

**REGULATORY UPDATE FOR FEBRUARY 27, 2024
(WEEK OF FEBRUARY 19, 2024)**

CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC OR COMMISSION)

New Proposed Decisions and Draft Resolutions¹

Rulemaking (R.)21-10-002 (Resource Adequacy). This decision denies the petition for modification (PFM) of Decision (D.)23-06-029, filed by the California Large Energy Consumers Association (CLECA). The Commission issued D.23-06-029 on July 5, 2023. That decision clarified that the California Independent System Operator (CAISO) should be allowed to use Reliability Demand Response Resources (RDRR) as a Resource Adequacy (RA) resource for economic or exceptional dispatch upon the declaration of a day-of Energy Emergency Alert (EEA) Watch, or when a day-ahead EEA Watch persists in the day-of timeframe. CLECA sought to modify D.23-06-029 in the following ways: (1) to allow economic dispatch for a day-of EEA Watch but only allow exceptional dispatch of RDRR immediately prior to canvassing other balancing authorities, which occurs during EEA 2 conditions, and exceptional dispatch of RDRR need not result in CAISO entering EEA; (2) to defer the above modification until the Federal Energy Regulatory Commission approves CAISO's tariff changes to allow inclusion of start-up costs for RDRR resources and minimum run times of at least three hours; (3) to allow Base Interruptible Program (BIP) participants to opt out or change firm service level immediately; and (4) to remove the elimination of the transmission load factor and planning reserve margin adder from base interruptible program incentives in 2024 and defer treatment of the adders and incorporate development into a comprehensive distributed energy resources policy in R.22-11-013. The Commission finds that the PFM provides insufficient basis to warrant modification of D.23-06-029.

Voting Meetings

The CPUC will hold a voting meeting in San Francisco, California on March 7, 2024 at 11:00 a.m. PT.

CALIFORNIA INDEPENDENT SYSTEM OPERATOR (CAISO)

Stakeholder Initiatives: Upcoming Meetings and Deadlines

Interconnection Process Enhancements 2023. CAISO hosted a hybrid stakeholder meeting on February 15, 2024, to discuss the Interconnection Process Enhancements 2023

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.

track 2 draft final proposal. Written comments on the draft final proposal are due February 29, 2024. Further information is available [here](#).

Greenhouse Gas Coordination. CAISO will host a virtual Greenhouse Gas Coordination working group meeting on March 14, 2024. Further details are available [here](#).

Annual Policy Initiatives Roadmap Process 2024. CAISO is accepting stakeholder submissions to the 2024 Annual Policy Initiatives Catalog until February 28, 2024. Stakeholders may submit discretionary initiatives for potential inclusion in the Policy Roadmap. Further information is available [here](#).

2024-2025 Transmission Planning Process. CAISO will host a public stakeholder call on February 28, 2024 covering the 2024-2025 Transmission Planning Process draft study plan. Further information and the draft study plan are available [here](#).

Western Energy Imbalance Market Nominating Committee. CAISO announced that the Western Energy Imbalance Market (WEIM) Nominating Committee started its process to nominate a slate of candidates for WEIM Governing Body seats with terms scheduled to expire in 2024. An updated list of WEIM Nominating Committee members has been posted to the WEIM [website](#).

Resource Adequacy Modeling and Program Design. CAISO will hold a public Resource Adequacy Modeling and Program Design stakeholder working group meeting on March 13, 2024. Attendees may choose to participate in the meeting in-person at the CAISO, or virtually. Registration information is available [here](#).

2024 Annual Western Interregional Coordination. The Western Planning Regions (WestConnect, NorthernGrid and CAISO) have scheduled their 2024 Annual Interregional Coordination meeting in-person at the Western Power Pool Offices in Portland, Oregon on March 26, 2024. Webinar capabilities will be available for those attending the meeting virtually. Further information is available [here](#).

Penalty Enhancements: Demand Response, Investigation, and Tolling. CAISO launched a new initiative called Penalty Enhancements: Demand Response, Investigation, and Tolling (PEDRIT). CAISO will host a virtual stakeholder meeting on April 3, 2024, to discuss the straw proposal. The tentative straw proposal posting date is March 28, 2024. Further information is available [here](#).

CAISO Stakeholder Symposium. CAISO announced that it will host its Stakeholder Symposium on October 30, 2024 in downtown Sacramento, California, along with a welcome reception the evening of October 29. Additional information including reception details, event registration and sponsorship opportunities will be provided in a future notice.

CALIFORNIA ENERGY COMMISSION (CEC)

2023 Integrated Energy Policy Report

On February 14, 2024, the CEC adopted the 2023 Integrated Energy Policy Report (Report). The Report (with Errata) and Report Highlights are available on the 2023 Integrated Energy Policy Report [website](#).

Offshore Wind

On January 19, 2024, the CEC published a [Notice of Availability](#) regarding the release of the draft Assembly Bill 525 Strategic Plan for Offshore Wind Development. Volumes I-III of the plan are linked in the [Notice of Availability](#) and are also available [here](#). According to the [Notice of Availability](#), comments are due by 5:00 p.m. on March 22, 2024. The CEC plans on hosting a workshop to provide information and receive feedback on the draft Assembly Bill (AB) 525 Strategic Plan, to be determined at a future date.

Geothermal Grant and Loan Program

The pre-application workshop for [Solicitation No. GFO-23-402](#) that was previously scheduled for February 16, 2024 have been rescheduled. Workshops will occur in various locations:

- March 5, 2024: [Sacramento](#) (in-person and remote access available)
- March 8, 2024: [Imperial County](#) (in-person only)
- March 19, 2024: [California Native American Tribes](#) (remote access only)
- March 22, 2024: [Lake County](#) (in-person only)

For additional information regarding workshop times, locations, and remote access instructions, please see the links above.

Clean Transportation Program Investment Plan Update

On January 30, 2024, the CEC released the [2023-2024 Investment Plan Update for Clean Transportation Program - Lead Commissioner Report](#). This plan serves as a guide for the allocation of program funding to clean transportation programs for the fiscal year 2023-2024. Under AB 126, funding for the Clean Transportation Program was extended from 2023 through July 1, 2035. The plan shows funding allocations of more \$600 million to support light-duty passenger vehicle ZEV infrastructure and over \$1.1 billion to support medium- and heavy-duty ZEV infrastructure.

On February 8, 2024, the CEC provided notice of an opportunity to serve on the Advisory Committee of the Clean Transportation Program Investment Plan. Applications to

serve on the Committee may be submitted by March 1, 2024. More information on the position and how to apply is available [here](#).

Transportation Electrification

Update Regarding Electric Vehicle (EV) Charging Infrastructure Standards

On February 20, 2024, the CEC announced its publication of an Updated Recommendation on ISO 15118 Ready Chargers, finding that significant progress has been made in implementing ISO 15118 since staff first published its recommendations in February 2022 (available in docket 19-AB-2127). ISO 15118 is an industry standard that improves digital communication between EVs and the chargers and is viewed as a technology standard that will improve the customer charging experience. ISO 15118 hardware readiness is required for funding under the federal National Electric Vehicle Infrastructure (NEVI) program and by California Senate Bill 123, which requires ISO 15118 capability by no later than July 2024. The Updated Recommendation provides a definition for ISO 15118 eligibility under CEC projects and provides additional information about ISO 15118 implementation, including recommendations for conformance testing of the hardware and recommendations on software providers that may streamline ISO 15118 implementation. Staff notes that ISO 15118-ready chargers are needed to support interoperability, critical vehicle-grid integration capabilities, and improved charging experience for drivers. Additional information is available on the docket [22-EVI-06](#).

New Docket on EV Charger Reliability

On February 22, 2024, the CEC opened a new docket, 23-EVI-01, to collect information and public comments regarding the Electric Vehicle Charger Reliability and Accessibility Accelerator Program. The program relates to California's participation in the United States Department of Transportation's federal funding opportunity titled "Electric Vehicle Charger Reliability and Accessibility Accelerator (EVC RAA) Program."

Workshop on EV Charging Infrastructure in Urban Areas

The CEC will host a remote-only workshop on March 7, 2024 to discuss and receive feedback on its draft solicitation concept for projects to support light-duty EV charging infrastructure in disadvantaged communities and low-income communities located in urban areas. A workshop agenda and login details are available [here](#).

Distributed Electricity Backup Assets (DEBA) Program

The CEC will host a remote workshop on March 5, 2024 from 1 p.m. – 4 p.m., to seek input on the draft solicitation concept it issued in Docket No. [22-RENEW-01](#) for Distributed Energy Resources (DERs) for Reliability Grant Funding Opportunity. The draft solicitation is being issued consistent with the Strategic Reliability Reserve established under AB 205 (Ting, Chapter 61, Statutes of 2022). Additional information, including the draft solicitation and

workshop agenda, is available [here](#). Written comments may be submitted through March 15, 2024.

Energy Storage Permitting

On November 15, 2023, the CEC hosted a [workshop](#) for the Center for Sustainable Energy, to introduce its [Draft Energy Storage Permitting Guidebook](#) (Guidebook) developed under Agreement EPC-19-026. According to the workshop [notice](#):

- Version 1 (November 2023) of the Guidebook draws upon stakeholder feedback on the deployment experiences and best practices identified during permitting and commissioning residential energy storage products with multiple deployments in California;
- In Q1 2024, the project team will publish an updated draft (version 2), incorporating public feedback where relevant;
- In addition to any informal interim updates to the Guidebook, the project team plans to publish an updated draft (version 3) in Q2 2024 that will include guidelines for emerging energy storage technologies based on public feedback and lessons learned from early adopter deployments; and
- In Q3 2024, a final version of the Guidebook (version 4) will be released.

SB X1-2 and SB 1322 Pre-Rulemaking Workshop

On February 27, 2024 at 10:00 a.m., CEC staff hosted a remote and in-person pre-rulemaking [workshop](#) regarding rules related to the data collection and analysis provisions in Pub. Res. Code Section 25354 and rules to manage necessary refinery maintenance and turnarounds pursuant to Section 25354.2. According to the workshop notice, staff “will present draft language for proposed CEC regulations and amendments to the existing regulations associated with the Petroleum Industry Information Reporting Act (PIIRA) located in the California Code of Regulations, title 20, division 2, chapter 3, article 3.”

According to the [Notice](#), SB X1-2 “took effect in June 2023. Among other things, SB X1-2 revised and introduced several new petroleum industry reporting requirements, with submittals beginning in July 2023. The new information includes spot market transactions, firm ownership, agreements and contracts, inventory holdings by type, refinery maintenance schedules, 96-hour notice of marine vessel imports, expanded refinery operator reporting, and new pipeline and port operator reporting. SB X1-2 also authorized the CEC to regulate the timing of refinery maintenance and turnaround.”

SB 350 Disadvantaged Communities Advisory Group (DCAG)

On February 27, 2024, DCAG released an updated *Draft 2022 & 2023 Report* of the Disadvantaged Communities Advisory Group. The report and related materials are available in [Docket No. 16-OIR-06](#).

CEC Business Meetings

The next Business Meeting will be held on March 13, 2024.

CALIFORNIA AIR RESOURCES BOARD (CARB)

Meetings, Workshops, and Notices

On February 29, 2024, the [Methane Task Force](#) will host a virtual public meeting. The Task Force is comprised of the California Department of Conservation's Geologic Energy Management Division, CARB, and their umbrella agencies, the California Natural Resources Agency and California Environmental Protection Agency. The meeting will cover updates on the State Oil and Gas Well Abandonment Program, Fugitive Emission Study efforts, the Oil and Gas Methane Regulation, and the Study of Neighborhood Air near Petroleum Sources. More information on the meeting is available [here](#) and registration is available [here](#).

On February 29, 2024, CARB will hold a virtual public meeting to collect initial ideas and have discussion forums, as part of its development of a [5-Year Strategic Research Plan](#). Information and registration for the meeting are available [here](#). Long-term research priorities can be submitted to CARB [here](#) through April 10, 2024.

On March 1, 2024, the [Harbor Trucking Association](#), with support from [California Climate Investments](#) and other partners, will host a Zero Emission Ride & Drive event for battery and fuel cell electric trucks in San Bernardino, California. More information is available [here](#).

On March 5, 2024, CARB will hold a public online question and answer session on CARB's online vehicle reporting database, the [Truck Regulation Upload, Compliance and Reporting System](#) (TRUCRS) and updates for [reporting](#) under the new [Advanced Clean Fleets](#) regulation. More information and registration are available [here](#).

On March 19, 2024, CARB will hold a [public workshop](#) to discuss the proposed 2024 [Community Air Protection Incentives Guidelines](#), updated to align with the draft [Community Air Protection Blueprint 2.0](#). Public comments on the Community Air Protection Incentives Guidelines may be emailed to AB617incentives@arb.ca.gov on or before March 19, 2024. More information on the workshop and registration details are available [here](#).

CARB has [postponed](#) the scheduled [March 21, 2024](#) hearing on proposed [amendments](#) to the [California Low Carbon Fuel Standard](#). A new hearing date has not been set, but CARB anticipates hosting a workshop in mid-April to discuss potential refinements to the proposed

amendments. The current 45-day public comment period on the draft amendments is not being extended and ended on February 20, 2024.

CARB's next Board meeting is a joint meeting with the California Transportation Commission and California Department of Housing and Community Development, to be held on April 11, 2024. The agenda for the meeting will be available [here](#).

On June 27, 2024, CARB will hold a [hearing](#) on the proposed [Zero-Emission Forklift Regulation](#).

Opportunities for Public Comment

CARB has posted the [2024 annual update](#) to the carbon intensities for the [Low Carbon Fuel Standard](#) look-up table pathways for (1) grid electricity used as a transportation fuel in California and (2) electricity supplied under the smart charging or smart electrolysis provision. Prior to certification of the updated pathway carbon intensity values, CARB is soliciting public comment until March 8, 2024. Instructions for submitting comments are [here](#).

CARB is accepted comments on its proposed 2024 [Community Air Protection Incentives Guidelines](#), which are being updated to align with the draft [Community Air Protection Blueprint 2.0](#). Public comments on the guidelines may be emailed to AB617incentives@arb.ca.gov on or before March 19, 2024.

CARB is accepting comments on the draft [Community Engagement Model](#), to help staff create and implement robust engagement plans, through April 3, 2024. Comments may be submitted [here](#).

CARB is accepting research concepts and comments from the public for fiscal year 2025-2026, as part of its annual [Research Program](#) planning. Concepts and comments may be submitted [here](#) on or before April 10, 2024. In addition, CARB is creating a [5-Year Strategic Research Plan](#) to inform its research priorities for the years 2025 to 2030. Long-term research priorities for consideration of the 5-year plan can be submitted through the same [survey](#).

MINNESOTA PUBLIC UTILITIES COMMISSION (MPUC)

On February 15, 2024, the MPUC held its regular agenda meeting, with agenda items including updating credits for community solar gardens (CSG). Among the issues discussed at the hearing was whether the MPUC had the legal authority to revisit its previous orders and modify the "standard CSG contract," and whether that would constitute retroactive ratemaking. The public interest standard was also discussed, with representations made that the program was too costly for non-subscribers and that Xcel can purchase utility solar for half the cost of the CSG program. It was stated that therefore the Commission needed to modify the program in the public interest, and the Commission's decision would not be arbitrary because the value of solar (VOS) is contemplated in the statute. After a lengthy discussion, the MPUC decided as follows:

1. For legacy community solar gardens on the applicable retail rate (ARR), the MPUC directed Xcel to transition from credits using ARR to credits using the VOS, plus an adder, effective April 1, 2025. There are two separate adders, with applicability based on customer class of the subscriber.
 - a. \$.01/kWh adder from April 1, 2025, to January 1, 2026, for the large general service class. This credit adder terminates after one year.
 - b. \$.03/kWh adder for the residential and small general service classes. There is no sunset on this credit adder.

The links to the decision can be found on the docket here: [Webcast](#), [Briefing Papers](#), and [Commissioner Sullivan's Decision Option](#).

In February 2023, the Commission ordered the Minnesota investor-owned gas utilities (Xcel Energy, CenterPoint Energy, and MERC) to pursue natural gas resource planning as a result of its investigation into Winter Storm Uri, starting with the proposal filed by the Citizens Utility Board in October 2022. At its February 22, 2024, agenda meeting the Commission decided the scope of content for the natural gas resource plans to be filed by Xcel, CenterPoint, and MERC. This Commission decision included the resource planning process, as well as certain plan components. This was the first, or preliminary decision of the Commission and Staff has planned a second comment period and agenda meeting, anticipated in August 2024, to determine filing details like the data to be collected and reported as well as how those data will be analyzed. In summary, the Commission directed as follows:

- Xcel Energy, CenterPoint and MERC are required to file resource plans every three years, on a staggered basis.
- The gas utility's preferred plan should include both (1) a ten-year sales and emissions forecast and (2) a five-year action plan of the specific steps that it will take to implement that plan over the next five years.
- The Commission initiated a second stakeholder engagement, and a second comment period and agenda meeting, anticipated in August 2024, to determine resource plan filing details like the data to be collected and reported as well as how those data will be analyzed.
- The Commission also delegated authority to the Executive Secretary to begin a third stakeholder process, followed by a notice of comment period in Docket No. G999/CI-21-565 ("Future of Gas Docket"), to consider changes to rates needed to maintain affordable and equitable utility service. The Commission required the stakeholder process to consider:
 - (1) stakeholder recommendations as developed in G21 process;
 - (2) the potential for stranded costs on the natural gas system due to electrification; and
 - (3) the policy implications of electrification, including whether technological advances will allow complete electrification, given intermittency of renewables.

More to come on this complex new process.

On February 22, 2024, the MPUC will meet for its regular agenda meeting. The single agenda item is the scope of natural gas resource planning. The agenda and webcast link can be found [here](#).

FEDERAL ENERGY REGULATORY COMMISSION (FERC)

On February 26, 2024, FERC issued an order, [186 FERC ¶ 61,144](#), granting PJM Interconnection, L.L.C. (PJM) waiver of Section 5.4(a) of Attachment DD to PJM's Open Access Transmission Tariff (Tariff) to delay the commencement of the 2025/2026 Base Residual Auction (BRA) by 35 days to July 17, 2024. FERC also granted waiver of certain associated pre-auction deadlines for the 2025/2026 BRA.

On February 8, 2024, President Biden named Willie Phillips as Chairman of FERC, removing the "Acting Chairman" qualifier that had been in place for Phillips since January 3, 2023. Commissioner Allison Clements also announced that she will not seek another term at FERC after her term expires on June 30, 2024. Commissioner Clements may choose to remain at FERC until January 3, 2025; however, her departure, whenever it occurs, will leave FERC without a quorum to conduct business until a new commissioner is installed.

On January 29, 2024, FERC issued an order, [186 FERC ¶ 61,076](#), accepting ISO New England Inc.'s (ISO-NE) revisions to Section I.2.2 to Market Rule 1, and Appendix A to Market Rule 1 of its Transmission, Markets and Services Tariff to establish a jointly optimized day-ahead market for energy and ancillary services (DAM) and sunset the existing Forward Reserve Market (FRM), effective March 1, 2025. To terminate the existing FRM, ISO-NE notes that it will shorten the final Forward Reserve Procurement Period, which will now end on February 28, 2025.

The revised DAM combines the Day-Ahead Energy Market with a new Day-Ahead Ancillary Services Market (DAASM), which includes four new ancillary service products: Day-Ahead Ten-Minute Spinning Reserves, Day-Ahead Ten-Minute Non-Spinning Reserves, Day-Ahead Thirty-Minute Operating Reserves, and Day-Ahead Energy Imbalance Reserves. There are specific requirements imposed on eligibility to provide the new ancillary service products. Under the new structure, ISO-NE will use a two-component call option structure for awards in the DAASM. First, the resource will receive a credit for its DAASM award, which will be determined based on the day-ahead clearing price and day-ahead award for the given product and hour of the Operating Day. Second, the resource is assessed a "close-out" charge based on the quantity of the award multiplied by the greater of (i) zero and (ii) the difference between the real-time hub price and the strike price set by ISO-NE. The demand quantities for each of the four DAASM products will be set by the operating reserve requirement for the product and the energy gap forecast.

On January 29, 2024, FERC issued a letter order, [186 FERC ¶ 61,068](#), accepting Southwest Power Pool, Inc.'s (SPP) proposed revisions to Attachment V and Appendices 3, 5,

15, and 16 to Attachment V in its Open Access Transmission Tariff² to update guidance and data requirements for interconnection request submissions and proposed tariff revisions, effective February 1, 2024. These revisions direct interconnection customers to submit interconnection requests electronically through SPP's online portal and allow for electronic communications regarding interconnection studies. The revisions also update the information required to be submitted in an interconnection request, which is used in interconnection studies and model development.

On January 25, 2024, FERC issued an order, [186 FERC ¶ 61,065](#), granting New York Independent System Operator, Inc. (NYISO) a waiver of requirements in Articles 30.3, 30.6, 30.7, and 30.10 of the NYISO Open Access Transmission Tariff that require the Developer to elect within a prescribed period of time, and NYISO to perform, feasibility and system impact studies or to withdraw the Developer's project from the interconnection queue. The waiver is granted for the period between November 30, 2023, and the date of a further FERC order on NYISO's partial compliance filing to Order No. 2023, which was filed in the same docket, ER24-342, as the waiver request. FERC made no findings as to the merits of NYISO's partial compliance filing.

On January 24, 2024, ISO-NE's revisions to the Forward Capacity Market qualification rules for Distributed Energy Capacity Resource were accepted via delegated letter order in [Docket No. ER24-484](#).

On January 19, 2024, FERC issued its order, [186 FERC ¶ 61,054](#), on the Midcontinent Independent System Operator (MISO) proposals to revise its Open Access Transmission, Energy and Operating Reserve Markets Tariff (OATT) filed in Docket Nos. ER24-340 and ER24-341. FERC accepted MISO's proposal to increase milestone payments, adopt an automatic withdrawal penalty, revise certain withdrawal penalty provisions, and expand site control requirements for interconnection facilities, effective January 22, 2024. FERC rejected MISO's proposal to implement a cap on the total megawatt value of interconnection requests that may be studied in a cluster.

On January 2, 2024, in [Docket No. ER24-339](#), FERC issued an order accepting a proposal by ISO-NE to revise the ISO-NE's Transmission, Markets and Services Tariff to delay the 19th Forward Capacity Auction, including all pre-auction and post-auction activities related thereto, by one calendar year. The revisions do not change the Capacity Commitment Period, which remains the June 1, 2028 through May 31, 2029 delivery year.

² Attachment V of the Tariff contains SPP's Generator Interconnection Procedures (GIP). Appendices 3, 5, 15, and 16 to the GIP contain SPP's *pro forma* Generator Interconnection Study Agreement, *pro forma* Interim Availability Interconnection System Impact Study Agreement, *pro forma* Surplus Interconnection Service Impact Study Agreement, and *pro forma* Surplus Interconnection Service Facilities Study Agreement, respectively.