



# Regulatory & Legislative Update

September 25, 2020



# Major Ongoing Regulatory Proceedings

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## PG&E Oakland Clean Energy Initiative (OCEI) Application

- Settlement conferences 9/1 and 9/8

## PG&E Regionalization Application

- Prehearing conference held 8/20; awaiting scoping memo and schedule

## Resource Adequacy (RA)

- Local Central Procurement Implementation
- Structural Change

## PG&E Energy Resources Recovery Account (ERRA)

- 2021 ERRA Forecast
- 2019 ERRA Compliance

# Resource Adequacy (RA) Implementation

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- Central Buyer implementation
  - 9/1: CPUC working group report filed; provides mechanism to provide compensation for local RA provided by CCAs
  - Proposed Decision to follow
- 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
  - 10/6: 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)
- SCE and CalCCA submitted joint draft proposal on 8/7
  - Includes energy attributes of RA resources
  - Energy Division also submitted three proposals, ranging in degree of modification to existing structure and stringency
- Next Steps:
  - ~Sept-Oct: Working groups & workshops; Recent rolling blackouts likely to shape discussion
  - 10/15 (likely to be delayed): Final proposals due

# PG&E ERRA Proceedings

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- 2021 Forecast application filed by PG&E on 7/1
  - Gives limited insight into expected 2021 PCIA rate increase (subject to revisions before effective)
  - 9/24 - Joint CCA testimony filed
    - Raises accounting issues related to forecast costs/revenues
    - Challenges true-up RPS values
    - Takes up PG&E proposals to address ERRA undercollection and PUBA balances in this proceeding
- 2019 Compliance proceeding
  - PG&E has agreed to ~\$132 million in CCA-requested adjustments for various accounting issues
  - ~\$33 million still in dispute
  - Hearings set for 9/25
- Cap/Trigger filing expected 9/28, to take effect 2021

# Legislative Session Wrap-Up

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## COVID-19 Dominated the Session

- The Legislature lost significant chunks of time while adapting to COVID-19.
- Most legislative packages were significantly trimmed down in order to accommodate the shortened timeline.

## CEC EV Infrastructure Budget Item

- EBCE scored a major victory in securing a \$51M budget allocation to the CEC for its EV infrastructure program.
- The budget allocation is necessary to fund EBCE's existing application to the program, which has high odds of approval because the CEC's analysis indicates that Alameda County currently has the largest need for EV chargers.

## Energy Issues Remained Important

- PG&E and the finalization of its bankruptcy remained a major focus.
  - SB 917 (Wiener) was introduced to take over PG&E but the bill failed.
  - SB 350 (Hill) was signed into law, creating the framework for a state-run backstop entity should PG&E eventually fold.

# Legislative Session Wrap-Up (cont'd.)

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- Long duration storage continued to be an issue.
  - Multiple pieces of legislation – AB 2255 (Eggman) and AB 1720 (Carrillo) – were introduced in an attempt to enable long duration storage policy. Both failed.
- Central procurement remained on the table with competing bills, including AB 56 (Garcia), sponsored by TURN, and AB 3014 (Muratsuchi), sponsored by CalCCA.
- Several microgrid bills were introduced as the Legislature grappled with imminent wildfires and Public Safety Power Shutoffs-- SB 774 (Stern), SB 1215 (Stern), AB 740 (Burke) – but none succeeded.
- SB 364 (Mitchell), which was introduced to preserve preferential tax treatment for utility-scale solar projects should the Prop. 13 reform initiative pass, was successfully enacted.
- AB 1941 (Gallagher) attempted to suspend the Renewable Portfolio Standard but was quickly quashed by the Assembly Utilities and Energy Committee.



# Legislative Session Wrap-Up (cont'd.)

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## Energy Committee Oversight Hearings

- COVID-19 limited the Legislature's appetite for oversight hearings.
- Blackout Hearing: Assembly Utilities and Energy is planning for an early October oversight hearing to discuss the root cause analysis behind the August rolling blackouts.

## Expectations for Next Session

- Bills can be introduced as soon as early-December
- Highly likely that many bills that were shelved due to COVID-19 will be reintroduced, including:
  - Long-duration storage
  - PCIA reform
  - Central procurement / reliability
  - Distributed generation
  - Microgrids
  - Distributed system operator



# Legislative Session Wrap-Up (cont'd.)

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## 2020 Legislative Cycle Ended August 31

- September 30 - Last Day for the Governor to Sign or Veto Bills
- November 3 - General Election
- December 7 - 2021-22 Legislative Session Begins

## Key Highlights from EBCE's Bill Tracker:

- SB 115 budget bill passed and signed by Gov; adds \$51 million to Energy Commission budget for CALeVIP funding
  - EBCE is an expected recipient of CALeVIP funds in 2021
- SB 364 (Mitchell) passed and signed by Gov; enables the existing solar property tax to continue should Prop 15 pass in November
- AB 1659 (Bloom) did not pass; would have extended an IOU nonbypassable fee from the year 2036 through 2051 to raise \$3B for a variety of wildfire and resilience activities
- AB 841 (Ting) passed; supports IOU deployment of utility-side EV installation infrastructure
- AB 913 (Calderon) passed; enables the IOUs to request financing orders for undercollections and bad debt due to COVID