



# Regulatory & Legislative Update

August 6, 2020



# Major Ongoing Regulatory Proceedings

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PG&E Oakland Clean Energy Initiative (OCEI) Application

PG&E Regionalization Application

Resource Adequacy (RA)

- Local Central Procurement Implementation
- Structural Change

PG&E Energy Resources Recovery Account (ERRA)

- 2021 ERRA Forecast
- 2019 ERRA Compliance

# PG&E Oakland Clean Energy Initiative (OCEI)

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- On 4/15, PG&E filed an application for CPUC approval for two energy storage contracts as part of OCEI – transmission non-wires alternatives
- EBCE’s contracts for energy products with the same two counterparties (Vistra and esVolta) are contingent upon CPUC approval of PG&E’s contracts
  - Alameda Municipal Power opposed to approval, due to changes affecting City of Alameda’s transmission service
  - Several other parties objected to PG&E’s proposed cost recovery mechanism
- 8/17: Intervenor testimony due
- 8/31: Rebuttal testimony due
- 9/13 or sooner: Settlement Conference
- Final decision expected Jan 2021

# PG&E Regionalization

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- On 6/30, PG&E filed an application seeking CPUC approval of a plan to regionalize some of its functions in order to improve safety and reliability and meet its commitments stemming from the PG&E Bankruptcy Investigation proceeding:
  - Organizes PG&E's service territories into five new regions: North Coast, Sierra, Bay Area, Central Coast, and Central Valley
  - Appoints local leadership – Regional VPs reporting to the CEO, Regional Safety Officers reporting to the Chief Safety Officer, and management to oversee and control aspects of gas and electric distribution operations
  - PG&E proposes that the CPUC give it permission to record any costs associated with its regionalization efforts in a tracking account
    - Initial Estimates:
      - Human Resources: ~\$7 million annually
      - Information Technology: ~\$17-47 million (2020-2022)
      - Real Estate: ~\$5-35 million (2021-2022)
    - If authorized at a future date, most of the costs would be recovered through PG&E's electric and gas distribution rates (which EBCE's customers also pay)
- 8/5: EBCE filed a protest to the application, establishing itself as a party to the proceeding and raising preliminary issues

# Resource Adequacy (RA) Implementation

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- Central Buyer implementation
  - EBCE participating on CPUC working group to explore providing compensation for local RA provided by CCAs
    - 9/1: Working Group report due
    - Proposed Decision will be issued thereafter
  - EBCE working with CPUC to discuss providing value to EBCE's customers for avoiding the need for some local RA by investing in load-reducing distributed energy resources
    - Late Aug: CPUC/CEC/CAISO workshop on determining behind-the-meter hybrid RA value

# RA Program Structural Change

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- Forum for proposing structural changes and refinements to RA program and carry-overs from prior RA proceeding
  - Structural reform to consider energy attributes
  - Other carry-over issues from previous RA proceeding (e.g., system/flex waivers)
- Southern California Edison (SCE) has been circulating a proposal to parties; EBCE/CalCCA have provided feedback
- Draft proposals due 8/7, final proposals due 10/15

# PG&E ERRA Proceedings

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- New PCIA rates from the 2020 Forecast application 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 application filed by PG&E on 7/1
  - Gives limited insight into 2021 PCIA rates ( there's another increase requested)
  - Subject to numerous revisions before effective
  - 8/5 – Joint CCA parties including EBCE filed a protest
- 2019 Compliance proceeding
  - Set policy for costs relating to PSPS
  - Possible disallowances for failing to properly market RA in 2019, and various accounting issues

# Legislative Update

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## Legislature back in session

- Due to COVID-19, both houses delayed their return to the Capitol to July 27
  - Senate sent only roughly 200 bills to the Assembly; the Assembly sent more than 500 bills to the Senate before adjourning for recess
  - To manage its workload, Senate Committee Chairs have pushed Assembly Members to drop legislation and in some cases chose not to set bills for hearing over the objection of their Assembly authors. In response, several Assembly Committees have delayed their hearings to reconsider which Senate bills they will advance.
  - It is expected that many bills will fall by the wayside as a result of these disagreements
- Important Dates:
  - August 31 - Last Day of Session
  - September 30 - Last Day for the Governor to Sign or Veto Bills
  - November 3 - General Election
  - December 7 - 2021-22 Legislative Session Begins



# Bill Tracker - Updated

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Bill #	Author	Description	Status	EBCE Position
AB 1720	Carrillo	Authorizes the CPUC to require long-duration energy storage procurement	Asm U&E Cmte (2 <sup>nd</sup> house) – awaiting hearing	<b>WATCH</b>
AB 2788	Gloria	Prohibits public utilities from cooperating with immigration authorities without a court-ordered subpoena or judicial warrant	Passed Sen EU&C Cmte (2 <sup>nd</sup> house)	<b>NONE</b>
SB 364	Mitchell	Would exempt solar systems on commercial and industrial property from the Prop 15 split roll tax initiative on the Nov ballot	Asm Floor – awaiting hearing; concurrent Sen floor vote required	<b>WATCH</b>
SB 801	Glazer	Requires IOUs to deploy or provide financial assistance for backup electrical resources to medical baseline customers	Asm U&E Cmte (2 <sup>nd</sup> house) – awaiting hearing	<b>WATCH</b>
SB 862	Dodd	Adds PSPS events to definitions of “state of emergency” and “local emergency” and provides addl assistance to CARE customers	Asm U&E Cmte (2 <sup>nd</sup> house) – awaiting hearing	<b>WATCH</b>
SB 1117	Monning	Ensures that master-meter customer benefits from CCA cost savings flow to end-use tenants	Asm U&E Cmte (2 <sup>nd</sup> house) – 8/5 hearing	<b>WATCH</b>
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	Asm U&E Cmte (2 <sup>nd</sup> house) – awaiting hearing	<b>WATCH</b>