

APRIL 30, 2021

Regulatory and Legislative Update



Regulatory Highlights

- Reliability
- COVID-19 Customer Debt Relief
- Power Charge Indifference Adjustment (PCIA)
- Energy Efficiency

CPUC Reliability Proceedings

Summer 2021 Reliability: Decision issued March 26th

- Directs IOUs to procure minimum of 1,000 MW with costs allocated to all customers
- Appeals to CCAs to develop demand response/load reduction programs for this summer

Integrated Resources Plan (IRP): Proposed Decision expected in May

- 2nd procurement order to address mid-term reliability due to resource retirements
 - 7,500 MW total in tranches from 2023 to 2025
 - Geothermal and long-duration storage carve-outs of 1,000 MW each
 - Allocation methodology to consider net contracted position

Resource Adequacy (RA): Proposed Decision(s) expected in May on program reform

- Near-term Refinements Issues:
 - Increased penalties for RA shortfalls
 - Changes to rules around setting requirements, and constraints on resource types
 - Changes to resource counting methodologies (demand response, BTM solar + storage)
- Broad Structural Reform Issues:
 - Incorporating energy attributes and hourly capacity requirements given evolving mix of resources on the grid

COVID-19 Customer Debt Relief

Proposed Decision expected at the end of May describing relief proposals specific to debt accrued from March 2020 to end of the disconnection moratorium in June 2021

Our proposal (through CalCCA) :

- Extend the use of pro-rata cost recovery through the entire Covid-19 transition
- Modify CPUC Arrearage Management Plan relief program to lower the eligibility requirement from \$500 to \$250 in total arrearages
- Leverage the California Housing and Community Development's Emergency Rental Assistance Program and continue to use 80% of area median income
- Flexible payment plans
- Use metrics such as income and or energy burden v. historical disconnection data
- Support the work of community-based organizations
- Extend the disconnection moratorium if CA's reopening date extended past 6/15

Power Charge Indifference Adjustment (PCIA)

Proposed decision on Working Group 3 proposal issued April 5th

- Comments on Proposed Decision (PD) filed April 26; reply comments due May 3
 - RA – PD maintains the *status quo*, rejecting WG 3 proposal
 - RPS - CCAs will be offered a load-share proportionate allocation. There is then a market offer of unaccepted allocations. Allocations begins for delivery year 2023. Problem areas:
 - Allows IOUs to set a bid floor price for the market offer
 - Gives utility amounts neither accepted through the allocation nor sold
 - Prohibits sales of accepted allocation amounts.
 - GHG free - the current allocation process remains in place through 2023. The PD defers a decision on what happens afterwards. Options are to continue allocation or assign a value for PCIA purposes.

CPUC Energy Efficiency (EE)

Proposed Decision issued April 16th

- Comments on Proposed Decision (PD) due May 6th; reply comments due May 11th
- Reforms the process of filing new business plans and/or portfolios from the energy efficiency program administrators (PA)
- Introduces a new metric: Total Savings Benefit, combining energy and peak demand goals + GHG savings
- Segments programs into 3 buckets: resource acquisition, market support, and equity
 - Awareness that market support and equity programs may not meet cost-effectiveness test
- Cost-effectiveness: the PD doesn't address an existing problem with resource acquisition programs – cost effectiveness threshold is increasingly difficult to achieve
- Suggests reducing administrative burdens to ensure process is streamlined

Summer 2021: EBCE expects to file to elect to administer EE programs

Legislative Highlights

- SB 612
- Recommended Bill Positions
- Update on Bills EBCE is Supporting

Update on SB 612

- Amended on 4/26 in accordance with cmte recommendations
- Passed out of Senate Energy, Utilities, and Communications Cmte on 4/26
 - Opposition includes PG&E, SCE, The Utility Reform Network (TURN), and the Coalition of Utility Employees (CUE)
 - Several members with “yes” votes indicated concern about the bill and/or CCAs more generally
- Moves to Appropriations Cmte, then Senate Floor (1st house)
- If SB 612 passes out of the Senate, it will then move to the Assembly (2nd house) Utilities & Energy Cmte

Recommended Bill Positions

Bill #	Author	Description	Sponsor	Status	Recommended EBCE Position
SB 67	Becker	Accelerates 100% renewable/zero-carbon on 24/7 basis. Requires CEC to establish compliance periods and subperiods and "clean energy credit" system.	Author-sponsored	2-yr bill	WATCH – continue working with author
SB 68	Becker	Requires CEC to develop guide for electrification of buildings and report on electrification barriers including adding energy storage or EV charging equipment to existing bldgs. Authorizes CEC EPIC \$ for reducing costs of building electrification. Specifies timeframes by when IOUs must respond to applications from building owners for service upgrades and interconnections to the electrical system.	Author-sponsored	Sen floor; passed out of cmte on 4/19	SUPPORT

Adopted Bill Positions – Assembly

Bill #	Author	Description	Sponsor	Status	EBCE Position
AB 33	Ting	Requires CEC to provide grants and loans to local governments to maximize energy use savings and expand installation of energy storage and availability of transportation electrification infrastructure.		Asm Approps Cmte	SUPPORT
AB 427	Bauer-Kahan	Requires CPUC to establish rules governing the intersection of demand response, energy storage including customer-sited distributed generation plus storage, and RA.	CalSSA	Asm	SUPPORT: letter sent 3/31
AB 525	Chiu	Requires CEC to develop plan to achieve 10,000 MW offshore wind by 2040; requires CPUC to include offshore wind in IRP.	ACPA	Asm Nat Res Cmte 4/28	SUPPORT: letter sent 3/31
AB 843	Aguiar-Curry	Allows CCAs to enter into Bioenergy Market Adjusting Tariff (BioMAT) contracts and recover related costs through the existing nonbypassable charge for the BioMAT program.	Marin Clean Energy	Asm Approps Cmte 4/28	SUPPORT: letter sent 3/31
AB 1087	Chiu	EJ Community Resilience Hubs. Reallocates funding from CA Climate Credit towards streamlined grant program run by third-party administrator for climate resiliency improvements to buildings that constitute community hubs.	APEN, CEJA, NRDC	Asm Nat Res Cmte 4/28	SUPPORT IF AMENDED: drafted amendments; sponsors rejected
AB 1239	Ting	Requires investigation into causes of demand response market failures and why demand response is not reaching its potential; recommendations to ensure market failures not repeated. Recommendations to CPUC to revise policies governing demand response resources. CEC and CAISO to develop initiatives to achieve all cost-effective demand response by 2030.	California Efficiency + Demand Management Council	2-year bill	SUPPORT
TBD	Ting	Budget bill – not yet in print. Reallocates unused funds from the New Solar Homes Partnership Program and applies them to two new programs to be administered by the CEC for residential building decarbonization efforts and grants to local governments to adopt automated permitting systems to support reducing home GHG emissions.	NRDC	Being prepared for June budget pkg	SUPPORT: signed on to coalition as supportive

Adopted Bill Positions – Senate

Bill #	Author	Description	Sponsor	Status	EBCE Position
SB 31	Cortese	Requires CEC to identify/implement programs to promote existing & new building decarb. Would authorize expending fed funds for these projects. Would require CEC under EPIC to award funds for projects benefiting electric ratepayers & leading to development of building decarbonization technologies and investments to reduce GHG in those bldgs.	Author-sponsored	Sen Approps Cmte	SUPPORT
SB 52	Dodd	Expands sudden and severe energy shortage definition to include deenergization events, constituting state of emergency and local emergency.	Napa Cty Board of Supervisors	Sen Floor	SUPPORT: letter to be sent to Asm cmte
SB 99	Dodd	Community Energy Resiliency Act of 2021. Requires the CEC to develop and implement a grant program for local govts to develop community energy resilience plans.	The Climate Center	Sen Approps Cmte 5/3	SUPPORT: letter sent 4/14
SB 345	Becker	Requires the CPUC to establish common definitions of nonenergy benefits, incorporate into DER programs and projects, and track nonenergy benefits produced in DER program evals.	Author-sponsored	Sen Approps Suspense File	SUPPORT: letter to be sent to Asm cmte
SB 551	Stern	Establishes California EV Authority in the Governor's office, responsible for coordinating state agency activities to deploy EV and zero emission charging infrastructure, create funding/financing tools to support deployments, prioritize equity	LACI, TEP	Sen Trans. Cmte 4/27	SUPPORT: letter sent 3/31
SB 589	Hueso	Requires CEC to identify workforce development and training resources needed to meet EV charging infrastructure goals.	Author-sponsored	Sen Trans. Cmte 4/27	SUPPORT
SB 612	Portantino	Requires electrical corporations to annually offer for the following year an allocation of each product arising from legacy resources that departed load customers currently bear cost responsibility for through the PCIA. Requires the CPUC to recognize and account for the value of all products in the legacy portfolio in determining the PCIA.	CalCCA	Sen Approps Cmte	SUPPORT: letter sent 3/1