



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

Wednesday, March 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.

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

If the YouTube stream is not working, please use the zoom link.

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

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 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 preferred, you may also submit written comments during the meeting via email to: clerk@cleanpoweralliance.org. The written comments will be shared with the Committee.

*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

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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 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 February 23, 2022 Legislative & Regulatory Committee Meeting

REGULAR AGENDA

2. Recommend that the Board of Directors Approve Positions on Two Bills in the 2021/2022 Legislative Session
 - a. SB 1287 - Recommended Position: Oppose Unless Amended
 - b. AB 2238 - Recommended Position: Support

COMMITTEE MEMBER COMMENTS

ADJOURN – NEXT MEETING APRIL 27, 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

MEETING of the Legislative & Regulatory Committee of the

Clean Power Alliance of Southern California

Wednesday, February 23, 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	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 January 26, 2022, Legislative & Regulatory Committee Meeting

Motion: Committee Member Lopez, Agoura Hills

Second: Committee Member Hicks, Carson

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

REGULAR AGENDA

2. Recommend Support Position on AB 1814 in the 2021/2022 California Legislative Session and HR 6662 in the 117th Congressional Session

Gina Goodhill, Policy Director, provided an overview of the item. AB 1814 would allow Community Choice Aggregators (CCAs) to submit applications to the California Public Utilities Commission (CPUC) to receive funding to administer their own transportation electrification programs. There would be coordination between the Investor Owned Utilities (IOUs) and the CCAs to avoid duplication, but CCAs would be able to scope their own programs and strategically tailor them to their needs. The bill was recently introduced and does not yet have official support or opposition, but staff anticipates that IOUs will not support the bill. The second bill,

HR 6662, would require the U.S. Department of Energy and U.S. Department of Housing and Urban Development to develop a program to authorize up to \$50 million a year to public housing agencies, local governments, or nonprofit organizations to support EV car sharing services. Public housing residents face significant barriers to reliable and affordable transportation. As currently written, the bill would not provide CCAs with direct access to the funds but complements CPA's goal of equitable access to clean energy. In response to a question from Committee Member Lopez regarding possible opposition to AB 1814, Ms. Goodhill noted that the bill would create some competition for funding between IOUs and CCAs. Mr. Bardacke noted a new bill, SB 1287, was recently introduced, that could be financially problematic for CCAs. Staff is still evaluating its impact, but if an immediate position on the bill is necessary, staff would have to present the bill position directly to the Board.

Motion: Committee Member Hicks, Carson
Second: Committee Member Lopez, Agoura Hills
Vote: Item 2 was approved by a roll call vote.

3. Resource Adequacy Reform Update

CC Song, Director, Regulatory Affairs, provided a presentation on Resource Adequacy (RA) including background information; CPA principles for RA reform; and a summary of proposals. Although RA was designed to ensure sufficient capacity to meet system-wide gross peak, resources on the grid have become increasingly variable and energy-limited. Under CPUC direction, CalCCA and Southern California Edison (SCE) submitted a joint proposal where Load Serving Entities (LSEs) would provide a portfolio with sufficient energy to meet both its load and storage charging needs. The CPUC opted for an alternate proposal and directed working groups to develop implementation details around a "slice-of-day" framework for RA compliance in 2024. Ms. Song reviewed three principles that guided CPA's engagement and evaluation process and presented two proposals: (i) a 24-hourly slice proposal and (ii) a 2-slice proposal. Ms. Song reviewed pros and cons for each. The 24-hourly slice proposal requires each LSE, monthly, to demonstrate enough capacity to meet its load profile in all 24 hours on the CAISO's worst day. The 2-slice framework requires each LSE, monthly, to demonstrate it has enough capacity to meet its share of CAISO gross peak and net peak. Ms. Song reviewed how each measures up to CPA's guiding principles and noted that the 24-hour slice more accurately values renewable resources and provides visibility into an individual LSE's resource mix's ability to meet demand. The 2-slice proposal's renewable resource valuation would be based on a methodology that heavily discounts solar and wind capacity contribution and does not appropriately value their contribution to the grid and will not be as durable. The CPUC's decision does not provide sufficient time for thoughtful implementation. Ms. Song discussed support for the two proposals. Amongst CalCCA membership, one group of CCAs supports the adoption of a 24-hourly slice proposal with a deferred implementation until 2025. Another smaller group supports the 2-slice proposal as a temporary bridge while a more durable framework can be developed. Ms. Song stated that CPA does not support the latter proposal because it would be confusing to adopt one proposal and then have to adjust to a new framework in a year's time. CPA staff will continue to work with CalCCA staff to develop comments on the Workshop Report expected in March and will keep the committee apprised of the proceeding and identify potential opportunities for engagement.

Committee Member Hicks asked about concerns regarding existing systems that the CPUC and CAISO would need to update and how that would be addressed. Matt Langer, COO, clarified that the delay in the modified 24-hourly proposal addresses the need for these agencies to implement system updates. Committee Member Lopez asked how TOU rates can affect the net and gross peaks. Mr. Langer specified that under the 24-hourly slice proposal they can change more significantly; but the CPUC will have to agree to change the peak hours they use for measurement. In response to Chair Horvath's question regarding the Provider of Last Resort (POLR), Ms. Song explained that should the CPUC in a separate decision determine that the POLR may service customers in transition for longer than 60 days, it may have to procure more resources depending on the length of time authorized.

COMMITTEE MEMBER COMMENTS

None.

ADJOURN

Chair Horvath adjourned the meeting at 10:50 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 Positions on Two Bills in the 2021/2022 California Legislative Session

Date: March 23, 2022

RECOMMENDATION

Recommend that the Board of Directors approve positions on two bills in the 2021/2022 California Legislative Session.

DISCUSSION

SB 1287 (Bradford): Recommended Position: Oppose Unless Amended

This bill would update financial security requirements that CCAs and privately owned energy service providers (ESPs) post with the provider of last resort (POLR) to cover the cost of reentry fees if an ESP or CCA becomes insolvent and must be returned to the POLR. Specifically, it would require ESPs and CCAs to post a bond or demonstrate insurance in the amount of \$500,000, and to cover 12 months of incremental procurement costs incurred by the POLR. In CCA territories, the designated POLRs are the investor-owned utilities (IOUs) and in CPA's case, the POLR is Southern California Edison (SCE).

Current law requires CCAs and ESPs to post a bond or demonstrate insurance to cover any reentry costs that would be imposed on a customer in the event of an involuntary return to the POLR, to avoid imposing costs on the IOU's bundled customers. For CPA, this amount has consistently been the established minimum of \$147,000, which CPA

finances with a letter of credit at a nominal cost. The new minimum of \$500,000 would be close to triple this amount and would likely be financed in a similar way.

However more worrisome in SB 1287 is new language that would require this amount to include “costs for no less than 12 months of incremental procurement incurred by the POLR in the last calculation of the financial security requirement amount.” It is unclear if the term “costs” was meant to refer to only the forecast costs to serve the returned customers or forecast costs netted against forecast revenue. If it is the former, then the amount of money that CCAs would have to hold as bond or finance would be in the billions of dollars. This could effectively require CCAs to acquire a costly financial instrument, thus significantly increasing costs to CCA customers. It is a sledgehammer reaction to the bankruptcy of Western Community Energy in 2020 that overestimates the risk of a CCA failure, and yet ironically it could create such financial uncertainty that it could become a self-fulfilling prophecy.

This bill is also unnecessary, as it overlaps with an open CPUC proceeding that is investigating the appropriate level of financial security requirements that CCAs and ESPs should post in the event of an involuntary customer return to the POLR.

CPA disagrees with both changing the bond amount to \$500,000, and with requiring CCAs to post financial security to include costs for no less than 12 months of incremental procurement incurred by the POLR. However, the former would be manageable, while the latter would be determinantal.

CPA staff therefore propose opposing the bill *unless* the author strikes Section (e)(2), which currently reads: “(2)... *commission shall update the financial security requirements established pursuant to paragraph (1) to include costs for no less than 12 months of incremental procurement incurred by the provider of last resort in the calculation of the financial security requirement amount.*”

AB 2238 (Luz Rivas and Eduardo Garcia) Recommended Position: Support

This bill would require, by January 1, 2024, the California Environmental Protection Agency, the Office of Planning and Research, and the Integrated Climate Adaption and Resiliency Program, 1) to develop a statewide extreme heat ranking system; 2) to submit a study of the costs related to past extreme heat events; and 3) to develop a public communication plan for the statewide extreme heat ranking system.

The bill notes that California has experienced record-setting temperatures in the last two years, demonstrating the urgency of addressing climate-intensified extreme heat impacts. In 2020, temperatures in Los Angeles County reached as high as 121 degrees Fahrenheit, the highest temperature ever recorded in Los Angeles County, causing an increase of 10 times the normal number of emergency room visits.

Existing advance warnings of disasters from other perils save lives and provide a window of opportunity for protecting property, avoiding harm, and saving lives. For example, California's "red flag" warnings for wildfire conditions, the United States Environmental Protection Agency Air Quality App, the naming system for tropical storms and hurricanes by the National Oceanic and Atmospheric Administration, and air quality alerts embedded in smart phone weather applications that allow those with respiratory conditions to find shelter in advance from dirty air could serve as templates for ranking extreme heat events.

A statewide ranking system for extreme heat is one of the recommendations from the California Climate Insurance Working group, which was convened by Insurance Commissioner Ricardo Lara; Commissioner Lara is also the sponsor of this bill. After the statewide extreme heat ranking system is finalized, the bill would also require the development of specific heat adaptation measures that could be triggered by the system. The bill has received early public support from a slew of environmental, environmental justice, and public health groups.

Alignment with CPA 2022 Legislative & Regulatory Platform

The issues addressed in the bill aligns with CPA's 2022 Legislative & Regulatory Platform, specifically sections 1c and 3a.

ATTACHMENT

- 1) 2022 Legislative & Regulatory Platform



2022 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.