

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 7

To: Valley Clean Energy Alliance Board of Directors

From: Mitch Sears, Interim General Manager

Subject: Legislative Update – Pacific Policy Group

Date: July 9, 2020

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 on the legislative session and of the key bills that are currently being monitored:

The Legislature is currently on its summer recess and will reconvene on Monday, July 13 facing seven weeks of work before the 2020 session concludes on August 31. Despite passing a budget in June, the Legislature and the Administration will continue to negotiate adjustments to the state budget with adjustments dependent on revenues received at the July 15 tax filing deadline as well as any potential federal stimulus. In the energy policy arena, a handful of bills focus on the upcoming wildfire and public safety power shutdown (PSPS) seasons and how to minimize the usage and impacts of PSPS. At this time, the Assembly does not have a proposed energy bill that VCE is tracking or engaging, the same is true for CalCCA. The Senate bills VCE will continue to engage and take position on are as follows:

Background and Analysis

Due to the unscheduled legislative recess and revision of the legislative calendar due to the COVID-19 pandemic, many energy related bills are no longer being pursued in the 2020 legislative session, including both bills CalCCA was sponsoring. However, energy bills related to public safety power shutoffs (PSPS) and community resilience and energy bills related to economic stimulus or cost savings continue to move forward. Staff is recommending support for the three bills; each are summarized below with links to the current bill language.

In the summaries below, staff notes CalCCA's position on the being considered by VCE.

1. SB 350 (Hill). The Golden State Energy Act.

http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200SB350 Would authorize the creation of Golden State Energy, a nonprofit public benefit corporation that would be the state's proposed successor utility to PG&E should PG&E fail to emerge from bankruptcy, enter bankruptcy at a future date, or fail to maintain appropriate safety standards that would give cause to the CPUC to revoke PG&E's license.

VCE had been monitoring SB 350 and communicating with SF PUC on potential amendments to better position municipalization opportunities. The amendments never found their way into the bill, which has now passed the Legislature and is now on the Governor's desk for his signature or veto.

Additional Information:

- Bill language: [SB 350](#)

2. SB 862 (Dodd). Planned Power Outage: Public Safety.

Summary: This bill would additionally include a deenergization event within a sudden and severe energy shortage constituting a state of emergency and a local emergency. This bill would require an Investor Owned Utility (IOU) to coordinate with local governments to jointly identify and establish Community Resource Centers (CRC) to provide resources and services during a deenergization event. Once a CRC is established, the IOU will make any necessary electrical upgrades to the facility so that a mobile backup generator can be located at, and provide electricity, the CRC. The IOU must provide a mobile backup generator at the beginning of a deenergization event if the CRC does not have backup generation and the deenergization event is expected to result in loss of power to the CRC.

Additional Information:

- VCE supports this bill
- Senate Floor Vote: 40-0
- Next hearing: Assembly Utilities & Energy, no date set
- Bill Language: [SB 862](#)

3. SB 1117 (Monning). Master-Meter Customers: Electrical or Gas Service.

Summary: Current law contains various provisions relative to the responsibilities of a gas or electrical corporation and master-meter customer when gas or electrical service is provided by a master-meter customer to users who are tenants of a mobile home park, apartment building, or similar residential complex, including a requirement that the master-meter customer charge each user at the same rate that would be applicable if the user were receiving gas or electricity directly from the gas corporation or electric corporation. This bill would replace "electrical corporation" with "load-serving entity," defined as including electrical corporations, community choice aggregators, and electric service providers, in many of these provisions relative to the responsibilities of an electrical corporation and master-meter customer when electrical service is provided by a master-meter customer to users who are tenants of a mobile home park, apartment building, or similar residential complex.

This bill addresses an issue raised by several CCAs in which electrical corporations and other third-party billers are charging submeter accounts in mobile home parks at the electric corporation rate for electricity, even if the park is served by a CCA with a different rate.

Additional Information:

- VCE supports this bill
- Senate Floor Vote: 39-0
- Next hearing: Assembly Utilities & Energy, no date set
- Bill Language: [SB 1117](#)

4. SB 1312 (McGuire). Electrical Corporations: Undergrounding of Infrastructure: Deenergization.

Summary: Would require the Public Utilities Commission to revise Electric Tariff Rule 20 to additionally authorize and fund, whenever feasible, the undergrounding of electrical and communication infrastructure within certain commission-designated high fire-threat areas for purposes of wildfire mitigation. The bill would also require the CPUC to develop a standard against which to measure the prudence of an IOU's execution of a PSPS and an IOU's fire risk mitigation capital expenditures on the distribution or transmission infrastructure that motivated the PSPS. The bill further requires that IOUs:

- Identify power lines that are more likely to cause PSPS events and harden those lines by July 1, 2025.
- Include details about the lines that causes the PSPS event in IOU after-event reports.
- Harden the IOU's infrastructure that caused the PSPS event and report back to the CPUC on their progress one year after the shutoff event.

Additional Information:

- Several other CCAs support the bill
- Senate Floor Vote: 30-3 (7 Abstentions)
- Next hearing: Assembly Utilities & Energy, no date set
- Bill Language: [SB 1312](#)

5. SB 1215 (Stern) Microgrids.

Summary: This bill proposes changes to existing law in order to promote the use of microgrids, as defined, for electric generation. Specifically, this bill requires: the California Public Utilities Commission (CPUC) to create a database of critical facilities and infrastructure and requires the CPUC and the California Independent System Operator (CAISO) to develop a methodology to account for the resource adequacy value of distributed storage by March 31, 2021.

CalCCA has yet to officially take a position but is moving toward a support if amended position. CalCCA and other individual CCAs are engaging the author's office to push for amendments to improve CCA access to IOU data that is required for the planning of microgrid projects. Staff does not have a recommended position on this bill at this time as CalCCA is leading negotiations, but staff and Pacific Policy Group are monitoring SB 1215.

Additional Information:

- Senate Floor Vote: 28-8 (4 Abstentions)
- Bill language: [SB 1215](#)