

**MINUTES**

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

Wednesday, July 27, 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 Gabby 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 May 25, 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. Assembly Bill 205 Summary and Impacts  
Gina Goodhill, Director of Government Affairs, provided an update on AB 205, which implements energy items from the 2022 budget act with a specific focus on grid reliability. Ms. Goodhill explained that the bill establishes a second year of the California Arrearages Payment Program (CAPP), which will provide a billion dollars specifically for customers of Community Choice Aggregations (CCAs) and Investor Owned Utilities (IOUs). CPA is expecting approximately \$15 million of this funding to credit customer accounts. It also makes changes to how CARE rates and fixed charges will be calculated, with the goal of reducing monthly bills for low-income customers. The bill establishes the long-duration storage program at the California Energy Commission (CEC) and will provide incentives to projects with at least eight

hours of continuous discharge. Additionally, there is new funding for demand response and distributed energy programs at the CEC. The bill also creates the Strategic Reliability Reserve and allows the Department of Water Resources (DWR) to contract for new or existing energy resources to be used during grid emergencies (including fossil fuel resources). It also allows the DWR to skip the usual project approval process to speedily get resources on the grid. Lastly, the bill creates an expedited permitting authority that allows the CEC to issue permits for new clean energy projects. CPA staff is working closely with California Community Choice Association (CalCCA) to understand the full impacts of the bill, and one potential action could be a clean-up bill to clarify the language. In response to Committee Member Hicks' question regarding cost impacts from the creation of the Strategic Reliability Reserve, Ms. Goodhill noted that the bill's goal is to increase reliability and is funded from taxpayer dollars and not from ratepayers, therefore, it will not affect ratepayer costs.

3. Update on Resource Adequacy Proceeding

CC Song, Director, Regulatory Affairs, provided an update on the California Public Utilities Commission (CPUC) decision on Resource Adequacy (RA) Reform. Ms. Song reviewed the background, goal, and key factors driving RA Reform. Ms. Song noted CPA's guiding principles in participating in the RA Reform proceeding track and the two Reform proposals considered by the CPUC. CPA supported the Southern California Edison (SCE) 24-hour slice proposal with proposed modifications. The CPUC adopted SCE's 24-hour slice framework where each month an entity would have to demonstrate that it has enough capacity to meet its load profile in all 24 hours on the CAISO's worst day. However, the CPUC declined to further examine hourly load and resource trading due to its complexity; obligation trading may be revisited in the future. Three workstreams will be conducted to develop further implementation details for 2024 test year. The three workstreams will focus on compliance, resource counting rules, and CAISO/CPUC validation tools. Ms. Song noted that CPA staff is disappointed that the CPUC did not adopt a workstream to explore granular hour resource trading. CPA staff will continue to participate in workshops and discussion groups organized by CalCCA.

Responding to Committee Member Hicks' question, Ms. Song specified that the 24-hour slice proposal framework aims to meet energy needs during all hours of the day, including the gross and net peaks. Committee Member Hicks commented on the issue arising among customers with residential solar panels without battery storage, noting that the grid has been flooded with additional unabsorbed energy without a way to collect it, resulting in reduced rates for customers with residential solar panels and higher rates for customers without residential solar panels. Ms. Song noted that CPA staff is aware of the issue and has discussed it with CPUC in the Net Energy Metering (NEM) proceeding. The CPUC has suspended the proceeding to gather more information from stakeholders. Staff is conducting internal analysis to gauge the impact of those customers on CPA's overall financial health. Committee Members Lopez and Hicks inquired about the impact of lack of storage on customer costs and how storage may alleviate costs in the future. Matt Langer, Chief Operating Officer, clarified that there are times during the day when the grid has too much energy and the generator can power down and power off power plants connected to California Independent System Operator (CAISO) or

store the energy to be used at a time of day more valuable to the grid; as CPA acquires more energy storage, CPA can absorb more excess energy to use at other times of the day. Mr. Langer added that the RA program is different in that each resource that produces energy also has the ability to produce RA credits which can be purchased separately. There is no provision to purchase RA credits by the hour so if CPA has more credits than needed in certain hours, or vice versa, it can't sell them, making it economically inefficient.

**COMMITTEE MEMBER COMMENTS**

Committee Member Hicks advised the Committee about the Alliance of Renewable Clean Hydrogen Energy Systems (ARCHES) and their initiative to address the clean decarbonization of energy in the form of hydrogen.

**ADJOURN**

Chair Horvath adjourned the meeting at 10:33 a.m.