

**REGULATORY UPDATE FOR OCTOBER 29, 2024
(WEEK OF OCTOBER 21, 2024)**

CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC OR COMMISSION)

Proposed Decisions and Resolutions

Rulemaking (R.) 23-03-007 (Order Instituting Rulemaking to Set Wildfire Fund Non-Bypassable Charge in 2024, 2025, and 2026). This decision adopts a \$0.00595/kWh rate amount for the 2025 Wildfire Fund Non-Bypassable Charge in order to collect \$922.8 million from January 1, 2025, through December 31, 2025: this amount, accounting for the projected \$20.4 million under-collection from 2024, will result in the Wildfire Fund Non-Bypassable Charge \$902.4 million annual revenue requirement for 2025.

Voting Meeting

The CPUC will hold a voting meeting in Sacramento, 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 states that it adopts a multi-property microgrid tariff that 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 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 VGI 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, 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

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

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

Storage Bid Cost Recovery and Default Energy Bids Enhancements. CAISO has posted the Storage Bid Cost Recovery and Default Energy Bids Enhancements addendum to the draft final proposal and a spreadsheet containing additional examples. Further information is available [here](#).

Resource Adequacy Modeling and Program Design. CAISO has published an updated White Paper detailing the interactions between the CPUC's forthcoming Slice of Day Resource Adequacy (RA) framework and the CAISO's RA processes. This updated document provides refreshed guidance based on changes made to the CPUC's Slice of Day framework following the original document's publication in January 2024. Further information is available [here](#).

Annual Policy Initiatives Roadmap 2025. CAISO has posted the Policy Initiatives Catalog and Roadmap Process document related to the 2025 Annual Policy Initiatives Roadmap Process to its [website](#). This document describes the policy catalog and roadmap development process and identifies opportunities for stakeholder engagement.

Penalty Proceeds and Nonrefundable Interconnection Funds. CAISO announced that it is distributing penalties collected under the Rules of Conduct for 2023, posting an informational report of penalties collected, and distributing forfeited nonrefundable interconnection study deposits for 2023. 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 has 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. Further information is available [here](#).

CAISO Stakeholder Symposium. CAISO will host its Stakeholder Symposium on October 30, 2024 in downtown Sacramento, California. Additional information, including reception details, event registration, and sponsorship opportunities, are available [here](#).

2026 Local Capacity Requirements. CAISO will hold 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 6-7, 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 will host 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 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

On October 18, 2024, the CEC issued a notice and request for comment on the proposed scope for the Draft RPS Eligibility Guidebook, 10th Edition. 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 proposed scope of updates is included in the Notice, available [here](#), and written comments on the scope may be submitted through 5:00 p.m. on November 1, 2024.

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 19, 2024.

Gas Reliability

The CEC will host a [remote workshop](#) on October 30, 2024 to discuss 2024-25 Winter Gas Reliability. According to the workshop notice, “CEC staff’s Winter 2024-25 Gas System Reliability Assessment provides an independent analysis of the expected reliability of service in

Winter 2024-25 for both the PG&E and SoCalGas systems” and this is the “first assessment that includes a winter analysis of the PG&E systems.”

Lithium Valley Informational Proceeding

On November 1, 2024, the CEC will host a [remote workshop](#) to provide an overview of current state agency local Imperial County support for the Lithium Valley, as well as to receive public input regarding opportunities for future support of the Lithium Valley. The workshop is scheduled to run from 9:30 a.m. to 12:30 p.m. Additional information is available in the workshop [notice](#).

CEC Business Meetings

The next CEC Business Meeting is scheduled for November 13, 2024.

CALIFORNIA AIR RESOURCES BOARD (CARB)

Meetings, Workshops, and Notices

On November 1, 2024, CARB will hold a [webinar](#) on exemptions and extensions for the [Advanced Clean Fleets](#) regulation. Participants should submit any questions on the webinar topic in advance of the webinar [here](#) on or before October 22, 2024. Registration is available [here](#).

On November 4, 2024, CARB will host a [meeting](#) of the [Advanced Clean Fleets](#) regulation, Infrastructure Truck Regulation Implementation Group on hydrogen as a fuel and related topics. Registration is available [here](#).

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 October 14, 2024 to 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 Board will consider adoption of the plan. Comments may be submitted [here](#) on or before November 12, 2024.

FEDERAL ENERGY REGULATORY COMMISSION (FERC)

On November 1, FERC will hold a Commissioner-led technical conference to discuss issues related to the co-location of large loads at generating facilities. The technical conference will take place on November 1, 2024, from 10:00 a.m. to 3:00 p.m. Eastern Time, with a lunch break. The technical conference will be held in person at the Commission's headquarters at 888 First Street NE, Washington, D.C. 20426, in the Commission Meeting Room and will be webcast. Broadly, issues to be 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 initial agenda indicates that the technical conference will explore potential 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 will explore 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 may include, but are not limited to, 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 will also discuss the interaction between state and federal jurisdiction 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.