

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: September 10, 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 several legislative bills. Below is a summary:

The 2020 legislative session concluded Monday, August 31 at midnight and thus ended the two-year 2019-2020 legislative session. Governor Newsom has until October 1, 2020 to sign or veto legislation that the Legislature passed and sent to his desk.

As has been the case with everyday life, the COVID-19 pandemic was the main story of the 2020 session. Most notably, COVID-19 significantly interrupted the Legislature's calendar and reduced the amount of time available to consider and vote on legislation. This factor held true through the last days of session, as Senate Republicans were not allowed into the Capitol due to potential COVID-19 exposure and instead voted and debated remotely from their Sacramento residences. Numerous bills died Monday night simply because there was not enough time for votes to be cast on the Floors of the Assembly and the Senate.

As it relates to energy policy, the roughly two months lost to unscheduled recesses in the Legislature translated into significantly less bills being considered. Assembly Utilities & Energy Committee heard a total of five bills in 2020, all of which passed as they were deemed non-controversial and of urgent necessity. Chair Holden held a strict position of only hearing bills that met these qualifications. Senate Energy, Utilities & Communications Committee Chair Hueso was slightly more lenient in allowing bills to be heard, but the precedent set by Mr. Holden meant that few Assembly Bills could be considered in Senate Energy. Accordingly, six of the eight Assembly Bills heard in Senate Energy during two hearings in the month of August were gut and amends. Four of those gut and amend bills were sent back to the Assembly and passed the Assembly Floor without an Assembly Utilities & Energy Committee hearing.

In addition to energy policy bills, the Legislature proposed several measures to spur economic recovery and build resilience to climate change, with a focus on wildfire resilience. The wildfires that have ravaged large portions of Northern California in August produced a last second attempt at raising funds for wildfire prevention and reduction in [AB 1659](#) (Bloom). The source of the funding would be an extension of the DWR charge assessed on IOU bills and then

borrowing against those funds, a similar approach to the IOU wildfire fund contained in AB 1054 (Holden, 2019). Ultimately, the funding mechanism proved too controversial and the bill failed.

On Friday, March 13, 2020, Pacific Policy Group (PPG), VCE's lobby services consultant, provided a bill report to Staff and the Community Advisory Committee's Regulatory and Legislative Task Group that included 25 pieces of legislation to analyze and discuss potential engagement on the bills. Of those 25 bills, only one passed the Legislature – SB 1117 (Monning), which VCE supports. PPG, Staff and the Task Group would later consider several gut and amend bills of which two passed the Legislature, SB 350 (Hill) and AB 841 (Ting). A summary of those three bills follows:

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

Summary: 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](#)
- This bill passed the Legislature and was signed by the Governor

2. 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:

- This bill passed both the Assembly Floor and Senate Floor on consent.
- This bill is awaiting the Governor's signature or veto.

- VCE supports this bill
- Bill Language: [SB 1117](#)

3. AB 841 (Ting) Energy Programs: Economic Stimulus.

Summary: This bill is a gut and amend bill that seeks to legislate economic stimulus opportunities by authorizing the three IOUs to move forward with EV charging infrastructure development and school retrofit projects that are installed by the IOUs' labor unions. The measure sought to require the PUC to approve pending transportation electrification infrastructure applications from the IOUs as well as require the PUC to direct the IOUs to reallocate unused portions of their energy efficiency budgets for school retrofit projects that would include HVAC and air filtration upgrades as well as replace noncompliant plumbing fixtures. The bill is primarily supported by several labor unions and Natural Resources Defense Council.

The bill was heard in the Senate Energy, Utilities and Communications Committee, and the committee imposed several amendments on the bill in order for it to pass. The recommended amendments included removal of the provisions of the bill that direct the CPUC to approve the IOUs' EV applications. The language of these recommended amendments has not been finalized nor made available. VCE, through PPG, is closely monitoring AB 841 as it relates to the EV portion of the bill as the provisions are concerning and may require an oppose position if the committee amendments are unsatisfactory.

Additional Information:

- This bill was passed by the Legislature.
- This bill is awaiting the Governor's signature or veto.
- VCE had no position on this bill.
- Bill Language: [AB 841](#)