

REGULATORY UPDATE FOR AUGUST 10 (COVERING WEEK OF AUGUST 3)**California Public Utilities Commission****New Proposed Decisions and Draft Resolutions¹:**

A.19-10-001 (SCE Surplus Energy Transaction with BPA). On October 1, 2019, SCE filed an application requesting approval to extend, for an additional year, a two-year contract with Bonneville Power Administration (BPA) for the purchase of five MW of surplus electricity delivered around the clock. SCE described the surplus electricity as carbon-free hydroelectric power made available through incremental energy efficiency savings in BPA's service area. This proposed decision would deny approval, finding that the proposed transaction is a standard surplus power purchase contract and not an inter-regional energy efficiency transfer. Moreover, the purchased power carries an emission factor, and is not carbon-free. Finally, the contract does not provide sufficient policy benefits to justify its costs.

Voting Meetings:

The Commission held a voting meeting on August 6, 2020. The agenda included the following items:

Item 5: R.14-07-002/A.16-07-015. The proposed decision would adopt standardized inputs and assumptions to be used by solar providers in the calculation and presentation of expected electric utility bill savings to residential consumers of photovoltaic solar energy systems. The Commission was required to develop these standardized inputs and assumptions pursuant to AB 1070 (2015). **Approved, D.20-08-001.**

Item 10: San Diego Gas and Electric Company Advice 3524-E. Proposed Resolution E-5083. SDG&E's 2014 Conformed Bundled Procurement Plan enables SDG&E to procure various products for terms of up to five years without the California Public Utilities Commission's preapproval, as long as no term extends beyond December 31, 2024. This resolution would approve, without modification, SDG&E's request to extend its five-year procurement authority on a rolling basis until the Commission revises or replaces the investor owned utilities' 2014 Bundled Procurement Plans. **Held until August 27, 2020 meeting.**

Item 14: R.17-06-026. Proposed Decision Adopting a Framework and Evaluation Criteria for the Power Charge Indifference Adjustment Prepayment Agreements. The Power Charge Indifference Adjustment (PCIA) is a mechanism adopted by the Commission as part of a ratemaking methodology developed to ensure that when electric customers of an investor-owned utility (IOU) depart from IOU service and receive their electricity from a non-IOU provider,

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.

those customers remain responsible for costs previously incurred on their behalf by the IOUs. In D.18-10-019, the Commission adopted an option for Community Choice Aggregation programs (CCAs) and Direct Access (DA) customers to prepay their PCIA obligation. This decision adopts a framework for prepayment agreements for PCIA obligations. Upon review of the Working Group Two recommendations, this decision (1) adopts the consensus framework of PCIA prepayment agreements; (2) adopts the consensus guiding principles, except for one principle regarding partial payments; (3) adopts evaluation criteria for prepayment agreements; (4) does not adopt any proposed prepayment concepts; and (5) clarifies that risk should be incorporated into the prepayment calculations by using mutually acceptable terms and conditions that adequately mitigate the risks identified by Working Group Two. This decision also directs Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company to file Tier 2 Advice Letters establishing a prepayment request processing framework. **Approved, D.20-08-004.**

California Independent System Operator

On August 6, 2020, the California ISO announced the appointment of Elliot Mainzer as the new president and Chief Executive Officer. He will succeed Steve Berberich on September 30, 2020.

Upcoming Meetings and Deadlines:

FERC Order 831 – Import Bidding and Market Parameters Revised Draft Final Proposal. The California ISO held a public stakeholder call on July 29, 2020, to discuss the revised draft final proposal for the FERC Order 831 - Import Bidding and Market Parameters initiative. Written comments are due by Aug. 12, 2020.

Hybrid Resources, Draft Final Proposal. The California ISO will hold a public stakeholder web conference on Aug. 10, 2020, to discuss the draft final proposal for the Hybrid Resources initiative. Written comments are due August 26.

Pseudo-Ties of Shared Resources, Draft Tariff Language Posted. The California ISO will hold a public stakeholder web conference on Aug. 21, 2020, to discuss the draft tariff language for the Pseudo-Ties of Shared Resources initiative.

California Energy Commission

The CEC has postponed the Adoption Hearing regarding the Modification of Regulations Specifying Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities and the associated Negative Declaration originally scheduled to be held on August 12, 2020. A new hearing date has not been announced but the CEC has indicated that it will provide public notice of the new hearing date once it is scheduled.

<https://efiling.energy.ca.gov/GetDocument.aspx?tn=234232&DocumentContentId=67074>

Comments received to date on the proposed modifications as well as the August 5, 2020 Notice of Postponement are available at <https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=16-RPS-03>.

California State Water Resources Control Board

On June 19, 2020, the State Water Resources Control Board (State Water Board) published a [third revised public notice](#) changing the date of the State Water Board meeting wherein the State Water Board will conduct a public hearing and consider adoption of a proposed amendment to the Water Quality Control Policy On the Use of Coastal and Estuarine Waters for Power Plant Cooling (“OTC Policy”). The State Water Board meeting will now be held on September 1, 2020 at 9:30 a.m. According to the notice, no changes were made to the public comment period, which ended on May 18, 2020. For more details about the amendment, please visit the State Water Board [program page](#).

Minnesota Public Utilities Commission

Minnesota Public Utilities Commission Update

As a follow up to a previous update, on August 7, 2020, the Minnesota Public Utilities Commission (“Commission”) issued its [final order](#) resolving Minnesota Power’s 2019 rate case and associated withdrawal petition. The withdrawal petition contained the following components: (1) refunding interim rates through May 1, 2020; (2) incorporating asset-based margins into the fuel adjustment clause; and (3) withdrawal of the existing rate case and committing that the Company would not file another rate case until March 1, 2021, unless various conditions occur, then Minnesota Power may file on November 1, 2020. Acknowledging the extraordinary circumstances triggered by COVID-19, the Commission approved Minnesota Power’s petition as set forth in the Company’s filings in April 2020, subject to the following conditions: (1) Minnesota Power will provide reasonable intervenor compensation to parties participating with the objective of promoting a public purpose; (2) before its next rate case, Minnesota Power must ensure that parties have the ability to better use the data and inputs the Company uses in its class cost-of-service study model; and (3) before its next rate case, Minnesota Power will provide updated information on its process for collecting residential late fees and explore late payment allocation methods with interested parties. The Commission also affirmed that Minnesota Power must work with multiple customer classes on rate-design alternatives and file a report within six months. The order also formalizes that the existing Energy-Intensive Trade-Exposed customer rate discount will expire on February 1, 2021, and directs Minnesota Power to file a new proposal by August 31, 2020. Lastly, the order directs Minnesota Power to file a compliance filing including: final rates and related tariff changes, supporting formulas and spreadsheets, and a brief narrative explaining the changes and calculations.

Federal Energy Regulatory Commission

FERC [announced a technical conference on 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. Individuals interested in participating as panelists should submit a self-nomination form by [Friday, August 14, 2020](#).

FERC [announced a technical conference on September 30](#) on carbon pricing in organized wholesale electricity markets. The conference will address state adoption of mechanisms to price carbon dioxide emissions, commonly referred to as carbon pricing, in regions with Commission-jurisdictional organized wholesale electricity markets.

Commissioner Bernard L. McNamee announced that he intends for September 4, 2020 to be his last day serving on the Commission.

FERC's next open meeting is scheduled for September 17, 2020.