

CENTER FOR ENERGY EFFICIENCY AND RENEWABLE TECHNOLOGIES
QUARTERLY STAFF REPORT
JANUARY – APRIL 2024

I. SCHEDULE OF UPCOMING EVENTS:

Date and Time	Event Name	Proceeding Number
May 2024	Proposed Decision on Track 1	R.23-10-011 (Resource Adequacy (RA))
May 16, 2024	Opening Comments on Proposed Decision Denying Petition for Modification	R.18-12-006 (Transportation Electrification Framework)
May 17, 2024	Reply Comments on Environmental and Social Justice Action Plan Goals	R.19-09-009 (Microgrids)
May 17, 2024	Status Conference	R.24-01-018 (Energization)
May 21, 2024	Reply Comments on Proposed Decision Denying Petition for Modification	R.18-12-006 (Transportation Electrification Framework)
May 22, 2024	Reply Comments on Audit ALJ Ruling	R.13-11-005 (Energy Efficiency)
May 22, 2024	Opening Comments on Track B Working Group 1 Proposals and Issue 5	R.22-07-005 (Demand Flexibility)
May 24, 2024	Opening Comments on ALJ Ruling Re: Centralized Procurement of Long Lead-Time (LLT) Resources	R.20-05-003 (IRP)
May 24, 2024	Responses to Exhibit Motion	A.22-03-006 (Pacific Gas and Electric (PG&E) Clean Energy Optimization Pilot (CEOP))
May 28, 2024	Opening Comments on Distribution Planning and Execution Process Staff Proposal	R.21-06-017 (High Distributed Energy Resource (DER) Grid)
May 31, 2024	Energy Division Report on Central Procurement Entity Framework	R.23-10-011 (RA)
Late May 2024	ALJ Ruling with proposed 2024-2026 Transmission Planning Portfolio (TPP)	R.20-05-003 (IRP)
Third Quarter 2024	Proposed Decision on RCPPP	R.20-05-003 (IRP)
Third/Fourth Quarter 2024	Electrification Impact Study Part 2	R.21-06-017 (High Distributed Energy Resource (DER) Grid)
Third/Fourth Quarter	Track 2 Proposed Decision	R.21-06-017 (High DER Grid)
June 1, 2024	Semi-Annual Procurement Data Filing	R.20-05-003 (IRP)
June 5, 2024	Reply Comments on ALJ Ruling Re: Centralized Procurement of LLT Resources	R.20-05-003 (IRP)
June 7, 2024	Replies to Responses to Exhibit Motion	A.22-03-006 (PG&E CEOP)
June 12, 2024	Reply Comments on Track B Working Group 1 Proposals and Issue 5	R.22-07-005 (Demand Flexibility)
June 14, 2024	Proposals on Track 2 issues	R.23-10-011 (RA)
June 17, 2024	Oral Argument	R.22-11-013 (Customer DER)
June 18, 2024	Reply Comments on Distribution Planning and Execution Process Staff Proposal	R.21-06-017 (High DER Grid)
Late June 2024	Opening Comments on 2024-2026 TPP ALJ Ruling	R.20-05-003 (IRP)
June/July 2024	Informal Release of Reliable and Clean Power Procurement Program (RCPPP)	R.20-05-003 (IRP)
June 28, 2024	Workshop on Track 2 Proposals and LOLE Study	R.23-10-011 (RA)
July 2024	Reply Comments on 2024-2026 TPP ALJ Ruling	R.20-05-003 (IRP)

Date and Time	Event Name	Proceeding Number
July 2024	Proposed Decision	R.24-01-018 (Energization)
July 1, 2024	Energy Division's RA Loss of Load Expectation (LOLE) Study	R.23-10-011 (RA)
July 11-12, 2024	Workshop on Track 2 Proposals and LOLE Study	R.23-10-011 (RA)
July 19, 2024	Proposed Decision on DWR as CPE	R.20-05-003 (IRP)
July 29, 2024	Opening Comments on Track 2 Proposals and LOLE Study	R.23-10-011 (RA)
July/August 2024	Webinar/Workshop on RCPPP	R.20-05-003 (IRP)
August 12, 2024	Reply Comments on Track 2 Proposals and LOLE Study	R.23-10-011 (RA)
Fall 2024	Webinar/Workshop on busbar mapping	R.20-05-003 (IRP)
Fourth Quarter 2024	Track 3 Phase 1 Proposed Decision	R.21-06-017 (High DER Grid)
September 2024	ALJ Ruling with proposed RCPPP	R.20-05-003 (IRP)
Early October 2024	Opening Comments on ALJ Ruling with proposed RCPPP	R.20-05-003 (IRP)
Late October 2024	Reply Comments on ALJ Ruling with proposed RCPPP	R.20-05-003 (IRP)
November 2024	Track 2 Proposed Decision	R.23-10-011 (RA)
November 2024	LSEs to file individual IRPs	R.20-05-003 (IRP)
December 1, 2024	Semi-Annual Procurement Data Filing	R.20-05-003 (IRP)
December 2024	Proposed Decision on 2024-2026 TPP	R.20-05-003 (IRP)
December 2024	Proposed Decision on RCPPP Development	R.20-05-003 (IRP)
January 2025	Drafts Inputs and Assumptions Document	R.20-05-003 (IRP)
February 2025	Webinar/Workshop on Inputs and Assumptions	R.20-05-003 (IRP)
May 1, 2025	IRP Filing Requirements Finalized	R.20-05-003 (IRP)
June 1, 2025	Semi-Annual Procurement Data Filing	R.20-05-003 (IRP)
November 1, 2025	Webinar/Workshop on IRP Filings	R.20-05-003 (IRP)
November 1, 2025	Semi-Annual Procurement Data Filing	R.20-05-003 (IRP)
2025-2026	Proposed Decision(s) on Phase 3 issues	R.20-01-007 (Gas Reliability)
First Quarter 2026	Analysis of need for long lead-time backstop procurement and penalties for all delayed resources	R.20-05-003 (IRP)
June 1, 2026	Semi-Annual Procurement Data Filing	R.20-05-003 (IRP)
December 1, 2026	Semi-Annual Procurement Data Filing	R.20-05-003 (IRP)

II. EXECUTIVE SUMMARY: THE PAST QUARTER AT A GLANCE (pages 3 – 4):

Transmission Planning and Development (full report on page 5)

CEERT, GridLab, and consultant Ed Smeloff continue to convene a series of *biweekly calls* among NGOs, developers, trade associations, utilities, communication strategists, and legislative offices to report on *transmission-related activities* at the California Independent System Operator (CAISO), the California Public Utilities Commission (CPUC), and the legislature.

CEERT and GridLab have written a new report, “*Transmission in 2024: CEERT’s Review of the Challenges Ahead*,” which covers updates to the revision of the *CPUC’s General Order 131-D* and the *inter-connection queue reform process*; transmission needs in the *Central Valley* and *LA Basin*; and *advanced transmission technologies*. CEERT will host a webinar following the release of the report in late May.

Advanced Transmission Technologies (ATTs) (full report on page 5)

CEERT and Clean Power Campaign have been leading the “*Unlock the Grid*” Coalition, which meets weekly to discuss advocacy and legislative efforts to promote *advanced transmission technologies*. ATTs come with *numerous benefits*, including increased line capacity; enhanced grid reliability and resiliency; and substantial cost savings through increased performance, reduced curtailment, and a more affordable near-term alternative to building new transmission for the same capacity.

Regional Grid Integration and Governance (full report on pages 5 – 6)

CEERT has joined a group backing the *Pathways Initiative*, which is leading the campaign for the CAISO’s potential transition to a *Western regional transmission organization* (RTO), and we have signed onto a support letter led by AEU and comments led by NRDC for a Phase 1 Straw Proposal. We are seeking funds for our work on this opportunity from the Clean Grid Initiative, and continue to participate in calls on expanding CAISO’s Energy Imbalance Market through an *Extended Day-Ahead Market*.

Central Procurement Entity (CPE) (full report on page 6)

CEERT is planning follow-up meetings with Energy Division staff and with the Department of Water Resources on ways to integrate Central Procurement of *long lead-time resources*, specifically *offshore wind* and *geothermal*, into the CPUCs Integrated Resource Plan. We have also discussed the idea of proposing “*cost of service*” *ratemaking* for these projects, including identifying costs and rates of return.

Siting and Permitting of Clean Energy Projects (full report on page 6)

CEERT has been meeting with Golden State Clean Energy on the ongoing construction of their *Westlands Solar Park* to understand the vast buildout of transmission still needed to unlock the Central Valley’s full potential for utility-scale solar generation, and we have partnered with *LEAP* and *Central Valley Air Quality Coalition* to ensure community engagement during the buildout of solar in the region.

Reducing Reliance on Fossil-Fueled Power Plants (full report on pages 6 – 7)

To further gas-plant shutdowns, CEERT is advocating for a *zonal focus of transmission* into the LA Basin and the Bay Area, where the bulk of polluting fossil fueled power plants are located. For the first time, *the CAISO’s 20-Year Outlook* has begun to study which gas plants can be turned off in the 2040-2045 timeframe, prioritizing the oldest, most polluting plants, located in or closest to disadvantaged communities, and mapping the clean-energy projects that will be needed to replace that capacity.

Affordability (full report on page 7)

CEERT has been meeting with key parties, including The Utility Reform Network (TURN), Conservation Strategy Group, and Clean Air Task Force, to assess possible solutions and major hurdles standing in the way of *energy affordability*. We are weighing the idea of an *Infrastructure Authority*, which could handle

the siting and permitting, and/or the financial allocation, for large, necessary transmission projects within the state, as well as *alternative financing options* such as issuing state bonds and harnessing federal funds.

Geothermal and Lithium Valley (*full report on page 7*)

Comité Civico del Valle recently filed a lawsuit under CEQA on adverse environmental impacts and insufficient mitigation measures for Controlled Thermal Resources' Hell's Kitchen project. CEERT plans to participate in a constructive dialogue between CCV and other developers, including Berkshire Hathaway, on best practices for mitigating negative impacts of geothermal development and lithium recovery.

Advocacy at the California Energy Commission (CEC) (*full report on page 7*)

In 2023 the state saw a *doubling of battery discharge* in just one year. CEERT wrote a memo to CEC Vice Chair Siva Gunda, along with follow-up meetings with staff, pressing the case that, in part due to those growing battery resources, the state will not need the anticipated capacity from Diablo Canyon and polluting OTC plants, and the CEC should rethink the fund expenditures that keep those plants running.

Advocacy at the California Public Utilities Commission (CPUC) (*full report on pages 7 – 16*)

CEERT submitted comments on an ALJ Ruling on *General Order 131-D*, arguing that the timeliness of the CPUC's implementation of SB 529 should be continued in Phase 2 of the proceeding by prioritizing consideration of the IOUs' 9/29/23 *Joint Settlement Agreement on transmission permitting processes*.

In the *Integrated Resource Planning* proceeding, CEERT supported adoption of the *25 MMT core portfolio* as the Preferred System Plan (PSP) for the reliability and policy-driven base case and a *high gas-retirement sensitivity scenario* for the *2024-2025 Transmission Planning Process (TPP)*. We continue to have concerns about using RESOLVE and SERVVM for capacity expansion and production cost modeling.

In the *Resource Adequacy (RA)* proceeding, CEERT and allied parties continued to call for reversing the damaging effects of [D.23-06-029](#), which imposed significant negative impacts on *demand response (DR)*, particularly on *supply-side DR* and *third-party DR providers*. Similarly, we joined with allies to oppose adverse impacts on DR from a decision in the *Self-Generation Incentive Program* proceeding.

In the new *Renewables Portfolio Standard* proceeding, CEERT joined American Clean Power California and Solar Energy Industries Association in urging the CPUC to increase the RPS targets, because doing so is an administratively efficient way of implementing the CPUC's blueprint in the 2022-2023 PSP.

CEERT filed a Response raising our concerns with a *Cal Advocates petition* to open a new rulemaking on CPUC consideration of GHG-reduction goals alongside concerns over rate affordability, reliability, and equity outcomes for *demand-side DR* and *energy efficiency programs*.

Clean Transportation Advocacy (*full report on pages 17 – 20*)

On January 10 the EPA held a hearing on *California's unique status* under the Federal Clean Air Act and the state's urgent need to implement its *Advanced Clean Cars (ACC II) regulations*. CEERT testified in strong support of California's right to promulgate and implement its own health and environmentally protective regulations to fight air and climate pollution.

On February 14 the CEC approved the [Clean Transportation Program 2023–2024 Investment Plan Update](#). The plan approves *\$1.9 billion* in funding over the next four years for deployment of EV charging and hydrogen refueling infrastructure in support of *zero-emission vehicles*. At least 50% of the funding will go to benefit *disadvantaged and low-income communities*.

Transmission Planning and Development

CEERT has partnered with GridLab and consultant Ed Smeloff to convene a series of biweekly calls among NGOs, developers, trade associations, utilities, communication strategists, and legislative offices to report on transmission-related activities at the California Independent System Operator (CAISO), the California Public Utilities Commission (CPUC), and the legislature.

With the release of the CAISO's 2023-2024 Draft Transmission Plan in April, as well as the Draft Study Plan for the 2024-2025 Transmission Planning Process, CEERT and GridLab have written a new transmission report titled, "Transmission in 2024: CEERT's Review of the Challenges Ahead." The report also covers updates to the revision of the CPUC's General Order 131-D and the interconnection queue reform process; transmission needs in the Central Valley, where the state is anticipating abundant build-out of solar generation, and in the LA Basin, where gas reliance will need to be greatly reduced; and a review of advanced transmission technologies, such as grid-enhancing technologies and advanced conductors. CEERT is in the process of planning a webinar following the release of the report, anticipated for May 20. Further information will be sent out to the CEERTify list when available.

Advanced Transmission Technologies (ATTs)

Last year, CEERT began vetting the use of advanced transmission technologies (ATTs), including grid-enhancing technologies (GETS) and advanced conductors, on the state's existing transmission and distribution system. CEERT and others had met with the Governor's Office in December to raise awareness of these technologies and the benefits they bring, including increased line capacity, which reduces congestion and allows for the interconnection of more renewables to the grid; enhanced grid reliability and resiliency, decreasing risks of outages and wildfires while enabling the rapid rerouting of electrons to unaffected lines during complications; and substantial cost savings through increased performance, reduced curtailment, and a more affordable, near-term alternative to building new transmission for the same capacity. While California will still need to significantly build out its transmission system, ATTs can be quickly and cost-effectively deployed onto the existing grid to maximize grid assets.

CEERT and the Clean Power Campaign (CPC) have been leading the "Unlock the Grid" Coalition, which meets weekly to discuss advocacy and legislative efforts on the use of these technologies. The Coalition is supporting two bills: the first is AB 3246 by Assemblymember Garcia, which would offer a permitting incentive to investor-owned utilities (IOUs) for reconductoring projects that use an advanced conductor, by exempting these projects from a permit to construct and instead going through the CPUC's Tier 2 Advice Letter process. The second bill is SB 1006 by Senator Padilla, which would require the IOUs to submit to the CPUC a joint report on the use of GETs that prioritizes cost-effectiveness and increasing capacity for new renewable energy resources, as well as require each utility to submit an evaluation of which lines can be reconducted with advanced conductors every four years. The Coalition is also monitoring AB 2779 by Assemblymember Petrie-Norris, which is currently in spot form; conversations about what amendments should look like are underway.

Regional Grid Integration and Governance

As CEERT continues to assess the landscape of West-wide transmission work, we are in the process of designing a strategy for how best we can support the integration of California's grid with the rest of the West. Luckily, there has been a steady decline in the political opposition to changing CAISO's governance into a Western regional market, but much work lies ahead for a steady, successful transition. We are in contact with the Clean Grid Initiative, seeking support for this opportunity.

CEERT continues to participate in the Western Grid calls organized by Advanced Energy United (AEU) to share information about regional and California developments on expanding CAISO's Energy Imbalance Market through an Extended Day-Ahead Market. We have also recently joined a Public Interest

Organizations group for the Pathways Initiative, which is leading the effort for this transition. Legislative efforts are currently on hold, but expected to pick up in 2025.

The Pathways Initiative has been outlined in three steps: 1) Early success: makes changes within the scope of existing law that supports the vision of Pathways; 2) Durable, independent governance of markets and other potential services: implements a broad, regional market while leveraging the existing market; and 3) Toward an RTO: facilitates further evolution into a regional transmission organization with a full suite of RTO services. The Phase 1 Straw Proposal was released in April by the Western Interstate Energy Board (WIEB). CEERT has signed onto a support letter led by AEU and comments led by NRDC for the Straw Proposal.

Central Procurement Entity (CPE)

CEERT is participating in the implementation of AB 1373 (Garcia) by the CPUC, and we recently attended a workshop on next steps in implementation. We are planning follow-up meetings with CPUC Energy Division staff and with the Department of Water Resources on ways to integrate Central Procurement of long lead-time resources, specifically offshore wind and geothermal, into the CPUC's Integrated Resource Plan. We have also discussed the idea of proposing "cost of service" ratemaking for these projects, including identifying costs and rates of return, to support transparency and full disclosure. In addition, we and CPC are working with both geothermal and offshore wind developers on possible additional policy direction on Central Procurement from the Legislature to the CPUC and DWR.

Siting and Permitting of Clean Energy Projects

CEERT continues to advocate for significant reform in the siting and permitting of clean energy and transmission projects at various venues, including the revision of General Order 131-D at the CPUC and interconnection queue reform at the CAISO.

The Central Valley enjoys some 300 days of sunshine a year, with hundreds of thousands of acres of previously agriculturally-rich land coming out of production in the next decade. This fallowed land represents a prime location for the buildout of utility-scale photovoltaic solar generation that has the potential to deliver thousands of megawatts of energy while giving back to local communities. CEERT has been meeting with Golden State Clean Energy on the ongoing construction of their Westlands Solar Park to understand the vast buildout of transmission still needed to unlock the Valley's full potential, which we continue to include in our transmission research and reports and advocate heavily for at the CAISO. Additionally, CEERT has partnered with the Latina Equity, Advocacy and Policy Institute (LEAP) and Central Valley Air Quality Coalition (CVAQ) to form a coalition to ensure community engagement during the buildout of solar in the region, as well as better understand the unique issues and needs of these communities to inform potential Community Benefit Agreements (CBAs).

Reducing Reliance on Fossil-Fueled Power Plants

To further gas-plant shutdowns, CEERT is advocating for the zonal focus of transmission into the LA Basin and Greater Bay Area, where the bulk of polluting fossil fueled power plants are located. Through our statewide transmission work, including comments to the CAISO and our transmission reports, we have extensively advocated for projects that bring substantial renewable energy into urban load pockets.

For the first time, the CAISO's 20-Year Outlook has begun to study which gas plants can be turned off in the 2040-2045 timeframe, prioritizing the oldest, most polluting plants, located in or closest to disadvantaged communities. Power-flow mapping has identified the necessary clean energy projects that will be needed to replace capacity that has historically been met by these gas plants, with the bulk of resources mapped from the Central Valley, New Mexico, Nevada, and Wyoming. Most of the plants identified for shutdown are located in the Greater Bay Area, with a substantial amount also coming out of the LA Basin. The final 20-Year Outlook is anticipated to be released at the May 22-23 CAISO Board of Gover-

nors meetings. The resulting projects will need to begin the planning phase immediately to raise capital and decide on a timeline for transformer upgrades. CEERT plans to stay informed on the progress of these projects and will continue to push for the shutdown of all fossil-fueled power plants by 2045.

Affordability

This year, CEERT has added energy affordability to our top goals. We are in the ongoing process of meeting with key parties to assess major hurdles and possible solutions standing in the way of affordability, including conversations with The Utility Reform Network (TURN), Conservation Strategy Group, and Clean Air Task Force. CEERT and CPC hope to form a coalition on the matter in the coming months and host regularly occurring roundtables to brainstorm and advocate for potential policy to be pushed in next year's legislative session.

CEERT has been toying with the idea of an Infrastructure Authority, which could handle the siting and permitting, and/or the financial allocation, for large, necessary transmission projects within the state. Reducing dependence on costly private utility financing of transmission projects could be a key effort in reducing the cost of electricity. Alternative financing options include issuing state bonds, which would greatly reduce the interest rate put on ratepayers, and harnessing federal funds.

Geothermal and Lithium Valley

Comité Civico del Valle (CCV) recently filed a lawsuit under CEQA that raises issues and questions about adverse environmental impacts and insufficient mitigation measures of the Hell's Kitchen project sponsored by Controlled Thermal Resources. CEERT has discussed with CCV staff and consultants the failure by the applicant and Imperial County to adequately respond to the issues and suggestions CCV has raised. We plan to participate in a constructive dialogue between CCV and other geothermal/lithium developers, including Berkshire Hathaway Renewables, to try to achieve consensus on best practices for mitigating adverse impacts of geothermal development and lithium recovery.

Advocacy at the California Energy Commission (CEC)

CEERT continues to follow the implementation of AB 205 and to keep in contact with the CEC about the Strategic Reliability Reserve. Following the decision last year to extend the operations at Diablo Canyon Power Plant (DCPP) for the next five years, as well as continue to operate several highly polluting once-through-cooling (OTC) gas-fired plants, the state saw a doubling of battery discharge in just one year, proving 2023 to be "the year of the battery." CEERT wrote a memorandum to CEC Vice Chair Siva Gunda, along with several follow-up meetings with staff, strongly pressing the case that, in part due to those growing battery resources, the state will not need the originally anticipated capacity from DCPP and polluting OTC plants, and the CEC should rethink the fund expenditures that keep those plants running.

Soon to be released is the CEC's SB 846 quarterly Joint Agency Reliability Assessment, which reviews demand forecast, supply forecast, and risks to reliability in the CAISO territory across 10 years, and requires the CEC to report on the operations of Diablo Canyon, including outage information, operational costs, average revenue, worker attrition, and contribution to resource adequacy requirements. CEERT eagerly awaits the chance to review the Assessment to understand in detail what, if any, major interconnection and permitting barriers are in store for additional battery capacity, and to review the Commission's analysis of DCPP activities.

Advocacy at the California Public Utilities Commission (CPUC)

Summary of CEERT's Advocacy at the CPUC

CEERT has been particularly active in the General Order 131-D (R.23-05-018), Integrated Resource Plan (IRP) (R.20-05-003), Resource Adequacy (RA) (R.21-10-002/R.23-10-011), Self-Generation Incentive Program (SGIP) (R.20-05-012), and the new Renewables Portfolio Standard (RPS) (R.24-01-017) pro-

ceedings. In addition, as discussed in more detail below, CEERT is participating in the new rulemaking opened by a Petition (P.24-03-013) of the Public Advocates Office (Cal Advocates).

The CPUC also opened a new energization proceeding (R.24-01-018). CEERT is not a party to this proceeding but is tracking it, and it is summarized below.

CPUC Proceedings that CEERT Has Actively Participated in Since the Last Quarterly Report
General Order 131-D (R.23-05-018)

On December 18, Administrative Law Judges (ALJs) Park and Mutialu issued a [Ruling](#) Inviting Comment on Phase 2 Issues. Phase 2 will address additional needed changes to GO 131-D and a Staff Proposal on Phase 2 issues is expected in the first quarter of 2024. On January 10, ALJ Park issued a [Ruling](#) that extended the due dates of Opening Comments to February 5 and Reply Comments to February 26.

On February 5, CEERT submitted [Opening Comments](#) on the ALJ Ruling, arguing that the timeliness of the CPUC's implementation of SB 529 in D.23-12-035 should be continued in Phase 2 by prioritizing consideration of the 9/29/23 Joint Settlement Agreement. The CPUC needs to define what constitutes a "fully developed" Phase 2 "record" and adopt a fair, public process applicable to parties and staff in developing that record well before the issuance of the "Staff Proposal" in the "Second Quarter of 2024."

On February 26, CEERT submitted [Reply Comments](#), noting that most parties filing Opening Comments on the ALJ Ruling support consideration and adoption of the Joint Settlement Agreement in Phase 2.

The Public Advocates Office's (Cal Advocates') Opening Comments propose sweeping revisions to both the scope of this proceeding and the CPUC's transmission permitting processes. CEERT has numerous concerns with this proposal. Although Cal Advocates' Comments took a dramatically different approach to making changes to GO 131-D, including a phased proceeding and prioritizing "policy" projects, the CPUC has taken no action to date following the filing of Reply Comments in February. The next identified step is a Staff Proposal due in the "second quarter of 2024," as stated in the January 10 ALJ's Ruling.

On January 17, the Protect Our Communities Foundation (PCF) submitted an [Application for Rehearing](#) (AFR) of [D.23-12-035](#) (Decision Addressing Phase I Issues), arguing that the Decision violates SB 529 mandates because the opening clause of the added paragraph limits application of the Permit to Construct (PTC) process to projects of 200 KV or more that require a Certificate of Public Convenience and Necessity (CPCN). The CPUC must adhere to legislative directives and must oversee the utilities' construction projects. Responses to the AFR were submitted on February 1.

On March 20, Assemblymembers Eduardo Garcia, Chris Holden, Pilar Schiavo, Damon Connolly, Rick Chavez Sbur, David Alvarez, Freddie Rodriguez, Devon Mathis, Greg Wallis, Heath Flora, and Lisa Calderon sent a letter to CPUC President Alice Reynolds requesting that the CPUC expeditiously grant the 18-party [Joint Motion](#) for Adoption of Phase 1 Settlement Agreement that was submitted on September 29. The letter stresses that D.23-12-035 does not go far enough and does not address most of the Settlement's proposed streamlining measures, that streamlining is a priority for California, and that the Settlement's proposed reforms are long overdue. The Assemblymembers request that the CPUC act promptly to grant the Settlement.

Integrated Resource Planning (IRP) (R.20-05-003)

Proposed Decision Adopting 2023 Preferred System Plan and Related Matters, and Addressing PFMs

As previously reported, on January 10, ALJ Fitch issued a [Proposed Decision](#) (PD) that evaluates the 2022 IRP filings of all LSEs under the CPUC's IRP purview. Notably, the PD adopts a Preferred System Portfolio (PSP) that meets a statewide 25 MMT greenhouse gas (GHG) target for the electric sector in 2035. The PD recommends to the CAISO that the 25 MMT PSP portfolio be used as both the reliability

base case and the policy-driven base case for study in its 2024-2025 TPP, and further recommends that the CAISO analyze a policy-driven sensitivity case to test the transmission buildout needed for a grid stress case under which 15 gigawatts of gas-fired generation resources are retired by 2039.

The PD addresses two PFMs of earlier procurement decisions in this proceeding: D.21-06-035 and D.23-02-040. The PD also formally adopts high-level aspects of the reliability framework for IRP that has been used throughout the past two years, including a 0.1 loss of load expectation (LOLE) standard for determining reliability need, a planning reserve margin (PRM) based on gross peak, and resource counting conventions using marginal effective load-carrying capability (ELCC) analysis that is updated periodically. The PD makes reimbursable funding available to CPUC staff for consulting resources to continue to support the IRP process for the next six years.

On January 30, CEERT submitted [Opening Comments](#) supporting the adoption of the 25 MMT core portfolio as the PSP to be used in the reliability and policy-driven base case for the 2024-2025 TPP and the high gas-retirement scenario as a policy-driven sensitivity for the 2024-2025 TPP. CEERT also supported maintaining 1.6 GW of offshore wind mapped to the North Coast (Humboldt) area. We held that the PD correctly denies the Petition for Modification related to Diablo Canyon replacement resources and correctly grants compliance extension for long lead-time resources beyond 2028.

CEERT also supports the adoption of a 0.1 LOLE reliability standard, a PRM based on gross peak and the use of ELCC analysis, but only as an interim approach. We continue to have concerns about using RESOLVE and SERVM for capacity expansion and production cost modeling. We challenged Finding of Fact 19 that there is a reliability risk in the summer of 2025 because it is not supported by the record.

The PD denies two of CEERT's recommendations—development of more granular and deeper assumptions for distributed energy resources (DERs) and addressing cost uncertainties for all resource types by modeling low, medium, and high sensitivities. However, CEERT was pleased that the PD states that these recommendations will be considered in the next IRP cycle.

On February 5, CEERT submitted [Reply Comments](#) and stated that CEERT is one of many parties who support the adoption of a 25 MMT core portfolio and the high gas retirement sensitivity. We also contend that improvement in capacity expansion and production cost modeling in the IRP process is urgently needed and the use of RESOLVE and SERVM continues to be of concern to CEERT and others.

Final Decision [D.24-02-047](#) was issued on February 20.

Amended Scoping Memo

On April 18, Assigned Commissioner Alice Reynolds issued an [Amended Scoping Memo](#) and Ruling Extending Statutory Deadline. The issues to be addressed are as follows: (1) implementation of Assembly Bill (AB) 1373, (2) transmittal of portfolios to the California Independent System Operator (CAISO) for use in its annual Transmission Planning Process (TPP), (3) development of the Reliable and Clean Power Procurement Program (RCPPP) and related coordination with the RA program and rulemaking, (4) periodic updates of the Inputs and Assumptions for IRP modeling for multiple purposes, (5) development and adoption of a 2026 Preferred System Plan (PSP), (6) crafting of any additional policies to encourage procurement of long lead-time resources, (7) compliance and monitoring of existing procurement requirements, and (8) other continuing or remaining issues. The schedule is reflected in the calendar above.

ALJ Ruling Seeking Comments on Need for Centralized Procurement of Long Lead-Time Resources

On April 26, ALJ Fitch issued a [Ruling](#) Seeking Comments on Need and Process for Centralized Procurement of Specified Long Lead-Time Resources. The Ruling seeks feedback from parties on options for initial use of the centralized procurement mechanism created in AB 1373, where the CPUC may

request that the California Department of Water Resources (DWR) procure electricity from certain types of resources, on behalf of customers of all LSEs under the CPUC's IRP purview. Opening Comments are due on May 24 and Reply Comments on June 5.

Resource Adequacy (RA) (R.21-10-002/R.23-10-011)

CLECA Petition for Modification (R.21-10-002)

On March 12, the CPUC issued [D.24-03-004](#), a Decision Denying Petition for Modification of D.23-06-029 by the California Large Energy Consumers Association (CLECA). CLECA submitted a Petition for Modification (PFM) of D.23-06-029 due to the changes made to Reliability DR Resources (RDRR), which led to issues with grid reliability on July 20. D.24-03-004 states that “[c]onsidering both CLECA’s and CAISO’s assessment of the July 20 event, the Commission is not persuaded that CLECA has provided sufficient basis to demonstrate that a modification of D.23-06-029 is warranted.”

CEERT and the Council Track 1 Proposal (R.23-10-011)

As previously reported, on January 19, CEERT and the California Efficiency + Demand Management Council submitted a [Track 1 Proposal](#) that urged the CPUC to address one of the most time-sensitive issues in this proceeding: the treatment of DR resources, particularly those negatively impacted by D.23-06-029. CEERT and the Council proposed that Track 1: (1) schedule testimony and evidentiary hearings to consider and address the negative impacts that D.23-06-029 has had on Supply-Side DR and DR providers since issuance of the decision, (2) evaluate the merits of any other CPUC RA DR Supply-Side DR rule changes that the CPUC is planning to undertake in Track 1, and (3) permit parties to submit responsive proposals that identify, limit, and reverse negative effects of those rules.

A two-part workshop on Track 1 Proposals was held on February 14 and 28. Megan M. Myers appeared at this Workshop to present CEERT and the Council’s Track 1 Proposal. Parties submitted revised Track 1 proposals on February 23.

Parties submitted Opening Comments on the Track 1 Proposals on March 8 and Reply Comments on March 22. CEERT submitted [Reply Comments](#) that supported the proposal of California Community Choice Association (CalCCA) to evaluate test year showing data to quantify the benefits of hourly transactability and commit to adopting hourly load obligation trading for slice-of-day. In addition, CEERT supported proposals that urge the development of monthly planning reserve margins (PRMs) by 2026. CEERT also agreed with CAISO’s recommendation that the CPUC implement programmatic long-term procurement. We shared concerns outlined by Microsoft on the need for a loss of load probability study, which would be used to establish future PRMs. We also supported modification of the rules on RA imports. A Proposed Decision on Track 1 is expected in May.

Inputs & Assumptions

On March 18, ALJ Chiv issued a [Ruling](#) on Energy Division’s Proposed Inputs & Assumptions, attached to the Ruling as [Attachment A](#). Parties submitted Comments on these Inputs and Assumptions on April 2.

CAISO Reports

On April 4, CAISO submitted its Draft 2025 Local Capacity Technical [Report](#). Protect Our Communities Foundation was the only party to submit comments on April 18. On May 1, CAISO submitted its Final Local Capacity Technical Report. Opening Comments were submitted on the Final Report, and Reply Comments were submitted on May 13. CAISO also submitted its 2025 Flexible Capacity Report.

ALJ Ruling Modifying Track 2 Schedule

On May 2, ALJ Chiv issued a [Ruling](#) Modifying Track 2 Schedule, as reflected in the calendar above.

Self-Generation Incentive Program (SGIP) (R.20-05-012)

On March 22, CPUC issued D.24-03-071, a Decision Implementing Assembly Bill 209 and Improving Self-Generation Incentive Program Equity Outcomes. The Decision and all attachments can be found [here](#). In part, D.24-03-071 required that Program Administrators for SGIP ensure that incentive applicants are required to enroll in an approved qualified utility DR program as described in Appendix E.

On April 19, CEERT joined Leapfrog Power, Inc., CPower, Nostromo Energy, Inc., OhmConnect, Inc., Qcells North America, Voltus, Inc., and the California Efficiency + Demand Management Council (the Joint Parties) to file and serve an [Application for Rehearing](#) of D.24-03-071. The Joint Parties argued that D.24-03-071, in adopting the qualified DR programs provision, is contrary to applicable law, fact, and policy, and wrongly imposes significant and unsupported adverse impacts on DR, particularly as it pertains to third-party and community choice aggregator (CCA) DR programs. By adopting this provision, the CPUC improperly narrows the list of qualified DR programs that can participate in SGIP, fails to meet required legal standards for CPUC decisions, and fails to follow previous CPU decisions. If enforced, it would negatively impact CCA and third-party DR programs that provide RA capacity and exacerbate the unequal treatment of third-party and CCA DR programs, compared to utility DR programs, by exclusively and discriminatorily focusing SGIP funds on utility DR programs. Joint Community Choice Aggregators and Cal Advocates submitted Responses to the Application for Rehearing on May 6.

Renewables Portfolio Standard (RPS) (R.18-07-003 and R.24-01-017)

On February 1, the CPUC issued [R.24-01-017](#), an Order Instituting Rulemaking to Continue Implementation and Administration, and Consider Further Development, of the California Renewables Portfolio Standard Program. R.18-07-003 remains open only to consider filings related to the retail sellers' final 2023 RPS Procurement Plans.

On March 14, CEERT joined American Clean Power – California and Solar Energy Industries Association (the Joint Parties) in submitting [Joint Reply Comments](#) on the OIR. The Joint Parties urge the CPUC to increase the RPS targets because doing so is an administratively efficient way of effectuating the CPUC's blueprint in the 2022-2023 PSP. A Prehearing Conference was held on April 4, and a transcript can be found [here](#).

On April 17, ALJ Atamturk issued a [Proposed Decision](#) Closing Rulemaking 18-07-003. The PD finds that all matters in R.18-07-003 have been decided or transferred to R.24-01-017, and R.18-07-003 should be closed. Opening Comments were submitted on May 7 and Reply Comments on May 13.

Cal Advocates Petition for Rulemaking (P.24-03-013)

On March 18, Cal Advocates filed a [Petition](#) to Open a Rulemaking Pursuant to Public Utilities Code Section 1708.5, and stated that the scope of the proposed rulemaking would allow the CPUC to consider the achievement of California's greenhouse gas (GHG) reduction goals alongside concerns over rate affordability, reliability, and equity outcomes for demand-side programs associated with DR and energy efficiency, including Energy Savings Assistance (ESA).

On April 5, numerous parties submitted Responses to this Petition. CEERT's [Response](#) urged the CPUC to open two new separate energy efficiency and DR rulemakings because combining development of these resources into the same proceeding would limit their proper assessment. We also argued that the Petition contains overlap with the new CPUC electrification rulemaking (R.24-01-018), and we urged that if the CPUC grants the Petition, or opens two separate energy efficiency and DR rulemakings, the proceeding(s) must be closely coordinated with the CEC's Distributed Electricity Backup Assets (DEBA) Program and Distributed Support Grid Support (DSGS) Program.

On April 15, several parties submitted Replies to the Responses. Cal Advocates' [Reply](#), in part, disagreed with CEERT and SCE's argument that energy efficiency and DR are fundamentally different, and contended that these arguments are "inaccurate" because they "are indicative of the same siloed funding philosophy that the Commission has identified as a 'major barrier' currently impairing progress."

On April 25, this proceeding was assigned to CPUC President Alice Reynolds and ALJ Sasha Goldberg. The next step will most likely be the issuance of a Proposed Decision either adopting or denying Cal Advocates' Petition. CEERT plans to respond to any Proposed Decision that is issued and will continue to raise our concerns with this Petition.

Other CPUC Energy Planning and Procurement Proceedings

Energization (R.24-01-018)

On January 30, the CPUC opened [R.24-01-018](#) to establish energization timelines. The order instituting rulemaking (OIR) was opened to allow the CPUC to provide guidelines and set timelines for the energization of electrical corporation customers. This rulemaking seeks to implement certain provisions of Senate Bill (SB) 410 and Assembly (AB) Bill 50, which require the CPUC to establish reasonable average and maximum target energization time periods, and a procedure for customers to report energization delays to the CPUC, among other requirements. Opening Comments on the OIR were submitted on February 20 and Reply Comments were submitted on March 1.

A workshop on the OIR was held on February 2, and presentations from the workshop can be found [here](#).

On March 21, ALJ Sisto issued a [Ruling](#) Directing Utility Responses to Questions Regarding Energization Timelines. Thereafter, on April 8, ALJ Sisto issued a [Ruling](#) Adjusting Phase 1 Schedule, extended the due date for the utilities to respond to the March 21 Ruling to April 22, and extended the due date of Opening Comments to the March 28 [Scoping Memo and Ruling](#) to May 3 and Reply Comments to May 17. A Status Conference is set for May 21, and a Proposed Decision is scheduled to be issued in July.

Demand Flexibility (R.22-07-005)

Proposed Decision Addressing Assembly Bill (AB) 205 Requirements for Electric Utilities

On March 27, ALJ Wang issued a [Proposed Decision](#) that authorizes all investor-owned electric utilities (IOUs) to change the structure of residential customer bills in accordance with Assembly Bill (AB) 205.

As directed by AB 205, this PD authorizes all IOUs to change residential customer bills by shifting the recovery of a portion of fixed costs from volumetric rates to a separate, fixed amount on bills without changing the total costs that utilities may recover from customers. As a result, this decision reduces the volumetric price of electricity (in cents per kilowatt hour) for all residential customers of IOUs.

The PD states that it adopts a gradual, incremental approach to implementing AB 205 requirements, including the requirement to offer income graduated fixed charge (IGFC) amounts. The adopted billing structure will offer discounts based on the existing income-verification processes of the utilities' California Alternate Rates for Energy (CARE) and Family Electric Rate Assistance (FERA) programs. The CPUC will consider improvements to the new billing structure based on the initial results of implementation and a working group proposal in the next phase of this proceeding.

The PD adopts elements of several party proposals rather than adopting one party's proposal. Southern California Edison Company (SCE) and San Diego Gas & Electric Company (SDG&E) shall begin to apply the adopted changes to residential customer bills during the fourth quarter of 2025. Pacific Gas and Electric Company (PG&E), Bear Valley Electric Service, Inc. (BVES), Liberty Utilities, and PacificCorp d/b/a Pacific Power shall begin to apply the adopted changes to residential customer bills during the first

quarter of 2026. The large electric utilities shall each implement the adopted billing structure changes through a Tier 3 advice letter as follows:

- a. Tier 1: Customers enrolled in the CARE program shall automatically pay the lowest discounted fixed amount (approximately \$6 per month).
- b. Tier 2: Customers enrolled in the FERA program or who live in affordable housing restricted to residents with incomes at or below 80 percent of Area Median Income shall automatically pay a discounted fixed amount (approximately \$12 per month).
- c. Tier 3: All other customers will pay a fixed amount of \$24.15 per month.

In accordance with AB 205, the revenues from the fixed charges will be used to (a) ensure that a low-income customer with average electricity usage will realize bill savings in each baseline territory without changes to usage, and (b) reduce volumetric rates for all residential customers. The new billing structure shall apply to all residential rates of the IOUs, except for master-metered rates that are not sub-metered, separately-metered electric vehicle rates for customers whose primary meter has an IGFC, or rate schedules that are due to be eliminated by the second quarter of 2026. The revenues from fixed charges will be applied to reduce volumetric rates equally across all time-of-use periods.

The PD approves an aggregate total of up to \$35.6 million for the implementation costs of the three large utilities. Each of those utilities shall propose a plan and budget for customer education and outreach through a Tier 3 advice letter. The PD also approves the settlement agreement on AB 205 implementation between BVES, Liberty Utilities, PacificCorp, and the Public Advocates Office (Cal Advocates), with exceptions to ensure compliance with statutory requirements. The small and multijurisdictional utilities shall each file a Tier 3 advice letter to provide additional information about base revenues, propose a customer education and outreach plan, and propose an implementation budget.

The PD adjusts the methodology for calculating the large utilities' average effective discount for CARE in accordance with AB 205, and it addresses all Phase 1 Track A issues. The proceeding remains open to address the remaining Phase 1 Track B issues. Opening Comments were submitted on April 16 and Reply Comments on April 22. The PD is on the Agenda for the May 9 CPUC Business Meeting.

Ruling On Track B Working Group 1 Proposals and Issue 5

On April 24, ALJ Wang issued a [Ruling](#) on Track B Working Group 1 Proposals and Issue 5. The Ruling directs PG&E, SCE, and SDG&E to comment on each of the questions in Appendix A to this Ruling, and invites other parties to do so. The questions in Appendix A relate to the Track B Working Group 1 Proposals and Issue 5 (Compliance with California Energy Commission (CEC) Load Management Standards). Opening Comments are due on May 22 and Reply Comments on June 12.

Demand Response (DR) Applications (A.22-05-002, et al.)

On April 12, Assigned Commissioner John Reynolds issued a [Ruling](#) Directing Release of the Aggregated Data and Modeling Code Associated with the Lawrence Berkeley National Laboratory Phase 2 Demand Response Potential Study, and associated work products listed in Section 2 of [Attachment 1](#). Attachment 1 is the Development and Use of Cluster Load Shapes for the Phase 4 DR Potential Study.

On April 24, the CPUC issued [D.24-04-006](#), which sunsets the Demand Response Auction Mechanism (DRAM) pilot programs of PG&E, SCE, and SDG&E by December 31, or sooner if the funding limits authorized for the pilot programs as set forth in D.23-01-006 are reached prior to that date. This Decision also closes the proceeding.

Customer DER (R.22-11-013)

On January 9, SCE, on behalf of the parties, submitted a [Meet and Confer Report](#) which identified the disputed and stipulated facts about the updates to the Avoided Cost Calculator (ACC). Evidentiary Hear-

ings were held on the disputed issues on January 23-25, and transcripts can be found here: [Day One](#), [Day Two](#), and [Day Three](#). Opening Briefs were submitted on February 21 and Reply Briefs on March 13.

On April 11, ALJ Lau issued a [Ruling](#) Setting Oral Argument. An oral argument on the issues related to the 2024 ACC Update will be held on Monday, June 17, from 1:00 p.m. to 3:00 p.m. at the CPUC Auditorium, 505 Van Ness Avenue, San Francisco, CA. Parties who wish to address this issue at oral argument shall send an e-mail to the assigned ALJ no later than May 17.

On April 19, the CPUC issued [D.24-04-010](#), which authorizes \$1.5 million in reimbursable ratepayer funds for an avoided transmission and distribution (T&D) costs study. The primary purpose of the study is to examine how distributed energy resources (DERs) can help California defer or avoid building more T&D infrastructure and how to accurately estimate these avoided T&D costs. The study results are anticipated to be incorporated into the 2026 ACC Update cycle to improve estimating avoided T&D costs. Energy Division is authorized to hire a consultant to conduct the study.

On April 22, ALJ Lau issued a [Ruling](#) that orders the CPUC's Energy Division to follow guidelines set forth by the CPUC's Contracting Office to select and hire a consultant to lead the Data Working Group.

CPUC Gas System and Grid Initiatives

Aliso Canyon (I.17-02-002)

Parties submitted Opening Briefs on April 12 and Reply Briefs on May 3.

Gas Reliability and System Planning (R.20-01-007)

On February 22, Assigned Commissioner Douglas issued a [Ruling](#) Scheduling Phase 3 Prehearing Conference and Providing Joint Agency Staff Gas Transition [White Paper](#) and Draft Phase 3 Scope and Schedule for Party Comment. The issues to be covered in Phase 3 are: gas transition scenario analysis, long-term gas transition planning approaches, and opportunities for interim action reducing gas system costs. Parties submitted comments on the draft Phase 3 Scope and Schedule on March 13 and parties submitted comments on the White Paper on April 15. A Phase 3 Prehearing Conference was held on March 19 and a transcript of the Prehearing Conference can be found [here](#).

Microgrids (R.19-09-009)

On March 27, ALJ Rizzo issued a [Ruling](#) Requesting Comment on Respondents and Stakeholder Proposals' Alignment with the Commission's Nine Environmental and Social Justice Action Plan Goals. The Ruling seeks comment from interested parties on Scoping Topic 4 of Track 5 for this proceeding, which pertains to the Environmental and Social Justice Action Plan Goals. Several parties submitted comments on April 19. Reply comments must be filed and served no later than May 17.

Grid for High Distributed Energy Resources (DER) (R.21-06-017)

On March 13, ALJs Hymes and Lakhanpal issued a [Ruling](#) that introduces a staff proposal to improve the Distribution Planning and Execution Process and directs parties to comment on relevant sections to ensure a complete record on all aspects of the proposal. The comment period was extended, and Opening Comments are now due on May 28 and Reply Comments on June 18.

On April 19, SCE and SDG&E submitted a [Motion](#) to Temporarily Suspend Portions of the Distribution Investment Deferral Framework (DIDF) Process for 2024-2025. They allege that the interconnection challenges facing the 2024-2025 DIDF process are "daunting" and, "combined with the paucity of deferral contracts since DIDF's inception, a temporary pause is advisable." Responses are due on May 6.

Other CPUC Proceedings CEERT Continues to Track

As noted in previous Quarterly Reports, CEERT is either a party to or on the service list for numerous CPUC proceedings that have required or could require CEERT participation, and we continue to track them in anticipation of participating now or in the future. Information on events in these proceedings is provided in the Schedule of Upcoming Events on pages 1 – 2 of this Report.

Because these proceedings were not the focus of CEERT’s efforts in January – May of 2024, only limited information about them is provided here, but is available from CEERT’s regulatory counsel, Megan Myers (meganmmyers@yahoo.com) or Sara Myers at (ssmyers@att.net.) Please do not hesitate to contact them for information on any of the following proceedings as to status or next steps.

Net Energy Metering (NEM) (R.20-08-020)

As previously reported, on November 22 the CPUC issued [D.23-11-068](#), a Decision Addressing Remaining Proceeding Issues. There have been six Applications for Rehearing of this Decision that were all filed on December 22. Responses to some of these Applications for Rehearing were submitted on January 8.

Diablo Canyon (R.23-01-007)

On January 16, PG&E submitted an Application for Rehearing ([AFR](#)) of D.23-12-036, arguing that D.23-12-036 commits legal error by requiring PG&E to obtain CPUC approval before spending operating-risk compensation and by requiring operating-risk compensation to offset actual operating costs over 115% of forecasted costs.

On the same day, Californians for Renewable Energy (CARE) submitted an [AFR](#) of the same decision, arguing that the CPUC failed to: (1) determine if there were adequate new renewable and zero-carbon resources to replace Diablo Canyon by the end of 2023, (2) determine that extending the operation of Diablo Canyon was prudent, (3) determine the true costs of extending Diablo Canyon operations, (4) analyze whether the project was reliable, and (5) determine if the project was safe. Responses to both AFRs were submitted on January 31.

On February 7, ALJ Atamturk issued a [Ruling](#) Seeking Comments on Phase 2 Preliminary Scope. Opening Comments were submitted on February 28 and Reply Comments were due on March 8.

Energy Efficiency (EE) (R.13-11-005)

On November 17, ALJ Kao issued a [Ruling](#) Inviting Comment on the Draft Revised Normalized Metered Energy Consumption (NMEC) [Rulebook](#). On November 30, ALJ Kao granted an extension request made by SDG&E to extend the due dates of Opening and Reply Comments on this Ruling. Opening Comments were submitted on February 29 and Reply Comments on March 15.

On March 27, ALJ Kao issued a [Ruling](#) that provides an opportunity to comment on whether the CPUC should eliminate the evaluation, measurement, and verification (EM&V) dispute resolution process established in D.10-04-029. The dispute resolution process was part of an “incentive mechanism” established for large IOUs running Commission energy efficiency programs. The IOUs’ shareholders were eligible to receive compensation if the IOUs’ energy efficiency programs achieved certain pre-set goals established by EM&V. Because the IOUs had an economic motive in the form of shareholder incentives linked to EM&V, they successfully sought a dispute resolution process related to EM&V. This Ruling proposes to eliminate the EM&V dispute resolution process as it is not warranted by the current energy efficiency framework. Opening Comments were submitted on April 29 and Reply Comments on May 13.

On April 4, ALJ Kao issued a [Ruling](#) Providing Notice of Audit Completed Pursuant to D.22-03-010 and D.22-04-034. Opening comments on whether the Energy Efficiency Codes & Standards Performance [Audit](#) should be approved were submitted on May 1 and Reply Comments are due on May 22.

Transportation Electrification (R.18-12-006/R.23-12-008)

As previously reported, on December 20 the CPUC issued an [Order Instituting Rulemaking \(OIR\)](#) Regarding Transportation Electrification Policy and Infrastructure and Closing Rulemaking 18-12-006. Opening Comments on the OIR were submitted on January 19 and Reply Comments on February 5. Parties submitted Prehearing Conference Statements, and a Prehearing Conference was held on February 29. The Transcript for the February 29 Prehearing Conference can be found [here](#).

In R.18-12-006, on April 26, Commissioner Alice Reynolds issued a [Proposed Decision](#) Denying CLECA and Energy Producers and Users Coalition’s (EPUC’s) [Petition for Modification](#) of [D.22-11-040](#) (Decision on Transportation Electrification Policy and Investment). CLECA and EPUC sought to modify D.22-11-040 to authorize the IOUs to allocate costs via a system average percentage change which would increase rates by different amounts for each customer class. The CPUC denies the Petition for Modification, claiming that CLECA and EPUC “rehash the same arguments that were made during the litigation of the proceeding; have not raised any new information or justification for modifying D.22-11-040.” Opening Comments on the Proposed Decision are due on May 16 and Reply Comments on May 21.

In R.23-12-008, on April 12, Assigned Commissioner Alice Reynolds issued a [Scoping Memo and Ruling](#). The Scoping Memo declares that the proceeding is the venue where the CPUC will comprehensively assess the needs for transportation electrification policy and infrastructure. Issues include the following: (1) proactive planning to accelerate transportation electrification, (2) refocusing ratepayer support in transportation electrification framework, and (3) other topic areas such as vehicle-grid integration, low-carbon fuel standard, and timely energization of vehicle charging. Subsequent Rulings will be issued that will provide the scope and schedule of each issue.

Disconnections (R.18-07-005)

On February 20, the CPUC issued [D.24-02-046](#) that approves a CBO Arrears Case Management Pilot Program to reduce residential energy service disconnections by PG&E, SCE, SDG&E, and SoCalGas. The utilities shall contract with community-based organizations (CBOs) to provide case management services to assist up to 12,000 customers with managing their unpaid bills, enrolling in energy assistance and energy efficiency programs, and arranging bill payment plans. Within 180 days of the effective date of this decision, the utilities shall award contracts for such assistance CBOs. The pilot program shall conclude 790 days after the effective date of this decision.

On March 22, ALJ Wang issued a [Ruling](#) requesting party comments on disconnection caps and the allocation of payments of past-due bills between community choice aggregators (CCAs) and utilities. Opening Comments were submitted on April 19 and Reply Comments on May 3.

PG&E Clean Energy Optimization Pilot (CEOP) (A.22-03-006)

On April 4, ALJ Wang directed PG&E to work with parties to file and serve a Motion to Admit Exhibits into Evidence on May 10. Parties may file and serve Responses to the Exhibits Motion by May 24 and Replies to Responses by June 7.

Additional proceedings tracked, but where there has been little or no activity since our last Quarterly Report, or the proceeding has been closed:

- R.18-07-006 (Affordability)
- R.19-01-011 (Building Decarbonization)
- R.17-07-007 (Improvements to Rule 21)

Clean Transportation Advocacy

Advanced Clean Cars (ACC)

Federal Efforts

On March 20, the US-EPA released its final set of updated regulations addressing emissions from cars, light trucks, large pickups, and vans. The [Final Rule for the "Multi Pollutant Emissions Standards for Model Years 2027 and Later Light-Duty and Medium-Duty Vehicles"](#) establishes the most stringent federal standards to date for lowering on-road vehicle emissions of carbon dioxide and criteria pollutants (i.e., volatile organic compounds (VOCs), oxides of nitrogen, and particulate matter (PM)).

Relative to levels that the 2026 MY will be allowed under current regulations, vehicle manufacturers will need to achieve fleet-wide average GHG emissions reductions by 2032 of roughly 52% for light-duty vehicles and 44% for medium-duty vehicles, and reductions of VOCs and nitrogen oxides of nearly 50% for light-duty vehicles and 58-70% for medium-duty vehicles. All passenger vehicles will individually be required to achieve emissions of 0.5 milligrams of particulate matter per mile by 2032, a 95% reduction.

In adopting a final rule, the EPA did ease some of the requirements for PM and GHG emissions relative to their proposed rule of [April 2023](#). While adhering to the 0.5mg/mile target for PM, the EPA allowed manufacturers an additional year to comply, noting that the use of gasoline particulate filter technology will need more lead time to be adapted for U.S. applications.

CEERT supported the advocacy of many of its environmental and public advocacy affiliates in encouraging the EPA to adopt the even more aggressive Alternative 1, which would have set a 59% CO₂ emissions reduction target by 2026. We also strongly advocated for the original 0.5mg/mile PM standard.

Overall, the rule is anticipated to reduce cumulative CO₂ emissions by 7.2 billion metric tons through 2055. The EPA anticipates that the rule could lead to 53% of light-duty sales in 2030 being some form of plug-in electric vehicles, including 44% battery electric (BEV) and 9% plug-in hybrid electric (PHEV). In 2032, the rule could result in 68% PEV sales, comprising 56% BEVs and 13% PHEVs.

The National Highway Traffic Safety Administration (NHTSA) is still developing its updated Corporate Average Fuel Economy (CAFE) Standards for the model year [2027-2032 passenger vehicles and Model Years 2030-2035 Heavy-Duty Pickup Trucks and Vans](#). NHTSA's proposed regulation could boost the real-world average fuel economy of on-road vehicles to 43.5 miles per gallon, and reduce total national fuel consumption by as much as 88 billion gallons of gasoline through 2050. NHTSA is expected to publish its Final Rule for the updated CAFE Standards any time now.

On March 18, [in response](#) to a [2021 petition submitted by the Natural Resources Defense Council and Sierra Club](#), the US Department of Energy (DOE) [published its updated regulations for the petroleum-equivalent fuel economy of electric vehicles](#) (the "petroleum-equivalency factor" (PEF)). The PEF currently in use is ~82 kwh/gallon, equivalent to ~394 mpg, despite the EPA's own assessment indicating that many representative EVs have efficiencies of ~29 kwh/gallon (equivalent to ~110-120 mpg-e). A failure to update the PEF results in a perverse incentive because awarding overgenerous mileage credit to manufacturers allows them to continue to produce less-efficient, more polluting combustion cars while also selling fewer zero-polluting EVs, yet being erroneously credited with achieving compliance.

Public health and environmental advocates were strongly supportive of DOE's proposed reduction in the PEF of 72% (to ~23kwh/gallon) by 2027, rather than the 65% reduction by 2030 as determined in the Final Rule. As a consequence, the gentler rate of reduction in the updated PEFs could result in manufacturers producing and selling more cars with combustion engines, including more [PHEVs](#) and fewer BEVs, than would have otherwise been the case if the PEF had been reduced by the proposed 72%.

California's Work

CARB is still awaiting EPA's approval of its [waiver](#) for the final Advanced Clean Cars ([ACC II](#)) [regulations](#). The EPA held a hearing on January 10 on California's unique status under the Federal Clean Air Act and its urgent need to implement the ACC II regulations. CEERT testified in strong support of California's right to promulgate and implement its own health and environmentally protective regulations to fight air and climate pollution, and urged the EPA to approve California's waiver with all due speed.

CARB staff have not held any further workshops since [November 15th](#) on potential amendments to the ACC II regulations to extend the GHG provisions beyond those currently required under ACC I, or to explore where coordination with new Federal standards would be beneficial. CARB staff will be holding further workshops and discussions on these issues, including establishing a rulemaking process to address modifications to current ACC II regulations and update the GHG emissions standards.

A Continent Uniting

Canada is working with its provinces and territories to implement its new national ZEV regulations (aka "[Electric Vehicle Availability Standard](#)"). New efforts include Natural Resources Canada convening a multistakeholder group of experts to address inclusion of electric vehicle charging infrastructure into its National Building Code. Provisions would need to apply to the retrofitting of older buildings and the incorporation of mandatory requirements for all new construction, especially multiunit dwellings.

Parallel International Developments

On March 13, the European Parliament [approved the latest revised proposal for the Euro 7 emissions standards](#), which are less stringent than those originally proposed and adopted in spring 2023. The new emissions standards package, which still needs to receive final approval from each of the EU member countries, will take effect for cars and vans in July 2030, and 2031 for buses and trucks. The Euro 7 standards retain the same stringency for criteria emissions as the Euro 6 standards; however, they do include a requirement that [particle emissions from tires and brakes must be controlled](#).

The recent stalling in the growth of EV sales may pose a potential challenge in that European automakers may be inclined to rely more on [PHEVs in order to comply with greenhouse gas emissions requirements when the EU's own recent research has confirmed that real-world emissions from such vehicles are up to 3.5-times greater than was presumed](#). To expedite the growth in the market for EVs and ZEVs, the advocacy group Transport and Environment Europe (T&E) has highlighted that 58% of new passenger vehicle sales in Europe – accounting for 71% of passenger vehicle emissions – are corporate fleet vehicles, and that the [regulation of these fleets could accelerate the decarbonization of on-road transport](#). In response to a petition from T&E, [the European Commission is considering the regulation of corporate fleets](#).

Clean Truck Regulations

Advanced Clean Fleet Regulation

CARB still awaits EPA's approval of its [waiver](#) for the [final regulations](#).

Low-NOx Omnibus Rule

The EPA has still not issued California a [waiver](#) for the [Low-NOx Omnibus regulations](#). CARB has also not scheduled further workshops or meetings since November 28 to discuss how the [Clean Truck Partnership agreement](#) will be integrated with California's suite of Advanced Clean Trucks, Advanced Clean Fleet, and Low-NOx rules, nor how these will be coordinated with the federal Heavy-Duty Truck Rules.

Federal Clean Truck Regulations

On March 29 the EPA released its [finalized set of regulations updating the GHG emission standards for MY 2028-2032 heavy-duty trucks \(the "Phase 3 Rule"\)](#), which establishes the most stringent federal standards yet on GHG emissions from heavy-duty vocational vehicles (e.g., refuse haulers, dump trucks,

delivery and public utility trucks, transit, shuttle, school buses, etc.) and tractors (such as day cabs and sleeper cabs on tractor-trailer trucks). Truck manufacturers can achieve the standards in a number of ways, e.g., by using more efficient engines and advanced transmissions, reducing vehicle weight, and improving the aerodynamics of the vehicles. Manufacturers may also deploy any of an increasing number of [zero-emission trucks](#) (ZETs) and [buses](#) (ZEBs) to achieve compliance.

As with the passenger vehicle standards, the EPA [pulled back from its original April 2023 proposal](#) over industry concerns about being able to bring more efficient trucks rapidly to market, and the outstanding need for available [charging and refueling infrastructure for ZETs and ZEBs](#). While including greater flexibility for manufacturer compliance in the early years, the Rule preserves incentives encouraging the early adoption of advanced technologies. By 2032 the Phase 3 rule will result in GHG emissions reductions of between 32 to 62 percent for vocational vehicles, and between 9 to 40 percent for tractor-trailers, compared to 2024 standards. The EPA estimates that this could reduce GHG emissions by more than 1 billion metric tons between the years 2027-2055. The Rule could also result in half a million or more electric trucks being on the road, with ZETs accounting for over one third of all new truck sales by 2032.

CEERT and the environmental and public health advocacy community advocated for the EPA to adopt an even more stringent alternative to that in the EPA's April 2023 proposed rule. [11 states representing roughly 20 percent of the U.S. HD vehicle market](#) have adopted California's Advanced Clean Truck regulations, yet EPA has still not granted a waiver to California's Advanced Clean Fleet rule. Unfortunately, EPA's Phase 3 Rule failed to capitalize on this momentum and has likely missed an opportunity to reduce the environmental and public health impacts from North American trucks more substantially.

Clean Trucks in Canada

Environment and Climate Change Canada staff are developing regulations for Canada's medium- and heavy-duty vehicles, which have been the subject of discussions at the multistakeholder ZEV Council, an expert advisory body. ECCC has yet to release the framework document for the proposed design of Canada's zero-emissions truck regulations that were anticipated this spring.

CEERT is continuing to work with Canadian advocacy organizations to encourage the federal government to adopt maximally effective and stringent advanced clean truck regulations, modeled as closely as possible on California's Clean Truck rules.

Clean Trucks in Europe

On April 10 the European Parliament [approved a draft law](#) requiring truck manufacturers to reduce the average GHG emissions of new HD vehicles by 45% in 2030, 65% in 2035 and 90% in 2040. The requirements are even more stringent for urban buses, which will all need to be ZEBs by 2035. The proposed law still needs to receive approval from each EU member country before the law can take effect.

Clean Transportation Investments

The CEC

The CEC approved the [Clean Transportation Program 2023–2024 Investment Plan Update](#) at its February 14 Business Meeting. The plan approves \$1.9 billion in funding over the next 4 years (through 2027), targeted to expedite the deployment of EV charging and hydrogen refueling infrastructure in support of light, medium, and heavy-duty zero-emission vehicles. At least 50% of the funding will go to benefit disadvantaged and low-income communities.

- Light-Duty EV Charging Infrastructure: \$658 million
- Medium- and Heavy-Duty ZEV Infrastructure (including hydrogen refueling): \$1.02 billion
- Zero-Emission Port Infrastructure: \$130 million
- Emerging Opportunities: \$46 million

- ZEV Workforce Development: \$5 million

As previously reported, funding for the Clean Transportation Program was reauthorized through 2035 when, on October 7, Governor Newsom signed [AB 126 \(Reyes 2023\)](#) into law.

The CEC is currently renewing the makeup of the Advisory Committee for the Clean Transportation Program, and has not yet begun to develop the next Investment Plan Update.

CARB

CARB is holding workshops and convening workgroup meetings to begin developing the latest Low-Carbon Transportation Investments and Air Quality Improvement Program (Clean Transportation Incentives) Funding Plan, which will cover 2025/26 through 2027/28 and is due to the Legislature by January 2025. Funding for this program was re-authorized by [AB 126 \(Reyes 2023\)](#).