

**REGULATORY UPDATE FOR MARCH 7 (WEEK OF FEBRUARY 28, 2022)****CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC or COMMISSION)****New Proposed Decisions and Draft Resolutions<sup>1</sup>**

Draft Resolution E-5192. This Resolution approves a total budget of \$11.7 million for Pacific Gas & Electric Company (PG&E) to implement three short-term pilots to address specific barriers to vehicle-grid integration:

- Pilot #1: Vehicle-to-grid Residential Pilot Program (residential pilot) is approved as modified in this resolution at \$7.5 million.
- Pilot #2: Vehicle-to-grid Commercial Pilot Program (commercial fleets pilot) is approved as modified in this resolution at \$2.7 million.
- Pilot #3: Vehicle-to-microgrid Public Safety Power Shutoff Microgrid Pilot (microgrids pilot) is approved as modified in this resolution at \$1.5 million.

This Resolution also denies the proposed budget of \$2.3 million for pilot #4 to explore vehicle-to-grid export value because Advice Letter (AL) 6259-E does not fully comply with Decision (D.) 20-12-029 requirements regarding budget, scope, and reporting. This Resolution does, however, authorize PG&E to refile a new Tier 2 AL within 60 days to correct these deficiencies, if it chooses.

**Voting Meetings**

The Commission's next voting meeting will be held on March 17, 2022. The agenda is scheduled to be published on March 7, 2022.

**CALIFORNIA ISO****Stakeholder Initiatives: Upcoming Meetings and Deadlines**

**Distributed Generation Deliverability Assessment Results Posted.** The California ISO has posted distributed generation deliverability assessment results for the 2022 cycle. Eligible distributed generation facilities that are seeking an initial or increase in deliverability status must apply for deliverability status assignment by April 15, 2022 for interconnections to investor-owned utility systems.

**2023 and 2027 Local Capacity Requirements Technical Study Draft Results.** The California ISO is conducting the local capacity technical capacity study per section 40.3.1 of the ISO tariff and will hold a stakeholder call on March 9, 2022 to present and discuss the proposed

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<sup>1</sup> Per CPUC Rules of Practice and Procedure Rule 14.3, comments on proposed decisions are due 20 days after issuance of the proposed decision, and reply comments are due five days thereafter. Comments on draft resolutions are due 20 days after the draft resolution appears in the CPUC's daily calendar, per Rule 14.5.

draft 2023 and 2027 local capacity technical study results. Written comments on the draft study results are due March 23, 2022.

**2022-2023 Transmission Planning Process.** The California ISO held a public stakeholder call on February 28, 2022 to discuss the 2022-2023 Transmission Planning process draft study plan. Comments on the stakeholder call discussion are due March 14, 2022.

**Reliability Demand Response Resource Bidding Enhancements – Track 1: Draft Tariff Language Posted.** The California ISO has posted the draft tariff language for the Reliability Demand Response Resource Bidding Enhancements – Track 1 initiative. Comments on the draft tariff language are due March 7, 2022. A meeting is scheduled on March 10, 2022 to discuss submitted comments.

## **CALIFORNIA ENERGY COMMISSION (CEC)**

### 2021 Integrated Energy Policy Report (IEPR)

At the February 16, 2022 Business Meeting, the CEC adopted the 2021 IEPR Update: Volume I, Building Decarbonization; Volume II, Ensuring Reliability in a Changing Climate; Volume IV, California Energy Demand Forecast; and Appendix, Assessing the Benefits and Contributions of the Clean Transportation Program. The final versions of 2021 IEPR Volumes I, II, and IV and Appendix A are available [here](#).

According to the March 9, 2022 CEC Business Meeting [agenda](#), the CEC will consider a proposed resolution adopting and approving the [2021 IEPR Volume III](#), Decarbonizing the State’s Gas System.

### 2022 IEPR Update

On March 2, 2022, the CEC published a *Notice of Request for Public Comments on the Draft Scoping Order for the 2022 IEPR Update* (Notice), a copy of which is available on the 2022 IEPR [website](#). According to the Notice, the proposed scope of the 2022 IEPR Update addresses three major topics: (i) establishing a framework to center equity and environmental justice throughout CEC efforts; (ii) creating a California Planning Library; and (iii) addressing emerging topics. Details about each of the three proposed major topic areas are set forth in the Notice. The Notice also contains a *Proposed Schedule* for the 2022 IEPR Update, as follows:

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|--|-----------------------|
| • Final Scoping Order Released                                     | April 2022            |
| • Public Workshops on Specific Topics                              | April – December 2022 |
| • Adopt order instituting informational proceeding for 2022 Update | April 2022            |
| • Release Draft 2022 IEPR Update                                   | October 2022          |
| • Release Final 2022 IEPR Update                                   | January 2023          |
| • Adopted 2022 IEPR Update   | February 2023         |

Written comments on the draft 2022 IEPR Scoping Order are due by 5:00 p.m. PT on March 22, 2022 to Docket No. 22-IEPR-01.

#### Renewable Portfolio Standard (RPS)

RPS-certified facilities using more than one resource must report generation and fuel use data for calendar year 2021 to the CEC by April 1, 2022 as required by the RPS Eligibility Guidebook. All annual facility reports must be submitted using the RPS Online System on or before the applicable reporting deadline.

Access to the common carrier pipeline (CCP) report for 2021 is also available in the RPS Online System for the reporting of generation, contracts, delivery, and usage data for calendar year 2021. This report is required to be submitted by specified facilities that received fuel from a CCP in the prior calendar year and are subject to the CCP reporting requirements in the RPS Eligibility Guidebook. Annual CCP reports for 2021 are also due on April 1, 2022.

#### Rulemaking Proceeding (Docket No. 21-OIR-02)

On February 24, 2022, the CEC published a Notice of Proposed Action regarding *Delegation of Geothermal Power Plant Siting Authority to Local Government Sections 1802, 1860 through 1870*. A public hearing has been scheduled for April 14, 2022. A copy of the Notice is available at TN# 241941 [here](#).

In support of the proposed rulemaking, the CEC also published an Initial Statement of Reasons in support of the rulemaking proceeding. According to the Statement, the CEC proposes to adopt amendments to the relevant sections of the CEC's procedures to delegate its site certification authority over geothermal power plants to counties contained in the California Code of Regulations, Title 20. The rulemaking is in response to the Governor's July 30, 2021 Emergency Proclamation and also supports the June 2021 decision by the CPUC to procure 11,500 MW of new electricity resources before 2026, with at least 1,000 MW coming from "firm resources with zero-onsite emissions" such as geothermal. According to the Notice, the CEC states that the existing regulations – adopted in the late 1970s – have never been used because they are overly burdensome and the CEC and counties have not been able to use the delegation authority afforded therein. According to the CEC, streamlining the regulations will help remove barriers to geothermal power plant certification. The Initial Statement of Reasons is TN# 241940 in [Docket No. 21-OIR-02](#).

#### CEC Business Meetings

The next CEC Business Meeting is scheduled for March 9, 2022. The agenda is available [here](#).

## **CALIFORNIA AIR RESOURCES BOARD (CARB)**

### Meetings and Workshops

On March 8, 2022, CARB will hold a webinar for electric power entities on reporting under the Mandatory Greenhouse Gas Reporting Regulation, for data required to be reported by June 1, 2022.

CARB will hold a joint meeting with the Environmental Justice Advisory Committee (EJAC) on March 10, 2022. At the meeting, the EJAC, which advises CARB on development of the Assembly Bill (AB) 32 2022 Scoping Plan, will present its initial recommendations for CARB's consideration in the development of the Scoping Plan, along with context and background related to environmental justice and the Scoping Plan. CARB will also consider staff's recommendations for the appointment of new members to the EJAC. Information on remote attendance and the agenda for the meeting is available [here](#).

On March 10, 2022, CARB will host a meeting of the medium and heavy-duty infrastructure workgroup, which focuses on the build-out of fueling infrastructure needed to support zero-emission truck and bus fleets developed under the proposed Advanced Clean Fleets regulations. This meeting will address electricity and grid infrastructure, including charging performance needs, rate design, load management, grid capacity and resiliency, future proofing, and utility planning. The meeting will be held in collaboration with the CEC, CPUC, and Governor's Office of Business Administration and Economic Development. Information and a link to the virtual meeting are available [here](#).

On March 10, 2022, CARB will host a research seminar to discuss the findings of research on the public health impacts of simultaneous exposure to ultrafine particulate matter and ozone. Information on the seminar and a link to registration are available [here](#).

CARB is holding virtual public meetings and workshops as part of the AB 32 Scoping Plan Update, which will assess progress towards achieving the Senate Bill (SB) 32 target to decrease state-wide greenhouse gas emissions by 40% below 1990 levels by 2030 and to lay out a path to achieve carbon neutrality by 2045. On March 15, 2022, CARB will hold a workshop to present the initial results from modeling of (1) scenarios to illustrate the effectiveness of deployment of different technologies and clean energy to achieve required greenhouse gas reductions, and (2) various land management scenarios to develop targets for natural and working lands. Researchers at the University of California at Santa Barbara and Rhodium will also present their work to develop a climate vulnerability metric for California, to identify geographic regions of the state that face disproportionate impacts from climate change. Information and registration for the workshop are available [here](#).

CARB will hold its next board meeting on March 24-25, 2022. A link to the meeting and the agenda will be available [here](#) 10 days prior to the meeting.

## **MINNESOTA PUBLIC UTILITIES COMMISSION (MPUC)**

### MPUC Schedule for the Week of March 7, 2022

The MPUC will hold its weekly agenda meeting on March 10, 2022 at 8:00 a.m. PT. There is a single item on the agenda: Xcel Energy's and CenterPoint Energy's joint petition for approval to release whole building data to comply with a residential rental ordinance, PUC Docket Nos. 19-505, 12-1344, and 21-761.

## **OREGON PUBLIC UTILITY COMMISSION (OPUC) AND LEGISLATIVE UPDATES**

### OPUC Meetings This Week

On Tuesday, March 8, 2022 at 9:30 a.m. PT, the OPUC is holding a public meeting to discuss a wide range of dockets including AR 644 (related to rulemaking under the Oregon Community Solar Program), UM 2168 (related to Avangrid's 2020 Renewable Portfolio Standard), and UM 2005 (related to distribution system planning). Later in the day at 1:30 p.m. PT, the OPUC is holding a virtual hearing in LC 77 (related to PacifiCorp's 2021 Integrated Resource Plan). The dial-in details and agenda are located [here](#).

On March 9, 2022, the OPUC Staff is holding a closed, staff workshop in UM 2111 (related to OPUC's interconnection process and policies). The workshop agenda is located [here](#).

### Legislative Updates

***SB 1519 Is Passed Out of Senate*** – SB 1519 proposes to add new property tax exemptions for community solar projects that are owned by residential customers or leased by residential subscribers. Project managers are eligible to claim the exemption beginning on the date in which the electrical inspection for the solar project is completed. The current version of the bill is located [here](#).

## **WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION (WUTC) AND LEGISLATIVE UPDATES**

### WUTC Meetings This Week

On March 10, 2022 at 9:30 a.m. PT, the WUTC is holding an open meeting to discuss a wide range of dockets including UE-210815 (related to revisions to Avista's WN U-28 Tariff, Schedule 62 "Small Power Production and Cogeneration") and UE-210979 (related to PacifiCorp's draft 2022 All-Source Request for Proposals). The dial-in details and agenda are located [here](#).

### Legislative Updates

***HB 1988 Is Introduced to the Senate*** – HB 1988 proposes new tax deferrals for investment projects in clean technology manufacturing, clean alternative fuels production, and renewable energy storage. The current version of the bill is located [here](#).

## **NEW YORK INDEPENDENT SYSTEM OPERATOR (NYISO)**

### **NYISO Launches 2022 Grid Planning Study**

On March 3, 2022, NYISO presented its Grid in Transition plan that describes steps taken to clarify what the transmission grid will look like based on the shift in New York State power from central-station fossil fuel generation towards a grid with increased intermittent renewable resources and distributed generation. The study will occur in two phases.

The study's first phase will coordinate with NYISO's Climate Change Phase I report from 2020 and analyze the evolution of load and net load shapes over time in summer peak, winter peak, and the shoulder period. It will also evaluate the distribution of hourly ramps over time and periods with low wind and solar and what that implies for net energy and hourly ramps. The second phase of the study will coordinate with NYISO's Outlook study to communicate system needs. This study will focus on NYISO's Policy Case and also look at load shapes over time, ramp distributions over time, and reserve needs over time. NYISO may also seek to create a process to coordinate with the upcoming Reliability Needs Assessment (RNA). Given the timeline of the RNA, this coordination would occur in 2023. This process would evaluate similar items as the previous two studies.

NYISO will present the Phase I analysis in March and April 2022. The Outlook study will be presented in the second or third quarter of 2022, at which point this Grid in Transition study can coordinate with the information presented in the Outlook study. The RNA study will be presented in the fourth quarter of this year at which point NYISO will evaluate whether to coordinate with the RNA study and finalize this Grid in Transition plan based on that decision.

## **FEDERAL ENERGY REGULATORY COMMISSION (FERC)**

On February 17, 2022, FERC issued a [Notice of Inquiry \(NOI\) on the use of dynamic line ratings \(DLRs\)](#) to promote grid efficiency. The NOI will examine whether the use of DLRs, which are based on a wide range of weather and line-specific factors affecting the operation of electric transmission lines, would help ensure just and reasonable wholesale rates by improving the accuracy and transparency of line ratings. The NOI would build off of Order No. 881, which was issued last year and directed transmission providers to use ambient-adjusted ratings as the basis for evaluating near-term transmission service as well as for the determination of the necessity of certain curtailment, interruption, or redispatch of near-term transmission service. The NOI seeks comment on whether the lack of DLR requirements renders current wholesale rates unjust and unreasonable; potential criteria for DLR requirements; the benefits, costs, and challenges of implementing DLRs; the nature of potential DLR requirements; and timeframes for implementing potential DLR requirements. Initial comments are due April 25, 2022, with reply comments due 30 days later.

On February 18, 2022, a divided (3-2) FERC issued two new policy statements regarding how it will evaluate natural gas pipeline project certifications and explicitly evaluate the impacts of the proposed projects' greenhouse gas (GHG) emissions in assessing its environmental impacts. First, in its [Updated Policy Statement on Certification of New Interstate Natural Gas Facilities](#), FERC expands upon the considerations that it has traditionally relied upon in determining whether to grant a certificate of public convenience and necessity under Section 7 of the Natural Gas Act to more closely scrutinize the impact of the proposed project GHG emissions on global climate change. Second, in its [Interim Greenhouse Gas Emissions \(GHG\) Policy Statement](#), FERC describes the analytical framework that it will use to evaluate the market, environmental, and public interest issues associated with new natural gas pipeline projects. Under its Interim GHG Policy Statement, FERC will presume, unless rebutted by the developer, that projects with estimated GHG emissions of at least 100,000 metric tons of carbon dioxide equivalent per year will have a significant impact on climate change and require FERC to conduct an environmental impact statement.

FERC's new policy statements take effect immediately and will apply to all pending and new pipeline projects. Public comments on the Interim GHG Policy Statement are due by April 4, 2022. Comments on the Updated Policy Statement on Certification of New Interstate Natural Gas Facilities are due by April 26, 2022.

The Senate Energy and Natural Resources Full Committee held a [hearing](#) on March 3, 2022 to review recent FERC actions relating to permitting construction and operation of interstate natural gas pipelines and other natural gas infrastructure projects. Senators Manchin, Barrasso, Lee, Lankford, and Cassidy voiced concern with the new policy statements while Senators King, Hirono, Cortez Masto, and Hickenlooper expressed support for the FERC's actions.