

VALLEY CLEAN ENERGY ALLIANCE

Staff Report - Item 10

TO: Board of Directors

FROM: Mitch Sears, Executive Officer
Yvonne Hunter, Legislative and Projects Specialist
Mark Fenstermaker, Pacific Policy Group; VCE Lobbyist

SUBJECT: Ratification of VCE's positions on legislative bills: A) AB 50 (Interconnection) and B) AB 1373 (Central Procurement. Resource Adequacy).

DATE: June 15, 2023

RECOMMENDATION

Ratify VCE's positions on AB 50 (Support) and AB 1373 (Oppose unless amended and Neutral).

BACKGROUND/ANALYSIS

In order for VCE to effectively engage in the legislative process in a timely manner, it is not always possible to bring pending legislation through the LegReg Task Group, CAC and/or the Board of Directors review processes before adopting a position. In these situations, VCE's policy and procedure authorize the Executive Officer and/or Board subcommittee to adopt positions to enable VCE's lobbyist, staff and Boardmembers to lobby a bill, including testifying, sending letters and meeting with legislators.

AB 50 (Wood) and AB 1373 (Garcia) are two bills this session that used this expedited process. The positions adopted are consistent with VCE's legislative platform and existing policy. Copies of [VCE's letters](#) are available on the VCE website.

AB 50 (Wood (plus co-authors Aguiar-Curry and Dodd, VCE's legislators)). Support.

AB 50 would improve interconnectivity timelines for new and existing electric customers, promote more efficient distribution planning, and increase communication between large electric corporations, local governments, and state government. It is one of several bills introduced this year that address problems facing customers. AB 50 passed the Assembly and is now pending in the Senate.

AB 1373 (Garcia). Oppose Unless Amended; Neutral.

AB 1373 is one of two legislative vehicles that propose serious challenges to CCAs. In addition to AB 1373, the Governor has proposed a budget trailer bill, both of which include three provisions opposed by CalCCA and individual CCAs, including VCE.

As Introduced – AB 1373

As introduced, AB 1373 proposed: (1) a central procurement entity that would procure clean electricity resources that would compete with and potentially supplant CCAs' authority to procure on behalf of CCA customers; (2) an expansion of CPUC authority over CCAs and (3) capacity penalty payments for Resource Adequacy deficiencies. VCE, along with other CCAs and CalCCA, adopted an "oppose unless amended" position and actively lobbied the bill. Several of the CalCCA proposed amendments to address the problems with the bill were adopted by the author. With those amendments, CalCCA removed its opposition and is now neutral. However, CalCCA continues to work to address remaining issues with the bill.

VCE actively lobbied AB 1373, including sending a letter conveying the position of opposition unless amendments were taken, testifying in committee and meeting with legislative staff. In addition, Boardmember Frerichs, along with Mitch Sears and VCE lobbyist Mark Fenstermaker, met with Assembly Member Aguiar-Curry's Chief of Staff about the bill.

As Amended AB 1373

As amended, AB 1373 passed the Assembly and is now pending in the Senate. Based on the CalCCA amendments now included in the bill, and following CalCCA's action, VCE staff has authorized an updated position on AB 1373 – neutral. A letter will be sent informing the author of this action. The intent is to recognize the willingness of the author to address the concerns raised by CCAs while at the same time making it clear that CCAs wish to continue working to resolve the remaining issues. In addition, this action may also impact negotiations in the Senate as well as in the budget discussions.

VCE will continue to work with CalCCA on addressing the remaining issues with AB 1373 and the budget trailer bill language to resolve the outstanding problems.

CONCLUSION

Staff recommends the the Board ratify VCE positions on AB 50 – Support and AB 1373 – Oppose Unless Amended and Neutral.