

VALLEY CLEAN ENERGY ALLIANCE

Staff Report – Item 7

To: Valley Clean Energy Alliance Board of Directors

From: Mitch Sears, Interim General Manager

Subject: Legislative Update – Pacific Policy Group

Date: August 13, 2020

Pacific Policy Group, VCE’s lobby services consultant, continues to work with Staff and the Community Advisory Committee’s Regulatory and Legislative Task Group on several legislative bills.

The Legislature has returned from its summer recess that was extended by two weeks due to the positive tests of two Assemblymembers. Upon the Legislature’s return to session, a group of both Senators and Assemblymembers released a proposed economic stimulus package. Led by Senate Majority Leader Hertzberg (D – Van Nuys), Senator Bradford (D – Gardena) and Assemblymembers Ting (D – San Francisco) and Irwin (D – Thousand Oaks), the working group unveiled what they believe to be a \$100 billion stimulus package that will raise revenue through a new tax voucher program and the acceleration of other existing revenue streams. An overview of the proposal included a rough outline of how revenue would be expended, including a category investments in the green economy with funding potentially going to incentives for electric vehicles and expansion of electric vehicle charging as well as building energy efficiency, clean energy generation, and battery energy storage systems. Little additional information has been released about the details of the proposal and what the process will be for developing and refining the final product.

The extended recess disrupted what the planned legislative calendar for the end of session that was already facing a compressed timeline to consider bills. Accordingly, many legislators abandoned more of their bills and several committee chairs made the decision to not hear bills deemed unnecessary. This was especially true in Assembly Utilities & Energy (U&E) Committee in which the committee only heard a total of three bills, two of which were proposed for consent. VCE had been tracking and supporting several Senate bills that were referred to the Assembly U&E Committee. Those bills are shown below. VCE began tracking and engaging on two Assembly bills, both of which are “gut & amend” measures in which the author of the bill amends out the entire existing policy proposal and inserts an entirely new policy proposal. The bills VCE has and continues to engage and take position on are as follows:

Background and Analysis

Due to the unscheduled legislative recess and revision of the legislative calendar due to the COVID-19 pandemic, many energy related bills are no longer being pursued in the 2020

legislative session, including both bills CalCCA was sponsoring. However, energy bills related to public safety power shutoffs (PSPS) and community resilience and energy bills related to economic stimulus or cost savings had been scheduled to proceed prior to the unscheduled extension of the summer recess.

In the summaries below, staff notes CalCCA's position on the being considered by VCE.

1. SB 350 (Hill). The Golden State Energy Act.

http://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201920200SB350 Would authorize the creation of Golden State Energy, a nonprofit public benefit corporation that would be the state's proposed successor utility to PG&E should PG&E fail to emerge from bankruptcy, enter bankruptcy at a future date, or fail to maintain appropriate safety standards that would give cause to the CPUC to revoke PG&E's license.

VCE had been monitoring SB 350 and communicating with SF PUC on potential amendments to better position municipalization opportunities. The amendments never found their way into the bill, which has now passed the Legislature and is now on the Governor's desk for his signature or veto.

Additional Information:

- Bill language: [SB 350](#)
- This bill passed the Legislature and was signed by the Governor

2. SB 862 (Dodd). Planned Power Outage: Public Safety.

Summary: This bill would additionally include a deenergization event within a sudden and severe energy shortage constituting a state of emergency and a local emergency. This bill would require an Investor Owned Utility (IOU) to coordinate with local governments to jointly identify and establish Community Resource Centers (CRC) to provide resources and services during a deenergization event. Once a CRC is established, the IOU will make any necessary electrical upgrades to the facility so that a mobile backup generator can be located at, and provide electricity, the CRC. The IOU must provide a mobile backup generator at the beginning of a deenergization event if the CRC does not have backup generation and the deenergization event is expected to result in loss of power to the CRC.

Additional Information:

- This bill was not given a hearing in Assembly U&E and is now dead.
- VCE supported this bill
- Bill Language: [SB 862](#)

3. SB 1117 (Monning). Master-Meter Customers: Electrical or Gas Service.

Summary: Current law contains various provisions relative to the responsibilities of a gas or electrical corporation and master-meter customer when gas or electrical service is provided by a master-meter customer to users who are tenants of a mobilehome park, apartment building, or similar residential complex, including a requirement that the master-meter customer charge each user at the same rate that would be applicable if the user were receiving gas or electricity directly from the gas corporation or electric corporation. This bill would replace "electrical corporation" with "load-serving entity," defined as including electrical corporations, community

choice aggregators, and electric service providers, in many of these provisions relative to the responsibilities of an electrical corporation and master-meter customer when electrical service is provided by a master-meter customer to users who are tenants of a mobilehome park, apartment building, or similar residential complex.

This bill addresses an issue raised by several CCAs in which electrical corporations and other third-party billers are charging submeter accounts in mobile home parks at the electric corporation rate for electricity, even if the park is served by a CCA with a different rate.

Additional Information:

- This bill passed Assembly U&E on consent
- VCE supports this bill
- Bill Language: [SB 1117](#)

4. SB 1312 (McGuire). Electrical Corporations: Undergrounding of Infrastructure: Deenergization.

Summary: Would require the Public Utilities Commission to revise Electric Tariff Rule 20 to additionally authorize and fund, whenever feasible, the undergrounding of electrical and communication infrastructure within certain commission-designated high fire-threat areas for purposes of wildfire mitigation. The bill would also require the CPUC to develop a standard against which to measure the prudence of an IOU's execution of a PSPS and an IOU's fire risk mitigation capital expenditures on the distribution or transmission infrastructure that motivated the PSPS. The bill further requires that IOUs:

- Identify power lines that are more likely to cause PSPS events and harden those lines by July 1, 2025.
- Include details about the lines that causes the PSPS event in IOU after-event reports.
- Harden the IOU's infrastructure that caused the PSPS event and report back to the CPUC on their progress one year after the shutoff event.

Additional Information:

- This bill was not given a hearing in Assembly U&E and is now dead.
- VCE supported the bill
- Bill Language: [SB 1312](#)

5. SB 1215 (Stern) Microgrids.

Summary: This bill proposes changes to existing law in order to promote the use of microgrids, as defined, for electric generation. Specifically, this bill requires: the California Public Utilities Commission (CPUC) to create a database of critical facilities and infrastructure and requires the CPUC and the California Independent System Operator (CAISO) to develop a methodology to account for the resource adequacy value of distributed storage by March 31, 2021.

CalCCA had yet to officially take a position but was moving toward a support if amended position. CalCCA and other individual CCAs were engaging the author's office to push for amendments to improve CCA access to IOU data that is required for the planning of microgrid projects.

Additional Information:

- This bill was not given a hearing in Assembly U&E and is now dead.
- Senate Floor Vote: 28-8 (4 Abstentions)
- Bill language: [SB 1215](#)

6. AB 841 (Ting) Energy Programs: Economic Stimulus.

Summary: This bill is a gut and amend bill that seeks to legislate economic stimulus opportunities by authorizing the three IOUs to move forward with EV charging infrastructure development and school retrofit projects that are installed by the IOUs' labor unions. The measure sought to require the PUC to approve pending transportation electrification infrastructure applications from the IOUs as well as require the PUC to direct the IOUs to reallocate unused portions of their energy efficiency budgets for school retrofit projects that would include HVAC and air filtration upgrades as well as replace noncompliant plumbing fixtures. The bill is primarily supported by several labor unions and Natural Resources Defense Council.

The bill was recently heard in the Senate Energy, Utilities and Communications Committee, and the committee imposed several amendments on the bill in order for it to pass. The recommended amendments included removal of the provisions of the bill that direct the CPUC to approve the IOUs' EV applications. The language of these recommended amendments has not been finalized nor made available. VCE, through PPG, is closely monitoring AB 841 as it relates to the EV portion of the bill as the provisions are concerning and may require an oppose position if the committee amendments are unsatisfactory.

Lastly, Assemblymember Ting presented his bill as being part of the economic stimulus package referenced in the opening of this report. As the bill is a gut and amend, the bill needs to pass the Senate and come back to the Assembly for a policy committee hearing, appropriations hearing, and vote on the Assembly Floor.

Additional Information:

- This bill will be heard next in Senate Appropriations
- Bill language: [AB 841](#)

7. AB 1720 (Carrillo) Long Duration Energy Storage

Summary: This bill is a gut and amend bill that seeks to require the procurement of long duration energy storage (LDES). This is the fourth attempt by NextEra and labor unions to pass a legislative measure that would require the procurement of LDES to prompt the construction of the Eagle Crest pumped hydro storage facility near Joshua Tree. In this attempt, the bill would require the PCU to decide if it should require LSE's to procure LDES based on IRPs submitted and the desire to get under a 38 million metric ton greenhouse gas threshold the PUC is considering. If the PUC decides not to order the procurement, then the Department of Water Resources would be required to procure LDES and pass along the costs to all ratepayers.

The bill was scheduled to be heard in the Senate Energy, Utilities, and Communications Committee, but was ultimately pulled before the hearing. CalCCA opposed the bill as part of a

coalition of environmental, energy, tribal, and veterans organizations. VCE engaged Senator Dodd to advocate for a no vote on the bill.