



Staff Report Item 7

TO: East Bay Community Energy Executive Committee Members

FROM: Melissa Brandt, Senior Director, Public Affairs

SUBJECT: **AB-813 Multistate regional transmission system organization: membership**

DATE: July 20, 2018

Background

Receive an update from staff on AB 813 and take potential action to direct EBCE staff to take a formal position on the bill.

Attachment:

- A. Presentation on AB 813



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East Bay Community Energy

AB 813 (Holden) Regionalization

Big Picture

Elected leaders are talking about:

- Governor Brown's Last Months in Office
- Newsom's Ascendance
- Protecting SB 1
- Battle over California's Congressional Seats
- Wildfires and Utility Liability Protection
- Bail Reform

Other energy priorities include:

- SB 100
- Regionalization
- Direct Access

Regionalization

One of Governor Brown's Few Remaining Priorities

- Regionalization has been a priority of the Governor's and he appears motivated to get it done this year
- Multi year effort involving numerous meetings with energy regulators and governors' offices from Western states, public department workshops, and studies examining the economic and environmental impacts
- The complexity and controversial nature of regionalization has stakeholders divided, creating challenges to reaching agreement
- Given the Legislature will only be in session until August 31 and it is Governor Brown's last year in office, the pressure to reach an agreement on regionalization is significant

AB 813 (Holden)

- Enough progress had been made between the Governor and the Assembly at the end of last year to amend regionalization language into AB 813 by Assembly Utilities & Energy Chair Holden
- However, the Senate's top priority last year was SB 100 so there was a standoff that led to both bills not moving -- labor concern over DER language was part of that standoff
- Author and Administration have been convening meetings in 2018 in search of resolution to issues, but concerns surrounding jobs, governance, and integrating renewables under Western RTO still need to be resolved
- Currently in Senate Appropriations, its fate is still in some ways tied to other priority energy bills (e.g., SB 100, wildfires)
- Deadline for policymakers to approve and send the bill to the Governor is August 31

Support

- Support for AB 813 is a mix of environmental groups and business
- List of supporters includes Gov. Brown, NRDC, Solar Energy Industries Association, Sunpower, CAISO, Union of Concerned Scientists, California Community Choice Association, Environmental Defense Fund, Environmental Entrepreneurs
- Supporters state a regional market would accelerate the scale-up of clean energy while reducing operating costs and saving ratepayers money, enabling California to meet its climate goals, and sets in statute good governance measures prior to the participation of California utilities and transmission owners
- Supporters state AB 813 intends to ensure California's energy values and procurement policies are not comprised, works proactively to benefit ratepayers, the grid, and the market, and enacts protections to uphold the legislature's and agencies' energy goals

Opposition

- Opposition to AB 813 is a mix of labor, consumer groups, and environmental justice organizations
- List of opposition includes the Sierra Club, California Environmental Justice Alliance, Building and Construction Trades Council, The Utility Reform Network
- Opposition states the Western RTO would increase costs to ratepayers, relinquish California's control over clean energy and climate policy, shift jobs out of state, and place certain renewable energy at a disadvantage
- The opposition has proposed alternative approaches to regionalization which they argue will not involve California giving up oversight, and increase benefits while reducing risks

The Path Forward

- The notion of regionalization has support, but the manner in which regional integration occurs is the issue
- Supporters of the bill acknowledge additional discussions needs to take place in order to successfully pass a regionalization bill; changes to AB 813 are likely forthcoming
- Given the Governor's involvement and having the Chair of the Assembly Utilities and Energy authoring AB 813, it is clear that a push for AB 813 will occur before the end of session, but it is unknown what the final product will look like
- Important stakeholders to EBCE are on both sides of the issue
- EBCE can make any concerns known and work with the author without taking an official position on AB 813