

# VALLEY CLEAN ENERGY ALLIANCE

## Staff Report – Item 9

---

To: Valley Clean Energy Alliance Board of Directors

From: Mitch Sears, Interim General Manager

Subject: Legislative Update – Pacific Policy Group

Date: June 17, 2019

---

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 numerous legislative bills. Below is a summary of the key bills that are currently being monitored:

1. **AB 56 (Garcia, Eduardo) Electricity: procurement by the California Alternative Energy and Advance Transportation Financing Authority.** Would authorize the Public Utilities Commission, if it makes certain findings, to authorize the California Alternative Energy and Advanced Transportation Financing Authority to undertake procurement of electricity to meet the state's climate, clean energy, and reliability goals that are not satisfied by load-serving entities. The bill would authorize the authority to undertake procurement consistent with specified objectives and to manage the resale of electricity for its contracted resources. The bill would provide for the reduction in procurement compliance obligations for load-serving entities for the electricity procured by the authority.
2. **SB 155 (Bradford) California Renewables Portfolio Standard Program: Integrated resource plans.** Current law requires the Public Utilities Commission to direct each retail seller to prepare and submit an annual report to the commission that includes specified information on the retail seller's compliance with requirements related to eligible renewable energy resource procurement. This bill would require the commission to review each annual compliance report filed by a retail seller, to notify a retail seller if the commission has determined, based upon its review, that the retail seller may be at risk of not satisfying the renewable procurement requirements for the then-current or future compliance period, and to provide recommendations in that circumstance regarding satisfying those requirements.
3. **SB 350 (Hertzberg) Electricity: resource adequacy: multiyear centralized resource adequacy mechanism.** Would authorize the Public Utilities Commission to consider a multiyear centralized resource adequacy mechanism, among other options, to most efficiently and equitably meet specified resource adequacy objectives.
4. **SB 515 (Caballero) California Renewables Portfolio Standard Program: bioenergy renewable feed-in-tariff.** Pursuant to current law, the Public Utilities Commission has

adopted resolutions establishing fuel or feedstock procurement requirements for generation from bioenergy projects intended to reduce wildfire risks that are applicable to the state's 3 largest electrical corporations. This bill would expand the fuels and feedstocks that are eligible to meet these wildfire risk reduction fuel and feedstock requirements to include biomass diverted from specified higher fire-risk zones.

5. **SB 520 (Hertzberg D) Electrical services: provider of last resort.** Under existing law, a public utility has a duty to serve, including furnishing and maintaining adequate, efficient, just, and reasonable service, instrumentalities, equipment, and facilities as are necessary to promote the safety, health, comfort, and convenience of its patrons and the public. This bill would provide that an incumbent electrical corporation, as defined, is the provider of last resort, as defined, unless provided otherwise in a service territory boundary agreement approved by the commission pursuant to existing law or as designated by the Public Utilities Commission pursuant to the bill.
  
6. **SB 774 (Stern D) Electricity: microgrids.** Would require each electrical corporation to collaborate with the Office of Emergency Services, local governments and other interested parties in its service territory to identify locations where sources of back-up electricity may provide increased electrical distribution grid resiliency. The bill would authorize electrical corporations to file applications with the commission to invest in, and deploy, microgrids to increase that resiliency, and would prohibit the PUC from approving microgrid applications that use a cost-recovery mechanism that recovers costs from all of an electrical corporation's ratepayers unless certain requirements are met.