

# VALLEY CLEAN ENERGY ALLIANCE

## Staff Report – Item 9

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To: Valley Clean Energy Alliance Board of Directors

From: Mitch Sears, Interim General Manager

Subject: Legislative Update – Pacific Policy Group

Date: July 11, 2019

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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 require the Public Utilities Commission, if it makes certain findings, to empower the California Alternative Energy and Advanced Transportation Financing Authority to undertake backstop procurement of electricity that would otherwise be performed by an electrical corporation to meet the state resource planning and reliability goals not satisfied by load-serving entities. The bill would authorize the authority to undertake backstop procurement consistent with specified objectives and to manage the resale of electricity for its contracted resources. The bill would require the commission to periodically review the need for, and the benefits of, continuing to empower the authority to undertake backstop procurement responsibilities. VCE submitted an oppose position letter on June 6, 2019.
2. **AB 1054 (Holden) Public Utilities: wildfires.** Current law establishes various programs for the prevention, detection, and mitigation of wildfires. Other current law establishes the California Earthquake Authority (CEA), administered under the authority of the Insurance Commissioner, to transact insurance in this state as necessary to sell policies of basic residential earthquake insurance. This bill would create in state government the California Catastrophe Council to oversee the CEA and the Wildfire Fund Administrator, who this bill would require the council to appoint.
3. **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. VCE submitted an oppose position letter on June 6, 2019.

4. **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.
5. **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.
6. **SB 520 (Hertzberg D) Electrical services: provider of last resort.** The Public Utilities Commission has regulatory authority over public utilities, including electrical corporations. Under current 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 the electrical corporation is the provider of last resort, as defined, in its service territory unless provided otherwise in a service territory boundary agreement approved by the commission pursuant to existing law or unless the commission designates a load-serving entity, as defined, other than the electrical corporation to serve as the provider of last resort for all or a portion of that service territory pursuant to a joint application of the electrical corporation and the load-serving entity.