

CECAC POLICY UPDATE

January 14, 2021



AGENDA

2020 Regulatory Progress

2021 Regulatory Update

2021 Gov Newsom Budget Proposal

2021 Legislative Outlook



2020 PROGRESS: PCIA AND EQUITY



- **PCIA Data:** CPUC adopted new, permanent PG&E data reporting requirements in 2021 PG&E ERRRA Decision.
 - Successful media and organizing campaign with City of San Jose leadership
 - Resolves most issues in SJCE sponsored AB 2689, Kalra on PG&E data transparency
- **PCIA Cost:** 2020 PG&E PCIA undercollection will be amortized over 36 mo; 2021 PG&E PCIA undercollection to be amortized over 12 mo, CCA stability.
 - Commission Guzman presiding over hearing to permanently lift PCIA cap in 2022
- **AMP Equity:** CPUC approved use of IOU-managed public purpose funds to pay for CCA customer non-payment during COVID-19 disconnect moratorium

2020 PROGRESS: PROCUREMENT



- **IRP:** CPUC reaffirms CCA ability to procure own resources, IOU backstop procurement only if CCAs fails to meet obligation
- **RA:** CalCCA joins Central Procurement Entity (CPE) Procurement Review Group (PRG); CPUC begins RA Program reform
- **Direct Access:** CPUC Legislative Report recommends limited DA expansion *only* if ESPs meet GHG, RPS and reliability criteria

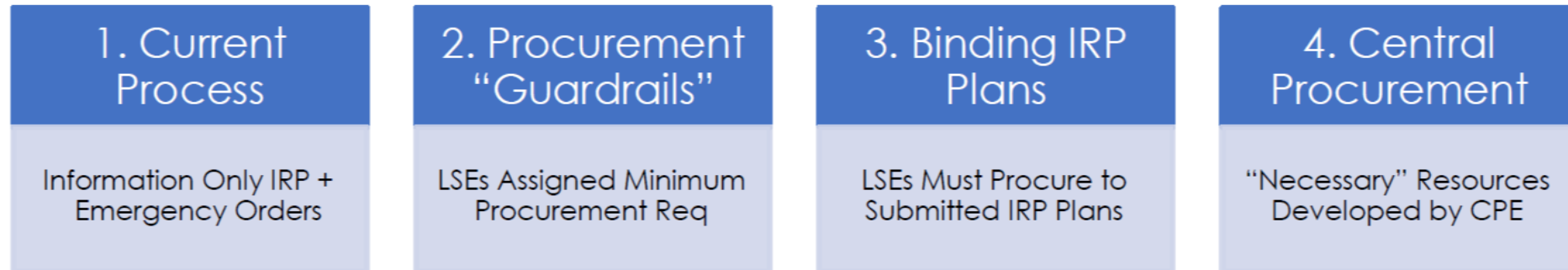
2021 EMERGENCY RELIABILITY



Outcome of Extreme Heat Storms/August 2020 Blackouts:

- Joint Agency preliminary root cause analysis
 - Identifies near-term actions to avoid a repeat in summer 2021
- CPUC 2021 Emergency Reliability proceeding
 - Seeks stakeholder input on actions to enhance Summer 2021 system reliability
 - 12/28 Ruling directs IOU procurement of incremental resources, increased Demand Response, expanded Flex Alert, and market enhancements
- CAISO 2021 Summer Readiness Initiatives

INTEGRATED RESOURCE PLAN (IRP) UPDATE



CPUC moving toward increased CCA oversight and mandated compliance requirements

2021 IRP



- **2020 Procurement:** 2020 Decision established IOU backstop procurement rules to govern 2019 LSE IRP Procurement mandate. Increased CCA IRP oversight and enforcement authority of CPUC.
- **2021 Procurement:** Staff proposed second procurement mandate proposal expected Jan 2021. Expected to order 4-6 GW of incremental system RA in 2024-2026, related to Diablo retirement.

2021 RA



Track 3A: Central Procurement Entity (CPE) Implementation

- IOUs now responsible for local RA procurement starting 2023
- CalCCA will participate in CPE Procurement Review Group (PRG)

Track 3B: RA Program Reform

- How should the RA program evolve to ensure electric reliability in a decarbonized system? Proposals discuss options to:
 - Extend capacity requirements beyond mid-day peak to include evening
 - Account for both capacity and energy

PROPOSED JANUARY BUDGET



Governor Newsom proposes \$14 billion for emergency economic recovery; allocate in January and early Spring)

- **\$5 billion** package to provide immediate relief for schools, small business, and low income families to address
- **\$1.5 billion** investment in zero-emission vehicle charging infrastructure, including California and securitized revenue stream from vehicle registration
- **Legislative Analyst's Office (LAO) issued a report** recommending the Legislature focus large stimulus projects and spending criteria to reduce long-term climate change.



2021 LEGISLATIVE OPPORTUNITIES

AB 96 (O'Donnell): Funding for ZEV (trucks, busses, and off-road vehicles and equipment)	SB 30 (Cortese): Building decarbonization; state facilities
SB 18 (Skinner): Green hydrogen development and deployment	SB 31 (Cortese): Building decarbonization funding and programs
SB 45 (Portantino, et al.): Resources bond: wildfire and climate resiliency	SB 44 (Allen): Environmental leadership projects; expedited CEQA review;
SB 99 (Dodd): community resiliency planning grants	SB 68 (Becker): Assistance in meeting state's climate goals; addressing barriers in panel upgrades and appliances
AB 64 (Quirk): Requires a strategy to develop and deploy other technologies for long-duration energy storage	AB 11 (Ward): Regional climate change coordinating groups