



## **Staff Report Item 2**

**TO:** East Bay Community Energy Executive Committee Members

**FROM:** Nick Chaset, Chief Executive Officer

**SUBJECT:** **Regulatory and Legislative Update**

**DATE:** March 30, 2018

---

### **Background**

Receive an in-depth update from staff on major regulatory and legislative matters facing EBCE, including review of scope of regulatory and legislative engagement, status of the Power Charge Indifference Adjustment proceeding, and review of major legislation



# Regulatory Update

PRESENTED BY: Nick Chaset  
DATE: 3/30/18



# Regulatory Deep Dive

---

- EBCE interfaces with multiple regulatory bodies in various forums to ensure that the way regulations and state policies are shaped and implemented enables us to achieve our goals.
- California Agencies:
  - Pursuant to California's Administrative Procedures Act, open rulemakings or conduct other regulatory proceedings with Administrative Law Judges such as review of applications
  - Decisions or Regulations must be approved by the agency's Commission or Board
  - After Commission/Board approval, regulations are submitted to the Office of Administrative Law for final approval

# Regulatory Deep Dive

---

- California Public Utilities Commission (CPUC)
  - Based in SF; 5 Commissioners appointed by the Governor
  - Regulates investor-owned utilities
  - Regulates CCA compliance with:
    - CA Renewable Portfolio Standard (RPS; CA's renewables law)
    - CPUC Resource Adequacy requirements (RA; ensuring enough capacity, i.e. availability of resources on the grid at all times)
    - Integrated Resources Plan (IRP; each load-serving entity (LSE) plan will cover how its procurement will contribute to achieving state greenhouse gas emissions reductions goals)

# Regulatory Deep Dive

---

- California Energy Commission (CEC or Energy Commission)
  - Based in Sacramento; 5 Commissioners appointed by the Governor
  - Regulates municipal utilities' compliance with RPS and RA
  - Focused on facilitating transition to low-carbon economy through electrification, energy efficiency including building standards, distributing grants for energy innovation

# Regulatory Deep Dive

---

- California Air Resources Board (CARB or ARB)
  - Based in Sacramento; 16 Board members (12 appointed by the Governor, 4 appointed by the Senate and Assembly)
  - Designed CA's cap-and-trade system for greenhouse gases
  - Designs air quality policy and regulates economy-wide greenhouse gas emissions; sets GHG reduction targets for each sector
  - Runs Low Carbon Fuel Standard (LCFS) program including credits/rebates for clean fuel use

# Regulatory Deep Dive

---

- California Independent System Operator (CAISO or ISO)
  - Based in Folsom; 5 ISO Governors appointed by the Governor
  - Nonprofit public benefit corporation created by AB 1890
  - Manages the flow of electricity across the high-voltage, long-distance power lines that make up most of California's grid
  - Promulgates tariffs (rules) subject to FERC approval
  - Interfaces with CCAs on grid reliability
- Federal Energy Regulatory Commission (FERC)
  - Based in Washington, D.C.; 5 Commissioners appointed by the President
  - Independent agency that regulates the interstate transmission of natural gas, oil, and electricity
  - Affects CCAs indirectly; primarily through CAISO tariffs

# Regulatory Proceedings

---

- EBCE is actively engaged with CalCCA to support a variety of regulatory proceedings where CCA interests align or where the outcome could affect EBCE
- CPUC – EBCE is a party to at least 5 proceedings:
  - **Power Choice Indifference Amount (PCIA) Rulemaking**
  - **Resource Adequacy (RA) Rulemaking**
  - Integrated Resources Plan (IRP) Rulemaking
  - PG&E Rate Design Window (RDW) Application
  - PG&E Application for Energy Storage Cost Recovery
  - *CCA Bond Rulemaking* (request for party status pending)



# Regulatory Proceedings

---

- CEC – EBCE is engaged in one proceeding:
  - AB 1110 Power Source Disclosure Regulation amendments**
- CARB – EBCE is engaged in two proceedings:
  - SB 350 GHG target-setting
  - Low Carbon Fuel Standard amendments
- CAISO – EBCE is engaged in one stakeholder initiative:
  - Backstop Capacity Resource-Must-Run / Capacity Procurement Mechanism Initiatives and Contracts

# Key Legislative Issue

---

- Regionalization (Holden, AB 813)
  - Informational Hearing was held on 3/14
  - Key issue: Governance
  - Benefit: Renewables Procurement