

**REGULATORY UPDATE FOR JUNE 13, 2023  
(WEEK OF JUNE 5, 2023)**

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

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

Resolution (Res) ALJ-442 (San Diego Community Power Citation Appeal). This resolution resolves San Diego Community Power's (SDCP) appeal of Citation No. E-4195-0098 by the CPUC's Consumer Protection and Enforcement Division. Citation E-4195-0098 cites and fines SDCP for failing to procure its September 2021 year-ahead system Resource Adequacy obligation. This Resolution denies the appeal, and this proceeding is closed.

Application 20-10-011 (PG&E Day-Ahead Real Time Rate and Pilot PFM). This decision denies the Petition for Modification (PFM) filed by PG&E that sought to address certain orders related to utility expenditures contained in Decision (D.) 21-11-017 of the Commission. D.21-11-017 ordered PG&E to create and implement a real-time pricing rate option for its customers taking service on its commercial electric vehicle charging rate. That decision also authorized certain expenses for particular tasks related to the implementation of the new real-time pricing rate option, including billing system changes, program management, and evaluation. D.21-11-017 created pathways for PG&E to request Commission authorization for additional expenditures through the Commission's process for considering advice letters. This decision finds that the proposed modifications are mostly unnecessary, and that D.21-11-017 contains sufficient flexibility to address most of the concerns raised by PG&E. However, this decision does make the requested modification to Ordering Paragraph 6 of D.21-11-017 in order to provide PG&E more time to determine if the initial customer enablement tools budget is sufficient to complete development of the tools.

Res E-5276 (SCE Charge Ready 2 Program). This Resolution approves Southern California Edison Company's (SCE) 12-month Charge Ready 2 (CR2) program update on scope and size, non-workable recommendations, and cost savings. SCE filed Advice Letter (AL) 4883-E on October 27, 2022, providing a program update on scope and size, non-workable recommendations, and cost savings, pursuant to OP 21 of D.20-08-045, which approved SCE's CR2 program. The CR2 program will deploy approximately 38,000 new Electric Vehicle chargers for passenger (light-duty) vehicles at workplaces, multi-unit dwellings, and public destination centers. SCE will deploy mostly Level 2 chargers, with the option for Level 1, and a minimum of 205 direct current fast charger ports.

Res E-5277 (SDG&E Midterm Reliability Procurement). This Resolution approves SDG&E's request to count the utility-owned Westside Canal Energy Storage Project towards its midterm

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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.

reliability procurement requirements pursuant to D.21-06-035 and modify the Project's cost recovery mechanism. The Project was originally procured to meet summer reliability procurement targets pursuant to D.21-12-015.

Res M-4868. (Tribes and CBO Equity and Access Grant Program). This Resolution authorizes the establishment of the Equity and Access (E&A) Grant Program and delegates authority to the Commission to administer the program. Through the E&A Grant Program, \$30 million of state appropriated funds will provide capacity to Community-Based Organizations (CBOs) and Tribes to participate within CPUC processes and make clean energy programs more accessible to underserved and underrepresented communities, including communities that are geographically and racially diverse and socio-economically disadvantaged.

Rulemaking (R.) 20-08-022 (Clean Energy Financing). This proposed decision authorizes the expansion of the on-bill financing programs for non-residential customers administered by PG&E, SCE, SoCalGas, and SDG&E (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 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. This proceeding remains open to further develop a record and consider Tariff On-Bill (TOB) proposals, which would enable residential customers to finance EE or other clean energy technologies through a utility tariff. The IOUs are directed to establish a TOB Working Group within 45 days of the issuance of this decision, and file a Joint TOB Proposal within 180 days of the issuance of this decision.

### Voting Meetings

The CPUC held a voting meeting on June 8, 2023. The following are results for energy-related items on the agenda:

Item 3. Application (A.) 20-02-009, A.20-04-002, and A.20-06-001 (Energy Resource Recovery Account (ERRA) Compliance). This decision resolves the 2019 ERRA Compliance Phase Two proceedings of PG&E, SCE, and SDG&E (Joint Utilities) that were consolidated to address issues related to the Public Safety Power Shutoff (PSPS) events the Joint Utilities initiated in 2019. This decision prohibits the Joint Utilities from adjusting future rates to collect any revenue shortfalls, recorded as undercollections in their respective balancing accounts, caused by PSPS events in 2019. This decision also adopts a methodology to calculate the estimated unrealized revenues the Joint Utilities incurred in 2019 or will incur during future PSPS events. **Held to 6/29/2023.**

Item 3A. A.20-02-009, A.20-04-002, and A.20-06-001 (ERRA Compliance). The alternate proposed decision of Commissioner John Reynolds addresses one of two issues in the

consolidated Phase Two proceedings. Specifically, this decision adopts a methodology to calculate a utility's unrealized volumetric sales and unrealized revenues resulting from PSPS events. The alternate proposed decision declines to address the second issue, which is whether it is appropriate for the utilities to return the Revenue Requirement equal to the unrealized volumetric sales and unrealized revenue resulting from the 2019 PSPS events and closes the proceeding. **Held to 6/29/2023.**

Item 8. A.22-12-009 (Application of PG&E for Recovery of Recorded Expenditures Related to Wildfire Mitigation, Catastrophic Events, and Other Recorded Costs). This decision grants the request of PG&E for interim rate relief, pending a final decision on what permanent cost increase, if any, is reasonable based on the evidence. PG&E is authorized to recover a maximum of \$1.104 billion in interim rates according to the process set forth in the decision. PG&E is required to refund, with interest, any excess amount it collects in comparison to the Commission's final determination on the amount reasonably incurred. **Signed, D.23-06-004.**

Item 9. Res ALJ-440 (Resolving Request for Hearing (H.) 22-07-009 Regarding 2020 PSPS Events Pursuant to Res M-4846). In this resolution, the Commission approves and adopts the Settlement Agreement between SCE and the Commission's Safety and Enforcement Division (SED) to resolve SED's investigation into alleged noncompliance with requirements in Res ESRB-8, Decision (D.) 19-05-042, and D.20-05-051 arising from SCE's 2020 PSPS events. SCE must pay a \$500,000 shareholder-funded fine to the General Fund of the State of California and a \$500,000 shareholder-funded payment to SCE's Energy Assistance Fund. Payment is due within 30 days of the Commission's approval date of the Settlement Agreement. SCE will also be subject to a \$6 million permanent disallowance of PSPS program-related costs that are eligible for tracking in the Wildfire Mitigation Plan Memorandum Account and/or Fire Risk Mitigation Memorandum Account. SCE must comply with 14 Corrective Actions set forth in SED's Proposed Administrative Enforcement Order by June 23, 2023. SCE must also provide SED with quarterly validation of compliance with the Settlement Agreement for a period of two years. **Approved, Res ALJ-440.**

Item 10. Res E-5271 (SCE Midterm Reliability Energy Storage Contracts). This resolution approves six midterm reliability (MTR) energy storage contracts for 624.8 megawatts (MW) of nameplate capacity, expected to provide 572 MW of incremental September net-qualifying capacity for MTR compliance purposes. SCE procured these resources to satisfy a portion of its 2023 and 2024 MTR requirements. These contracts include four resource adequacy (RA) only contracts and two RA with put option contracts (i.e., RA contracts where the seller also has the option to put the dispatch rights to SCE). The MTR contracts are for new in-front-of-the-meter energy storage projects. **Approved, Res E-5271.**

Item 12. Res UEB-013 (Adoption of Citation Program to Enforce Natural Gas Utility Minimum Design Standards). This resolution establishes a citation program under the administration of the Utilities Enforcement Branch (UEB) of the CPUC's Consumer Protection and Enforcement Division (CPED) to enforce compliance with the minimum design standards for adequate natural gas backbone capacity established by D.06-09-039, pursuant to D.22-07-002. PG&E and SoCalGas PG are required to maintain adequate backbone capacity to meet the average day in a

1-in-10 cold and dry year standard established by D.06-09-039. This standard serves as a floor below which the daily average backbone capacity may not fall. This resolution authorizes the Director of the CPED or his/her designee to serve citations to Respondents in accordance with the penalty structure established in D.22-07-002. **Approved, Res UEB-013.**

Item 14. Res E-5266 (SCE 2023 Power Displacement Agreement). This resolution approves the 2023 Power Displacement Agreement (2023 PDA) between SCE and the United States Department of Defense, March Air Reserve Base (March), which is the successor agreement to a 2013 Power Displacement Agreement (2013 PDA). The 2023 PDA would extend the 2013 PDA for an additional 10 years and would update the 2013 PDA to reflect current RA requirements, and revise billing formulas to incorporate recent Commission decisions. The 2023 PDA allows March to receive low-cost federal power through SCE without additional costs to other SCE ratepayers. The 2023 PDA requires March to pay SCE additional charges that ensure other SCE ratepayers are indifferent to energy supplied by the Western Area Power Administration and credited to March. Furthermore, the 2023 PDA allows low-cost federal preference power from the Parker-Davis Federal Project to continue to flow to California. **Approved, Res E-5266.**

Item 15. Res G-3598 (Gas Pipeline Extensions Tariffs). This resolution rejects SoCalGas' request to update its existing tariffs regarding gas pipeline extension rules and directs PG&E and SDG&E to submit new advice letters with tariff changes to reflect that an applicant installing a gas pipeline shall be required to pay for the full actual installation cost and not the estimated cost only. The resolution provides direction for making gas line extension cost principles consistent across all four utilities. It requires that the utilities change their existing tariffs such that the applicant at whose behest the natural gas pipelines are being extended, pay for the total actual costs of the extension and not the initial estimated costs only, consistent with the direction of D.22-09-026 in Rulemaking (R.) 19-01-011, in which the Commission directed elimination of all gas pipeline extension subsidies as of July 1, 2023, unless otherwise exempted. **Approved, Res G-3598.**

Item 17. R.11-09-011 (Operational Challenges of Load Masking from Non-Export Generation Facilities). This decision directs PG&E, SCE, and SDG&E (Utilities) to provide, to the California Independent System Operator (CAISO), the telemetry data currently required by Electric Tariff Rule 21, which Utilities collect from interconnecting distributed energy resources customers. The sharing of telemetry data will mitigate (1) safety and reliability risks on the transmission and distribution systems; and (2) negative impacts on the wholesale market, which are created by the lack of generation output visibility—or load masking—caused by both export and non-export generating facilities with capacities larger than one MW. This decision also revises a proposed definition of load masking to now reference both the transmission and the distribution systems, acknowledge the potential impacts to the wholesale market, and recognize that load masking is caused by both export and non-export generating facilities. **Signed, D.23-06-005.**

Item 18. Res E-5268 (PG&E Amendment to Midterm Reliability Contract). This resolution approves amendments to a PG&E contract for 99.7 MW of capacity from Caballero CA Storage,

LLC (Caballero), which was procured to meet MTR requirements directed in D.21-06-035. Caballero is a wholly owned subsidiary of Origis USA, LLC. The Caballero contract amendments include a price increase and convert the contract type from RA only to RA with an energy settlement. **Approved, Res E-5268.**

Item 19. R.17-06-026 (Power Charge Indifference Adjustment (PCIA)). This decision modifies the calculation of the PCIA by (a) establishing a new market price benchmark and an allocation mechanism to address the “greenhouse gas-free” incremental value of large hydroelectric energy resources above fossil fuel resources, and (b) revising the calculation of the Energy Index market price benchmark to improve accuracy and transparency. This decision declines to modify the calculation of the Renewables Portfolio Standard market price benchmark or modify access to confidential data for energy service providers. **Signed, D.23-06-006.**

Item 21. Res G-3599 (SDG&E 2022 Leak Abatement Program). This resolution approves in part and denies in part SDG&E’s 2022 Natural Gas Leak Abatement (NGLA) Compliance Plan, filed in AL 3071-G-B. The resolution approves cost recovery for 11 of the 14 Chapters proposed in SDG&E’s 2022 NGLA Compliance Plan but denies cost recovery of Chapters 3 and 14. Chapter 12 was withdrawn by the utility and thus is not approved in this resolution. The purpose of the NGLA Compliance Plan is to propose how the utility will achieve methane emission reductions, primarily through implementation of the 26 Best Practices for leak abatement adopted in D.17-06-015, and to describe their costs and cost effectiveness. The funding request detailed in AL 3071-G-B is for a total Revenue Requirement of \$24.3 million, which includes \$22.6 million for Best Practices, \$1.3 million for Research and Development, and \$0.4 million in Program Administration Costs. Of these, the Commission approves \$19.2 million, including \$17.6 million for Best Practices, \$1.3 million for Research and Development, and \$0.3 million for Program Administration. Chapters 3 and 14 are not approved due to the CPUC’s concerns about the program’s cost effectiveness. Program Administration Costs are reduced commensurately as these chapters will no longer need to be administered. **Held to 6/29/2023.**

Item 23. R.17-05-010 (Order Instituting Rulemaking Electric Rule 20). Rule 20 defines policies and procedures for IOUs to convert overhead power lines and other equipment to underground electric facilities at the request of a city, county, or private applicant. This Phase Two decision discontinues Rule 20A and Rule 20D to prevent ratepayers from funding inefficient and inequitable infrastructure investments. Rule 20A is a subprogram of Rule 20 that allocates ratepayer-funded work credits to cities and unincorporated counties for projects that meet criteria focused on aesthetic purposes. Rule 20D is a subprogram that allocates ratepayer-funded work credits to projects for mitigating fire risk in SDG&E’s service territory. No project has ever been completed through Rule 20D. The Commission will retain its authority to decide whether to approve ratepayer-funded investments in undergrounding electric lines or authorize less expensive solutions for mitigation of wildfire-related risks through other processes, including General Rate Case proceedings. Local and tribal governments will have the opportunity to provide input on large utilities’ wildfire-related undergrounding plans on a regular basis. This decision directs the utilities to leverage an existing semi-annual workshop requirement to consult with local and tribal governments about wildfire-related undergrounding investment plans. **Signed, D.23-06-008.**

Item 24. Res G-3595 (SoCalGas Leak Abatement Program). This resolution approves in part and denies in part the SoCalGas 2022 NGLA Compliance Plan as presented in AL 5950-G-B. The purpose of the NGLA Compliance Plan is to propose how the utility will reduce emissions and implement the 26 Best Practices for natural gas leak abatement adopted in D.17-06-015 and to detail their costs and cost effectiveness. The proposed 2022 Plan includes 26 chapters, with each chapter describing how a subset of the Best Practices would be met. The funding request detailed in AL 5950-G-B is for a total Revenue Requirement of \$504.5 million, which includes \$485.7 million for Best Practices, \$14.4 million for Research and Development, and \$4.4 million in Program Administration Costs. Of these, the Commission approves \$403.6 million, which includes \$385.7 million for Best Practices, \$14.4 million for R&D, and \$3.5 million for Program Administration. Chapters 5, 6, 11, 14, 21, and 26 are not approved because they do not meet a cost effectiveness benchmark of \$22/MCF and are deemed not essential to the compliance goals of the NGLA program. Program Administration Costs are reduced commensurately as these chapters will no longer need to be administered. **Held to 6/29/2023.**

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

#### Stakeholder Initiatives: Upcoming Meetings and Deadlines

**Western Energy Imbalance Market Regional Issues Forum.** On June 5, CAISO posted a draft agenda for the Western Energy Imbalance Market Regional Issues Forum, which will take place June 21, 2023, at the WECC offices in Salt Lake City, Utah. If planning to attend in person, stakeholders are encouraged to register ahead of time, as space is limited.

**Day-Ahead Market Enhancements.** CAISO rescheduled the Day-Ahead Market Enhancements (DAME) stakeholder call on June 22, 2023, to discuss the draft tariff language and accompanying matrix of tariff revisions, to June 23, 2023. Written comments are due by end of day June 16.

**Interconnection Process Enhancements.** CAISO will host a two-day working group meeting for the 2023 Interconnection Process Enhancements Track 2 initiative. The June 21, 2023 working group meeting originally scheduled from 9 a.m. to 4 p.m. will now be held from 9 a.m. to 12 p.m. Attendees may choose to participate in the meeting in person at the CAISO or virtually.

**Extended Day-Ahead Market ISO Balancing Authority Area Participation.** CAISO scheduled a virtual public stakeholder workshop on June 14, 2023, related to the Extended Day-Ahead Market (EDAM) ISO Balancing Authority Area Participation Rules initiative. Written comments on the workshop discussion are due by end of day June 28.

**Extended Day-Ahead Market.** CAISO posted the EDAM revised draft tariff language documentation, and scheduled an associated public stakeholder call on July 26, 2023. Written comments on the revised draft tariff language are due by end of day June 30, 2023. In order to concurrently file both the EDAM and the DAME tariffs with FERC and provide additional time

for development of the tariff with stakeholders, CAISO moved the filing date for both tariffs to mid-August.

**Price Formation Enhancements.** CAISO scheduled an initiative update virtual public call for Price Formation Enhancements on June 26, 2023. During this call, stakeholders will have the opportunity to listen to the timelines and engagement efforts for this initiative.

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

### Integrated Energy Policy Report (IEPR)

The CEC's [2023 IEPR Workshop Schedule](#) has been released. Forthcoming workshops include:

- July 6: Hydrogen – canceled; to be rescheduled
- August 15: California Electricity Demand Forecast: Inputs and Assumptions
- August 18: California Electricity Demand Forecast: Load Modifier Scenario Development
- September 8: Topic TBD
- November 15: California Electricity Demand Forecast: Load Modifier Scenario Results
- December 6: California Electricity Demand Forecast: Electricity Forecast Results

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

### SB 100 Implementation Planning

On June 12, the CEC issued notice of a joint agency staff workshop with the CPUC and CAISO to discuss resource portfolio assumptions for use by CAISO in the next 20-Year Transmission Outlook. The objective of CAISO's 20-year outlook is to explore longer term grid requirements and options for meeting the state's greenhouse gas reduction goals. The first 20-Year Transmission Outlook was released in May 2022, and the next 20-Year Transmission Outlook is anticipated in 2024. The workshop will be held virtually on June 23, 2023, from 10:00 a.m. – 12:00 p.m. The agenda and workshop materials are [available here](#). Written comments may be submitted by 5:00 p.m. on June 30, 2023.

### Electric Program Investment Charge (EPIC)

On July 18, 2023, CEC staff will host a remote-access workshop to identify research needs to advance the use of virtual power plant (VPP) approaches for increased demand flexibility. The workshop will specifically focus on community-owned VPP models and include a panel session with presentations from industry representatives such as load-serving entities and their technology service providers. According to the workshop [Notice](#), input received during the workshop will be used to inform the development of future solicitations related to the [Electric Program Investment Charge 2021-2025 Investment Plan](#) (EPIC 4 Investment Plan).

### Energy System Reliability

The CEC held a remote-access workshop on May 17, 2023 to provide an outlook regarding 2023 summer reliability. According to the workshop [Notice](#), Staff from the CPUC, the Department of Water Resources, and CAISO met to discuss and provide information on anticipated summer conditions, including “a summary of new clean energy resources coming online, hydroelectric resource availability, and fire conditions” as well as a presentation on 2023 summer reliability analyses. Additional information is available at [Docket No. 21-ESR-01](#).

The CEC published the [Senate Bill 846 Load-Shift Goal Report \(May 2023\)](#) (Report). The Report addresses the CEC’s requirement to develop a statewide goal for load shifting to reduce net peak electrical demand and outlines the approach used to develop a load-shift goal in consultation with the CPUC and CAISO.

### Clean Hydrogen Program

The CEC issued a *Draft Solicitation Concept* (Draft Concept) regarding large-scale hydrogen production, storage, and delivery projects that meet the requirements of [Assembly Bill \(AB\) 209](#). According to the CEC’s May 18, 2023 email regarding release of the Draft Concept, “eligible projects under AB 209 are specific to hydrogen derived from water using eligible renewable energy resources, as defined in Section 399.12 of the Public Utilities Code or produced from these eligible renewable energy resources.” Specifically, “the Draft Concept outlines proposed funding, eligibility requirements, project focus, evaluation process, and specific questions for stakeholders.” The deadline for submitting feedback on the Draft Concept was June 9, 2023. More information is available on the CEC’s [Clean Hydrogen Program website](#).

### CEC Business Meetings

The next CEC Business Meeting is [scheduled](#) for June 16, 2023.

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

### Meetings and Workshops

On June 14, 2023, CARB will hold a joint California-Quebec [public workshop](#) on potential amendments to the [Cap-and-Trade regulation](#). Registration for the workshop is available [here](#).

On June 16, 2023, the [Scientific Review Panel on Toxic Air Contaminants](#) will hold a [public meeting](#). The Panel is charged with evaluating the risk assessments of substances proposed for identification as toxic air contaminants by CARB, the Office of Environmental Health Hazard Assessment (OEHHA), and the Department of Pesticide Regulation, and the review of guidelines prepared by OEHHA. Written comments on any item on the meeting agenda may be submitted [here](#) on or before July 1, 2023. The Panel will also accept oral

comments on the Community Air Protection Program during the meeting. Registration for the meeting is available [here](#).

On June 20, 2023, CARB will host a virtual [community work group meeting](#) to provide an overview of the FY 2023-24 funding plan development process for clean transportation incentives, including the Air Quality Improvement Program fund and Low Carbon Transportation Investments. Information on the meeting is available [here](#).

On June 21, 2023, CARB and CALSTART will host a zero-emission truck showcase and “ride & drive” event at the Save Mart Center in Fresno, California. Information on the event is available [here](#).

CARB will hold its next Board meeting on June 22, 2023. At the meeting, CARB will conduct a [public hearing](#) on proposed amendments to the Oil and Gas Methane Regulation, which provides greenhouse gas emission standards for crude oil and natural gas facilities. The full agenda for the Board meeting is available [here](#).

#### Opportunities for Public Comment

Written comments on the June 16, 2023 [meeting](#) of the [Scientific Review Panel on Toxic Air Contaminants](#) may be submitted [here](#) on or before July 1, 2023.

### **ILLINOIS COMMERCE COMMISSION (ICC)**

On Wednesday, June 7, the Illinois Attorney General’s Office (AG’s Office), acting on behalf of the People of the State of Illinois, filed a petition with the Illinois Appellate Court, for review of the ICC’s March 23 Order approving, subject to modifications, the Beneficial Electrification Plan for Ameren Illinois Company (Ameren) and Commonwealth Edison Company (ComEd), and of the ICC’s May 4 Order denying the AG’s Office application for rehearing of the March 23 Orders. The Petition for Review of the ComEd Order is filed with the Second District whereas the Petition for Review of the Ameren Order is filed with the Fourth District of the Appellate Court.

The next ICC voting meeting will be held on June 15, 2023 at 11:30 a.m. CT. The meeting will be available for online viewing, which can be accessed [here](#), and the meeting agenda is available [here](#).

### **MINNESOTA**

#### Minnesota Public Utilities Commission (MPUC) Agenda Meetings

The agenda meeting for June 15, 2023, has been cancelled. At its prior meeting on June 8, 2023, the MPUC accepted Xcel Energy’s General Time-of-Use compliance filing and approved Xcel Energy’s community solar garden (CSG) compliance filing. With respect to the latter, the Commission further directed Xcel Energy to work with the Minnesota Department of Commerce and other stakeholders on programmatic improvements to the CSG program, adopted

changes to the CSG Landlord addendum, eliminated the average monthly usage threshold for low-income customers, and directed Xcel Energy to modify its tariffs accordingly.

#### Xcel Energy General Rate Case

On Thursday, June 1, the MPUC approved a general rate increase for Xcel Energy. Although Xcel Energy initially proposed an increase in rates of approximately \$678 million, or 21%, the Commission ultimately approved a rate increase of roughly \$306 million, or 9.6%, over a three-year period. Keenly focused on affordability and reliability, the Commission made several decisions, including a 9.25% ROE, a new low-income rate, and changes to the monthly basic charge for residential and small business customers. The MPUC's press release providing additional detail can be found [here](#). Additional news coverage, in which Xcel Energy stated it will ask the MPUC to reconsider its decision, can be found [here](#).

#### Xcel Energy Transportation Electrification Plan

In response to the MPUC's rate case decision, Xcel Energy subsequently moved to dismiss its pending petition seeking approval of its Electric Vehicle Portfolio Petition. In its motion, Xcel Energy stated that it is now "evaluating its planned investments in light of the Commission's decisions, including those proposed as part of the Clean Transportation Portfolio. As a result, the Company no longer requests approval of the Clean Transportation Portfolio as proposed in this docket." Xcel Energy's motion can be found [here](#).

### **PUBLIC UTILITY COMMISSION OF TEXAS AND ERCOT**

The 88th Texas Legislature's session concluded last week and the previously discussed attack on renewables was scaled back in the final legislation. After proposing a number of stand-alone bills that stalled in one chamber, the legislature pushed identical language in amendments to House Bill 1500, legislation to reauthorize the Public Utility Commission. These amendments were removed or severely curtailed at the last hour. The language regarding renewable energy permitting, taken from Senate Bill 624, was removed and the Performance Credit Mechanism (PCM) was curtailed to first begin with a study on reliability. The legislature did pass SB 2627, which provides low-interest loans for builders of new gas plants.

Additionally, on June 2, Commissioner Peter Lake stated that he would step down as Public Utilities Commission Chair. Commissioner Lake pushed the concept of the PCM. The PCM benefits thermal generation, and was nearly universally panned as anti-market.

### **FEDERAL ENERGY REGULATORY COMMISSION (FERC)**

On June 9, 2023, in [Docket No. ER23-1609-000](#), FERC issued an order conditionally accepting PJM's proposal to revise the Reliability Pricing Model Base Residual Auction (BRA) and Incremental Auction schedules for the 2025/2026 through 2028/2029 delivery years, effective June 10, 2023. FERC directed PJM to incorporate the illustrative auction schedule provided in its filing into the PJM Open Access Transmission Tariff (OATT) on compliance.

The revisions delay the capacity auctions beginning with the 2025/2026 delivery year through the 2028/2029 delivery year to be conducted after FERC acts on PJM's anticipated upcoming capacity market enhancements filing, which PJM expects to be filed by October 1, 2023. Due to the revised schedule, PJM will void ongoing pre-auction activities for the BRA for the 2025/2026 delivery year, and restart the process. FERC also granted PJM's request for waiver of the OATT provisions relating to the timing and pre-auction processes for the BRAs and Incremental Auctions for delivery years 2025/2026, 2026/2027, 2027/2028 and 2028/2029.

On Friday, June 2, FERC [approved](#), in part, Public Service Company of Colorado's proposed generator interconnection procedure reforms. FERC approved the reintroduction of a payment in lieu of readiness, allowing customers to post \$7.5 million if they are unable to demonstrate readiness through a generation deployment plan. In addition, customers that sign an interconnection agreement but fail to achieve their in-service date will pay a \$5 million penalty. The new penalties will go into effect 120 days after their effective date (June 3), allowing customers currently in the queue time to decide whether to withdraw.

FERC's Joint Federal-State Task Force on Electric Transmission will [meet](#) on July 16, 2023.

FERC [announced](#) a Commissioner-led PJM Interconnection LLC (PJM) Capacity Market Forum to take place on June 15, 2023. The forum will include three panels to solicit varied perspectives on the current state of the PJM capacity market, potential improvements, and related proposals to address RA. The first panel, the overview panel, will explore whether the PJM capacity market is achieving its objectives of ensuring RA at just and reasonable rates. The second panel, the technical panel, will discuss potential market design reforms that may be needed to ensure PJM's capacity market is achieving its objectives. The third panel, a roundtable with state representatives (including state commissioners), will discuss their views and respond to the first and second panels' discussions.

## **U.S. DEPARTMENT OF TRANSPORTATION (DOT)**

Pursuant to a May 15, 2023 notice, the deadline to submit applications for the DOT's Charging and Fueling Infrastructure Competitive Grant Program (CFI Program), which opened on March 14, 2023, has been extended from May 30 to June 13, 2023. (See [here](#).) This discretionary grant funding opportunity includes \$2.5 billion over five years, with \$700 million in funding available from fiscal years 2022 and 2023, and is in addition to the \$5 billion in funding that was authorized under the National Electric Vehicle Infrastructure Formula Program. The CFI Program is designed to "fill gaps" in the alternative fuel corridors network and to prioritize disadvantaged communities. There are two funding categories under the CFI Program: (1) Community Charging and Fueling Grants (Community Program), and (2) Alternative Fuel Corridor Grants (Corridor Program).

DOT-hosted webinars on the CFI Program were recorded and are available for viewing [here](#), together with additional information regarding the CFI grant opportunity. Additionally, on

May 5, 2023, DOT posted a CFI Program Questions and Answers document that is available [here](#).