



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

Wednesday, July 28, 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/98674928558>

or

UPDATED Dial: (346) 248-7799 Meeting ID: 986 7492 8558

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
July 28, 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 May 26, 2021 Legislative & Regulatory Committee Meeting](#)

REGULAR AGENDA

2. [Update on Legislative Action on Energy and Procurement](#)
3. [Oral Update on Senate Bill \(SB\) 612](#)

COMMITTEE MEMBER COMMENTS

ADJOURN – NEXT MEETING AUGUST 25, 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.*

MINUTES

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

Wednesday, May 26, 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	Reata Kulcsar	Alternate Committee Member	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 April 28, 2021 Legislative & Regulatory Committee Meeting

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

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

Gina Goodhill, Policy Director, provided an oral report of the item. [AB 418 \(Valladares\)](#) would create the Community Power Resiliency Program (CPRP), a grant program to improve local resilience by ensuring that critical facilities and infrastructure can continue to operate during public safety power shutoff (PSPS) events and other emergency power outages. The bill initially included a funding amount of \$100 million for the effort but was later amended so that the dollar amount is left blank and would still require the legislature to pass

subsequent legislation with a funding amount. CPA suggests two amendments before it supports the bill. Firstly, the bill should include community choice aggregators (CCAs) as eligible entities that can apply for grant funding. Secondly, provide priority for projects that plan to use clean energy backup power for resiliency efforts, to address concerns that this legislation can result in greater use of diesel generators that can exacerbate climate change and increase the frequency of fires that lead to PSPS events. The author's office seems open to considering the changes and there is no opposition.

Chair Horvath asked if CPA should make a recommendation for funding amount and Ms. Goodhill noted that CPA can make a recommendation, but cannot be guaranteed, especially since there are several other funding sources for resiliency efforts, including the Governor's budget. Committee Member Lopez commented that CPA is often having to support bills if amended which speaks to how much outreach CPA has to do in order to be given due consideration.

Chair Horvath agreed that outreach activities can follow after CPA's lobby days to maintain an open line of communication with state representatives.

Motion: Committee Member Horvath, Redondo Beach

Second: Committee Member Lopez, Agoura Hills

Vote: Motion to support AB 418 if amended, was approved by a roll call vote.

3. Power Charge Indifference Adjustment (PCIA) Update

C.C. Song, Director of Regulatory Affairs, discussed the California Public Utilities Commission's (CPUC) Phase 2 Proposed Decision (PD) that rejected most of the recommendations made by the PCIA Working Group (WG) 3 co-chairs, and proposed three large categories of policy actions. For Renewable Portfolio Standard (RPS) Resources, CCA customers will be allocated the Investor Owned Utilities (IOUs) RPS portfolio; where 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 also declined to adopt a \$0 market price floor, likely reducing the volume of resources being allocated to unbundled customers and sold through market offers. A minor improvement came from a recently revised PD that allows for Load Serving Entities (LSEs) to resell any of the allocated RPS resources to monetize their values. The PD determined that any RPS that is unsold would continue to be retained by the IOUs and paid by unbundled customers. Ms. Song noted that the PD rejected the WG 3 allocation proposal that would have allocated IOU RA resources to unbundled customers, who have been paying the above-market costs of these resources. The CPUC made this determination largely based on the fact that the RA market is tight and allocating resources to unbundled customers could mean that bundled customers' costs would increase because IOUs would have to go to the market to purchase more resources to serve their existing load. LSEs serving unbundled customers will not receive any allocations of RA resources and no sales of RA will be required. Ms. Song added that Pacific Gas & Electric (PG&E) and Southern California Edison (SCE) already have interim GHG-free allocations to LSEs, authorized by the CPUC. The PD, however, rejects the GHG-free allocation proposal; extended SCE's 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 reevaluation may bring some benefits to unbundled customers, but the process could take years, leaving CPA customers paying for the above-market costs for these resources while not receiving benefits for them. Ms. Song noted that CPA will continue to be a key player in the regulatory proceedings but is also working with CalCCA to move SB 612 forward in the legislature.

Committee Member Horvath asked how the process diverted significantly from the Working Group 3 recommendations and how CPA can improve the dynamic. Matt Langer, Chief Operating Officer, explained that PG&E participated in the working group and had significant input on the direction of the recommendations, but broke off at the last minute. PG&E then indicated their intention to submit their own proposal; the CPUC gave their unvetted proposal significant weight in its decision making. Mr. Langer stated it is evident that there is a tendency to discount the CCA perspective. CPA's strategy has been to be a credible and balanced voice at the CPUC to attempt to change the dynamic.

Chair Horvath added that CPA may benefit from educating the media about the disproportionate treatment of CCAs by the CPUC. The de facto oversight from the CPUC continues to be challenging and CPA might want to advocate for oversight from the entity that oversees municipal utilities instead. Ms. Goodhill added that the PD does complicate SB 612's path. The bill is based on the idea that the CPUC has failed to act on the issue, meaning that the bill now requests that the legislature weigh in on a decided decision at the CPUC; staff is still evaluating the impacts to the bill. Committee Member Horvath opined that more outreach will be needed to raise awareness of the regulatory agency's bias against CCAs. In response to Committee Member Kulcsar's questions regarding next steps at the legislature, Ms. Goodhill explained that if the bill passes, beginning in 2023, CPA customers would begin to receive a proportional share of legacy resources. Mr. Langer added that the CPUC would have to reopen another phase of this proceeding or open a new proceeding to implement the direction from the legislature.

Mr. Bardacke noted that if CPA makes a recommendation to receive direct oversight from either the CPUC or the California Energy Commission, that its request must be well thought out and structured to ensure there is a clear path that leads to the desired outcome.

COMMITTEE MEMBER COMMENTS

None.

ADJOURN

Chair Horvath adjourned the meeting at 10:32 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: Legislative Action on Energy and Procurement
Date: July 28, 2021

The Policy Director will provide a presentation on the item.

ATTACHMENT

- 1) [Legislative Action on Energy and Procurement Presentation](#)



Item 2

Legislative Action on Energy and Procurement

July 28, 2021

Overview

- The Legislature's priorities on energy and procurement in the 2021-22 Legislative Session can be grouped into four major themes: Reliability; Resiliency; Electrification; and Climate Change
- These priorities have been primarily demonstrated through proposed bills and the state budget
- Executive Orders and other announcements from the Governor, as well as Oversight Hearings from legislative policy committees have been a secondary means of demonstrating these priorities
- Legislative priorities outlast a single bill and can come back in new sessions or through "gut and amends"

Reliability

- Active reliability bills: Study firm energy resources to increase reliability
- Stalled reliability bills: Various changes to the RA program; long term back-up electricity supply (i.e. long-term storage); central procurement entity
- State Budget: \$35 million for transmission planning to support clean energy build out; \$735 million over 2 years to support pre-commercial long duration storage; \$250 million for energy efficiency in the industrial sector
- In mid-July, Governor issued both an emergency proclamation and an EO to increase energy capacity; extension of the Flex Alert program, and efforts to rebrand the Flex Alert program
- Assembly U&E Oversight Hearing on Summer readiness

Resiliency

- Active Resiliency Bills: Facilities that can maintain power during grid emergencies or heat events
- Stalled Resiliency Bills: Funding for local resiliency projects and local resiliency planning; state bond funding for various resiliency projects; microgrids to increase resiliency
- Budget: \$3.7 billion over three years, with \$440 million General Fund in 2021-2022, for communities affected by climate change to address extreme heat, sea level rise, infrastructure investments in DACs. Specific details will be determined in a final agreement among the Senate, Assembly, and Governor.

Electrification

- Active Electrification bills: New agencies to manage electric vehicles, electric vehicle (EV) charging and infrastructure, and zero-emission fleet purchase; new guidance for building owners on best practices for vehicle and building electrification; expanded eligibility under current funding streams for EV infrastructure; requirements for state agencies to consider increasing requirements for EV ready charging in multifamily buildings; expansion of streamlined permitting requirements for EV charging to all cities
- Stalled Electrification Bills: Requirements for new state buildings and vehicles to be zero emissions; requirements for the CEC to implement existing building decarbonization programs;
- Budget: \$2.7 billion in 2021-22, and 3.9 billion over 3 years for zero-emission vehicles and infrastructure; \$75 million for new market rate all-electric homes

Climate Change

- Active Climate Change Bills: Strategic plan development and studies around new energy technologies, specifically offshore wind and hydrogen
- Stalled Climate Change Bills: Acceleration of state's current goal towards having 100% of electricity provided by renewable or other zero-carbon sources by 2045
- Budget: \$20 million for offshore wind planning and analysis; \$400 million to support green hydrogen production and long duration storage projects, and other measures
- In early-July, Governor directed California Public Utilities Commission (CPUC) and California Air Resources Board (CARB) to accelerate state's progress on climate goals – CARB will evaluate pathways to achieve carbon neutrality by 2035; CPUC will work to establish a more ambitious GHG emission target for electricity procurement by 2030

Takeaways and Next Steps

- State budget has been a major driver of policy in the 2021-22 Legislative Session
- Reliability is the top energy priority
- Likely additional oversight hearings on the horizon, especially related to WCE bankruptcy and CCA finances
- Increasing interest from legislators and Administration in spurring new clean energy technologies
- New funding and bills focused on vehicle electrification will help meet Governor Newsom's 2020 ZEV EO and Governor Brown's 2018 ZEV EO

Staff Report – Agenda Item 3

To: Clean Power Alliance (CPA) Legislative & Regulatory Committee
From: Gina Goodhill, Policy Director
Subject: Oral Update on SB 612
Date: July 28, 2021

The Policy Director will provide an oral report on CPA's priority legislation, SB 612 (Portantino).