



Regulatory & Legislative Update

June 26, 2020



Major Ongoing Regulatory Proceedings

Resource Adequacy (RA)

- Central Procurement Decision
- Import RA
- Track II

PG&E Energy Resources Recovery Account (ERRA)

- 2021 ERRA Forecast
- 2019 ERRA Compliance

Resource Adequacy (RA)

- CPUC Decision issued on central buyer issue
 - PG&E will buy all local RA for EBCE customers beginning in 2023, recover costs in delivery charge
 - Eliminates an important part of value stack for local RA projects:
 - No value to EBCE's customers for avoiding local RA costs by investing in load-reducing distributed energy resources
 - Investments in projects that have local RA riskier/more costly
 - Decision forms a working group to explore providing some compensation for local RA provided by CCAs
 - We will be engaged with the working group through CalCCA

Import RA

- CPUC Proposed Decision (PD) issued on RA Import rules
 - Proposes more narrow definition of resources that can qualify as Import RA; increases requirements for Import RA resources that are not tied to a specific resource
 - Reduction in supply is likely to increase overall cost of RA compliance
 - Rules apply for 2021 compliance year
- PD expected to be voted out 6/25

RA Track II Issues

- CPUC Proposed Decision (PD) issued on RA Track II issues
 - Track II covers range of near-term refinements to RA program
 - PD sets amounts of Local RA required for years 2021-2023 and Flexible and System requirements for 2021
 - Rejects CalCCA proposal for System and Flexible RA waiver
 - Increases RA credit for hybrid resources but decreases how much RA credit hydro resources receive based on historical availability
 - Increases testing requirements for 3rd party DR resources
 - Revises caps on amounts of use-limited resources to count towards RA, requires >50% to be available 24/7 (primarily natural gas)
- PD expected to be voted out 6/25
- Broader RA program reforms being considered in Track III which begins July 2020
 - Expected to address energy attributes of RA resources

PG&E ERRA Proceedings

- New PCIA rates from the 2020 Forecast are now in effect as of 5/1
 - Cap temporarily limits increase to 30%
 - "Trigger" for PG&E to file to increase rates likely to occur in August/September
 - Rates above cap could appear 60 days thereafter
- 2021 Forecast filing due from PG&E **7/1**
 - Delayed from 6/1
 - Will give insight into 2021 PCIA rates
 - Nominally to go into effect 1/1/21
 - Subject to numerous revisions before effective
- 2019 Compliance proceeding
 - Set policy for costs relating to PSPS
 - Possible disallowances for failing to properly market RA in 2019

Legislative Update

Budget summary

- On 6/15, Senate and Assembly passed a placeholder budget
- Legislature expected to vote soon on a budget deal and on bills to place a measure on the November ballot
 - Assembly is on recess but expected to come back 6/25 to vote on the budget deal
 - Budget actions expected through the end of August

Assembly is in recess; Senate recess begins 6/27

- The bills EBCE was initially tracking and/or taking a position on are not getting a hearing, due to COVID-19
- Currently watching:
 - SB 1215 (Stern): amendment may require CPUC to develop counting methodology in 20201 for behind-the-meter storage
 - AB 105 (Ting): exempts nonresidential solar from real property improvements for property tax purposes

Bill Tracker - Updated

Bill #	Author	Description	Status	EBCE Position	Notes
AB 2788	Gloria	Prohibits public utilities from cooperating with immigration authorities without a court-ordered subpoena or judicial warrant	Pending Sen cmte referral	NONE	
SB 801	Glazer	Requires IOUs to deploy or provide financial assistance for backup electrical resources to medical baseline customers	Senate floor	WATCH	
SB 862	Dodd	Adds PSPS events to definitions of “state of emergency” and “local emergency” and provides addl assistance to CARE customers	Senate floor	WATCH	
SB 895	Archuleta	Requires the CEC to support development of zero-emission fuels/infrastructure/technology instead of petroleum diesel	Senate floor	NONE	
SB 1117	Monning	Ensures that master-meter customer benefits from CCA cost savings flow to end-use tenants	Asm U&E Cmte (2 nd house)	WATCH	
SB 1215	Stern	Allows a microgrid to cross a public right-of-way without becoming an electrical corp; requires CPUC to develop methodology for accounting for RA value of distributed storage by 3/2021	Senate floor	WATCH	
SB 1403	Hueso	Defines low-income customers for home weatherization eligibility in accordance with Dept of Housing & Community Development	Pending Asm cmte referral	NONE	