

VALLEY CLEAN ENERGY ALLIANCE

Staff Report - Item 10

TO: Board of Directors

FROM: Mitch Sears, Interim General Manager
Mark Fenstermaker, Pacific Policy Group

SUBJECT: Recommendation to the Board on legislative positions: SB 612 and AB 843

DATE: March 11, 2021

Recommendation

1. Ratify VCE Support SB 612
2. Ratify VCE Support AB 843

Background and Analysis

The 2021 legislative session is in full swing as the February 19th deadline for legislators to introduce bills has passed. A multitude of energy bills were introduced despite the unofficial policy limiting legislators to carry only 12 bills this session. Staff, working with VCE's lobbyist Mark Fenstermaker of Pacific Policy Group and the Community Advisory Committee's Legislative and Regulatory Task Group, have identified nearly 50 bills to review, analyze, and discuss potential positions to recommend to the Board as appropriate.

Two bills VCE have been in discussions on since before the introduction deadline are AB 843 (Aguiar-Curry), a bill sponsored by multiple CCAs, and SB 612 (Portantino), a bill sponsored by CalCCA. Consistent with the Board's legislative policy on time sensitive legislative matters, staff worked with the VCE Board subcommittee to obtain official VCE support for the bill so that VCE's support position can be included in all introduction materials.

Staff is recommending the Board ratify the support positions taken by the Board subcommittee and supported by the Community Advisory Committee on the following two bills:

SB 612 (Portantino). Electrical Corporations. Allocation of Legacy Resources.

Summary: This bill adds new sections to the Public Utilities Code that are designed to ensure fair and equal access to the benefits of legacy resources held in IOU portfolios and management of these resources to maximize value for all customers.

Specifically, the bill will:

- 1) Provide IOU, CCA, and direct access customers equal right to receive legacy resource products that were procured on their behalf in proportion to their load share if they pay the full cost of those products.

- 2) Require the CPUC to recognize the value of GHG-free energy and any new products in assigning cost responsibility for above-market legacy resources, in the same way value is recognized for renewable energy and other products.
- 3) Require IOUs to offer any remaining excess legacy resource products not taken by IOU, CCA, or direct access customers to the wholesale market in an annual solicitation.
- 4) Require each IOU to transparently solicit interest from legacy resource contract holders in renegotiating, buying out, or otherwise reducing costs from these contracts.

This bill is consistent with the VCE Legislative Platform, specifically provisions 4(a) and (c) regarding legislation to increase transparency and stability to PCIA.

Additional Information

- CalCCA is the sponsor of this bill
- Next hearing: The bill has been referred to Senate Energy, Utilities & Communications Committee but has not yet been set for hearing.
- Bill language: [SB 612](#)

AB 843 (Aguiar-Curry). California Renewable Portfolio Standard Program: Renewable Feed-in-Tariff.

Summary: This bill authorizes CCAs to voluntarily bring contracts to the CPUC for bioenergy projects procured via the BioMAT feed-in-tariff. The bill would clarify that CCAs are eligible to retain the renewable portfolio standard and resource adequacy benefits of the energy procured under this section.

The BioMAT program was established by SB 1122 (2012, Rubio) and requires the three large IOUs to collectively procure by 2025 250MW of bioenergy across the following three categories (PG&E amounts shown):

1. Category 1: Biogas from wastewater treatment, municipal organic waste diversion, food processing, and co-digestion.
 - 30.5MW for PG&E | 28MW remaining
2. Category 2: Dairy and other agricultural bioenergy.
 - 33.5MW for PG&E | 13.4MW remaining
3. Category 3: Sustainable forest management byproducts bioenergy.
 - 47MW for PG&E | 36MW remaining

The bill will not affect the total amount of megawatts needing to be procured.

This bill is consistent with the VCE Legislative Platform, specifically provision 8(a) to support legislation that expands opportunities to develop renewable energy resources including bioenergy.

Additional Information

- The bill is being co-sponsored by MCE and Pioneer Community Choice Energy.
- Next hearing: The bill has been referred to Assembly Utilities & Communications Committee but has not yet been set for hearing.

- Bill language: [AB 843](#)

CAC Recommendation

At its February 25, 2021 meeting the CAC considered the two bills and followed the recommendation of its Legislative/Regulatory Task Group to recommend ratification of the VCE support position.