

VALLEY CLEAN ENERGY ALLIANCE

Staff Report - Item 8

TO: Community Advisory Committee

FROM: Mitch Sears, Interim General Manager
Mark Fenstermaker, Pacific Policy Group

SUBJECT: Staff Summary and Recommendation on SB 612 and AB 843

DATE: February 25, 2021

Recommendation

Recommend that the VCE Board:

- a) Confirm support of SB 612 (Portantino). Electrical Corporations. Allocation of Legacy Resources.
- b) Confirm support of AB 843 (Aguiar-Curry). California Renewable Portfolio Standard Program: Renewable Feed-in-Tariff.

Background and Analysis

Staff has prepared this report to provide a summary of the following legislative bills and recommended positions VCE should take:

SB 612 (Portantino). Electrical Corporations. Allocation of Legacy Resources.

Summary: This bill is sponsored by CalCCA and adds new sections to the Public Utilities Code that are designed to ensure fair and equal access to the benefits of legacy resources held in IOU portfolios and management of these resources to maximize value for all customers.

Specifically, the bill will:

- 1) Provide investor-owned utilities (IOU), CCA, and direct access (DA) customers equal right to receive legacy resource products that were procured on their behalf in proportion to their load share if they pay the full cost of those products.
- 2) Require the CPUC to recognize the value of GHG-free energy and any new products in assigning cost responsibility for above-market legacy resources, in the same way value is recognized for renewable energy and other products.
- 3) Require IOUs to offer any remaining excess legacy resource products not taken by IOU, CCA, or direct access customers to the wholesale market in an annual solicitation.
- 4) Require each IOU to transparently solicit interest from legacy resource contract holders in renegotiating, buying out, or otherwise reducing costs from these contracts.

This bill is consistent with the VCE Legislative Platform, specifically provisions 4(a) and (c) regarding legislation to increase transparency and stability to IOU Above Market Costs (PCIA). Consistent with

adopted Board policy relating to time sensitive legislative issues, VCE staff worked with the VCE Board subcommittee to obtain official VCE support for the bill so that VCE's support position can be included in all introduction materials; the Board subcommittee authorized support of the bill on February 10th.

This bill is being sponsored by CalCCA.

AB 843 (Aguiar-Curry). California Renewable Portfolio Standard Program: Renewable Feed-in-Tariff.
Summary: This bill authorizes CCAs to voluntarily bring contracts to the CPUC for bioenergy projects procured via the BioMAT feed-in-tariff. The bill would clarify that CCAs are eligible to retain the renewable portfolio standard and resource adequacy benefits of the energy procured under this section.

The BioMAT program was established by SB 1122 (2012, Rubio) and requires the three large IOUs to collectively procure 250MW of bioenergy across the following three categories (PG&E amounts shown):

1. Category 1: Biogas from wastewater treatment, municipal organic waste diversion, food processing, and co-digestion.
 - 30.5MW for PG&E | 28MW remaining
2. Category 2: Dairy and other agricultural bioenergy.
 - 33.5MW for PG&E | 13.4MW remaining
3. Category 3: Sustainable forest management byproducts bioenergy.
 - 47MW for PG&E | 36MW remaining

The bill will not affect the total amount of megawatts needing to be procured.

This bill is consistent with the VCE Legislative Platform, specifically provision 8(a) to support legislation that expands opportunities to develop renewable energy resources including bioenergy. Consistent with adopted Board policy relating to time sensitive legislative issues, VCE staff worked with the VCE Board subcommittee to obtain official VCE support for the bill so that VCE's support position can be included in all introduction materials; the Board subcommittee authorized support of the bill on February 10th.

The bill is being co-sponsored by Marin Community Choice Energy, Pioneer Community Choice Energy, and Central Coast Community Energy.