



## Staff Report Item 5

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

**FROM:** Melissa Brandt, Senior Director of Public Policy and Deputy General Counsel

**SUBJECT:** Legislative Position on SB 612 (Action Item)

**DATE:** February 26, 2021

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### **Recommendation**

Take a “support” position on SB 612 (Portantino).

### **Background and Discussion**

Senator Portantino introduced Senate Bill (SB) 612 on February 18, 2021. The bill is coauthored by Senators Allen, Becker, McGuire, and Wiener, and Assembly Members Bauer-Kahan, Berman, Bloom, Boerner Horvath, Kalra, Lee, Levine, Mullin, Stone, and Wood. Both Assembly Members Bauer-Kahan and Lee represent parts of EBCE’s service territory. SB 612 is sponsored by the California Community Choice Association (CalCCA).

As currently drafted, SB 612 is an intent bill, the intent being that the Legislature enact legislation related to public utilities to ensure fair and equal access to the benefits of legacy resources held in investor-owned utility (IOU) portfolios and address the management of the resources to maximize value for all customers.

SB 612 is expected to be amended within the next few weeks, as Senate rules allow, to add additional detail. The objective of SB 612 is to ensure that CCA customers have access to the beneficial attributes from the IOUs’ legacy resources, which CCA customers already pay for through the Power Charge Indifference Adjustment (PCIA). In February 2020, a working group including CalCCA and Southern California Edison submitted a consensus proposal in the California Public Utilities Commission (CPUC)’s PCIA proceeding that would ensure equitable distribution of the IOUs’ legacy resource attributes. However, the CPUC to date has failed to take any action on the proposal.

Although PG&E has historically committed to transfer some of their legacy resource attributes to EBCE and other CCAs through a CPUC advice letter process, the transfer has been at PG&E's initiation and discretion, and only for a year at a time. The lack of a longer-term commitment to transfer attributes creates significant uncertainty which affects EBCE's procurement and financial planning, and ultimately increases EBCE customer costs. SB 612 aims to rectify this uncertainty and ensure that CCA customers receive the benefits associated with the PCIA costs they bear.

EBCE has been actively working with CalCCA on SB 612. SB 612 aligns with all three of EBCE's general legislative principles as laid out in EBCE's Legislative Program. Accelerating Decarbonization: EBCE will have additional, long-term access to renewable and greenhouse gas-free energy attributes. Promoting Local Development: EBCE will have greater certainty about its procurement position, enabling additional local investments. Maintaining Community Choice Autonomy: EBCE will maintain its autonomy to accept or decline additional attributes from legacy resources. Furthermore, SB 612 aligns with EBCE's public policy position on nonbypassable charges, which includes supporting legislation that promotes a level playing field between CCAs and other market participants. Being able to access EBCE customers' share of attributes that EBCE customers already pay for is key to realizing a level playing field. Given the above, EBCE staff recommend taking a "support" position on SB 612.

SB 612 is expected to be amended in March and is pending referral to a policy committee.

### **Fiscal Impact**

SB 612 has the potential to lower EBCE's procurement costs and thus customer costs by ensuring the availability of ongoing transfers of valuable attributes from legacy resources in PG&E's portfolio.

### **Attachments**

None.