

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 resiliency 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.