

## Clean Energy Alliance

### Regulatory Monitoring Report

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To: Clean Energy Alliance (CEA) Board of Directors

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Subject: Monthly Regulatory Memo

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Keyes & Fox LLP and EQ Research LLC are pleased to provide CEA's Board of Directors with this informational memo describing recent developments in key California regulatory and compliance-related updates from the California Public Utilities Commission (CPUC). Additional information is available in CEA's [Digest of Regulatory Updates](#).

#### **Integrated Resource Planning ([R.20-05-003](#))**

- [D.23-12-014](#) granted SDCP's and CEA's joint [Petition for Modification](#) (PFM) of [D.22-05-015](#) (MCAM decision).
- The Decision allows LSEs to purchase additional resource adequacy (RA) capacity with the same provisions as detailed in [D.22-05-015](#) for load being served based on the 2023 RA year-ahead load forecast rather than the actual load being served at the time D.22-05-015 was issued, beginning for the 2025 resource adequacy showings and continuing through the life of the contracts.
- April 1 deadline for SDG&E to submit an Advice Letter with all contracts for the sale of RA capacity to LSEs.

#### **Diablo Canyon Extension ([R.23-01-007](#))**

- [D.23-12-036](#) allocates most of the costs of extended Diablo Canyon (DCPP) operations to all ratepayers via a non-bypassable charge (NBC), and in exchange the Decision also allocates the operational benefits, including RA and GHG-free attributes. The allocations are based on an LSE's 12-month coincident peak demand like the cost allocation mechanism (CAM).
- The NBC amount will be determined annually. The first cost forecast application is due March 29.
- Energy Division will utilize the CAM process to determine the allocation of RA benefits to LSEs with allocations for the upcoming compliance year made in advance of the October 31 year-ahead RA compliance filing deadline. The GHG-free allocation process will be described in an advice letter from PG&E in early June.

#### **SDG&E 2024 ERRA Forecast ([A.23-05-013](#))**

- [D.23-12-021](#) adopted a 12-month revenue requirement of \$709.8 million for SDG&E, a \$79.8 million reduction. The proceeding remains open to consider fixed generation cost issues in Track 2.

#### **RA Rulemaking 2025-2026 ([R.23-10-011](#))**

- [D.23-12-038](#) denied CalCCA's and the Joint Parties' motions for rehearing of D.23-06-029, which prohibited any CCA or electric service provider (ESP) with a deficiency of greater than 1 percent of its System RA requirement on a month ahead RA filing during the previous two calendar years from expanding its operations or taking on any new customers for the following year.

#### **Demand Flexibility ([R.22-07-005](#))**

- The December 18 ALJ [Ruling](#) on implementation budget and timing issues regarding Track A income-graduated fixed charges directed the IOUs to file additional information about the proposed budgets for implementing the first income-graduated fixed charges and invited party comments on the timing of

implementation of the first income-graduated fixed charges, both of which are due January 24. Parties' replies are due February 12.

**SDG&E Phase 2 GRC ([A.23-01-008](#))**

- The January 4 ALJ [Ruling](#) modified the procedural schedule to provide additional time for settlement talks before and after service of rebuttal testimony. Rebuttal testimony is due February 7, a status report on settlement discussions is due February 23, a ruling on the need for evidentiary hearings will be made the week of February 26, and evidentiary hearings (if necessary) are scheduled for March 11-15.