

REGULATORY UPDATE FOR NOVEMBER 2 (WEEK OF OCTOBER 26)**California Public Utilities Commission****New Proposed Decisions and Draft Resolutions:¹**

A.19-02-015 (Renewable Natural Gas Tariff). This proposed decision adopts a three-year voluntary pilot Renewable Natural Gas Tariff program for Southern California Gas Company and San Diego Gas & Electric Company (the Utilities). The Utilities are authorized to offer this program to their respective eligible core customers.

Voting Meetings:

The Commission will hold a voting meeting on November 5, 2020. The agenda includes the following items:

Item 8: Proposed Resolution E-5106 (Self Generation Incentive Program). On June 2, 2020, the following advice letters were jointly filed by the identified parties, proposing a methodology for calculating the incentive for Large Thermal Energy Storage under the Self Generation Incentive Program: Southern California Gas Company (SoCalGas) 5640-G, Pacific Gas and Electric Company (PG&E) 4255-G/5839-E, Southern California Edison Company (SCE) 4223-E, and the Center for Sustainable Energy (CSE) 112-E. This proposed resolution rejects those jointly-filed advice letters, and the proposed methodology, and requires a joint Tier 2 advice letter from SoCalGas, PG&E, SCE, and CSE to propose a dynamic Large Thermal Energy Storage incentive methodology based on actual system specifications and site-specific monitoring and data collection.

Item 9: Proposed Resolution E-5102. This proposed resolution would approve Clean Power Alliance's Advice Letter 4-E/E-A to create Disadvantaged Communities Green Tariff and Community Solar Green Tariff rates and program design in compliance with Decision 18-06-027.

Item 13: A.20-07-008. This proposed decision would grant Southern California Edison Company's Application for authority to issue a securitized recovery bond to fund fire risk mitigation plan capital expenditures (Recovery Bond). The proposed decision would reduce financing costs by an estimated \$173,500,000 for previously-approved investments, offset by the \$5,355,143 expected cost to issue the Recovery Bond, resulting in a net decrease to ratepayers.

Item 19: R.13-11-005 (Energy Efficiency). This proposed decision would continue the Energy Savings Performance Incentive program in its current form, due to the heightened

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

importance of the energy efficiency resource and the fact that the Commission has continued to select the investor-owned utilities as program administrators. The proposed decision also commits the Commission to reexamining the structure of shareholder incentive opportunities further, once several other policy issues related to potential and goal-setting are resolved, currently scheduled for 2021.

Item 19A: R.13-11-005 (Alternate filed by Commissioner Randolph). This alternate proposed decision would place a moratorium on the Energy Savings Performance Incentive program in its current form, until the Commission resolves policy issues related to potential and goal-setting and until after the portfolio transition process for statewide and third-party programs is completed over the next few years.

California Independent System Operator

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 October 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), November 15, 2020.

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 October 8, 2020 to November 12, 2020.

Real-Time Settlement Review Draft Final Proposal. The California ISO has scheduled a public stakeholder call on October 28, 2020, to discuss the draft final proposal for the Real-Time Settlement Review initiative. Comments are due November 11, 2020.

FERC Order 831 - Import Bidding and Market Parameters: Revised Draft Tariff Language Posted. The California ISO has scheduled a public stakeholder call on November 10, 2020, to discuss the revised draft tariff language for the FERC Order 831 - Import Bidding and Market Parameters initiative.

Affidavits for Allocating and Retaining Transmission Plan Deliverability Due December 4, 2020. Generation interconnection customers must submit Transmission Plan Deliverability (TP Deliverability) affidavits to the California ISO by December 4, 2020 to be eligible to receive or retain deliverability allocations in the annual TP Deliverability allocation process. This also applies to wholesale distribution access tariff (WDAT) projects studied by the ISO for deliverability.

Energy Storage and Distributed Energy Resources - Default Energy Bid Final Proposal. The California ISO has posted the final proposal for the Energy Storage and

Distributed Energy Resources (ESDER) Default Energy Bid initiative. Comments are due November 12, 2020.

2022 Local Capacity Requirements. The California ISO will hold a public stakeholder call on November 3, 2020, to discuss the criteria, assumptions, and methodology to be used in the 2022 Local Capacity Technical study. The ISO has posted a draft study manual that addresses these topics. Comments on the study manual are due November 17.

Western EIM Governing Body meeting. The Western EIM Governing Body will hold a teleconference meeting on November 4, 2020. The final agenda has been posted and can be found here: <https://www.westerneim.com/Documents/FinalAgenda-EIMGoverningBodyMeeting-Nov4-2020.pdf>. A Board of Governors and Western EIM Governing Body executive sessions will also be held on November 3.

Western EIM Base Schedule Submission Deadline Draft Final Proposal Posted. The California ISO has scheduled a public stakeholder call on Nov. 6, 2020, to discuss the draft final proposal for the Western EIM Base Schedule Submission Deadline initiative. Comments are due November 13, 2020.

California Energy Commission

The California Energy Commission (CEC) has once again scheduled a new time and date for the Lead Commissioner's workshop, during which the CEC intends 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, previously scheduled for October 23, is now scheduled for 1:00 p.m. on November 5, 2020. For more information:

<https://www.energy.ca.gov/proceedings/energy-commission-proceedings/proceeding-modifications-rps-enforcement-regulations>.

On October 30, 2020, the CEC published its [Key Topics Guide - Proposed Implementation of RPS Long-Term Procurement Requirement for RPS POU Regulations](#). This workshop guide was developed to support stakeholder and public preparation for discussion at the upcoming workshop and for the subsequent public comment period, explains CEC staff's proposal, and includes draft regulatory language for the long-term procurement requirement in its Appendix A.

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 multi-year

phase-in for reporting of additional processes and provide abbreviated reporting requirements for thousands of facilities. The amendments would also improve consistency with the Air Toxics “Hot Spots” Program 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.

Oregon Public Utility Commission

The Oregon Public Utility Commission (OPUC) issued an order this week revising the timeline in which project managers developing a community solar project must subscribe the project with the minimum amount of low-income residential customers. Enabling statutes require that 10 percent of total program capacity must be allocated to low-income customers prior to project certification. This week, in light of the challenges that project managers have experienced in achieving the subscription requirement, OPUC approved a proposal that allows project managers up to 12 months following certification to achieve the 10 percent threshold. Project managers who fail to achieve the goal by the deadline are subject to a penalty.

Washington Utilities and Transportation Commission

On November 6, 2020, the Washington Utilities and Transportation Commission (WUTC) will hold a public hearing for the adoption of proposed rules in its Energy Independent Act rulemaking (Docket No. UE-190652).

On October 29, 2020, Puget Sound Energy withdrew its application to the WUTC for approval of the sale of its 25 percent ownership interest in Colstrip Unit 4 to NorthWestern Energy and Talen Montana, LLC. The proposed sale, which was opposed by WUTC Staff and certain environmental groups, has been terminated. (WUTC Docket No. UE-200115.)

On October 14, 2020, the WUTC issued a notice of opportunity to file written comments and a notice of a proposed rule adoption in its Integrated Resource Plan and Clean Energy Implementation Plan rulemaking proceedings (WUTC Docket Nos. UE-10698 and UE-191023). Comments on the proposed rules are due on November 12, 2020 and a hearing on the proposed rules is scheduled for December 9, 2020.

Federal Energy Regulatory Commission

The Commission’s next open meeting is November 19, 2020.

FERC held a technical conference on integrating offshore wind in the RTO/ISO markets on October 27th. Key take-aways from the panelists were:

- Panelists explained that offshore wind is a significant portion of the portfolio that coastal states need and want to meet their renewable energy targets in the coming years. Prompt action to integrate offshore wind is essential to fulfill these state energy goals and to ensure investments by offshore developers are made in the U.S.

- Panelists suggested that better inter-regional transmission planning and cost allocation is needed for offshore wind to thrive, both in terms of necessary onshore upgrades and developing an offshore transmission system. While some commentators suggesting using existing processes, such as the public policy planning process in New York, others suggested that FERC needs to lead with a new process for offshore wind or an inter-regional RTO/ISO planning task force, particularly in light of the unique scale of the investments needed. Many commentators believe that the current interconnection and cost allocation process, which largely relies upon a radial system and individual generator upgrades, will not work for offshore wind. Instead, a meshed network model or integrated backbone transmission planning is needed. Several commentators advocated for a “transmission-first” planning process.
- States and RTOs/ISOs will need to coordinate and work together on inter-regional transmission planning to support offshore development. Panelists recommended that the planning process recognize the multiple values and benefits of transmission projects, instead of silo-ing them into one benefit and that the planning process consider both near-term (~5-10 year) and long-term (~30 year) plans.

FERC announced that the Chairman will convene a roundtable on December 3, 2020, to discuss increased deployment of electric vehicles (EV) and EV charging infrastructure nationwide and their impact on and value to the FERC-jurisdictional transmission system and wholesale electricity markets.