

**REGULATORY UPDATE FOR SEPTEMBER 19, 2023
(WEEK OF SEPTEMBER 11, 2023)**

CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC OR COMMISSION)

New Proposed Decisions and Draft Resolutions¹

Resolution E-5290, AL 4433-E and 4433-E-A (SCE Direct Current Fast Charging Program). This resolution pertains to SCE's site prioritization criteria, updated budget, and number of charging ports and sites SCE will target through the Direct Current Fast Charging (DCFC) component of the Charge Ready 2 Make-Ready Expansion program. This resolution approves, with modifications, the site prioritization plan and criteria for the DCFC component of SCE's CR2 Make-Ready Expansion program, which includes programmatic details related to site selection, an updated rebate model and budget allocation, and charging port targets. This resolution modifies SCE's multi-unit dwelling serving definition, adds conditions to which SCE must adhere if co-locating DCFCs with Level 2 chargers at the same site, discusses charger power levels, and directs SCE to work with Energy Division Staff to develop data reporting requirements.

Application (A.) 21-06-021 (PG&E Application for Authority, Among Other Things, to Increase Rates and Charges for Electric and Gas Service Effective on January 1, 2023). The proposed decision of ALJs DeAngelis and Larsen directs Pacific Gas and Electric Company (PG&E) to make critical investments in hardening its system against wildfire risk, as well as vegetation management and electric distribution system upgrades. PG&E is directed to invest approximately \$4.27 billion in system hardening, including undergrounding and installing covered conductors, and approximately \$1.311 billion in vegetation management to reduce wildfire ignition risk on its electrical system. This decision also directs PG&E to upgrade its distribution capacity system and invest over \$2.5 billion from 2023-2026 to be ready to serve higher customer load and new connections to its system. The Commission also approves critical capital increases in other areas of PG&E's operations, such as Gas Operations.

A.21-06-021 (PG&E Application for Authority, Among Other Things, to Increase Rates and Charges for Electric and Gas Service Effective on January 1, 2023). This alternate proposed decision of Commissioner Reynolds adopts a hybrid approach for Wildfire System Hardening of undergrounding 973 miles and installing covered conductors on 1,027 miles at forecasted capital expenditures of \$4.270 billion (for 2023-2026). Regarding Escalation, assigned Commissioner John Reynolds' alternate PD adopts 25% of the requested adjustments associated with PG&E's Update Testimony (PG&E Ex-33). The alternate proposed decision of Commissioner John Reynolds results in a \$13.313 billion authorized test year revenue requirement in 2023 and post-test year revenue requirements of \$14.016 billion in 2024, \$14.318 billion in 2025, and \$14.494

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.

billion in 2026. The two decisions differ in treatment of Wildfire System Hardening and Escalation. The proposed decision of ALJs DeAngelis and Larsen adopts Wildfire System Hardening of undergrounding 200 miles and installing covered conductor on 1,800 miles at forecasted capital expenditures of \$2.105 billion (2023-2026) and adopts PG&E's Update Testimony (PG&E Ex-33) for Escalation, which adjusts for inflation the revenue requirements for 2023-2026. The proposed decision of ALJs DeAngelis and Larsen results in a \$13.820 billion authorized test year revenue requirement in 2023 and post-test year revenue requirements of \$14.472 billion in 2024, \$14.729 billion in 2025, and \$14.851 billion in 2026.

Voting Meetings

The next CPUC voting meeting will be held in Sacramento, California on September 21, 2023. The following are energy-related items on the agenda:

Item 2. A.21-12-000 (PG&E 2021 Nuclear Decommissioning Cost Triennial Proceeding). This decision adopts and approves the December 16, 2022 settlement agreement between PG&E, The Utility Reform Network, the Public Advocates Office at the CPUC, Alliance for Nuclear Responsibility, County of San Luis Obispo, Northern Chumash Tribal Council, DHK Associates, and Women's Energy Matters. This decision grants the Joint Motion for Adoption of Settlement Agreement and resolves the remaining disputed issues, approving PG&E's 2021 Nuclear Decommissioning Cost Triennial Application.

Item 4. Res WSEB-1 (Public Safety Power Shutoff Program). This resolution approves a citation program to be administered by the Commission Staff, as designated by the Commission's Executive Director, to enforce electric investor-owned utility (IOU) compliance with the Commission's Public Safety Power Shutoff (PSPS) Guidelines. The scope of this resolution and PSPS Citation Program is limited to establishing fines for certain violations of the PSPS Guidelines. This PSPS Citation Program will apply to all IOUs. The Commission delegates authority to Staff to draft and issue citations to levy fines for specific violations as set forth in this PSPS Citation Program.

Item 6. A.21-10-010 (PG&E Electric Vehicle Charge 2 Program). This first revised decision grants the Petition for Modification (PFM) of D.22-12-054 filed by PG&E. In D.22-12-054, the Commission approved \$52,248,000 in funding for PG&E to implement Phase 1 of its Electric Vehicle Charge 2 program and support the installation of approximately 2,822 Level 2 and Direct Current Fast Charger ports at multi-family housing, workplace, and public destination sites in PG&E's service territory. The decision allows PG&E to not implement the EVC 2 program finding that a unique set of factors appeared after D.22-12-054 was issued which obviated the need for the EVC 2 program, including: (a) only 17.5 percent of the \$1.8 billion in authorized ratepayer funds has been used for customer-owned electric vehicle charging infrastructure; and (b) SB 101 was signed into law, providing funding over four years for an array of electric vehicle chargers including Level 2 chargers at multi-family housing, which was one of the market segments targeted by the EVC 2 program.

Item 8. A.19-11-019 (Application of PG&E to Revise its Electric Marginal Costs, Revenue Allocation and Rate Design). This decision addresses two issues that emerged in this

proceeding subsequent to the original closure of the proceeding in D.22-09-002. First, this decision grants a PFM concerning commercial rate schedules B-19 and B-20 filed in February 2023. Second, this decision addresses modifications made by PG&E to residential rate schedule E-TOU-D that were contrary to the orders of D.21-11-016. This decision finds that the customers that were adversely affected by the modifications should be made whole, and that the expenses for doing so should be borne by the shareholders of PG&E.

Item 10. Res E-5286, AL 5061-E (SCE Amendment to Goleta Energy Storage Contract). This resolution approves Amendment 3 to SCE's contract with Goleta Energy Storage, LLC. The amendment extends the online date from June 1, 2023 to June 1, 2024 and reduces the delivery period from 17.4 years to 16 years, 5 months, among other things. The decision finds that the Goleta project will contribute to meeting the needs identified in SB 801, provide 40 MW of capacity in the Moorpark sub-area, and provide the system capacity assumed in the D.19-11-016 and D.21-06-035 baselines. Cost allocation will remain through CAM as approved in Resolution E-5033.

Item 15. Res E-5273, AL 6914-E (PG&E Request for Amendments to Hummingbird Energy Storage Agreement). This resolution approves, without modification, PG&E AL 6914-E seeking to amend its contract with Hummingbird Energy Storage, LLC (Hummingbird). The resolution approves amendments that increase the contract price, push back the contract online date, and extend the contract length. They also increase the project development security and amend the "holdback" language consistent with PG&E's recent procurements pursuant to the Mid-Term Reliability decisions. The resolution finds that the amendments are prudent because without a price increase, Hummingbird is at risk of default due to unanticipated, significant cost increases (e.g., battery prices, labor costs, insurance). The Commission authorizes these cost increases because the need for market power mitigation that originally motivated this contract is still present. Even with the price increase, the project is still priced comparably to recent procurements and the project still provides net value to PG&E customers.

Item 31. Rulemaking (R.) 20-08-020 (Order Instituting Rulemaking to Revisit Net Energy Metering Tariffs Pursuant to D.16-01-044, and to Address Other Issues Related to Net Energy Metering). This decision addresses the remaining six issues of this proceeding. This decision adopts a virtual net billing tariff that mirrors the net billing tariff adopted in D.22-12-056. The virtual net billing tariff provides retail export compensation rates based on Avoided Cost Calculator values but recognizes the unique circumstances of customers taking service on this tariff and provides higher adders for residential customers than those offered in the net billing tariff. This decision adopts an aggregation net billing subtariff that also mirrors the net billing tariff but maintains the credit and debit approach used in the existing net energy metering aggregation subtariff. This decision improves the Watch List process, previously adopted in D.21-06-026, and establishes a process for addressing customer bill format issues. As directed by D.22-12-056, this decision establishes the process for an evaluation of the net billing tariff, virtual net billing tariff, and aggregation net billing subtariff. Following adoption of the California Air Resources Board Greenhouse Gas Emissions Reductions Standards, this decision (i) reviewed comments on a Staff Proposal to Implement Net Energy Metering Fuel Cell Greenhouse Gas Emission Standards; (ii) adopts a revised version of the Staff Proposal; (iii) adopts a plan to implement Pub. Util. Code § 769.2, which requires certain contractors and

projects to provide prevailing wages to construction workers and apprentices; (iv) revises the interconnection application process and requires the creation of a disclosure form and an eligibility checklist; and (v) requires the investor-owned utilities to collaborate with the Department of Industrial Relations in sharing information.

Upcoming Workshops and Other Events

EPIC Policy + Innovation Coordination Group Strategic Goals Emerging Strategies Workshop. On September 20, 2023, from 1:00-4:30 p.m., the CPUC will hold the Strategic Goals Emerging Strategies Workshop. The workshop will focus on a selection of critical pathways and topic areas related to the emerging technologies and strategies that were discussed in the Kick-Off Workshop. The Strategic Goals Workshop process will inform how Strategic Goals should be articulated and established by the Commission in its next guidance decision for the EPIC 5 cycle (2026-2030). Further details are available [here](#).

Energy Division Office Hours on Resource Adequacy (RA) Slice of Day. On September 21 from 2:00-4:00 p.m., Energy Division Staff will host the first of several scheduled office hours to meet with stakeholders on questions related to the new slice of day process and load serving entity (LSE) showing tool. The office hours will be held on WebEx and login access is available [here](#). The next office hours are scheduled for October 19 and November 16. Energy Division encourages stakeholders to submit questions via email in advance. Additional details on the new slice-of-day (SOD) implementation process are available on the Commission's RA webpage, available [here](#).

Load-Impact Protocol (LIP) Working Group Recurring Meeting. The Energy Division has announced a biweekly recurring LIP Simplification Working Group meeting. This LIP Simplification Working Group will submit a final report with a consensus proposal to the Commission. For issues where a consensus is not reached, parties/stakeholders can submit their own proposals. A stakeholder in this process will lead the working group and in compiling the final Working Group Report, and Energy Division will help facilitate the consensus process. The next LIP Simplification Working Group meeting will be held on September 27, 2023 from 1:00 to 2:00 p.m. PT; a link for remote participation is available [here](#).

Supplier Diversity. The CPUC will host its 21st Annual Supplier Diversity event in Escondido, California on September 27-28, 2023. A small and diverse businesses expo will be held on September 27 for procurement and supplier diversity representatives to meet and discuss upcoming business opportunities. On September 28, the CPUC will host an *en banc* to hear from utilities, local governments, ethnic chambers of commerce, and community-based organizations on their experiences with the supplier diversity programs. More information and registration details are available [here](#).

Vehicle Electrification Workshop on Energization Issues. Energy Division Staff will host a public workshop on Friday, September 29, 2023, to discuss issues pertaining to the Electric Vehicle Charging Infrastructure Service Energization Process and the 125-Business Day

Service Energization Average Timing requirement the Commission adopted via Res E-5247. The workshop will be held 9:30 a.m.-4:00 p.m. via Zoom (access link [here](#)).

2023 GO 177 Annual Report Workshop. Pursuant to the directives set forth by the Commission in D.22-12-021, Southern California Gas Company (SoCalGas), SDG&E, and PG&E will convene the first General Order 177 Reporting Workshop virtually on October 16, 2023, from 9:00 a.m. to 12:00 p.m.

CALIFORNIA INDEPENDENT SYSTEM OPERATOR (CAISO)

Stakeholder Initiatives: Upcoming Meetings and Deadlines

Interconnection Process Enhancements 2023. CAISO has posted a tentative [schedule](#) for the Interconnection Process Enhancements 2023 initiative, Track 2. Per the tentative schedule, a straw proposal will be posted on September 21, 2023, a stakeholder meeting will be held on September 28, 2023, and comments on the straw proposal will be due on October 12, 2023. A final decision on Track 2 is planned for the February 2024 Board of Governors meeting. The schedule dates are tentative until confirmed through a notice in CAISO's daily briefing.

2024 Effective Flexible Capacity Values for RA Resources. CAISO has posted the preliminary 2024 Resource Adequacy Effective Flexible Capacity values for RA resources on its [website](#). Comments were due September 13, 2023. If no modifications were requested by the September 13 comment deadline, CAISO will use the posted values for the 2024 compliance year.

2023-2024 Transmission Planning Process. CAISO posted the 2023-2024 Transmission Planning Process preliminary reliability results and the final study plan to its [website](#). The Transmission Planning Request Window was opened August 15 and will close on October 15, 2023.

Greenhouse Gas Coordination Working Group. CAISO held a virtual stakeholder working group meeting on September 13, 2023, related to greenhouse gas coordination. Written comments on the working group discussion are due September 27, 2023. Additional information is available [here](#).

Market Performance and Planning Forum. CAISO scheduled an upcoming quarterly Market Performance and Planning Forum on September 27, 2023. During the meeting, the CAISO will also discuss the Summer Market Performance Report for July 2023. The agenda, presentation, and Summer Market Performance Report for July 2023 will be available prior to the hybrid meeting, [here](#).

WEIM Governing Body, Joint, ISO Board of Governors, DMM Oversight Committee, and Audit Committee Meetings. CAISO has the final agendas for the WEIM Governing Body, Joint, ISO Board of Governors, and Department of Market Monitoring (DMM) Oversight Committee, and Audit Committee meetings held from September 19-21, 2023.

Attendees have the option to participate in the general session meetings either in person or virtually. Additional information is available [here](#).

CALIFORNIA ENERGY COMMISSION (CEC)

Integrated Energy Policy Report (IEPR)

The CEC released an update to its [2023 IEPR Workshop Schedule](#). Forthcoming hybrid workshops include:

- October 25: Draft 2023 IEPR Findings and Recommendations (1:00 p.m.-4:00 p.m. PT)
- November 15: California Electricity Demand Forecast, Load Modifier Scenario Results (10:00 a.m.-5:00 p.m. PT)
- December 6: California Electricity Demand Forecast Results (1:00 p.m.-5:00 p.m. PT)

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

Energy System Reliability

On August 28, 2023, the CEC released the [Joint Agency Reliability Planning Assessment SB 846 Third Quarterly Report](#) (Assessment). According to the Assessment, the report provides “a quarterly review of the demand forecast, supply forecast, and risks to reliability in the California Independent System Operator territory from 2023 to 2032, as required by SB 846” and also “includes an updated analysis for summer 2023.”

Electric Program Investment Charge (EPIC) Program

The CEC announced that it will host a two-day event joined by the IOUs (PG&E, SCE, and SDG&E) and clean energy leaders and entrepreneurs to discuss EPIC program goals and policy innovations. The symposium will be held on October 3-4, 2023. The symposium agenda and additional information are available [here](#).

Zero Emissions Vehicles

The second application window for the Golden State Priority Project, which includes approximately \$38 million in funding for direct current, fast charging rebates, will be opening in the next few months. The CEC will host a webinar to discuss applicant eligibility requirements and to provide guidance on completing applications. Event details and additional program information are available [here](#).

Power Source Disclosure

On September 26, 2023 at 10:00 a.m., the CEC will hold a hybrid pre-rulemaking workshop to solicit feedback on proposed changes to the Power Source Disclosure program

regulations. Written comments may be submitted to the CEC's Docket Unit by 5:00 p.m. on October 24, 2023. Additional information is available [here](#).

CEC Business Meetings

The next business meeting will be held on October 18, 2023.

CALIFORNIA AIR RESOURCES BOARD (CARB)

Meetings and Workshops

On September 19, 2023, CARB is hosting a [public workgroup meeting](#) to discuss its plans for funding clean transportation, including its fiscal year 2023-2024 Clean Transportation Incentives Funding Plan. The agenda for the meeting is available [here](#).

On September 20, 2023, the Bay Area Air Quality Management District will hold a webinar on statewide grant funding for zero-emission freight and marine equipment in California. Registration for the webinar is available [here](#), and information on grant funding currently available can be found [here](#).

CARB's next board meeting is scheduled for September 28, 2023. The agenda for the meeting is available [here](#). The Board will hear an update on the [Low Carbon Fuel Standard](#) (LCFS), and the major concepts under consideration for the upcoming LCFS rulemaking.

On October 5, 2023, CARB will hold a [public workshop](#) on updates to the California Cap-and-Trade Program and Mandatory GHG Reporting Program. Following the workshop, CARB will solicit feedback through October 26, 2023. More information and registration for the workshop are available [here](#).

Opportunities for Public Comment

On September 5, 2023, CARB held a [public workshop](#) to kick off the development, with the CEC and CPUC, of a report on hydrogen deployment, development, and use, in accordance with [SB 1075](#). Comments on the workshop topics may be submitted [here](#) on or before September 19, 2023.

CARB is soliciting interest in joining the Truck Regulations Implementation Group, to provide input and help coordinate efforts related to outreach, training, and implementation strategies for the [Advanced Clean Fleets Regulation](#). The application to be an active member of the Group is available [here](#) until September 29, 2023.

COLORADO PUBLIC UTILITIES COMMISSION (COLORADO PUC)

The Colorado PUC will host its next commissioners' Weekly Meeting on September 20, 2023 at 9:00 a.m. MT. The meeting, which will be held remotely, is available for online viewing [here](#). The agenda is available [here](#).

MINNESOTA PUBLIC UTILITIES COMMISSION (MPUC)

On Thursday, September 14, the MPUC heard two items at its regularly scheduled Agenda Meeting. First, the MPUC will address whether and how to update the potential cost of future carbon dioxide regulation on electricity generation. Second, the MPUC will evaluate whether to reopen, reconsider, and/or clarify its July 17, 2023 order in the Xcel Energy Electric Rate Case (Docket No. 21-630). The agenda can be found [here](#).

FEDERAL ENERGY REGULATORY COMMISSION (FERC)

On August 31, 2023, FERC issued two orders addressing Midcontinent Independent System Operator, Inc.'s (MISO) treatment of Dispatchable Intermittent Resources (e.g., dispatchable wind and solar resources) in its Open Access Transmission, Energy and Operating Reserve Markets Tariff (Tariff). In [184 FERC ¶ 61,137](#), FERC denied a complaint filed by Solar Energy Industries Association (SEIA), which alleged that the Tariff is unjust, unreasonable, and unduly discriminatory or preferential because it prohibits wind, solar, and battery hybrid resources from providing ancillary services in the wholesale market. FERC found that SEIA failed to meet its burden under Federal Power Act Section 206. In [184 FERC ¶ 61,134](#), FERC accepted MISO's proposed revisions to its Tariff to make Dispatchable Intermittent Resources ineligible to provide the Up Ramp Capability and Down Ramp Capability products and to change the Down Ramp demand curve from \$5/MWh to \$0/MWh.

At the July 27, 2023 FERC meeting, FERC issued long-awaited [Order No. 2023](#), the Final Rule on Improvements to Generator Interconnection Procedures and Agreements in Docket No. RM22-14-000 (Final Rule). The Final Rule makes sweeping reforms to FERC's standard generator interconnection procedures and agreements created two decades ago.

The Final Rule imposes reforms across several key areas of the generator interconnection process. First, it requires transmission providers to use a cluster study process that is already common to organized markets, rather than the currently required serial first-come, first-served study process. The Final Rule also requires increased financial commitments for interconnection customers to enter and remain in the interconnection queue. The Final Rule establishes firm study deadlines for transmission providers and requires transmission providers to use a standardized and transparent affected systems study process that includes firm study deadlines and uniform modeling standards. Also, the Final Rule includes reforms to incorporate technological advancements into the interconnection process: hybrid resources, grid-enhancing technologies, and reliability requirements for inverter-based resources. In sum, the reforms aim to allow generators to interconnect in a more reliable, efficient, and transparent manner. The rule provides a transition process that allows transmission providers to move from the existing serial study process for the most-ready projects in its current queue to the new Final Rule requirements. Compliance filings are due 90 days after publication of the Final Rule in the Federal Register.

Our full summary of this major reform is available here: [FERC issues Final Rule on Improvements to Generator Interconnection Procedures and Agreements](#).