

**REGULATORY UPDATE FOR NOVEMBER 26, 2024
(WEEK OF NOVEMBER 18, 2024)**

CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC OR COMMISSION)¹

Proposed Decisions and Resolutions

Application (A.) 24-05-009 (Pacific Gas and Electric Company Electric Revenue Requirements and Rates Associated with its 2025 Energy Resource Recovery Account and Generation Non-Bypassable Charges Forecast and Greenhouse Gas Forecast Revenue Return and Reconciliation). This decision adopts the 2025 Energy Resource Recovery Account (ERRA) and related forecasted energy costs and the 2025 electric sales forecast for Pacific Gas and Electric Company (PG&E). The decision also adopts PG&E's Common Cost allocation proposal, and PG&E's 2025 forecast revenue requirements for greenhouse gas and climate-related costs. The estimated 12-month net revenue requirement for 2025 is approximately \$2.25 billion, 17 percent less than the adopted 12-month revenue requirement for 2024. As a result of the decision, bundled residential customers' rates will decrease by about 2 percent or 0.7 cents per kilowatt-hour (cents/kWh) to a total rate of 34.6 cents/kWh. For residential Direct Access (DA) and Community Choice Aggregator (CCA) customers, generation rates will decrease by about 4.4 percent or 0.9 cents/kWh to a total rate of 19.7 cents/kWh.

PG&E forecasts an energy load requirement of 28,655 gigawatt-hours (GWh) for 2025. This forecast is about 10.6 percent lower than the forecast adopted in PG&E's 2024 ERRA Forecast Application. In contrast to the forecasted decrease in total load, PG&E's 2025 system peak forecast is about 5 percent higher than the 2024 peak forecast adopted in the 2024 ERRA Forecast proceeding. Rate changes do not include the bi-annual residential California Climate Credit. This decision adopts a 2025 California Climate Credit of \$58.23, a \$3.06 decrease compared to 2024.

A.24-05-007 (Application of Southern California Edison Company for Approval of Its 2025 ERRA Forecast Proceeding Revenue Requirement). This decision approves, with modifications, Southern California Edison Company's (SCE) 2025 ERRA Forecast and approves a 2025 forecast revenue requirement of \$4.637 billion, representing a decrease of \$442.537 million as compared to the revenue requirement in rates today. As a result of the costs and other adjustments approved in the decision, on January 1, 2025, SCE's system average rates for bundled customers will decrease by approximately 0.1 percent as compared to rates effective October 1, 2024, to 25.9 cents/kWh in 2024. The Power Charge Indifference Adjustment (PCIA) rates will be negative for most customer vintages and will be negative system-wide in 2025, resulting in credits for customers in most PCIA vintages. SCE's proposed 2025 generation service revenue requirement totaled \$4.663 billion, reflecting a reduction of approximately \$725

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.

million, or 13.5 percent, from what is being recovered in generation service rates in 2024. This decision authorizes SCE to transfer the following 2024 account balances related to its generation service rates: -\$10.152 million from the 2024 ERRA Balancing Account (BA), \$587.214 million from the 2024 Portfolio Allocation Balancing Account (PABA), and -\$295 million from the 2024 Energy Settlement Memorandum Account (ESMA).

Within SCE's forecasted 2025 delivery service revenue requirement, SCE is authorized to recover the following: (1) \$457.467 million for New System Generation and System Reliability fuel and purchase power contracts; (2) \$5.157 million in spent nuclear fuel costs; (3) -\$19.169 million for forecast Base Revenue Requirement Balancing Account — Distribution fuel and purchased power costs; (4) -\$641.624 million customer return of greenhouse gas (GHG) allowance proceeds; (5) \$21.610 million for the Public Purpose Program Charge; and (6) \$1.558 million for Modified Cost Allocation Mechanism (MCAM) fuel and purchased power.

A.24-05-010 (Application of San Diego Gas & Electric for Approval of its 2025 Electric Procurement Revenue Requirement Forecasts, 2025 Electric Sales Forecast, and GHG-Related Forecasts). This decision approves San Diego Gas & Electric Company's (SDG&E) 2025 Electric Procurement Revenue Requirement Forecasts, 2025 Electric Sales Forecast, and Greenhouse Gas (GHG) Related Forecasts for inclusion in its retail rates effective January 1, 2025. The decision adopts SDG&E's updated 2025 revenue requirement forecast of \$71.7 million, which is \$682.7 million less than its currently effective revenue requirement of \$754.4 million. SDG&E's 2025 ERRA forecast includes the revenue requirements for ERRA, the Portfolio Allocation Balancing Account, Competition Transition Charge, Local Generation, San Onofre Nuclear Generating Station Unit 1 Offsite Spent Fuel Storage Cost, MCAM revenue requirement, San Diego Community Power's Disadvantaged Communities revenue requirements, Tree Mortality Non-Bypassable Charge, BioMat Non-Bypassable Charge, and GHG allowance revenues and return allocations.

In total, the adopted revenue requirement is projected to result in a decrease to the current system average bundled rate by approximately 1.7 cents/kWh, or 5.2 percent. Based on these numbers, and reflective of the ERRA-related portion of costs only, it is projected that a typical bundled non-California Alternate Rates for Energy (CARE) residential customer using 400 kWh per month can expect to see a monthly bill decrease of approximately \$13.00, or an 8.3 percent reduction. On the other hand, a typical bundled CARE residential customer using 400 kWh per month can expect to see a monthly bill decrease of approximately \$8.00 or an 8.0 percent reduction. For unbundled customers, a typical non-CARE customer can expect to see a monthly bill decrease of around \$23.00 (23.6 percent reduction), while a typical unbundled CARE customer can expect to see a monthly bill reduction of around \$16.00 (27.5 percent reduction). The decision also adopts SDG&E's Electric Sales Forecast for 2025, GHG Allowance Return Rates, PCIA rates, rate components for the Green Tariff Shared Renewables Program, and MCAM rates.

Voting Meeting

The CPUC will hold a voting meeting in Sacramento, California on December 5, 2024 at 11:00 a.m. The following are energy-related items on the [agenda](#):

Item 7. Rulemaking (R.) 23-03-007 (Wildfire Fund Non-Bypassable Charge for 2025). This decision adopts a \$0.00595/kWh rate amount for the 2025 Wildfire Fund Non-Bypassable Charge, to be charged to eligible customers of SCE, PG&E and SDG&E.

Item 11. R.23-10-011 (Resource Adequacy Rulemaking). This decision addresses issues scoped as Track 2 of this proceeding, including adopting modifications to the central procurement entity (CPE) framework, such as eliminating the non-compensated self-show option of the CPE framework and locking in CPE allocations to load serving entities one year earlier. The decision also authorizes the Energy Division to undertake a further revision of the planning reserve margin (PRM) analysis to correct errors identified in comments and to distribute it to the service list in this proceeding in early December 2024. The revised PRM analysis will be considered by the Commission in Track 3 of this proceeding.

Item 13. Resolution (Res) (Multi-Distributed Energy Resource Integrated Demand Side Management Frameworks and Programs). This Resolution approves, with modifications and clarifications, the intended multi-distributed energy resource integrated demand side management frameworks and programs submitted via Tier 3 Advice Letters (AL) by PG&E, SCE, Southern California Gas Company (SoCalGas), San Francisco Bay Area Regional Energy Network, Inland Regional Energy Network, Marin Clean Energy, Southern California Regional Energy Network, and Tri-County Regional Energy Network pursuant to Decision (D.) 23-06-055.

Item 16. R.18-12-005 (Rulemaking to Examine Electric Utility De-Energization of Power Lines in Dangerous Conditions). This decision resolves miscellaneous matters and finds that closing this proceeding is appropriate. This decision also directs the staff of the Commission to perform certain ministerial matters related to the unofficial staff compendium on the rules and guidelines for public safety power shutoffs. The respondent utilities shall continue to file all required plans, reports, updates, and other submissions in this proceeding, as required by the Commission. The motion filed on August 6, 2024 by Center for Accessible Technology for an Order to Show Cause is denied.

Item 45. A.22-05-015; A.22-05-016 (Southern California Gas Company's and San Diego Gas & Electric Company's Consolidated Test Year 2024 General Rate Case). This decision addresses Track 1 of the 2024 Test Year (TY) general rate case (GRC) applications of SDG&E and SoCalGas (jointly Sempra Utilities). The decision adopts a 2024 TY revenue requirement of \$4.062 billion for SoCalGas, which is \$371.4 million lower than the \$4.434 billion that SoCalGas had requested in its update testimony. The adopted revenue requirement represents an increase of \$522.966 million or a 14.8 percent increase over the current revenue requirement of \$3.539 billion for 2023. Based on a high-level estimate, it is anticipated that an average residential non-CARE customer can expect an average monthly bill increase of \$4.12 or 5.8 percent. An average residential CARE customer can expect an average monthly bill increase of \$2.33 or 5.9 percent. The decision adopts a 2024 TY (revenue requirement of \$2.8 billion for SDG&E's combined operations (\$2.198 billion for electric and \$602.123 million for its gas operations), which is \$206.659 million lower than the \$3.007 billion that SDG&E had requested. The adopted revenue requirement represents an increase of \$266.962 million or a 10.5 percent increase over the current revenue requirement of \$2.533 billion for 2023. Based on a high-level

estimate, it is anticipated that a typical non-CARE residential electric customer can expect a monthly bill increase of \$4.46 or 2.7 percent, and a CARE residential electric customer can expect a monthly bill increase of \$2.90 or 2.7 percent. An average SDG&E non-CARE residential gas customer can expect a monthly bill increase of \$5.01 or 8.6 percent, and a CARE residential gas customer can expect an increase of \$3.47 or 8.8 percent for gas services.

The decision authorizes a base revenue increase (operations and maintenance and capital revenue requirement) of 4 percent each year for 2025, 2026, and 2027. For SoCalGas, the decision adopts a PTY revenue requirement of \$4.220 billion for 2025, \$4.384 billion for 2026, and \$4.555 billion for 2027. For SDG&E, the decision adopts a PTY revenue requirement of \$2.910 billion for 2025, \$3.025 billion for 2026, and \$3.145 billion for 2027. The balance recorded in SoCalGas's and SDG&E's GRC Revenue Requirement Memorandum Account, from January 1, 2024 until the new tariffs authorized in this decision are implemented, will be amortized in rates over 18 months from the date the new tariffs are implemented. This decision authorizes funds to underground additional miles of electric lines, but not to the degree requested by SDG&E. Other improvements adopted in this decision include upgrades to natural gas compressor stations, control centers, natural gas leak detection systems, and drones to inspect electric lines. This decision authorizes clean energy innovations that Sempra Utilities demonstrated would benefit ratepayers and be cost effective, but not other innovations, such as using hydrogen, that have not been demonstrated to be directly related to its core function of providing safe and reliable gas service. The decision highlights a pattern of misclassification of costs at Sempra Utilities, where the company has charged ratepayers for lobbying, political activities, and expenses related to outside legal firms. The decision also adopts two settlement agreements, the Insurance and Customer Services-Information, without modification, and denies the settlement between Sempra Utilities and Cal Advocates on various issues.

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

Cluster 15 Interconnection Request Deposits and Fee. CAISO has posted instructions for the Cluster 15 Interconnection Resubmission Window regarding deposits and fee submissions. CAISO states that following the instructions is critical to ensure that

interconnection requests are able to be considered complete and eligible to proceed to the interconnection request scoring and validation processes. 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. 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 hosted a call on November 20, 2024. Written comments are due December 4, 2024.

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.

Storage Design and Modeling. CAISO launched the Storage Design and Modeling initiative, and will host a virtual stakeholder working group meeting on December 11, 2024. Written comments are due January 8, 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.

On November 21, 2024, the CEC hosted 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 were 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 was an in-person and remote (hybrid) workshop. The agenda, and supporting materials are [here](#).

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 21, 2024, the CEC convened 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. Presentation materials and additional information 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 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 details are available [here](#).

On December 9, 2024, CARB will hold a [public meeting](#) on amendments to the [Advanced Clean Trucks](#) regulation related to CARB's agreement with the Clean Truck Partnership to develop a credit pooling concept. More information and registration details are available [here](#).

On December 10, 2024, CARB will host a meeting of the [Advanced Clean Fleets Truck Regulation Implementation Group](#) on Rule Provisions. More information and registration details are available [here](#).

On December 10, 2024, CARB will hold a public [workshop on the potential Targeted Enforcement Administrative Modifications](#) rulemaking, to make targeted, administrative modifications to five regulations: (1) Airborne Toxic Control Measure to Reduce Formaldehyde Emissions from Composite Wood Products, (2) California Diesel Fuel Regulations, (3) California Reformulated Gasoline Regulations, (4) Regulation for Mobile Cargo Handling Equipment at Ports and Intermodal Railyards, and (5) Statewide Portable Equipment Registration Regulation. More information and registration details 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](#).

Opportunities for Public Comment

CARB is accepting comments on the second set of [modified text](#) for [proposed amendments](#) to the [Advanced Clean Trucks](#) regulation and the Zero-Emission Powertrain Certification Test Procedure. Comments may be submitted [here](#) on or before December 6, 2024.

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.