

# VALLEY CLEAN ENERGY ALLIANCE

## Staff Report – Item 10

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To: Valley Clean Energy Alliance Board of Directors

From: Mitch Sears, Interim General Manager

Subject: Legislative Update – Pacific Policy Group

Date: November 14, 2019

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Pacific Policy Group, VCE’s lobby services consultant, continues to work with Staff and the Community Advisory Committee’s Regulatory and Legislative Task Group on numerous legislative bills. Below is a summary of 2-year bills that potentially will move in 2020 and that PPG anticipates VCE/CalCCA may want to engage in:

1. **AB 56 (Garcia, Eduardo) Electricity: procurement by the California Alternative Energy and Advance Transportation Financing Authority.**

**Summary:** Would require the Public Utilities Commission to empower the California Alternative Energy and Advanced Transportation Financing Authority to undertake backstop procurement of electricity that would otherwise be performed by an electrical corporation to meet the state resource adequacy, integrated resource planning, and renewable portfolio standard goals not satisfied by retail sellers or load-serving entities. The bill would authorize the authority to undertake backstop procurement consistent with specified objectives and to manage the resale of electricity for its contracted resources. The bill would require the commission to periodically review the need for, and the benefits of, continuing to empower the authority to undertake backstop procurement responsibilities.

**Status:** VCE submitted an oppose position letter on June 6, 2019. This bill was held in Senate Energy, Utilities and Communications Committee and was granted reconsideration. AB 56 is now a 2-year bill that can be taken up in the 2020 legislative session.

2. **SB 350 (Hertzberg) Electricity: resource adequacy: multiyear centralized resource adequacy mechanism.**

**Summary:** Would authorize the Public Utilities Commission to consider a multiyear centralized resource adequacy mechanism, among other options, to most efficiently and equitably meet specified resource adequacy objectives.

**Status:** Senator Hertzberg was working with Assemblymember E. Garcia, and, when AB 56 (Garcia) died in Senate Energy Committee, Senator Hertzberg made SB 350 a 2-year bill.

3. **AB 235 (Mayes) Electrical corporations: wildfire victim recovery bonds.**  
**Summary:** Would, under specific circumstances, authorize the Public Utilities Commission, upon application by an electrical corporation, to issue financing orders to support the issuance of wildfire victim recovery bonds by an electrical corporation or other financing entity to finance wildfire recovery costs, as provided. The bill would authorize the California Infrastructure and Economic Development Bank to act as a financing entity for these purposes, for wildfire victim recovery bonds totaling not more than \$20,000,000,000 at any one time. This bill contains other related provisions.
  
4. **SB 378 (Wiener) Electrical corporations: deenergization events: procedures: allocation of costs: reports.**  
**Summary:** Would require an electrical corporation to annually report to the commission, the Office of Emergency Services, the Department of Forestry and Fire Protection, the Independent System Operator, and county governments within its service territory on the age, useful life, and condition of the electrical corporations' equipment, including the date of most recent inspection and maintenance records, with an assessment of the current and future fire and safety risk posed by the equipment, as well as of the economic, environmental, and public safety impacts of deenergization events, as defined. This bill contains other related provisions and existing.
  
5. **SB 597 (Hueso) Pumped hydropower system: pilot project.**  
**Summary:** Would require the Existing law requires the Public Utilities Commission to direct one or more electrical corporations to procure of a single large-scale, long-duration energy storage pilot project meeting certain requirements, as specified. The bill would require an electrical corporation subject to this procurement requirement to submit to the commission for approval a proposed cost-of-service or similar rate to cover the costs of the procurement based on the proportionate benefit derived by each ratepayer class from the pilot project. Under existing law, a violation of an order, decision, rule, direction, demand, or requirement of the commission is a crime. Because a violation of an order or decision of the commission implementing the requirements of the bill would be a crime, this bill would impose a state-mandated local program by creating a new crime. The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for a specified reason.
  
6. **SB 772 (Bradford) Long duration bulk energy storage: procurement.**  
**Summary:** Would require the ISO, on or before June 30, 2022, to complete a competitive solicitation process for the procurement of one or more long duration energy storage projects that in aggregate have at least 2,000 megawatts capacity, but not more than 2,400 megawatts, as provided. The bill would require the ISO, after December 31, 2030, and only if found to be necessary, to complete an additional competitive solicitation process for additional long duration bulk energy storage projects that in aggregate have up to 2,000 megawatts capacity and have targeted commercial operation dates of no later than January 1, 2045.

7. **SB 774 (Stern) Electricity: microgrids.**

**Summary:** Would require the ISO, on or before June 30, 2022, to complete a competitive solicitation process for the procurement of one or more long duration energy storage projects that in aggregate have at least 2,000 megawatts capacity, but not more than 2,400 megawatts, as provided. The bill would require the ISO, after December 31, 2030, and only if found to be necessary, to complete an additional competitive solicitation process for additional long duration bulk energy storage projects that in aggregate have up to 2,000 megawatts capacity and have targeted commercial operation dates of no later than January 1, 2045.