

REGULATORY UPDATE FOR APRIL 26, 2022 (WEEK OF APRIL 18, 2022)**CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC or COMMISSION)**New Proposed Decisions and Draft Resolutions¹

None.

Voting Meetings

The Commission held a voting meeting on April 21, 2022. The agenda included the following energy-related items. The Commission's next voting meeting is scheduled for May 5, 2022.

Item 3. Resolution E-5192. This resolution approves a total budget of \$11.7 million for Pacific Gas and Electric Company (PG&E) to implement three short-term pilots to address specific barriers to vehicle-grid integration:

- Pilot #1: Vehicle-to-grid Residential Pilot Program (residential pilot) is approved as modified in this resolution at \$7.5 million.
- Pilot #2: Vehicle-to-grid Commercial Pilot Program (commercial fleets pilot) is approved as modified in this resolution at \$2.7 million.
- Pilot #3: Vehicle-to-microgrid Public Safety Power Shutoff Microgrid Pilot (microgrids pilot) is approved as modified in this resolution at \$1.5 million.

This resolution also denies the proposed budget of \$2.3 million for pilot #4 to explore vehicle-to-grid export value because AL 6259-E does not fully comply with Decision (D.) 20-12-029 requirements regarding budget, scope, and reporting. This resolution does, however, authorize PG&E to refile a new Tier 2 AL within 60 days to correct these deficiencies, if it chooses. **Held to May 5, 2022 meeting.**

Item 5. A.21-07-017 (SDG&E Rate Relief for Wildfire Mitigation Plan Costs). This decision denies SDG&E's request for authorization to establish an interim rate recovery mechanism for costs recorded in the utility's Wildfire Mitigation Plan Memorandum Accounts. After reviewing SDG&E's request and intervenors' objections, including SDG&E's financial standing, as described in Application (A.) 21-07-017, and considering the timing of SDG&E's next General Rate Case (GRC) filing, the Commission concludes that SDG&E did not sufficiently demonstrate a need for interim rate relief. Pursuant to Public Utilities Code section 8386.4(b), SDG&E is directed to file for reasonableness review and cost recovery of wildfire

¹ Per CPUC 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 CPUC's daily calendar, per Rule 14.5.

mitigation plan costs through its GRC or via a separate application filed at the conclusion of the three-year wildfire mitigation plan cycle. **Held to May 5, 2022 meeting.**

Item 6. A.21-03-008 (PG&E 2020 ERRA Compliance). This decision finds that PG&E meets the standard for compliance under the Energy Resources Recovery Account (ERRA) regulatory compliance process for the 2020 record year. During the 2020 record year, PG&E complied with all the requirements that the Commission reviews during the ERRA compliance process. Specifically, during the 2020 record year, PG&E (1) prudently managed its utility-owned generation facilities; (2) prudently administered its energy resource contracts; and (3) complied with its Bundled Procurement Plan in procuring fuel, procuring greenhouse gas (GHG) compliance instruments, procuring and selling resource adequacy, and dispatching energy in a least cost manner. In addition, PG&E has demonstrated that, except for the account adjustments expressly provided in the parties' settlement agreement, the entries PG&E recorded in the ERRA and Portfolio Allocation Balancing Account, as well as other balancing and memorandum accounts reviewed in this application, are reasonable, appropriate, and accurate. This decision approves a settlement agreement entered by all the parties that actively participated in Phase One of this proceeding. The settlement agreement resolves all the contested issues in Phase One. This decision also approves all of PG&E's uncontested Phase One requests to the extent that the requests are not specifically addressed in the settlement agreement. **Signed, D.22-04-041.**

Item 8. R.20-01-007 (Long-Term Gas System Planning). This decision extends the Southern California Gas Company Rule 30 Operational Flow Order winter noncompliance penalty structure adopted in D.19-05-030 and extended by D.21-11-021, year-round, and makes it applicable to Southern California Gas Company, SDG&E, and PG&E service territories. **Signed, D.22-04-042.**

Item 9. Resolution E-5199. SCE requests approval of amendments to power purchase agreements (PPAs) with AES Alamitos, LLC and AES Huntington Beach, LLC (collectively, AES). Together the amendments provide an additional 49.5 MW of additional capacity and approximately 16.5 MW of energy and ancillary services at no additional cost for delivery periods during which the sellers exercise the put option contained in the AES PPAs. The AES projects are combined cycle power plants that achieved commercial operation in February 2020. Prior to the start of the delivery terms of the AES PPAs in May and June 2020, the sellers conducted required capacity testing. These tests determined that 49.5 MW of additional capacity was available from the projects. The purpose of the amendments is to ensure that SCE has access to all of the capacity from the AES projects to meet reliability needs on behalf of all benefiting customers by amending the PPAs to account for the additional capacity. **Approved.**

Item 10. R.19-11-009 (Resource Adequacy). The Commission issued D.20-06-031 on June 30, 2020. That decision adopted local capacity requirements for 2021-2023, flexible capacity requirements for 2021, and multiple refinements to the Resource Adequacy (RA) program. One refinement adopted in D.20-06-031 was the modification to the Maximum Cumulative Capacity Buckets to limit the proportion of a load-serving entity's RA obligations that can be met with use-limited resources. Specifically, the Commission adopted a 8.3% cap on the demand response (DR) bucket. On September 9, 2021, Ohm Connect, Inc. filed a petition for modification of D.20-06-031, requesting that the Commission raise the DR bucket cap from the

8.3% cap that was adopted in D.20-06-031, citing Governor Newsom's Emergency Proclamation issued July 31, 2021. This decision denies that petition. **Signed, D.22-04-043.**

Item 11. A.20-03-002 (PG&E 2020 Energy Storage Procurement Plan and related matters). This decision reviews and approves the 2020 Assembly Bill (AB) 2514 energy storage plans for PG&E, SCE, and SDG&E. It also approves two energy storage programs proposed by SCE pursuant to AB 2868. Regarding AB 2514, this decision acknowledges that all three applicants have completely or nearly completely met their entire, in total 1,325 MW, procurement obligation and provides a procedural pathway to count procurement in other venues towards their obligation or issue an additional solicitation if necessary. This decision acknowledges that although nearly all sufficient procurement has occurred pursuant to AB 2514, the applicants must still bring the relevant energy storage projects online by the end of 2024. Regarding AB 2868, this decision authorizes SCE to move forward with two proposed programs: a New Home Energy Storage Pilot and a Smart Heat Pump Water Heater Program. SCE is authorized cost recovery of \$5 million for the New Home Energy Storage Pilot and \$15 million for the Smart Heat Pump Water Heater Program. **Signed, D.22-04-044.**

Item 25. Draft Resolution E-5202. This resolution approves nine energy storage contracts for 1,598.7 MW of incremental capacity that PG&E procured to address 2023 and 2024 mid-term reliability and 2023 summer reliability. These contracts include nine Long-Term Resource Adequacy Agreements with energy settlement, including Beaumont ESS I, LLC for 100 MW, Sanborn ESS I, LLC for 169 MW, Canyon Country ESS I, LLC for 80 MW, Moss Landing Energy Storage 3, LLC for 350 MW, Poblano Energy Storage, LLC for 100 MW, NextEra Energy Resources Development Corby Energy Storage for 125 MW, NextEra Energy Resources Development Kola Energy Storage for 275 MW, Nighthawk Energy Storage, LLC for 300 MW, and Caballero CA Storage, LLC for 99.7 MW. **Approved.**

CALIFORNIA ISO

Stakeholder Initiatives: Upcoming Meetings and Deadlines

Preliminary Flexible Capacity Needs and Availability Assessment Hour

Requirements. The California ISO held a public stakeholder call on April 14, 2022 to discuss the 2023, 2024, and 2025 preliminary Flexible Capacity Needs Assessment and the availability assessment hour requirements. Written comments are due April 28, 2022.

Transmission Development Forum. The California ISO, in conjunction with the Commission and the participating transmission owners, will hold its quarterly public stakeholder call on April 26, 2022, to provide status updates on the transmission projects previously approved through the transmission planning process and network upgrades identified in the generation interconnection process. Comments on the stakeholder call discussion are due May 10.

2021-2022 Transmission Planning Process. Completed proposals for the Collinsville and Manning substation projects must be submitted prior to the close of business on July 15, 2022. Completed proposals for the Newark – Northern Receiving Station and Metcalf – San Jose

B HVDC competitive solicitation projects must be submitted prior to the close of business on August 26, 2022.

Energy Storage Enhancements. The California ISO will hold a public stakeholder call on May 19, 2022, to discuss the draft final proposal for the Energy Storage Enhancements initiative. Comments on the draft final proposal are due May 31, 2022.

Interconnection Process Enhancements 2021 – Phase 1. The California ISO will hold a public stakeholder call on April 28, 2022, to discuss the Draft Tariff Language and Final Proposal for the Interconnection Process Enhancements 2021 – Phase 1 initiative. Written comments on the Draft Tariff Language are due May 5, 2022.

Day-Ahead Market Enhancements. The California ISO will hold a public stakeholder call on April 29, 2022, to discuss the third revised straw proposal for the Day-Ahead Market Enhancements initiative. Written comments on the third revised straw proposal are due May 19, 2022.

Market Parameter Changes Enhancement. The California ISO will hold a public stakeholder call on May 2, 2022, to discuss the straw proposal for the new Market Parameter Changes Enhancement initiative. Written comments are due May 9, 2022

CALIFORNIA ENERGY COMMISSION (CEC)

2022 Integrated Energy Policy Report (IEPR) Update

On March 2, 2022, the CEC commenced the 2022 IEPR Update proceeding. When the proceeding commenced, the notice accompanying the draft scoping order contained the following proposed schedule for the 2022 IEPR Update:

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| • Final Scoping Order Released | April 2022 |
| • Public Workshops on Specific Topics | April – December 2022 |
| • Adopt order instituting informational proceeding for 2022 Update | April 2022 |
| • Release Draft 2022 IEPR Update | October 2022 |
| • Release Final 2022 IEPR Update | January 2023 |
| • Adopted 2022 IEPR Update | February 2023 |

In accordance with the March 2, 2022 Notice, the [Final Scoping Order](#) was released on April 22, 2022. As proposed in the Draft Scoping Order, the Final Scoping Order outlines three major topic areas for the 2022 IEPR Update: (i) to establish a framework to center equity and environmental justice throughout CEC efforts; (ii) to create a California Planning Library; and (iii) to address emerging topics.

In accordance with the Final Scoping Order, the CEC will hold a workshop regarding the California Planning Library on April 27, 2022 at 1:00 p.m. Additional details regarding the workshop are available at TN# 242656 in [Docket No. 22-IEPR-02](#).

At the April 26, 2022 CEC Business Meeting, the CEC will consider adoption of an order instituting an informational proceeding for the 2022 IEPR Update (see Agenda Item 2 [here](#)).

Offshore Wind

On April 25, 2022, the CEC circulated a “Save the Date” for a May 18, 2022 workshop wherein CEC staff will present a draft report addressing the requirements in AB 525. According to the “Save the Date,” the draft report evaluates and quantifies “the maximum feasible capacity for offshore wind to achieve reliability, ratepayer, employment, and decarbonization benefits and establish megawatt planning goals for 2030 and 2045.” A workshop notice has not yet been released but will be published in advance of the workshop, along with a copy of the CEC staff’s draft report.

Lithium Valley Commission

The next Lithium Valley Commission meeting will be held on April 28, 2022 at 1:30 p.m. in El Centro, California. The meeting will support in-person and remote participation. Additional details are available at TN #242696 [here](#).

CEC Business Meetings

The next two CEC Business Meetings are scheduled for April 26, 2022 and May 11, 2022. The agenda for the April 26, 2022 meeting is available [here](#).

CALIFORNIA AIR RESOURCES BOARD (CARB)

Meetings and Workshops

On April 26, 2022, CARB will hold a public workshop to discuss potential changes to crude oil carbon intensity estimation under the Low Carbon Fuel Standard. Information on the workshop and a registration link are available [here](#).

On April 28, 2022, CARB will hold its next regular Board meeting. The agenda and links to the livestream and remote participation are available [here](#).

CARB is holding a series of public workshops on draft regulatory language for the proposed [Advanced Clean Fleets Regulation](#), to achieve zero-emission medium and heavy-duty zero-emission truck and bus fleets by 2045. The May 2, 2022 workshop will focus on high priority and federal fleet, including new proposed requirement to include light-duty last-mile package delivery vehicles for affected fleets and 100% zero-emission vehicle sales requirement. Registration and further information is available [here](#). The May 4, 2022 workshop will focus on

proposed requirements for state and local government fleets. Registration and further information is available [here](#). The May 6, 2022 workshop will focus on proposed requirements for drayage trucks. Registration and further information is available [here](#).

On May 19, 2022, CARB will conduct a public hearing to hear an informational update on the AB 617 Community Air Protection Program statewide strategy, the [Program Blueprint](#). Notice of the meeting is available [here](#), and public comments can be submitted to CARB [here](#) in advance of the hearing.

Opportunities for Public Comment

CARB is holding virtual [public meetings and workshops](#) as part of the AB 32 Scoping Plan Update, which will assess progress towards achieving targets to decrease California's GHG emissions by 40% below 1990 levels by 2030 and to lay out a path to achieve carbon neutrality by 2045. On April 20, 2022, CARB held a workshop to present the initial results of its analysis of air quality and health impacts and its economic analysis of the various scenarios developed for the AB 32 Scoping Plan Update, for both GHG sources regulated under AB 32 and natural and working lands. Comments on the analyses can be submitted [here](#) on or before May 3, 2022.

Comments on the upcoming hearing on the AB 617 [Community Air Protection Program Blueprint](#) can be submitted to CARB [here](#) on or before May 9, 2022.

Comments on the Oil Production Greenhouse Gas Emissions Estimator model for the Low Carbon Fuel Standard can be submitted [here](#) on or before May 10, 2022.

Comments on the draft environmental analysis for the federal Clean Air Act 2022 State Implementation Plan Strategy can be submitted [here](#) on or before May 13, 2022.

Informal comments on the proposed [Advanced Clean Fleets](#) rulemaking may be submitted [here](#) on or before December 31, 2022.

OREGON PUBLIC UTILITY COMMISSION (OPUC) AND LEGISLATIVE UPDATES

OPUC Clarifies Scope of Investigation into Oregon Interconnection Modernization (UM 2111)

Last Friday, the OPUC issued Order 22-126 which adopted the scope of initial issues to be addressed in Docket UM 2111. Specifically, the OPUC will consider the following issues in group 1 of the docket – (1) modernizing screening and interconnection study practices, (2) incorporating advanced inverters, storage, islanding, and other modern configurations into the interconnection process, (3) incorporating IEEE 1547-2018 standards into the interconnection process, and (4) accessing transparent data about utility standards, costs, and study assumptions. The final order can be located [here](#).

OPUC Meetings This Week

On Tuesday, April 26 at 9:30 a.m. PST the OPUC will host a public meeting in Docket AR 626, related to the OPUC's proposed rules surrounding Certificates of Public Convenience and Necessity (CPCNs) and how those rules relate to statewide land use planning goals and energy siting processes. Later in the day, at 1:30 p.m., the OPUC is hosting a rulemaking hearing where parties may comment on portions of the proposed CPCN rules. The full agenda and dial-in details can be located [here](#).

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION (WUTC)

WUTC Meetings This Week

On Thursday, April 28 at 9:30 a.m. PST, the WUTC will host an open meeting to discuss a wide range of dockets, including Docket UE-220137 (related to Puget Sound Energy's Tariff WN U-60, Schedule 120 "Electricity Conservation Service Rider"). The full agenda and dial-in details can be located [here](#).

NEW YORK PUBLIC SERVICE COMMISSION (NYPSC)

NYTOs Respond to Concerns Regarding Cost Allocation and Recovery for Phase 2 Transmission Projects

On Wednesday, April 20, New York transmission owners, including state investor-owned utilities, NYPA, and LIPA (collectively, the NYTOs), argued that LS Power, the Alliance for Clean Energy, and New York City's (Customers) concerns with the NYTOs' proposed cost sharing and recovery agreement (CSRA) for local transmission projects were misplaced.

There are two categories of local transmission projects in New York. Phase 1 projects are traditional utility investments that are made to combat reliability issues. Phase 2 projects are made to satisfy the requirements of the Climate Leadership and Community Protection Act to accelerate greening of the electric grid.

This battle over cost allocation and recovery has continued for many months in Case No. 20-E-0197. In their instant filing, the NYTOs responded to arguments from the Customers that the Phase 2 projects need to go through NYISO's public policy transmission planning process and that the CSRA needs to include a cost containment mechanism for Phase 2 projects because of inconsistencies between the CSRA and the cost recovery rate schedule.

The NYTOs argued that the NYISO transmission planning process is unnecessary because these Phase 2 projects serve local system issues, not the bulk transmission system. The NYTOs also argued that the CSRA already contains cost containment mechanisms. The NYPSC must first approve a proposal as a Phase 2 project for costs to be recoverable. Further, these projects will have a predetermined rate of return and capital structure. Lastly, parties would maintain their right to consent to project costs in cost recovery proceedings.

FEDERAL ENERGY REGULATORY COMMISSION (FERC)

During last week's open meeting, FERC issued a Notice of Proposed Rulemaking (NOPR) meant to facilitate future regional transmission development aimed at improving reliability, reducing costs, and achieving long-term resource needs and goals over a 20-year horizon. The NOPR was approved by a 4-1 vote, with Commissioner Danly as the lone dissenting voice. Missing from the proposed reforms, however, were proposed changes to the generator interconnection process – something that many developers had hoped would be addressed in light of the significant delays impacting interconnection queues in several regions of the country. The NOPR resides in Docket No. RM21-17.

Relatedly, FERC directed six organized energy market operators to provide information regarding changing system needs and plans for potential reforms. These reports due within 180 days will address current system needs given resources mixes and load profiles, as well as project future needs over the next five and 10 years. The public may comment on the reports for up to 60 days following their filing. Docket No. AD21-10.

FERC also used its monthly open meeting to order Ampersand Cranberry Lake Hydro, LLC to pay a \$600,000 civil penalty for violating its hydroelectric license by failing to retain possession of all property for the hydropower project covered by the license. The order is one of several involving the same project and originates from concerns about the risks that the project poses to local safety.

FERC issued its [2022-2026 Strategic Plan](#). FERC's priorities include modernizing electricity market design; improving the siting and review process for interstate gas pipelines, LNG facilities, and hydroelectric projects; safeguarding electric infrastructure from emerging threats to reliability and security; facilitating the development of electricity infrastructure needed for the changing resource mix; improving accessibility and participation in proceedings; and promoting a strong and robust enforcement program.

FERC approved the State Agreement Approach between the New Jersey Board of Public Utilities and PJM, paving the way for New Jersey and PJM to build the transmission necessary to connect 7.5 GW of planned offshore wind to the electric grid. FERC noted that its approval included a determination that the costs for such transmission will be collected from New Jersey customers and not other PJM transmission owners. Any future changes to cost allocation will require FERC approval. Half of the 7.5 GW has already been awarded to project proposals that contained transmission infrastructure, but the New Jersey Board of Public Utilities is currently evaluating transmission infrastructure proposals necessary to connect the remaining to-be-awarded generation to the grid.