REGULATORY UPDATE FOR JUNE 6, 2023
(WEEK OF MAY 29, 2023)

CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC OR COMMISSION)

New Proposed Decisions and Draft Resolutions[1]

Resolution E-5274 (Pacific Gas and Electric (PG&E), San Diego Gas and Electric (SDG&E), and Southern California Edison (SCE) Plug-In Electric Vehicle (EV) Submetering). This Resolution approves, with modifications, PG&E's, SCE's, and SDG&E's proposed submetering implementation plan (SIP). PG&E and SCE must eliminate the 500-customer cap on plug-in EV submetering customer enrollment during the manual billing phase of the SIP. SCE must start implementation of system updates to enable automated submeter billing immediately, rather than waiting until it determines that sufficient plug-in EV submetering customer demand justifies the updates. The joint investor-owned utilities (IOUs) must modify their requirement to have meter data management agents perform daily file transfers to only require monthly data transfers. Finally, PG&E and SDG&E must propose updated tariff language to additional EV rates to allow for the use of plug-in EV submetering.

Voting Meetings

The next CPUC voting meeting will be held on June 8, 2023. The following are 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 under collections 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.

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

[1] 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.

volumetric sales and unrealized revenue resulting from the 2019 PSPS events and closes the proceeding.

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.

Item 9. Resolution (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 SEDs 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.

Item 10. Res E-5271 (SCE Mid-term Reliability Energy Storage Contracts). This resolution approves six mid-term 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.

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.

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.

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.

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 distribution systems, acknowledge the potential impacts to the wholesale market, and recognize that load masking is caused both by export and non-export generating facilities.

Item 18. Res E-5268 (PG&E Amendment to Mid-Term 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.

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.

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 Advice Letter (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.

Item 23. R.17-05-010 (Order Instituting Rulemaking (OIR) 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 2 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.

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 four chapters will no longer need to be administered.

CALIFORNIA INDEPENDENT SYSTEM OPERATOR (CAISO)

Stakeholder Initiatives: Upcoming Meetings and Deadlines

BPM Change Management. On May 31, CAISO announced the posting and beginning of stakeholder review periods for new Proposed Revision Requests (PRRs) to Business Practice Manuals (BPMs), CAISO recommendations, and final decisions on previously submitted PRRs. The PRRs have an open 10-business day comment or appeal period from May 31, 2023 through June 14, 2023.

Generation Deliverability Methodology Review. CAISO will host a public stakeholder call on June 8, 2023, to discuss the issue paper for the Generation Deliverability Methodology Review initiative. Written comments on the issue paper and stakeholder call discussion are due by end of day June 22, 2023.

2023 Interconnection Process Enhancements. CAISO will host a public stakeholder call on June 7, 2023, to discuss the Track 2 discussion paper for the 2023 Interconnection Process Enhancements initiative. Written comments on the discussion paper are due prior to the stakeholder call by end of day June 14, 2023.

Rules of Conduct Enhancements Workshop. CAISO is launching a new initiative called Rules of Conduct Enhancements and has scheduled a public virtual stakeholder workshop on June 7, 2023, to discuss the initiative timeline, scope, and related stakeholder topics of concern. Comments based on the workshop's discussions are due by end of day June 15, 2023.

2023 Interconnection Process Enhancements. CAISO will host a two-day working group meeting for the 2023 Interconnection Process Enhancements Track 2 initiative on June 20, 2023. Attendees may choose to participate in the meeting in-person at the CAISO, or virtually.

Transmission Planning Process Phase 3. CAISO has launched a new initiative, Transmission Planning Process Phase 3 - Revise Competitive Solicitation Project Proposal Fee. CAISO posted the issue paper and straw proposal for discussion at a public stakeholder call to be held on June 8, 2023. Written comments on the straw proposal are due by end of day June 22, 2023.

Market Performance and Planning Forum. CAISO scheduled the upcoming quarterly Market Performance and Planning Forum meeting on June 29, 2023.

Day-Ahead Market Enhancements (DAME). CAISO has posted the DAME draft tariff language and accompanying matrix of tariff revisions. CAISO has scheduled a public stakeholder call on June 22, 2023. The documents are available on the DAME initiative webpage. Written comments are due by end of day June 16, 2023.

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.

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 *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 CEC is requesting that interested stakeholders provide feedback on the Draft Concept by 5:00 p.m. on 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 6 and 7, 2023, CARB will hold kickoff meetings in communities near the Inglewood Oil Field for the Study of Neighborhood Air near Petroleum Sources, or SNAPS, an air quality monitoring program. Information on the June 6 meeting is available here; information on the June 7 meeting is available here.

CARB will hold its next Board meeting on June 22 and 23, 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 will be available here 10 days prior to the meeting. Comments on the Oil and Gas Methane Regulation amendments may be submitted to CARB here on or before June 12, 2023, or at the hearing.

Opportunities for Public Comment

On February 22, 2023, CARB held a public workshop on potential changes to the Low Carbon Fuel Standard (LCFS) program. At the workshop, Staff presented additional information on potential credit generation opportunities that may affect carbon intensity targets, preliminary fuel mix, and cost outputs from the California Transportation Supply model, and concepts related to streamlining implementation. Staff has released draft regulatory text of the proposed changes. Comments on the proposed changes for Tier 1 Simplified Calculators and Lookup Table Values were due May 31, 2023.

On May 23, 2023, CARB held a public workshop on an auto-acceleration mechanism for the LCFS. Stakeholder feedback on the potential changes to the LCFS may be submitted to CARB here until June 6, 2023.

Comments on the proposed amendments to the Oil and Gas Methane Regulation may be submitted to CARB here on or before June 12, 2023, or at the hearing on the proposed amendments on June 22, 2023.

ILLINOIS COMMERCE COMMISSION (ICC)

On May 31, Ameren Illinois Company (Ameren) filed its compliance Beneficial Electrification Plan (BE Plan) consistent with the ICC's March 23, 2023 Order in consolidated Docket Nos. 22-0431 and 22-0443. The BE Plan includes a range of funding and rate proposals designed to spur the adoption of EVs and other electrification measures within Ameren's service territory.

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 will be posted 48 hours in advance.

OREGON PUBLIC UTILITY COMMISSION (OPUC)

On May 17, 2023, the OPUC approved a recommendation from Staff to establish an interim solar plus storage standard avoided cost for Qualifying Facilities (QFs), and the OPUC directed each of Portland General Electric, Idaho Power, and PacifiCorp to file its solar plus storage rates by July 31, 2023, using the approved methodology. The proposal will cause utilities to pay for capacity from such resources during four premium peak hours of the day, which will be determined according to each utility's highest loss of load probability hours in each month. Eligible QFs may have up to 3 MW of solar PV capacity with collocated storage with a capacity of between 25% and 100% of the capacity of the solar resources and two to four hours in duration. Lastly, the interim solar plus storage rates will only be available until a utility has reached 50 MW of such resources under the interim rates; provided, however, that resources 100 kW and smaller are not subject to the cap. However, the OPUC may raise or eliminate the cap in the future.

MINNESOTA

Minnesota Public Utilities Commission (MPUC) Agenda Meetings

The Minnesota Public Utilities Commission will be meeting this week to address various Xcel Energy filings, including dockets related to its General Time-Of-Use Service Tariff and Community Solar Garden Program, A link to the live webcast, briefing papers, and more can be found here.

Xcel Energy General Rate Case

On Thursday, June 1, the Minnesota Public Utilities Commission 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 time-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 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.

On May 18, 2023, in Docket No. EL23-42-000, FERC issued an order granting a Petition for Declaratory Order filed by Soltage Executive Employees, LLC (Soltage). In the Petition for Declaratory Order, Soltage, on behalf of itself and its current and future subsidiary companies (collectively with Soltage, the Soltage Companies) that are holding companies or associated service companies under the Public Utility Holding Company Act of 2005 (PUHCA), requested an exemption from PUHCA. The Soltage Companies had been entitled to automatic exemption from PUHCA because they had been holding companies solely with respect to electric utility companies that are owners or operators of QFs under the Public Utility Regulatory Policies Act of 1978.

Soltage explained that certain of its new subsidiaries are developing grid-charged battery energy storage systems (BESS) that will engage exclusively in retail sales. These grid-charged BESS will not otherwise qualify for exemption from PUHCA because they (1) do not satisfy the fossil fuel requirements for QFs; (2) cannot be exempt wholesale generators by virtue of their retail sales; and (3) will be located in the United States, so cannot be Foreign Utility Holding Companies. As a result, the Soltage Companies would have lost automatic exemption from PUHCA, barring FERC's decision.

Based on the representations made by Soltage, FERC found, pursuant to Section 366.3(b)(1) of its regulations, that Soltage's books, accounts, memoranda, and other records are not relevant to the jurisdictional rates of the Soltage Companies, and it is appropriate to exempt the Soltage Companies from the requirements of Sections 366.2, 366.21, 366.22, and 366.23. FERC further found that Soltage and its current and future subsidiaries are solely holding companies with respect to QFs, exempt wholesale generators (EWGs), and non-traditional utilities, and therefore are exempt from Sections 366.2, 366.21, 366.22, and 366.23 of FERC's regulations.

The order provides a roadmap for companies developing grid-charging retail batteries to avoid PUHCA regulation where EWG status or the QF exemption from PUHCA is not available.

Also in its monthly open meeting, FERC granted in part, and denied in part, a request for waivers filed by Arroyo Solar LLC, which had sought relief from certain open access-related obligations that applied to it as the result of owning certain network facilities pursuant to an option to build. FERC determined that Arroyo Solar should be exempt from the several open access-related obligations, in part, because Arroyo Solar had transferred operational control of the subject facilities to the interconnecting utility although Arroyo Solar did maintain ownership. However, FERC denied Arroyo Solar's request to make the waivers effective retroactively to May 2022 when the subject facilities were energized.

FERC approved North American Electric Reliability Corporation's (NERC) plan describing how it will identify and register owners and operators of inverter-based resources that are connected to the Bulk-Power System, but that are not otherwise required to register with NERC under its bulk electric system definition.

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.

FERC issued a Final Rule providing incentive-based rate treatment for utilities making certain voluntary cybersecurity investments. The final rule largely tracks the Notice of Proposed Rulemaking (NOPR) issued in September but includes some important additions: First, FERC expanded the definition of eligible cybersecurity investments to include not only a pre-qualified list of cybersecurity investments, but also those investments that are done on a case-by-case basis, allowing utilities to request incentives for a variety of solutions tailored to their specific situations. Second, FERC will allow utilities to seek incentives for early compliance with new cybersecurity reliability standards. The final rule adopts the NOPR's proposed requirement that expenditures materially improve a utility's cybersecurity posture. It also adopts the proposal to allow deferred cost recovery that would enable the utility to defer expenses and include the unamortized portion in its rate base but does not adopt the proposed return on equity adder of 200 basis points. The rule also states that approved incentives, with certain exceptions, will remain in effect for up to five years from the date on which expenses are incurred, provided that the investments remain voluntary.

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.