

**REGULATORY UPDATE FOR APRIL 4, 2023
(WEEK OF MARCH 27, 2023)**

CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC)

New Proposed Decisions and Draft Resolutions¹

Draft Resolution E-5258. This Resolution sets January 1, 2025, as the earliest possible effective date for the expansions of service planned by Central Coast Community Energy and East Bay Community Energy.

Draft Resolution E-5261. This Resolution approves Pacific Gas and Electric Company's (PG&E) plan to develop a Clean Substation Microgrid Pilot Project to mitigate transmission-level Public Safety Power Shutoffs at the Calistoga substation, as required by D.21-01-018 and Resolution E-5164.

Voting Meetings

The CPUC's next voting meeting is scheduled for April 6, 2023. The agenda includes the following energy- and transportation-related items.

Item 4. Resolution E-5252 (Transmission Project Review Process). This Resolution would establish a Transmission Project Review Process (TPR Process) to provide a uniform process to review IOUs' capital transmission projects. The TPR Process is intended to allow the CPUC and all stakeholders to receive data from Transmission Owners; inquire about and provide feedback on the IOUs' historical, current, and forecast transmission projects; and provide feedback to the IOUs on their transmission projects. The TPR Process will provide the CPUC and all stakeholders semiannually with current, specific, comprehensive, and system-wide transmission data for projects with any capital additions to rate base in the last five years, and any forecast or actual capital expenditures in the current year or future five years. Projects will be included if they are expected to total \$1 million or more in capital costs.

Item 5. A.20-02-009, A.20-04-002, and A.20-06-001 (2019 ERRAs Compliance Phase 2). This decision resolves the 2019 ERRAs Compliance Phase Two proceedings of PG&E, Southern California Edison (SCE), and San Diego Gas & Electric Company (SDG&E) (collectively the Joint Utilities), which were consolidated to address issues related to the Public Safety Power Shutoff (PSPS) events they initiated in 2019. Separately, the CPUC opened an Order Instituting Investigation 19-11-013 (PSPS OII) to examine whether the Joint Utilities complied with applicable laws, rules, and regulations when they initiated the PSPS events in 2019. In D.21-06-014 (decision resolving the PSPS OII), the CPUC found that the Joint Utilities were grossly

¹ Per 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 CPUC's daily calendar, per Rule 14.5.

deficient in reasonably identifying, evaluating, and weighing the potential public harms to their customers when initiating the 2019 PSPS events and imposed on them a monetary remedy by prohibiting their collection of all authorized revenue requirement equal to the estimated unrealized volumetric sales and revenues resulting from future PSPS events. This decision prohibits the Joint Utilities from adjusting future rates to collect any revenue shortfalls, recorded as undercollections in their respective balancing accounts, caused by PSPS events in 2019. This decision also adopts a methodology to calculate the estimated unrealized revenues the Joint Utilities incurred in 2019 or will incur during future PSPS events. The consolidated 2019 ERRRA Compliance proceedings of PG&E, SCE, and SDG&E are closed.

Item 7. A.22-09-002 (Sunnova CPCN Application). This decision grants the motion of the Public Advocates Office (Cal Advocates) to dismiss the application filed by Sunnova Community Microgrids California, LLC (SCMC) for a Certificate of Public Convenience and Necessity (CPCN) to Construct and Operate Public Utility Microgrids and to Establish Rates for Service. The decision grants Cal Advocates' motion to dismiss because: (1) Cal Advocates' motion to dismiss is not improper; (2) the exemptions SCMC seeks are unauthorized; and (3) SCMC failed to provide the information required for a CPCN.

Item 11. Resolution E-5259, Advice Letter 4928-E (SCE Etiwanda Separator Storage Project—MTR Procurement Requirements). This Resolution approves SCE's request to count the utility-owned Etiwanda Separator storage project towards its midterm reliability procurement requirements and modify the project's cost recovery mechanism. The project was originally procured to meet summer reliability procurement targets.

Item 12. Resolution G-3591, Advice Letter 5509-G, Advice Letter 5685-G. This Resolution approves, with the adjustments directed in D.22-03-010 and D. 22 -04-034 for codes and standards advocacy category, Southern California Gas Company (SoCalGas) Efficiency Savings and Performance Incentive (ESPI) awards for program years (PY) 2017-2018 and 2018-2019. D. 22-03-010 Ordering Paragraph (OP) 2 stated that any expenditures associate with Codes and Standards (C&S) advocacy for which SoCalGas has not yet received ESPI payment, are hereby ineligible for ESPI payment. The award approved in this Resolution includes the C&S adjustments directed in that order. The Resolution approves a final incentive award of \$3,494,989 for PY 2017-2018 and a final incentive award of \$3,746,301 for PY 2018-2019.

Item 14. Resolution E-5254 (Cost Recovery Requests for Infrastructure Investment and Jobs Act and Other Federal Programs). Pursuant to Article XII, Section 6 of the California Constitution and the Public Utilities Code, the CPUC may adopt reasonable regulations for the oversight of costs passed on to the ratepayers of California. This Resolution adopts a procedural venue for the electric and gas IOUs to request cost recovery for match funding and tax liabilities pursuant to any funds received from the federal Infrastructure Investment and Jobs Act Clean Energy Infrastructure Grant Programs administered by the U.S. Department of Energy, the federal Inflation Reduction Act, and the federal Creating Helpful Incentives to Produce Semiconductors and Science Act. This Resolution also adopts an advice letter process for IOUs to track and report costs and grant project progress.

Item 17. R.21-10-002 (Resource Adequacy). This decision adopts implementation details for the 24-hour slice-of-day framework adopted in D.22-06-050, including adopting compliance tools, resource counting rules for various resource types, and a methodology to translate the Planning Reserve Margin to the slice-of-day framework.

Item 22. A.23-01-020 (SCE ERRRA). This decision approves the application of SCE to recover in bundled service customer generation rates an amount up to \$595.615 million to address an undercollection in its ERRRA Balancing Account. SCE is granted authority to decline to place some or all of the increase into rates if its forecast, at the time it submits its implementing advice letter, reasonably demonstrates that it will not need some or all of the increase in order to bring its ERRRA Trigger Balance within the prescribed ERRRA Trigger Mechanism thresholds. This decision also approves SCE's proposal to amortize the revenue recovery, if needed, over 12 months beginning June 1, 2023. Bundled customer rates would increase by 4.4% during that period if the full authorized \$595.615 million is recovered.

Item 25. Resolution E-5265 (PG&E E-ELEC rate). On March 16, 2020, the CPUC issued D.20-03-002, directing PG&E to propose a new opt-in, untiered residential TOU rate in PG&E's General Rate Case, Phase II A.19-11-019. This directive informed the proposal of PG&E's Schedule E-ELEC rate, intended to incentivize beneficial residential electrification in PG&E's territory by lowering volumetric rates through the use of a fixed charge. As required in D.20-03-002, residential customers are eligible for Schedule E-ELEC if they use the following electrification technologies: (1) EV charging, (2) energy storage charging, or (3) electric heat pumps. This Resolution approves the research plan and budget for a measurement and evaluation study for Schedule E-ELEC as proposed by PG&E, pursuant to OP 16 of D.21-11-016.

Item 47. R.19-09-009 (Microgrids). Pursuant to OPs 6 and 7 of D.21-01-018, this decision adopts implementation rules for the previously authorized Microgrid Incentive Program for PG&E, SDG&E, and SCE. The Microgrid Incentive Program is a program that targets placement of community microgrids in disadvantaged vulnerable communities (DVCs) to support populations impacted by grid outages. This Microgrid Incentive Program seeks to advance microgrid resiliency technology, advance system benefits of microgrids equitably across DVCs, and inform future regulatory resiliency action to the benefit of all ratepayer customers.

Item 48. A.22-02-005, A.22-03-003, A.22-03-004, A.22-03-005, A.22-03-007, A.22-03-008, A.22-03-011, and A.22-03-012 (PG&E Energy Efficiency Plans). This decision addresses a staff proposal for reducing ratepayer-funded incentives for natural gas energy efficiency measures. This decision: (1) establishes a framework that defines and allows continued funding of "exempt measures"—measures that result in gas savings but do not burn gas; (2) establishes a means to determine whether a given measure is (or is not) cost-effective; and (3) provides for working groups to examine and recommend technical guidance for identifying a viable electric alternative (for a given gas measure) and further criteria for custom projects. Beginning in PY 2024, ratepayer-funded incentives will no longer be authorized for non-exempt, non-cost-effective gas measures for new construction projects with no existing gas line, and for new construction projects with an existing gas line if gas usage will materially increase. This policy

will apply to residential and commercial projects in the resource acquisition and market support segments of energy efficiency program administrators' portfolios.

CALIFORNIA INDEPENDENT SYSTEM OPERATOR (CAISO)

Stakeholder Initiatives: Upcoming Meetings and Deadlines

Update to ISO Generation Interconnection Queue Report. CAISO is updating its Generator Interconnection Queue Report to include deliverability and suspension information, as discussed in the Interconnection Process Enhancement (IPE) 2021 Initiative.

Generator Interconnection and Deliverability Allocation Procedures Cluster 14: Short Circuit Study Modeling Data. CAISO posted the breaker short circuit rating modeling data for Generator Interconnection and Deliverability Allocation Procedures Cluster 14 for the SCE and PG&E. The data is available on the ISO Market Participant Portal under the Cluster 14 Phase 1 Study and Short Circuit Data Files.

FERC Order No. 881 – Managing Transmission Line Ratings Phase 2. CAISO rescheduled the April 3, 2023 FERC Order No. 881 – Managing Transmission Line Ratings phase 2 data submission working group to April 13, 2023, at which the CAISO will discuss the white paper for this effort, an updated project timeline, and its approach for revisions to the IRO-010 and TOP-003 data specifications. Written comments on the working group discussion and white paper are due by end of day April 27, 2023.

Transmission Service and Market Scheduling Priorities Phase 2. CAISO rescheduled the stakeholder call to discuss the Transmission Service and Market Scheduling Priorities Phase 2 draft tariff language from April 13, 2023 to April 14, 2023. In addition, CAISO extended the comment deadline to April 28.

Extended Day-Ahead Market. CAISO scheduled an Extended Day-Ahead Market (EDAM) public stakeholder call on April 10, 2023, to walk-through the draft tariff language for the initiative. The CAISO will hold more in-depth discussions on May 15 and May 19, following the review of stakeholder comments on the initial draft tariff language. Details for those meetings will be provided in a future notice. The draft tariff language is available on the EDAM initiative webpage. Written comments are due by end of day April 28.

Generation Deliverability Methodology Review. CAISO delayed the Generator Deliverability Methodology Review initiative to run in parallel with the Interconnect Process Enhancements (IPE) 2023 Track 2. The CAISO will provide an updated schedule for the Generation Deliverability Methodology Review initiative when the IPE 2023 Track 2 schedule is released.

Final 2023-2025 Policy Initiatives Roadmap and 2023 Policy Initiatives Catalog.

CAISO has published the final 2023-2025 Policy Initiatives Roadmap and 2023 Policy Initiatives Catalog on the initiative page. This posting is a follow up to the announcement made during the February 21, 2023 stakeholder meeting. Comments will be accepted through April 14, 2023 using the commenting tool on the initiative page.

2022 Interconnection Process Enhancements – Phase 2 (ER23-941). On March 27, FERC issued a letter order accepting revisions to its tariff to enhance its generator interconnection process. Specifically, CAISO proposes to revise its tariff to: (1) outline the power purchase agreement requirements for receiving priority in the Transmission Plan Deliverability Allocation Process, (2) memorialize the study assumptions and network upgrade reimbursement rules when CAISO is an affected system, (3) remove the requirement that interconnection customers must provide evidence that their power purchase agreements have received regulatory approval to comply with CAISO’s commercial viability criteria or to extend their commercial operation dates to align with such agreements, and (4) clarify the second financial security posting deadline for its Cluster 14 interconnection study.

CALIFORNIA ENERGY COMMISSION (CEC)

Integrated Energy Policy Report

The CEC posted the final [Scoping Order for the 2023 Integrated Energy Policy Report](#) (2023 IEPR) on March 29, 2023. As noted in the Scoping Order, the schedule for the 2023 IEPR is as follows:

Public Workshops on Specific Topics	January 2023 – December 2023
Final Scoping Order Released	March 2023
Adopt order instituting informational proceeding for 2023 IEPR	April 2023
Release draft <i>2023 IEPR</i>	October 2023
Release final <i>2023 IEPR</i>	January 2024
Adopt <i>2023 IEPR</i>	February 2024

Energy System Reliability

On February 9, 2023, the CEC published the [Joint Agency Reliability Planning Assessment](#) (Assessment) that addresses requirements for electricity reliability reporting in Senate Bill (SB) 846 (Dodd, Chapter 239, Statutes of 2022) and AB 205 (Committee on Budget, Chapter 61, Statutes of 2022). The Assessment includes the first quarterly review of the demand forecast, the supply forecast, and potential high, medium, and low risks to reliability in the CAISO territory from 2023 to 2032, as required by SB 846. The Assessment also notes that the analysis contained therein for 2023 is preliminary and will be updated in May 2023. Further, as required by AB 205, the report also provides an evaluation of summer 2022 reliability and the magnitude of reliability problems for 2023-2026.

On February 14, 2023, the CEC published a [Notice of Availability and Request for Comments on the Diablo Canyon Power Plant Extension-Draft CEC Analysis of Need to Support Reliability](#). Comments were due by February 21, 2023. A previous workshop regarding the analysis was held on January 20, 2023, and all workshop materials are available in [Docket No. 21-ESR-01](#). On February 28, 2023, the CEC [determined](#) that the Diablo Canyon Power Plant is needed to support grid reliability. The final report is available [here](#).

The CEC released the final Clean Energy Reliability Investment Plan, available [here](#).

Electric and Zero Emissions Vehicles

On March 28, the CEC held a workshop on concepts for a potential solicitation for medium- and heavy-duty vehicle charging and hydrogen refueling infrastructure projects on designated corridors. The workshop detailed existing funding opportunities created under the Inflation Reduction Act and the Infrastructure Investment and Jobs Act, and proposed concepts and possible application parameters, which include opportunities both for hydrogen fueling infrastructure and battery electric vehicle charging infrastructure. Comments on the workshop proposal are due by 5:00 p.m. on April 14. The workshop presentation is available [here](#).

The CEC issued a notice for an upcoming workshop to be held jointly with the California Department of Transportation on April 13 two planning tools intended to support California's National Electric Vehicle Infrastructure (NEVI) Formula Funding Program. The tools are the "NEVI Corridor Group Interactive Map" and the "NEVI Matchmaker Tool." A detailed meeting agenda will be posted prior to the workshop at National Electric Vehicle Infrastructure Deployment Plan Development docket ([22-EVI-03](#)). The workshop notice and attendance details are available [here](#).

Reliability Reserve Incentive Programs

On April 10, 2023, CEC staff will hold a remote-access only workshop to discuss the Demand Side Grid Support (DSGS) program's draft revised guidelines. As background, the DSGS program compensates certain participants for upfront capacity commitments and per-unit reductions in net energy load during extreme events achieved through reduced usage, use of backup generation, or both. In January 2023, CEC staff held a workshop and collected public comment on the launch of the DSGS program. Prior to the April 10, 2023 workshop, CEC staff will be posting draft revised program guidelines for additional public feedback. The workshop notice and attendance details are available [here](#).

CEC Meetings

The next CEC Business Meeting is [scheduled](#) for April 12, 2023.

CALIFORNIA AIR RESOURCES BOARD (CARB)

Meetings and Workshops

On April 6, 2023, CARB will conduct a joint public meeting with the California Transportation Commission and the California Department of Housing and Community Development. Information on the meeting is available [here](#).

CARB will hold its next Board Meeting on April 27-28, 2023. At the meeting, CARB will consider the proposed [Advanced Clean Fleets Regulation](#). The full agenda will be available [here](#) 10 days prior to the meeting.

Opportunities for Public Comment

CARB has released [modified text](#) for the [Advanced Clean Fleets Regulation](#) for public comment. The proposed modified regulatory language presents conforming modifications to the regulation in accordance with CARB's direction at its October 2022 hearing on the proposed regulation. CARB also added documents to the rulemaking record and has invited comments on the new documentation. Comments on the proposed modified text and additional documentation may be submitted [here](#) on or before April 7, 2023.

On February 22, 2023, CARB held a [public workshop](#) on potential changes to the [Low Carbon Fuel Standard](#). At the workshop, staff presented additional information on potential credit generation opportunities that may affect carbon intensity targets, preliminary fuel mix, and cost outputs from the California Transportation Supply model, and concepts related to streamlining implementation. Staff has released [draft regulatory text](#) of the proposed changes. Comments on the proposed changes for Tier 1 Simplified Calculators and Lookup Table Values may be submitted [here](#) on or before April 30, 2023.

ILLINOIS COMMERCE COMMISSION (ICC)

During its March 23 voting meeting, the ICC adopted, with modifications, the proposed orders issued in each of the respective applications for approval of Beneficial Electrification (BE) Plans filed by Commonwealth Edison Company (ComEd) and Ameren Illinois (Ameren). The Final Orders approve the BE Plans with modifications and, among other things, authorize funding for make-ready infrastructure to develop EV charging stations in Environmental Justice and low-income communities. The BE Plans include a commercial tariff for EV charging that will bill customers on a volumetric (kWh), rather than demand (kW) basis. Additionally, both of the Final Orders require consistency with the minimum standards for EV charging infrastructure—including cybersecurity protocols and an uptime standard of 97%—that were recently adopted by the Department of Transportation and Federal Highway Administration.

The Final Order in the ComEd proceeding is available in [Docket Nos. 22-0432/0442](#), and the Ameren Final Order is available in [Docket Nos. 22-0431/0443](#).

MINNESOTA

Minnesota Public Utilities Commission (MPUC) April 6, 2023, Agenda Meeting

The MPUC will meet at 8:00 a.m. PT on April 6, 2023 to review the following matter(s): (1) the City of Buffalo and Wright-Hennepin Cooperative’s service territory records; (2) Redwood Falls and Redwood Cooperative’s service territory records; (3) City of Luverne Municipal Utilities service area transfer; and (4) all utilities and the consideration of transportation electrification in connection with the Federal Infrastructure and Jobs Act. A link to the agenda can be found [here](#).

OREGON PUBLIC UTILITY COMMISSION (OPUC)

On March 28, 2023, the OPUC held a virtual staff workshop in Docket UM 2111 to discuss staff’s proposals in an ongoing investigation regarding interconnection processes and policies as applied to small generators and distributed energy resources. Staff’s March 27 presentation can be found [here](#).

IDAHO PUBLIC UTILITIES COMMISSION (IPUC)

On March 31, 2023, the IPUC issued an [order](#) approving (with certain modifications) Rocky Mountain Power’s application to start a Class 1 commercial and industrial demand response program under the existing Schedule 114 load management tariff within the demand side management portfolio. This program will apply to customers taking service under Schedule 191, with curtailable loads greater than 500 kW that can be curtailed on notice of seven minutes or less. The program is effective for implementation beginning April 1, 2023. Rocky Mountain Power will update the maximum incentive levels (initially approved at Rocky Mountain Power’s agreed upon level of \$135/kW for both real-time and advanced notice participants) annually based on its five-year levelized avoided costs using the most recently filed IRP. Any updates to the program must be submitted in annual reports. Additionally, any materials promoting the program must indicate the equipment costs required for participation in the program will be paid for by Rocky Mountain Power in addition to being listed on its website.

FEDERAL ENERGY REGULATORY COMMISSION (FERC)

On March 16, 2023, FERC issued an [Order on Formula Rate Protocols and Establishing a Show Cause Proceeding](#), 182 FERC ¶ 61,156 (2023) (*Order*), finding that the transmission formula rate protocols of ComEd appear to “have become” unjust and unreasonable because they do not conform with FERC’s current policy as established in a series of orders regarding MISO and the protocols of the MISO TOs. [Order on compliance filings re MISO Under ER13-2379](#); [Order on Rehearing and Clarification re MISO](#). The *Order* identified three broad categories of concern with ComEd’s protocols: (1) the limited scope of participation by interested parties, (2) the transparency of information provided under the protocols, and (3) the adequacy of the formula rate challenge procedures. Regarding the scope of participation, the *Order* noted that its policy is to allow participation by all interested parties, and that the protocols should define “interested parties” to include customers, state public utility commissions, consumer advocate

agencies, and state attorneys general. *Order* at PP 12-13. Regarding transparency, the *Order* expressed concern that ComEd’s protocols do not provide interested parties with sufficient time to review, request information, and challenge annual updates *before* the formula rate filings are made with FERC. *Order* at P 20. Regarding the adequacy of formula rate challenge procedures, the *Order* was concerned that ComEd’s protocols did not specify procedures through which interested parties can *informally* challenge the proposed inputs to the formula rate, and that such procedures should not impede the statutory rights of other parties to file complaints regarding the formula rates. *Order* at PP 30-34. As a result, the *Order* initiated an investigation under Section 206(b) of the Federal Power Act and directed ComEd within 60 days to “show cause why” its protocols remain just and reasonable, explain what changes to its protocols would remedy the identified concerns if FERC were to find these deviations to be unjust and unreasonable, and establish a refund effective date as of the *Order*’s publication in the Federal Register.

On March 24, 2023, the PJM Independent Market Monitor (IMM) filed a [Complaint](#) against PJM Interconnection, L.L.C. (PJM), alleging that PJM refused to permit it to participate in meetings of the PJM Liaison Committee—a stakeholder committee whose charter limits attendance to PJM Members and PJM Board Members. The Complaint contends that the IMM’s exclusion from *any* PJM stakeholder process is inconsistent with the independence of PJM, the PJM Board, and the IMM, and that the IMM’s participation is “appropriate and necessary to perform its functions” as the market monitor. Apparently, the IMM was allowed to attend PJM Liaison Committee meetings until 2018, when the PJM Members Committee voted to enforce the Committee’s charter and restrict participation solely to PJM Members and PJM Board Members. The IMM’s Complaint comes on the heels of a similar [Complaint](#) filed by the Public Service Commission of West Virginia (WV PSC) that it too was being improperly barred from attending PJM Liaison Committee meetings. According to the WV PSC, its right to observe the PJM Liaison Committee meetings is critical to carrying out its responsibilities in protecting West Virginia consumers’ interests.

U.S. DEPARTMENT OF TRANSPORTATION (DOT)

The DOT hosted a series of webinars to share information regarding the Charging and Fueling Infrastructure (CFI) discretionary grant funding opportunity it opened on March 14. One webinar took place on March 21 at 1 p.m. ET, and another was held on March 22 at 2 p.m. ET. The webinars were recorded and are available for viewing [here](#), together with additional information regarding the CFI grant opportunity. The funding opportunity includes \$2.5 billion over five years, with \$700 million in funding available from fiscal years 2022 and 2023. This program funding is *in addition to* the \$5 billion in funding that was authorized under the National Electric Vehicle Infrastructure Formula Program, as this funding opportunity is designed to “fill gaps” in the alternative fuel corridors network and to prioritize disadvantaged communities. There are two funding categories under the CFI program: (1) Community Charging and Fueling Grants (Community Program); and (2) Alternative Fuel Corridor Grants (Corridor Program).

Applications for the CFI funding opportunity are due by May 30, 2023.