

## 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.