

California Regulatory Happenings for the Week of June 15, 2020

California Public Utilities Commission

Issue	Latest Developments
CPUC Commissioner's Meeting	<p>The next Commission meeting is scheduled for 06/25/20. Remote Access Only.</p>
IRP Framework Long-Term Procurement Planning Requirements R 16-02-007	<p>On 12/5/19 the California Environmental Justice Alliance, Sierra Club, Defenders of Wildlife and the Public Advocates Office submitted an application for rehearing and clarification of D.19-02-007. The parties allege that the decision: 1) erroneously allows for procurement of new fossil fuel units and facilities; 2) commits legal error by allowing procurement of new fossil fuel capacity; 3) the allowance of new fossil fuel procurement is not supported by the findings; 4) substantial evidence does not support allowing new fossil fuel procurement; and 5) the joint parties will be prejudiced if this application for rehearing is not granted because they lack the ability to protest fossil fuel procurement in an evidentiary hearing.</p> <p>On 12/13/19 GenOn Holdings, Inc. filed an application for re-hearing of D.19-11-016. GenOn requests rehearing on the limitation on OTC extensions to one year.</p> <p>On 1/3/20 the ALJ issued a ruling finalizing the baseline for purposes of procurement required by D.19-11-016.</p> <p>On 1/24/20 the ALJ issued a ruling permitting non-utility LSEs to update their expected load forecasts out to 2030, for purposes of their individual IRPs set to be filed on 5.1.29. The updates were filed by 2/7/20 and responses by 2/21/20.</p> <p>On 2/21/20 the ALJ issued a proposed decision adopting 2019-2020 Electric Resource Portfolios to inform Integrated Resource Plans and Transmission Planning. Opening comments were due by 3/12/20.</p> <p>On 4/1/20 the California Energy Storage Alliance filed a petition for modification of D.19-11-016. CESA requests that the Commission revise the decision to allow IOUs to submit Tier 2 advice letters for expedited 30 day approval to for any incremental resource contracts executed to meet the 2021 compliance requirements and to come online by the 8/1/21 deadline.</p> <p>On 4/15/20 the ALJ issued a ruling finalizing load forecasts and greenhouse gas benchmarks for individual 2020 IRP filings and assigning procurement obligations pursuant to D. 19-11-016.</p>

California Regulatory Happenings for the Week of June 15, 2020

	<p>On 4/21/20 several parties filed comments on CESA’s petition for modification, including: Environmental Defense Fund, Southern California Edison, PG&E, SDG&E, 350 Bay Area, Fluence Energy, and Cal Advocates, Sierra Club, California Environmental Justice Alliance</p> <p>On 5/14/20 the California Community Choice Association filed a Petition for Modification of D.19-11-016, recommending that the permanent hybrid QC counting methodology should replace the interim methodology in determining compliance with system RA procurement requirements, among other changes recommended to prevent cost shifts.</p> <p>On 6/3/20 the Commission issued a proposed decision denying CESA’s petition for modification (filed 4/1/2020). Comments are due June 23, 2020.</p>
<p>Streamlining Interconnection of Distributed Energy Resources and Improvements to Rule 21 (R.17-07-007)</p>	<p>This rulemaking addresses streamlining interconnection of distributed energy resources and improvements to rule 21.</p> <p>A Proposed Decision was issued on February 22, 2019, adopting the Proposals from the March 15, 2018 workshop Group 1 Report. The Proposed Decision was approved at the Commission’s Meeting March 28, 2019. Status reports from working groups have been filed.</p> <p>The California Energy Storage Alliance filed a motion to establish a sub-group and schedule a joint workshop with R18-12-006 to introduce proposal on mobile inverter technical requirements for Rule 21 interconnection.</p> <p>On 8/23/19, a Joint ALJ ruling establishing a subgroup and schedule to develop a proposal on mobile inverter technical requirements for Rule 21 was issued. A workshop was held on 12/17/19.</p> <p>On 11/27/19, the ALJ issued a ruling directing responses to attached questions and revising the schedule. Responses were due by 1/13/20 and reply comments were due by 1/27/20. Parties are permitted to include comments on the 6/14/19 working group three final report with their response.</p> <p>A workshop to commence working group 4 was held on 2/12/20. Notice</p> <p>On 5/7/20 an order extending the statutory deadline in the proceeding was issued, extending the deadline to May 17, 2021 in order to allow Working Group Four to complete its work.</p>
<p>Resource Adequacy, Consider Program Refinements and</p>	<p>On 10/24/19, CalCCA filed an application for rehearing of D.19-10-021, addressing RA import rules stating that the ruling does not affirm existing rules but rather creates new requirements that will effect a sea change in the way import RA is transacted and bid into the CAISO. In conjunction with the application for rehearing, CalCCA filed a motion for stay</p>

California Regulatory Happenings for the Week of June 15, 2020

Establish Annual Local and Flexible Procurement Obligations for the 2019 and 2020 Compliance Years. (R.17-09-020)

of the decision and motion to shorten the comment period. On 12/23/19 the Commission [granted](#) the motion for stay of D.19-10-021.

On 10/30/19, CalCCA filed a [petition for modification](#) of D.19-06-026. CalCCA requests that the Commission grant Energy Division Staff authority to grant waivers of system and flexible RA requirements beginning with the 2020 compliance year.

On 11/18/19 [CAISO](#) and [Powerex](#) each filed rehearing requests of D.19-12-021.

On 11/26/19 the ALJ issued a [proposed decision](#) granting the motion regarding qualifying capacity value of hybrid resources with modifications. Opening comments were due by 12/20/19 and reply comments by 1/2/20. The decision was adopted on 1/17/20. [D.20-01-004](#).

On 1/13/20 the Assigned Commissioner issued a [ruling](#) attaching the Energy Division's State of the Market Resource Adequacy Report.

On 1/16/20 the ALJ issued a [proposed decision](#) granting the Joint Parties' motion to establish a schedule and process for determining the qualifying capacity value of hybrid resources, with modifications.

On 2/11/20 the Center for Energy Efficiency and Renewable Technologies, Enel X North America, Inc., American Wind Energy Association of California and California Energy Storage Alliance filed a [Joint Petition for Modification](#) of Decision 20-01-004. On 2/27/20 SCE filed a response.

On 3/12/20 the Commission [granted a limited re-hearing](#) of D.19-10-021 in order to clarify the self-scheduling requirement and as to the distinction between resource-specific and resource non-specific RA import contracts. On 3/20/20 the ALJ issued a [ruling](#) setting for the schedule for the re-hearing.

On 3/26/20 the ALJ issued a [proposed decision](#) on central procurement of the resource adequacy program. The proposed decision adopts implementation details for the central procurement of multi-year RA procurement to begin in 2023 for PG&E and SCE. **Decision was approved at Voting Meeting on 6/11/2020.**

On 4/6/20 several parties submitted comments on the ALJ's ruling granting a limited re-hearing of D.19-10-021, including: CAISO, Shell Energy, Western Power Trading Forum, Powerex, and the California Community Choice Association. Reply comments were filed on 4/13/20 by Morgan Stanley Capital Group and Powerex Corp.

California Regulatory Happenings for the Week of June 15, 2020

	<p>On 4/15/20, several parties submitted comments on the 3/26 proposed decision, including: SCE/PG&E (joint), Solar Energy Industries Association and Large-scale Solar Association (joint), Cogeneration Association of California, The Utility Reform Network, CAISO, Center for Energy Efficiency and Renewable Technologies, Vistra Energy Corp., Alliance for Retail Energy Markets, California Energy Storage Alliance, California Community Choice Association, Cal Advocates, California Large Energy Consumers Association, Middle River Power, Sunrun, Independent Energy Producers Association, OhmConnect, NRG Energy, LS Power Development, Shell Energy North America, Western Power Trading Forum, American Wind Energy Association of California, Monterey Bay Community Power Authority, CPower/Enel X North America/California Energy + Demand Management Council (joint), SDG&E, Sierra Club/Union of Concerned Scientists/California Environmental Justice Alliance (joint), Calpine, ENGIE North America. Many of the same parties filed reply comments on 4/20/20.</p> <p>On 5/18/20 a Proposed Decision was issued adopting the RA import requirements – opening comments are due June 7, 2020. The PD makes a number of conclusions related to pseudo-tied resources, and resource-specific and non-resource-specific imports and how they count towards meeting RA requirements. Opening comments by parties were filed on June 8, 2020 and reply comments filed on June 15.</p>
<p>Resource Adequacy Program, Consider Program Refinements, and Establish Forward Resource Adequacy Procurement Obligations (R.19-11-009)</p>	<p>On 11/7/19 the Commission opened a rulemaking to oversee the Resource Adequacy program, consider any changes and refinements to the program and establish forward RA procurement obligations applicable to LSEs beginning with the 2021 compliance year. This rulemaking is the successor to R17-09-020. Comments were due on 12/3/19.</p> <p>On 1/22/20 the Assigned Commissioner issued a scoping memo and ruling setting forth the scope of issues to be addressed and schedule of the proceeding. The proceeding is divided into four tracks. Track 1 will consider revisions to the RA import rules. Track 2 will include consideration of system and flexible capacity requirements for the following year and local capacity requirements for the next three years. Track 3 encompasses more complex and less time-sensitive structural changes and refinements to the RA program and Track 4 will consider the 2022 program year requirements for System and Flex RA and the 2022-2024 Local RA requirements.</p> <p>On 2/7/20 the Energy Division’s proposal on Maximum Cumulative Capacity Buckets was entered into the record.</p> <p>On 2/21/20 the Energy Division’s Track 2 proposals were entered into the record. On 2/28/20 the Energy Division’s Track 1 RA import proposal was entered into the record.</p> <p>On 2/28/20 the ALJ modified the Track 2 schedule. New Schedule</p> <p>On 3/11/20 the joint reports of the Track 2 Hydro Counting Working Group, Track 2 Hybrid</p>

California Regulatory Happenings for the Week of June 15, 2020

	<p>Counting Working Group, Track 2 Effective Load Carrying Capability Working Group and the Demand Response Working Group.</p> <p>On 3/12/20 the Commission granted a limited re-hearing of D.19-10-021 in order to clarify the self-scheduling requirement and as to the distinction between resource-specific and resource non-specific RA import contracts. On 3/20/20 the ALJ issued a ruling setting for the schedule for the re-hearing.</p> <p>On 3/23 a large number of parties filed comments on the ALJ ruling, with reply comments filed 4/2/20.</p> <p>Also on 4/2/20, parties filed reply comments on Track 2 Proposals.</p> <p>On 4/2/20 the ALJ issued a ruling modifying the Track 2 schedule for Local Capacity Requirement and Flexible Capacity Requirement Issues. This modifies the schedule following the CAISO's motion to adjust the schedule due to factors outside of CAISO's control that are delaying the 2021 LCR and FCR Reports.</p> <p>On May 1, 2020 the CAISO filed the Final Local Capacity Tehnical Study for 2021. Parties provided comments on May 8 and reply comments on May 13.</p> <p>On May 15, 2020 a Joint Motion requesting consideration fo the effects of COVID-19 on the system RA requirements for the 2021 compliance year was filed.</p> <p>A Proposed Decision was issued on May 22, 2020 adopting local capacity obligations for 2021-2021, adopting flexible capacity for 2021, and refining the RA program. Comments were filed on June 11, 2020.</p>
<p>Successor to Existing Net Energy Metering Tariffs pursuant to PUC Section 2827.1 (R.14-07-002)</p>	<p>On 6/28/19 the Assigned Commissioner issued a sixth amended scoping memo and ruling. The issues in the fifth amended scoping memo remain with the scope of the proceeding. The highest priority issues for the remainder of the proceeding include consumer protection and resolution of outstanding petitions for modification. The ruling sets a deadline of 7/1/20 for completion of the proceeding.</p> <p>On 8/15/19, a prehearing conference was held.</p> <p>On 10/18/19, the Assigned Commissioner issued a ruling regarding enhanced consumer protections via potential modifications to customer information packet signature requirement and solar provider registration process for interconnecting under net energy metering. Comments were due by 11/4/19. D.20-02-011 was adopted by the Commission on 2/14/20.</p> <p>On 11/20/19 the California Solar and Storage Association filed a petition for modification of</p>

California Regulatory Happenings for the Week of June 15, 2020

	<p>D.16-01-044 regarding clarification of virtual net energy metering eligibility requirements.</p> <p>On 12/27/19 the ALJ issued a ruling providing notice and opportunity regarding continued funding of the solar on multifamily affordable housing program.</p> <p>On 1/23/20 the ALJ issued a proposed decision denying an 8/23/18 petition for modification filed by CARE and Michael E. Boyd, which suggested that the bill credit estimation methodology adopted in a previous decision did not comply with PURPA and should be eliminated and replaced with a requirement for monthly meter readings.</p> <p>On 1/28/20 the Assigned Commissioner issued a ruling regarding implementation of the disadvantaged communities green tariff.</p> <p>On 2/6/20 the Commission adopted D.20.02.011 modifying D.18-09-044 and adopting additional consumer protection measures for net energy metering customers.</p> <p>On 2/10/20 the ALJ issued a ruling confirming applicability of staff proposal for standardized solar energy system electric bill savings inputs and assumptions.</p> <p>On 3/13/20 the ALJ issued a proposed decision determining revenue availability and adequacy of participation and interest in the solar on multifamily affordable housing. Parties filed comments on this PD on April 2, with reply comments filed April 7.</p> <p>On 4/24/20, GRID alternatives filed a petition for modification of D.18-06-027, requesting an expansion of the geographic eligibility for DAC-SASH to align with the Commission’s environmental and social justice action plan, a modification to adjust the DAC-SASH income threshold from CARE/FERA eligibility to 80 percent area median income, and a modification to increase annual funding for the DAC-SASH program from \$10 million to \$20 million, effective 2020. Parties responded to this petition on May 26, 2020.</p> <p>On June 2, 2020, the CPUC issued a Proposed Decision implementing automatic enrollment of Disadvantaged Communities Green Tariff. Opening comments are due June 22, 2020.</p> <p>On June 12 a Proposed Decision adopting standardized inputs and assumptions for calculating estimated electric utility bill savings from residential PV solar energy systems was issued. Comments are due on July 2, 2020.</p>
<p>Continued Implementation of the Public Utility Regulatory Policies Act and Related Matters</p>	<p>On 7/26/18 the Commission opened the rulemaking. The rulemaking is intended to consider adoption of a new standard offer contract that will be available to any Qualifying Facility of 20 MW or less seeking to sell electricity to a Commission-jurisdictional utility pursuant to PURPA. The rulemaking will also consider adoption of a price to be paid at the time of delivery where a QF has opted to sell as-available energy to the utility without a contract.</p>

California Regulatory Happenings for the Week of June 15, 2020

<p>(R.18-07-017)</p>	<p>A Scoping Memo and Ruling was issued on November 2, 2018. http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M236/K009/236009738.PDF</p> <p>On 10/22/19, the ALJ issued a ruling providing additional information regarding the appropriate contract duration for new electric generation projects and provides an opportunity for parties to file and serve supplemental comments on the issue. Comments were due by 11/7/19.</p> <p>On 4/3/20 the ALJ issued a proposed decision adopting a new standard offer contract for qualifying facilities of 20 MW or less pursuant to the PURPA Act of 1978. Multiple parties submitted comments and reply comments. The Commission approved Decision on May 7, 2020. Utilities are expected to file Tier 2 Advice Letters implementing the new standard offer contract this week.</p>
<p>Power Charge Indifference Adjustment: Order Instituting Rulemaking to Review, Revise, and Consider Alternatives to the Power Charge Indifference Adjustment (R.17-06-026)</p>	<p>D1810019 was adopted on October 11, 2018, to address concerns that the existing cost allocation and recovery mechanism does not prevent cost shifting between different groups of customers, contrary to statutes that (1) authorized customers to engage in direct access transactions for electricity and (2) provided for formation of CCAs. The Commission adopted revised inputs to the market price benchmark (MPB) that is used to calculate the Power Charge Indifference Adjustment (PCIA), the rate intended to equalize cost sharing between departing load and bundled load. The revised methodology will be used to calculate the PCIA that took effect as of January 1, 2019. A second phase was initiated to enable parties to continue working together to develop longer-term solutions and to consider the development and implementation of a comprehensive solution to the issue of excess resources in utility portfolios. Requests for rehearing were filed by many parties, including Buchalter on behalf of the California Community Choice Association. The Phase 2 Scoping Ruling was issued 2/1/19. http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M263/K449/263449702.PDF</p> <p>On 7/1/19 the California Community Choice Association and PG&E filed a joint motion to amend the scoping memo. The parties requested additional comment opportunity and extension of time to request evidentiary hearings related to Working Group One, Issues 8-12 Final Report. On 7/9/19 the ALJ issued a ruling modifying the procedural schedule from the scoping memo to allow for additional comment opportunities.</p> <p>On 10/17/19, the Commission adopted a decision refining the method to develop and true up market price benchmarks.</p> <p>On 12/18/19 the ALJ issued a ruling modifying the procedural schedule from the Scoping Memo so that parties have an opportunity to provide additional comments on Working Group 2 Final Report (Prepayment). Comments were due by 1/6/20 and reply comments by 1/13/20.</p>

California Regulatory Happenings for the Week of June 15, 2020

	<p>On 1/3/20 SCE, Commercial Energy of California and CalCCA filed a joint motion to amend the scoping memo. The parties requested additional comment opportunity and extension of the time to request evidentiary hearings related to the working group three final report. On 1/15/20 the ALJ issued a ruling granting the motion. Comments were due by 2/13/20, reply comments by 2/20/20 and motions for evidentiary hearings by 2/27/20.</p> <p>On 1/21/20 the Commission denied rehearing requests of D.18-10-019 filed by numerous parties, including Shell Energy, CalCCA, CleanPowerSF, Solana Energy Alliance, CLECA, Protect our Communities Foundation, Peninsula Clean Energy, Marin Clean Energy and Sonoma Clean Power. However, the Commission did modify the decision to correct some citations, add two conclusions of law and to clarify the statutory authority to require reporting information of ESPs.</p> <p>On 2/25/20 the ALJ issued a proposed decision considering working group proposals on departing load forecast and presentation of PCIA rate on bills and tariffs. Opening comments were due by 3/16/20.</p> <p>On 4/3/20 Protect Our Communities and Utility Consumers' Action Network separately filed motions to request evidentiary hearings. Parties resounded to this request on April 17, 2020.</p> <p>On May 22, 2020 the Commission issued a Proposed Decision denying a petition for modification of D.18-07-009, which had been filed by California Choice Energy Authority and the Center for Accessible Technology back in 2018. Joint comments were filed by SCE and SDG&E on June 11.</p>
<p>Order Instituting Rulemaking to Implement Public Utilities Code Section 451.2 Regarding Criteria and Methodology for Wildfire Cost Recovery Pursuant to Senate Bill 901 (2018) R.19-01-006</p>	<p>The goal of this Rulemaking is to adopt criteria and a methodology for the Commission to use in future applications for cost recovery of wildfire costs. A Scoping Memo and Ruling was issued on March 29, 2019: http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M277/K012/277012679.PDF</p> <p>At the 6/27/19 meeting, the Commission adopted a decision which sets forth criteria and a methodology for wildfire cost recovery pursuant to Public Utilities Code Section 451.2.</p> <p>On 8/7/19 PG&E filed an application for rehearing of Decision D.19-06-027. PG&E alleges that the Decision contains legal errors, violating Public Utilities Code Section 451.2 because it prohibits a utility that has filed a petition under Chapter 11 of the Bankruptcy Code from accessing the Customer Harm Threshold established by law and the Commission will not determine the CHT until a utility files an application to recover 2017 wildfire costs and because the Commission requires ratepayer protection mechanisms as a condition of accessing section 451.2</p>

California Regulatory Happenings for the Week of June 15, 2020

<p>Order Instituting Investigation to Determine PG&E Corporation's Organizational Culture and Governance Prioritize Safety. I.15-08-019</p>	<p>At the June 13th meeting, the Commission considered an Order Instituting Investigation on the Commission's Own Motion to Determine Whether Pacific Gas and Electric Company and PG&E Corporation's Organizational Culture and Governance Prioritize Safety.</p> <p>A ruling issued June 18, 2019, established a process for parties to comment on proposals that may improve the safety culture of PG&E. The proposals are: 1) Separating PG&E into separate gas and electric utilities or selling the gas assets; 2) Establishing periodic review of PG&E's Certificate of Convenience and Necessity (CPCN); 3) Modification or elimination of PG&E Corp.'s holding company structure; and 4) Linking PG&E's rate of return or return on equity to safety performance metrics. Comments were due July 19, 2019.</p> <p>On May 12, 2020 the Commission issued an order extending the statutory deadline in this proceeding to November 8, 2020.</p>
<p>Decision on SB100 RPS Procurement Quantities R.18-07-003</p>	<p>A preliminary decision was issued establishing the procurement requirements at 44% by 2024, 52% by 2027, and 60% by 2030 for SB 100 compliance.</p> <p>On 6/27/19 the Commission adopted D1906023 implementing provisions of SB 100 relating to procurement quantity requirements under the CA RPS. The decision requires</p> <ul style="list-style-type: none"> - For compliance period 2021-2024, retail sellers must procure no less than 44% of their retail sales from eligible resources by 12/31/24 - For compliance period 2025-2027 the requirement is 52% - For compliance period 2028-2030 the requirement is 60% - Progress towards compliance during intervening years of each compliance period from 2021-2030 will continue to be treated using the same straight-line method set out in previous decisions. - For each compliance period beginning with the 2031-2033 compliance period each retail seller must procure not less than 60% of retail sales from eligible resources measured as an average over the compliance period. <p>-</p> <p>On 7/2/19 the ALJ issued a proposed decision on enforcement of the RPS program rules. Opening comments were due by 7/22/19. The proposed decision imposes fines on Liberty Power Holdings (\$431,014) and Gexa Energy (\$1,725,461) for failing to comply with certain program requirements.</p> <p>On 10/3/19, the Commission adopted a decision, which adopts modeling requirements to calculate effective load carrying capability values for RPS procurement.</p> <p>On 11/19/19 the ALJ issued a proposed decision on 2019 RPS procurement plans. The decision was adopted by the Commission on 12/30/19. D.19-12-042.</p> <p>On 1/7/20 Enercal USA, LLC filed a petition for modification of D.19-12-042 challenging the decision's finding that EnerCal's RPS plan is deficient. On 3/5/20 the ALJ issued a ruling</p>

California Regulatory Happenings for the Week of June 15, 2020

	<p>directing Enercal to file a motion seeming exemption from filing its final 2019 RPS procurement plan and future plans until they begin serving load.</p> <p>On 2/27/20 the Assigned Commission issued a ruling requesting comments on a staff proposal to clarify and improve confidentiality rules for the RPS program.</p> <p>On 3/10/20 the ALJ issued a ruling requesting comments on the bioenergy market adjusting tariff staff proposal. Parties filed comments and reply comments.</p> <p>On May 13, 2020, the ALJ issued a ruling modifying the schedule of review for 2020 RPS Procurement plans (original ruling identifying issues and schedule issued May 6, 2020).</p>
<p>OIR to Examine Electric Utility De-Energization of Power Lines in Dangerous Conditions R.18-12-005</p>	<p>On 8/14/19, Commissioner Picker issued a Phase 2 Scoping Memo and Ruling. Phase 2 issues include; definitions/standard nomenclature, AFN populations, PSPS strategy and decision-making, notification and communication, PSPS and transmission lines and lessons learned. Various parties filed comments and proposals.</p> <p>On 11/1/19 the ALJ issued a ruling advising parties of upcoming amended scoping memo and suspending the current procedural schedule in the rulemaking.</p> <p>On 11/12/19 the Assigned Commissioner and ALJ issued a ruling directing PG&E to show cause why it should not be sanctioned by the Commission for violation of Public Utilities Code Sections 451, Commission Decision D.19-05-042 and Resolution ESRB-8 for failing to properly communicate with its customers, coordinate with local governments and communicate with Critical Facilities and Public Safety Partners during Public Safety Power Shutoff events during 10/9-12/19 and 10/23-11/1/19. An evidentiary hearing was held on 12/9/19.</p> <p>A scoping memo and ruling was issued for the amended phase 2 of the proceeding on 12/19/19. In this phase, the Commission will consider whether existing PSPS guidelines in Resolutions ESRB-8 and D.19-05-042 should be amended. The Commission will also consider the adoption of several new guidelines in advance of the 2020 wildfire season.</p> <p>On 1/15/20 the ALJ issued a ruling modifying the schedule of Phase 2.</p> <p>On 1/30/20 the Assigned Commissioner issued a ruling regarding PG&E's post-public safety power shutoff corrective action reporting. The ruling identifies deficiencies in PG&E's weekly PSPS correction action reporting and as a result imposes additional reporting and directs PG&E staff to engage with CPUC staff and other state agencies to demonstrate progress towards the elements in its post-PSPS correction action related to the October 2019 PSPS events and in its pre-2020 wildfire season preparation efforts.</p> <p>On 1/30/20 the ALJ issued a ruling requesting comments on proposed additional and</p>

California Regulatory Happenings for the Week of June 15, 2020

	<p>modified de-energization guidelines.</p> <p>Reply testimony in the order to show cause was due 4/7/20.</p> <p>On 4/13/20 a joint motion was filed foran emergency order regarding de-energization protocols during the COVID-19 pandemic. The motion was filed by County of Mendocino,Marin Clean Energy,County of San Luis Obispo,County of Marin,Pioneer Community Energy,Rural County Representatives of California,County of Nevada,County of Sonoma,City of Santa Rosa,Peninsula Clean Energy,California State Association of Counties,City of San Jose,County of Kern,County of Napa,County of Santa Barbara,East Bay Community Energy,County of Santa Clara,Center for Accessible Technology. Multiple parties responded.</p> <p>On 4/27/20 a Proposed Decision was issued adopting the Phase 2 updated and additional gudilnes for de-energization of electric facilities to mitigate wildfire risks. Comments are due May 17. The decision does not directly reference the joint motion but does note that the Commission is taking serious consideration of precautions related to the COVID-19 pandemic.</p> <p>On May 28, 2020 the Commission filed a Decision adopting Phase 2 updated and additional guidelines for de-energization fo electric facilities to mitigate wildfire risk. This follows a series of comments provided by parties on May 18 following the proposed decision issued earlier in May.</p>
<p>OIR to Implement Electric Utility Wildfire Mitigation Plans Pursuant to SB 901 (R.18-10-007)</p>	<p>On 3/12/20 the Commission adopted D.20-03-004 on community awareness and outreach before, during and after a wildfire and explanation of next steps for other Phase 2 issues. Comments were due by 2/25/20.</p> <p>In earlyApril SDG&E and PG&E filed their 2019 wildfire safety plan compliance reports.</p> <p>On 4/16/2020 the Commission adopted D.20-004-003 to extend the statutory deadline in the proceeding until December 31, 2020.</p> <p>On 4/17/20 Protect Our Communities Foundation filed an application for rehearing of D.20-03-004, calling out alleged inadequacies of the utility advice letters.</p> <p>Parties have since been filing various compliance filings throughout May and June.</p>
<p>OII to consider ratemaking and other implications of a proposed plan for resolution of PG&E Bankruptcy</p>	<p>3/13/20 opening briefs were due. Reply briefs were due by 3/26/20.</p> <p>On 4/20/20 the ALJ issued a Proposed Decision approving the Reorganization Plan. Comments and reply comments were filed on May 10 and May 18.</p> <p>The Commission approved the reorganization plan on May 28, 2020.</p>

California Regulatory Happenings for the Week of June 15, 2020

(I.19.09.016)	
---------------	--

California Energy Commission

Issue	Latest Developments
CEC Business Meeting	The next regularly scheduled Business Meeting will be held June 10, 2020. Agenda.
2020 IEPR Update	Updated Scoping Order issued February 24, 2020. Sessions to be held on June 11 and 12 re ZEVs and Transportation Trends
AB 1110 Revised Power Source Reporting to Disclose GHG Intensity Factors	<p>The California Energy Commission (Energy Commission) has completed pre-rulemaking to amend the Power Source Disclosure (PSD) regulations as required with the recent passage of AB 1110 and formal rulemaking will commence in May 2019 with an effective date of Spring 2020. The PSD program discloses to consumers a retail supplier's various sources of electricity compared with the electricity mix of California as a whole. This program will fundamentally shift under AB 1110 by additionally requiring disclosure of a retail supplier's greenhouse gas (GHG) emissions intensity factors for its retail electricity offerings. Retail suppliers will begin disclosing their emissions in 2020 for the 2019 calendar on the Power Content Label (PCL). At the same time, AB 1110 requires the Energy Commission to develop guidance for the disclosure of unbundled renewable energy credits (RECs).</p> <p>On 11/25/19 the CEC posted 15-day language. A public hearing was held on 12/11/19. The new language includes new or modified definitions under section 1391, modifications to the adjusted net purchases calculation, removal of proposed language pertaining to the deadline for Power Content Label disclosure, clarification of the process under section 1394.1 for retail suppliers to request approval for additional footnote information and other substantive and non-substantive changes.</p>
2019 IEPR	On 2/20/20 the CEC adopted the 2019 Integrated Energy Policy Report .
Publicly Owned Utilities Voluntary Green Program & RPS Obligation	<p>A workshop was held on 9/10/19 to solicit comments on potential amendments to the Enforcement procedures for the RPS for Local POUs. Proposed changes include:</p> <ul style="list-style-type: none"> - Establishing new compliance periods and procurement targets - Implementing a new long-term procurement requirement.

California Regulatory Happenings for the Week of June 15, 2020

	<ul style="list-style-type: none"> - Modifying rules for the calculation of excess procurement. - Modifying requirements for optional compliance measures, including costs limitations and delay of timely compliance. - Implementing a retail sales reduction for voluntary green pricing programs and shared renewable generation programs. - Modifying exemptions for local POU with qualifying large hydroelectric generation. - Implementing exemptions for qualifying POU procurement from gas-fired generation and generation from unavoidable long-term coal contracts and ownership agreements. - Clarifications to other existing regulatory provisions. <p>On 12/17/19 proposed pre-rulemaking amendments to the RPS POU regulations were posted along with a request for comments. A Lead Commissioner Pre-Rulemaking Workshop – Enforcement Procedures for the RPS for Local Publicly Owned Electric Utilities was held on 1/10/20.</p>
--	--

California Air Resources Board

Issue	Latest Developments
Cap and Trade & GHG Reporting	<p>A workshop was held on 8/16/19 to evaluate allowance supply.</p> <p>A meeting of the Compliance Offset Protocol Task Force was held on 10/24/19.</p> <p>On 11/18/19 ARB announced that it had initiated an investigation into whether compliance offset credits issued for livestock methane destruction events that took place at the Scenic View Dairy in Holland, Michigan may have been generated while the facility was not in compliance with the health and safety rules of the Michigan Department of Environment, Great Lakes, and Energy. On 1/30/20 ARB released its final determination that the project did not meet the requirements of the regulation and the compliance offset protocol. ARB has invalidated offsets created during the period of 2/1/16-1/31/17 (18,867 offsets invalidated).</p> <p>In February 2020 ARB issued a FAQ on Resource Shuffling.</p> <p>On May 28, 2020, California and Quebec released results of 23rd joint cap-and-trade auction.</p>
Low Carbon Fuel Standard	<p>A public workshop was held on 7/31/19 to discuss potential amendments to the cost containment features of the LCFS. Staff Presentation Handout</p> <p>A public hearing was held on 11/21/19 to consider adoption of proposed amendments to</p>

California Regulatory Happenings for the Week of June 15, 2020

	<p>the LCFS. Notice. Comments were due on the proposed revisions by 11/18/19. Proposed Regulation Order ISOR.</p> <p>On 11/21/19 the Board adopted Resolution 19-27 approving the amendments and directing the Executive Officer to determine if additional conforming modifications are needed.</p> <p>June 30th – deadline to submit final Q1 Quarterly Fuel Transactions Report</p>
--	--

California Independent System Operator

Issue	Latest Developments
Board of Governors Meeting	The most recent Board meeting was held on June 5, 2020. Streaming audio not yet posted..

CAISO Stakeholder Initiatives

Issue	Latest Developments
Energy Storage and Distributed Energy Resources Participation (Phase 4)	<p>On 10/21/19, CAISO posted a revised straw proposal. A meeting to discuss was held on 10/28/19.</p> <p>A meeting to discuss was held on 12/3/19. Notice Presentation</p> <p>The second revised straw proposal was issued on 2/24/20. A meeting to discuss was held on 3/2/20.</p> <p>Draft final proposal posted May 20, 2020, with meeting held on May 27, 2020. Comments are due on June 10, 2020.</p>
Resource Adequacy Enhancement	<p>On 10/3/19, CAISO posted a Second Revised Straw Proposal on resource adequacy enhancements and a Draft Final Proposal on Local RA with Availability-Limited Resources and Slow Demand Response. A meeting to discuss was held on 10/9/19. An additional meeting was held on 12/6/19.</p> <p>A meeting to discuss the third revised straw proposal was held on 1/7-8/20. Agenda. Comments on the revised proposal were due by 1/27/20.</p> <p>On 3/17/20 the CAISO posted a fourth revised straw proposal. A meeting to discuss was held on 3/24/20. Comments were due on 4/14/20.</p>

California Regulatory Happenings for the Week of June 15, 2020

	Next meeting (working group) to be held on June 1 with comments due on June 24..
Day-Ahead Market Enhancements	<p>On 2/8/18 CAISO launched a new initiative, Day-Ahead Market Enhancements to address ramping and uncertainty previously left to be resolved by the real-time market. Enhancements to be considered include combining the Integrated Forward Market with the Residual Unit Commitment process, changing the day-ahead scheduling granularity from hourly to 15-minute and adding an imbalance reserve product.</p> <p>The CAISO dropped the effort to achieve a 15-minute granularity due to waning interest. Phase 2 will continue the efforts to develop a day-ahead product to procure 15-minute ramp capability and uncertainty needs in the real-time, with implementation planned for the Fall of 2021.</p> <p>A Technical Workshop was held June 20 to discuss proposed options for developing a new day-ahead product that will address ramping needs between intervals and uncertainty that can occur between the day-ahead and real-time markets. The agenda and presentation is available at http://www.caiso.com/informed/Pages/StakeholderProcesses/Day-AheadMarketEnhancements.aspx.</p> <p>A working group meeting was held on 8/13/19. Market Notice. This meeting reviewed comment received from the June workshop and continued discussions on the proposed design options. Presentation</p> <p>On 2/3/20 CAISO posted the Straw Proposal and Variable Energy Resource Bidding and Scheduling Solver. A meeting to discuss was held on 2/10/20 and comments were due by 3/2/20. An additional meeting was held on 3/5/20 and comments were due by 3/26/20.</p> <p>A revised straw proposal was posted n June 9, 2020. The next meeting will be held on June 15 and June 17.</p>
2020-2021 transmission planning process	<p>Final Study Plan issued March 31, 2020 with meeting held February 28, 2020.</p> <p>Web conference held on June 3 re special studies. Slides available here – comments due on June 17. Preliminary reliability study results to be posted on August 14.</p>
Hybrid Resources	<p>Initiative addresses paired resources - "As generation developers become increasingly interested in pairing energy storage with existing or proposed generation, this initiative will explore how such "hybrid" generation resources can be registered and configured to operate within the ISO market. This initiative will develop solutions allowing developers to maximize the benefits of their resource's configuration. Hybrid resource configurations also raise new operational and forecasting challenges that ISO plans to address during this initiative."</p> <p>Second Revised Straw Proposal issued April 29, 2020. Meeting to be held on May 7.</p>

California Regulatory Happenings for the Week of June 15, 2020

	<p>Addendum eliminating the single scheduling coordinator requirement for co-located resources posted May 13.</p> <p>Next meeting to be held on June 18, 2020.</p>
--	--

Federal Energy Regulatory Commission

Issue	Latest Developments
Federal Energy Regulatory Commission	The next Commission meeting is June 18, 2020.
Technical Conference regarding Hybrid Resources (AD20-9)	FERC issued notice of technical conference to be held July 23, 2020.
Technical Conference re Impacts of COVID-19 on the Energy Industry	FERC issued notice of technical conference to be held on July 8-9, 2020.
Grid Reliability and Resilience Pricing (AD18-7)	On 1/8/18 FERC initiated this proceeding after terminating RM18-1, a rulemaking tasked with evaluating the DOE pricing proposal. This proceeding will holistically examine the resiliency of the market and asks RTOs and ISOs to provide information on whether the Commission needs to act regarding resiliency. A large number of comments were submitted on May 9, 2019.
NERC Reliability RD19-3-000	<p>A Technical Conference was held on June 27, 2019. The purpose of the conference is to discuss policy issues related to the reliability of the Bulk-Power System.</p> <p>FERC issued a Staff Report on Lessons Learned from Commission-Led CIP Reliability Audits https://www.ferc.gov/legal/staff-reports/2019/2018-report-audits.pdf</p> <p>FERC issued a Notice of Proposed Rulemaking to adopt a new Reliability Standard CIP-012-1 to mitigate cybersecurity risks associated with communications between bulk electric system Control Centers. Link</p>

California Regulatory Happenings for the Week of June 15, 2020

	<p>FERC approved a new Critical Infrastructure Protection Reliability Standard (CIP 008-6) to require reporting of cyber security incidents that either compromise or attempt to compromise Electronic Security Perimeters, Electronic Access Control or Monitoring Systems, and Physical Security Perimeters associated cyber systems. The new Reliability Standard also encompasses disruptions or attempts to disrupt the operation of a bulk electric system cyber system. https://www.ferc.gov/media/news-releases/2019/2019-2/06-20-19-E-2.asp#.XQwP8IhKjcs</p> <p>At the June 20, 2019 meeting the Commission initiated a proposed rulemaking to approve Reliability Standard TPL-001-5 (Transmission System Planning Performance Requirements) submitted by the North American Electric Reliability Corporation (NERC) that revises the current standard to address (1) reliability issues concerning the study of single points of failure of protection systems; and (2) directives from a previous Commission order (Order No. 786) regarding planned maintenance outages and stability analysis for spare equipment strategy. In addition, the NOPR proposes to direct NERC to develop and submit modifications to the NERC Reliability Standard to require corrective action plans for protection system single points of failure in combination with a 3-phase fault if planning studies indicate potential cascading.</p>
<p>Return on Equity Policy Review (PL19-4-000)</p>	<p>FERC opened a Notice of Inquiry PL19-4-000 to examine whether, and if so how, to revise its policies on determining the return on equity (ROE) used in setting rates charged by jurisdictional public utilities.</p> <p>This step follows the 2017 decision <i>Emera Maine v. FERC</i> (854 F.3d 9) that reversed and vacated Opinion No. 531. In that opinion, FERC set the ROE for New England Transmission Owners at the midpoint of the upper half of the zone of reasonableness produced by a two-step discounted cash flow (DCF) analysis. Although the court did not expressly question the Commission’s specific finding, it did conclude that FERC failed to show that setting the ROE at the upper midpoint, rather than the midpoint, was just and reasonable.</p> <p>Following the court’s ruling, the Commission issued two orders proposing an alternative ROE methodology and establishing a paper hearing on whether and how it should apply to ROE complaint proceedings in New England and the Midcontinent Independent System Operator. Those orders proposed to change FERC’s approach for determining base ROE by giving equal weight to four financial models instead of primarily relying on the DCF methodology. Comments on the Notice of Inquiry were due in mid-June.</p> <p>On May 21, 2020, FERC issued an order and policy statement on determining return on equity for natural gas and oil pipelines. The order on rehearing revises the methodology established in Opinion No. 569, granting rehearing of the order to:</p> <ul style="list-style-type: none"> • Use the risk premium model, DCF model, and CAPM under both prongs of the FPA

California Regulatory Happenings for the Week of June 15, 2020

	<p>section 206 analysis instead of relying on only the DCF model and CAPM;</p> <ul style="list-style-type: none"> • Give the short-term growth rate 80% weighting and the long-term growth rate 20% weighting in the two-step DCF model; • Clarify that the Commission will consider the use of Value Line growth rates in future proceedings' CAPM analyses; • Increase the high-end outlier test from 150% to 200% of the median result of all of the potential proxy group members in that model, subject to a natural break analysis; and • Calculate the ranges of presumptively just and reasonable base ROEs by dividing the overall composite zone of reasonableness into equal thirds, instead of using the quartile approach that was applied in Opinion No. 569 <p>The policy statement on determining ROEs for natural gas and oil pipelines announces that, with certain exceptions to account for the statutory, operational, organizational and competitive differences among the industries, FERC will apply the same methodology used for analyzing electric utility ROEs under FPA section 206.</p>
<p>Electric Transmission Incentives Policy (PL19-3-000)</p>	<p>FERC issued a Notice of Inquiry PL19-3-000 into possible improvements to its electric transmission incentives policy to ensure that it appropriately encourages the development of the infrastructure needed to ensure grid reliability and reduce congestion to reduce the cost of power for consumers. The NOI recognizes that nearly 13 years have passed since the issuance of Order No. 679. Since then, there have been a number of significant developments in how transmission is planned, developed, operated, and maintained. The NOI examines whether incentives should continue to be granted based on a project's risks and challenges or should be based on the benefits that a project provide. Examples of other topics addressed in the NOI include: consideration of incentives based upon measurable criteria for economic efficiency and reliability benefits, providing incentives for improvements to existing transmission facilities, considering the costs and benefits of projects in awarding incentives, and determining whether to review incentive applications on a case-specific or standardized basis.</p> <p>In addition, the NOI also seeks comment on various ROE incentives, including how they interact with the base ROE and other transmission incentives. Finally, the NOI seeks input about possible metrics for evaluating the effectiveness of incentives. Comments on the NOI were due in mid-June.</p>
<p>Technical Conference on Increasing Real-Time and Day-Ahead Market Efficiency and Enhancing Resilience Through</p>	<p>Commission staff convened a technical conference (AD19-13-000) on June 25, 26, and 27, 2019 to discuss opportunities for increasing real-time and day-ahead market efficiency and enhancing the resilience of the bulk power system through improved software.</p>

Prepared by

Buchalter

California Regulatory Happenings for the Week of June 15, 2020

Improved Software (AD19-13-000)	
--	--



California Regulatory Happenings for the Week of June 15, 2020

Upcoming Meetings*

June 2020				
Monday	Tuesday	Wednesday	Thursday	Friday
15 CAISO Day-Ahead Markets Enhancements meeting CPUC Workshop re building decarbonization (R.19-01-011)	16	17 CAISO Day-Ahead Markets Enhancements meeting CPUC Workshop re building decarbonization (R.19-01-011)	18 CAISO Hybrid Resources – Draft Tariff Language (Phase 1) meeting	19
22	23	24	25 CAISO Market Performance and Planning Forum	26

*All meetings are remote access only

Prepared by

Buchalter

California Regulatory Happenings for the Week of June 15, 2020

Contact Info



Gwenneth O'Hara

Chair: Energy and Natural Resources Group

Shareholder

916-945-5174

gohara@buchalter.com



Sarah Kozal

Attorney

916-945-5461

skozal@buchalter.com



Meghan Thomas

Attorney

916-945-5176

mthomas@buchalter.com