

California Regulatory Happenings for the Week of March 22, 2019

California Public Utilities Commission

Issue	Latest Developments
CPUC Commissioner's Meeting	<p>The next Commission meeting is scheduled for 3/28/19. Agenda items include:</p> <ul style="list-style-type: none"> • PG&E's Application for Catastrophic Event Memorandum Account Rate Recovery for Renewed Motion for Interim Rate Relief and for "Forecasted" Vegetation Management Costs of \$373 million • Streamlining Interconnection of Distributed Energy Resources and Improvements to Rule 21: Working Group One Report Recommendations • PG&E Requests Sale of Narrows Hydroelectric Project to Yuba County Water Agency • 2018 AB 2868 Energy Storage Investment and Program Plans • Solar on Multifamily Affordable Housing Program Handbook and Program Implementation Plan, GRID Advice Letter 11, and Center for Sustainable Energy Advice Letter 92 • Forecasted Revenue Requirement Associated with Certain Pipeline Safety Enhancement Plan Projects and Associated Rate Recovery [17260] A.17-03-021 Application of Southern California Gas Company and San Diego Gas & Electric Company
CPUC Wildfire Summit March 20-21	<p>A WildFire Summit was held to address initiate an ongoing dialogue between the technology industry, academic researchers, utilities, and government on the challenges of identifying, responding to and recovering from today's wildfires and the potential technological solutions to address these challenges. The discussion included</p> <ul style="list-style-type: none"> • State-wide deployment of weather stations and cameras paired with meteorology and fire behavior modeling; • AI-based visual recognition technology to analyze satellite imagery to determine fuel conditions and vegetation risks in proximity to utility lines; • Fire modeling tools to support all fire departments and emergency responders across the state; • Machine learning and automation inspections for increased safety assurance and regulatory compliance; and • Widespread adoption of aerial patrols, LiDAR and advanced imaging for vegetation management and utility infrastructure inspections

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<p>Renewable Portfolio Standard: OIR to continue implementation and administration and consider further development of the California RPS Program (R.18-07-003)</p>	<p>D 19-02-007 was issued. It adopted the proposed 2018 RPS Procurement Plans for the IOUs, CCAs, ESPs, and small and multi-jurisdictional utilities. The IOUs are largely oversubscribed in renewables procurement and, with minor exceptions, plan no further solicitations for renewables outside of the existing feed-in tariff (market adjusting tariff (BioMAT)) and green tariff renewable auction mechanism (RAM) programs.</p>
<p>OIR to adopt rules and procedures governing Commission-regulated natural gas pipelines and facilities to reduce natural gas leakage consisted with SB1371 (R.15-01-008)</p>	<p>On 5/15/17 the Assigned Commissioner issued a proposed decision approving the Natural Gas Leak Abatement Program consistent with SB1371. Comments were due by 6/4/17. The decision (D.17-06-015) was signed by the Commission on 6/15/17.</p> <p>On 9/20/17 the Commissioner issued an amended scoping ruling. The second phase of the proceeding will focus on the following broad policy issues: 1) what data is necessary in order for the CPUC to consider a “cost-effectiveness” framework in this proceeding; 2) how should the CPUC’s annual report requirements and 26 best practices be harmonized with information or action required by other entities such as the PHMSA, DOGGR, ARB and local air quality management districts; 3) pursuant to 975(f) how should rules and procedures including best practices and repair standards developed in this proceeding be incorporated into the applicable general orders; 4) how should ratemaking treatment for LUAF be structured and evaluated?</p> <p>On 11/30/17 the ALJ issued a ruling entering the ARB and CPUC’s joint staff annual report on analysis of 6/16/17 Utilities’ reports into the record. Comments are requested on 1)whether the Joint staff annual report clearly illustrate the trends of findings based on CPUC/ARB staff’s analysis of the June 2017 reports, and 2) what are “lessons learned” from this reporting and analysis process that were not identified by staff. Comments were due by 12/12/17.</p> <p>A Phase II workshop is scheduled for 11/16/18. Comments on the workshop materials and staff proposals were due on February 22, 2019.</p>

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OIR to Develop an Electricity Integrated Resource Planning Framework to Coordinate and Refine Long-Term Procurement Planning Requirements (R16-02-007)	<p>On 2/28/18 Friends of the Earth, NRDC, CURE and PG&E filed a joint petition for modification of D18-02-018 (the IRP decision). Decision 18-02-018 contains direction regarding the procurement of GHG free replacement resources in the event Diablo Canyon is retired earlier than 2024-2025, but does not address procurement direction for the planned retirement date. The joint parties have requested that the decision be modified to address this gap in direction.</p> <p>The IRP Modeling Advisory Group held a webinar on 3/29/18.</p> <p>On 4/3/18 the ALJ issued a ruling seeking comment on ghg emissions accounting methods and addressing updated ghg benchmarks. Comments on the ruling and new CCA 2030 load forecasts were due by 4/20/18. Reply comments on the GHG accounting and comments on the new CCA load forecasts were permitted no later than 4/30/18.</p> <p>On 5/14/18 the ALJ and assigned Commissioner issued an amended scoping memo and ruling. The scope of the remainder of the proceeding will be divided into three categories; 1. Items required in preparation for the filing of individual LSE IRPs; 2. Consideration of individual IRPs, leading to adoption of the Preferred System Plan; 3. Groundwork and preparation on policy issues for consideration in the 2019-2020 IRP Cycle.</p> <p>On 5/25/18 the ALJ issued a ruling finalizing ghg emissions accounting methods, load forecasts and ghg benchmarks for individual IRP filings and allowing entities to update their load forecasts and GHG benchmarks by accounting for new CCA load.</p> <p>After receiving motions from two entities to update their load forecasts (CleanPowerSF and Los Angeles Community Choice Energy), on 6/18/18 the ALJ issued a ruling finalizing load forecasts and ghg benchmarks for individual IRP filings.</p> <p>On 6/28/18 Sonoma Clean Power Authority filed a motion requesting the issuance of a ruling confirming that certain information (including RA information) submitted by Sonoma Clean Power and all Community Choice Aggregation programs as part of the IRP process be submitted under seal. On 7/13/18 PG&E filed a motion for permission to file a late response and Sonoma Clean Power filed a motion and reply in response, the ALJ granted the motion of PG&E and allowed Sonoma Clean Power to reply. On 7/26/18 the ALJ granted in part and denied in part the motion of Sonoma Clean Power Authority. The ALJ granted the portion of the motion related to filing capacity pricing information under seal.</p> <p>On 8/23/18 the ALJ issued an email ruling confirming the deadline of 9/12/18 for comments on the Integrated Resource Plans.</p>
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	<p>On 9/24/18 the ALJ issued a ruling seeking comment on production cost modeling used to support the IRP process. Comments were due by 10/10/18 and reply comments were due by 10/17/18.</p> <p>A Proposed Decision was issued on March 18, 2019.</p>
<p>Policies, Procedures and Rules for Regulation of Physical Security for the Electric Supply Facilities of Electrical Corporations (R15-06-009)</p>	<p>On 3/10/17 the Assigned Commissioner issued a Phase 1 Scoping Memo and Ruling in this rulemaking regarding policies, procedures and rules for regulation of physical security for the electric supply facilities of electric corporations consistent with Public Utilities Code Section 364 and to establish standards for disaster and emergency preparedness plans for electrical corporations and regulated water companies pursuant to Public Utilities Code Section 768.6. Phase I of the proceeding will consider whether any new rules, standards or General Orders or modifications to other existing policies should apply to all electrical supply facilities within the jurisdiction of the Commission, including facilities owned by publicly owned utilities and rural electrical cooperatives. This phase will pertain to the requirements to address the physical security risks to the electrical supply facilities of electrical corporations and will address whether the Commission should go beyond the physical security regulations of NERC's CIP-9-014-2. A proposed decision in Phase I is anticipated in February 2018. Phase II will address emergency and disaster preparedness plans. A workshop was held on 5/2/17.</p> <p>On 7/12/17 the ALJ issued a ruling issuing combined workshop notes and request for straw proposals. Comments on Attachment A to the proceeding were due by 7/28/17, straw proposals were due by 8/11/17 and comments on the straw proposals were due by 8/25/17. On 8/31/17 Bear Valley Electric Service, SCE, CMUA, LADWP, Liberty CalPeco, National Rural Electric Cooperative Association, Pacificorp, PG&E, SMUD, and SDG&E filed a joint draft straw proposal. The Office of Ratepayer Advocates and the Safety and Enforcement Division filed comments on 9/14/17. A workshop was held on 9/29/17 to review how SB699 informs the appropriate CPUC response and responsibility in addressing the physical security of California's system and the joint-utility proposal. The Office of Ratepayer Advocates and the Safety and Enforcement Division filed comments on 9/14/17.</p> <p>On 1/3/18 the ALJ issued an email ruling allowing parties to file legal briefs concerning the Commission's jurisdiction over publically owned electrical utilities and rural electric cooperatives. The scoping ruling in this proceeding asks the following question: "Should any new rules, standards, or General Orders or modifications to existing policies apply to all electrical supply facilities within the jurisdiction of the Commission, including publicly owned electrical utilities and rural electric cooperatives?" Legal briefs were due by 1/26/18. Reply briefs were due by 2/9/18. SMUD, LADWP, The National Rural Electric Cooperative Association and CMUA filed a reply brief.</p> <p>On 1/16/18 the ALJ issued a ruling allowing comments on the safety and enforcement division's risk assessment and safety advisory section evaluation of the joint utility proposal</p>

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	<p>and recommendations for consideration posted on 1/4/18. Comments were due by 2/2/18 and reply comments were due by 2/16/18.</p> <p>On 1/19/18 the ALJ issued a ruling setting the prehearing conference for Phase II of the proceeding for 3/15/18. The prehearing conference addressed the status, scope and schedule for Phase II along with any changes to the service list or procedural issues. Prehearing conference statements shall be limited to enumerated questions set forth in the ruling. These questions include the number and type of workshops; what elements should be included in the emergency and disaster preparedness plans; what new rules, standard, general orders, or modifications should the Commission consider to ensure that entities are in compliance with Public Utilities Code Section 768.6; should the new rules apply to publicly owned electrical utilities and rural electric cooperatives and should any rules be adopted to insure that cities and counties have an opportunity to participate in plan preparation. Prehearing conference statements were due by 3/1/18.</p> <p>On 5/31/18 the Assigned Commissioner released the Phase II Scoping Memo and Ruling. The scope includes issues related to disaster and emergency preparedness plans. Workshops will be held throughout the rest of 2018 and a proposed decision on phase 1 issues is anticipated for Summer 2019.</p> <p>On 8/31/18 the ALJ issued a ruling requiring parties to respond to questions set forth therein prior to the first workshop in Phase II of the proceeding. Responses were due by 9/14/18.</p> <p>On January 22, 2019, D 19-01-018 was issued on Phase I. The decision requires electric utilities to identify electric distribution assets that may merit special protection and measures to lessen identified risks and threats. In order to address the risk of long-term outage to a distribution facility, each Operator will develop and implement a Mitigation Plan which will follow a six-step procedure for carrying out these new physical security plan requirements. The Investor Owned Utilities (IOUs) must prepare and submit to the Commission a preliminary assessment of priority facilities for their distribution assets and control centers, followed by an unaffiliated, third-party review of the plans and Final Security Plan Report. Within 30 months, each of the Publicly Owned Utilities (POUs) will be required to provide the Commission with notice that an independently-reviewed plan has been adopted. The Decision held that the Public Utilities Code compels POUs to also adhere to this decision as it relates to physical security and Phase I of this proceeding. Any new rules for emergency and disaster preparedness plans promulgated within Phase II of this proceeding will not apply to the POUs.</p>
<p>Streamlining Interconnection of Distributed Energy Resources and</p>	<p>On 7/13/17 the Commission issued an order instituting the rulemaking to consider streamlining interconnection of distributed energy resources and improvements to rule 21. Various parties filed comments on 8/2/17, including CESA, Tesla, Chargepoint and CAISO.</p> <p>A pre-hearing conference was held on 9/13/17. Notice</p>

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<p>Improvements to Rule 21 (R17-07-007)</p>	<p>On 10/2/17 the Assigned Commissioner and the ALJ issued a scoping ruling in the proceeding. The ruling sets forth three phases. The first phase will deal with urgent issues, the second phase will deal with ratesetting issues requiring coordination with R1408013 and the third phase will deal with small and multi-jurisdictional utility rules. The schedule for the proceeding currently runs through 2020.</p> <p>A Proposed Decions was issued on Feburary 22, 2019, adopting the Proposals from the March 15, 2018 workshop Group 1 Report. The Proposed Decision is on the Commission’s Meeting Agenda March 28, 2019.</p>
<p>Resource Adequacy, Consider Program Refinements and Establish Annual Local and Flexible Procurement Obligations for the 2019 and 2020 Compliance Years. (R17-09-020)</p>	<p>On 9/28/17 the commission opened a rulemaking to oversee the resource adequacy program, consider program refinements and establish annual local and flexible procurement obligations for the 2019 and 2020 compliance years. The proceeding is the successor to R14-10-010. Comments on preliminary matters pertaining to the scope, schedule, and administration of the proceedings were due 10/30/17 and reply comments were due 11/9/17.</p> <p>On 11/7/17 a working group meeting was held to discuss weather sensitive demand response, behind-the-meter resources and comments on the OIR.</p> <p>A prehearing conference was held on 12/4/17. Notice</p> <p>On 1/18/18 the Assigned Commissioner and ALJ issued a scoping memo and ruling. The proceedings will be divided into three separate tracks. Track 1 will consider system, local and flexible capacity requirements for the next year as well as time-sensitive refinements to the Commission’s RA program, including adoption of the 2019 Local Capacity Requirements, adoption of the 2019 Flexible Capacity Requirements, adoption of the 2019 System RA Requirements, and top priority modifications to the RA program. Track 2 will address less time sensitive topics, including adoption of multi-year local RA requirements, refinements to local area rules and RA program. Track 3 will consider the 2020 program year requirement and may revisit RA counting rules for weather-sensitive and local demand response resources. Comments were due by 1/30/18 and proposals were due by 2/16/18. The proposals and comments were discussed at a 2-day workshop that was held at the CPUC on 2/22-23/18. Various parties filed comments on the proposals on 3/7/18 and reply comments on 3/16/18.</p> <p>On 3/22/18 the ALJ sent an email ruling stating that because the CAISO did not file its draft 2019 LCR report on 3/9/18 and anticipates that the report will not be available until 4/23/18 parties are not required to submit comments on 3/23/18 as originally scheduled. On 3/27/18 the ALJ and the Assigned Commissioner issued a joint ruling modifying the track 1 schedule. The revised due date for comments on the draft CAISO 2019 LCR and FCR reports was 5/4/18 and comments on the final report are due 5/18/18.</p>

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	<p>On 5/2/18 the ALJ sent an email ruling changing the date for Track 2 opening testimony to 7/10/18. All other dates remain unchanged.</p> <p>On 5/22/18 the ALJ issued a proposed decision adopting local capacity obligations for 2019 and refining the resource adequacy PROGRAM. Opening comments were due 6/11/18.</p> <p>At the 6/21/18 Commission meeting the Commission approved a decision adopting local capacity requirements for 2019 applicable to Commission-jurisdictional electric load-serving entities, and sets forth a process for adoption of flexible capacity requirements for 2019. The decision also makes minor changes to the RA program and provides policy and procedural guidance for future tracks of the proceeding. The Commission also adopted flexible capacity requirements for 2019 applicable to Commission jurisdictional electric load-serving entities, superseding the previously adopted 2018 requirements.</p> <p>Decision 19-02-022 was adopted on February 21, 2019, "Decision Refining the Resource Adequacy Program." The Decision states: "The Commission does not find a viable central buyer at this time and thus delays the designation of a central buyer in this decision. The Commission continues to find that a central buyer structure, as outlined in the Track 1 decision, is the appropriate structure to implement multi-year local RA requirements. In the interim, the Commission directs parties to undertake a series of workshops to develop workable central buyer proposals. The Commission intends to issue a decision in the fourth quarter of 2019 that addresses the central buyer designation" as well as the implementation details for a central procurement structure. The Commission did decide to adopt a minimum three-year forward multi-year RA requirement.</p>
<p>Creation of a Shared Database or Statewide Census of Utility Poles and Conduit in California. (I17-06-027)</p>	<p>On 6/29/17 the Commission instituted an Order Instituting Investigation into the creation of a shared database or statewide census of utility poles and conduit in California (I17-06-027, R17-06-028 and R17-03-009 have been consolidated into this proceeding).</p> <p>A prehearing conference was held on 12/5/17. Ruling</p> <p>On 1/11/18 the Assigned Commissioner and ALJ issued a ruling requesting comments on the creation of a shared statewide database of utility pole and conduit information. Input is requested on (1) whether a proposed listing of data fields is complete; (2) whether any information categories should be treated as confidential; (3) which data fields are most essential to accomplish the safety and goals of the OII and OIR; (4) whether each pole owner should be responsible for maintaining and providing access to its database, or whether a third party facilitator should be responsible for maintaining one global database; and (5) the manner in which the database should be shared. Comments were due by 2/8/18.</p> <p>On 1/16/18 the ALJ issued a ruling amending the 1/11/18 ruling and attaching the correct listing of proposed data fields.</p>

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	<p>On 3/22/18 the ALJ issued a proposed decision amending the right of way rules to apply to wireless telecommunications facilities installed by competitive local exchange carriers, comments were due 4/11/18. The decision would amend the right of way rules to provide competitive local exchange carriers with expanded nondiscriminatory access to public utility infrastructure for the purpose of installing antennas and other wireless telecommunications facilities. The Commission is approved the final decision on 4/26/18. This decision closes this aspect of the proceeding; however, the investigation in I17-06-027 with which it was consolidated remains open.</p> <p>A public participation hearing before the ALJ and Commissioner and President Picker was held on 5/9/18 in San Bernardino, CA. The discussion focused on such topics as 1) history of poles; 2) issues related to poles (e.g. vegetation management and fires); and 3) Southern California fires. Notice</p> <p>A public participation hearing was held on 5/21/18 in San Jose, CA. Notice</p> <p>On 8/8/18 the Assigned Commissioner issued a scoping ruling.</p> <p>On 9/12/18 the ALJ revised the schedule in the scoping ruling. Ruling</p> <p>On 10/15/18 the ALJ issued a ruling inviting reply comments on the proposed Use Case Comments that were filed and served on 9/7/18. These reply comments are intended to be in lieu of the pre workshop comments that were previously ordered in the 9/12/18 ruling. The ALJ also revised the schedule.</p> <p>On February 28, 2019, SCE filed a report on the workshops held on November 15, 2018 and January 22-23, 2019.</p>
<p>Successor to Existing Net Energy Metering Tariffs pursuant to PUC Section 2827.1 (R.14-07-002)</p>	<p>On 2/20/18 the ALJ issued a proposed decision adopting alternatives to promote solar distributed generation in disadvantaged communities. Opening comments were due by 3/12/18 and reply comments were due 3/19/18. Commissioner Guzman Aceves issued an alternate decision. An all-party meeting was held on 3/13/18 so that parties could make comments to Commissioner Guzman Aceves on the two alternate decisions. On 5/22/18 Commissioner Guzman Aceves issued a proposed revised alternate decision. Various parties subsequently filed comments. On 6/21/18 the Commission adopted the alternate decision.</p> <p>On 3/29/18 the Assigned Commissioner issued the fourth amended scoping memo and ruling. The highest priority issues identified by the Commissioner include consumer protection and development of options for increasing use of renewable DG in disadvantaged communities. The ruling sets a deadline of 1/1/19 for the completion of the proceeding and states that it is the Commission's intention to close this proceeding and initiate a successor proceeding not later than that date.</p>

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	<p>On 6/27/18 ALJ Jessica Hecht was reassigned and is no longer the ALJ in the proceeding. ALJ McKenzie and ALJ Kao remain assigned to the proceeding.</p> <p>On 9/1/17 the California Solar and Storage Association filed a petition to modify D.14-05-033 to allow direct current coupled solar plus storage systems. Subsequently on 7/19/18 the ALJ issued a ruling requiring supplemental information regarding the petition.</p> <p>On 7/23/18 SDG&E filed an application for rehearing of decision 18-06-027. SDG&E seeks rehearing on two issues it alleges was improperly ignored by the Decision: 1) that the 20% rate discount provided to CARE customers violates statutory discount limits, and 2) program implementation conflicts with the installation of SDG&E's replacement customer information system.</p> <p>On 8/13/18 the ALJ issued a proposed decision denying the petition for modification of D14-05-033 regarding designation of small net energy metering-eligible facilities paired with energy storage.</p> <p>On 8/24/18 Commissioner Guzman Aceves issued a proposed decision adopting net energy metering consumer protection measures including solar information packet. Various parties filed comments on 9/13/18. The final decision D.18-09-044 was adopted on 10/5/18.</p> <p>On 9/7/18 the ALJ's issued a proposed decision correcting and clarifying D.18-06-027. The final decision D.18-10-007 was adopted on 10/11/18.</p> <p>On 10/5/18 the ALJ issues a proposed decision granting a petition for modification of D.14-05-033 regarding direct current-coupled solar plus storage system. Opening comments were due 10/25/18.</p> <p>On March 8, 2019, the ASSIGNED COMMISSIONER'S RULING REGARDING ENHANCED CONSUMER PROTECTIONS FOR NET ENERGY METERING CUSTOMERS was filed. It proposed additional consumer protection rules for net-energy metering customers and suggested that the Commission might assert authority over third-party solar providers. It states: "Parties may each file and serve briefs stating their position on the Commission's authority over third-party solar providers. If a party's recommendations (regarding enhanced consumer protection measures) involve the Commission exercising authority over solar providers, for instance to include prohibitions against unfair and fraudulent business practices by solar providers as a condition of the NEM interconnection agreement, the party must file and serve a brief identifying specific statutes and/or Commission decisions conferring such authority. Parties arguing against the Commission's exercise of authority over solar providers, and/or asserting limitations on the Commission's authority over solar providers, must file a brief identifying specific statutes and/or Commission decisions that specifically state such limitations or</p>
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	prohibitions, or otherwise provide such limitations or prohibitions.” Comments on the proposed enhanced consumer protection measures are due March 29 th . Comments on the Commission’s authority over third-party solar providers are due April 12 th .
Continued Implementation of the Public Utility Regulatory Policies Act and Related Matters (R.18-07-017)	<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. A pre-hearing conference was held on 9/27/18. Notice</p> <p>A workshop was held on 10/18/18.</p>
Power Charge Indifference Adjustment: Order Instituting Rulemaking to Review, Revise, and Consider Alternatives to the Power Charge Indifference Adjustment (R1706026)	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.

California Energy Commission

Issue	Latest Developments
CEC Business Meeting	<p>The Commission held its regularly scheduled Business Meeting on 3/12/19. The next regularly scheduled Business Meeting will be held 4/10/19. Former Chair Weisenthal resigned and Governor Newsom elevated Commissioner David Hochschild to the chairmanship, leaving an open position for a person with expertise in science/engineering. The Commission approved renewable energy reports covering 40 of the state’s 44 publicly owned electric utilities (POUs). The reports show progress in meeting renewable energy targets; 34 publicly-owned utilities, representing more than 98 percent of all retail sales by POUs, met or exceeded the renewable energy targets.</p> <p>The Energy Commission approved two grants totaling more than \$4.5 million expected to</p>

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	<p>produce energy savings at different food processing facilities. The grants to Porifera, Inc. through the Bringing Rapid Innovation Development to Green Energy (BRIDGE) program will support an energy savings process for extracting juice concentrate and a water system for treating high-starch wastewater.</p> <p>The City of Placerville will save more than \$60,000 in annual utility costs by replacing old, inefficient interior and exterior lighting and a heating ventilation and air conditioning system. The 1 percent interest rate loan of nearly \$800,000 comes from the Energy Commission's <u>Energy Conservation Assistance Act</u> program, which is a revolving loan program to help local governments, public hospitals and university adopt energy efficiency measures.</p> <p>Additionally, the Energy Commission approved <u>Los Angeles County's</u> request to adopt enhanced building efficiency standards. The county's ordinance requires cool roofs for new buildings and alterations to existing buildings.</p>
<p>AB 1110 Revised Power Source Reporting to Disclose GHG Intensity Factors</p>	<p>The California Energy Commission (Energy Commission) has completed pre-rulemaking and is proceeding to formal rulemaking to amend the Power Source Disclosure (PSD) regulations as required with the recent passage of AB 1110. 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). A workshop was held on March 6 Formal rulemaking will commence in May 2019 with an effective date of Spring 2020.</p>
<p>Alternative and Renewable Fuel and Vehicle Technology Program (ARFVTP)</p>	<p>The Energy Commission's Alternative and Renewable Fuel and Vehicle Technology Program's (ARFVTP) investments strategically target gaps in the energy innovation pipeline for the development and deployment of alternative and renewable fuels and advanced transportation technologies to help meet the state's goals for reducing greenhouse gas emissions and petroleum dependence in the transportation sector.</p> <p>A workshop was held on February 12 to discuss the goal of the next solicitation for providing grant funds to projects to expand California's early commercial hydrogen refueling and fuel cell electric vehicle (FCEV) markets and to accommodate the projected FCEV roll-out in the 2021-2024 timeframe.</p> <p>Other Grant Funding Opportunities can be viewed at https://www.energy.ca.gov/contracts/transportation.html</p>

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Efficiency	In February workshops were held on Variable Capacity Heat Pump Modeling Approach and Draft Residential and Nonresidential Alternative Calculation Method Reference Manuals and Compliance Software Tools.
Electric Program Investment Charge (Docket No. 17-EPIC-01)	The Energy Commission's electricity innovation investments follow an energy innovation pipeline program design, funding applied research and development, technology demonstration and deployment, and market facilitation to create new energy solutions, foster regional innovation, and bring clean energy ideas to the marketplace. side of the utility meter. Funding opportunities are posted at https://www.energy.ca.gov/contracts/epic.html
2019 IEPR	Scoping and topic workshops for the 2019 IEPR are underway. On March 11, EPR Staff conducted a Workshop on the Electric Vehicle Charging Infrastructure Assessment AB 2127.

California Air Resources Board

Issue	Latest Developments
Cap and Trade	On 9/4/18 ARB posted formal rulemaking documents related to proposed amendments to the Cap and Trade Regulation. Comments were due on 10/22/18. The public hearing was postponed to 11/15/18. Notice Proposed Regulation Order Notice of Postponement
GHG Reporting	On 9/4/18 ARB posted formal rulemaking documents related to proposed amendments to the GHG Reporting Regulation. Comments were due on 10/22/18. The public hearing was postponed to 11/15/18. Notice Proposed Regulation Order Notice of Postponement . The final regulations are expected to receive OAL approval on March 29, 2019.
Short Lived Climate Pollutants	On 12/29/17 ARB posted a summary of policies to encourage dairy biomethane projects and other projects to reduce methane emissions. On 1/5/18 the three dairy subgroups provided an update to the agencies on their processes and recommendations they have formulated to date. Presentations - ARB ; CDFA ; CPUC ; Subgroup 1 ; Subgroup 2 ; Subgroup 3 The Dairy and Livestock subgroups have several meeting scheduled for April. Subgroup 3 met on 4/2/18; Subgroup 2 met on 4/9/18 and Subgroup 1 met on 4/27/18. Meeting Notice The Dairy and Livestock subgroups will meet throughout May. Subgroup 3 met on 5/14/18; Subgroup 1 met on 5/21/18; and Subgroup 2 met on 5/23/18. Meeting Notice

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	<p>A joint subgroup meeting was held on 7/26/18 in Fresno. Meeting Notice</p> <p>The final Dairy and Livestock working group meeting was held on 12/3/18 in Santa Rosa. CARB published the resulting Recommendations to the Dairy and Livestock Greenhouse Gas Reduction Working Group. See https://arb.ca.gov/cc/dairy/dairy_subgroup_recommendations_to_wg_11-26-18.pdf</p>
2030 Scoping Plan	<p>On 11/30/17 ARB released the proposed final 2017 climate change scoping plan. On 12/14/17 the Board approved the scoping plan along with the finalized environmental documents. Meeting Notice Press Release Final Plan</p>
Low Carbon Fuel Standard	<p>The goal of the LCFS is to reduce carbon intensity of transportation fuel by at least 10% by 2020. On 2/20/18 ARB released the Draft Proposed Regulation Order and a Portion of Draft Staff Report.</p> <p>On 3/6/18 ARB released various models and calculators, including the OPGEE and CA-GREET. In addition ARB issued the Initial Statement of Reasons and Proposed Regulation Order setting forth proposed amendments to the LCFS regulation and to the regulation on commercialization of alternative diesel fuels. A public hearing to consider the proposed amendments will be held on 4/27/18. Notice</p> <p>On 3/12/18 ARB updated and replaced Guidance 17-03 with Guidance 18-01 on Implementation Implications of a Modified Writ issued by the Superior Court of California, County of Fresno, On October 18, 2017 in the case of Poet, LLC et al. vs CARB et al. (No. 09 CECG 04659 JYH) on LCFS.</p> <p>On 5/9/18 ARB released the 2017 LCFS Compliance Information Credit Clearance Market Information.</p> <p>On 5/21/18 ARB posted for comment the draft calculation of 2017 Crude Average Carbon Intensity Value. Comments are due by 6/5/18.</p> <p>On 5/21/18 ARB posted the SB1383 Pilot Financial Mechanism White Paper.</p> <p>A public workshop to discuss proposed amendments to the LCFS and Alternative Diesel Fuels Regulations was held on 6/11/18. Meeting Notice Staff Presentation</p> <p>On 6/20/18 ARB posted proposed amendments to the LCFS regulation and to the regulation on commercialization of alternative diesel fuels. The deadline to submit comments was 7/5/18 at 5pm. A workshop to discuss the proposed amendments was held on 8/8/18. Notice</p>

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	<p>On 8/13/18 various calculators were posted including the CA-GREET3.0 Model and Tier 1 Simplified Calculators, the Illustrative Compliance Scenario Calculator and the Hydrogen Station Capacity Evaluator (HySCapE). The Board also posted the Second Public Availability of Modified Text and Availability of Additional Documents and Information for the Proposed Amendments to LCFS and ADF Regulations. Comments were due by 8/30/18. A public hearing to consider amendments to the LCFS and ADF regulations was held on 9/27/18. Notice.</p> <p>A work group meeting to discuss co-processing of low-carbon feedstocks in conventional petroleum refineries was held on 10/19/18. Notice This workshop relates to fuel pathway applications under the LCFS involving facilities that co-process both petroleum-derived and non-petroleum-derived feedstocks in the same units.</p> <p>The Amendments to the Low Carbon Fuel Standard Regulation and to the Regulation on Commercialization of Alternative Diesel Fuels went into effect January 4, 2019: https://www.arb.ca.gov/regact/2018/lcfs18/frolcfs.pdf?_ga=2.242137538.135273941.1553110131-194524719.1536243891</p>
<p>Innovative Clean Transit Rules</p>	<p>The key goals of this measure include 1. Support the near-term deployment of zero-emission buses where the economics are viable and where transit service can be maintained or expanded; 2. Secure binding commitments from the state’s transit providers for a long-term vision for transition to zero-emission technologies across all transit modes, and 3. Partner with transit agencies to pilot innovative approaches to improve access to transit systems with zero-emissions first- and last-mile solutions.</p> <p>On 12/15/17 a public workshop was held to discuss development of innovative clean transit. Presentation. The staff proposal on the ICT Rules includes achieving a zero emission transit system by 2040 and encouragement of early action with opportunities for funding. Rules would be applicable to all public transit agencies that own or operate buses with GVWR > 14,000 lbs.</p> <p>On 3/27/18 ARB issued updated numbers of battery and fuel cell electric buses of large California transit agencies.</p> <p>On 3/27/18 ARB issued an update on the Innovative Clean Transit Discussion Document. ARB requested additional comments and information in the areas of transit progress, role of incentives, overall cost, cutaways and non-standard buses, and regulatory assessments.</p> <p>A workshop was held on 6/13/18 to discuss the proposed Innovative Clean Transit regulation. Meeting Notice</p>

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	On 8/7/18 ARB posted the proposed regulation order and associated documents. A public hearing to discuss was held on 9/27/18. Notice of Public Hearing .
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California Independent System Operator

Issue	Latest Developments
Board of Governors Meeting	The next scheduled Board meeting is 3/27/19. Set for decision are the reliability must-run and capacity procurement mechanisms enhancements proposal and the 2018-19 Transmission Plan.

CAISO Stakeholder Initiatives

Issue	Latest Developments
Energy Imbalance Market Resource Sufficiency Enhancements	On March 25, a training webinar will be held to discuss enhancements related to Energy Imbalance Market (EIM) resource sufficiency evaluations to allow for better granularity and transparency.
Energy Storage and Distributed Energy Resources Participation (Phases 2 and 3)	Phase 1 and 2 are complete. Phase 3 was approved by the Board and is in tariff development. A meeting was held on March 18 th to present an Issue Paper for Phase 4. Comments on that paper are due April 1, 2019.
Resource Adequacy Enhancement	Purpose: The rapid transformation of the resource fleet to a cleaner, more variable and energy limited fleet is generating the need to reexamine all aspects of the ISO's Resource Adequacy (RA) program. In 2006, at the onset of the RA program in California, the dominant technology used for energy production in California was gas fired generation paired with a large quantity of hydroelectric resources. While some of these resources were subject to use-limitations due to environmental, start limits or air permits, they were generally available to produce energy when and where needed. However, as the fleet is transitioning away from its traditional make-up to a fleet that can achieve the objectives of SB 100,1 the ISO must rely on very different resource portfolio to reliably operate the grid. In this stakeholder initiative, the ISO, in collaboration with the CPUC and stakeholders, will explore reforms needed to the ISO's resource adequacy rules, requirements, and processes to ensure the future reliability and operability of the grid.

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	<p>A meeting to review a straw proposal was held on March 6. The next meeting will be held on April 8-9 with comments on the straw proposal due April 22.</p>
Transmission Access Charge Structure Enhancements	<p>On 4/12/17 CAISO posted a background white paper entitled "How Transmission Cost Recovery Through Transmission Access Charge Works Today."</p> <p>On 6/30/17 CAISO posted the issue paper. A stakeholder meeting was held on 7/12/17. Market Notice Presentation. A working group meeting was held on 8/29/17 to discuss the 6/30/17 issue paper. An additional meeting to discuss is scheduled for 9/25/17. Comments following the meeting were due by 10/13/17. Market Notice On 9/15/17 CAISO posted Supporting Materials. On 9/20/17 CAISO posted the questions submitted by stakeholders on Clean Coalition's proposed solution presenting during the 8/29/17 working group meeting. These questions were discussed at the 9/25/17 meeting. Market Notice.</p> <p>On 10/18/17 CAISO announced that the straw proposal had been postponed.</p> <p>On 1/11/18 CAISO posted the Straw Proposal. A meeting to discuss was held on 1/18/18. Comments were due by 2/15/18. Market Notice</p> <p>A meeting was held on 4/11/18 to discuss the revised straw proposal. Comments on the proposal were due by 4/25/18. Market Notice Presentation.</p> <p>On 6/22/18 CAISO issued a second revised straw proposal. A meeting to discuss was held on 6/28/18. Market Notice Presentation</p> <p>A meeting was held on 9/24/18 to discuss the draft final proposal. Written comments were due by 10/9/18. Market Notice</p> <p>The proposal is inactive and pending Board review.</p>
Imbalance Conformance Enhancements	<p>On 11/29/17 CAISO announced a new initiative Imbalance Conformance Enhancements. An issue paper and straw proposal was posted and a call to discuss was held on 12/8/17. Market Notice, Presentation Issue Paper and Straw Proposal</p> <p>The scope of the initiative is to clarify the CAISO's authority to conform for imbalance in both real time and the day ahead. The initiative will also propose enhancements for the conformance limiter to ensure price spikes do not result. Comments were due by 12/20/17.</p> <p>The Board-approved tariff was filed at FERC in December, 2018.</p>

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Reliability Coordinator	<p>On 1/2/18 CAISO announced that it would become its own Reliability Coordinator and offer these services to other balancing authorities and transmission operators in the western US. These services include outage coordination, day-ahead planning and real-time monitoring for reliability. In order to accomplish this task, CAISO gave notice of withdrawal to its current reliability coordinator Peak Reliability. CAISO also provided withdrawal to the agencies funding the agreement with Peak Reliability, including, but not limited to, BANC, WAPA, LADWP, APS, BPA, IID, MID, PacifiCorp, SMUD, Salt River Project, and TID. An informational call was held on 1/4/18 and public meetings in Folsom, Portland and Phoenix on 1/17/18, 1/18/18 and 1/19/18 respectively. Market Notice</p> <p>On 3/13/18 CAISO launched its Reliability Coordinator Services Rates, Terms and Conditions initiative. A stakeholder meeting was held 4/12/18 to discuss the straw proposal. Revised Market Notice Presentation. The comment deadline was extended to 5/4/18. Market Notice</p> <p>On 6/20/18 CAISO issued a draft final proposal. A meeting to discuss was held on 6/27/18. Market Notice Presentation</p> <p>On 7/18/18 CAISO posted the draft tariff language and the draft reliability coordinator services agreement. A web conference to discuss was held on 7/27/18. Market Notice. Comments were due by 8/10/18. An additional call was held on 8/20/18. Market Notice</p> <p>On 8/31/18 CAISO filed the tariff amendment at FERC (ER18-2366). FERC accepted the tariff amendment on November 14, 2018 in Docket No. ER18-2366-000.</p>
Interconnection Process Enhancements 2018	<p>On 1/4/18 CAISO launched a new initiative, Interconnection Process Enhancements 2018. On 1/17/18 the CAISO posted the issue paper. A stakeholder meeting was held on 1/24/18. Comments were due by 2/7/18. The initiative will evaluate potential changes to enhance the CAISO generator interconnection procedures and agreements. Market Notice Topics fall into six broad categories, 1. Deliverability; 2. Energy Storage; 3. Generator Interconnection Agreements; 4. Interconnection Financial Security and Cost Responsibility; 5. Interconnection Requests; and 6. Modifications. Presentation</p> <p>On 5/9/18 CAISO posted the Straw Proposal. A meeting to discuss was held on 5/21/18. Market Notice</p> <p>A call was held on 7/17/18 to discuss the revised straw proposal. Comments were due by 7/31/18. Market Notice</p> <p>On 9/4/18 CAISO posted the Draft Final Proposal. CAISO held meetings on 9/17/18 and 9/18/18 to discuss the draft final proposal. On 9/19/18 CAISO posted revised draft tariff</p>

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	<p>language. Written comments were due by 9/24/18. Market Notice On 9/27/18 FERC filed the Tariff Amendment at FERC in docket ER18-2498. FERC accepted the tariff revisions on February 19, 2019.</p>
<p>Day-Ahead Market Enhancements</p>	<p>On 2/8/18 CAISO launched a new initiative, Day-Ahead Market Enhancements. This initiative will address ramping and uncertainty previously left to be resolved by the real-time market. A stakeholder meeting was held on 3/7/18 to discuss the issue paper and straw proposal. 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. At the kickoff meeting, CAISO discussed additional design elements. Market Notice. On 2/28/18 CAISO posted the issue paper/straw proposal. Comments on the issue paper were due by 3/21/18. Presentation.</p> <p>On 4/13/18 CAISO posted the revised straw proposal. A meeting to discuss was held on 4/18/18. Market Notice Presentation</p> <p>A meeting was held on 6/19/18 to discuss updates to the revised straw proposal. Presentation</p> <p>A meeting to discuss flexible ramping product requirements was held on 7/2/18. Presentation Design Elements Matrix</p> <p>On 8/2/18 CAISO released a market notice update notifying stakeholders that the CAISO is separating the topics currently being examined in the initiative into two initiatives. The first initiative will address necessary policy changes to move from hourly to 15-minute scheduling granularity. The second initiative will discuss combing the IFM and RUC process into a single optimization, the day-ahead flexible ramping product and reserve deliverability. Market Notice</p> <p>On 8/27/18 CAISO posted the second revised straw proposal – day-ahead market enhancements Phase 1 – 15 minute granularity. A call to discuss was held on 9/4/18. Market Notice Presentation. On 9/26/18 CAISO announced that the Draft Final Proposal has been postponed until it has completed internal assessments on the technical feasibility of changing day-ahead market scheduling from hourly to 15-minute granularity. Market Notice</p> <p>A meeting was held on March 7 to discuss the Third Revised Straw Proposal for Phase 1 and an Issue Paper and Straw Proposal for Phase 2. Comments on the Phase 2 documents are due April 4.</p>

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Excess Behind the Meter Production	On 9/11/18 CAISO posted the Straw Proposal in the Excess behind the meter production initiative. This initiative will explore the potential market changes needed to establish a standard reporting practice for excess behind the meter production. As additional rooftop solar is installed, it is likely that differences in current practice could become an increasingly significant issue. A call to discuss was held on 9/12/18. A meeting was held on December 19 th .
Generator contingency and remedial action scheme modeling	This initiative focuses on required enhancements to the day ahead and real time markets to support generator contingencies. The final proposal should result in an economic dispatch that will respect all emergency limits after the loss of a generating unit alone or due to remedial action scheme operation without the need for out-of-market intervention. On February 28, 2019, FERC issued a Letter Order accepting the proposed changes to the CAISO tariff in Docket No. ER19-354-000.
Reliability must-run and capacity procurement mechanism enhancements	This initiative will review the Reliability Must-Run (RMR) tariff, agreement and process, and will seek to clarify RMR procurement versus backstop procurement under the Capacity Procurement Mechanism (CPM). The initiative is planned in two phases: 1) focus on developing a must-offer obligation for RMR units, and 2) identify potential refinements and strive to unify RMR and CPM under a single procurement framework. An interim tariff amendment was accepted by FERC on October 29, 2018 (ER 18-2369). A Web Conference was held on 3/13/19 and another will be held on 4/2/19.
Storage as a transmission asset	Through this initiative, the ISO will explore how to enable storage providing cost-based transmission services to also participate in ISO markets and receive market revenues to provide ratepayer benefits and greater flexibility to the grid. A web conference was held on January 14, 2019.
2019-2020 transmission planning process	<p>The California ISO 2019-2020 transmission planning cycle involves key stakeholder activities from 2019 through early 2020. Each year, the ISO conducts its transmission planning process to identify potential system limitations as well as opportunities for system reinforcements that improve reliability and efficiency. The transmission planning process core product is the ISO Transmission Plan, which provides an evaluation of the ISO control grid, examines conventional grid reliability requirements and projects, summarizes key collaborative activities and provides details on key study areas and associated findings.</p> <p>A meeting was held on February 28 to review the Draft Study Plan.</p>

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Federal Energy Regulatory Commission

Issue	Latest Developments
Large Generator Interconnection Reforms NOPR RM17-8-000	<p>On 12/15/16 FERC proposed reforms to its large generator interconnection processes aimed at improving the efficiency of processing interconnection requests, removing barriers to needed resource development, and assuring continued reliability of the grid. The NOPR revises regulations, the pro forma Large Generator Interconnection Procedures and the pro forma LGIA. While the NOPR applies to large generating facilities (>20MW), the NOPR does seek comment on whether any of the proposed changes should be applied to small generating facilities. News Release NOPR. Comments were due 60 days after publication in the Federal Register.</p> <p>On 2/23/17, the Commission extended the comment deadline to 4/13/17. On 4/28/17 MID filed an answer.</p> <p>On 7/3/17 Sunflower Electric Power Corporation Mid-Kansas Electric Company requested leave to submit out of time comments. On 7/20/17 Renewable Energy Systems Americas, Inc. submitted a motion to intervene out of time.</p> <p>FERC convened a technical conference on April 3rd and 4th to discuss issues related to the coordination of Affected Systems raised in the complaint filed by EDF Renewable Energy against MISO, Southwest Power pool and PJM and this Notice of Proposed Rulemaking.</p> <p>On 4/19/18 the Commission issued a final rule, Order 845. The final rule amends the pro forma Large Generator Interconnection Procedures and the pro forma Large Generator Interconnection Agreement. The rule will become effective 75 days after publication in the Federal Register.</p> <p>On 5/17/18 various parties submitted motions (and subsequently comments in support) requesting an extension of the time period to comply with Order 845. On 6/1/18 FERC granted the extension to 11/5/18. On 10/3/18 the Commission delayed the compliance filing deadline to 90 days after the Commission's issuance of an order addressing the pending requests for rehearing of Order 845.</p> <p>On February 21, 2019, FERC issued an amended Order 845: https://www.ferc.gov/whats-new/comm-meet/2019/022119/E-1.pdf?csrt=15450536640877801374</p>

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Grid Reliability and Resiliency Pricing (AD18-7)	<p>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. RTOs filed comments on 3/9/18, including CAISO.</p> <p>On 3/14/18 various energy industry associations filed a joint motion for a 30-day extension of time to file reply comments. On 3/20/18 FERC extended the deadline to submit reply comments to 5/9/18.</p>
Energy Infrastructure Update for January 2019	<p>FERC released the 2019 Energy Infrastructure Report: https://www.ferc.gov/legal/staff-reports/2019/jan-energy-infrastructure.pdf?csrt=15450536640877801374</p>
Technical Conference on Reliability	<p>FERC announced that a Technical Conference will be 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>
Utility Merger, Hydropower Regulations	<p>FERC issued two final rules that revise regulations to conform with recent congressional changes to the Federal Power Act (FPA) related to FERC's review of public utility mergers and hydropower permits and facilities. See https://www.ferc.gov/media/news-releases/2019/2019-1/02-21-19.asp?csrt=15450536640877801374#.XJLnhvZFx9A</p>

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