

REGULATORY UPDATE FOR OCTOBER 5 (WEEK OF SEPTEMBER 28)**California Public Utilities Commission****New Proposed Decisions and Draft Resolutions¹:**

Draft Resolution E-5102. This draft resolution approves, with modification, Clean Power Alliance's Advice Letter 4-E/E-A to create tariffs to implement the Disadvantaged Communities Green Tariff (DAC-GT) and Community Solar Green Tariff (CSGT) programs.

Proposed Decision, R.13-11-005 (energy efficiency policies). This proposed decision addresses a motion filed by the Public Advocates Office in December 2019, requesting that the Commission modify, or preferably eliminate the Efficiency Savings and Performance Incentive Mechanism (ESPI). The proposed decision declines to make changes to the ESPI mechanism at this time. Instead, the mechanism will be reevaluated after certain other decisions are made about the ultimate structure of the energy efficiency programs administered by the investor-owned utilities, including resolution of issues included in the Administrative Law Judge's ruling issued March 12, 2020 related to energy efficiency potential and goals policy.

Alternate Proposed Decision, R13-11-005 (energy efficiency policies). This alternate to the proposed decision above from Commissioner Randolph would impose a moratorium on award payments under the ESPI mechanism beginning with 2021 program year advice letter earnings claims. The moratorium shall remain in effect pending subsequent action to assess whether, how, or when a new version of ESPI or a new incentive mechanism can be devised and implemented. Any new or revised incentive mechanism will apply only to activities performed on or after the date of implementation. No retroactive recovery of earnings will be allowed based on activities performed during periods prior to implementation of any new or revised incentive mechanism.

Voting Meetings:

The Commission's next voting meeting is October 8, 2020. The agenda includes the following items:

Item 7: R.18-07-003 (RPS Proceeding). This proposed decision modifies aspects of the Renewable Market Adjusting Tariff (ReMAT) Program. It adopts an electricity pricing methodology based on a weighted average of the utilities' recent executed long-term Renewables Portfolio Standard contracts. The proposed decision also eliminates caps on procurement during bimonthly Program Periods and instead authorizes procurement at the authorized rate on a first-come, first-served basis until each electric utility fulfills its proportionate share of procurement

¹ Per Commission 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 twenty days after the draft resolution appears in the Commission's daily calendar, per Rule 14.5.

under § 399.20, along with additional changes. These modifications do not affect ReMAT contracts that have already been executed.

Item 8: Draft Resolution E-5059: This Resolution would adopt with modifications proposed tariff revisions by Pacific Gas and Electric Company Advice Letter 5354-E, Southern California Edison Company Advice Letter 3840-E, and San Diego Gas & Electric Company Advice Letter 3257-E to implement Reentry Fees and Financial Security Requirements for Community Choice Aggregators. Reentry fees include investor owned utility administrative costs and procurement costs resulting from a mass involuntary return of CCA customers to IOU service, and the financial security requirements must cover those potential costs.

California Independent System Operator

Board of Governors Meeting, 9/30-10/1. The CAISO Board of Governors approved tariff changes to implement CAISO's energy storage and distributed energy resources initiative (ESDER), Phase 4, proposal. It also approved a flexible ramping product refinements proposal, and an import bidding and market products proposal intended to align CAISO's practices with the requirements of FERC Order 831. It also approved tariff revisions necessary to implement CAISO's maximum import capability multi-year allocation proposal.

Upcoming Meetings and Deadlines:

Generator Downsizing Request Submittal Window for Generator Interconnection Projects: Open 10/15/20 to 11/15/20. The California ISO will begin to accept downsizing requests on Oct. 15, 2020, for active interconnection requests and commercial generating facilities seeking to downsize under the annual generator downsizing process. All downsizing requests and deposits must be submitted to the ISO by 5 p.m. (Pacific Time), Nov. 15, 2020.

Annual Policy Initiatives Roadmap Process: 2021 Draft Policy Initiatives Roadmap Posted. The California ISO will hold a public stakeholder web conference on Oct. 7, 2020, to discuss the 2021 draft Policy Initiatives Roadmap, as part of its annual policy initiatives roadmap process. Please submit comments by October 21.

Western EIM Base Schedule Submission Deadline. The California ISO has launched a new initiative called Western EIM Base Schedule Submission Deadline, and will hold a public stakeholder web conference on Sept. 30, 2020 to discuss the issue paper and straw proposal for this initiative.

Extended Day-Ahead Market. The California ISO has extended the deadline to submit written comments on the Extended Day-Ahead Market bundle 1 straw proposal from Oct. 8, 2020 to Nov. 12, 2020.

Resource Adequacy Enhancements. The California ISO held public stakeholder working group calls on Sept. 14, 15, and 17, 2020, to further discuss various aspects of the Resource Adequacy Enhancements initiative. Comments are due October 1.

Energy Storage and Distributed Energy Resources: Storage Default Energy Bid.

The California ISO held a public stakeholder meeting on Sept. 22, 2020, to discuss the default energy bid proposal for the Energy Storage and Distributed Energy Resources Phase 4 initiative. Written comments are due October 6.

California Energy Commission

Commissioner Karen Douglas, the California Energy Commission (CEC) Lead Commissioner for Renewable Energy, will host a remote-access workshop to solicit further public and stakeholder comment on proposed modifications to the Renewables Portfolio Standard enforcement regulations for local publicly owned electric utilities. The workshop will be held October 13, 2020, starting at 10:00 a.m.

California Air Resources Board

On November 19 and 20, 2020, the California Air Resources Board (CARB) will hold a public hearing to consider amendments to its regulations for the reporting of Criteria Air Pollutants and Toxic Air Contaminants. The proposed amendments will expand CARB's inventories of emissions from stationary sources, on-road and off-road mobile sources, and area-wide sources, i.e. consumer products. The amendments would expand the scope of sources subject to reporting, increasing the number of facilities reporting from about 1,300 to approximately 60,000 at full implementation. The amendments would incorporate a six-year phase-in for reporting of additional processes and provide abbreviated reporting requirements for thousands of facilities. The amendments would also improve consistency with air toxic "hot spots" reporting requirements under Assembly Bill 2588. Details on the proposed amendments and the hearing are available [here](#). Written comments can be submitted by mail or electronically [here](#) and must be received no later than November 16, 2020 if they will not be physically submitted at the hearing.

Minnesota Public Utilities Commission**1. Minnesota Power Renewable Resources Rider Petition**

The Minnesota Public Utilities Commission ("Commission") met on October 1, 2020, to review Minnesota Power's Renewable Resources Rider and 2020 Renewable Factor ("RRR Petition") in MPUC Docket No. 19-523. After comments from the Department of Commerce and Minnesota Power, the Commission took the following action:

1. Approved Minnesota Power's 2020 RRR factor with modifications;
2. Disallowed Minnesota Power's request to update the RRR revenue requirements for the two remaining Thomson Projects currently but allowed Minnesota Power to include them in the RRR tracker balance for future RRR cost recovery;
3. Required Minnesota Power to lower the Bison 6 LGIA Customer Credit corrected for the Large Power Class Allocator for 2018 and 2019 and on a going forward basis;

4. Allowed Minnesota Power to update the RRR factor for the revenue requirements that were previously planned to be rolled into base rates in Minnesota Power's 2019 rate case through a compliance filing in this docket;
5. Disallowed Minnesota Power's request to update the RRR revenue requirements for a PTC true-up currently but allowed Minnesota Power to include them in its RRR tracker balance for future RRR cost recovery;
6. Did not require Minnesota Power to true-up its costs and revenues for projects rolled-in from the RRR into base rates in the 2016 rate case;
7. Required Minnesota Power to continue detailed Bison Wind reporting as filed with the North Dakota Public Service Commission in future RRR filings;
8. Authorized Minnesota Power to implement the 2020 RRR factor effective on the first day of the month following the issuance of the Commission's order in this docket; and
9. Required Minnesota Power to submit a compliance filing within ten days of the date of this order showing the final revenue requirement calculations, rate adjustment factors, and all related tariff changes.

It appears that the Commission's actions will result in smaller increases than initially projected, but stakeholders will continue to watch for the Commission's order, which will trigger Minnesota Power's compliance filing requirements, allowing parties to ascertain final rate impacts.

2. Minnesota Power Request to Extend the Energy-Intensive Trade-Exposed ("EITE") Discount

As a follow up to a previous update, stakeholders filed initial comments in response to Minnesota Power's petition to extend the existing EITE discount until final rates are implemented after its next general rate case. The Minnesota Department of Commerce and Citizens Utility Board of Minnesota supported Minnesota Power's proposal, while the Office of the Attorney General filed comments opposing the request. Minnesota Power and other stakeholders must submit any reply comments by October 13, 2020.

Federal Energy Regulatory Commission

FERC has a [technical conference scheduled for October 27 on offshore wind generation integration in RTOs/ISOs](#). The conference will address whether existing Commission transmission, interconnection, and merchant transmission facility frameworks in RTOs/ISOs can accommodate anticipated growth in offshore wind generation in an efficient and effective manner that safeguards open access transmission principles and to consider possible changes or improvements to the current framework should they be needed to accommodate such growth. Commissioners may participate in the technical conference.

Last week, FERC indicated in a filing in the Seventh Circuit that it would be acting on PJM's most recent compliance filings in the Minimum Offer Price Rule docket sometime between October 7 – 15. It so happens that FERC's next open meeting lands on the 15th.