

**REGULATORY UPDATE FOR AUGUST 8, 2023  
(WEEK OF JULY 31, 2023)**

**CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC OR COMMISSION)**

New Proposed Decisions and Draft Resolutions<sup>1</sup>

Rulemaking (R.) 20-08-02 (Net Energy Metering). This decision addresses the remaining six issues of this proceeding. This decision adopts a virtual net billing tariff and aggregation net billing tariff that mirrors the net billing tariff adopted in Decision (D.) 22-12-056, with minor changes. The virtual net billing tariff provides higher adders to compensation rates than those offered in the standard net billing tariff, and the aggregation net billing tariff retains the credit and debit approach used in the existing net energy metering aggregation tariff. This decision includes certain enhancements to consumer protection, including changes to the Watch List process, previously adopted in D.21-06-026, and establishes a process for addressing customer bill format issues. This decision establishes the process for an evaluation of the net billing tariff, virtual net billing tariff, and aggregation net billing subtariff. This decision adopts a revised version of the Staff Proposal to Implement Net Energy Metering Fuel Cell Greenhouse Gas Emission Standards. This decision 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. This decision revises the interconnection application process and requires the creation of a disclosure form and an eligibility checklist. This decision also requires the investor-owned utilities (IOUs) to collaborate with the Department of Industrial Relations in sharing information.

Voting Meetings

The next CPUC voting meeting will be held on August 10, 2023. The following energy-related items are on the agenda:

Item 4. R.20-08-022 (Order Instituting Rulemaking to Investigate and Design Clean Energy Financing Options for Electricity and Natural Gas Customers). This decision authorizes the expansion of the on-bill financing programs for non-residential customers administered by Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), Southern California Gas Company (SoCalGas), and San Diego Gas & Electric Company (SDG&E) (collectively, the IOUs or Joint IOUs) to support clean energy technologies beyond energy efficiency (EE). This decision also approves the proposal of the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) to expand the clean energy technologies eligible under the California Hub for Energy Efficiency Financing programs. This decision declines to adopt: SoCalGas' proposal to offer an on-bill financing

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<sup>1</sup> 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.

program for residential customers; CAEATFA's request for reauthorization for the Municipal Government, School, Hospital, and Large Commercial financing program; as well as the Local Government Sustainable Energy Coalition's proposal to create a new decarbonization incentive rate.

Item 5. R.18-07-003 (Order Instituting Rulemaking to Continue Implementation and Administration, and Consider Further Development, of California Renewables Portfolio Standard Program). This decision grants the petition to modify D.19-09-043 filed by the Joint IOUs. Accordingly, the Joint IOUs are authorized to discontinue the annual determination of the Effective Load Carrying Capability values in R.18-07-003 and instead use the results of the method undertaken in R.20-05-003, Rulemaking to Continue Electric Integrated Resource Planning and Related Procurement Processes, or its successor proceeding.

Item 8. R.23-01-007 (Implementing Senate Bill 846 Concerning Potential Extension of Diablo Canyon Power Plant Operations). The decision increases the compensation provided to members of the Diablo Canyon Independent Safety Committee (DCISC), and makes certain updates to the annual advice letter process used to review and update DCISC member compensation. In addition, this decision directs PG&E to track the DCISC's 2023-2025 operational costs associated with assessing the potential for extended operations at Diablo Canyon Nuclear Power Plant in the Diablo Canyon Transition and Relicensing Memorandum Account.

Item 9. R.13-11-005 (Order Instituting Rulemaking Concerning Energy Efficiency Rolling Portfolios, Policies, Programs, Evaluation, and Related Issues). This revised decision (Revision 1) adopts total system benefit and energy savings goals for ratepayer-funded energy efficiency portfolios for 2024-2035. The EE goals for 2024-2035 are based on Scenario 2 of the 2023 final potential study, which includes reference assumptions for Inflation Reduction Act (IRA) tax credits and for fuel substitution savings.

Item 10. Application (A.) 23-05-005 (Application of Pacific Gas and Electric Company to increase its authority to finance short-term borrowing needs by \$1 billion to an aggregate amount not to exceed \$8.5 billion). This decision grants PG&E's request to increase its authorized amount of financing for its short-term borrowing needs by \$1 billion, to \$8.5 billion, from the currently authorized amount of \$7.5 billion.

Item 11. Resolution (Res.) E-5269 (SCE Advice Letter 4984-E). This resolution approves SCE's requested relief in Advice Letter 4984-E to deviate from Rule 21, Section E.2.d site exclusivity requirements for the Catalina Island Clean Energy All-Source Request for Offers. This resolution has no effect on future projects or situations that will still require Commission approval to deviate from Rule 21, Section E.2.d.

Item 12. Res. E-5283 (SDG&E Advice Letter 4189-E). This resolution approves four mid-term reliability (MTR) contracts for 379.5 – 402 megawatts (MW) of nameplate capacity. SDG&E procured these resources to help meet its MTR requirements. These contracts include

one as-available energy and tolling agreement contract (solar/storage hybrid), one as-available energy solar contract, and two tolling agreement storage contracts.

Item 14. A.10-03-015 (Application of PacifiCorp, an Oregon Company, for an Order Authorizing a Rate Increase Effective January 1, 2011, and to Transfer Assets, pursuant to the Klamath Hydroelectric Settlement Agreement). This decision grants PacifiCorp's request for the Commission to modify D.11-05-002 to terminate PacifiCorp's obligation to file an annual status report on KHSA implementation following acceptance by the Klamath River Renewal Corporation and the States of California and Oregon of the transfer of the Federal Energy Regulatory Commission (FERC) license for the Lower Klamath Project.

Item 32. A.21-09-008 (Application of Pacific Gas and Electric Company for Recovery of Recorded Expenditures Related to Wildfire Mitigation, Catastrophic Events, and Other Recorded Costs). This decision approves an uncontested settlement agreement among PG&E, the Public Advocates Office, and The Utility Reform Network resolving PG&E's request to recover \$993.931 million in costs (equaling \$872.331 million in revenue requirement) related to eight of the nine accounts that are the subject of this application. Under the settlement agreement, PG&E may recover \$720.717 million in revenue requirement consisting of \$680.891 million associated with operations and maintenance (O&M) expenses and \$39.826 million associated with capital expenditures. PG&E's request to recover \$591.9 million in revenue requirement associated with costs recorded in the Vegetation Management Balancing Account remains in dispute and is unresolved by this decision.

#### Upcoming Workshops and Other Events

**Equity and Grant Access Webinar.** On August 9, 2023 from 10:00 to 11:30 a.m. PT, the CPUC will provide information about the Equity and Access Grant Program application process and address questions from participants. This \$30 million program will provide technical assistance and capacity building for California Native American Tribes and community-based organizations (CBOs). The grant program strives to address the need to include the voices of underserved and underrepresented communities in CPUC decision-making processes. The program includes three grant accounts: (1) Public Participation Grants: \$3.1 million grant account will award up to \$15,000 for participating in a CPUC activity, such as a working group, panel, or focus group; (2) Equity, Engagement, and Education Grants: \$9.75 million grant account will award up to \$200,000 for work that will educate consumers or perform outreach within an underserved community on a CPUC matter; and (3) Clean Energy Access Grants: \$15.65 million grant account will award up to \$500,000 for work that will address access to or education about the Microgrid Incentive Program, Self-Generation Incentive Program, and Technology and Equipment for Clean Heating Initiative. Registration information is available [here](#).

**Electric Program Investment Charge (EPIC) Strategic Goals Equity Workshop.** On August 16, 2023, the CPUC will host the Strategic Goals Kick-off Workshop at the CPUC's Courtyard Room, from 10:00 a.m. to 5:00 p.m. PT. On August 17, 2023 from 9:00 a.m. to 1:00 p.m. PT, the CPUC will host the EPIC Policy + Innovation Coordination Group Strategic Goals

Equity in RD&D Workshop. The workshop is designed to lay the groundwork for how equity should be considered and integrated into subsequent Pathway workshops. The workshop will also inform how strategic goals should be articulated and established by the Commission in its next guidance decision for the EPIC 5 cycle (2026-2030). Kick-off workshop details and in-person and virtual workshop access via registration is available [here](#).

**Avoided Cost Calculator (ACC) Workshop.** On August 16, 2023 from 1:00 p.m. to 4:00 p.m. PT, the CPUC's Energy Division will hold an informal virtual workshop on the 2024 proposed updates to the ACC, part of Track 1 of the R.22-11-013 proceeding. Decisionmakers including commissioners may be present at this workshop. Webex information and the staff proposal will be sent out prior to the workshop.

**Grid Resiliency Planning and Coordination.** On August 22, 2023 from 10:00 a.m. to 11:30 a.m. the CPUC Energy Division will host a public informational session discussing Lawrence Berkeley National Labs' report on the DOE Technical Advisory project focused on creating a data schema for a bi-directional informational data exchange for resiliency priorities between tribes, local jurisdictions, and the utilities. Further information 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 CBOs on their experiences with the supplier diversity programs. More information and registration details are available [here](#).

## **CALIFORNIA INDEPENDENT SYSTEM OPERATOR (CAISO)**

### **Stakeholder Initiatives: Upcoming Meetings and Deadlines**

**2023 Interconnection Process Enhancements.** CAISO extended the comment deadline for the 2023 Interconnection Process Enhancements Track 2 working groups from August 7 to August 15, 2023.

**Subscriber Participating Transmission Owner Model.** CAISO will hold a public stakeholder call on August 10, 2023 to discuss the revised draft tariff language for the Subscriber Participating Transmission Owner model initiative. Written comments on the revised draft tariff language are due August 24, 2023.

**Greenhouse Gas Coordination.** CAISO will hold a public hybrid stakeholder working group meeting on August 16, 2023, related to greenhouse gas (GHG) coordination. In-person registration is due by end of day August 11, 2023. Written comments on the working group discussion are due by end of day August 30, 2023. Further information is available [here](#). The GHG coordination working group stakeholder process is intended to focus on developing durable electricity market solutions for climate policies across the West.

**Extended Day-Ahead Market (EDAM) CAISO Balancing Authority Area (BAA) Participation Rules.** The Track A1 draft final proposal is available on the EDAM CAISO BAA Participation Rules [initiative webpage](#). Written comments on the draft final proposal are due August 14, 2023.

**EDAM Forum.** CAISO, Balancing Authority of Northern California, NV Energy, PacifiCorp, and SCE will co-host an EDAM Forum on August 30, 2023 in Las Vegas, Nevada. The forum, which aims to foster a dialogue on the evolution of the EDAM in the West, will bring together leadership from regional utilities to discuss and share their thoughts on the factors and processes in considering their participation, as well as utility regulators from across the West who will share their perspectives on the next step in market evolution and how they are actively engaging in its development.

**Transmission Service and Market Scheduling Priorities (TSMSP) Phase 2.** CAISO has scheduled a public stakeholder call on August 28, 2023 to discuss the TSMSP Phase 2 track 2 draft tariff language. The track 2 draft tariff language focuses on long-term wheeling and upgrades, and is available on the [TSMSP Phase 2 initiative webpage](#). Written comments on the track 2 draft tariff language are due August 18, 2023.

## **CALIFORNIA ENERGY COMMISSION (CEC)**

### **Integrated Energy Policy Report (IEPR)**

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

- August 15: California Electricity Demand Forecast: Inputs and Assumptions (1:00 p.m.-5:00 p.m.)
- August 18: California Electricity Demand Forecast: Load Modifier Scenario Development (10:00 a.m.-5:00 p.m.)
- September 8: Hydrogen (10:00 a.m.5:00 p.m.)
- November 15: California Electricity Demand Forecast: Load Modifier Scenario Results (10:00 a.m.-5:00 p.m.)
- December 6: California Electricity Demand Forecast: Electricity Forecast Results (1:00 p.m.-5:00 p.m.)

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

### **Demand Forecast**

The CEC noticed an upcoming Demand Analysis Working Group (DAWG) meeting that will be held on August 8, 2023 from 1:00 p.m. to 4:00 p.m. PT to discuss updates to the CEC's

demand forecast for distributed generation and the residential sector. The meeting will be held via webinar only. Key topics for the DAWG meeting include:

- Historical trends in behind-the-meter solar photovoltaic and storage adoption in California
- Overview of key improvements to the distributed generation forecast
- Introduction to the National Renewable Energy Laboratory's Distributed Generation Model designed for California
- Updates to the residential sector end-use model

Additional details and login information is available [here](#).

### EPIC

EPIC Symposium. 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. More information is available [here](#).

### Distributed Electricity Backup Assets (DEBA) Workshop

On August 15, 2023, the CEC will host a public workshop to solicit stakeholder feedback on the proposed DEBA program guidelines. A quorum of commissioners may participate, but no votes will be taken. The workshop is open to the public. The workshop notice, agenda, and login details are available [here](#).

### Zero Emissions Vehicles

The CEC announced that it is accepting applications for funding under the Energy Infrastructure Incentives for Zero-Emission (EnergiIZE) Commercial Vehicles project through August 18, 2023 at 5:00 p.m. PT. Electric vehicle (EV) commercial fleet users who meet EnergiIZE equity criteria, including tribes, schools in disadvantaged or low-income communities, nonprofits, and others, are encouraged to apply. Applications must be submitted through the EnergiIZE Incentive Processing Center at <https://calstart3.my.site.com/apply/s/>. Additional program and eligibility details are available [here](#).

The second application window for the Golden State Priority Project, which includes approximately \$38 million in funding for direct current, fast-charging (DCFC) 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](#).

### CEC Business Meetings

The next business meeting will be held on August 9, 2023. Remote attendance information and the meeting agenda can be accessed [here](#).

## **CALIFORNIA AIR RESOURCES BOARD (CARB or Board)**

### Meetings and Workshops

On August 15, 2023, CARB, the California Natural Resources Agency, the California Department of Conservation, and the CEC will host two virtual public meetings to provide an overview of Senate Bill 905 and carbon capture utilization and sequestration. The first meeting will take place at 10:00 a.m., with the second meeting taking place at 5:30 p.m. The agencies will present the same information at the two meetings. More information and registration are available [here](#).

On August 16, 2023, CARB will hold a [public workshop](#) on updates to the California Transportation Supply Model used for the [Low Carbon Fuel Standard program](#). More information and registration are available [here](#).

On August 16, 2023, CARB will host a public meeting on Volkswagen/Electrify America's California [Zero Emission Vehicle Investment Commitment](#), including Electrify America's progress toward achieving the objectives of the consent decree settling litigation over Volkswagen's use of emissions defeat devices in its diesel vehicles. More information and registration is available [here](#).

CARB's next board meeting is scheduled for September 14, 2023. The agenda for the meeting will be available [here](#) 10 days prior to the meeting.

### Opportunities for Public Comment

CARB has posted for public comment the [2022 annual crude average carbon intensity calculation](#) under the [Low Carbon Fuel Standard](#). Comments may be submitted to CARB [here](#) on or before August 18, 2023.

CARB has released for public comment the [draft 2023 update](#) to the 2030 GHG Planning Targets for certain electricity providers, in support of the CEC's Integrated Resource Plans planning process. Comments may be submitted [here](#) during the informal comment period on or before August 18, 2023.

On April 27, 2023, the Board adopted a resolution on the proposed [Advanced Clean Fleets Regulation](#), for the deployment of zero-emission vehicles in fleets, including in the medium- and heavy-duty sectors and for light-duty package delivery fleets. The Board directed the Executive Officer to make additional conforming modifications to the proposed regulatory language. Following an initial Board hearing on the Advanced Clean Fleets Regulation on October 27, 2022, the first set of changes were issued for public comment on March 23, 2023.

Following Board direction at the April 27, 2023 hearing, the second set of changes to the proposed regulation is [now available](#) for public comment. Comments may be submitted to CARB [here](#) on or before August 21, 2023.

### **CALIFORNIA STATE WATER RESOURCES CONTROL BOARD (SWRCB)**

On July 26, 2023, the SWRCB released the Proposed Final Amendment to the Once-Through Cooling (OTC) Policy, Proposed Final Staff Report, and Responses to Comments. The Proposed Final Amendment to the Water Quality Control Policy on the Use of Coastal and Estuarine Waters for Power Plant Cooling (OTC Policy) to Revise the Compliance Schedules for the Alamitos, Huntington Beach, Ormond Beach, and Scattergood Generating Stations, and the Diablo Canyon Nuclear Power Plant, as well as the Proposed Final Staff Report and the Responses to Comments, are now available on the OTC Policy program's Official Policy Documents [webpage](#).

The SWRCB will consider adoption of the Proposed Final Amendment and Proposed Final Staff Report on August 15, 2023. For more information on attending the meeting, please see the [Notice](#).

### **COLORADO PUBLIC UTILITIES COMMISSION (COLORADO PUC)**

On August 7, 2023, the Colorado PUC issued an Interim Order in Docket No. 23A-0242E, relating to Public Service Company of Colorado's (PSCo) Transportation Electrification Plan. The Interim Order adopts a procedural schedule and sets discovery provisions for the proceeding. The Interim Order also grants PSCo's unopposed Second Motion for Extraordinary Protection of Highly Confidential Information. Per the adopted procedural schedule, Answer Testimony is due September 29, 2023, Rebuttal and Cross-Answer Testimony is due November 17, 2023, and evidentiary hearings will be held in January 2024.

The Colorado PUC will host its next Commissioners' Weekly Meeting (CWM) on August 9, 2023 at 9:00 a.m. MT. The meeting, which is held remotely, will be available for online viewing [here](#) and this week's CWM agenda is available [here](#).

### **MINNESOTA PUBLIC UTILITIES COMMISSION (MPUC)**

The MPUC met on Thursday, August 3, 2023 to address a pair of requests from Northern States Power Company d/b/a Xcel Energy (Xcel) to withdraw the requested relief. With respect to its 2021 Integrated Resource Plan, Xcel sought to withdraw its petition to increase the cost cap for the Resilient Minneapolis Project (RMP). With respect to its Minnesota Transportation Electrification Plan (TEP), Xcel sought to withdraw its EV Portfolio Petition. In an article entitled "[Minnesota Regulators Blast Xcel for Halting Projects After Rate Case Decision](#)," local news coverage detailed the MPUC's negative reaction to both of Xcel's proposed withdrawals.

The MPUC nonetheless approved both withdrawals, subject to certain conditions. With respect to the RMP, Xcel is required to file a revised RMP proposal within 180 days of the MPUC's written order. To inform the next RMP, Xcel must collaborate with host communities



and proposed site owners, while also detailing how the revised RMP is in the public interest, what objectives will be achieved, and how resilience for host communities will be improved. With respect to its EV Portfolio Petition, Xcel will be required to file a new TEP on or before November 1, 2023. Among other requirements, the new TEP must: (i) meet the requirements of new legislation enacted in Minnesota in 2023; (ii) analyze gaps in public DCFC EV charging infrastructure that exist in its service territory; (iii) highlight various roles Xcel could play to support development of DCFC EV charging infrastructure (including make-ready infrastructure programs, rebates for EV supply infrastructure and EV supply equipment, and utility ownership); (iv) address policy issues related to distribution system upgrades; (v) include information on proposed cost recovery methods, estimated bill impacts, annual reporting on equity, and accessibility issues; (vi) an electric school bus pilot; (vii) and a commitment to work with the Department of Commerce on various issues. In addition, Xcel was directed to honor certain commitments with HOURCAR, a nonprofit carsharing service in Minnesota.

On Thursday, August 10, 2023, the MPUC will meet to address a few dockets, including a docket pertaining to the interconnection of distributed generation. The question before the MPUC is whether it should revise or replace an order creating guidelines for establishing the terms of the financial relationship between an electric utility and a distributed generation customer with no more than 10 MW of capacity. Briefing papers can be found [here](#). The results will be covered in next week's update.

## **FERC**

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. The Final Rule also 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](#).

On July 19, 2023, the Midcontinent Independent System Operator (MISO) posted its proposal for an upcoming generator interconnection queue reform that it plans to file with FERC this fall. Among the many changes, the proposal increases milestone deposits and site control requirements, and suggests that MISO plans to also change the current standards for penalty-free withdrawals from the interconnection queue. MISO also plans to build in automatic penalties for withdrawal. In addition, MISO proposes to limit the number of MWs that will be allowed into each queue cycle, with developer-specific limits, too. The proposal is found [here](#). Comments were due to MISO by August 7, 2023.

On July 3, 2023, FERC issued an [order on rehearing](#) addressing the October 20, 2022 Order on Notice of Change in Status in Docket Nos. ER20-67-001, ER20-113-001, and ER20-116-001 (October Order). On rehearing, FERC continued to find that Bluescape Energy Partners, LLC is individually an affiliate of Evergy Kansas Central, Inc., Evergy Missouri West, Inc., Evergy Metro, Inc., and Evergy, Inc. but modified its discussion.

In the October Order, FERC found that the appointment of a non-independent director is sufficient to overcome the rebuttable presumption of a lack of control provided under 18 C.F.R. § 35.36(a)(9)(v) for persons who hold less than 10% of the outstanding voting securities of a specified company, and declined to reach arguments regarding affiliation under 18 C.F.R. § 35.36(a)(9)(iii), which provides that an affiliate includes any person(s) FERC “determines, after appropriate notice and opportunity for hearing, to stand in such relation to the specified company that there is liable to be an absence of arm’s-length bargaining in transactions between them as to make it necessary or appropriate in the public interest or for the protection of investors or consumers.” On rehearing, FERC modified its decision and found “that the appointment of a non-independent director is a *per se* determination of control.” Additionally, on rehearing, FERC found affiliation under section 35.36(a)(9)(iii) and stated that “there is liable to be an absence of arm’s length bargaining in transactions between an investor that appoints a non-independent director to the board of a seller or a seller’s upstream affiliate and that seller.”

FERC has [requested comments](#) by August 14, 2023 regarding the PJM Capacity Market Forum held on June 15, 2023. FERC has also [requested comments](#) by August 24, 2023 on the June 20, 2023 Commissioner-led forum to discuss solutions to the electric and gas challenges facing the New England region.

FERC’s Joint Federal-State Task Force on Electric Transmission met on July 16, 2023.