



A Tradition of Stewardship
A Commitment to Service

Agenda Date: 5/17/2021

Agenda Placement: 7A

Napa County Legislative Subcommittee Board Agenda Letter

TO: Napa County Legislative Subcommittee

FROM: REBECCA CRAIG for Minh Tran - County Executive Officer
County Executive Office

REPORT BY: Nelson Cortez, STAFF ASSISTANT II - BOS - 7072991478

SUBJECT: SB 612 (Portantino) - Electrical corporations and other load-serving entities: allocation of legacy resources

RECOMMENDATION

Supervisor Brad Wagenknecht requests discussion and possible action on SB 612 (Portantino) relating to community choice aggregators (CCAs).

EXECUTIVE SUMMARY

The Subcommittee may direct staff to draft a letter of support as this is consistent with the Staff Legislative Platform.

Pacific Gas and Electric has been invited to answer questions about their oppose position.

FISCAL & STRATEGIC PLAN IMPACT

Is there a Fiscal Impact? No

County Strategic Plan pillar addressed:

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

At the 5/4/21 Legislative Subcommittee, a representative from Marin Clean Energy (proponents) provided an overview of the bill and answered questions. The Subcommittee took no action and directed staff to bring back SB 612 to get input from PG&E which is opposed to the bill. PG&E has been invited to participate. Attached is their letter of opposition.

The bill is supported by various local agencies, including Counties of Santa Clara, Yolo, LA, Marin, Placer, San Mateo, Ventura, and cities, including the League of CA Cities.

Attached is also the proponents position (from their website).

CA Legislative Counsel's Digest

SB 612, as amended, Portantino. Electrical corporations and other load-serving entities: allocation of legacy resources. Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations. Existing law authorizes the commission to fix the rates and charges for every public utility and requires that those rates and charges be just and reasonable.

Existing law requires the commission to authorize and facilitate direct transactions between electric service providers and retail end-use customers, but suspends direct transactions except as expressly authorized. Existing law expressly requires the commission to authorize direct transactions for nonresidential end-use customers, subject to an annual maximum allowable total kilowatthour limit established, as specified, for each electrical corporation, to be achieved following a now-completed 3-to-5-year phase-in period. Existing law requires the commission, on or before June 1, 2019, to issue an order specifying, among other things, an increase in the annual maximum allowable total kilowatthour limit by 4,000 gigawatthours and to apportion that increase among the service territories of the electrical corporations. Existing law requires the commission, by June 1, 2020, to provide the Legislature with recommendations on the adoption and implementation of a 2nd direct transactions reopening schedule and requires that the commission make specified findings with respect to those recommendations, including that the recommendations do not cause undue shifting of costs to bundled service customers of an electrical corporation or to direct transaction customers.

Existing law authorizes a community choice aggregator to aggregate the electrical load of interested electricity consumers within its boundaries and requires a community choice aggregator to file an implementation plan with the commission in order for the commission to determine a cost-recovery mechanism to be imposed on the community choice aggregator to prevent a shifting of costs to an electrical corporation's bundled customers. Existing law requires that the bundled retail customers of an electrical corporation not experience any cost increase as a result of the implementation of a community choice aggregator program and requires the commission to ensure that the departing load does not experience any cost increases as a result of an allocation of costs that were not incurred on behalf of the departing load.

Pursuant to existing law, the commission has adopted decisions and orders imposing certain costs that are collected as a nonbypassable charge on distribution from customers of an electrical corporation that depart from receiving bundled electrical service from an electrical corporation to instead receive electric service from an electric service provider or a community choice aggregator.

This bill would require an electrical corporation, by July 1, 2022, and not less than once every 3 years thereafter, to offer an allocation of certain electrical resources to its bundled customers and to other load-serving entities, including electric service providers and community choice aggregators, that serve departing

load who bear cost responsibility for those resources. The bill would authorize a load-serving entity within the service territory of the electrical corporation to elect to receive all or a portion of the vintaged proportional share of those legacy resources allocated to its end-use customers and, if it so elects, would require it to pay to the electrical corporation the commission-established market price benchmark for the vintage proportional share of the resources received. The bill would require the commission to recognize and account for the value of all products in the electrical corporation's legacy resource portfolio in determining the nonbypassable charge to be paid by bundled and departing load customers to recover the costs of legacy resources.

Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because the provisions of this bill would be a part of the act and because a violation of a commission action implementing its requirements would be a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

SUPPORTING DOCUMENTS

- A . PGE Letter
- B . Bill Text
- C . CCA Position

Recommendation: Approve

Reviewed By: Helene Franchi