



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

Wednesday, February 23, 2022

10:00 a.m.

SPECIAL NOTICE: Pursuant to the Proclamation of the State of Emergency by Governor Newsom on March 4, 2020, AB 361, and enacting Resolutions, and as a response to mitigating the spread of COVID19, the Legislative & Regulatory Committee will conduct this meeting remotely.

To Listen to the Meeting:

<https://us06web.zoom.us/j/88054055308>

or

Dial: (720) 707-2699 Meeting ID: 880 5405 5308

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 at 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) and agenda item 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 Board 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 preferred, you may also submit written comments during the meeting via email to: clerk@cleanpoweralliance.org. The written comments will be shared with the Board of Directors.

*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."

Meetings are accessible to persons 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 least two (2) working days before the meeting at clerk@cleanpoweralliance.org or (323) 640-7664. Notification in

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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 Board 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. Members of the public who wish to address the Board are requested to contact the Board Clerk, as specified above, at the beginning of the meeting but no later than immediately prior to the time an agenda item is called. Each speaker is 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 Policy No. 8 – Public Comment for additional information.*

CALL TO ORDER & ROLL CALL

GENERAL PUBLIC COMMENT

CONSENT AGENDA

1. Approve Minutes from January 26, 2022 Legislative & Regulatory Committee Meeting

REGULAR AGENDA

2. Action Item: Recommend Support Position on AB 1814 in the 2022/2023 California Legislative Session and HR 6662 in the 117th Congressional Session
3. Discussion Item: Resource Adequacy Reform Update

COMMITTEE MEMBER COMMENTS

ADJOURN – NEXT MEETING MARCH 23, 2022

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

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

Wednesday, January 26, 2022, 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 10:00 a.m. and Interim Clerk of the Board, Raynette Tom, conducted roll call.

Roll Call			
Agoura Hills	Deborah Klein Lopez	Committee Member	Remote
Carson	Cedric Hicks Reata Kulcsar	Committee Member Alternate 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 October 27, 2021 Legislative & Regulatory Committee Meeting

Motion: Committee Member Lopez, Agoura Hills

Second: Committee Member Kulcsar, Carson

Vote: Item 1 was approved by a roll call vote.

REGULAR AGENDA

2. Review Landscape Analysis: POLR + Additional Services

The report was jointly presented by Gina Goodhill, Policy Director, and CC Song, Director, Regulatory Affairs. Ms. Song defined the POLR (Provider of Last Resort) as a backup electricity provider that steps up to provide uninterrupted services if a Load Serving Entity (LSE) fails or cannot provide electricity service. CalCCA unsuccessfully recommended that the Governor veto SB 520, which further defined the POLR out of concern that non-IOU LSEs would be ineligible to become POLRs. Ms. Song noted that the POLR is part of a larger discussion about the long-term role of CCAs. The regulatory proceeding has three phases: service requirements and customer migration rules, designated POLR application and

requirements, and other issues. The proceeding is currently in its first phase, which includes workshop topics such as operations and expectation of POLR service and financial security requirements, etc. Ms. Song noted that the CPUC is concerned about the potential for a large volume of customers returning to IOUs, who are currently serving as the default POLR. CalCCA's position in Phase 1 is that the POLR service should be limited to serving customers during a transition period between LSEs of no more than 60 days, after which customers can be served by another LSE. Because of this limited 60-day service, the POLR should not conduct any procurement or hedging in advance, and any LSE ceasing operations should be able to select another LSE to take on their customers. In addition to POLR, CCAs currently must post a financial security requirement. In this proceeding, CalCCA is arguing that LSEs that have investment-grade credit rating or can prove sufficient financial health should have reduced financial service requirements.

Ms. Goodhill reviewed recent developments in the San Diego and Northern California regions that have called attention to the long-term role of CCAs and other LSEs. Some IOUs have expressed interest in exiting the energy business and other CCAs have expressed interest in filling transmission and distribution gaps if given the opportunity. SCE has not expressed any interest in exiting the energy market, and there are no concerns about their ability to provide transmission and distribution. Ms. Goodhill commented that there may eventually be a need for state policy to prepare for an IOU leaving the energy market. Ms. Song then recommended that CPA continue to monitor and track the POLR proceeding in collaboration with CalCCA on the positions previously discussed.

In response to questions from the Committee, staff clarified that the bill does not impose any requirements for an entity that would be a POLR, but rather directs the CPUC to administer the process. Entities that are designated as POLRs do not have to find a backup POLR for their own customers. Board Chair Mahmud asked if there was any distinction between being a POLR for commercial customers and residential customers. Ms. Song responded that the CPUC has not discussed that distinction; concerns mainly revolve about the designation of a POLR when an LSE is in financial distress. Staff also explained that hedging is costly and requiring POLRs to hedge and procure in advance, with the possibility of never using the resources procured, will translate into higher costs for all customers. Therefore, other options may be explored, such as collateral requirements for LSEs to offset costs for customers transferred to a POLR. Board Chair Mahmud commented that the repeated troubles with PG&E caused frustration at the legislature and will likely affect how CCAs are impacted by the bill. After further discussion, Ms. Goodhill noted that some bill proposals explore the creation of a third entity, such as a central procurement entity (CPE), to serve as a POLR, but staff is still in the information-gathering phase and will report back. Because of the limited scope of the proceeding at the CPUC, Ms. Song similarly explained that at the regulatory level, the discussion remains centered on the requirements of a POLR. Staff noted that it will continue to provide updates to the Committee.

3. Presentation: Sacramento Shifts

Ms. Goodhill updated the Committee on Sacramento leadership changes, redistricting, and the budget. There were various appointments made recently at the legislature that affect CPA. Both the Senate and Assembly Appropriations Committees are chaired by representatives from who have CPA territory in their

districts and there is a new leader in the Assembly Utilities and Energy Committee. Alice Reynolds, former chief energy advisor to the Governor has been appointed as the new President of the CPUC. And John Reynolds has been appointed as the new Commissioner to the CPUC. Mr. Reynolds has worked extensively on issues that affect CCAs and has a strong CPUC background. Ms. Goodhill added that the redistricting process has been completed and current CPA members will continue to represent their existing districts while in this current legislative session. Commencing with the election in early June, representatives will be running under the new lines drawn during the redistricting process. Ms. Goodhill stated that this will most likely prompt a change in representatives for CPA, with at least 22 new legislators after the November 2022 election. Ms. Goodhill suggested that CPA will continue to monitor budget opportunities for additional funding to flow through CPA. She also announced a tentative time period of the last week of May and first week of June for a virtual 2022 lobby day. Chair Horvath flagged some dates as challenging, as some key legislators will be participating in an election. Ms. Goodhill thanked the Committee for their feedback and said she would explore alternative dates.

COMMITTEE MEMBER COMMENTS

None.

ADJOURN

Chair Horvath adjourned the meeting at 11:01 a.m.



Staff Report – Agenda Item 2

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

From: Gina Goodhill, Policy Director

Approved By: Ted Bardacke, Chief Executive Officer

Subject: Recommend Support Position on a bill in the 2022/2023 California Legislative Session and a bill in the 117th Congressional Session

Date: February 23, 2022

RECOMMENDATION

Recommend that the Board of Directors approve support positions on one bill in the 2022/2023 California Legislative Session and one bill in the 117th Congressional Session.

DISCUSSION

[AB 1814 \(Assemblymember Grayson\)](#): Recommended Position: Support

This CalCCA-sponsored bill would authorize Community Choice Aggregators (CCAs) to submit applications to the California Public Utilities Commission (CPUC) to receive funding to administer transportation electrification programs in their service area. Access to additional funding would allow CCAs to increase and expand their electric vehicle programs, which will benefit CCA customers and will help meet the state's electric vehicle adoption goals.

California has ambitious air quality and climate change reduction goals related to transportation, including putting five million zero-emission vehicles (ZEVs) on the road by 2030, installing 250,000 electric vehicle charging stations by 2025; and a requirement that all new cars and passenger trucks sold in California must be ZEVs by 2035¹. It will

¹ <https://www.ca.gov/archive/gov39/2018/01/26/governor-brown-takes-action-to-increase-zero-emission-vehicles-fund-new-climate-investments/index.html>

require a collective effort to meet these goals. The California Energy Commission (CEC) has assessed California's electric vehicle charging infrastructure rollout and determined that the state will be over 1 million chargers short of what will be required to support the 2030 EV adoption goals².

While the CPUC authorizes IOUs to file applications to receive ratepayer funds for their transportation electrification programs, CCAs are not explicitly authorized to access these funds, despite CCA customers also paying into those funds. In some past years, IOUs have proposed more than \$2 billion in funding for transportation electrification programs, and the CPUC has approved at least \$1 billion of that. Local leaders and CCAs have little ability to tailor electric vehicle infrastructure and programs that are run through the IOUs, particularly for traditionally under-represented areas.

AB 1814 would explicitly authorize CCAs to file applications for programs and investments to accelerate widespread transportation electrification. To submit these applications, CCAs would have to meet the same requirements that IOUs are currently required to meet. This is similar to how CPA participates in the DAC Green Tariff Program and the Community Solar Green Tariff program, and to how some CCAs participate in the Energy Efficiency programs. Access to these funds would allow CCAs to provide communities with expanded EV charging programs and pilots that complement the current options.

CalCCA is the sponsor of this bill, and it will be their top legislative priority in the 2022 legislative session. There is currently no public support or opposition for this bill, as it is newly introduced.

[H.R. 6662 EVs for All Act \(Congresswoman Nanette Barragan\)](#)

Recommended Position: Support

This bill would require that the U.S. Department of Energy (DOE) and the U.S. Department of Housing and Urban Development (HUD), develop a program which would

² <https://www.energy.ca.gov/news/2021-06/report-shows-california-needs-12-million-electric-vehicle-chargers-2030>

authorize up to \$50 million per year to public housing agencies, local governments, or non-profit organizations to support EV car sharing services at public housing projects. Public housing residents face significant barriers accessing reliable and affordable transportation, especially zero-emission transportation. Yet these same public housing buildings are often located in communities that are disproportionately affected by air pollution, where the benefits of clean air vehicles would be most impactful.

While CPA would be unlikely to directly receive grants from this program, the goals of the bill complement other CPA programs such as the CALeVIP program and the Community Solar program. It also complements CPA's goal of providing equitable access to the benefits of clean energy and vehicle electrification.

The Los Angeles Clean Tech Incubator (LACI), with whom CPA sometimes partners, worked closely with the Congresswoman on developing the legislation. The bill currently has 23 cosponsors, including 7 California representatives, and over 50 environmental, environmental justice, clean technology and clean air organizations have supported the bill. This would be the first time the CPA Board has taken a position on a federal bill.

Alignment with CPA 2022 Legislative & Regulatory Platform

The issues addressed in the bill aligns with CPA's 2021 Legislative & Regulatory Platform, specifically section 4b and 4c.

ATTACHMENT

- 1) 2022 Legislative & Regulatory Platform



2022 Proposed 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 members of the CPA Board of Directors and CPA 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 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 CPA Board of Directors 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.
3. Supporting recognition that electricity is an essential good, 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, with the goal of combating climate change.

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 of Directors 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 and funding 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 environmental and social justice communities in CPA's 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 environmental and social justice communities in CPA's 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 of 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 of CPA to promote electrification of the transportation sector in response to state and federal goals aimed at increasing the usage of zero emission vehicles;
- d. Supports the ability of 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: CC Song, Director, Regulatory Affairs

Approved By: Ted Bardacke, Chief Executive Officer

Subject: Resource Adequacy Reform Update

Date: February 23, 2022

RECOMMENDATION

Receive and file.

ATTACHMENT

- 1) Resource Adequacy Reform Update Presentation



Resource Adequacy Reform Update

February 23, 2022



Presentation Overview

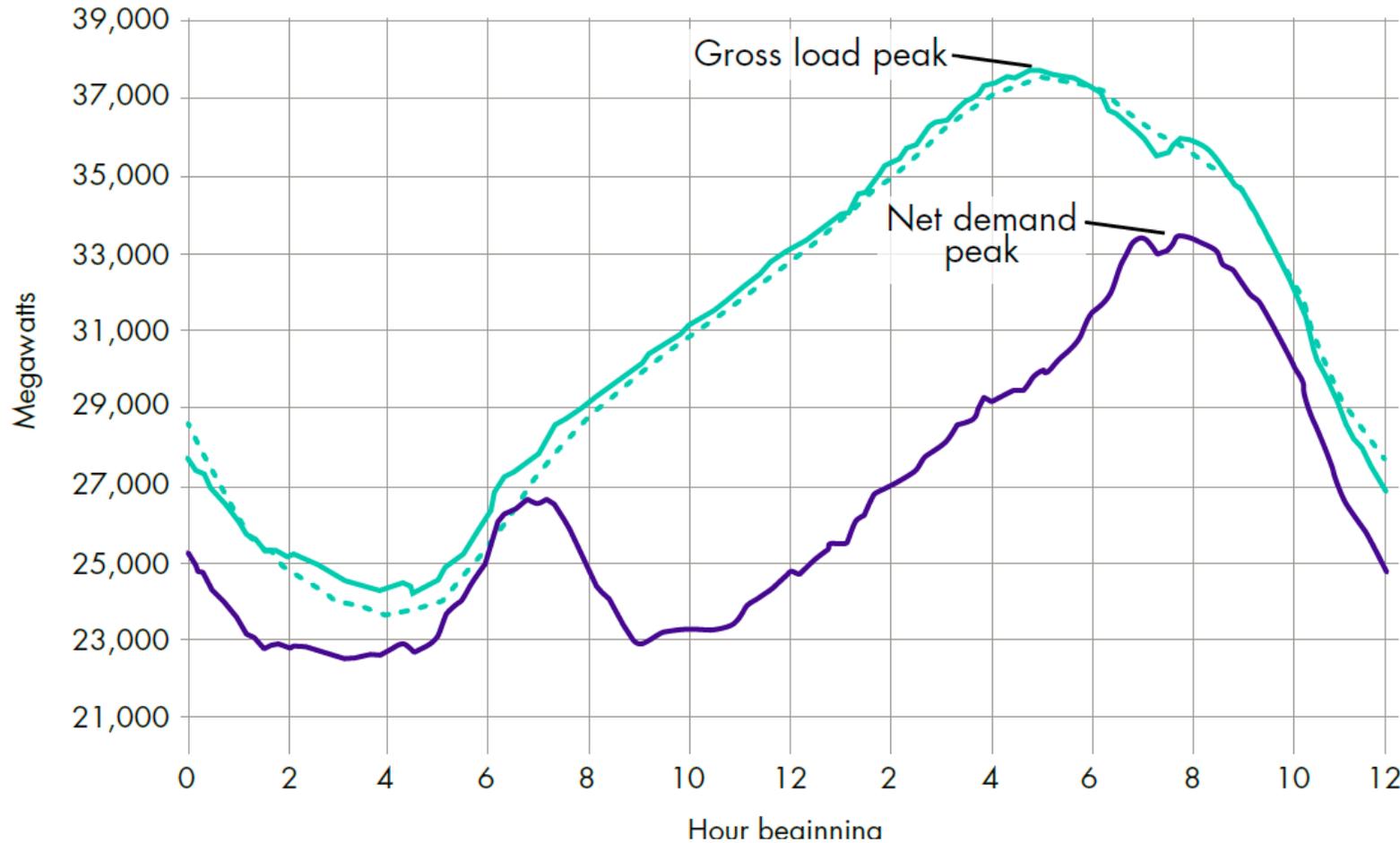
- Resource Adequacy (RA) Reform Background
- CPA Principles for RA Reform
- Summary of Proposals
- Next Steps
- Q&A



RA Reform Background

- RA was originally designed to ensure sufficient capacity to meet the system-wide gross peak
 - If this requirement was met, it was assumed there would be sufficient energy available in all other hours to maintain reliability to the pre-determined planning standard (115% of gross peak load)
- Since the RA program's inception, the resources on the grid have become increasingly variable and energy-limited
 - Net peak has become the most challenging time for reliability
 - Energy sufficiency can no longer be assumed as it once was
- Quick fixes have been implemented but a more robust and durable solution is needed

Net Peak vs. Gross Peak



Source: CAISO

- ⚡ The gross peak load represents the total energy required by the CAISO to serve demand at its highest level of the day.
- ⚡ The net peak load represents the total energy demand less the wind and solar resource forecast from the gross peak load.
- ⚡ While the gross load peak on a typical day occurs in the late afternoon, the early evening net load peak is becoming increasingly critical as solar production ends and demand remains high in the evening.

Establishment of the RA Reform Process

- Jan 2020 - Commission requested proposals on RA reform
 - CalCCA-SCE Proposal – LSE required to show a portfolio with sufficient energy to meet both its load and storage charging needs
 - PG&E Proposal - RA requirements for multiple “slices-of-day” across seasons, counting methodology to reflect an individual resource’s ability to produce energy during each respective slice
- July 2021 - Commission directed working groups to develop implementation details around “slice-of-day” for RA year 2024
- Through the working groups, parties are generally converging around two slice-of-day proposals
 - Members of CalCCA, including CPA, proposed two additional options

CPA Guiding Principles

- The below principles were presented to the Committee in June 2020:
 - Develop a grid reliability framework that appropriately values the contributions of clean energy resources
 - Establish a long-term resource planning standard allows LSEs chart a course to 100% clean energy while ensuring grid reliability
 - Ensure that any new framework is implemented thoughtfully and with sufficient time for LSEs to adapt



High Level Summary of Proposals

24-Hourly Slice
Proposal (SCE)

For each month, each LSE must demonstrate it has enough capacity to meet its load profile in all 24 hours on the CAISO's "worst day"

2 Slice Proposal
(Gridwell)

For each month, each LSE must demonstrate it has enough capacity to meet its share of CAISO gross peak and net peak



Pros and Cons of Proposals

SCE 24-Slice Proposal

- Pros
 - Direct visibility of how resource supply meets demand, and how excess energy from a renewable can be used to charge storage
 - Granular view of when a resource can contribute, especially useful for resources like demand response
- Cons
 - Resource trading cannot be unbundled by the hour, creating market inefficiency
 - Existing systems at CPUC and CAISO would need to be updated

Gridwell 2-Slice Proposal

- Pros
 - Slight tweak to current framework– compliance processes would remain largely unchanged
- Cons
 - The resource accounting methodology may not value renewable resources appropriately
 - Does not offer the granular view of when a resource can contribute, and may not be durable in the long run



CPA Principles and Proposed Frameworks

Appropriately value contributions of renewable resources

- ⚡ 24-Slice
 - More accurately values renewable resources based on granular hourly contribution
- ⚡ 2-Slice
 - Renewable resource valuation would be based on existing Effective Load Carrying Capacity (ELCC) methodology, with large discount on solar and wind capacity contribution

Long-term framework that allows LSEs to chart a course to 100% clean energy

- ⚡ 24-Slice
 - Granular view that provides visibility into individual LSE's resource mix's ability to meet demand
- ⚡ 2-Slice
 - Likely not as durable as resource mix continues to evolve and gas resources retire

Thoughtful implementation with sufficient time to adapt

- ⚡ The July 2021 CPUC decision directed working groups to develop implementation details around a new framework for 2023, which does not provide sufficient time for thoughtful implementation



Parties Split Support on Proposals

24-Hourly Slice Proposal (SCE)

PG&E, renewable trade associations, storage trade association

24 Hourly Slice Proposal With Modifications (CPA)

Adopt 24-Hourly Slice Proposal but defer implementation until 2025 to resolve complex implementation issues including transactability and resource tracking. CalCCA official position. Supported by EBCE, MCE, PCE, Pioneer, SJCE, SCP.

2 Slice Proposal (Gridwell)

Thermal generators

2 Slice Proposal as a Temporary Bridge (4 CCAs)

Adopt 2 Slice proposal as a temporary bridge while something more durable can be developed for later implementation. Supported by 3CE, SDCP, SVCE, VCE.

Next Steps

⚡ CPUC Proceeding Schedule

- February 28: Workshop Report filed
- Early March (expected): Comments on Workshop Report
- Mid March (expected): Reply comments on Workshop Report
- Summer 2022: Proposed Decision on RA Reform

⚡ CPA staff will continue to work with CalCCA staff to develop comments on the Workshop Report

⚡ CPA staff will continue to keep the committee apprised of the proceeding progress and identify potential opportunities for engagement

Questions