

**REGULATORY UPDATE FOR NOVEMBER 5, 2024  
(WEEK OF OCTOBER 28, 2024)**

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

Proposed Decisions and Resolutions

Rulemaking (R.) 23-10-011 (Resource Adequacy or RA). 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. For self-shown capacity that has been committed to the CPEs, the CPEs shall send a letter to load-serving entities with an existing and/or active attestation within 30 days of the issuance of this decision, nullifying any remaining commitments and stating that the commitments shall no longer be relied on for purposes of satisfying the CPE's compliance obligations. The Energy Division is authorized 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. The Energy Division is authorized to update the Resource Adequacy Loss of Load Expectation study every two years for consideration in the RA proceeding.

Voting Meeting

The CPUC will hold a voting meeting in Bakersfield, California on November 7, 2024 at 11:00 a.m. The following are energy-related items on the [agenda](#):

Item 6. R.19-09-09 (Multi-Property Microgrid Tariffs). This decision adopts a ratepayer-oriented multi-property microgrid tariff for Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E), and Southern California Edison Company (SCE). Senate Bill 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 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

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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.

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.

Item 10. R.14-07-002; Application (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.

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 Decision (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.

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.

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.

#### Upcoming Workshops and Events

*Gas Policy and Reliability Workshop.* The Energy Division will host a virtual public workshop on Friday, November 8, 2024, 9:30 a.m. to 12:00 p.m., to gather stakeholder and public input on the mapping requirement outlined in Public Utilities Code Section 661(a), adopted by Senate Bill (SB) 1221 (Min, 2024). The Energy Division is particularly interested in the following: how do stakeholders and the public understand Section 661(a)'s requirements; what goals do stakeholders and the public have for implementing Section 661(a); how do stakeholders and the public see these goals fitting in with other work directed by SB 1221 or overseen by the CPUC? The workshop will be structured so stakeholders and members of the public have time to respond to these questions. It will also allow stakeholders to provide brief presentations if they so request. Those who would like to respond to the questions posed and/or give a presentation must have RSVP'd to [gaspolicy@cpuc.ca.gov](mailto:gaspolicy@cpuc.ca.gov) by October 28, 2024. The workshop can be accessed [here](#).

*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 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

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

**Interconnection Process Enhancements 2023.** CAISO announced that the due date for affidavits seeking and 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 in 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](#).

**Price Formation Enhancements Phase 2.** CAISO has posted the tentative schedule for the Price Formation Enhancements Phase 2 working group sessions. These sessions will focus on developing detailed proposals for Scarcity Pricing, Balancing Authority Area-level Market Power Mitigation, and Fast-start Pricing. The first working group will be held on November 6, 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, with a tentative discussion paper posting on November 7, 2024. Further information is available [here](#).

**Western Energy Markets Governing Body.** The Western Energy Markets Governing Body Joint CAISO Board of Governors virtual meetings will be held on November 6 and 7, 2024. CAISO has posted documents related to the upcoming decision regarding implementing 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 is 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. Written comments on the draft tariff language are due November 12, 2025. 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):

**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.

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 announced it will host 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](#).

#### RPS Guidebook 10th Edition Guidebook Update

The RPS Guidebook provides information regarding facility certification requirements and generation reporting requirements. It is the primary resource to learn about RPS participation and overall program guidance. The RPS Guidebook is revised periodically to reflect statutory, market, and regulatory developments. The most recent edition of the Guidebook ([the Ninth](#)) was adopted in 2017. The CEC announced a proposed scope of issues for updating the RPS Guidebook and written comments were submitted by several stakeholders by November 1, 2024. Additional details regarding the RPS Guidebook Update and the proposed scope of issues is available in the notice, [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 the 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 will host 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 (“Charging 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 7, 2024, CARB will conduct a joint public meeting with the California Transportation Commission and the California Department of Housing and Community Development. More information is available [here](#).

On November 7, 2024, the Public Health Workgroup of the California Climate Action Team will hold a [virtual meeting](#) about the Public Health Report of California's [Fifth Climate Change Assessment](#).

On November 8, 2024, CARB will hold a [public hearing](#) to consider amendments to the [Low Carbon Fuel Standard](#). Modified text of the proposed amendments and additional rulemaking documents are posted [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 21, 2024, at its regular board meeting, CARB will conduct a public meeting to consider approval of the Fiscal Year 2024-25 proposed [Funding Plan for Clean Transportation Incentives](#). The proposed plan is available [here](#).

The F-Gas Reduction Incentive Program is accepting applications from 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 2024-25 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](#) on or before 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 RA, 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.