

**REGULATORY UPDATE FOR JUNE 27, 2023
(WEEK OF JUNE 19, 2023)**

CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC OR COMMISSION)

New Proposed Decisions and Draft Resolutions¹

None to report.

Voting Meetings

The next CPUC voting meeting will be held on June 29, 2023. The following energy-related items are on the agenda:

Item 3. Resolution (Res) G-3599, Advice Letter (AL) 3071-G-B; AL 3071-G-A; AL 3071-G (SDG&E 2022 Compliance Plan and Ratemaking Forecasts for Its Leak Abatement Program). This resolution approves cost recovery for 11 of the 14 Chapters proposed in San Diego Gas & Electric Company's (SDG&E) 2022 Natural Gas Leak Abatement Program (NGLA) Plan and ratemaking forecasts as filed in Advice AL 3071-G-B on April 11, 2023. Chapters 3 and 14 are not approved and Chapter 12 was withdrawn by the utility. The funding request detailed in AL 3071-G-B is for a total Revenue Requirement of \$24.3 million, which includes \$22.6 million for Best Practices, \$1.3 million for Research and Development (R&D), and \$0.4 million in Program Administration costs. Of these, the Commission approves \$19.2 million, including \$17.6 million for Best Practices, \$1.3 million for R&D, and \$0.3 million for Program Administration costs. Chapters 3 and 14 are not approved due to the CPUC's concerns about the program's cost-effectiveness. Program Administration costs are reduced commensurately as these chapters will no longer need to be administered.

Item 4. Res G-3595, AL 5950-G-B; AL 5950-G-A; AL 5950-G (SCE 2022 Compliance Plan and Ratemaking Forecasts for Its Leak Abatement Program). This resolution approves in part and denies in part the Southern California Gas Company's (SoCalGas) NGLA Compliance Plan as presented in AL 5950-G-B. The funding request detailed in AL 5950-G-B was for a total Revenue Requirement of \$504.5 million, which includes \$485.7 million for Best Practices, \$14.4 million for R&D, and \$4.4 million in Program Administration costs. Of these, the Commission approves \$403.6 million, which includes \$385.7 million for Best Practices, \$14.4 million for R&D, and \$3.5 million for Program Administration costs. Chapters 5, 6, 11, 14, 21, and 26 are not approved because they do not meet a cost-effectiveness benchmark of \$22/MCF and are deemed not essential to the compliance goals of the NGLA program. Program Administration costs are reduced commensurately as these four chapters will no longer need to be administered.

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.

Item 5. Res ALJ-435 (Amended Citation E.18-02-001 Issued to Southern California Edison Company by Safety and Enforcement Division). This resolution dismisses Amended Citation E.18-02-0011 issued by the CPUC's Safety and Enforcement Division (SED) to Southern California Edison Company (SCE), with one exception. SED proved by a preponderance of the evidence that Rule 37 of General Order 95 was violated; that charge, without the imposition of any penalties, is sustained. This resolution closes the proceeding K.18-03-008, SCE's Appeal of Citation and Amended Citation E.18-02-001 issued by SED.

Item 10. Rulemaking (R.)18-07-017 (Order Instituting Rulemaking Regarding Continued Implementation of the Public Utility Regulatory Policies Act and Related Matters). In this decision, the Commission declines to make changes to the avoided-cost pricing options available to a Qualifying Facility of 20 megawatts or less seeking to sell electricity and/or capacity pursuant to the Public Utility Regulatory Policies Act of 1978. Since this was the only outstanding issue in the proceeding, the proceeding is closed.

Item 13. Res L-621 (Disclosure of Records of CPUC SED's Investigation of Fire Incident that Occurred near Horse Creek Road). This resolution authorizes disclosure of records of the Commission's SED's investigation of a fire incident that occurred near Horse Creek Road, in Scott Bar, California on July 22, 2020. The Commission received a request, PRA #23-6, seeking disclosure of Commission records concerning a fire incident that occurred near Horse Creek Road, in Scott Bar, California on July 22, 2020. The Commission Staff could not make the investigation records public without the formal approval of the full Commission. The request is treated as an appeal to the full Commission for release of the requested records pursuant to Commission General Order 66-D and Res L-436.

Item 14. Res E-5272 (Confirmation of Candidates for Appointment to the Diablo Canyon Independent Safety Committee). This resolution ratifies the President's selection of candidates for consideration by the California Governor for appointment to the Diablo Canyon Independent Safety Committee (DCISC). The DCISC consists of three members, each appointed in turn by the California Governor, the California Attorney General, and the Chair of the California Energy Commission, serving staggered three-year terms. This resolution ratifies the California CPUC President's selection of Dr. Per Peterson as a candidate for reappointment, and Dr. Najmedin Meshkati and Dr. Michael D. Quinn as candidates for appointment to the DCISC, for a three-year term commencing on July 1, 2023.

Item 15. Res E-5270 (2023 Updated Administratively Set Fixed Avoided-Cost Rates for the Renewable Market Adjusting Tariff Program). This resolution adopts updated contract prices by Product Category for the feed-in-tariff program, known as ReMAT, using price data from renewable portfolio standard contracts executed between 2020 and 2022. In addition, it orders Pacific Gas & Electric Company (PG&E), SCE, and SDG&E to amend their Renewable Market Adjusting Tariff (ReMAT) program tariff to reflect the adopted fixed-prices by Product Category paid to the seller.

Item 16. Application (A.)22-06-005 (SoCalGas Year 28 Gas Cost Incentive Mechanism). This decision approves SoCalGas' request for a shareholder reward of \$22,313,352 for Year 28

(2021-2022) of its Gas Cost Incentive Mechanism performance. The Commission's Public Advocates Office verified that SoCalGas' recorded gas costs were \$122,216,734 below the benchmark, which results in a reward of \$22,313,352 to SoCalGas' shareholders and a ratepayer benefit of \$99,903,383.

Item 17. R.21-10-002 (Local Capacity Obligations, Flexible Capacity Obligations, and Refinements of the Resource Adequacy Program). This decision adopts Local Capacity Requirements for 2024-2026, Flexible Capacity Requirements for 2024, and refinements to the Resource Adequacy program scoped as Phase 3 of the Implementation Track, including modifying the planning reserve margin for 2024 and 2025 and modifying the demand response counting requirements.

Item 21. Res E-5274, AL 6778-E; AL 4114-E; AL 4913-E (Plug-In Electric Vehicle Submetering Implementation Plan). This resolution approves, with modifications, PG&E's, SCE's, and SDG&E's proposed plug-in electric vehicle (PEV) submetering implementation plan (SIP). PG&E and SCE must eliminate the 500-customer cap on PEV submetering customer enrollment during the manual billing phase of the SIP. SCE must start implementation of system updates to enable automated submeter billing immediately, rather than waiting until they determine sufficient PEV submetering customer demand justifies the updates. The investor-owned utilities (IOUs) must modify their requirement to have Meter Data Management Agents perform daily file transfers to only require monthly data transfers. Finally, PG&E and SDG&E must propose updated tariff language to additional electric vehicle rates to allow for the use of PEV submetering.

Item 24. Res E-5275, AL 470-E (Bear Valley Electric Service, Inc. Power Purchase Agreement with Shell for Procurement of Bundled Energy and Renewable Energy Credits). This resolution approves Bear Valley Electric Service's (Bear Valley) power purchase agreement (PPA) with Shell Energy North America. The PPA will be used by Bear Valley for procurement of "firm" bundled energy and associated renewable energy credits under a long-term contract. This resolution also authorizes Bear Valley's use of a memorandum account to account for any unrealized gains and losses stemming from this PPA.

Item 27. A.21-04-006 (Application by Liberty Utilities to Acquire, Own, and Operate the Luning Expansion Project). This decision adopts a proposed settlement agreement between Liberty Utilities (CalPeco Electric) and the Public Advocate's Office that allows Liberty to acquire, own, and operate the Luning Expansion Project, a solar plus storage asset. The settlement agreement also includes terms that set forth agreed upon ratemaking procedures for Liberty to recover certain related costs.

Item 49. A.20-02-009, A.20-04-002 and A.20-06-001 (Methodology to Calculate Unrealized Revenues Resulting from Public Safety Power Shutoffs – Revised Proposed Decision of ALJ Lau). This decision addresses only one of two issues in the consolidated Phase Two proceedings, which are issues related to the Public Safety Power Shutoff (PSPS) events the IOUs decided to initiate and implement in 2019. Specifically, this decision adopts a methodology to calculate a utility's unrealized volumetric sales and unrealized revenues resulting from PSPS

events. The consolidated 2019 ERRR Compliance proceedings of PG&E, SCE, and SDG&E remain open to address the remaining issue in Phase Two, which is whether it is appropriate for the utilities to return the revenue requirement equal to the unrealized volumetric sales and unrealized revenue resulting from the 2019 PSPS events.

Item 49A. A.20-02-009, A.20-04-002 and A.20-06-001 (Methodology to Calculate Unrealized Revenues Resulting from Public Safety Power Shutoffs – Alternate Proposed Decision of Commissioner Reynolds). This decision adopts the same methodology to calculate a utility’s unrealized volumetric sales and unrealized revenues resulting from PSPS events as the Revised Proposed Decision of Administrative Law Judge (ALJ) Lau. This decision declines to address the second issue, which is whether it is appropriate for the utilities to return the revenue requirement equal to the unrealized volumetric sales and unrealized revenue resulting from the 2019 PSPS events. The Revised Proposed Decision of ALJ Lau defers addressing this issue until a later time and keeps the proceeding open for further consideration and record development. The Alternate Proposed Decision of Commissioner Reynolds declines to address this issue and closes the proceeding, explaining that D.21-06-014 directed that the methodology (adopted in both the Revised Proposed Decision and the Alternate Proposed Decision) would only be applied for PSPS events called after the effective date of that 2021 decision.

Item 50. 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 Portfolios for 2024-2027 and Business Plans for 2024-2031). This decision addresses the applications for energy efficiency portfolios during the period 2024-2027 and the business plans for 2024-2031 from nine portfolio administrators. The decision authorizes a total budget of \$4.3 billion over the four-year period beginning in 2024, with benefits to customers of at least \$3.5 billion during the same period. This decision also adopts a forecasted budget of an additional \$4.6 billion in the period 2028-2031. The decision finds that all of the portfolio administrators have met the Commission’s requirements for forecast cost-effectiveness and total system benefits. The decision makes adjustments to the allocation of costs for statewide programs to account for changes in the mix of programs and fuels (electricity and natural gas) and also makes some changes to the statewide portfolio to eliminate some obsolete programs and introduce new ones. The Bay Area Regional Energy Network is also approved as the first non-utility administrator of a statewide program. The decision approves a new regional energy network (REN) called Rural REN, to deliver energy efficiency benefits to underserved customers and communities in the rural areas all over California in four different regions.

CALIFORNIA INDEPENDENT SYSTEM OPERATOR (CAISO)

Stakeholder Initiatives: Upcoming Meetings and Deadlines

WEIM Regional Issues Forum. CAISO posted the [final agenda](#) for the Western Energy Imbalance Market (WEIM) Regional Issues Forum, which will take place June 21, 2023 at the Western Electricity Coordinating Council offices in Salt Lake City, Utah.

2023-2024 TPP. CAISO will hold a public stakeholder call on June 28, 2023 to discuss its expedited approval recommendation for the Eldorado 230 kV Short Circuit Duty Mitigation

Project. The presentation will be available prior to the call on the 2023-2024 Transmission Planning Process (TPP) [webpage](#). Written comments on CAISO's recommendation are due by end of day July 12, 2023.

Queue Management Status. CAISO posted a revised version of the Queue Management Status Report to the Interconnection Agreement and Queue Management [webpage](#) for use by interconnections customer's submissions beginning July 1, 2023.

Subscriber Participating Transmission Owner Model. CAISO will hold a public stakeholder call on June 29, 2023, to discuss the final proposal and draft tariff language for the Subscriber Participating Transmission Owner model initiative. Meeting details are [available here](#). Written comments on the draft tariff language are due by end of day July 19, 2023.

CALIFORNIA ENERGY COMMISSION (CEC)

Integrated Energy Policy Report (IEPR)

The CEC's [2023 IEPR Workshop Schedule](#) has been released. Forthcoming workshops include:

- July 6: Hydrogen – canceled; to be rescheduled
- August 15: California Electricity Demand Forecast: Inputs and Assumptions
- August 18: California Electricity Demand Forecast: Load Modifier Scenario Development
- September 8: Topic TBD
- November 15: California Electricity Demand Forecast: Load Modifier Scenario Results
- December 6: California Electricity Demand Forecast: Electricity Forecast Results

The schedule is also accessible on the [2023 IEPR website](#).

Electric Program Investment Charge (EPIC)

On July 18, 2023, CEC Staff will host a remote-access workshop to identify research needs to advance the use of virtual power plant (VPP) approaches for increased demand flexibility. The workshop will specifically focus on community-owned VPP models and include a panel session with presentations from industry representatives such as load-serving entities and their technology service providers. According to the workshop [Notice](#), input received during the workshop will be used to inform the development of future solicitations related to the [Electric Program Investment Charge 2021-2025 Investment Plan](#) (EPIC 4 Investment Plan).

Energy System Reliability

CEC Staff will host an upcoming workshop on July 7, 2023 to provide an overview of the proposed approach comparing the anticipated costs of extending Diablo Canyon Power Plant operations for calendar years 2024-2035, or pursuing a portfolio of other feasible energy

resources. The cost comparison is required under Senate Bill 846, and CEC Staff must prepare a report on its findings to submit to the legislature by September 30, 2023. The workshop will have both in-person and remote attendance options. Remote attendance options and other workshop details are available [here](#).

Transmission Planning

Together with the CPUC and CAISO, the CEC held a Staff workshop on June 23, 2023 to discuss resource portfolio assumptions for use by CAISO in the next 20-Year Transmission Outlook.

Electric Vehicle Infrastructure Planning

The CEC will host a joint workshop on June 29, 2023, together with the California Department of Transportation, to discuss updates to California's Deployment Plan for the National Electric Vehicle Infrastructure Formula Program for 2023. Under recent guidance from the Federal Highway Administration, states are required to submit updated Deployment Plans by August 1, 2023. The workshop will be held remotely on June 29, 2023 from 10:00 a.m. to 1:00 p.m. PT. Access and other event information are available [here](#).

CEC Business Meetings

The next CEC Business Meeting is scheduled for July 26, 2023.

CALIFORNIA AIR RESOURCES BOARD (CARB)

Recent Actions

At its June 22, 2023 Board meeting, CARB adopted [amendments to the Oil and Gas Methane Regulation](#), which provides greenhouse gas emission standards for crude oil and natural gas facilities, to align the Regulation with the California State Implementation Plan to demonstrate attainment of federal requirements for control of volatile organic compound emissions.

Meetings and Workshops

On June 28, 2023, ARB will host a virtual public meeting of the AB 617 [Community Air Protection Program Consultation Group](#). Details on the meeting are available [here](#).

The next Board meeting is scheduled for September 14, 2023. The agenda for the meeting will be available [here](#) 10 days prior to the meeting.

Opportunities for Public Comment

Written comments on the June 16, 2023 [meeting](#) of the [Scientific Review Panel on Toxic Air Contaminants](#) may be submitted [here](#) on or before July 1, 2023.

On June 14, 2023, CARB held a joint [public workshop](#) with Quebec on potential amendments to the [Cap-and-Trade Program](#). Comments on the workshop topics may be submitted [here](#) until July 7, 2023.

On February 22, 2023, CARB held a [public workshop](#) on potential changes to the Low Carbon Fuel Standard program. 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. The deadline for comments on the proposed changes for Tier 1 Simplified Calculators and Lookup Table Values has been extended until July 12, 2023. Comments may be submitted [here](#).

COLORADO PUBLIC UTILITIES COMMISSION (COLORADO PUC)

On May 15, 2023, Public Service Company of Colorado (PSCo) filed an application for approval of its 2024-2026 Transportation Electrification Plan (TEP), docket 23A-0242E. The TEP is the second iteration of PSCo's triennial filing requirements established under Senate Bill 19-077 (2019), which requires electric public utilities in Colorado to file triennial TEP applications designed to support widespread transportation electrification.

On June 23, 2023, the Colorado PUC issued an interim Order in 23A-0242E that (1) deems PSCo's TEP Application complete, (2) grants motions to intervene filed by various parties, and (3) sets the matter for hearing. The interim Order also directed PSCo to file Supplemental Direct Testimony by July 14, 2023 on the following topics: (1) reports that PSCo's parent company, Xcel Energy, withdrew a similar TEP filing pending in Minnesota and to discuss the potential implications that the withdrawal has on the PSCo's efforts in Colorado; (2) information on the costs and revenues of PSCo-owned EV chargers, including utilization rates, (3) possible uses of the Demand Response Management System (DRMS) in the context of transportation electrification, and whether the Company is planning to pursue use of the DRMS for vehicle electrification, and (4) an analysis of whether a different incentive approach for high volume drivers (i.e., Transportation Network Companies and Delivery Network Companies) would benefit from a subsidized lower EV charging rate rather than the upfront EV purchase rebates proposed in the TEP.

The Colorado PUC's next voting meeting will be held on June 28, 2023 at 9:00 a.m. MT. The meeting is held remotely and available for online viewing; the meeting agenda is available [here](#).

ILLINOIS COMMERCE COMMISSION (ICC)

On June 14, 2023, ChargePoint, Inc. filed a Motion for Clarification of the Final Order adopted in proceeding 22-0431/0443, regarding the Beneficial Electrification Plan of Ameren Illinois Company (Ameren). ChargePoint seeks to confirm that the ICC's Final Order, issued on March 23, 2023, did not require compliance with all aspects of the National Electric Vehicle Infrastructure (NEVI) requirements established by the Department of Transportation and Federal

Highway Administration, but rather only imposed several specific technical and reliability requirements that were adopted by the NEVI program. ChargePoint seeks this clarification because the Compliance Beneficial Electrification (BE) Plan filed by Ameren, pursuant to the March 23 Final Order, included broader references to the NEVI requirements. ChargePoint posits that the ICC adopted only the following requirements as they relate to the BE Plan: (1) NEVI's 97% uptime reliability standard; (2) the plug standards J1772 and Combined Charging System; and (3) the communication standards ISO 15118, OCPP, and OCPI.

On June 21, 2023, ICC Staff filed a response to ChargePoint's Motion for Clarification. Staff argues that the issues raised by ChargePoint amount to an application for rehearing. Staff notes that Ameren's BE Compliance Plan is not subject to review or approval by the ICC, and Ameren has complied with direction to submit the BE Compliance Plan "simply by filing it." ChargePoint replied to Staff's Response on June 23, 2023. ChargePoint's reply urges the ICC to ensure Ameren's BE Plan complies with the Final Order and states that the ICC is not divested of jurisdiction over these issues, and thus it is "both reasonable and appropriate" to provide the requested clarity.

The next ICC voting meeting will be held on June 29, 2023 at 11:30 a.m. CT. The meeting will be available for online viewing, which can be accessed [here](#), and the meeting agenda is available [here](#).

MINNESOTA PUBLIC UTILITIES COMMISSION (MPUC)

The MPUC will hold an Agenda Meeting on June 29, 2023. Issues to be covered include quarterly investment reporting, fuel and purchased energy cost recovery, certificate of need, and demand response incentives under the Infrastructure Investment and Jobs Act of 2021. The meeting starts at 10:00 a.m. CT. The full agenda can be found [here](#).

FEDERAL ENERGY REGULATORY COMMISSION (FERC)

Northwestern Corporation has petitioned for a writ of certiorari to the U.S. Supreme Court in *Edison Electric Institute v. FERC*, the appeal of FERC's *Broadview Solar, LLC* orders, which the D.C. Circuit upheld in February. Read our article on the D.C. Circuit's decision [here](#).

On June 15, 2023, FERC [approved a final rule](#) designed to improve credit risk management in the organized wholesale electric power markets. FERC's Final Rule will allow electric power market operators to share credit-related information among themselves so they can better assess market participants' credit risks.

On June 15, 2023, FERC [finalized two rules](#) to help improve reliability of the bulk power system against threats of extreme weather that may cause unacceptable risk to life and economic harm. The first rule directs the North American Electric Reliability Corporation to develop a new or modified reliability standard to require transmission system planning for extreme heat and cold weather conditions over wide geographical areas, including studying the impact of concurrent failures of bulk power system generation and transmission equipment and implementing corrective actions as needed (RM22-10). The second rule directs transmission

providers to submit one-time reports describing their policies and processes for conducting extreme weather vulnerability assessments and identifying mitigation strategies (RM22-16, AD21-13).

On June 9, 2023, in [Docket No. ER23-1609-000](#), FERC issued an order conditionally accepting PJM's proposal to revise the Reliability Pricing Model Base Residual Auction (BRA) and Incremental Auction schedules for the 2025/2026 through 2028/2029 delivery years, effective June 10, 2023. FERC directed PJM to incorporate the illustrative auction schedule provided in its filing into the PJM Open Access Transmission Tariff (OATT) on compliance. The revisions delay the capacity auctions beginning with the 2025/2026 delivery year through the 2028/2029 delivery year to be conducted after FERC acts on PJM's anticipated upcoming capacity market enhancements filing, which PJM expects to be filed by October 1, 2023. Due to the revised schedule, PJM will void ongoing pre-auction activities for the BRA for the 2025/2026 delivery year and restart the process. FERC also granted PJM's request for waiver of the OATT provisions relating to the timing and pre-auction processes for the BRAs and Incremental Auctions for delivery years 2025/2026, 2026/2027, 2027/2028, and 2028/2029.

On June 2, 2023, FERC [approved](#), in part, PSCo's proposed generator interconnection procedure reforms. FERC approved the reintroduction of a payment in lieu of readiness, allowing customers to post \$7.5 million if they are unable to demonstrate readiness through a generation deployment plan. In addition, customers that sign an interconnection agreement but fail to achieve their in-service date will pay a \$5 million penalty. The new penalties will go into effect 120 days after their effective date (June 3, 2023), allowing customers currently in the queue time to decide whether to withdraw.

FERC's Joint Federal-State Task Force on Electric Transmission will [meet](#) on July 16, 2023.