



## **SPECIAL MEETING**

# **Legislative & Regulatory Committee of the Clean Power Alliance of Southern California**

**Wednesday, November 16, 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.

[Visit CPA's YouTube Channel to view a Live Stream of this Meeting](#)

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 Participate in 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](mailto: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](mailto: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](mailto: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."

Clean Power Alliance Legislative & Regulatory Committee  
November 16, 2022

*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](mailto: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.*

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## **CALL TO ORDER & ROLL CALL**

## **GENERAL PUBLIC COMMENT**

## **CONSENT AGENDA**

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

## **REGULAR AGENDA**

2. 2023-2024 Legislative & Regulatory Policy Platform Discussion

## **COMMITTEE MEMBER COMMENTS**

**ADJOURN – NO MEETING SCHEDULED IN DECEMBER. NEXT MEETING ON  
JANUARY 25, 2023**

**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](http://www.cleanpoweralliance.org/agendas).*

**MINUTES**

MEETING of the Legislative & Regulatory Committee of the  
 Clean Power Alliance of Southern California  
 Wednesday, October 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 Gabriela Monzon, Board Clerk, conducted roll call.

<b>Roll Call</b>			
<b>Agoura Hills</b>	Deborah Klein Lopez	Committee Member	Remote
<b>Carson</b>	Cedric L. Hicks, Sr.	Committee Member	Remote
<b>West Hollywood</b>	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 September 28, 2022, Legislative & Regulatory Committee Meeting

**Motion:** Committee Member Hicks, Carson  
**Second:** Committee Member Lopez, Agoura Hills  
**Vote:** The consent agenda was approved by a roll call vote.

**REGULAR AGENDA**

2. Presentation on Reliability Incentive Framework Proposal  
 Matt Langer, Chief Operating Officer, provided a presentation on the proposed reliability incentive framework. Mr. Langer explained that the retirements of fossil fuel generators, regulatory changes, and other issues have reduced system capacity to critical levels while demand continues to rise. A long-term plan for new capacity is needed to meet growing needs of the grid, build resiliency, and create a liquid market that will reduce consumer costs. Mr. Langer reviewed a graph showing the system Resource Adequacy (RA) supply from 2019 through 2028 predictions. The reliability incentive framework proposal contains two parts, including a Reliability Target that ensures enough new capacity to meet reliability

while minimizing costs and allowing flexible compliance; and an incentive that encourages early compliance, bring additional liquidity, and drive prices down. Mr. Langer specified the details behind how the Reliability Target and incentive mechanism should work and their respective paths to success; provided an example of a compliance period requirement and its megawatt annual target, online capacity, excess, RA market price, and incentive payment. Lastly, Mr. Langer listed the framework benefits to the California energy market and CPA staff next steps.

Chair Horvath commented that Board members could make their respective city lobbyists aware of CPA legislative efforts, noting that the city of West Hollywood had done so recently. Responding to Committee Member Lopez's question regarding legislative outreach, Gina Goodhill, Director of Government Affairs, indicated that staff is leading an educational approach through the administrative level, and will approach legislative staff afterwards. Committee Members Lopez and Hicks expressed a preference for a simultaneous legislative and administrative approach. Ms. Goodhill explained that a legislative approach with a bill can lead to multiple amendments or dismissed; staff believes the administrative approach will yield a higher likelihood of success, noting that last year well-supported bills were vetoed because they lacked clear funding in the budget. Ted Bardacke, CEO, added that the speaker and chair of the Budget Committee are still unknown, furthering CPA staff's cautious approach. Committee Member Hicks inquired if there were other entities working with CPA on this proposal, and Mr. Langer indicated that staff has had informal conversations with Southern California Edison (SCE) and Pacific Gas & Electric (PG&E) but the Committee's support would accelerate future conversations. Ms. Goodhill added that there is a strong likelihood this proposal will be supported by stakeholders concerned with ratepayer costs and environmental groups seeking zero-carbon resources.

#### **COMMITTEE MEMBER COMMENTS**

Committee Member Hicks thanked Ms. Goodhill and staff for the follow-up presentation provided on green hydrogen and commented that the water intensity of green hydrogen production was of some concern.

#### **ADJOURN**

Chair Horvath adjourned the meeting at 10:32 a.m.



## Staff Report – Agenda Item 2

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

**From:** Gina Goodhill, Director, Government Affairs  
CC Song, Director, Regulatory Affairs

**Approved By:** Ted Bardacke, Chief Executive Officer

**Subject:** 2023-2024 Legislative & Regulatory Policy Platform Discussion

**Date:** November 16, 2022

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### **RECOMMENDATION**

Review and discussion.

### **BACKGROUND**

In November 2018, CPA’s Board of Directors adopted its first Legislative & Regulatory Policy Platform to serve as a framework for CPA’s advocacy and policy efforts. Since that time, CPA staff have used the platform to pursue actions at the regulatory levels with the understanding that they are taking actions in the best interest of the organization, member agencies, and customers. Staff have also used the platform to guide legislative actions but have sought approval from the Board before taking any bill positions at the state or federal level.

At the same November 2018 meeting, the Board also approved a protocol on urgent matters that allows the Board Chair and Vice-Chairs, the Legislative & Regulatory Committee Chair, and the Chief Executive Officer to collectively and timely respond on CPA’s behalf when urgent legislative and regulatory matters arise, when there is not time for the full Board of Directors to provide timely direction. Under this protocol, the Legislative & Regulatory Committee members and the full Board are informed of any action taken by this group and are consulted as time allows.

The Board has approved updates to the platform every year to reflect the changing regulatory and legislative landscape and priorities. At the February 2021 Legislative & Regulatory Committee meeting, staff introduced the idea of revising the policy platform framework so that staff can more regularly take positions on bills using the Board approved platform, rather than seeking approval for each bill position. This report further explores the benefits and drawbacks of this approach.

## **DISCUSSION**

For the past several years, CPA has used bill positions as one of several ways to influence the legislative process. Since 2018, CPA has recommended policy positions on fewer than 20 bills, and the Board has approved each one. CPA prioritizes bills that directly impact CPA and its ability to serve customers. Secondly, CPA considers bills that are authored by a legislator that represents CPA's service territory, or that come to CPA through a stakeholder group that CPA works with, usually in the form of a sign-on letter. CPA staff proposes taking positions on bills almost exclusively in January-May, which is early enough for CPA to complete its internal Board approval process, while still being able to influence a bill's outcome.

Where CPA has been less nimble is taking positions on bills that come to CPA's attention later in the legislative process, when bills are amended at a much faster pace and can take on new ideas that were not in the original bills proposed early in the legislative session. Unless the bill is urgent enough to use CPA's alternate protocol, CPA staff has generally declined to take positions on bills that come to CPA after May, because by the time CPA's internal process has been completed, it will be too late for CPA's position to carry much weight. This limitation prevents CPA from being able to respond quickly to bills that are important, but do not rise to the level of the alternate process, such as bills that would indirectly benefits CPA's programs or bills that address issues that are important to CPA but not central to its work.

Some examples of bills that have fallen into this category in the past have included bills that would promote electric vehicle adoption (but that did not directly tie into CPA's EV program) and bills that promoted extreme heat education but had no role for CCAs. Often,

these bills come to staff's attention later in the process because they are not directly linked to CPA's work, and often come through a stakeholder group or coalition with whom CPA works. CPA's tendency to stay neutral on these bills may not have an immediate impact but reduces CPA's long-term ability to build relationships with stakeholders that should be allies for CPA.

While CPA is not the only organization with a bill-by-bill approval process, it is in the minority. Many large local government organizations in Southern California, as well as many other large CCAs, rely on their Board-approved policy platforms to guide bill positions rather than seeking direction for every position, with some caveats and exceptions.

CPA took an informal poll of organizations like CPA to better understand the policy platform landscape throughout California. Of the organizations that responded, over 80% primarily rely on their Board-approved policy platforms to guide the bill positions that they take, rather than seeking directions for every bill. Most of these organizations also had clear exceptions in which they would still bring bills to their Board for guidance. They include bills where there is no existing direction in the policy platform; high-profile bills or bills that are likely to receive media attention; or bills that would raise taxes. The exceptions are examples of guardrails to ensure that the Board can weigh in on the types of larger bills that individual Board members or their cities may already be tracking. Most of the above organizations also had a process to inform their Board of the positions that the organization took, usually monthly.

Agency	Does staff bring every bill position to the Board?	What exceptions exist?
Los Angeles County BOS	No	Some positions taken through a Board motion
Ventura County BOS	No	Some positions taken through a Board motion (uncommon)
Metropolitan Water District	No	Some positions taken to a Board committee
Southern California Association of Governments	Yes	Rare exceptions if bill is part of former position taken
Los Angeles County Metro	No	Some positions taken through a Board motion
MCE (Marin Clean Energy)	No	None
East Bay Community Energy	Yes	Smaller, executive Board process for urgent bills
San Diego Community Power	No	None
Sonoma Clean Power	No	Some positions taken to full Board
Silicon Valley Clean Power	No	None
Peninsula Clean Power	No	Some positions taken to full Board

With this approach, the real work of the Legislative & Regulatory Committee is in the creation of the policy platform, and potentially in the vetting of bills that would go to the full Board for a position request. These platforms are detailed, lengthy documents that give more explicit direction to staff on what positions they should adopt. They require Legislative & Regulatory Committee members to set the direction for the organization at the beginning of each legislative year, and then to convene less frequently throughout the year, when bills fall into the “exception” category detailed above. An example of what this more detailed platform could look like can be seen in attachment 1.

### Timing

If the committee is interested in further exploring this option, staff will bring a revised Legislative & Regulatory Policy Platform to this committee at the January meeting, as well as a revised bill position protocol for discussion.

### ATTACHMENT

1. Example of expanded legislative and regulatory policy platform to support streamlined process for taking bill positions

**Example of expanded legislative and regulatory policy platform to support streamlined process for taking bill positions:**



**2023-2024 Proposed Legislative and Regulatory Policy Platform**

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**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.~~

1.-Supports CPA's ability to optimize its existing portfolio, pursue the procurement of new renewable or carbon-free resources, maximize its ability to plan resource procurement in the future, and ensure that there is sufficient grid infrastructure to support CPA's resource deployment. Additionally, CPA will pursue administrative and legislative initiatives that provide financial support to its power resource planning and procurement efforts.

**Policy Platform**

~~1) Local Control, Finance, and Power Procurement~~ Power Resources Planning and Procurement

CPA will pursue legislative and regulatory activity that supports:

- a. ~~Supports the authority of CPA and its Board of Directors to retain local control over its activities;~~ Resource Adequacy and Reliability: CPA will pursue administrative and legislative initiatives that will enable CPA to secure capacity resources to meet its reliability obligations, such as initiatives that evaluate the supply of capacity resources available to load serving entities (LSEs), determine the appropriate market mechanisms for LSEs to procure capacity resources, and develop a durable policy framework that encourage LSEs to construct new capacity resources and retain existing capacity resources to maintain grid reliability while balancing CPA's and the State's decarbonization goals.
- b. ~~Supports the protection of CPA's procurement autonomy;~~ Carbon-Free Resources: CPA will pursue administrative and legislative initiatives that will maximize CPA's ability to procure carbon-free resources to meet the needs of CPA's three product offerings and its long-term carbon-free procurement goal as required by SB 100 and other statutory or regulatory obligations.
- c. ~~Supports the ability of CPA to maintain control over its financial decisions;~~ Renewable Resources: CPA will pursue administrative and legislative initiatives that will maximize CPA's ability to procure eligible Renewable Portfolio Standard (RPS) resources to meet the

needs of CPA's three product offerings and its long-term RPS procurement goal as required by SB 100 and other statutory or regulatory obligations.

- d. ~~Supports the ability of CPA to expand its service offerings and activities in response to a changing energy landscape;~~ Integrated Resource Plan: CPA will pursue administrative and legislative initiatives that will maximize CPA's ability to plan and procure resources to meet various environmental and reliability goals set by state laws and by its Board of Directors, while offering affordable products and programs to serve its customers, including disadvantaged communities.
- e. ~~Supports the ability of CPA to access state incentives and funding for its customers and member agencies; and~~ Transmission: CPA will pursue administrative and legislative initiatives that will provide CPA adequate access to transmission capacity to maximize its procurement of RPS-eligible or carbon-free resources that meet various statutory and regulatory requirements.
- 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.~~ Research & Development: CPA will pursue administrative and legislative initiatives that support the research and development of new energy resources that can be procured to meet the reliability and decarbonization goals set by the State and its Board of Directors.

## 2. Local Control

## 3. Finance