

REGULATORY UPDATE FOR SEPTEMBER 12, 2023 (WEEK OF SEPTEMBER 4, 2023)

CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC OR COMMISSION)

New Proposed Decisions and Draft Resolutions¹

Rulemaking (R.) 18-07-003 (RPS Program). This decision denies the October 8, 2021, petition for modification (PFM) of Decision (D.) 20-10-005, Decision Resuming and Modifying the Renewable Market Adjusting Tariff Program, filed by Burning Daylight, LLC, JTN Energy, LLC, Reido Farms, LLC, and Vote Solar. This decision finds that PFM states no reasonable cause to modify the ReMAT Program's pricing methodology adopted in D.20-10-005, and that the ReMAT Program remains compliant with state and federal law. As indicated in D.20-10-005, this proceeding may consider further changes to the Renewable Market Adjusting Tariff (ReMAT) Program as data on the revised ReMAT Program's performance and other Renewable Portfolio Standard program procurement becomes available, including Community Choice Aggregators' and Electric Service Providers' procurement.

Resolution (Res) E-5288 (Bioenergy Renewable Auction Mechanism Program). This Resolution orders Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E) (collectively IOUs) to procure from eligible Bioenergy Renewable Auction Mechanism (BioRAM) facilities that meet emissions limits equivalent to, or more stringent than, the applicable best available retrofit technology, as determined by the local air pollution control district or air quality management district to meet their proportionate share of 125 megawatts (MW) of cumulative rated generating capacity through financial commitments of five to 15 years. This Resolution also directs PG&E, SCE, and SDG&E to amend or extend their existing BioRAM contracts that were operative at any time in 2022, to procure from only eligible bioenergy resources that are not located in federal extreme or severe nonattainment zones for particulate matter or ozone.

Voting Meetings

The next CPUC voting meeting will be held in Sacramento, California on September 21, 2023.

Upcoming Workshops and Other Events

Load-Impact Protocol (LIP) Working Group Recurring Meeting. The Energy Division has announced a biweekly recurring LIP Simplification Working Group meeting. This LIP Simplification Working Group will submit a final report with a consensus proposal to the

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.



Commission. For issues where a consensus is not reached, parties/stakeholders can submit their own proposals. A stakeholder in this process will lead the working group and in compiling the final Working Group Report, and Energy Division will help facilitate the consensus process. The next LIP Simplification Working Group meeting will be held on September 13, 2023 from 1:00 to 2:00 p.m. PT; a link for remote participation is available here.

Disadvantaged Communities Advisory Group (DACAG). The DACAG to the California Energy Commission and the CPUC will meet Friday, September 15, 2023, from 1:00 p.m. to 4:00 p.m. The DACAG advises the two commissions on the effectiveness of programs related to SB 350 in disadvantaged communities. More 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 community-based organizations on their experiences with the supplier diversity programs. More information and registration details are available here.

2023 GO 177 Annual Report Workshop. Pursuant to the directives set forth by the Commission in D.22-12-021, Southern California Gas Company (SoCalGas), SDG&E, and PG&E will convene the first General Order 177 Reporting Workshop virtually on October 16, 2023, from 9:00 a.m. to 12:00 p.m.

CALIFORNIA INDEPENDENT SYSTEM OPERATOR (CAISO)

Stakeholder Initiatives: Upcoming Meetings and Deadlines

Interconnection Process Enhancements 2023. CAISO has posted a tentative schedule for the Interconnection Process Enhancements 2023 initiative, Track 2. Per the tentative schedule, a straw proposal will be posted on September 21, 2023, a stakeholder meeting will be held on September 28, 2023, and comments on the straw proposal will be due on October 12, 2023. A final decision on Track 2 is planned for the February 2024 Board of Governors meeting. The schedule dates are tentative until confirmed through a notice in CAISO's daily briefing.

2024 Effective Flexible Capacity Values for Resource Adequacy Resources. CAISO has posted the preliminary 2024 Resource Adequacy Effective Flexible Capacity values for resource adequacy resources on its website. Comments are due September 13, 2023. If no modifications are requested by the September 13 comment deadline, CAISO will use the posted values for the 2024 compliance year.

Gas Resource Management. CAISO will hold a public working group on September 18, 2023, on Gas Resource Management. A companion discussion paper has been posted to the working group webpage. Written comments are due by September 13. Further details and registration information are available here.



Extended Day-Ahead Market ISO BAA Participation Rules. CAISO posted the Track A1 final proposal and draft tariff language related to the Extended Day-Ahead Market ISO Balancing Authority Area (BAA) Participation Rules initiative. The documents are available on the initiative <u>webpage</u>, and written comments on the draft tariff language are due by end of day September 14, 2023.

Price Formation Enhancements. CAISO will hold a public hybrid stakeholder working group meeting on September 14, 2023, related to the Price Formation Enhancements initiative to further discuss the history and existing mechanism of BAA-level market power mitigation in order to form problem statements and guiding principles. Further details are available here.

2023-2024 Transmission Planning Process. CAISO posted the 2023-2024 Transmission Planning Process preliminary reliability results and the final study plan to its website. The Transmission Planning Request Window is open August 15 to October 15, 2023.

Greenhouse Gas Coordination Working Group. CAISO will hold a virtual stakeholder working group meeting on September 13, 2023, related to greenhouse gas coordination. Written comments on the working group discussion are due September 27, 2023. Further information is available here.

CALIFORNIA ENERGY COMMISSION (CEC)

Integrated Energy Policy Report (IEPR)

The CEC released an update to its <u>2023 IEPR Workshop Schedule</u>. Forthcoming hybrid workshops include:

- October 25: Draft 2023 IEPR Findings and Recommendations (1:00 p.m.-4:00 p.m. PT)
- November 15: California Electricity Demand Forecast: Load Modifier Scenario Results (10:00 a.m.-5:00 p.m. PT)
- <u>December 6</u>: California Electricity Demand Forecast: Electricity Forecast Results (1:00 p.m.-5:00 p.m. PT)

The schedule is also accessible on the 2023 IEPR website.

Energy System Reliability

On August 28, 2023, the CEC released the <u>Joint Agency Reliability Planning Assessment</u> <u>SB 846 Third Quarterly Report</u> (Assessment). According to the Assessment, the report provides "a quarterly review of the demand forecast, supply forecast, and risks to reliability in the



California Independent System Operator territory from 2023 to 2032, as required by SB 846" and also "includes an updated analysis for summer 2023."

SB 100 Kickoff Workshop

On August 22, 2023, the CEC, the CPUC, and the California Air Resources Board held a joint workshop to discuss findings and recommendations from the 2021 SB 100 Joint Agency Report, as required by Senate Bill SB 100, the "100 Percent Clean Energy Act of 2018." The notice and agenda are available here. The original September 5, 2023 comment deadline for the SB 100 Kickoff Workshop was extended to 5:00 p.m. PT on September 8, 2023.

Electric Program Investment Charge (EPIC) Program

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. The symposium agenda and additional information are available here.

AB 2127: Electric Vehicle Charging Infrastructure

On September 7, 2023, the CEC hosted a remote-access workshop to present and discuss findings from the second <u>Assembly Bill (AB) 2127 Electric Vehicle Charging Infrastructure</u> <u>Assessment Staff Draft Report</u>. The workshop is scheduled to begin at 9:00 a.m. PT. Additional information is available <u>here</u>.

Zero Emissions Vehicles

The second application window for the Golden State Priority Project, which includes approximately \$38 million in funding for direct current, fast-charging 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 September 13, 2023. Remote attendance information, meeting agenda, and backup materials can be accessed <u>here</u>.

CALIFORNIA AIR RESOURCES BOARD (CARB)

Meetings and Workshops

On September 14, 2023, CARB and the AB 32 Environmental Justice Advisory Committee are holding a joint meeting to discuss the implementation of CARB's AB 32 climate programs. The agenda for the meeting is available here.



On September 15, 2023, the AB 32 Environmental Justice Advisory Committee will hold a public meeting. Additional information is available <u>here</u>.

On September 15, 2023, <u>CalStart</u> will hold a <u>Zero-Emission Truck Ride & Drive</u> event at the Port of Oakland, designed for fleet owners and operators to test drive zero-emission medium-and heavy-duty trucks and learn about zero-emission technologies, charging solutions, and incentives.

On September 19, 2023, CARB is hosting a <u>public workgroup meeting</u> to discuss its plans for funding clean transportation, including its fiscal year 2023-2024 Clean Transportation Incentives Funding Plan. The agenda for the meeting is available <u>here</u>.

CARB's next board meeting is scheduled for September 28-29, 2023. The agenda for the meeting will be available <u>here</u> 10 days prior to the meeting.

Opportunities for Public Comment

CARB is accepting comments on <u>proposed amendments</u> to the <u>Heavy-Duty Engine and Vehicle Omnibus Regulation</u>. Comments may be submitted to CARB <u>here</u> on or before September 18, 2023.

On September 5, 2023, CARB held a <u>public workshop</u> to kick off the development, with the CEC and CPUC, of a report on hydrogen deployment, development, and use, in accordance with <u>SB 1075</u>. Comments on the workshop topics may be submitted <u>here</u> on or before September 19, 2023.

CARB has posted the <u>Standardized Regulatory Impact Assessment</u> of forthcoming amendments to the Low Carbon Fuel Standard (LCFS). The Impact Assessment provides the initial economic evaluation of the planned LCFS amendments. CARB anticipates releasing draft language of the LCFS changes this fall.

COLORADO PUBLIC UTILITIES COMMISSION (COLORADO PUC)

The Colorado PUC will host its next commissioners' Weekly Meeting (CWM) on September 13, 2023 at 9:00 a.m. MT. The meeting, which will be held remotely, is available for online viewing here. The agenda (available here) includes discussion of Public Service Company's recently filed application for approval of its 2024-2028 Clean Heat Plan (Item No. 2), and matters related to the Application of Public Service Company for approval of its 2021 Electric Resource Plan and Clean Energy Plan (Item No. 1).

MINNESOTA PUBLIC UTILITIES COMMISSION (MPUC)

On Thursday, September 14, the MPUC will hear two items at its regularly scheduled Agenda Meeting. First, the MPUC will address whether and how to update the potential cost of future carbon dioxide regulation on electricity generation. Second, the MPUC will evaluate



whether to reopen, reconsider, and/or clarify its July 17, 2023, order in the Xcel Energy Electric Rate Case (Docket No. 21-630). The agenda can be found <u>here</u>.

FEDERAL ENERGY REGULATORY COMMISSION (FERC)

On August 31, 2023, FERC issued two orders addressing Midcontinent Independent System Operator, Inc.'s (MISO) treatment of Dispatchable Intermittent Resources (e.g., dispatchable wind and solar resources) in its Open Access Transmission, Energy and Operating Reserve Markets Tariff (Tariff). In 184 FERC 161,137, FERC denied a complaint filed by Solar Energy Industries Association (SEIA), which alleged that the Tariff is unjust, unreasonable, and unduly discriminatory or preferential because it prohibits wind, solar, and battery hybrid resources from providing ancillary services in the wholesale market. FERC found that SEIA failed to meet its burden under Federal Power Act Section 206. In 184 FERC 161,134, FERC accepted MISO's proposed revisions to its Tariff to make Dispatchable Intermittent Resources ineligible to provide the Up Ramp Capability and Down Ramp Capability products and to change the Down Ramp demand curve from \$5/MWh to \$0/MWh.

At the July 27, 2023 FERC meeting, FERC issued long-awaited <u>Order No. 2023</u>, 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. Also, the Final Rule 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: <u>FERC issues Final Rule on Improvements to Generator Interconnection Procedures and Agreements</u>.