



## Staff Report Item 11

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

**FROM:** Melissa Brandt, Vice President of Public Policy and Deputy General Counsel

**SUBJECT:** Approval of Legislative Position (Action Item)

**DATE:** February 16, 2022

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### **Recommendation**

Take a “support” position on Assembly Bill (“AB”) 1814 (Grayson).

### **Background and Discussion**

In July 2018 the EBCE Board approved a Legislative Program which outlined three general legislative principles and five more specific public policy positions, as well as guidance for legislative policy coordination. The following recommended bill position aligns with the guidance in EBCE’s Legislative Program.

**SUPPORT:** AB 1814 (Grayson) would expand existing statutory language to authorize community choice aggregators (“CCAs”) to file applications at the California Public Utilities Commission (“CPUC”) for programs and investments to accelerate widespread transportation electrification (“TE”). Under existing law, electrical corporations are required to file TE applications, with costs being recovered from all customers (including EBCE’s) through utility distribution rates. In addition to enabling CCAs to file TE applications, the bill would require the electrical corporations to reimburse CCAs for any CCA TE programs approved by the CPUC by collecting the charges through utility distribution rates in the same manner as their own approved costs. In this manner, CCAs are not competitively disadvantaged and their customers are not unfairly burdened with additional costs when the CCA administers a CPUC-approved TE program.

AB 1814 aligns well with EBCE’s legislative principle of Accelerating Decarbonization, as the legislation is designed to enable higher levels of and more effective TE by enabling CCAs to offer programs using TE funds under CPUC oversight. AB 1814 also aligns with EBCE’s legislative principle of promoting local development, since

transportation electrification funds that EBCE would be eligible to apply for would enable increased investment in local zero-emission transportation. Furthermore, AB 1814 would enable a level playing field between CCAs and electrical corporations, which aligns with EBCE's public policy position on Nonbypassable Charges. Additionally, AB 1814 would enable increased funding for TE, directly supporting EBCE's public policy position on Educational, Neighborhood and Social Services.

The California Community Choice Association ("CalCCA") is the bill's sponsor.

### **Fiscal Impact**

AB 1814 is unlikely to result in a net increase in utility distribution TE charges, but rather a shift in the allocation of TE funds, with some of the funds going to CCAs.

### **Attachments:**

- A. AB 1814 Author's Fact Sheet
- B. February 16, 2022 Legislative Update

**Summary:**

AB 1814 would authorize Community Choice Aggregators (CCAs) to submit applications to the California Public Utilities Commission (CPUC) to receive funding to administer transportation electrification programs in their service areas.

**Background:**

California has held lofty initiatives of meeting stringent air quality and climate change targets. A major component in meeting these targets are the state's transportation objectives to achieve five million zero-emission vehicles (ZEVs) on the road by 2030<sup>1</sup> and 250,000 electric vehicle charging stations by 2025<sup>2</sup>. These are essential because the transportation sector contributes a large percentage of nitrogen emissions, diesel particulate matter, and statewide greenhouse gas (GHG) emissions.

The CPUC plays a critical role in achieving these emission targets. Under their authority to regulate Investor-Owned Utilities (IOUs), they are directing strategic investments for transportation electrification projects, designing electricity rates, adopting vehicle-grid integration policy and pilot programs, and conducting program evaluation and interagency coordination to ensure strategically coordinated ZEVs investments.<sup>3</sup>

Alternative to IOUs, CCAs are local government entities that supply energy needs for their communities, offering an alternative and tailored choice in the market and serve over 11 million customers in more than 200 cities and counties. CCAs can provide the communities that they serve with competitively priced, clean energy choices while reinvesting revenues into projects and programs, supporting the local economy, such as offering complementary programs such as EV charging and battery storage.

**Problem:**

The California Energy Commission (CEC) has assessed California's electric vehicle charging infrastructure rollout and determined that the state will be almost 1 million chargers short of what will be required to support the state's 2035 EV adoption goals.

While CPUC authorizes IOUs to file applications to receive ratepayer funded transportation electrification program funding, CCAs are not explicitly authorized in existing law to access these funds, despite CCA customers also paying into these same funds. As a result, local leaders have little ability to tailor electric vehicle infrastructure and programs to serve residents and businesses, particularly in traditionally underrepresented areas.

**Solution:**

AB 1814 would explicitly authorize CCAs to file applications for programs and investments to accelerate widespread transportation electrification. In order to submit these applications, CCAs would be regulated to meet all of the same requirements that IOUs are currently required to meet.

In order to meet the state's EV adoption goals, CCAs must also be included in the solution. CCAs should be given the opportunity to apply for funding through CPUC for transportation electrification projects as a means of potentially addressing energy needs as identified by specific communities. By creating parity within IOUs and CCAs, the state may be able to meet our GHG emission reduction goals in the transportation sector.

**Support:**

California Community Choice Association  
(Sponsor)

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<sup>1</sup> <https://www.ca.gov/archive/gov39/2018/01/26/governor-brown-takes-action-to-increase-zero-emission-vehicles-fund-new-climate-investments/index.html>

<sup>2</sup> <https://www.ca.gov/archive/gov39/2012/03/23/news17472/index.html>

<sup>3</sup> <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/infrastructure/transportation-electrification>

FEBRUARY 16, 2022

# Legislative Update



# Legislative Highlights

- Recommended Bill Position: AB 1814
- Update on 2-year bills / EBCE's Bill Tracker from 2021
- 2022 Legislative Year (2021-2022 Legislative Session)

# Recommended Bill Position

Bill #	Author	Description	Sponsor	Status	Recommended EBCE Position
<a href="#">AB 1814</a>	Grayson	Authorizes community choice aggregators to file applications at the CPUC for programs and investments to accelerate widespread transportation electrification, and to receive reimbursement for approved charges from the applicable electrical corporation's distribution customers.	CalCCA	Introduced 2/7/2022	SUPPORT

# Bill Tracker (2021) - Assembly

Bill #	Author	Description	Status	EBCE Position
<a href="#">AB 33</a>	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.	Chaptered	SUPPORT
<a href="#">AB 427</a>	Bauer-Kahan	Requires CPUC to establish rules governing the intersection of demand response, energy storage including customer-sited distributed generation plus storage, and RA.	Died	SUPPORT
<a href="#">AB 525</a>	Chiu	Requires CEC to evaluate and quantify max feasible capacity of offshore wind and to establish planning goals for 2030 and 2045.	Chaptered	SUPPORT
<a href="#">AB 843</a>	Aguiar-Curry	Allows community choice aggregators to enter into Bioenergy Market Adjusting Tariff (BioMAT) contracts and recover related costs through the existing nonbypassable charge for the BioMAT program.	Chaptered	SUPPORT
<a href="#">AB 1139</a>	Gonzalez	Requires the CPUC to develop a replacement NEM tariff by 8/1/2022; if none, prescribes successor NEM tariff. Requires any existing NEM customer to be transferred to new tariff 20 years after customer first received NEM service.	Died	OPPOSE
<a href="#">AB 1239</a>	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.	Died	SUPPORT

# Bill Tracker (2021) - Senate

Bill #	Author	Description	Status	EBCE Position
<a href="#">SB 31</a>	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.	Died	SUPPORT
<a href="#">SB 52</a>	Dodd	Expands sudden and severe energy shortage definition to include de-energization events, constituting state of emergency and local emergency.	Chaptered	SUPPORT
<a href="#">SB 68</a>	Becker	Requires CEC to develop guide for overcoming barriers to electrification of buildings and installation of EV charging equipment. Authorizes CEC EPIC \$ for reducing costs of building electrification.	Chaptered	SUPPORT
<a href="#">SB 99</a>	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.	2 <sup>nd</sup> house— see SB 833	SUPPORT
<a href="#">SB 345</a>	Becker	Requires the CPUC to establish common definitions of nonenergy benefits, incorporate into distributed energy resource (DER) programs and projects, and track nonenergy benefits produced in DER program evals.	Died	SUPPORT
<a href="#">SB 551</a>	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	2 <sup>nd</sup> house	SUPPORT
<a href="#">SB 589</a>	Hueso	Requires CEC to identify workforce development and training resources needed to meet EV charging infrastructure goals.	Chaptered	SUPPORT
<a href="#">SB 612</a>	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.	2 <sup>nd</sup> house	SUPPORT





# Key Deadlines for the 2022 Legislative Year

- 1/3: Legislature reconvened
- 1/10: Governor submitted budget
- 1/31: Deadline to move 2-year bills out of 1<sup>st</sup> house
- 2/18: Bill introduction deadline
- 4/29: Policy cmtes to move fiscal bills to fiscal cmtes (1<sup>st</sup> house)
- 5/6: Policy cmtes to move nonfiscal bills to floor (1<sup>st</sup> house)
- 5/20: Fiscal cmtes must move bills to floor (1<sup>st</sup> house)
- 5/27: Last day for bills to be passed out of 1<sup>st</sup> house
- 6/15: Budget bill must be passed
- 7/1: Policy cmtes to meet and report bills (2<sup>nd</sup> house)
- 8/12: Fiscal cmtes to move bills to floor (2<sup>nd</sup> house)
- 8/31: Last day for each house to pass bills
- 9/30: Last day for Governor to sign/veto bills

# Next Steps

- Review and analyze new bills and amendments
- Monitor bills on our watch list; determine when EBCE should formally take a position
- Send position letters for bills once EBCE formally takes a position
- Monitor Governor's Budget request, which includes \$6.1B over 5 years for Zero Emission Vehicles (ZEV)
- Engage with CalCCA on legislative efforts