

TO: LGSEC Members
FROM: Margaret Bruce, Program Manager
SUBJECT: Senate Bill 618 (Bradford) related to CCAs and Integrated Resource Plans

Background

In 2015 the legislature passed SB350 (DeLeon), which was supported by the CCA community. SB350 requires that CCAs participate in energy resource coordination by submitting an Integrated Resource Plan (IRP) to the CPUC and to comply with the state's renewable energy portfolio standards. Per SB350, the CPUC must review and 'certify' a CCA's IRP for completeness, but the CPUC is not otherwise involved in a regulatory or governance role over CCAs.

The LGSEC and LGC have both historically been strong supporters of CCA. In the past, legislation that would have undermined CCAs has been opposed by LGSEC and LGC.

Bill Summary

As written, SB 618 vests the CPUC with authority to approve or disapprove a CCA's IRP. This goes beyond the CPUC's current role of 'certifying' compliance with requirements of state law. CCAs see this as interfering with their local control of electricity procurement. Finally, SB 350 became effective law on January 1, 2015. The CPUC is still in the process of implementing the CCA IRP process as directed in SB. Nothing has occurred since the passage of SB 350 that would warrant a change to the CCA IRP process as set forth in SB350.

Bill Sponsor: None listed (presumably it is Senator Bradford).

Analysis

If this bill were to pass as written, CCAs would be regulated by the CPUC the same way the investor owned utilities are regulated, reducing or perhaps eliminating local governance and control in favor of regulatory agency oversight.

The impacts on existing CCAs could include: changes to their rate-setting and portfolio procurement processes which citizens and local elected leaders did not support, loss of public access to decision-makers, and requirements for additional staff time and resources to comply with the lengthy and complex CPUC regulatory process.

The impact on new and emerging CCAs could include: a higher administrative and regulatory cost bar for establishing and maintaining CCA programs, potentially deferring or delaying consideration of new CCAs.

The bill proposes changes to the IRP process before the new IRP process has been established. Therefore, it is unclear what problem the proposed legislation seeks to cure. Cal CCA has stated: “The Legislature should allow the CCA IRP process it created in SB 350 to operate before determining whether changes are needed.”

Current Opposition and Support

Support: None listed

Opposition: None listed. Cal CCA has shared their letter of opposition which has not yet been registered on the legislative information page.

Status: Introduced on 2/27. Set for hearing in Senate Energy, Utilities and Communications Committee on April 4, 2017

Recommendation/s

The LGC and LGSEC have been asked by CalCCA to join their opposition to this bill.