

# VALLEY CLEAN ENERGY ALLIANCE

## Staff Report – Item 8

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**TO:** Community Advisory Committee

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

**SUBJECT:** Legislative Platform - 2020

**DATE:** June 25, 2020

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### RECOMMENDATION

Recommend Board approval of the 2020 Legislative Platform outlining a number of legislative issues and positions VCE would take on each.

### BACKGROUND/ANALYSIS

In February 2019, VCE retained Mark Fenstermaker of Pacific Policy Group (PPG) as VCE's lobbyist to represent VCE on legislative matters in the capitol. Throughout January and February of 2020, PPG and VCE Interim General Manager reviewed, analyzed, and discussed potential positions on a multitude of proposed legislation. At the March 12 Board Meeting, four days prior to the COVID-19 pandemic shutting down the Legislature, Mr. Fenstermaker presented on several proposed bills and recommended VCE positions for the Board to approve. The Board questioned one of the proposed recommendations, SB 917 (Wiener), and a discussion ensued on the process for bringing recommended positions to the Board. During this discussion, Chair of the Board Don Saylor requested that VCE staff and PPG prepare a legislative platform to help guide the process and decision-making of bringing recommended positions on legislation to the Board.

Accordingly, PPG worked with the Interim General Manager and the Legislative and Regulatory Task Group members of the CAC to develop the proposed legislative platform. The group reviewed legislation proposed for the 2020 legislative session as well as legislation VCE engaged or considered from the 2019 legislative session. The group decided that the platform should go beyond energy matters and include a broad spectrum of issues that VCE may encounter, including proposed policies affecting local governments, local economies, and the environment.

The legislative platform is meant to be an inward facing document to provide guidance to PPG for the remainder of the 2020 legislative session and beyond. The proposed legislative platform will be updated in advance of the next legislative session to reflect ongoing and new priorities.

### CONCLUSION

Staff is recommending that the CAC recommend Board approval of the attached legislative platform to help guide VCE legislative activities.

### ATTACHMENT

1. Draft 2020 Legislative Platform
2. Pacific Policy Group Bill Report dated June 9, 2020



# Valley Clean Energy Legislative Platform

Adopted July 2020

## Introduction

Valley Clean Energy is a joint-powers authority organized pursuant to California law that includes the cities of Davis, Woodland and the unincorporated areas of County of Yolo (and the city of Winters as of January 2021). The purpose of VCE is to enable the participating jurisdictions to determine the sources, modes of production and costs of the electricity they procure for the customers in the VCE service territory. PG&E, the incumbent Investor Owned Utility, continues to deliver the electricity procured by VCE and performs billing, metering, and other electric distribution utility functions and services. Customers within the participating jurisdictions may opt-out of VCE and remain a PG&E customer. VCE is governed by a Board of Directors consisting of council members and supervisors from its member jurisdictions.

The mission of VCE is to provide cost-competitive clean electricity, product choice, price stability, energy efficiency, and greenhouse gas emission reductions to residents and businesses in its member agencies. In addition, VCE provides a greater level of transparency and accountability in regards to energy sources and prices as VCE's board consists of local elected officials.

This Legislative Platform serves as a guide for legislative engagement in the 2020 legislative session that is based on positions that VCE has taken on past legislation, as well as the principles set forth in VCE's Vision Statement. It will be updated annually to reflect new issues that VCE will address each legislative session. To review VCE's vision statement, please see <https://valleycleanenergy.org/wp-content/uploads/VCEA-Vision-Statement-11-16-17.pdf>.

## Issue Areas

### 1. Governance and Statutory Authority

VCE will:

- Oppose legislation that limit the local decision-making authority for CCAs, including rate-setting authority and procurement of energy and capacity to serve their customers.
- Oppose legislation that limits VCE's ability to effectively serve its customers.
- Support efforts of CCAs to engage with their customers and promote transparency in their operations. Similarly, VCE will oppose legislation that restrict or limit these abilities.
- Support legislation that makes it easier for other cities and counties to form a CCA, become members of VCE or other CCAs, and oppose legislation that restricts that ability.



## **2. Restructuring the Electricity Utility Sector**

VCE will:

- Work with other local governments interested in forming municipal electric utilities, as well as the California Mutual Utilities Association, to expand opportunities for municipalization. This includes supporting legislation that expands opportunities for CCAs to become municipal electric utilities.
- Support legislation and advocate for reforms to the utility regulatory and business model to transform Investor Owned Utilities (IOUs) so that they must deliver greater benefits to ratepayers, increase safety and reliability and reduce costs.
- Support effective legislation that would transform PG&E to a public power or customer owned entity.

## **3. Resource Adequacy**

VCE will:

- Support the efforts of CalCCA to create a central procurement entity for residual Resource Adequacy needs.
- Oppose legislation that would supplant CCAs procurement authority for Resource Adequacy.

## **4. Power Cost Indifference Adjustment (PCIA)**

VCE will:

- Support CalCCA efforts to increase the transparency of IOU electricity contracts that provide the basis for Power Cost Indifference Adjustment (PCIA) charges that VCE (and its customers) and other CCAs must pay.
- Support legislation that would bring stability to the PCIA and/or provide new mechanisms for CCAs to securitize PCIA charges.
- Oppose legislation that would increase or expand exit fees, including PCIA, on CCA customers.

## **5. Public Safety Power Shut-Offs (PSPS)**

VCE will:

- Support legislation that increases the notification and transparency requirements on IOUs as they implement a PSPS.
- Support legislation that creates standards for PSPS implementation and penalties on IOUs that execute PSPS below those standards.
- Support legislation that creates rules and procedures to ensure PSPSs are implemented narrowly and only as absolutely necessary.



- Support legislation that require IOUs to notify impacted cities, counties and CCAs of impending PSPS.

## **6. Community Resilience**

VCE will:

- Advocate for and Support funding for programs implemented by CCAs and their member jurisdictions to increase community resilience to wildfires, PSPS events and other potential service disruptions.
- Support legislation that reduce barriers to microgrid development by CCAs.
- Oppose legislation that would enable IOUs to be the only developer of microgrids.
- Support legislation that increases development of community level resources and distributed energy resources that reduces the need for new transmission and distribution infrastructure.

## **7. Renewable Energy Generation Sources**

VCE will:

- Support legislation that expands opportunities for the development of alternative energy sources, including, but not limited to, wind, solar, biomass, battery storage, small hydro, and geothermal, as long as local development and siting criteria are consistent with city and county land use authority and other local and state regulatory requirements.
- Support legislation that increases opportunities for biomass generation local biomass plants that is sensitive to air quality and community concerns.
- Oppose legislation that requires CCAs to purchase specific renewable energy products, thus limiting the ability of CCAs to meet local energy needs in a cost-effective manner and in conflict with their local procurement and rate setting authority.

## **8. Local Economic Development and Environmental Objectives**

VCE will:

- Support legislation that enhances opportunities for CCAs to promote local economic development through locally designed programs that meet the unique needs of its member agencies and customers.
- Support efforts to enhance development of local and regional sources of renewable energy.
- Support legislation that enables CCAs to collaborate with their member jurisdictions on local energy resources and projects to advance environmental objectives.



## 9. Miscellaneous

VCE will:

- Oppose legislation that expands direct access or the the ability oreconomic incentives for electric service providers to selectively recruit CCA or IOU customers.
- Support legislation that would create renewable content and environmental standards for Energy Service Providers to match the products offered by CCAs.

**VCE Bill Report**  
**6/9/2020 2:21 PM**

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**Priority - 1**

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**[AB 1567](#) ([Aquiari-Curry D](#)) **Organic waste: scoping plan.****

**Current Text:** Amended: 1/15/2020 [html](#) [pdf](#)

**Summary:** Would, on or before December 31, 2021, require the Strategic Growth Council, in consultation with stakeholders and relevant permitting agencies, to prepare and submit to the Legislature a report that provides a scoping plan for the state to meet its organic waste, climate change, and air quality mandates, goals, and targets and would require the scoping plan to include, among other things, recommendations on policy and funding support for the beneficial reuse of organic waste.

**Position:** Support

**CalCCA Position:** None

**[SB 350](#) ([Hill D](#)) **The Golden State Energy Act.****

**Current Text:** Amended: 5/14/2020 [html](#) [pdf](#)

**Summary:** Current law authorizes the Public Utilities Commission to petition a court to appoint a receiver when the commission determines, after notice and hearing, that a water or sewer system corporation is unable or unwilling to adequately serve its ratepayers, has been actually or effectively abandoned by its owners, or is unresponsive to the commission's rules or orders. This bill would authorize the commission to petition a court to appoint a receiver to assume possession of Pacific Gas and Electric Company's property and to operate its electrical and gas systems if the commission determines in a proceeding that the appointment of a receiver is warranted pursuant to the processes or procedures set forth in a specified commission investigation.

**Position:** Watch

**CalCCA Position:** None

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**Priority - 2**

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**[AB 3256](#) ([Garcia, Eduardo D](#)) **Economic Recovery, Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020.****

**Current Text:** Amended: 6/4/2020 [html](#) [pdf](#)

**Summary:** Would enact the Economic Recovery, Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$6,980,000,000 pursuant to the State General Obligation Bond Law to finance projects for an economic recovery, wildfire prevention, safe drinking water, drought preparation, and flood protection program.

**Position:** Watch

**CalCCA Position:** None

**[SB 45](#) ([Allen D](#)) **Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020.****

**Current Text:** Amended: 1/23/2020 [html](#) [pdf](#)

**Summary:** Would enact the Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$5,510,000,000 pursuant to the State General Obligation Bond Law to finance projects for a wildfire prevention, safe drinking water, drought preparation, and flood protection program.

**Position:** Watch

**CalCCA Position:** None

**[SB 378](#) ([Wiener D](#)) **Electrical corporations: deenergization events: procedures: allocation of costs: reports.****

**Current Text:** Amended: 1/21/2020 [html](#) [pdf](#)

**Summary:** Would require each electrical corporation to annually submit a report to the Wildfire Safety Division and, after June 30, 2021, to the Office of Energy Infrastructure Safety, that includes the age, useful life, and condition of the electrical corporation's equipment, inspection dates, and maintenance records for its equipment, investments to maintain and improve the operation of its transmission and distribution facilities, and an assessment of the current and future fire and safety risk posed by the equipment.

**Position:** Support

**CalCCA Position:** None

**[SB 862](#) ([Dodd D](#)) **Planned power outage: public safety.****

**Current Text:** Amended: 5/20/2020 [html](#) [pdf](#)

**Summary:** Current law defines the terms "state of emergency" and "local emergency" to mean a duly proclaimed existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by, among other things, fire, storm, or riot. This bill would additionally include a deenergization event, as defined, within a sudden and severe energy shortage constituting a state of emergency and a local emergency.

**Position:** Support

**CalCCA Position:** Support

**[SB 1117](#) ([Monning D](#)) **Master-meter customers: electrical or gas service.****

**Current Text:** Amended: 5/20/2020 [html](#) [pdf](#)

**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.

**Position:** Support

**CalCCA Position:** Support

**[SB 1215](#) ([Stern D](#)) **Electricity: microgrids.****

**Current Text:** Amended: 6/2/2020 [html](#) [pdf](#)

**Summary:** Would require the Public Utilities Commission in consultation with the Office of Emergency Services, to create a database of critical facilities and critical infrastructure, and related critical circuits, and identify with respect to each whether it serves a high fire-threat

district or vulnerable transmission area. The bill would require an electrical corporation, electric service provider, or community choice aggregator, upon request, to collaborate with local governments within its service area to identify critical circuits and microgrid projects. The bill would authorize the above listed entities and local publicly owned electric utilities to use capacity resulting from a microgrid project to satisfy specified resource adequacy requirements.

**Position:** Watch

**CalCCA Position:** None

**[SB 1312](#) ([McGuire D](#)) **Electrical corporations: undergrounding of infrastructure: deenergization.****

**Current Text:** Amended: 6/2/2020 [html](#) [pdf](#)

**Summary:** Would require the Public Utilities Commission to revise Electric Tariff Rule 20 to additionally authorize and fund, whenever feasible, the undergrounding of electrical infrastructure within certain commission-designated high fire-threat areas for purposes of wildfire mitigation.

**Position:** Support

**CalCCA Position:** None