



# MEETING of the Legislative & Regulatory Committee of the Clean Power Alliance of Southern California

Wednesday, June 24, 2020

10:00 a.m.

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**SPECIAL NOTICE REGARDING PUBLIC COMMENT:** Pursuant to Paragraph 11 of Executive Order N-29-20, executed by the Governor of California on March 17, 2020, and as a response to mitigating the spread of Coronavirus known as COVID-19, the Legislative & Regulatory Committee will allow members of the public to participate and address Committee Members during the meeting via teleconference only. Below are the ways to participate:

- Members of the public are encouraged to submit written comments on any agenda item to [clerk@cleanpoweralliance.org](mailto:clerk@cleanpoweralliance.org) up to four hours before the meeting.
- If you desire to provide public comment during the meeting, you must contact staff at (213) 269-5889 at the beginning of the meeting but no later than immediately before the agenda item is called.
  - You will be asked to provide a phone number to call you during the meeting. You will also be asked for your name (or other identifying information) similar to filling out a speaker card so that you can be called when it is your turn to speak.
  - You will be called during the comment section for the agenda item on which you wish to speak.
  - You may be put on hold until your name is called by CPA staff.
  - You will be able to speak to the Committee for the allotted amount of time. Please be advised that all public comments must comply with our Public Comment Policy.
  - Once you have spoken, or the allotted time has run out, the phone call will be discontinued.

*Meetings are accessible to people with disabilities. Individuals who need special assistance or a disability-related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the meeting materials, should contact the Clerk of the Board at [clerk@cleanpoweralliance.org](mailto:clerk@cleanpoweralliance.org) or (213) 269-5870. Notification in advance of the meeting will enable us to make reasonable arrangements to ensure accessibility to this meeting and the materials related to it.*

**PUBLIC COMMENT POLICY:** *The General Public Comment item is reserved for persons wishing to address the Committee on any Clean Power Alliance-related matters not on today's agenda. Public comments on matters on today's Consent Agenda and Regular Agenda shall be heard at the time the matter is called. Comments on items on the Consent Agenda are consolidated into one public comment period. As with all public comment, members of the public who wish to address the Committee are requested to complete a speaker's slip and provide it to Clean Power Alliance staff at the beginning of the meeting but no later than immediately prior to the time an agenda item is called.*

*Each speaker is customarily limited to two (2) minutes (in whole minute increments) per agenda item with a cumulative total of five (5) minutes to be allocated between the General Public Comment, the entire Consent Agenda, or individual items in the Regular Agenda. Please refer to Clean Power Alliance Policy No. 8 – Public Comments for more information.*

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## **CALL TO ORDER & ROLL CALL**

## **GENERAL PUBLIC COMMENT**

## **CONSENT AGENDA**

1. [Approve Minutes from May 27, 2020 Legislative & Regulatory Committee Meeting](#)

## **REGULAR AGENDA**

### **Information Items:**

2. [Assembly Constitutional Amendment \(ACA\) 5](#)
3. [Regulatory Update on Resource Adequacy Program](#)

## **COMMITTEE MEMBER COMMENTS**

## **ADJOURN – NEXT MEETING JULY 22, 2020**

**Public Records:** *Public records that relate to any item on the open session agenda for a Committee Meeting are available for public inspection. Those records that are distributed less than 72 hours prior to the meeting are available for public inspection at the same time they are distributed to all, or a majority of, the members of the Committee. Those documents are available for inspection online at [www.cleanpoweralliance.org/agendas](http://www.cleanpoweralliance.org/agendas).*

MEETING of the Legislative & Regulatory Committee of the  
Clean Power Alliance of Southern California  
Wednesday, May 27, 2020 10:00 a.m.

**MINUTES**

*The Executive Committee conducted this meeting in accordance with California Governor Newsom's Executive Order N-29-20 and COVID-19 pandemic protocols.*

**CALL TO ORDER & ROLL CALL**

Committee Chair Lindsey Horvath called the meeting to order at 10:02 a.m. and Clerk of the Board Gabriela Monzon conducted roll call.

<b>Roll Call</b>			
<b>Agoura Hills</b>	Deborah Klein Lopez	Committee Member	Remote
<b>Carson</b>	Cedric Hicks	Committee Member	Remote
<b>Redondo Beach</b>	Christian Horvath	Committee Member	Remote
<b>West Hollywood</b>	Lindsey Horvath	Chair	Remote

All votes are unanimous unless otherwise stated.

**GENERAL PUBLIC COMMENT**

There was no public comment.

**CONSENT AGENDA**

1. Approve Minutes from April 22, 2020 Legislative & Regulatory Committee Meeting

**Motion:** Committee Member Christian Horvath, Redondo Beach  
**Second:** Committee Member Deborah Klein Lopez, Agoura Hills  
**Vote:** Item 1 was approved by a roll call vote, with one abstention by Committee Member Hicks.

## REGULAR AGENDA

2. Staff Presentation on COVID-19 Legislative Impact and Approve an Updated Position on SB 1215 to the Board of Directors

Gina Goodhill, Policy Director, provided a general update on the impact of COVID-19 on funding and legislation relating to resiliency and fire safety. Ms. Goodhill stated that most recently, the Governor of California had withdrawn support for climate funding, though there were separate efforts in the state legislature, however, most legislation remaining was focused on the creation of green jobs. Ms. Goodhill noted that the Governor maintained much of the fire prevention commitments and allocated a one-time \$50 million general fund support for additional preparedness measures related to Public Safety Power Shutoff events and that CPA staff would continue to advocate for green infrastructure. In response to Chair Horvath's request at the last meeting, Ms. Goodhill indicated that staff had reached out to the Governor's Task Force and had also started conversations with federal representatives to explore ways for CPA to be involved in the development of green infrastructure projects and stimulus packages.

Ted Bardacke, Executive Director, added that there was an effort to get some additional funding for Electric Vehicle (EV) charging stations as part of statewide stimulus efforts focused on infrastructure, and CPA was involved in those efforts.

Chair Horvath asked if the shift in support for environmental policies was a response to the pandemic or was used as an opportunity to deprioritize environment and clean energy efforts, and Ms. Goodhill clarified that at the State level, it appears to be a response to the pandemic, though nationally, that may differ.

### SB 1215 (Stern)

Ms. Goodhill provided a summary of SB 1215 noting that in its original language, the bill would have established the Local Government Deenergization Event Resiliency Program and appropriated an unspecified amount of funds to create a grant program that local governments and Joint Powers Authorities could apply for. Since the Committee voted on this bill, Ms. Goodhill explained that the author completely removed funding to develop microgrid projects and focused more generally on the development of a statewide database to identify geographic locations and critical circuits well suited for microgrids. However, Ms. Goodhill noted that as described, the database was not publicly accessible, with no clear benefit from a funding perspective.

Ms. Goodhill continued to explain that CPA staff felt that a statewide database was helpful if accessible to CCA's, and therefore recommended a CPA position of "Support if Amended."

Chair Horvath indicated an interest in making it known to the author that CPA was also in support of the original language. Committee Member Lopez asked if the omission of CCA access to the database was thought to be intentional or was there specific reasoning for that.

Staff indicated that database accessibility was not explicit on the bill, but that the author considered some correlation between this database and a California Public Utilities Commission (CPUC) proceeding which would create a microgrid database not viewable by CCAs. Mr. Bardacke noted that all three Investor Owned Utilities (IOUs) opposed the bill under the reasoning that the data was proprietary and posed cybersecurity risks.

**Motion:** Committee Member Horvath, Redondo Beach

**Second:** Committee Member Lopez, Agoura Hills

**Vote:** Motion to recommend "Support if Amended" position on SB 1215 to the Board of Directors was approved by a roll call vote.

3. Review of 2020 Regulatory Priorities Overview

CC Song, Director of Regulatory Affairs, provided an overview of 2020 regulatory priorities, including the policy framework used by staff to develop key regulatory priorities that CPA actively engaged at various regulatory agencies. Ms. Song indicated that regulatory priorities were aimed at providing competitive rate and program offerings to customers, providing positive impact to member agencies and local communities, and achieving the State environmental policy goals. Ms. Song explained the different priority levels and definitions and highlighted some high, medium, and low priority proceedings. Ms. Song touched on the Integrated Resources Plan (IRP) proceeding, which had an immediate impact on CPA's ability to procure renewable and carbon free resources and engagement would be around ensuring the planning process properly considers Load Serving Entities (LSEs) existing portfolios, market conditions, and other factors. Ms. Song also described the engagement goals of other proceedings, including De-Energization/Public Safety Power Shut-off (PSPS)/Wildfire Mitigation Plans, Disconnections, and lastly, Microgrid Development, which focused on access to relevant data to aid resiliency planning.

Committee Member Lopez thanked staff for the flexibility in regulatory priorities and noted that PSPS events could become a seasonal issue. Staff agreed, adding that engagement was reevaluated as needed, and noted that disconnections in particular, were important to pursue customer protections and CPA's fiscal health.

In response to Committee Member Hicks questions regarding non-payment debt management, staff clarified that bad debt allowances were increased in the budget by two and a half times in order to plan forward.

4. Staff Presentation on Joint Rate Comparison (JRC)

Matthew Langer, Chief Operating Officer, provided a presentation on the background and content of the JRC mailer. Mr. Langer noted that although the JRC presents CPA's rates alongside Southern California Edison's (SCE) programs, those shown are fundamentally different and did not represent a precise comparison. In addition to background information on the JRC, Mr. Langer also covered SCE's Green Rate program, stating that this program was intended to allow customers to meet their electricity needs with renewable generation and that the rate was historically higher than CPA's Clean and 100% Green products until SCE's most recent rate change in April 2020. Mr. Langer also reviewed future JRC modifications.

Chair Horvath asked for clarification on legal requirements for sharing of information and expressed interest in exploring other ways of explaining the comparison analysis. Both Chair Horvath and Committee Member Hicks asked if the JRC previously impacted opt-outs. Mr. Langer explained that the JRC itself must be neutral, but CPA's marketing about the JRC is not bound by legal requirements. Mr. Langer also clarified that mailers did not generate significant interest in the customer base, and that staff did not see opt-outs spike in correlation with previous mailers.

Committee Member Lopez noted that SCE rates recently started to trend down, asked for details on the monthly bill average, asked if the JRC was a legislative or regulatory requirement, and lastly, encouraged staff to share information with the full Board of Directors. Mr. Langer clarified that the average monthly bill reflected what the next 12 months looked like, rather than the last 12-month average bill; and clarified that the JRC was a regulatory requirement preventing IOUs from misstating facts. Mr. Bardacke noted that all Board members who represented 100% Green customers were to receive additional information, and the full Board would receive an update.

Committee Member Horvath asked if the JRC could be included as an insert in customer bills or a link to an online version could be added. Mr. Langer noted that it could be more expensive to do that, but the requirement was to mail out a JRC as well.

Chair Horvath noted that CPA was notably consistent in its rates and thanked staff for the update

**COMMITTEE MEMBER COMMENTS**

None.

**ADJOURN**

Chair Horvath adjourned the meeting at 11:16 a.m.

## Staff Report – Agenda Item 2

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**To:** Clean Power Alliance (CPA) Legislative & Regulatory Committee

**From:** CC Song, Director of Regulatory Affairs

**Approved By:** Ted Bardacke, Executive Director

**Subject:** Assembly Constitutional Amendment (ACA) 5

**Date:** June 24, 2020

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### **BACKGROUND**

ACA 5 was introduced by Assemblymember Weber on January 18, 2019 and passed the Assembly Committee on Public Employment and Retirement on May 5, 2020. The Constitutional Amendment would repeal provisions of Proposition 209 (1996) that prohibit government agencies from granting preferential treatment to individuals or groups based on the basis of race, sex, color, ethnicity, or national origin as related to employment, education, and public contracting.

If approved by the legislature by June 25, 2020, ACA 5 would put a repeal of Proposition 209 on the November 2020 ballot. If then approved by the voters, ACA 5 would broaden CPA's ability to hire staff or contract for services from individuals or groups based on the aforementioned identity categories. Since the legislative vote needs to occur by June 25, 2020, CPA's Board would not have time to vote on this item and take a position. The Constitutional Amendment would not go to the Governor's office after the vote and would be directly placed on the November ballot.

### **DISCUSSION**

Whether to support ACA 5 is being discussed by the CalCCA Board, where CPA's Executive Director has a seat and is a member of CalCCA's Executive Committee. While ACA 5 would expand CCAs' ability to contract with more diverse businesses, this

Constitutional Amendment would likely have a small impact on the energy market or the core of the CCA business model.

Based on the 2020 Legislative and Regulatory Policy Platform (“Platform”) approved by this Committee and CPA’s Board, CPA staff has sufficient direction to engage in the CalCCA discussion in support of ACA 5, even though it does not directly impact CPA’s energy business. The Platform directs CPA to support “supplier diversity among CPA activities,” and particular support for “vulnerable populations” within CPA’s service territory.

Looking forward, it is likely that CalCCA will be called upon to take positions on other social, racial, and economic justice issues. CPA staff would like to engage with the Legislative and Regulatory Committee on the direction CalCCA should take when engaging with future legislative and regulatory proposals that may not impact CPA’s core ability to supply reliable clean electricity, but would impact CPA’s activities in our diverse communities.

### **ATTACHMENTS**

None.



### Staff Report – Agenda Item 3

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**To:** Clean Power Alliance (CPA) Legislative & Regulatory Committee  
**From:** CC Song, Director of Regulatory Affairs  
**Approved By:** Ted Bardacke, Executive Director  
**Subject:** Regulatory Update on Resource Adequacy Program  
**Date:** June 24, 2020

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#### **BACKGROUND**

Several policy and market changes in the last few years have necessitated some recent and forthcoming restructuring of California’s Resource Adequacy (RA) framework. These changes include:

- State mandates that call for a zero-carbon grid in 2045, and require all load serving entities (LSEs) to have at least 60% renewable energy portfolios by 2030.
- The increasing deployment of intermittent renewable resources, and retirement of baseload and/or peaking natural gas and once-through-cooling (OTC) resources due to uneconomic operations, environmental mandates, and community opposition.
- The proliferation of behind-the-meter (BTM) technologies that are controlled by customers instead of LSEs.
- The growing number of LSEs with varying procurement policies and goals.

#### **Recent and Forthcoming Regulatory Changes**

These circumstances have resulted in some recent changes in the RA program, which is intended to maintain sufficient capacity to meet system reliability needs. Most recently, on June 11, 2020, the California Public Utilities Commission (CPUC) adopted the Central Procurement Entity (CPE) for RA. The purpose of the CPE is to procure RA on behalf of all customers. The CPUC considered both a CPE for all RA requirements (“Full CPE”) or

a partial procurement CPE model in the case of certain LSEs not procuring their full need (“Residual CPE”). The Decision adopted a Full CPE proposal that makes Pacific Gas & Electric (PG&E) and Southern California Edison (SCE) the CPE for their territories. To ensure that LSEs still have the incentives to invest in local clean energy solutions, the Decision directed CalCCA to lead a working group with either PG&E or SCE to develop a compensation mechanism that will send the appropriate economic signals to LSEs to continue to build preferred resources consistent with state policy goals.

Looking ahead, the next phase of the RA proceeding, which will begin in July, will consider structural changes and refinements to the RA program that can address the market changes caused by increasing penetration of demand response and battery storage resources, greater reliance on carbon-free intermittent resources, and retirement of natural gas resources.

### **DISCUSSION**

Prior to the Decision that established the CPE for Local RA resources, CPA had been working with CalCCA to pursue a modification that would credit LSEs who choose to give their Local resources to the CPE. This would ensure LSEs continue to receive the full value of the clean energy resources they procure in constrained areas. While the Decision did not adopt a crediting mechanism, CPA sees the Decision’s directive to create a working group as a step in the right direction. CPA will play an active role in this working group through CalCCA.

More broadly CPA and CalCCA have also been in discussions with SCE about potentially collaborating on a proposal to structurally change the RA program to better align with the state’s environmental policy goals and the Integrated Resource Planning (IRP) process. This proposal would likely change existing RA compliance rules and transaction structures. Additionally, it would help LSEs better assess how their procurement contributes to overall grid reliability and to determine the best paths to achieve reliability and environmental goals.

As CPA approaches this discussion, it is keeping the following principles and objectives in mind:

- *Develop a grid reliability framework that appropriately values the contributions of clean energy resources:* The RA framework, which ultimately ensures grid reliability, needs to properly signal that LSE procurement must balance clean energy procurement and reliability. CPA is already focused on this issue and is building a clean energy portfolio that makes significant contributions to the reliable operation of the grid. CPA would like to develop a framework where LSEs can prove their portfolios are contributing their fair shares to grid reliability.
- *Establish a long-term resource planning standard allows LSEs chart a course to 100% clean energy while ensuring grid reliability:* Currently, the IRP lacks clear reliability planning standards for individual LSEs, and LSEs do not have the ability to demonstrate that their portfolios contribute to system capacity needs. This can lead questions about whether individual LSE are ensuring system reliability themselves or relying on others to do so. Additionally, as more clean energy resources come online, system needs will evolve. The long-term planning construct should take this into account. CPA believes that there is a need to develop a clear reliability standard in the IRP so LSEs can operationalize their approved IRPs as they transition to cleaner portfolios.
- *Ensure that any new framework is implemented thoughtfully and with sufficient time for LSEs to adapt:* A new RA framework would be complex to implement and could have impacts on existing contracts. The transition must allow enough time to address the impacts to existing commitments and allow the market to respond to new requirements with workable commercial structures.

Staff is seeking feedback on these and other potential objectives.

### **ATTACHMENTS**

None.