



## Staff Report Item 16

**TO:** East Bay Community Energy Board of Directors

**FROM:** Melissa Brandt, Sr. Dir. of Public Policy and Deputy General Counsel

**SUBJECT:** Regulatory/Legislative update and Legislative Position on SB 155  
(Action Item)

**DATE:** June 19, 2019

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### Recommendation

Staff recommends that EBCE take an “oppose unless amended” position on SB 155 (Bradford).

### Background and Discussion

Senate Bill (SB) 155 (Bradford) details a few new requirements for CPUC action, a couple of which are not problematic. First, it requires the CPUC to notify load-serving entities (LSEs) and provide recommendations if they are at risk of non-compliance with RPS requirements. Second, the CPUC is required to enforce existing law that beginning in 2021 at least 65% of RPS procurement be from contracts of 10 years or more in duration.

More problematic is the requirement that the CPUC enforce LSE Integrated Resource Plans (IRPs), as this could be viewed as the CPUC making specific resource decisions and requiring non-IOU LSEs to procure specific resources, versus the higher-level planning document the IRP was intended to be. Instead of merely ensuring that LSE plans sum up to enabling the state to meet its goals, this new language could be relied on to give CPUC enforcement rights to ensure that an LSE procure exactly what has been laid out in its IRP. This would reduce a CCA’s flexibility and autonomy, which risks increasing the CCA’s procurement costs while potentially affecting a CCA’s programmatic goals and/or other alternatives to procurement.

It is the author’s intent to make more explicit the CPUC’s existing authority to enforce the IRP. Legislators are looking for a way to ensure more state control over non-IOU LSE decision-making and trying to ensure that the CPUC has more enforceability over non-IOU LSEs. EBCE staff recommend seeking amendments to the language in Sec. 454.54 that provide clarity around what CPUC is enforcing, so that it is clear that IRPs are not procurement plans.

SB 155 passed out of the Senate and will next be heard in the Assembly Utilities and Energy Committee on June 26.

### Fiscal Impact

None.

**Attachment(s):**

None.



# Regulatory/Legislative Update

June 19, 2019



# Bill Tracker - Asm

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Bill No	Author	Summary	Second House Cmte Status	EBCE Position	Notes
AB 56	E. Garcia	Statewide central electricity procurement entity	Pending cmte referral	<b>OPPOSE UNLESS AMENDED</b>	Sent amendments to author. Oppose coalition letter sent.
AB 868	Bigelow	Requires IOUs that deenergize to consult with those likely affected in developing notice and action protocols	NONE; HELD ON SUSPENSE IN ASM	<b>SUPPORT</b>	<b>Bill not moving forward.</b>
AB 1362	O'Donnell	Requires the CPUC to establish a centralized clearinghouse of residential electric rate tariffs and programs to enable customers and local governments to compare rates, services, environmental attributes, etc.	Pending cmte referral	<b>MOVE TO NEUTRAL</b>	Bill was amended to address CCA concerns

# Bill Tracker - Sen

Bill No.	Author	Summary	Second House Cmte Status	EBCE Position	Notes
SB 49	Skinner	Requires EE standards also reduce the emissions of GHG associated with wasteful, uneconomic, inefficient, or unnecessary energy consumption.	Asm Energy hearing 6/26	<b>SUPPORT</b>	<i>Support letter sent 4/3</i>
SB 155	Bradford	Requires CPUC to enforce IRPs as procurement plans	Asm Energy hearing 6/26		Recommend oppose unless amended
SB 167	Dodd	Requires PUC to include impacts on medical baseline customers of IOU wildfire mitigation plans	Referred to Asm Energy Cmte, no date set	<b>SUPPORT</b>	
SB 255	Bradford	Expands CPUC supplier diversity program to CCAs, ESPs, wholesale electric generators	Pending cmte referral	<b>SUPPORT</b>	
SB 350	Hertzberg	Authorizes PUC to consider multiyear centralized RA mechanism	Asm Energy hearing 7/3	<b>WATCH</b>	Awaiting more info from Sen Hertzberg
SB 520	Hertzberg	Provides that IOUs are POLR unless provided otherwise in an agreement approved by the CPUC	Referred to Asm Energy Cmte, no date set	<b>OPPOSE UNLESS AMENDED</b>	Proposed amendments would allow CCAs to be the primary energy provider and default POLR

# Major Ongoing Regulatory Proceedings

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## PCIA/PG&E generation rate update

- 2019 rates adopted; will go into effect 7/1
- New PCIA rate methodology to go into effect next year

## Integrated Resources Plan

- Next steps

## Resource Adequacy

- Track 2: Central Buyer
- Track 3: Sales Framework, Forecasts

## Direct Access Reopening in response to SB 237

- Decision on reopening issued 6/3;
  - 3% of EBCE load likely to depart in 2021 based on 2018 lottery
  - new lottery will be run in 2019 for departure in 2022
- Recommendations on further reopening later this year/early next

## Renewables Portfolio Standard Procurement Plan

- Annual Plan due June 21

# Revised PCIA and PG&E Generation Rate

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- PG&E's new 2019 PCIA and generation rates approved on 6/10
- Rate change effective 7/1
- Overall, versus 2018 rates:
  - Increase in PG&E's average gen rate for bundled customers more than offsets PCIA increases
  - PCIA *drops* for residential and ag but is up from 9% (small commercial) to 75% (streetlights; which are still the lowest PCIA in absolute terms)

# Integrated Resources Planning (IRP)

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- Decision issued 5/1
  - Opens a “procurement track”
  - Focus is on 1) backstop procurement when an LSE fails to secure appropriate resources or meet commitments and 2) procurement that may require collective action by multiple LSEs
  - Should begin to identify more precisely where additional investments are needed
- To have its IRP certified, EBCE filed supplemental NO<sub>x</sub> and PM emissions estimates on 6/14.
- EBCE is leading an effort to conduct a joint CCA IRP for the 2019-2020 planning cycle



# Resource Adequacy (RA)

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- Track II: Central Buyer
  - Workshops held to discuss central buyer models
  - CalCCA has developed a more detailed residual proposal
  - PD expected Q4
- Track III: Misc
  - Proposed Decision expected to be voted on 6/27
  - Adopts proposal for valuing RA for wind and solar supply-side resources
  - Changes to forecasting process should prevent last-minute adjustments to requirements

# Direct Access Reopening

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- SB 237 (2018, Hertzberg) mandated that the CPUC:
  - Allocate an additional 4,000 GWh for Direct Access transactions
    - Allocation by IOU service territory
    - 2-year roll-out; 2,000 GWh statewide in each of 2021 and 2022
- Based on the current DA waitlist, ~3% of EBCE load could be eligible to choose Direct Access, departing 2021
- The waitlist has not been developed for 2022

# Renewables Portfolio Standard Procurement Plan

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- RPS Procurement Plans filed annually w CPUC
  - Describes EBCE's progress towards meeting annual RPS targets, and need for additional RPS-eligible resources through 2030
  - In 2019, EBCE expects to achieve >38% RPS, compared to a statewide requirement of 31%.
- Ruling issued April 2019 requires new information from CCAs
  - Information on RPS costs, EBCE's plans to address future reliability needs, information on bid selection protocols
- Increasing overlap with IRP proceeding