



Legislative & Regulatory Update

January 24, 2020



Legislative Update

Key Deadlines for the 2020 Legislative year:

- 1/6: Legislature reconvened
- 1/10: Governor submitted budget
- 1/31: Deadline for 2nd year bills to pass their house of origin
- 2/21: Bill introduction deadline
- 4/24: Policy cmtes to move fiscal bills to fiscal cmtes (1st house)
- 5/1: Policy cmtes to move nonfiscal bills to floor (1st house)
- 5/15: Fiscal cmtes must move bills to floor (1st house)
- 5/29: Each house to pass bills introduced in that house
- 6/15: Budget bill must be passed
- 6/26: Policy cmtes to move fiscal bills to fiscal cmtes (2nd house)
- 7/2: Policy cmtes to move nonfiscal bills to floor (2nd house)
- 8/14: Fiscal cmtes to move bills to floor (2nd house)
- 8/31: Last day for each house to pass bills
- 9/30: Last day for Governor to sign/veto bills

Preliminary Bill Tracker

Bill #	Author	Description	Status	EBCE Position	Notes
AB 56	E.Garcia	Statewide central electricity procurement entity	Sen EU&C Cmte (2 nd house)	OPPOSE UNLESS AMENDED	Amendments anticipated
AB 1298	Mullin	Authorizes issuance of bonds to finance climate resiliency, fire risk reduction, jobs infrastructure program, etc.	Asm Water, Parks and Wildlife Cmte (1 st house)	WATCH	
AB 1839	Bonta	Establishes a California Green New Deal and Council to submit a report to the Legislature	Pending referral to Asm policy cmte	SUPPORT	Amendments anticipated
SB 350	Hertzberg	Authorizes CPUC to consider multiyear centralized RA mechanism	Asm U&E Cmte (2 nd house)	WATCH	Amendments anticipated
SB 774	Stern	Requires IOUs to ID locations where microgrids may increase electrical resiliency; allows IOUs to deploy microgrids and recover costs	Asm U&E Cmte (2 nd house)	WATCH	Amendments anticipated
SB 801	Glazer	Requires IOUs to deploy or provide financial assistance for backup electrical resources to medical baseline customers	Sen EU&C Cmte (1 st house)	WATCH	
SB 802	Glazer	Requires air districts to allow a health facility with a permit to operate a backup generator to use it during a PSPS event without the usage counting towards time limitations on usage	Sen Environmental Quality Cmte (1 st house)	WATCH	
SB 862	Dodd	Adds PSPS events to definitions of “state of emergency” and “local emergency” and provides addl assistance to CARE customers	Pending referral to Sen policy cmte	WATCH	

Legislative Update: Next Steps

- Continue to review and analyze new bills
- Monitor existing bills on our watch list
- Monitor Governor's Budget request
 - Climate resiliency: \$12.5B over the next 5 years, incl \$4.75B climate resiliency bond – Nov ballot
 - Proposal dedicates \$750M to wildfire prevention and \$250M to community resilience incl investment in microgrids, backup power, and distributed energy resources
 - Climate Catalyst Fund: \$1B prioritized for transportation emission reduction, etc.
- Engage with CalCCA on legislative efforts
 - Collaborate with CalCCA on sponsorship of a bill
 - 3/10 is CalCCA Lobby Day: Opportunity for EBCE Board members to connect with our Alameda County delegation in Sacramento

Major Ongoing Regulatory Proceedings

PG&E ERRA

- 2020 ERRA Forecast

PCIA Phase II

- Disposition of Applications for Rehearing
- PCIA Phase II progress

Direct Access

- CPUC Report due June 2020

PG&E 2020 ERRA Forecast Application

- Proceeding sets PG&E bundled customer generation rates and PCIA rates for 2020
- PCIA rates are going up because:
 - Utility-owned generation costs increased
 - Utility forecasts of sales and prices were off
 - There were one-time charges in the transition to the new rate structure from D.18-10-019
- **PCIA rates will rise substantially: 30% with the “cap,” 60% without**
- We are challenging aspects of the increase and awaiting a proposed decision from the CPUC
- Decision expected March 2020

PCIA

CPUC Decision issued 1/21/20 denying CalCCA rehearing on PCIA Phase I

3 working groups to resolve PCIA Phase II issues:

- WG 1: market benchmarks, forecasting, billing determinants, bill presentation
 - CPUC decision on benchmark/ratemaking 10/10/2019
 - Awaiting guidance on bill presentation issues
- WG 2: Prepayment
 - Final report submitted 12/9/2019
- WG 3: Portfolio Optimization and Cost Allocation
 - Will propose an allocation methodology for capacity, energy, and environmental attributes
 - Final report due 1/30/2020

Direct Access (DA)

- DA allows non-residential customers to choose a non-utility, non-CCA, energy service provider (ESP)
- The volume of load eligible to choose ESPs has been frozen since AB 1X (2001), subject to one prior expansion
- Senate Bill 237 (Hertzberg, 2018):
 - Expanded DA by 4,000 GWH/year and
 - Asked the CPUC for recommendations by June of this year on further expansion
- CPUC staff are preparing a report to advise the Legislature on DA reopening
 - Workshop on 1/8/2020
 - CalCCA (among other parties) filed informal comments with CPUC staff on 1/21/20
- CalCCA opposes further expansion