

BOARD UPDATE

September 2021



LEGISLATIVE UPDATE

- **SB 612 (Portantino)** - Fair Access to Legacy Resources, 2 yr bill
- **2021-2022 California Budget Bill:**
 - Debt Funding: California Arrearage Payment Plan (CAPP) - **\$1Bil** for electric customer debt, payments allocated proportionately to IOUs, POUs, and CCAs for 2020 customer debt.
 - Resiliency Funding: S Integrated Climate Adaptation and Resiliency Program - **\$100Mil** in grants in 2022-2024 for projects to mitigate extreme heat; Strategic Growth Council - **\$100M** in grants in 2022-2024 for community resiliency centers
- **2021 Federal Funding Bills**
 - \$1 Trillion Infrastructure Investment Act, HR 3684, bi-partisan, \$550B new funds over eight years, increases to transit, EVs, and electric grid infrastructure
 - \$3.5 Trillion Reconciliation Budget Bill, Democrat-led, changes US tax code

REGULATORY UPDATE

- 2022 PG&E ERRRA filing *could lower* **2022 PCIA tariff**
 - Higher 2020 and 2021 energy prices increase market value of PG&E assets placing downward pressure on 2022 “above market” PG&E PCIA tariff.
 - PG&E November Update and filings will establish 2022 PG&E PCIA tariff
- 2023 PG&E General Rate Case filing includes 17% increase in PG&E residential rates relative to 2021 rates, (2023-2027).
 - Tracking potential cost shift from PG&E generation to distribution rates
 - Added utility capital cost request could influence 2024 PG&E PCIA tariff

REGULATORY UPDATE

CPUC IRP “emergency reliability” mandates impact SJCE IRP requirements

- **2019 IRP Mandate: 3.0 GW 2021-23 new install**
 - SJCE on track with 2021 **38.8 MW** obligation, avoid IOU IRP backstop or penalty
- **2021 IRP Mandate: 11.5 GW 2023-26 new install**
 - SJCE analyzing procurement amount, resource mix, and timing, including PV+ES
 - Expect **248 MW** SJCE proportional requirement
- **2021 add'l IRP Proposal: 5 GW 2022-23 expedited install**
 - SJCE proportional amount will depend on final CPUC ruling

REGULATORY UPDATE

- **High Distributed Energy Resources (DER) and GridMod**
 - Joint CCAs participating to address DER cost treatment and preservation of CCA ability to competitively offer DER and microgrid service
- **NEM 3.0 Successor Tariff**
 - SJCE a party to support CSJ Climate Action Plan goal of 1GW rooftop solar and expansion of solar across the State
 - Support solar industry and environmental group position:
 - gradual reduction of NEM credit over time
 - Preserve NEM 1.0 and 2.0 for existing customers
 - No new PG&E distribution charge – PG&E proposes new \$80/mo distribution fee