

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 7

To: Board of Directors

From: Mitch Sears, Interim General Manager

Subject: Legislative Update – Pacific Policy Group

Date: April 8, 2021

Pacific Policy Group, VCE's lobby services consultant, continues to work with Staff and the Community Advisory Committee's Legislative - Regulatory Task Group on several legislative bills. Below is a summary:

The season of policy committee hearings is in full swing as five committee hearings have been scheduled in the month of April across the respective energy committees of the Assembly and Senate. The Assembly Utilities & Energy Committee (U&E) will hold hearings on April 7 and April 21 and Senate Energy, Utilities, & Communications Committee (E,U,C) will hold hearings on April 12, April 19, and April 26. As the board may recall, only five bills were heard in Assembly U&E last session so the fact that two hearings are scheduled is a sign that the legislative process is somewhat more normal this session.

VCE's current legislative efforts are concentrated on the following two bills:

1. 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 on renegotiating, buying out, or otherwise reducing costs from these contracts.

VCE has taken a support position on this bill and is working on generating additional support from VCE member jurisdictions and local constituencies who may be able to influence VCE's state legislators. The bill has been referred to the Senate E,U,C, a committee of which Senator Dodd is a member. VCE plans to meet with Senator Dodd and his staff throughout the month of April to try and secure his support for SB 612.

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

- VCE Position: Support
- CalCCA Position: Sponsor
- 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](#)

2. 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.

VCE has taken a support position and is actively working on securing the necessary votes for AB 843 to pass Assembly U&E at the committee's April 7 hearing. VCE, through its lobbyist, has had a number of outreach meetings on the bill to try and gain more support for AB 843 while ensuring potential opposition to emerge. Thanks to VCE's efforts, AB 843 enjoys support from groups such as Californians Against Waste while also ensuring opposition does not emerge from groups such as Sierra Club. Opposition has recently emerged from the Coalition of California Utility Employees and PG&E has expressed concern.

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

- VCE Position: Support
- CalCCA Position: Support
- The bill is being co-sponsored by MCE and Pioneer Community Choice Energy.
- Next hearing: April 7 in Assembly Utilities & Communications Committee
- Bill language: [AB 843](#)

There are numerous bills that have been introduced and starting to be vetted through various policy committees. Aside from the two bills mentioned above, staff wanted to highlight the following bills to the Board.

Measure	Summary	Calendar	VCE Position	CalCCA Position
AB 64 (Quirk)	AB 64 would require the PUC and CEC to develop a strategy, by January 1, 2024, that achieves (1) a target of 5 gigawatt hours of operational long-term backup electricity, as specified, by December 31, 2030, and (2) a target of at least an additional 5 gigawatt hours of operational long-term backup electricity in each subsequent year through 2045. The bill would require the PUC, by January 1, 2024, to submit the strategy developed in a report to the Legislature, and by January 1 of each 4th year thereafter, through January 1, 2044, would require the PUC to submit a report to the Legislature detailing the progress made toward achieving the targets of the long-term backup electricity supply strategy.	Asm. U&E No hearing date set	Developing Position	None
AB 339 (Lee)	Current law requires all meetings, as defined, of a house of the Legislature or a committee thereof to be open and public and requires all persons to be permitted to attend the meetings, except as specified. This bill would require all meetings, including gatherings using teleconference technology, to include an opportunity for all	Awaiting Committee Referral	Developing Position	None

	persons to attend via a call-in option or an internet-based service option that provides closed captioning services and requires both a call-in and an internet-based service option to be provided to the public.			
AB 361 (R. Rivas)	Would authorize a local agency to use teleconferencing without complying with the teleconferencing requirements imposed by the Ralph M. Brown Act when a legislative body of a local agency holds a meeting for the purpose of declaring or ratifying a local emergency, during a declared state or local emergency, as those terms are defined, when state or local health officials have imposed or recommended measures to promote social distancing, and during a declared local emergency provided the legislative body makes certain determinations by majority vote.	Asm. Local Gov. No hearing date set	Developing Position	None
AB 427 (Bauer-Kahan)	Establishes rules that allow demand response program and resources procured by an LSE to meet the LSE's resource adequacy requirements regardless of whether the program is integrated into the CAISO market. Additionally, the bill adopts a baseline methodology that treats energy storage charging as load in baseline calculations for DR programs and allows BTM solar + storage participating in a DR program to deliver electricity to the grid to provide RA. Lastly, the bill directs the CPUC to establish a capacity valuation methodology for storage and solar + storage BTM resources and that it applies to DR resources coupled with solar + storage.	Asm. U&E No hearing date set	Watch	Watch
AB 1088 (Mayes)	This bill would establish the California Procurement Authority (CPA) as a state-level central procurement entity for the electric sector, including as a provider of	Asm. U&E No hearing date set	Developing Position	Support if Amended

	<p>last resort (POLR) for load-serving entities (LSEs) that opt out of the procurement function. The CPA would also fill any resource adequacy (RA) and integrated resource planning (IRP) procurement gaps and serve as an LSE for customers not served by another LSE. There is a lot in this bill and if the bill sounds familiar, that's because it is very similar to a bill sponsored by CalCCA in 2020 however this bill adds POLR provisions. The bill is sponsored by San Diego Gas & Electric and is meant to create a pathway for them to exit the retail side of their business.</p>			
<p>AB 1161 (E. Garcia)</p>	<p>Officially, AB 1161 aims to fast-track the deployment and procurement of new zero carbon energy resources to fulfill 100% of state agency needs by 2030, in addition to LSE procurement. Officially, AB 1161 also seeks to assist in balancing the grid, increasing reliability, and facilitating integration of other renewables with these new investments. There is concern that AB 1161 is actually seeking to create a pathway for long duration pumped storage to be built in and near Joshua Tree National Park. AB 1161 seeks to accomplish the official and unofficial goals by:</p> <p>Accelerating the SB 100 zero carbon electricity target for state agencies from 2045 to 2030, requiring the California Department of Water Resources (DWR) to enter into PPAs for the development of new zero GHG resources to satisfy the accelerated target for all state agencies, coordinating available state incentives and financing assistance to lower the cost of electricity from state-procured resources, permitting state agencies to remain with existing LSEs</p>		<p>Developing Position</p>	<p>Oppose Unless Amended</p>

	(including CCA and no new obligations or costs would be assigned to existing LSEs), and funding net above-market costs of long-term contracts from sources other than utility rates including the general fund. Rather than directly serving the state agency load, the bill would require the DWR to invest in new projects in an amount equivalent to the load, and then re-sell the RA attributes and energy (but not RECs) back into the wholesale markets. LSEs would not include the state agency load in their Power Source Disclosure label or in their RPS requirements.			
SB 67 (Becker)	The bill would establish the California 24/7 Clean Energy Standard Program, which would require that 85% of retail sales annually and at least 60% of retail sales within certain subperiods by December 31, 2030, and 90% of retail sales annually and at least 75% of retail sales within certain subperiods by December 31, 2035, be supplied by eligible clean energy resources, as defined.		Developing Position	None
SB 99 (Dodd)	Would set forth guiding principles for plan development, including equitable access to reliable energy, as provided, and integration with other existing local planning documents. The bill would require a plan to, among other things, ensure that a reliable electricity supply is maintained at critical facilities and identify areas most likely to experience a loss of electrical service. This bill contains other related provisions.		Support in Concept	None
SB 204 (Dodd)	Places the Base Interruptible Program (BIP) into statute. The BIP is an emergency electricity demand response program established by a proceeding many years ago. The program is regulated by the PUC and used as a last line of defense	Senate Appropriations Hearing April 5 Passed Senate E,U,C		Watch

	<p>against rolling blackouts. While the bill places the program in statute, it only makes reference to the IOUs offering and administering the program even though an existing decision allows CCAs to offer and administer the program to their customers.</p>			
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