



**California Energy Commission
March 13, 2024 Business Meeting
Backup Materials for Agenda Item No 08:
Order Instituting Rulemaking on AB 1373
POU Capacity Payment Implementation**

The following backup materials for the above-referenced agenda item are available as described below:

1. Proposed Order Instituting Rulemaking on AB 1373 POU Capacity Payment Implementation, attached below.

The docket for this proceeding (24-OIR-01) can be found here: [California Energy Commission Docket Log](#)

STATE OF CALIFORNIA
STATE ENERGY RESOURCES
CONSERVATION AND DEVELOPMENT COMMISSION

IN THE MATTER OF:

**RULEMAKING ON AB 1373 POU
CAPACITY PAYMENT IMPLEMENTATION**

DOCKET No: 24-OIR-01

**ORDER INSTITUTING
RULEMAKING**

I. PURPOSE AND SCOPE OF THE PROCEEDING

The California Energy Commission (CEC) hereby institutes a proceeding to implement Assembly Bill (AB) 1373 (Garcia, Chapter 367, Statutes of 2023), including the adoption of regulations establishing a new fee structure for specific Publicly Owned Utilities (POUs) that fail to meet their planning reserve margins during a month where the Electricity Supply Strategic Reliability Reserve Program (ESSRRP) resources are dispatched to meet an identified reliability need, creating an appropriation of funds.

AB 1373 requires the Department of Water Resources to determine whether or not resources have been procured through the ESSRRP, and if those resources are being used in a given month to meet an identified reliability need. Each POU that fails to meet its planning reserve margin for a given month under such conditions will be subject to a capacity payment. The CEC must assess capacity payments to each POU annually and deposit those payments into the Department of Water Resources ESSRRP fund.

This proceeding will start the rulemaking process to develop CEC regulations associated with the new capacity payment and depositing of monies into the ESSRRP fund.

II. DELEGATION OF AUTHORITY

Vice Chair Siva Gunda is Lead Commissioner for this proceeding. The CEC delegates the authority to staff, under the direction of the Lead Commissioner, to take all actions reasonably necessary to present proposed regulations and guidelines to the CEC for final adoption, including but not limited to, complying with requirements of the Administrative Procedure Act (Government Code § 11340 et seq.), where applicable, and the California Environmental Quality Act (Public Resources Code § 21000 et seq.). Adoption of any regulations or guidelines pursuant to this OIR will be by vote of the CEC at a noticed Business Meeting.

III. PUBLIC PARTICIPATION

The CEC encourages full and free public participation in this proceeding. Any person present at any hearing or workshop shall be afforded a reasonable opportunity to make oral comments on the subject matter of the proceeding. Petitions to intervene are not necessary. The Executive Director, in conjunction with the Public Advisor, shall ensure that this order and all notices of hearings and workshops are distributed to all interested persons, and that sufficient advance public notice is provided prior to the CEC's consideration or adoption of any regulations or guidelines, or amendments thereto, pursuant to this OIR. The CEC will establish dates for the receipt of written comments on draft regulations in accordance with applicable law.

The CEC will set forth a deadline for the receipt of written comments in a Notice of Proposed Action, which will be published later in the proceeding. When new information is posted, an email will be sent to those on the Electricity Issues, Reliability, and Disadvantaged Communities Advisory Group, General Renewable Energy Info, and CEC Renewable Energy Programs list servers. Manage existing list servers or sign up for others at [CEC List Servers](https://ww2.energy.ca.gov/listservers/index_cms.html), at https://ww2.energy.ca.gov/listservers/index_cms.html.

The CEC encourages use of its electronic commenting system. Visit the [e-commenting](https://efiling.energy.ca.gov/EComment/EComment.aspx?docketnumber=24-OIR-01) page at <https://efiling.energy.ca.gov/EComment/EComment.aspx?docketnumber=24-OIR-01>. Enter your contact information and a comment title describing the subject of your comment(s). Comments may be included in the "Comment Text" box or attached as a downloadable, searchable document consistent with 20 California Code of Regulations Section 1208.1. The maximum file size allowed is 10 MB.

Written comments may be submitted by email. Include docket number 24-OIR-01 and "Rulemaking to Implement AB 1373" in the subject line and email to docket@energy.ca.gov. A paper copy may be sent to:

Docket No. 24-OIR-01
Docket Unit, MS-4
California Energy Commission
715 P Street
Sacramento, California 95814-5512

Written and oral comments, attachments, and associated contact information (including address, phone number, and email address) will become part of the public record of this proceeding with access available via any internet search engine.

The CEC's Public Advisor assists the public with participating in CEC proceedings. Please call (916) 957-7910 or contact publicadvisor@energy.ca.gov for assistance.

CERTIFICATION

The undersigned Secretariat to the CEC does hereby certify that the foregoing is a full, true, and correct copy of an Order duly and regularly adopted at a meeting of the CEC held on March 13, 2024.

AYE:

NAY:

ABSENT:

ABSTAIN:

XXX

Secretariat