



Legislative & Regulatory Update

May 22, 2020



Legislative Update

COVID-19 Changes Everything

Budget summary

- On 5/14, Gov Newsom released updated budget proposal for FY 20-21. Dept of Finance predicts deficit is ~\$54.3 billion
 - \$50 million general fund allocation to CalOES to support preparedness measures to bolster community resiliency incl critical services still vulnerable to power outage events
 - Greenhouse Gas Reduction Fund facing significant revenue uncertainty; lower auction revenues will reduce funds for programs. Administration intends on retaining \$51 million allocation to CEC for EV charging infrastructure.
- Next Steps:
 - Asm/Sen committees currently deliberating;
 - Full Budget committees to release their respective spend plans;
 - Final balanced budget to be voted on and sent to the Gov by 6/15

Legislative Update

- Legislative Calendar - Revised
 - 5/22 (Asm) & 5/29 (Sen) : Policy cmtes to move fiscal bills to fiscal cmtes (1st house)
 - 6/5 (Asm) & 6/19 (Sen): Fiscal cmtes must move bills to floor (1st house)
 - 6/15: Budget bill must be passed
 - 6/19 (Asm) & 6/26 (Sen): Each house to pass bills introduced in that house
 - 7/31: Policy cmtes to move fiscal bills to fiscal cmtes (2nd house)
 - 8/7: Policy cmtes to move nonfiscal bills to floor (2nd house)
 - 8/14: Fiscal cmtes to move bills to floor (2nd house)
 - 8/31: Last day for each house to pass bills
 - 9/30: Last day for Governor to sign/veto bills
- The bills EBCE was tracking and/or taking a position on are not getting a hearing, due to COVID-19

Bill Tracker - Updated

Bill #	Author	Description	Status	EBCE Position	Notes
AB 2788	Gloria	Prohibits public utilities from cooperating with immigration authorities without a court-ordered subpoena or judicial warrant	Asm U&E Cmte (1 st house) hearing set for 5/20	NONE	
SB 801	Glazer	Requires IOUs to deploy or provide financial assistance for backup electrical resources to medical baseline customers	Referred to Sen Approps Cmte (1 st house)	WATCH	
SB 862	Dodd	Adds PSPS events to definitions of “state of emergency” and “local emergency” and provides addl assistance to CARE customers	Referred to Sen Approps Cmte (1 st house)	WATCH	
SB 895	Archuleta	Requires the CEC to support development of zero-emission fuels/infrastructure/technology instead of petroleum diesel	Referred to Sen Approps Cmte (1 st house)	NONE	
SB 1117	Monning	Ensures that master-meter customer benefits from CCA cost savings flow to end-use tenants	Passed to Sen floor (1 st house)	WATCH	
SB 1215	Stern	Allows a microgrid to cross a public right-of-way without becoming an electrical corp; requires CPUC to develop methodology for accounting for RA value of distributed storage by 3/2021	Sen EU&C Cmte (1 st house) hearing set for 5/26	WATCH	
SB 1403	Hueso	Defines low-income customers for home weatherization eligibility in accordance with Dept of Housing & Community Development	Referred to Sen Approps Cmte (1 st house)	NONE	

Major Ongoing Regulatory Proceedings

Resource Adequacy (RA)

- Central Procurement Proposed Decision

PG&E Energy Resources Recovery Account (ERRA)

- 2020 ERRA Forecast
- 2021 ERRA Forecast
- 2019 ERRA Compliance

PG&E General Rate Case (GRC) Phase II

- Discovery under way

Resource Adequacy (RA)

- CPUC issued Proposed Decision (PD) on central buyer issue
 - PG&E would buy all local RA for EBCE customers beginning in 2023, recover costs in delivery charge
 - Eliminates an important part of value stack for local RA projects:
 - No value to EBCE's customers for avoiding local RA costs by investing in load-reducing distributed energy resources
 - Investments in projects that have local RA riskier/more costly
- We have been advocating for key changes to the PD
 - PD was "held" and not voted on 5/7 as scheduled
 - PD could be voted on as soon as 5/28
 - Expecting revised or alternate PD

PG&E ERRA Proceedings

- New PCIA rates from the 2020 Forecast are now in effect as of 5/1
 - Cap temporarily limits increase to 30%
 - "Trigger" for PG&E to file to increase rates likely to occur in August/September
 - Rates above cap could appear 60 days thereafter
- 2021 Forecast filing due from PG&E 6/1
 - Will give insight into 2021 PCIA rates
 - Nominally to go into effect 1/1/21
 - Subject to numerous revisions before effective
 - Delay possible (likely); not necessarily a good thing!
- 2019 Compliance proceeding
 - Prehearing Conference held 5/12
 - Set policy for costs relating to PSPS
 - Possible disallowances for failing to properly market RA in 2019

PG&E General Rate Case (GRC) Phase II Application

- Part of PG&E's triennial rate case
- Rate *design* part of the rate case
- CCAs are pushing for rates with:
 - Clear breakout between wires and generation charges, and
 - PCIA appearing as a separate element in tariffs for *all* customers
 - Distributed-resources friendly design (e.g., for fuel-switching programs, and vehicle charging)
- PG&E served updated testimony 5/15

Upcoming GRC Phase II Events

- Public participation hearings May — June 2020
- Public Advocates Office serves responsive testimony August 28, 2020
- Intervenors' prepared direct testimony served September 25, 2020
- Prepared rebuttal testimony served January 18, 2021
- Evidentiary hearings February 1-12, 2021