



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

Wednesday, May 26, 2021

10:00 a.m.

SPECIAL NOTICE: 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 COVID-19, the Legislative & Regulatory Committee will conduct this meeting remotely.

[**Click here to view a Live Stream of the Meeting on YouTube**](#)

*There may be a streaming delay of up to 60 seconds. This is a view-only live stream.

To Listen to the Meeting:

<https://zoom.us/j/92855620629>

or

Dial: (669) 900-9128 Meeting ID: 928 5562 0629

PUBLIC COMMENT: Members of the public may submit their comments by one of the following options:

- Email Public Comment: Members of the public are encouraged to submit written comments on any agenda item to clerk@cleanpoweralliance.org up to four hours before the meeting. Written public comments will be announced at the meeting and become part of the meeting record. Public comments received in writing will not be read aloud at the meeting.
- Provide Public Comment During the Meeting: Please notify staff via email to clerk@cleanpoweralliance.org at the beginning of the meeting but no later than immediately before the agenda item is called.
 - You will be asked for your name and phone number (or other identifying information) similar to filling out a speaker card so that you can be called on when it is your turn to speak.
 - You will be called upon during the comment section for the agenda item on which you wish to speak on. When it is your turn to speak, a staff member will unmute your phone or computer audio.
 - You will be able to speak to the Committee for the allotted amount of time. Please be advised that all public comments must otherwise comply with our Public Comment Policy.
 - Once you have spoken, or the allotted time has run out, you will be muted during the meeting.

If unable to connect by Zoom or phone and you wish to make a comment, you may submit written comments via email to: clerk@cleanpoweralliance.org.

*While downloading the Zoom application may provide a better meeting experience, Zoom does not need to be installed on your computer to participate. After clicking the webinar link above, click "start from your browser."

Clean Power Alliance Legislative & Regulatory Committee
May 26, 2021

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 or (213) 713-5995. 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.

CALL TO ORDER & ROLL CALL

GENERAL PUBLIC COMMENT

CONSENT AGENDA

1. [Approve Minutes from April 28, 2021 Legislative & Regulatory Committee Meeting](#)

REGULAR AGENDA

2. [Recommend that the Board of Directors Approve a Support if Amended Position on Assembly Bill \(AB\) 418 in the 2021/2022 Legislative Session](#)
3. [Power Charge Indifference Adjustment \(PCIA\) Updates](#)

COMMITTEE MEMBER COMMENTS

ADJOURN – NEXT MEETING JUNE 23, 2021

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.

[Return to Agenda](#)**MINUTES**

MEETING of the Legislative & Regulatory Committee of the

Clean Power Alliance of Southern California

Wednesday, April 28, 2021, 10:00 a.m.

The Legislative & Regulatory 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.

Roll Call			
Agoura Hills	Deborah Klein Lopez	Committee Member	Remote
Carson	Cedric Hicks Reata Kulcsar	Committee Member Alternate	Remote
Redondo Beach	Christian Horvath	Committee Member	Remote
West Hollywood	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 March 24, 2021 Legislative & Regulatory Committee Meeting

Motion: Committee Member Lopez, Agoura Hills
Second: Committee Member Horvath, Redondo Beach
Vote: Item 1 was approved by a roll call vote.

REGULAR AGENDA

2. Oral Update from the Policy Director on CPA Legislative Activities

C.C. Song provided an update on the proposed decision (PD) on the Working Group 3 final report issued by the California Public Utilities Commission (CPUC). Ms. Song explained that the CPUC's PD rejects the paradigm that departing load customers are entitled to legacy resources; provides minimal Renewable Portfolio Standard (RPS) allocations; allocates some GHG-free resources only until 2023, after the retirement of Pacific Gas & Electric's (PG&E) Diablo Canyon nuclear power plant. CPA staff is coordinating outreach efforts through CalCCA for

lobbying meetings with CPUC Commissioners; is encouraging the CPUC to delay the vote of the proposed decision to reconsider and provide revisions.

In response to questions from Chair Horvath and Committee Member Horvath, Ms. Song noted that staff is cautiously optimistic that the CPUC will agree to delay the PD vote; Matt Langer, Chief Operating Officer, provided clarification that ex parte meetings with Commissioners are ongoing; Southern California Edison (SCE) was part of the Working Group 3 and submitted comments aligned with CPA's position on RPS and GHG-free, but remained silent on Resource Adequacy (RA). PG&E, which dropped out of the Working Group 3 joint proposal is also conducting their own meetings and their concerns have considerable influence on the CPUC's decision-making.

Gina Goodhill, Policy Director, shared that SB 612's recent consideration at the Senate Energy, Utilities, and Communications Committee, included support from 90 cities and counties, community groups, renewable energy providers, supported the bill. SCE, PG&E, The Utility Reform Network (TURN), and the Coalition of Utility Employees opposed the bill. SB 612 was amended in committee to remove some of its prescriptiveness to strike a balance between the role of the legislature and the role of the CPUC; the amendments still preserve the core of the bill which is to provide CCAs proportional access to legacy resources that allows them to comply with SB 350 long-term contract requirements. Ms. Goodhill thanked Committee Members for their invaluable participation in the advocacy efforts.

Chair Horvath added that the hearing provided insight into some of the misinformation about CCAs that requires some educational efforts. In response to Committee Member Hicks' question about SB612's effect on the PCIA, Ms. Goodhill explained that if the bill pass, it will direct the CPUC to resolve the details as part of the proceeding but will create guardrails around the protection of CCAs. Mr. Bardacke added that the passage of SB 612 will have a measurable and material fiscal impact over the medium term and though it will not help in this fiscal year, it can reduce costs in future years.

3. Recommend that the Board of Directors Approve a Support Position on Three Bills in the 2021/2022 Legislative Session

Ms. Goodhill provided an oral report of all bills and noted that all are authored by legislators that represent CPA service territory.

SB 757 (Limon):

This bill would create protections for consumers that install home solar systems, by including solar in the definition of home improvements, thereby requiring customers to receive the same protections that they would from a home improvement contractor. Unfortunately, according to the author, some Californians have been misled by solar installers who misrepresent their services; these instances of fraud most commonly impact low-income consumers, non-native English speakers, and seniors. The bill is supported by a diverse set of stakeholders, including the California Solar and Storage Association.

Motion: Committee Member Horvath, Redondo Beach

Second: Committee Member Hicks, Carson

Vote: Motion to support SB 757 was approved by a roll call vote.

AB 585 (L. Rivas):

This bill would establish the Extreme Heat and Community Resilience Program within the Office of Planning and Research (OPR), to coordinate the state's efforts to address extreme heat and facilitate the implementation of local, regional, and state planning efforts. The bill would require OPR to manage a competitive grant program for extreme heat and resiliency projects. Qualifying projects include the construction or retrofit of facilities that will serve as community resiliency centers, similar to the work CPA is already doing through its Power Ready program that provides back-up power to critical facilities. Local and regional public agencies and joint powers authorities would both be eligible to receive these grants. The program would be funded through bonds or other special funds, though it is not clear yet how the grants are funded. The bill aligns with CPA's goal to support local resiliency.

Motion: Committee Member Hicks, Carson

Second: Committee Member Horvath, Redondo Beach

Vote: Motion to support AB 585 was approved by a roll call vote.

SB 533 (Stern):

This bill proposes several measures to minimize public safety power shutoffs (PSPS). The bill would require an Investor Owned Utility (IOU) to identify circuits that are frequently de-energized and take steps to reduce the need for de-energization in their wildfire mitigation plans. The bill also requires IOUs to collaborate with local governments and CCAs to develop microgrids. CPA supports the goals outlined in the bill and suggests amending the bill to require coordination with an applicable CCA, rather than to *suggest* coordination. Further, if an IOU decides that one or more microgrids are required in the service territory of a CCA, the CCA shall be given the option to provide the generation portion of the microgrid system. The bill should also clarify that the CCA will continue to be the only load serving entity to charge a generation rate for the customers within its service territory, even if an IOU operates a microgrid in a CCA territory. The author's office is open to CPA's suggested amendments.

Motion: Committee Member Lopez, Agoura Hills

Second: Committee Member Horvath, Redondo Beach

Vote: Motion to support SB 533 if amended, was approved by a roll call vote.

COMMITTEE MEMBER COMMENTS

None.

ADJOURN

Chair Horvath adjourned the meeting at 10:33 a.m.

Staff Report – Agenda Item 2

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

From: Gina Goodhill, Policy Director

Approved By: Ted Bardacke, Executive Director

Subject: Recommend Support if Amended Position on AB 418 in the 2021/2022 Legislative Session

Date: May 26, 2021

RECOMMENDATION

Recommend that the Board of Directors approve a Support if Amended position on AB 418 in the 2021/2022 legislative session.

DISCUSSION

[AB 418 \(Valladares\)](#): Recommended Position: Support if Amended

This bill would create the Community Power Resiliency Program (CPRP), a \$100 million grant program for counties, cities, special districts, and tribes to improve local resilience by ensuring that critical facilities and infrastructure can continue to operate during a power outage. The CPRP would be administered by the Governor's Office of Emergency Services (Cal OES).

Communities across California have been impacted by Public Safety Power Shutoff (PSPS) events and other emergency power outages, in response to fire seasons that continues to grow longer and fiercer. PSPS events can be incredibly disruptive and harmful to the residents, businesses, and municipal facilities that lose power; unfortunately, investor-owned utilities will continue to rely on these events as a fire prevention strategy for the foreseeable future. AB 418 would provide direct funding for counties to invest in resilience resources to maintain essential services to Californians during a PSPS event or other outage. Cities, tribes, and special districts would also be

able to receive funding by applying for grants under the CPRP program. The bill specifies that if passed, the Legislature intends to enact future legislation to transfer \$100 million from the General Fund to the OES for this program.

CPA supports the bill's intent to fund resiliency efforts but suggests two amendments. First, the bill should include community choice aggregators as eligible entities that can apply for grant funding. CPA has already launched the Power Ready program to provide back-up power to critical facilities, and a grant through the CPRP could help expand that work. Secondly, the bill should give a preference to entities that propose energy resiliency projects that are powered by clean energy. As currently written, a resiliency project powered by a diesel generator, for example, would qualify for funding. This could have the unintentional effect of funding projects that release more greenhouse gas emissions into the atmosphere, further exacerbating climate change and the types of extreme heat and drought that lead to the very fires and PSPS events that disrupt critical services and require resiliency funding.

This bill is supported by various special district associations, the Rural County Representatives of California, the California Tribal Business Alliance, and others. It currently has no opposition. This bill is aligned with CPA's 2021 Legislative & Regulatory Platform, specifically sections 1e, 1f, and 4b.

ATTACHMENT

- 1) [2021 Legislative & Regulatory Platform \(for reference only\)](#)



2021 Legislative and Regulatory Policy Platform

Overview and Purpose

The Clean Power Alliance (CPA) Legislative and Regulatory Policy Platform (Platform) serves as a guide to the CPA Board of Directors and CPA staff in their advocacy efforts and engagement on policy matters of interest to CPA. The Platform allows both Board members and staff to pursue actions at the local, regional, state and federal legislative and regulatory levels in a consistent manner and with the understanding that they are pursuing actions in the best interest of the organization and its mission, its member agencies, and its customers. The Platform also enables the organization to move swiftly to respond to events in Sacramento (Legislative / Executive) and San Francisco (California Public Utilities Commission) and provides guidance to the Executive Director on the support or oppose positions that should be taken on legislative and regulatory matters that come before the California Community Choice Association (CalCCA) Board of Directors.

All CPA positions on individual bills are presented to the Board for approval, except during times of urgency as provided under the protocols approved by the CPA Board of Directors on June 7, 2018, that allow the Chair, Vice-Chairs, Legislative & Regulatory Committee Chair, and Executive Director to act on behalf of the organization in urgent advocacy matters.

Policy Principles

The Legislative and Regulatory Policy Platform is centered around four basic principles:

1. Protecting CPA's local control and autonomy by its members, especially with regards to finances, power procurement, reliability, and local customer programs.
2. Ensuring equal treatment of unbundled and bundled customers by the CPUC and other state agencies.

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3. Supporting recognition that electricity is an essential service, and that CPA should have the ability to set electric rates and offer programmatic services that are affordable and inclusive for all.
4. Pursuing environmental initiatives that exceed prescriptive State mandates, promote the growth in renewable energy capacity at the local level, encourage clean energy adoption by CPA customers, and reduce fossil fuel dependency.

Policy Platform

1) Local Control, Finance, and Power Procurement

CPA will pursue legislative and regulatory activity that:

- a. Supports the authority of CPA and its Board to retain local control over its activities;
- b. Supports the protection of CPA's procurement autonomy;
- c. Supports the ability of CPA to maintain control over its financial decisions;
- d. Supports the ability of CPA to expand its service offerings and activities in response to a changing energy landscape;
- e. Supports the ability of CPA to access state incentives for its customers and member agencies; and
- f. Supports the ability of CPA to enhance reliability through accelerating the deployment of energy storage resources, fully valuing behind the meter energy resources, and expanding the use of demand response.

2) Equitable Treatment of CPA Customers

CPA will pursue legislative and regulatory activity that:

- a. Supports the equal treatment of unbundled and bundled customers by the CPUC and the legislature; and
- b. Supports the development of a State regulatory environment that is empowering for community energy providers.

3) Ratepayer Advocacy and Social Justice

CPA will pursue legislative and regulatory activity that:

- a. Supports the protection of all ratepayers, particularly low-income customers, disadvantaged communities, and other vulnerable populations in CPA service territory;
- b. Supports supplier diversity in CPA's contracting activities and through women-owned, minority-owned, disabled-veteran-owned, and lesbian, gay, bisexual, and/or transgender owned business enterprises;
- c. Supports workforce development with a focus on new stable, well-paying local jobs, and participation in a just transition to a low-carbon economy;
- d. Supports the ability for CPA to set appropriate benchmarks for performance measurement using accepted industry standards; and
- e. Supports increased access to clean energy technologies, clean energy and contracting jobs, and clean energy opportunities for low-income people and communities of color in CPA service territory.

4) Environmental Leadership

CPA will pursue legislative and regulatory activity that:

- a. Supports the ability of CPA and its members to meet and exceed State goals for greenhouse gas emissions reductions (e.g. encouraging movement towards 100% renewable energy), climate action planning, and fossil fuel independence;
- b. Supports the ability for CPA to promote growth in renewable energy capacity, resiliency and electrification at the local level, in a way that is equitable for all customers;
- c. Supports the ability for CPA to promote electrification of the transportation sector, and to help implement Executive Order N-79-20 that bans the sale of new internal combustion engines in light duty vehicles by 2035; and
- d. Supports the ability for CPA to promote electrification and the reduction of natural gas usage in the building sector.

Staff Report – Agenda Item 3

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

From: C.C. Song, Director of Regulatory Affairs

Approved By: Ted Bardacke, Executive Director

Subject: Power Charge Indifference Adjustment (PCIA) Updates

Date: May 26, 2021

Staff will provide an update on California Public Utilities Commission's (CPUC) final adopted decision in Phase 2 of the PCIA proceeding. There is no action required.

DISCUSSION

On April 5, 2021, the CPUC issued the Phase 2 Proposed Decision (PD) on PCIA Adjustment Cap and Portfolio Optimization. The PD rejected most of the recommendations made by the PCIA Working Group (WG) 3 co-chairs, and proposed to adopt the following:

- Renewable Portfolio Standard (RPS) Resources: While the PD partially adopted the WG 3 3 co-chairs' RPS resource allocation, with significant modifications. Instead of allowing annual allocations, the PD opted to allow one allocation per RPS compliance period, which is 3 years. Unallocated RPS resources would then be available for market offers once per compliance period. The PD declined to adopt a \$0 market price floor, which would likely reduce the volume of resources being sold through market offers. Related, the PD determined that any RPS that is unsold would continue to be retained by the IOUs and paid by unbundled customers.
- Resource Adequacy (RA) Resources: Instead of allocating investor-owned utilities' (IOU) RA resources to unbundled customers, who have been paying the above-market costs of these resources, as proposed by the WG 3 co-chairs, the PD

rejected the allocation proposal in entirety, maintaining the status quo. Load serving entities (LSEs) serving unbundled customers will not receive any allocations of RA resources and no sales of RA will be required.

- Greenhouse Gas (GHG) Free Resources: PG&E and SCE already have interim GHG-free allocations to LSEs, authorized by the CPUC. The PD, however, rejects the GHG-free allocation proposal. Instead, the PD orders SCE to extend GHG-free allocations to LSEs in its territory until 2023 and directs stakeholders to revisit the valuation of GHG-free resources in the next phase of the PCIA proceeding.

The California Community Choice Association (CalCCA) submitted comments on the PD and met with all commissioners' staff and CPUC Energy Division staff to push back against the decision to not allocate RA and GHG-free resources, and to limit RPS resource allocation.

In a revised PD issued on May 17, 2021, the PD made some minor adjustments, including allowing LSEs to resell allocated RPS resources. On May 20, 2021, the CPUC adopted the proposed decision, and Assigned Commissioner Guzman Aceves emphasized the need to continue to refine PCIA valuation and allocation methodologies and acknowledged that CPA played a lead role on behalf of the CCAs. While there is a possibility that revisiting the valuation of GHG-free resources may be beneficial for unbundled customers, as GHG-free resources do not have inherent positive values like RPS resources, this still means that CCA customers will continue to pay for the above-market costs of all PCIA-eligible resources and will not have access to those benefits for RA and GHG-free resources. This is a disappointing outcome, and CPA will participate in discussions with CalCCA about a strategy moving forward, including the interplay with SB612.

ATTACHMENT

- 1) [CalCCA Statement on PCIA Decision by the CPUC](#)



FOR IMMEDIATE RELEASE: 5.20.21

Contact: Leora Broydo Vestel

(415) 999-4757 | leora@cal-cca.org

CalCCA Statement on PCIA Decision by the CPUC

Today marks 454 days since the PCIA Working Group 3 (WG3) proposal was submitted to the California Public Utilities Commission (CPUC). The proposal resulted from nearly a year of dedicated work by co-chairs representing CCA, IOU, and ESP customers to achieve consensus.

Through the [WG3 process](#), co-chairs CalCCA, Southern California Edison, and Commercial Energy recommended solutions that would allow IOUs to more actively manage legacy energy resources to reduce above-market costs, which amount to billions of dollars per year that accrue to ratepayers, and to provide non-IOU customers with access to the full range of benefits they pay for through the PCIA. These include benefits associated with renewable energy, greenhouse gas-free energy, and resource adequacy.

Today, the CPUC issued a final decision on WG3. We appreciate that the Commission adopted a key element of the proposal that requires the IOUs to open up access to renewable energy benefits to all customers who pay for those benefits. Unfortunately, the CPUC denied provisions of the proposal that would allow equitable access to resource adequacy benefits and punted consideration of a GHG-free benchmark to a future proceeding.

The CPUC's decision to block fair and equal access to these resources runs counter to the Legislature's clear mandate that all ratepayers – IOU and CCA alike – should receive benefits from PCIA resources to offset their cost responsibility. By failing to comply with this directive, the CPUC is continuing a systematic practice of prioritizing bundled IOU customers over CCA customers when it comes to the treatment of legacy costs.

CalCCA will analyze the impact of this decision on departing load customers over the next few weeks. In the meantime, [Senate Bill 612](#), legislation that advances ratepayer equity and cost savings, was voted out of the Senate Appropriations Committee today and is heading to the Senate floor. CalCCA will continue to advocate for timely PCIA solutions that reduce costs and increase stability for all ratepayers.

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