prior to proposing necessary changes to the program implementation plan and program handbook to implement this decision, to convene at least one workshop to receive input on how best to provide incentives for integrated battery storage. **Signed, D.24-11-006.**

Item 16. A.23-10-015 (Standard Renewable Gas Interconnection Rule and Related Matters). This decision grants the Joint Application of PG&E, Southern California Gas Company, SDG&E, and Southwest Gas Corporation, with one exception, and denies the request to change D. 14-01-0341 to permit utilities to file a Tier 2 Advice Letter instead of an application in response to future California Air Resources Board (CARB) and Office of Environmental Health Hazard Assessment updates. This decision revises these utilities' respective Standard Renewable Gas Interconnection (SRGI) rules to implement the CARB's 2023 recommendations, adopts an interim carbon monoxide trigger level for bio-synthetic natural gas, modifies the applicants' current SRGI rules to address operational issues, and directs these utilities to implement this decision with a Tier 2 Advice Letter within 45 days. **Signed, D.24-11-009.**

Item 17. Resolution (Res) E-5358 (Dynamic Rate Implementation for Vehicle Grid Integration Pilot). This Resolution approves the request from PG&E to transfer \$2.22 million out of the \$2.3 million originally requested for the proposed Exploring Export Value Pilot to support implementation of a Vehicle Grid Integration dynamic rate, pursuant to Res E-5192 and D.20-12-029. This Resolution rejects the \$70,000 that would have been allocated toward developing an online enrollment portal, rejects the \$10,000 contingency for developing the portal, approves the rest of the budget requested in advice letter 6909-E-A, approves the

implementation of \$20/kilowatt-year incentive payments for the enrolled load of participating Community Choice Aggregators, and authorizes flexibility for PG&E to manage the budget. Lastly, this Resolution disposes of the timely protest of the Public Advocates Office. **Held to December 19, 2024.**

Item 18. Res E-5328 (Updates to the Avoided Cost Calculator for Distributed Energy Resource Cost-Effectiveness Analysis). The Avoided Cost Calculator (ACC) is used in cost-effectiveness analysis of distributed energy resource (DER) programs and policies. This Resolution provides a link to the final 2024 ACC and related documentation and data files, consistent with policies adopted in D.16-06-007, D.19-05-019, D.22-05-002, and D.24-07-015. The documentation provides additional detail about this update to the ACC, including a comparison of the 2024 and 2022 ACC outputs. This Resolution describes the data and major modeling updates to the 2024 ACC. **Approved.**

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.: 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

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. 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](#).

Federal Energy Regulatory Commission (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](#).

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](#).

Subscriber participating Transmission Owner Market Scheduling Options. CAISO has posted the Issue Paper related to the new Subscriber Participating Transmission Owner Market Scheduling Options initiative and will host a call on November 20, 2024. Written comments are due December 4, 2024.

Price Formation Enhancements: Phase 2. CAISO will host a Price Formation Enhancements Phase 2 working group call on November 20, 2024, to discuss Balancing Authority Area (BAA) Level Market Power Mitigation (MPM).

2024 Annual Policy Initiatives Roadmap Process. CAISO has published the 2024 Draft Policy Initiatives Roadmap. This spreadsheet is the culmination of the 2024 Policy Catalog and Roadmap process, and describes the planned policy development timeline for existing and new market policy initiatives for 2025-2027.

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.

On November 21, 2024, the CEC will host a Demand Analysis Working Group (DAWG) meeting to discuss 2024 IEPR Update Load Modifiers Draft Results. According to the [agenda](#), 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. The agenda, supporting materials, and attendance instructions will be available in advance of the meeting [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 (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 to discuss its 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](#). The deadline to submit comments on the workshop is December 9, 2024.

On November 7, 2024, the CEC announced it will convene the first meeting of the Independent Consumer Fuels Advisory Committee (IFAC) on November 21, 2024 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 in Sacramento, California. Additional information is available in the meeting notice, [here](#).

Demand Scenarios Workshop

The CEC 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 greenhouse gas 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](#).

SB 319 Implementation

On November 15, 2024, the CEC, CAISO and CPUC held 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.

CEC Business Meetings

The next CEC Business Meeting is scheduled for December 11, 2024.

CALIFORNIA AIR RESOURCES BOARD (CARB)

Meetings, Workshops, and Notices

On November 20, 2024, CARB will hold a public meeting 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](#).

On December 5, 2024, CARB will hold a workshop on plans to develop an in-transit regulation for ocean-going vessels and the latest updates to CARB's ocean-going vessel emissions inventory. More information and registration are available [here](#).

CARB is seeking applicants to serve on the [Community Air Protection Program](#) Consultation Group. Applications may be submitted [here](#) by December 13, 2024.

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](#).

THE FEDERAL ENERGY REGULATORY COMMISSION (FERC)

On November 13, 2024, in [189 FERC ¶ 61,108](#), FERC approved proposals by the Midcontinent Independent System Operator (MISO) and the Southwest Power Pool (SPP) to revise their respective tariffs and the MISO-SPP Joint Operating Agreement to implement the Joint Targeted Interconnection Queue (JTIQ) framework, effective November 14, 2024, subject to minor compliance filings.

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 resource adequacy; (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](#).