

**REGULATORY UPDATE FOR MAY 2, 2023
(WEEK OF APRIL 24, 2023)**

CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC)

New Proposed Decisions and Draft Resolutions¹

Application 22-12-009 (PG&E Recovery of Recorded Expenditures Related to Wildfire Mitigation, Catastrophic Events, and Other Recorded Costs). Pacific Gas and Electric Company (PG&E) filed this application on December 15, 2022, seeking to recover \$1.328 billion in revenue requirement that PG&E incurred primarily in 2021 for wildfire mitigation activities and to respond to catastrophic events. Concurrently with the application filing, PG&E filed a motion for interim rates, requesting authorization to collect 85 percent of the revenue requirement associated with the recorded costs, equating to \$1.104 billion (including interest) or \$1.07 billion (excluding interest). PG&E proposed the interim costs be collected over a 12-month period through Electric Distribution rates only beginning in June 2023. This proposed decision grants PG&E's request for interim rate relief, pending a final decision on what permanent cost increase, if any, is reasonable based on the evidence. PG&E is authorized to recover a maximum of \$1.104 billion in interim rates. PG&E is required to refund, with interest, any excess amount it collects in comparison to the Commission's final determination on the amount reasonably incurred.

Voting Meetings

The CPUC held a voting meeting on April 27, 2023. The following are results for energy-related items on the agenda.

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 investor-owned utilities' (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 the 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. **Approved.**

Item 5. A.20-02-009, A.20-04-002, and A.20-06-001 (2019 ERRA Compliance Phase 2). This decision resolves the 2019 ERRA Compliance Phase 2 proceedings of PG&E, Southern

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.

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 deficient in reasonably identifying, evaluating, and weighing the potential public harms to their customers when initiating the 2019 PSPS events and imposed a monetary remedy by prohibiting their collection of all authorized revenue requirements 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. 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 ERRAs Compliance proceedings of PG&E, SCE, and SDG&E are closed. **Held to 5/18.**

Item 9. R.22-07-005 (Electric Rate Design Principles and Demand Flexibility Design Principles). This decision adopts updated Electric Rate Design Principles for the assessment of the rate design proposals of large electric utilities, and new Demand Flexibility Design Principles to guide the development of demand flexibility tariffs, systems, processes, and customer experiences of the large electric utilities. **Signed, D.23-04-040.**

Item 11. A.22-10-011 (PG&E Debt Securities). This decision grants PG&E's request for authorization to: (1) issue, sell, and deliver, or otherwise incur various types of debt securities in an aggregate principal amount not to exceed \$10.5 billion with all such issuances to take place at any time from the date of authorization until the aggregate principal amount authorized has been fully utilized, and (2) enter into interest rate hedges as described herein. In connection with the issuance of the debt securities, this decision also authorizes PG&E to: (a) guarantee the securities and other debt instruments of regulated direct or indirect subsidiaries or regulated affiliates of PG&E or of governmental entities that issue securities on behalf of PG&E; (b) execute and deliver indentures or supplemental indentures and other instruments evidencing or governing the terms of debt securities; and (c) sell, lease, assign, mortgage, or otherwise dispose of or encumber utility property, including but not limited to its accounts receivable, in connection with the issuance and sale of debt securities. **Signed, D.23-04-040.**

Item 12. A.22-05-005 (SoCalGas Gas Rules and Regulations Memorandum Account). This decision finds that SoCalGas and SDG&E did not meet their burden of proof that this memorandum account is necessary or reasonable as proposed. SoCalGas and SDG&E filed a joint application requesting authorization to establish a memorandum account to record costs imposed by current and proposed amendments by the Pipeline and Hazardous Materials Safety Administration (Rules Project). The proposed decision finds instead that the existing Z-Factor in the companies' recent Phase 1 general rate case (GRC) decisions in fact provides appropriate allowances for initial rate relief treatment until the various projects that flow from the new Rules Project are included in subsequent Phase 1 GRCs. **Held to 5/18.**

Item 13. Resolution E-5262 (PG&E AL 6825-E). This Resolution approves two energy storage contracts for a total of 38 MW of nameplate capacity that PG&E procured to satisfy a portion of its 2024 mid-term reliability requirements. These two contracts are Long-Term Resource Adequacy Agreements with energy settlements with Geysers Power Company LLC, which is a wholly owned, indirect subsidiary of Calpine Corporation. The two projects are: Bear Valley Energy Storage for 13 MW and West Ford Flat Energy Storage for 25 MW. Each contract is for 15 years beginning on July 1, 2024. This Resolution approves the requested relief in Advice Letter (AL) 6825-E. **Approved.**

Item 14. Resolution E-5263 (PG&E AL 6861-E Request Approval of Mid-term Reliability Procurement Pursuant to Decision 21-06-035). This Resolution approves a contract for storage procured by PG&E for 230 MW of nameplate capacity from Sunlight Storage II (Desert Sunlight) to satisfy a portion of its 2024 mid-term reliability requirement. The contract is for the Long-Term Resource Adequacy Agreement with energy settlements with NextERA Energy Resources, a subsidiary of NextEra Energy. The contract length is 15 years with an online date of June 1, 2024. This Resolution approves the requested relief in AL 6861-E. **Approved.**

Item 15. Resolution E-5264, AL 6617-E, and AL 6617-E-A (PG&E Requests to Execute a Rider and Amendment to the Bioenergy Market Adjusting Tariff Power Purchase Agreement with Scotts Valley Energy Corporation). This Resolution approved PG&E's Rider and Amendment to the Bioenergy Market Adjusting Tariff Power Purchase Agreement to be executed with Scotts Valley Energy Corporation. **Approved.**

Item 16. R.14-10-003 (DER Rulemaking). This decision denies the Petition of the Solar Energy Industries Association and the California Solar & Storage Association to Modify Decision 22-05-022. The petition requested that, for purposes of updating the Avoided Cost Calculator, the Commission negate a change made in 2022 to the "No New DER" scenario that eliminated load increasing distributed energy resources from the forecasted load and return to a prior version of the scenario that only removed load reducing distributed energy resources from the forecasted load. Petitioners asserted the 2022 change results in an Avoided Cost Calculator that undervalues all distributed energy resources. This decision determines that the Petitioners brought no facts to this proceeding that have not already been addressed either in this proceeding or in the resolution process approving Resolution E-5228. R.14-10-003 is closed. **Held to 5/18.**

Item 17. R.19-10-005 (EPIC Program). This decision adopts a number of administrative improvements for the Electric Program Investment Charge (EPIC) Program to increase transparency and focus on specific strategic goals. The actions include developing and implementing a process to create a uniform impact analysis framework; instituting a public planning and coordination process to develop strategic goals and strategic objectives; and aligning future EPIC Investment Plans with the CPUC's Environmental and Social Justice Action Plan, the Distributed Energy Resources Action Plan, and the federal Justice40 Initiative. This decision also authorizes Energy Division Staff to revise and extend the contract of the Policy + Innovation Coordination Group Project Coordinator. Additionally, this decision authorizes Energy Division Staff to develop a scope of work and undertake a Request for

Proposal process to select a contractor to conduct the next EPIC program evaluation. To consider an issue raised by SCE regarding potential intellectual property constraints, as well as the outcomes of the public planning processes for the uniform impact analysis framework and strategic goals and strategic objectives, the statutory deadline for this proceeding is extended until July 31, 2024. **Signed, D.23-04-042.**

Item 24. R.10-05-004, R.12-11-005 (CSI/SGIP/Distribution Generation Rulemaking). This decision grants, with modifications, the May 20, 2022 petition to modify D.11-09-015, D.15-06-002, and D.19-08-001 filed by PG&E, SoCalGas, SCE, and Center for Sustainable Energy seeking relief for customers who unexpectedly and permanently lose contact with their developer due to the developer declaring bankruptcy or otherwise going out of business. The petition was filed due to the bankruptcy filing of a Self-Generation Incentive Program developer, Petersen Dean, Inc. (Petersen Dean). This decision: (1) grants the requested relief for additional time to submit documentation, release from service warranty requirements, and developer non-compliance program administrator (PA) enforcement obligations to Petersen Dean's customers so that they can receive their incentive payments for already installed projects; (2) provides additional time to submit program documentation for any customers who unexpectedly and permanently lose contact with their developer due to the developer declaring bankruptcy or otherwise going out of business to submit program documentation; and (3) directs the PAs to file Tier 2 ALs to submit exceptions to the rules for service warranty requirements and developer non-compliance PA enforcement obligations. R.10-05-004 and R.12-11-005 are closed. **Signed, D.23-04-045.**

Item 25. Resolution E-5261, AL 6808-E (Plan to Develop a Clean Substation Microgrid Project and Associated Procurement Contract with Energy Vault). This decision approves PG&E's plan to develop a Clean Substation Microgrid Pilot Project to mitigate transmission-level PSPS at the Calistoga substation, as required by Decision 21-01-018 and Resolution E-5164. **Approved.**

Item 40. I.22-09-011 (Transition from Master Metered to Direct Gas Service for a Community in Santa Nella, California). This decision directs PG&E to convert the existing master metered gas service from SNME, Inc. to direct metered service; to simultaneously upgrade the existing electric infrastructure while it is conducting the trenching work to upgrade the gas system; and to ensure that the impacted community does not lose utility service while the construction of the solutions identified is executed. **Withdrawn.**

Item 40A. Commissioner John Reynolds' Alternate to Item 40. The alternate proposed decision of Commissioner John Reynolds differs from the proposed decision of Administrative Law Judge (ALJ) Brian Stevens by additionally providing the option to electrify to community members. The impacted households will be provided information about both gas and fully-electric service, and will be able to choose whether to receive either a full electrification option or to receive a gas service line extension. Homeowners that choose the electrification option will receive electric appliances, and necessary wiring and panel upgrades to support those appliances, at no direct cost to the customer. **Alternate signed, D.23-04-057.**

CALIFORNIA INDEPENDENT SYSTEM OPERATOR (CAISO)

Stakeholder Initiatives: Upcoming Meetings and Deadlines

Capacity Procurement Mechanism Enhancements Track 2. CAISO will host a virtual public stakeholder workshop on May 11, 2023 to launch track 2 for the Capacity Procurement Mechanism (CPM) Enhancements initiative. Written comments on the stakeholder workshop discussion are due June 1, 2023.

Washington WEIM Greenhouse Gas Enhancements. CAISO activated the functionality for the Washington WEIM Greenhouse Gas (GHG) Enhancements project on May 1, 2023. The Washington WEIM GHG Enhancements initiative is intended to improve market efficiency by allowing scheduling coordinators subject to Washington’s GHG program to reflect their GHG compliance cost in their resource bids. The functionality introduced on May 1, 2023, will be an interim alternative approach until the full functionality can be deployed.

Market Surveillance Committee. CAISO posted the final agenda for the Market Surveillance Committee teleconference meeting on May 4, 2023. The objective of this meeting is for the Market Surveillance Committee to adopt their opinion on the day-ahead market enhancement (DAME) initiative.

CALIFORNIA ENERGY COMMISSION (CEC)

Offshore Wind

On May 8, 2023, the CEC is holding an offshore wind energy symposium entitled “On With the Wind: Toward 25 GW of Offshore Wind Energy in California.” The symposium will feature a U.S. Department of Energy Interactive Workshop to discuss efforts required to advance floating offshore wind. The symposium will be held in person (with advance registration) and via remote access. For more information please visit the [symposium website](#).

On April 28, 2023, the CEC published the [Energy Commission Report on AB 525 Offshore Wind Permitting Roadmap](#). According to the Report’s Executive Summary:

“While the CEC held a public workshop and allowed for a comment period, the process for developing the Draft Conceptual Permitting Roadmap was condensed to meet the statutory deadline. After consideration, the CEC believes it is important that additional options and suggestions — some from comments received and those identified through additional engagement — be carefully and fully evaluated and vetted before deciding the best permitting pathway.

“As a result, in this report, the CEC includes additional information on state permitting agencies and processes for a more complete picture of the permitting landscape beyond the various federal processes. This report outlines additional permitting options or frameworks for consideration in developing a final

permitting roadmap. *The CEC anticipates inclusion of a final permitting roadmap as part the AB 525 offshore wind strategic plan.*

“Several approaches are available to serve as a framework for permitting and environmental reviews of offshore wind facilities. In addition to the option described in the Draft Conceptual Permitting Roadmap, several other options could be considered.”

California Energy Comm’n, *Commission Report re Assembly Bill 525 Offshore Wind Energy Permitting Roadmap* at 1-2 (Apr. 2021) (emphasis added).

Integrated Energy Policy Report

The CEC will hold a remote-access workshop on May 4, 2023, to gather information on processes and timelines for interconnection of clean energy resources such as grid-scale zero carbon generation and energy storage with the bulk electric system. According to the workshop notice, the workshop will include presentations by the CPUC, CAISO, and other stakeholders “providing an overview of resource interconnection processes, current and potential future challenges to interconnection, and ongoing efforts to improve processes relative to the bulk electric grid.” A final workshop schedule will be available [here](#) prior to the workshop.

On April 19, 2023, the CEC published the [2023 IEPR Workshop Schedule](#). According to the schedule, the following workshops are scheduled in 2023:

- [May 4](#): Accelerating Clean Energy Interconnection to the Bulk Grid
- [May 9](#): Accelerating Clean Energy Interconnection to the Distribution Grid
- [June 7](#): Regional Workshop on Interconnection in Southern CA
- [June 27 and 28](#): Accelerating Clean Energy Interconnection to the Grid at Bulk & Distribution Levels
- [July 6](#): Hydrogen
- [August 15](#): California Electricity Demand Forecast: Inputs and Assumptions
- [August 18](#): California Electricity Demand Forecast: Load Modifier Scenario Development
- [September 8](#): Revised Gas Price Forecast
- [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](#).

Long Duration Energy Storage

On Tuesday, May 9, 2023, CEC Staff will hold a workshop on long duration energy storage (LDES) analysis. At the remote-access workshop, Staff will present the results of Energy & Environmental Economics, Inc.’s (E3) final analysis as part of the grant agreement

“Assessing Long-duration Energy Storage Deployment Scenarios to Meet California’s Energy Goals” funded under EPIC. This final analysis assesses the roles and cost targets for LDES to meet California’s energy goals in a varied set of scenarios through 2045.

Energy System Reliability

The CEC hosted a workshop on April 19, 2023, in collaboration with the CPUC and CAISO that sought comments from stakeholders and interested parties on the preliminary load shift goal and the forthcoming preliminary report to reduce net peak electrical demand as required by Senate Bill (SB) 846. SB 846, in part, directs the CEC (in consultation with the CPUC and CAISO) to establish a load shift goal that focuses on reducing net peak electrical demand and a report that includes recommended policies to increase demand response and load shifting without increasing greenhouse gas emissions or electricity rates. According to SB 846, the load shift goal must be adopted by June 1, 2023, and is to be adjusted in each biennial Integrated Energy Policy Report thereafter.

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

Clean Transportation Project

On April 24, 2023, CEC Staff published a draft staff report entitled [2023–2024 Investment Plan Update for the Clean Transportation Program](#) (Update). According to the docketing notice, the Update guides the allocation of program funding for the first six months of Fiscal Year 2023–2024 and proposes funding allocations based on identified needs and opportunities, including a focus on zero-emission vehicle infrastructure. The Update was the focus of an April 27, 2023 meeting of the Advisory Committee for the Clean Transportation Program Investment Plan. For more information about the April 27 meeting, please visit the [event page](#).

Electric and Zero Emissions Vehicles

The CEC is taking comments on electric vehicle infrastructure projects for medium- and heavy-duty vehicles, and specifically seeks input on project ideas and project details such as location, technical considerations, scalability, public-private partnerships, and business models. The CEC is hoping to identify the most promising projects for the Charging and Fueling Infrastructure (CFI) and National Electric Vehicle Infrastructure grant funding programs, and to ensure that they will align with state goals and priorities. Additional information regarding the request for information is available [here](#) and a link to comments submitted in response is available [here](#), in Docket 23-TRAN-01.

Hydrogen Funding Opportunities

On April 5, 2023, the CEC announced that it intends to release a solicitation to provide cost-share funding (total funding available is \$20 million) to applicants that apply for and receive an award under an eligible federal funding opportunity announcement for hydrogen technology

projects meeting the requirements of the solicitation and of AB 209. Eligible projects under AB 209 are specific to hydrogen derived from water using eligible renewable energy resources, as defined in Section 399.12 of the Public Utilities Code, or produced from these eligible renewable energy resources. The announcement encouraged interested applicants to review GFO-21-901 (Section IV) (Electric Program Investment Charge Cost Share Solicitation) for elements that could be considered in the scoring criteria, due to the short time for applications. The CEC may consider the following criteria, which is subject to change when the final solicitation is released: technical merit, technical approach, impacts and benefits to California, term qualifications and capabilities, budget and cost-effectiveness, and impacts on disadvantaged and low-income or tribal communities. The anticipated release date is May 2023.

Reliability Reserve Incentive Programs

On April 26, 2023, CEC Staff held a remote-access [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 comments on the launch of the DSGS program. Note that CEC staff issued a revised workshop notice extending the comment period to May 11, 2023.

CEC Meetings

The next CEC Business Meeting is [scheduled](#) for May 10, 2023.

On May 11-12, 2023, the CEC commissioners will [meet](#) to discuss issues and topics related to their respective lead subject matter areas as set forth on the [agenda](#). During the meeting, the commissioners will receive an update on and discuss the administration and budget of the CEC as well as the general outlook for clean energy. No action will be taken on any item of business. Public participation will be allowed at the workshop as described on the event page. For additional details, please see the workshop [notice](#).

CALIFORNIA AIR RESOURCES BOARD (CARB)

Meetings and Workshops

On May 2 and May 4, 2023, CARB is holding virtual community meetings on the [Low Carbon Fuel Standard](#) and potential changes to the regulations. Information and registration for the meetings are available [here](#).

On May 8, 2023, CARB will hold a virtual public workshop on [efforts to update the Funding Guidelines](#) for agencies that administer California Climate Investments. Information on the workshop is available [here](#).

CARB will hold its next Board Meeting on May 25-26, 2023. The agenda will be available [here](#) 10 days prior to the meeting.

Opportunities for Public Comment

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 May 31, 2023.

ILLINOIS COMMERCE COMMISSION (ICC)

Applications for rehearing (AFR) of the ICC's Final Order on Commonwealth Edison Company's (ComEd) Beneficial Electrification Plan (BE Plan) ([Docket Nos. 22-0432/0442](#)) have been filed by the following parties: ComEd, the Chicago Transit Authority (CTA), and the Office of the Attorney General of the State of Illinois (AG's Office). ComEd, which filed its AFR on April 18, seeks rehearing on issues related to the ICC's denial of regulatory asset treatment for rebates authorized under the Final Order and seeks budget adjustments in light of that denial. CTA seeks rehearing to revise the approved Rider NS and Rider DE, on grounds that the definition of "make-ready infrastructure" should be modified so that transit agencies do not pay the cost of make-ready infrastructure on the utility side of the meter. The AG's Office, which filed its AFR on April 24, seeks rehearing on grounds that the authorized budget and rebate levels include "unreasonable spending levels" in excess of the statutory retail rate cap, among other issues. On April 27, ComEd served its Compliance Filing of the BE Plan, and parties have until May 11 to provide input.

The AG's Office also filed an AFR in [Docket Nos. 22-0431/0443](#), regarding the Final Order approving, subject to modifications, the BE Plan of Ameren Illinois Company (Ameren). The AFR seeks rehearing on several issues, including the ICC's finding in the Final Order that the retail rate cap excludes certain aspects of BE Plan funding, approval of a budget the AG contends is in excess of the retail rate cap, and allowing rebates on programs that the AG's Office contends fall within the exclusive jurisdiction of the Illinois Environmental Protection Agency. The AG's Office simultaneously filed a motion for clarification of the Final Order to confirm the ICC's denial of ChargePoint, Inc.'s request to provide all non-residential ratepayers with rebates for the installation and maintenance of Level 2 or Level 3 chargers in connection with the BE Plan. The ICC is required to issue an order with its determination within 20 days of receiving each AFR. Additionally, on May 1, Ameren served its draft BE Plan compliance materials for party comment.

The ICC will hold its next voting meeting on May 4, 2023 at 11:30 a.m. CT. The ICC's meeting agenda will be posted 48 hours in advance, available [here](#).

OREGON PUBLIC UTILITY COMMISSION (OPUC)

The OPUC held a hearing/workshop on April 28, in Docket UM 2000, on proposals for establishing a solar plus storage rate for Qualifying Facilities in Oregon. The rate is only

available to solar plus storage facilities with a capacity of up to 3 MW, and the storage component may only be charged by the on-site solar resource and be co-located behind the point of interconnection. Staff stopped accepting comments last week on the solar plus storage contract rate, which proposal it intends to bring to the OPUC's commissioners on May 16. Staff also intend to post a memo outlining its proposal by May 9.

On April 28, Portland General Electric filed an application to update its Schedule 201, Qualifying Facility Avoided Cost Power Purchase Information for QFs 10 MW or less. The application was filed in Docket UM 1728, with Portland General asserting that its avoided cost inputs have changed due to flat natural gas prices, increased forward electricity prices, and the extension to the Production Tax Credit. PacifiCorp also filed its own avoided cost update that same day in Docket UM 1729, as did Idaho Power in Docket UM 1730.

FEDERAL ENERGY REGULATORY COMMISSION (FERC)

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

FERC [announced](#) a Commissioner-led PJM Capacity Market Forum to take place on June 15, 2023. The forum will include three panels to solicit varied perspectives on the current state of the PJM capacity market, potential improvements, and related proposals to address resource adequacy. The first panel, the overview panel, will explore whether the PJM capacity market is achieving its objectives of ensuring resource adequacy at just and reasonable rates. The second panel, the technical panel, will discuss potential market design reforms that may be needed to ensure PJM's capacity market is achieving its objectives. The third panel, a roundtable with state representatives (including state commissioners), will discuss their views and respond to the first and second panels' discussions.

FERC issued a [final rule](#) providing incentive-based rate treatment for utilities making certain voluntary cybersecurity investments. The final rule largely tracks the NOPR issued in September, but includes some important additions: First, FERC expanded the definition of eligible cybersecurity investments to include not only a pre-qualified list of cybersecurity investments, but also those investments that are done on a case-by-case basis, allowing utilities to request incentives for a variety of solutions tailored to their specific situations. Second, FERC will allow utilities to seek incentives for early compliance with new cybersecurity reliability standards. The final rule adopts the NOPR's proposed requirement that expenditures materially improve a utility's cybersecurity posture. It also adopts the proposal to allow deferred cost recovery that would enable the utility to defer expenses and include the unamortized portion in its rate base but does not adopt the proposed return on equity adder of 200 basis points. The rule also states that approved incentives, with certain exceptions, will remain in effect for up to five years from the date on which expenses are incurred, provided that the investments remain voluntary.

U.S. DEPARTMENT OF TRANSPORTATION (DOT)

The DOT hosted a series of webinars to share information regarding the CFI discretionary grant funding opportunity it opened on March 14, 2023. One webinar took place on March 21, 2023, and another was held on March 22, 2023. 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.