

**REGULATORY UPDATE FOR MAY 28, 2025
(WEEK OF MAY 19, 2025)**

CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC OR COMMISSION)¹

Proposed Decisions and Resolutions

Rulemaking (R.) 22-07-005 (Order Instituting Rulemaking to Advance Demand Flexibility Through Electric Rates). This decision corrects two errors in Decision (D.) 25-01-039 related to tracking revenues for income-graduated fixed charges (IGFCs). D.25-01-039 corrected terms related to delivery rates that apply to IGFCs adopted in D.24-05-028. Shortly after D.25-01-039 was issued, Commission staff identified errors in Ordering Paragraph 1 and Ordering Paragraph 3, which modified how the electric utilities should track IGFC revenues. This decision confirms that the IGFC balancing accounts remain the appropriate mechanism for the electric utilities to use to track revenue adjustments associated with the IGFC.

Resolution (Res) E-5392 (Annual update to administratively set fixed avoided-cost rates for the Renewable Market Adjusting Tariff). This Resolution adopts updated contract prices by Product Category for the feed-in tariff program, known as the Renewable Market Adjusting Tariff (ReMAT), using price data from Renewables Portfolio Standard (RPS) contracts executed between 2020 and 2024. In addition, it orders Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E) to amend their ReMAT tariff to reflect the adopted fixed prices by Product Category. The weighted average RPS contract prices for contracts executed between 2020 and 2024 by ReMAT Product Category are: (1) As-Available Non-Peaking: \$52.85; (2) As-Available Peaking: \$67.99; and (3) Baseload \$75.96 per MWh.

R.23-10-011 (Order Instituting Rulemaking to Oversee the Resource Adequacy Program, Consider Program Reforms and Refinements, and Establish Forward Resource Adequacy Procurement Obligations). This decision adopts Local Capacity Requirements for 2026-2028, Flexible Capacity Requirements for 2026, and refinements to the Resource Adequacy (RA) program. The RA program refinements include adopting an 18% planning reserve margin (PRM), with an extension of the effective PRM procurement target of 1,260-2,300 MW for June-October months, for the 2026 and 2027 RA compliance year, modifying the RA measurement hours to align with the California Independent System Operator's (CAISO) availability assessment hours, adopting modifications to align with the CAISO's Extended Day-Ahead Market operation, and incorporating the central procurement entity data reporting requirements into the annual RA compliance filing process.

¹ Per the CPUC's Rules of Practice and Procedure Rule 14.3, comments on proposed decisions are due 20 days after issuance of the proposed decision, and reply comments are due five days thereafter. Comments on draft resolutions are due 20 days after the draft resolution appears in the CPUC's daily calendar, per Rule 14.5.

R.25-02-005 (Order Instituting Rulemaking to Update and Reform Energy Resource Recovery Account and Power Charge Indifference Adjustment Policies and Processes). This decision implements revisions to the methodology the Commission uses when calculating the RA Market Price Benchmark (MPB) utilized in calculating the Power Charge Indifference Adjustment (PCIA). The decision directs the Energy Division to calculate a single RA PBM for use in determining the annual PCIA. The decision also directs the Energy Division to utilize three years of transaction data when adopting the annual forecast RA MPB and four years of transaction data when adopting the annual final RA MPB. The decision directs the Energy Division to exclude from the calculation affiliate and swap transaction data, and utilize a single transaction within a sleeve transaction in the RA MPB calculation. The methodology adopted in the decision is effective immediately, and the changes adopted will be applied to the calculation of the 2025 Final and 2026 Forecast RA MPB.

Res E-5381 (PG&E Request for Amendment of Mid-Term Reliability Contract Approved in Resolution E-5202). This Resolution approves an amendment to the contract between PG&E and Corby Energy Storage, LLC, a subsidiary of NextEra Energy Resources Development, LLC, for 125 MW of lithium-ion battery storage. The delivery date for the previously approved contract was June 1, 2024, and the delivery date in the amended contract is August 1, 2027. In addition, this Resolution approves the amended contract's price increase (which is confidential).

Application (A.) 24-06-005 (SoCalGas 2023-2024) Gas Cost Incentive Mechanism). This decision approves SoCalGas's request for a shareholder reward of \$13,865,089 for Year 30 (2023-2024) of the company's Gas Cost Incentive Mechanism performance. The Public Advocates Office at the CPUC verified that SoCalGas's recorded gas costs were \$74,269,985 below the benchmark, which results in a reward of \$13,865,089 to SoCalGas's shareholders and a ratepayer benefit of \$60,404,896.

Voting Meeting

The CPUC will hold a voting meeting in Sacramento, CA on June 12, 2025 at 11:00 am PT. The agenda will be published on June 2, 2025.

Upcoming Events

Solar for All Webinar. The CPUC Energy Division staff announced it will host a webinar on Wednesday, June 4, 2025 at 2:30 p.m. PT to discuss California's plan for implementing the U.S. Environmental Protection Agency's grant funding for the Solar for All Program. Additional information is available [here](#).

CALIFORNIA INDEPENDENT SYSTEM OPERATOR (CAISO)

Stakeholder Initiatives: Upcoming Meetings and Deadlines

Annual Policy Initiatives Roadmap. CAISO has published the Revised 2025 Policy Roadmap, which includes new initiatives and updated timelines for several existing initiatives through the end of 2025. CAISO incorporated stakeholder feedback from a prioritization survey

and a Regional Issues Forum report to identify elements of current policy initiatives. Further information is available [here](#).

2023-2024 Transmission Planning Process. As an outcome of the 2023-2024 Transmission Planning Process, CAISO selected Viridon as the approved project sponsor to finance, construct, own, operate and maintain the New Humboldt 500 kV Substation, with a 500/115 kV transformer and 500 kV line to the Collinsville Project, and the New Humboldt to Fern Road 500 kV Line Project. Further information is available [here](#).

2025 CAISO Summer Loads and Resources Assessment. CAISO has posted its production cost simulation model and multi-hour stack model that was used to inform its 2025 Summer Loads and Resources Assessment. Further information is available [here](#).

2025 CAISO Summer Loads and Resources Assessment Report. CAISO has posted its 2025 Summer Loads and Resources Assessment on its website, available [here](#).

Subscriber Participating Transmission Owner Market Scheduling. CAISO has posted the final proposal for the Subscriber Participating Transmission Owner Market Scheduling Options initiative to its website, available [here](#).

Storage Design and Modeling. CAISO held a virtual working group meeting for the Storage Design and Modeling initiative on May 28, 2025. Comments are due June 11, 2025. Further information is available [here](#).

Greenhouse Gas Coordination. CAISO held a virtual Greenhouse Gas Coordination working group meeting on May 22, 2025. The meeting focused on the Accounting and Reporting approach. Comments are due June 12, 2025. Further information is available [here](#).

CALIFORNIA ENERGY COMMISSION (CEC)

2025 Integrated Energy Policy Report (IEPR)

The CEC has released the 2025 IEPR [workshop schedule](#) and opened a new proceeding number ([25-IEPR-01](#)) for the 2025 IEPR. Workshop topics and dates included in the notice are below (note: the workshop schedule is subject to change. The current schedule was released on April 23, 2025):

- June 6, 2025: [IEPR Commissioner Workshop on Gas Price Outlook](#) (remote access only)
- June 16, 2025: IEPR Commissioner Workshop on Interconnection
- June 25, 2025: IEPR Commissioner Workshop on Load Flex Goal Analysis Update
- July 14, 2025: IEPR Commissioner Workshop on Interconnection (remote access only)
- July 29, 2025: IEPR Commissioner Workshop on Hydrogen (SB 1075) and Zero Carbon Resource (SB 423)
- August 6, 2025: IEPR Commissioner Workshop on Inputs & Assumptions (remote access only)
- August 26, 2025: IEPR Commissioner Workshop on Load Modifier Design (remote

- access only)
- November 13, 2025: IEPR Commissioner Workshop on Load Modifier Results (remote access only)
- December 11, 2025: IEPR Commissioner Workshop on Forecast (rescheduled from December 2, 2025)

The upcoming June 6, 2025 workshop is remote only and is scheduled to begin at 1:00 p.m. PT. Written comments may be submitted to [Docket 25-IEPR-03](#) by 5:00 p.m. PT on June 20, 2025. Instructions for remote attendance and for submitting written comments are available in the [workshop notice](#).

2024 IEPR Update

The CEC will host a [remote-access only workshop](#) at 2:00 p.m. PT on June 5, 2025 regarding “the updated impact study of the benefits of day-ahead markets relating to the West-Wide Governance Pathways Initiative.” Written comments are due to [Docket 24-IEPR-01](#) by 5:00 p.m. PT on June 19, 2025. Additional information regarding the workshop, attendance, and written comment submissions instructions is available in the [workshop notice](#).

Renewables Portfolio Standard

The CEC hosted a remote meeting on Wednesday, May 21, 2025 to present and receive feedback on the proposed scope of updates for the RPS Eligibility Guidebook, 10th Edition. The meeting agenda is available [here](#). Written comments may also be submitted to Docket No. 21-RPS-02 by 5:00 p.m. PT on June 5, 2025.

2025 California Demand Flexibility Summit

The CEC hosted the [California Demand Flexibility Summit](#) (Summit) at the UC Davis Conference Center on May 22, 2025. According to the Summit notice, the Summit explored “opportunities and challenges for realizing the statewide goal of 7,000 megawatts (MW) of demand flexibility by 2030, and discuss the role for demand flexibility in ensuring clean, reliable, and affordable energy for California.”

Resource Planning and Reliability

On May 8, 2025, the CEC released the [Draft California Energy Resource and Reliability Outlook 2025](#) for public review and comment. According to the [Notice of Availability](#), comments were due by 5:00 p.m. PT on May 23, 2025. The notice also notes that the CEC expects that the final report will be available in fall 2025. For additional documents related to this proceeding, including information discussed at the May 2 Summer Energy Reliability Outlook Workshop, please visit [Docket No. 21-ESR-01](#).

Zero-Emission Vehicles

The CEC [issued](#) a preview of its 2025-2026 Investment Plan Update for the Clean Transportation Program. The document sets forth guiding principles the CEC proposes to use to develop funding allocations for the 2025-2026 Investment Plan Update, which will be published in fall 2025, after the state budget is finalized. The guiding principles include the following: (1) funding allocations for multiple years; (2) funding for light-, medium-, and heavy-duty infrastructure; (3) increased support for multifamily homes and continued support for rural and disadvantaged communities; (4) stronger emphasis on public fast charging; and (5) an emphasis on flexibility and responsiveness.

Electric Program Investment Charge (EPIC)

On May 7, 2025, the CEC circulated a “Save the Date” for the 2025 EPIC Symposium. The symposium will be held on October 7, 2025 at the California Natural Resources Agency in Sacramento. Registration and event details are forthcoming.

Lithium Valley Vision

The CEC will hold a [workshop](#) on June 13 to discuss transportation planning and implementation challenges and opportunities to support the development of Lithium Valley. The workshop begins at 9:00 a.m. PT at Imperial Valley College in Imperial, CA, but is also available for remote attendance. Written comments are due to [Docket 24-OIIP-02](#) by 5:00 p.m. PT on June 27, 2025. Additional information, including remote attendance instructions, is available in the [workshop notice](#).

CEC Business Meetings

The next CEC Business Meeting is scheduled for June 11, 2025.

CALIFORNIA AIR RESOURCES BOARD (CARB)

Zero-Emission Forklift (ZEF) Regulation Update

On May 27, 2025, CARB announced that because it does not have a U.S. EPA waiver pursuant to section 209(e)(2)(A) of the Clean Air Act, it will not enforce the ZEF regulation against any privately-owned or -operated fleets nor against any manufacturers or dealerships. CARB still encourages all manufacturers and fleets to voluntarily report.

Low Carbon Fuel Standard Update

On May 16, 2025, CARB resubmitted proposed amendments to the Low Carbon Fuel Standard (LCFS) to the Office of Administrative Law (OAL), as updated to address clarity issues identified by OAL, as well as to follow board direction and, according to CARB, further improve alignment with the objectives of the rulemaking. OAL has up to 30 working days from the resubmittal date to make a determination on the resubmitted LCFS rulemaking package. If OAL

approves the rulemaking package and grants CARB's requested effective date, the updated LCFS regulation would be effective on July 1, 2025.

Opportunities for Public Comment

On July 24, 2025, CARB will conduct a [public meeting](#) to consider approving for adoption proposed amendments to the Advanced Clean Trucks regulation and the Zero-Emission Powertrain Certification test procedure. In October 2024, CARB adopted amendments to the ACT regulation and the Zero-Emission Powertrain Certification test procedure to provide manufacturers with greater flexibility to comply with the ACT regulation, including extending the period that manufacturers can offset deficits from one year to three years. The amendments also add a proposed pooling concept which permits a manufacturer with surplus credits in one state to use the credits to assist in meeting ACT compliance obligations in another state. The proposed pooling provision also provides manufacturers with more flexibility to continue selling both ZEVs and internal combustion engine vehicles while meeting varying market demand across California and the section 177 states.

Meetings and Workshops

On May 30, 2025, CARB will hold a virtual public workshop to support the development of California's Corporate Greenhouse Gas Reporting Program, established by SB 253 (Wiener, 2023), and the Climate-Related Financial Risk Disclosure Program, authorized by SB 261 (Stern, 2023). The workshop will consist of a morning session where staff will present an overview of the above-mentioned legislation, a timeline for regulatory development, and an overview of feedback received from stakeholders from the December 2024 California Climate-Disclosure Information Solicitation. Additional presentations will include a comparative analysis of greenhouse gas accounting and reporting mechanisms that currently exist across various regulatory and voluntary programs.

On June 17, 2025, CARB will hold a kick-off workshop on the Fiscal Year 2025-26 Clean Transportation Incentives Funding Plan (Funding Plan). The workshop will provide information about the incentive projects that may receive any potential funding this year and which projects may have policy changes, including vehicle purchase incentive projects, sustainable community-based transportation equity projects (mobility projects), and medium- and heavy-duty on- and off-road vehicle and equipment incentives.

MINNESOTA PUBLIC UTILITIES COMMISSION (MPUC)

At its May 29, 2025, weekly agenda meeting, the MPUC will consider (1) approval of Detroit Lakes Public Utilities' and Lake Region Electric Cooperative's joint request of service area transfer and request for a service territory map update (Docket No. E229, 119/SA-25-134), and (2) acceptance of settlement and adoption of the Administrative Law Judge's findings and recommendation for settlement approval related to CenterPoint Energy Minnesota Gas' 2024-2025 rate increase petition, which would result in a \$60.8 million revenue increase in 2024, and an additional \$42.7 million increase in 2025 (Docket Nos. G008/GR-23-173, G008/MR-23-174).

FEDERAL ENERGY REGULATORY COMMISSION (FERC)

On May 20, FERC issued a supplemental notice of a Commissioner-led technical conference in Docket No. AD 25-7-000. The two-day technical conference will take place from 9:00 a.m. to 4:00 p.m. ET on Wednesday, June 4, 2025, and Thursday, June 5, 2025. The purpose of the technical conference is to discuss issues related to RA constructs, including the roles of capacity markets in the Regional Transmission Organization (RTO)/Independent System Operator (ISO) regions that utilize them and alternative constructs in RTO/ISO regions without capacity markets.

The conference will start with a panel discussion on RA challenges across RTO/ISO regions, including regional differences. The remainder of the first day will include three panels specific to PJM Interconnection, L.L.C. (PJM) that will explore PJM's RA challenge, PJM states' perspectives, and additional perspectives on PJM's path forward. The second day will start with two panels specific to Midcontinent Independent System Operator, Inc. (MISO) that will explore MISO's RA challenge and perspectives on MISO's path forward. The remainder of the second day will include one panel to explore the RA challenge in ISO New England Inc. (ISO-NE) and New York Independent System Operator, Inc. (NYISO), and a final panel on the RA challenge in California Independent System Operator Corporation (CAISO) and Southwest Power Pool (SPP). The preliminary agenda for this conference provides more detail for each panel and is available [here](#).

On May 15, 2025, from 10:00 a.m. to 11:00 a.m. ET, FERC held its May Open Meeting. A webcast of the meeting is available [here](#), and summaries of the orders voted on at the meeting are available [here](#).

Also on May 15, 2025, in [191 FERC ¶ 61,119](#), the Commission issued an order on compliance partially accepting CAISO's Order Nos. 2023 and 2023-A compliance filing and directing a further compliance filing within 60 days of the date of the order. CAISO sought independent entity variations on the following topics: (1) modifying the lengths of the interconnection request and customer engagement windows; (2) providing a maximum term to await affected system study reports before executing a Generator Interconnection Agreement; (3) maintaining a cluster study process through the interconnection facilities study; (4) maintaining

the methodology used for determining cost allocation of specific network upgrade types; and (5) maintaining CAISO's existing procedures for non-refundable deposits for withdrawal penalties.

FERC approved CAISO's filing effective May 17, 2024, but found that several provisions require further revision or justification. The Commission accepted CAISO's use of the following independent entity variations:

- Continuation of a clustered interconnection facilities study;
- A two-step interconnection request review (15-day application + 90-day engagement window);
- Setting binding cost caps after the interconnection facilities study (rather than after the cluster study); and
- A modified withdrawal penalty distribution aligned with CAISO's existing cost recovery framework.

However, FERC directed CAISO to submit a further compliance filing within 60 days to address the following:

- Include the "proportional impact method" definition and clarify cost allocation for Interconnection Reliability Network Upgrades per pro forma LGIP § 4.2.1.1.a;
- Correct outdated references to Phase II studies;
- Add definitions for "Multiparty Affected System Study Agreement" and "Multiparty Affected System Facilities Construction Agreement";
- Clarify the recipient of commercial readiness deposits under Resource Interconnection Standards §§ 3.5.1 and 13.3;
- Incorporate pro forma LGIP section 7.3 language relating to the alternative transmission technology evaluation standards or justify the omission; and
- Incorporate omitted language from FERC's August 2024 Errata Notice (188 FERC ¶ 61,134).

CAISO will apply the Tariff revisions beginning with Cluster 15, which had previously been paused. CAISO will implement the revisions in a new appendix to the CAISO Tariff, Appendix KK, Resource Interconnection Standards. According to CAISO, this will allow Cluster 15 and future clusters to review their own set of interconnection procedures without the historic procedures from the Appendix DD Generator Interconnection and Deliverability Allocation Procedures (GIDAP), and will allow interconnection customers under the GIDAP to continue to follow GIDAP procedures.