



**REGULAR MEETING of the Executive Committee of the
Peninsula Clean Energy Authority (PCEA)
Monday, March 8, 2021
8:00 a.m.**

**PLEASE NOTE: for Video conference: <https://meetings.ringcentral.com/j/1476096930>
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CALL TO ORDER / ROLL CALL

PUBLIC COMMENT

This item is reserved for persons wishing to address the Committee on any PCEA-related matters that are as follows: 1) Not otherwise on this meeting agenda; 2) Listed on the Consent Agenda; 3) Chief Executive Officer's or Staff Report on the Regular Agenda; or 4) Committee Members' Reports on the Regular Agenda. Public comments on matters not listed above shall be heard at the time the matter is called.

As with all public comment, members of the public who wish to address the Committee shall be given an opportunity to do so by the Committee Chair during the videoconference meeting. Speakers are customarily limited to two minutes, but an extension can be provided to you at the discretion of the Committee Chair.

ACTION TO SET AGENDA AND TO APPROVE CONSENT AGENDA ITEMS

This item is to set the final consent and regular agenda, and for approval of the items listed on the consent agenda. All items on the consent agenda are approved by one action.

REGULAR AGENDA

1. Chair Report (Discussion)
2. CEO Report (Discussion)
3. Recommendation from Executive Committee to the Board that PCE support SB67 and SB68 from (Senator Becker) and encourage the support of CalCCA (Action)
4. Review and recommendation to support or not support AB 843, which allows CCAs to access the BioMAT program, an existing state program that supports the development of renewable bioenergy electricity projects (Action)
5. Review and make Recommendation to the Board to approve revised Policy 16 Selection of the Chair and Vice Chair and appointment to the Executive Committee and other standing Board Committees (Action)
6. Recommend the Board approve Low Income Homes Upgrade program contract (Action)
7. Review proposed list of Citizens Advisory Committee Working Group projects for a conceptual discussion about the items and the order of prioritization (Discussion)
8. Committee Members' Reports (Discussion)

CONSENT AGENDA

9. Approval of the Minutes for the February 8, 2021 Meeting (Action)

Public records that relate to any item on the open session agenda for a regular board meeting are available for public inspection. Those records that are distributed less than 72 hours prior to the meeting are available for public inspection at the same time they are distributed to all members, or a majority of the members of the Board. The Board has designated the Peninsula Clean Energy office, located at 2075 Woodside Road, Redwood City, CA 94061, for the purpose of making those public records available for inspection. The documents are also available on the PCEA's Internet Web site. The website is located at: <http://www.peninsulacleanenergy.com>.

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Options for Joining

- A. Videoconference with Phone Call Audio (*Recommended*) – see Option 1 below
- B. Videoconference with Computer Audio – see Option 2 below
- C. Calling in from iPhone using one-tap – see Option 3 below
- D. Calling in via Telephone/Landline – see Option 4 below

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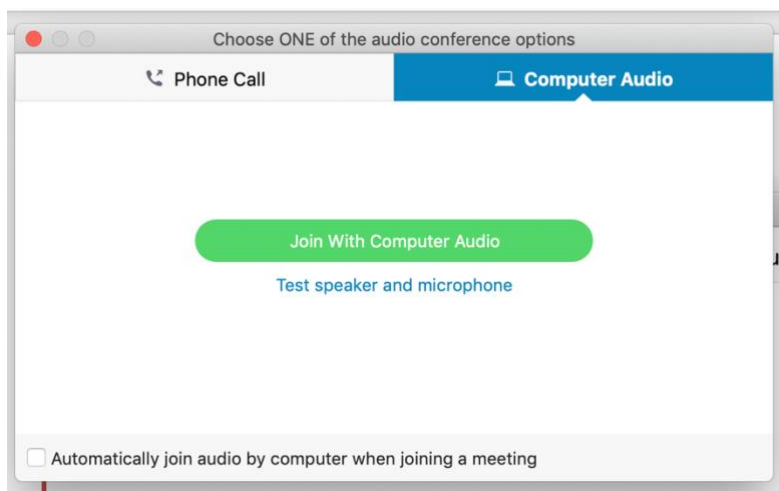


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Dial a following number based off of your location:

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Senator Josh Becker, 13th Senate District

SB 67 – The 24/7 Clean Energy Standard

IN BRIEF

SB 67 expands upon the Renewables Portfolio Standard, establishing annual procurement requirements for clean energy (renewables and other zero-carbon sources) to reach 85% clean energy by 2030, 90% by 2035, and a path to 100% clean energy by 2045. It also requires the timing of delivery of clean energy to be better matched to the timing of electricity usage, including a requirement for 60% clean energy during the evening net peak by 2030 and 75% by 2035.

BACKGROUND

The Renewables Portfolio Standard (RPS) has been the primary driver of California's shift toward zero carbon energy. Under current law, the RPS requires all load-serving entities (LSEs) – which includes investor-owned utilities, publicly-owned utilities, community choice aggregators, and Electric Service Providers – to procure renewable energy equal to 60% of their retail sales by 2030 and for all years after that. Under the RPS, renewable energy credits (RECs) are used to track how much renewable energy was purchased by each LSE and compared to total retail sales annually. RECs are separated into portfolio content categories (commonly referred to as “buckets”). Bucket 1 RECs represent energy that was purchased along with the REC and directly delivered to the state. Other buckets of RECs represent renewable energy that was generated somewhere else with only substitute energy, if any, actually delivered to the state.

SB 100 (2018) established a target for 100% of retail sales to be provided by renewables “and other zero carbon resources” by 2045. After extensive stakeholder engagement, the joint agencies (CARB, CPUC, CEC) determined that zero carbon resources include renewables as well as hydroelectric and nuclear power and potentially other technologies in the future that have no on-site greenhouse gas (GHG) emissions. The agencies also determined that the scope of the law is limited to retail sales of electricity and procurement for state agencies, which represents only ~82% of all electrical loads.¹ The other 18% of electricity is not covered by any renewable or clean energy requirements.

In 2019, 63 percent of retail sales of electricity was supplied from clean sources (36% renewables, 17% large hydro, 10% nuclear).² However, 6% of that nuclear is planned for retirement (Diablo Canyon), and hydro produced 28% more

energy in 2019 than its average over 2001-2017.³ Adjusting for these differences, existing nuclear and large hydro resources can be expected to contribute ~17% annually above what is provided by renewables in an average year.

THE PROBLEM

First, the state lacks a mechanism, equivalent to the RPS, to set a path to achieving 100% clean energy. We should be tracking the use of the broader set of clean energy resources allowed under SB 100 and driving the power sector to higher levels of clean energy use via interim targets. Today, there is no enforceable policy beyond the RPS requirement for 60% renewables by 2030.

Second, the RPS measures procurement of renewables vs. sales only on a 3- or 4-year cumulative basis rather than requiring clean energy generation to align with the times when electricity is used. That allows LSEs to take credit for high levels of renewables during sunny days while continuing to rely on fossil fuels during the evening and overnight. This has contributed to an ever-steeper “duck curve” and the large increase in energy needed from gas peaker plants during evening hours. The black-outs of August 2020 occurred during this period, when electrical loads stayed high even as solar power dropped off as the sun went down. To reach a truly clean electric supply, improve grid resilience and prevent black-outs, especially as the state moves toward 100% clean energy, it will be essential to deliver clean energy at all of the times when it is needed, even when the sun isn't shining and the wind isn't blowing.

To better align the timing of clean energy to load, we will need a mix of energy storage and a variety of clean generation sources that can provide energy at harder-to-serve times (such as geothermal and onshore and offshore wind) as well as demand flexibility to shift load away from harder-to-serve hours. Because RPS compliance is measured only on a multi-year basis, there is little incentive today to invest in these important resources.

Finally, the state could achieve the current “100%” target and still have substantial GHG emissions from the 18% of electricity not included within the current scope of the law. In fact, it is assumed in the joint agencies' modeling that gas plants would continue to provide much of the 8% of electrical load that goes to line losses and other utility uses and is not counted under retail sales. We should clarify that a “100%” target actually means 100% of all electricity.

¹ Draft SB 100 Joint Agency Report, p. 64 and p. 70:
<https://efiling.energy.ca.gov/getdocument.aspx?tn=235848>

² Ibid, Figure 15.

³ CEC's "Tracking Progress" Table 2 on page 5:
https://www.energy.ca.gov/sites/default/files/2019-12/installed_capacity_ada.pdf

THE SOLUTION

SB 67 establishes additional tracking and compliance targets for the broader set of clean energy resources allowed under SB 100 while leaving existing RPS requirements unchanged.

- It defines clean energy resources consistent with the joint agencies SB 100 report. For clarity, it states that electricity from hydrogen that is created with no GHG emissions is a clean energy resource.
- It establishes tracking of clean energy credits, similar to RECs, but on an hourly basis so that delivery of clean energy can be compared to load for each hour.
- It defines how energy storage charged from clean energy can create clean energy credits for the hours during which the stored energy is released. This provides a formal way to account for how energy storage shifts the timing of clean energy delivery.
- It establishes annual compliance periods, starting in 2024, and requires 85% of retail sales to be clean energy annually by 2030 and 90% by 2035.
- It also directs the CEC to define an evening “net peak” subperiod and requires 60% clean energy during this subperiod by 2030 and 75% by 2035.
- It requires the PUC and CEC to establish interim targets for the annual period and net peak subperiod, starting in 2024, ramping up to the 2030 and 2035 targets, and continuing on toward the 100% requirement by 2045.
- The 2024 targets will be based on each LSE’s baseline during calendar year 2021 so targets in early years reflect the differing starting points for each LSE.
- It restricts how clean energy credits can be used to meet these targets in two important ways:
 1. Only energy and credits meeting the “bucket 1” requirements can be counted toward the targets, since those represent energy that was actually delivered to the state’s grid during the credit’s hour.
 2. Excess credits for any single hour (beyond the LSE’s retail sales during that hour) may not be counted toward the targets since it was not actually used by the LSE to meet demand.
- Excess credits beyond what are retired to meet targets during a compliance period may be banked and used to meet targets in the following year, similar to the RPS.
- The procurement of demand flexibility to shift load on a daily basis is encouraged as a means of reducing load in harder-to-serve evening net peak hours in favor of increased load in easier-to-serve hours, for example.

SB 67 also adjusts the 2045 goal to require 100% clean energy for all electrical loads in the state, including the line losses, utility energy uses, and self-generation loads that were previously excluded.

This clean energy standard will preserve the existing RPS but augment it to expand the use of clean energy resources

by 2030 and set interim targets on the path to a truly 100% clean energy grid by 2045. The 2030 target represents an increase in clean energy of 8% beyond what would be expected from the 60% RPS target plus existing hydro and nuclear resources. By using clearer accounting for clean energy that tracks what is delivered to California and used on an hourly basis, the clean energy standard will also ensure that only energy that actually serves California is counted. Those changes, along with the requirement for 60% of electricity to be clean even during the evening net peak hours by 2030 and 75% by 2035, will substantially reduce California’s dependence on fossil fuel plants, reducing GHG emissions and lowering air pollution in frontline communities. All of these changes to align clean energy supply with demand on a year-round 24/7 basis will spur investment into the diverse portfolio of clean energy resources, energy storage, and demand side flexibility that California will need to get to 100%.

Building the new generation, storage and transmission to meet the requirements of this bill will create tens of thousands more high quality, family supporting jobs than existing RPS requirements. The billions of dollars of new investment will be a continuing boost for the California economy.

SUPPORT

350 Silicon Valley
California League of Conservation Voters
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OhmConnect
State Building and Construction Trade Council
TURN

FOR MORE INFORMATION

Ken Branson
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AMENDED IN SENATE MARCH 3, 2021

SENATE BILL

No. 67

Introduced by Senator Becker

December 7, 2020

~~An act relating to energy.~~ *An act to amend Section 25746 of the Public Resources Code, and to amend Sections 399.11, 399.12, 399.13, 399.21, 399.25, 399.26, 399.30, 399.31, 399.33, 454.52, and 454.53 of, to amend the heading of Article 16 (commencing with Section 399.11) of Chapter 2.3 of Part 1 of Division 1 of, and to add Section 399.15.1 to, the Public Utilities Code, relating to energy.*

LEGISLATIVE COUNSEL'S DIGEST

SB 67, as amended, Becker. ~~Clean Energy.~~ *energy: California 24/7 Clean Energy Standard Program.*

Under existing law, the Public Utilities Commission (PUC) has regulatory authority over public utilities, including electrical corporations. The California Renewables Portfolio Standard Program requires the PUC to establish a renewables portfolio standard requiring all retail sellers, as defined, to procure a minimum quantity of electricity products from eligible renewable energy resources, as defined, so that the total kilowatthours of those products sold to their retail end-use customers achieves 25% of retail sales by December 31, 2016, 33% by December 31, 2020, 44% by December 31, 2024, 52% by December 31, 2027, and 60% by December 31, 2030. The program requires the PUC to establish appropriate 3-year compliance periods for all subsequent years that require retail sellers to procure not less than 60% of retail sales of electricity products from eligible renewable energy resources. The program additionally requires each local publicly owned electric utility, as defined, to procure a minimum quantity of electricity

products from eligible renewable energy resources to achieve the procurement requirements established by the program. The program requires the State Energy Resources Conservation and Development Commission (*Energy Commission*) to establish appropriate multiyear compliance periods for all subsequent years that require the local publicly owned electric utility to procure not less than 60% of retail sales of electricity products from eligible renewable energy resources.

Existing law establishes as policy of the state that eligible renewable energy resources and zero-carbon resources supply 100% of retail sales of electricity to California end-use customers and 100% of electricity procured to serve all state agencies by December 31, 2045.

~~This bill would state the intent of the Legislature to enact subsequent legislation to accelerate the state's progress toward having 100% of electricity provided by renewable or other zero-carbon sources on a 24-hour, 7-day basis.~~

This bill would revise that policy to establish a goal that 100% of electrical load be supplied by eligible clean energy resources, as defined. The bill would establish the California 24/7 Clean Energy Standard Program, which would require that 85% of retail sales annually and at least 60% of retail sales within certain subperiods by December 31, 2030, and 90% of retail sales annually and at least 75% of retail sales within certain subperiods by December 31, 2035, be supplied by eligible clean energy resources, as defined. The bill would require the Energy Commission, in consultation with the PUC and California balancing authorities, to establish compliance periods and subperiods that meet certain criteria. The bill would require the PUC to establish for each retail seller, and the Energy Commission for each local publicly owned electric utility, clean energy procurement requirements for each compliance period and subperiod, as provided. Because the bill would impose additional duties on local publicly owned electric utilities, this bill would impose a state-mandated local program.

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 an order or decision of the commission implementing its requirements would be a crime, the bill would impose a state-mandated local program by creating a new crime.

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 specified reasons.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.
State-mandated local program: ~~no~~-yes.

The people of the State of California do enact as follows:

1 *SECTION 1. Section 25746 of the Public Resources Code is*
2 *amended to read:*

3 25746. If the commission provides funding for a regional
4 accounting system to verify compliance with the renewables
5 portfolio standard *and clean energy standard* by retail sellers,
6 pursuant to subdivision (b) of Section 399.25 of the Public Utilities
7 Code, the commission shall recover all costs from user fees.

8 *SEC. 2. The heading of Article 16 (commencing with Section*
9 *399.11) of Chapter 2.3 of Part 1 of Division 1 of the Public Utilities*
10 *Code is amended to read:*

11
12 Article 16. California Renewables Portfolio Standard Program
13 *and California 24/7 Clean Energy Standard Program*
14

15 *SEC. 3. Section 399.11 of the Public Utilities Code is amended*
16 *to read:*

17 399.11. The Legislature finds and declares all of the following:

18 (a) ~~In order to~~ (1) To attain a target of generating 20 percent of
19 total retail sales of electricity in California from eligible renewable
20 energy resources by December 31, 2013, 33 percent by December
21 31, 2020, 50 percent by December 31, 2026, and 60 percent by
22 December 31, 2030, it is the intent of the Legislature that the
23 commission and the Energy Commission implement the California
24 Renewables Portfolio Standard Program described in this article.

25 (2) To attain a target of having 100 percent of electrical loads
26 in the state be supplied by eligible clean energy resources by
27 December 31, 2045, with interim targets of 85 percent of retail
28 sales annually and at least 60 percent of retail sales within the net
29 peak subperiod, by December 31, 2030, and 90 percent of retail
30 sales annually and at least 75 percent of retail sales within the net
31 peak subperiod by December 31, 2035, it is the intent of the

1 *Legislature that the commission and the Energy Commission*
2 *implement the California 24/7 Clean Energy Standard Program*
3 *described in this article.*

4 (b) Achieving the renewables portfolio standard *and clean*
5 *energy standard* through the procurement of various electricity
6 products from eligible-renewable energy resources is intended to
7 provide unique benefits to California, including all of the following,
8 each of which independently justifies the program: *these programs:*

9 (1) Displacing fossil fuel consumption within the state.

10 (2) Adding new electrical generating facilities in the
11 transmission network within the WECC service area.

12 (3) Reducing air pollution, particularly criteria pollutant
13 emissions and toxic air contaminants, in the state.

14 (4) Meeting the state's climate change goals by reducing
15 emissions of greenhouse gases associated with electrical generation.

16 (5) Promoting stable retail rates for electric service.

17 (6) Meeting the state's need for a diversified and balanced
18 energy generation portfolio.

19 (7) Assisting with meeting the state's resource adequacy
20 requirements.

21 (8) Contributing to the safe and reliable operation of the
22 electrical grid, including providing predictable electrical supply,
23 voltage support, lower line losses, and congestion relief.

24 (9) Implementing the state's transmission and land use planning
25 activities related to development of eligible renewable energy
26 resources.

27 (c) The California Renewables Portfolio Standard Program is
28 intended to complement the Renewable Energy Resources Program
29 administered by the Energy Commission and established pursuant
30 to Chapter 8.6 (commencing with Section 25740) of Division 15
31 of the Public Resources Code.

32 (d) New and modified electric transmission facilities may be
33 necessary to facilitate the state achieving its renewables portfolio
34 standard *and clean energy standard* targets.

35 (e) (1) Supplying electricity to California end-use customers
36 that is generated by eligible-renewable *clean* energy resources is
37 necessary to improve California's air quality and public health,
38 particularly in disadvantaged communities identified pursuant to
39 Section 39711 of the Health and Safety Code, and the commission
40 shall ensure rates are just and reasonable, and are not significantly

1 affected by the procurement requirements of this article. This
2 electricity may be generated anywhere in the interconnected grid
3 that includes many states, and areas of both Canada and Mexico.

4 (2) This article requires generating resources located outside of
5 California that are able to supply that electricity to California
6 end-use customers to be treated identically to generating resources
7 located within the state, without discrimination.

8 ~~(3) California electrical corporations have already executed,~~
9 ~~and the commission has approved, corporations, local publicly~~
10 ~~owned electric utilities, community choice aggregators, and electric~~
11 ~~service providers have already executed power purchase~~
12 ~~agreements with eligible renewable energy resources resources,~~
13 ~~eligible clean energy resources, and clean energy storage~~
14 ~~resources located outside of California that will supply electricity~~
15 ~~to California end-use customers. These resources will fully count~~
16 ~~toward meeting the renewables portfolio standard and clean energy~~
17 ~~standard procurement requirements.~~

18 SEC. 4. Section 399.12 of the Public Utilities Code is amended
19 to read:

20 399.12. For purposes of this article, the following terms have
21 the following meanings: definitions apply:

22 (a) ~~“Conduit hydroelectric facility” means a facility for the~~
23 ~~generation of electricity that uses only the hydroelectric potential~~
24 ~~of an existing pipe, ditch, flume, siphon, tunnel, canal, or other~~
25 ~~manmade conduit that is operated to distribute water for a~~
26 ~~beneficial use.~~

27 ~~(b)~~

28 (a) “Balancing authority” means the responsible entity that
29 integrates resource plans ahead of time, maintains load-interchange
30 generation balance within a balancing authority area, and supports
31 interconnection frequency in real time.

32 ~~(c)~~

33 (b) “Balancing authority area” means the collection of
34 generation, transmission, and loads within the metered boundaries
35 of the area within which the balancing authority maintains the
36 electrical load-resource balance.

37 ~~(d)~~

38 (c) “California balancing authority” is a balancing authority
39 with control over a balancing authority area primarily located in
40 this state and operating for retail sellers and local publicly owned

1 electric utilities subject to the requirements of this article and
2 includes the Independent System Operator (ISO) and a local
3 publicly owned electric utility operating a transmission grid that
4 is not under the operational control of the ISO. A California
5 balancing authority is responsible for the operation of the
6 transmission grid within its metered boundaries which is not limited
7 by the political boundaries of the State of California.

8 (d) (1) *“Clean energy credit” means a certificate of proof*
9 *associated with the production of electricity from an eligible clean*
10 *energy resource, issued through the accounting system established*
11 *by the Energy Commission pursuant to Section 399.25, that one*
12 *unit of electricity was generated and delivered to a California*
13 *balancing authority by an eligible clean energy resource.*

14 (2) *“Clean energy credit” includes all environmental attributes*
15 *associated with the production of electricity from the eligible clean*
16 *energy resource, except for an emissions reduction credit issued*
17 *pursuant to Section 40709 of the Health and Safety Code and any*
18 *credits or payments associated with the reduction of solid waste*
19 *and treatment benefits created by the utilization of biomass or*
20 *biogas fuels.*

21 (e) *“Clean energy standard” means the specified percentage*
22 *of electricity from eligible clean energy resources that a retail*
23 *seller or a local publicly owned electric utility is required to*
24 *procure pursuant to this article.*

25 (f) *“Conduit hydroelectric facility” means a facility for the*
26 *generation of electricity that uses only the hydroelectric potential*
27 *of an existing pipe, ditch, flume, siphon, tunnel, canal, or other*
28 *manmade conduit that is operated to distribute water for a*
29 *beneficial use.*

30 (g) *“Eligible clean energy generation resource” means a facility*
31 *that qualifies as an eligible renewable energy resource or a facility*
32 *that satisfies all of the following:*

33 (1) *The facility is one of the following:*

34 (A) (i) *The facility uses hydroelectric generation that is not an*
35 *eligible renewable energy resource or the facility generates*
36 *electricity using nuclear fission or nuclear fusion.*

37 (ii) *A hydroelectric generation facility or nuclear generating*
38 *facility existing as of January 1, 2021, shall demonstrate either of*
39 *the following:*

1 (I) It was owned in whole or in part by the electrical corporation
2 or the local publicly owned electric utility as of January 1, 2021.
3 For facilities that were not wholly owned, only the portion of
4 electrical energy corresponding to the percentage ownership by
5 the electrical corporation or the local publicly owned utility as of
6 January 1, 2021, may be counted as eligible clean energy.

7 (II) It provided electricity under the retail seller's or the local
8 publicly owned electric utility's ownership agreement or contract
9 as of January 1, 2021, with the Western Area Power Administration
10 or the federal government as part of the federal Central Valley
11 Project. For these facilities, only the quantity of electrical energy
12 provided under these ownership agreements or contracts may be
13 counted as eligible clean energy, including an extension or renewal
14 of an agreement between a retail seller or local publicly owned
15 electrical utility and the Western Area Power Administration or
16 the federal government as part of the federal Central Valley Project
17 that renews or extends the existing agreement as of January 1,
18 2021, for an equal amount or share of electrical energy.

19 (B) The facility generates electricity exclusively using hydrogen
20 that meets all of the following:

21 (i) It is produced by an electrolytic or other process using only
22 electricity products generated in the same hour by another eligible
23 clean energy resource that satisfy the requirements of paragraph
24 (1) of subdivision (b) of Section 399.16. All clean energy credits
25 associated with electricity procured to produce the hydrogen must
26 be retired.

27 (ii) It is not produced from fossil fuel feedstock sources.

28 (iii) No greenhouse gases are emitted as a result of producing
29 the hydrogen.

30 (C) The facility uses any other method of generating electricity
31 that does not emit greenhouse gases as part of electricity
32 production and the creation of any fuel or feedstock used by the
33 facility.

34 (2) The facility satisfies paragraphs (2), (3), and (4) of
35 subdivision (a) of Section 25741 of the Public Resources Code.

36 (3) The electricity product provided by the facility meets the
37 requirements of paragraph (1) of subdivision (b) of Section 399.16.

38 (h) "Eligible clean energy storage resource" means a facility
39 consisting of an energy storage system, as defined in subdivision
40 (a) of Section 2835, and meets all of the following:

1 (1) *The facility is metered separately from any generation*
2 *facility.*

3 (2) *The facility consumes only electricity procured from an*
4 *eligible clean energy generation resource for its stored energy,*
5 *does not consume system power, and does not emit any greenhouse*
6 *gases as part of storing energy or exporting electricity from that*
7 *stored energy.*

8 (3) *All clean energy credits associated with the electricity*
9 *procured for the facility must satisfy the requirements of paragraph*
10 *(1) of subdivision (b) of Section 399.16 and be retired.*

11 (4) *The facility satisfies one of the following requirements:*

12 (A) *The facility is located in the state or near the border of the*
13 *state with the first point of connection to the transmission network*
14 *of a balancing authority area primarily located within the state.*

15 (B) *The facility has its first point of interconnection to the*
16 *transmission network outside the state, within the WECC service*
17 *area, and satisfies both of the following requirements:*

18 (i) *It will not cause or contribute to any violation of a California*
19 *environmental quality standard or requirement.*

20 (ii) *It participates in the accounting system to verify compliance*
21 *with the clean energy standard once established by the commission*
22 *pursuant to subdivision (b) of Section 399.25 of the Public Utilities*
23 *Code.*

24 (5) *If the facility is outside the United States, it is developed*
25 *and operated in a manner that is as protective of the environment*
26 *as a similar facility located in the state.*

27 (i) *“Eligible clean energy resource” means an eligible clean*
28 *energy generation resource or an eligible clean energy storage*
29 *resource.*

30 (j) *“Eligible energy resource” means collectively an eligible*
31 *renewable energy resource or an eligible clean energy resource.*

32 ~~(e)~~

33 (k) *“Eligible renewable energy resource” means an electrical*
34 *generating facility that meets the definition of a “renewable*
35 *electrical generation facility” in Section 25741 of the Public*
36 *Resources Code, subject to the following:*

37 (1) (A) *An existing small hydroelectric generation facility of*
38 *30 megawatts or less shall be eligible only if a retail seller or local*
39 *publicly owned electric utility procured the electricity from the*
40 *facility as of December 31, 2005. A new hydroelectric facility that*

1 commences generation of electricity after December 31, 2005, is
2 not an eligible renewable energy resource if it will cause an adverse
3 impact on instream beneficial uses or cause a change in the volume
4 or timing of streamflow.

5 (B) Notwithstanding subparagraph (A), a conduit hydroelectric
6 facility of 30 megawatts or less that commenced operation before
7 January 1, 2006, is an eligible renewable energy resource. A
8 conduit hydroelectric facility of 30 megawatts or less that
9 commences operation after December 31, 2005, is an eligible
10 renewable energy resource so long as it does not cause an adverse
11 impact on instream beneficial uses or cause a change in the volume
12 or timing of streamflow.

13 (C) A facility approved by the governing board of a local
14 publicly owned electric utility prior to June 1, 2010, for
15 procurement to satisfy renewable energy procurement obligations
16 adopted pursuant to former Section 387, shall be certified as an
17 eligible renewable energy resource by the Energy Commission
18 pursuant to this article, if the facility is a “renewable electrical
19 generation facility” as defined in Section 25741 of the Public
20 Resources Code.

21 (D) (i) A small hydroelectric generation unit with a nameplate
22 capacity not exceeding 40 megawatts that is operated as part of a
23 water supply or conveyance system is an eligible renewable energy
24 resource only for the retail seller or local publicly owned electric
25 utility that procured the electricity from the unit as of December
26 31, 2005. No unit shall be eligible pursuant to this subparagraph
27 if an application for certification is submitted to the Energy
28 Commission after January 1, 2013. Only one retail seller or local
29 publicly owned electric utility shall be deemed to have procured
30 electricity from a given unit as of December 31, 2005.

31 (ii) Notwithstanding clause (i), a local publicly owned electric
32 utility that meets the criteria of subdivision (j) of Section 399.30
33 may sell to another local publicly owned electric utility electricity
34 from small hydroelectric generation units that qualify as eligible
35 renewable energy resources under clause (i), and that electricity
36 may be used by the local publicly owned electric utility that
37 purchased the electricity to meet its renewables portfolio standard
38 procurement requirements. The total of all those sales from the
39 utility shall be no greater than 100,000 megawatthours of
40 electricity.

(iii) The amendments made to this subdivision by the act adding this subparagraph are intended to clarify existing law and apply from December 10, 2011.

(2) (A) A facility engaged in the combustion of municipal solid waste shall not be considered an eligible renewable energy resource.

(B) Subparagraph (A) does not apply to generation before January 1, 2017, from a facility located in Stanislaus County that was operational prior to September 26, 1996.

(l) *“Energy credit” means the renewable energy credit or clean energy credit associated with electricity production by an eligible energy resource.*

~~(f)~~

(m) “Procure” means to acquire through ownership or contract.

~~(g)~~

(n) “Procurement entity” means any person or corporation authorized by the commission to enter into contracts to procure eligible renewable energy resources on behalf of customers of a retail seller pursuant to subdivision (f) of Section 399.13.

~~(h)~~

(o) (1) “Renewable energy credit” means a certificate of proof associated with the generation of electricity from an eligible renewable energy resource, issued through the accounting system established by the Energy Commission pursuant to Section 399.25, that one unit of electricity was generated and delivered by an eligible renewable energy resource.

(2) “Renewable energy credit” includes all renewable and environmental attributes associated with the production of electricity from the eligible renewable energy resource, except for an emissions reduction credit issued pursuant to Section 40709 of the Health and Safety Code and any credits or payments associated with the reduction of solid waste and treatment benefits created by the utilization of biomass or biogas fuels.

(3) (A) Electricity generated by an eligible renewable energy resource attributable to the use of nonrenewable fuels, beyond a de minimis quantity used to generate electricity in the same process through which the facility converts renewable fuel to electricity, shall not result in the creation of a renewable energy credit. The Energy Commission shall set the de minimis quantity of nonrenewable fuels for each renewable energy technology at a

level of no more than 2 percent of the total quantity of fuel used by the technology to generate electricity. The Energy Commission may adjust the de minimis quantity for an individual facility, up to a maximum of 5 percent, if it finds that all of the following conditions are met:

(i) The facility demonstrates that the higher quantity of nonrenewable fuel will lead to an increase in generation from the eligible renewable energy facility that is significantly greater than generation from the nonrenewable fuel alone.

(ii) The facility demonstrates that the higher quantity of nonrenewable fuels will reduce the variability of its electrical output in a manner that results in net environmental benefits to the state.

(iii) The higher quantity of nonrenewable fuel is limited to either natural gas or hydrogen derived by reformation of a fossil fuel.

(B) Electricity generated by a small hydroelectric generation facility shall not result in the creation of a renewable energy credit unless the facility meets the requirements of subparagraph (A) or (D) of paragraph (1) of subdivision (e).

(C) Electricity generated by a conduit hydroelectric generation facility shall not result in the creation of a renewable energy credit unless the facility meets the requirements of subparagraph (B) of paragraph (1) of subdivision (e).

(D) Electricity generated by a facility engaged in the combustion of municipal solid waste shall not result in the creation of a renewable energy credit. This subparagraph does not apply to renewable energy credits that were generated before January 1, 2017, by a facility engaged in the combustion of municipal solid waste located in Stanislaus County that was operational prior to September 26, 1996, and sold pursuant to contracts entered into before January 1, 2017.

(i)

(p) “Renewables portfolio standard” means the specified percentage of electricity generated by eligible renewable energy resources that a retail seller or a local publicly owned electric utility is required to procure pursuant to this article.

(j)

(q) “Retail seller” means an entity engaged in the retail sale of electricity to end-use customers located within the state, including any of the following:

(1) An electrical corporation, as defined in Section 218.

(2) A community choice aggregator. A community choice aggregator shall participate in the renewables portfolio standard ~~program and clean energy standard programs~~ subject to the same terms and conditions applicable to an electrical corporation.

(3) An electric service provider, as defined in Section 218.3. The electric service provider shall be subject to the same terms and conditions applicable to an electrical corporation pursuant to this article. ~~This paragraph does not impair a contract entered into between an electric service provider and a retail customer prior to the suspension of direct access by the commission pursuant to Section 80110 of the Water Code.~~

(4) “Retail seller” does not include any of the following:

(A) A corporation or person employing cogeneration technology or producing electricity consistent with subdivision (b) of Section 218.

(B) The Department of Water Resources acting in its capacity pursuant to Division 27 (commencing with Section 80000) of the Water Code.

(C) A local publicly owned electric utility.

~~(K)~~

(r) “WECC” means the Western Electricity Coordinating Council of the North American Electric Reliability Corporation, or a successor to the corporation.

SEC. 5. Section 399.13 of the Public Utilities Code is amended to read:

399.13. (a) (1) The commission shall direct each electrical corporation to annually prepare ~~a renewable~~ *an* energy procurement plan that includes the elements specified in paragraph (6), to satisfy its obligations under the renewables portfolio *standard and the clean energy* standard. To the extent feasible, this procurement plan shall be proposed, reviewed, and adopted by the commission as part of, and pursuant to, a general procurement plan process. The commission shall require each electrical corporation to review and update its ~~renewable~~ energy procurement plan as it determines to be necessary. The commission shall require all other retail sellers to prepare and submit ~~renewable~~ energy procurement plans that address the requirements identified in paragraph (6).

(2) Every electrical corporation that owns electrical transmission facilities shall annually prepare, as part of the Federal Energy

1 Regulatory Commission Order 890 process, and submit to the
2 commission, a report identifying any electrical transmission
3 facility, upgrade, or enhancement that is reasonably necessary to
4 achieve the renewables portfolio standard *and clean energy*
5 *standard* procurement requirements of this article. Each report
6 shall look forward at least five years and, to ensure that adequate
7 investments are made in a timely manner, shall include a
8 preliminary schedule when an application for a certificate of public
9 convenience and necessity will be made, pursuant to Chapter 5
10 (commencing with Section 1001), for any electrical transmission
11 facility identified as being reasonably necessary to achieve the
12 ~~renewable~~ energy resources procurement requirements of this
13 article. Each electrical corporation that owns electrical transmission
14 facilities shall ensure that project-specific interconnection studies
15 are completed in a timely manner.

16 (3) The commission shall direct each retail seller to prepare and
17 submit an annual compliance report that includes all of the
18 following:

19 (A) The current status and progress made during the prior year
20 toward procurement of eligible renewable energy resources ~~as a~~
21 ~~percentage of retail sales, and eligible clean energy resources as~~
22 ~~required by Sections 399.15 and 399.15.1~~, including, if applicable,
23 the status of any necessary siting and permitting approvals from
24 federal, state, and local agencies for those eligible ~~renewable~~ energy
25 resources procured by the retail seller, and the current status of
26 compliance with the portfolio content requirements of subdivision
27 (c) of Section 399.16, including procurement of eligible ~~renewable~~
28 energy resources located outside the state and within the WECC
29 and unbundled renewable energy credits.

30 (B) If the retail seller is an electrical corporation, the current
31 status and progress made during the prior year toward construction
32 of, and upgrades to, transmission and distribution facilities and
33 other electrical system components it owns to interconnect eligible
34 ~~renewable~~ energy resources and to supply the electricity generated
35 by those resources to load, including the status of planning, siting,
36 and permitting transmission facilities by federal, state, and local
37 agencies.

38 (C) Recommendations to remove impediments to making
39 progress toward achieving the ~~renewable~~ energy resources
40 procurement requirements established pursuant to this article.

(4) The commission shall review each annual compliance report filed by a retail seller. The commission shall notify a retail seller if the commission has determined, based upon its review, that the retail seller may be at risk of not satisfying the ~~renewable energy~~ procurement requirements for the then-current or ~~a future compliance period~~ *periods of the renewable portfolio standard or clean energy standard* and shall provide recommendations in that circumstance regarding satisfying those requirements.

(5) The commission shall adopt, by rulemaking, all of the following:

(A) A process that provides criteria for the rank ordering and selection of least-cost and best-fit eligible renewable energy resources to comply with the California Renewables Portfolio Standard Program obligations on a total cost and best-fit basis. This process shall take into account all of the following:

(i) Estimates of indirect costs associated with needed transmission investments.

(ii) The cost impact of procuring the eligible renewable energy resources on the electrical corporation's electricity portfolio.

(iii) The viability of the project to construct and reliably operate the eligible renewable energy resource, including the developer's experience, the feasibility of the technology used to generate electricity, and the risk that the facility will not be built, or that construction will be delayed, with the result that electricity will not be supplied as required by the contract.

(iv) Workforce recruitment, training, and retention efforts, including the employment growth associated with the construction and operation of eligible renewable energy resources and goals for recruitment and training of women, minorities, and disabled veterans.

(v) (I) Estimates of electrical corporation expenses resulting from integrating and operating eligible renewable energy resources, including, but not limited to, any additional wholesale energy and capacity costs associated with integrating each eligible renewable resource.

(II) No later than December 31, 2015, the commission shall approve a methodology for determining the integration costs described in subclause (I).

(vi) Consideration of any statewide greenhouse gas emissions limit established pursuant to the California Global Warming

Solutions Act of 2006 (Division 25.5 (commencing with Section 38500) of the Health and Safety Code).

(vii) Consideration of capacity and system reliability of the eligible renewable energy resource to ensure grid reliability.

(B) Rules permitting retail sellers to accumulate, beginning January 1, 2011, excess procurement in one compliance period to be applied to any subsequent compliance period. The rules shall apply equally to all retail sellers. In determining the quantity of excess procurement for the applicable compliance period, the commission shall retain the rules adopted by the commission and in effect as of January 1, 2015, for the compliance period specified in subparagraphs (A) to (C), inclusive, of paragraph (1) of subdivision (b) of Section 399.15. For any subsequent compliance period, the rules shall allow the following:

(i) For electricity products meeting the portfolio content requirements of paragraph (1) of subdivision (b) of Section 399.16, contracts of any duration may count as excess procurement.

(ii) Electricity products meeting the portfolio content requirements of paragraph (2) or (3) of subdivision (b) of Section 399.16 shall not be counted as excess procurement. Contracts of any duration for electricity products meeting the portfolio content requirements of paragraph (2) or (3) of subdivision (b) of Section 399.16 that are credited towards a compliance period shall not be deducted from a retail seller's procurement for purposes of calculating excess procurement.

(iii) If a retail seller notifies the commission that it will comply with the provisions of subdivision (b) for the compliance period beginning January 1, 2017, the provisions of clauses (i) and (ii) shall take effect for that retail seller for that compliance period.

(iv) *For the purpose of excess procurement of eligible clean energy resources relative to the procurement requirements for a compliance period or subperiod, the following additional conditions apply:*

(I) Procurement of quantities greater than actual retail sales in a specific hour shall not be counted as excess procurement.

(II) Excess procurement may be applied only to the corresponding compliance subperiod in the following calendar year that includes the same day of the year and hour of the day during which the excess procurement occurred. Excess procurement for one compliance subperiod shall not be used to

1 *meet the procurement requirements of a different subperiod within*
2 *the same compliance period.*

3 (C) Standard terms and conditions to be used by all electrical
4 corporations in contracting for eligible ~~renewable~~ energy resources,
5 including performance requirements for ~~renewable~~ generators. A
6 contract for the purchase of electricity generated by an eligible
7 ~~renewable~~ energy resource, at a minimum, shall include the
8 renewable energy credits *and clean energy credits* associated with
9 all electricity generation specified under the contract. The standard
10 terms and conditions shall include the requirement that, no later
11 than six months after the commission's approval of an electricity
12 purchase agreement entered into pursuant to this article, the
13 following information about the agreement shall be disclosed by
14 the commission: party names, resource type, project location, and
15 project capacity.

16 (D) An appropriate minimum margin of procurement above the
17 minimum procurement level necessary to comply with the
18 renewables portfolio standard *and the clean energy standard* to
19 mitigate the risk that ~~renewable~~ projects planned or under contract
20 are delayed or canceled. This paragraph does not preclude an
21 electrical corporation from voluntarily proposing a margin of
22 procurement above the appropriate minimum margin established
23 by the commission.

24 (6) Consistent with the goal of increasing California's reliance
25 on eligible ~~renewable~~ energy resources, the ~~renewable~~ energy
26 procurement plan shall include all of the following:

27 (A) An assessment of annual or multiyear portfolio supplies
28 and demand to determine the optimal mix of *demand-side*
29 *resources and* eligible ~~renewable~~ energy resources with
30 deliverability characteristics that may include peaking,
31 dispatchable, baseload, firm, and as-available capacity.

32 (B) Potential compliance delays related to the conditions
33 described in paragraph (5) of subdivision (b) of Section 399.15.

34 (C) A bid solicitation setting forth the need for *demand-side*
35 *resources or for* eligible ~~renewable~~ energy resources of each
36 deliverability characteristic, required online dates, and locational
37 preferences, if any.

38 (D) A status update on the development schedule of all
39 *demand-side resources and* eligible ~~renewable~~ energy resources
40 currently under contract.

1 (E) Consideration of mechanisms for price adjustments
2 associated with the costs of key components for eligible ~~renewable~~
3 energy resource projects with online dates more than 24 months
4 after the date of contract execution.

5 (F) An assessment of the risk that an eligible ~~renewable~~ energy
6 resource will not be built, or that construction will be delayed,
7 with the result that electricity will not be delivered as required by
8 the contract.

9 (7) In soliciting and procuring eligible ~~renewable~~ energy
10 resources, each electrical corporation shall offer contracts of no
11 less than 10 years duration, unless the commission approves of a
12 contract of shorter duration.

13 (8) (A) In soliciting and procuring eligible ~~renewable~~ energy
14 resources for California-based projects, each electrical corporation
15 shall give preference to ~~renewable~~ energy projects that provide
16 environmental and economic benefits to communities afflicted
17 with poverty or high unemployment, or that suffer from high
18 emission levels of toxic air contaminants, criteria air pollutants,
19 and greenhouse gases.

20 (B) Subparagraph (A) applies to all procurement of eligible
21 ~~renewable~~ energy resources for California-based projects, whether
22 the procurement occurs through all-source requests for offers,
23 eligible renewable resources only requests for offers, or other
24 procurement mechanisms. This subparagraph is declaratory of
25 existing law.

26 (9) In soliciting and procuring eligible ~~renewable~~ energy
27 resources, each retail seller shall consider the best-fit attributes of
28 resource types that ensure a balanced resource mix to maintain the
29 reliability of the electrical grid.

30 (b) (1) A retail seller may enter into a combination of long- and
31 short-term contracts for electricity and associated renewable energy
32 *credits and clean energy* credits. Beginning January 1, 2021, at
33 least 65 percent of the procurement a retail seller counts toward
34 the renewables portfolio standard requirement of each compliance
35 period shall be from its contracts of 10 years or more in duration
36 or in its ownership or ownership agreements for eligible renewable
37 energy resources. *Beginning January 1, 2024, at least 65 percent*
38 *of the procurement a retail seller counts toward the clean energy*
39 *standard requirement of each annual compliance period and*
40 *subperiod shall be from its contracts of 10 years or more in*

1 *duration or in its ownership or ownership agreements for eligible*
2 *energy resources.*

3 (2) In demonstrating compliance with paragraph (1), a retail
4 seller may rely on contracts of 10 years or more in duration or
5 ownership agreements entered into ~~before January 1, 2019~~, directly
6 by its direct access, as described in Section 365.1, ~~nonprofit~~
7 ~~educational institution~~ end-use customer for eligible renewable
8 energy resources located in front of the customer meter to satisfy
9 the portion of the compliance requirement attributable to the retail
10 sales to that end-use customer. A retail seller shall furnish to the
11 commission documentation deemed necessary by the commission
12 to verify compliance with this paragraph.

13 (c) The commission shall review and accept, modify, or reject
14 each electrical corporation's ~~renewable~~ energy resource
15 procurement plan prior to the commencement of ~~renewable~~ energy
16 procurement pursuant to this article by an electrical corporation.
17 The commission shall assess adherence to the approved ~~renewable~~
18 energy resource procurement plans in determining compliance
19 with the obligations of this article.

20 (d) Unless previously preapproved by the commission, an
21 electrical corporation shall submit a contract for the generation of
22 an eligible ~~renewable~~ energy resource to the commission for review
23 and approval consistent with an approved ~~renewable~~ energy
24 resource procurement plan. If the commission determines that the
25 bid prices are elevated due to a lack of effective competition among
26 the bidders, the commission shall direct the electrical corporation
27 to renegotiate the contracts or conduct a new solicitation.

28 (e) If an electrical corporation fails to comply with a commission
29 order adopting a ~~renewable~~ *an* energy resource procurement plan,
30 the commission shall exercise its authority to require compliance.

31 (f) (1) The commission may authorize a procurement entity to
32 enter into contracts on behalf of customers of a retail seller for
33 electricity products from eligible ~~renewable~~ energy resources to
34 satisfy the retail seller's renewables portfolio standard *or clean*
35 *energy standard* procurement requirements. The commission shall
36 not require any person or corporation to act as a procurement entity
37 or require any party to purchase eligible ~~renewable~~ energy
38 resources from a procurement entity.

39 (2) Subject to review and approval by the commission, the
40 procurement entity shall be permitted to recover reasonable

administrative and procurement costs through the retail rates of end-use customers that are served by the procurement entity and are directly benefiting from the procurement of eligible renewable energy resources.

(g) Procurement and administrative costs associated with contracts entered into by an electrical corporation for eligible renewable energy resources pursuant to this article and approved by the commission are reasonable and prudent and shall be recoverable in rates.

~~(h) Construction, alteration, demolition, installation, and repair work on an eligible renewable energy resource that receives production incentives pursuant to Section 25742 of the Public Resources Code, including work performed to qualify, receive, or maintain production incentives, are “public works” for the purposes of Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code.~~

SEC. 6. Section 399.15.1 is added to the Public Utilities Code, to read:

399.15.1. (a) The Energy Commission, in consultation with the commission, the Independent System Operator, and other California balancing authorities, shall establish compliance periods and subperiods that meet the following criteria:

(1) A compliance period shall consist of a single calendar year and shall contain one or more compliance subperiods.

(2) (A) The Energy Commission shall establish one initial compliance subperiod, referred to as the net peak compliance subperiod, consisting of a subset of hours covering peak demand adjusted to account for the contribution of variable eligible clean energy resources.

(B) The Energy Commission shall determine the specific hours of each day, which may vary by season, and the beginning and end dates for each season, that are included within the net peak compliance subperiod, and any other subperiod established, based on patterns of electricity demand during each subperiod to group together time periods with similar load and clean energy availability profiles. This determination may be different for utility service areas located in different regions of the state.

(C) After establishing the initial compliance subperiod, but no earlier than for the compliance period consisting of the year beginning January 1, 2028, the Energy Commission may change

1 *the number of compliance subperiods and the specific hours and*
2 *days included within each subperiod as warranted by patterns of*
3 *electricity demand and availability of eligible clean energy*
4 *resources. All compliance subperiods shall be established for the*
5 *purpose of identifying periods in which the supply of eligible clean*
6 *energy resources as a share of total electrical load is projected to*
7 *be significantly below the average for the full compliance period.*

8 *(3) The first compliance period and compliance subperiods as*
9 *provided in paragraph (2) shall begin on January 1, 2024, and*
10 *continue for each year thereafter.*

11 *(b) (1) The Energy Commission shall perform analysis to*
12 *support the establishment of a current baseline for each retail*
13 *seller and local publicly owned electric utility.*

14 *(2) The current baseline shall reflect the percentage of clean*
15 *energy resources used as a percentage of each retail seller's and*
16 *local publicly owned electric utility's total retail sales and the*
17 *aggregate percentage of clean energy resources across all retail*
18 *sellers and local publicly owned electric utilities during the net*
19 *peak compliance subperiod and during calendar year 2021, as if*
20 *this section had been in effect at that time.*

21 *(3) The Energy Commission may include other relevant years*
22 *in its development of the current baseline.*

23 *(4) The commission shall establish for each retail seller, and*
24 *the Energy Commission shall establish for each local publicly*
25 *owned electric utility, its period and net peak subperiod current*
26 *baseline.*

27 *(c) No later than April 1, 2023, the commission shall establish*
28 *for each retail seller and the Energy Commission shall establish*
29 *for each local publicly owned electric utility the clean energy*
30 *standard procurement requirements for each compliance period*
31 *and subperiod as follows:*

32 *(1) The current baseline established for each retail seller and*
33 *local publicly owned electric utility pursuant to subdivision (b)*
34 *shall be the clean energy standard procurement requirements for*
35 *each compliance period and subperiod for the year beginning*
36 *January 1, 2024, for that retail seller or local publicly owned*
37 *electric utility.*

38 *(2) The clean energy standard procurement requirement for*
39 *each retail seller and local publicly owned electric utility for the*
40 *compliance period and subperiod for each year from 2025 through*

1 2029 shall be established based on a straight-line increase from
2 its 2024 procurement requirement to the 2030 clean energy
3 standard procurement requirements in paragraph (3).

4 (3) For the compliance period consisting of the year beginning
5 January 1, 2030, the clean energy standard procurement
6 requirement shall be 85 percent of retail sales for the annual period
7 and 60 percent of retail sales for the net peak subperiod.

8 (4) The clean energy standard procurement requirement for the
9 compliance period and subperiod for each year from 2031 through
10 2034 shall be established based on a straight-line increase from
11 the 2030 clean energy standard procurement requirements in
12 paragraph (3) to the 2035 clean energy standard procurement
13 requirements in paragraph (5).

14 (5) For the compliance period consisting of the year beginning
15 January 1, 2035, the clean energy standard procurement
16 requirement shall be 90 percent of retail sales for the annual period
17 and 75 percent of retail sales for the net peak subperiod.

18 (6) For the compliance period consisting of the year 2045 and
19 all subsequent compliance periods, the clean energy standard
20 procurement requirement for every compliance period and
21 subperiod shall be 100 percent of electrical load.

22 (7) For any new compliance subperiods established by the
23 Energy Commission pursuant to subdivision (a), the commission
24 may establish for each retail seller and the Energy Commission
25 may establish for each local publicly owned electric utility the
26 clean energy standard procurement requirements that require
27 sufficient progress from the then-current levels of eligible clean
28 energy resources during the compliance subperiods toward the
29 requirement in paragraph (6).

30 (8) Procurement in excess of the actual retail sales for a retail
31 seller or local publicly owned utility in any hour shall not be
32 credited toward any compliance period or subperiod.

33 (d) No later than January 1, 2026, for compliance periods after
34 2035 and before 2045, the commission shall establish for each
35 retail seller and the Energy Commission shall establish for each
36 local publicly owned electric utility the clean energy standard
37 procurement requirements for each compliance period and
38 subperiod that require sufficient progress toward the requirement
39 in paragraph (6) of subdivision (c).

1 (e) *Only for purposes of establishing the clean energy standard*
2 *procurement requirements of this section, the commission shall*
3 *include all electricity sold to retail customers by the Department*
4 *of Water Resources pursuant to Division 27 (commencing with*
5 *Section 80000) of the Water Code in the calculation of retail sales*
6 *by an electrical corporation.*

7 (f) *Paragraphs (5) through (9), inclusive, of subdivision (b) of*
8 *Section 399.15 relating to compliance with the renewables portfolio*
9 *standard program apply to compliance with the clean energy*
10 *standard program.*

11 (g) *The establishment of a clean energy standard shall not*
12 *constitute implementation by the commission of the federal Public*
13 *Utility Regulatory Policies Act of 1978 (Public Law 95-617).*

14 SEC. 7. *Section 399.21 of the Public Utilities Code is amended*
15 *to read:*

16 399.21. (a) The commission, by rule, shall authorize the use
17 of renewable energy credits to satisfy the renewables portfolio
18 standard procurement requirements—~~established pursuant to as~~
19 *provided in this article and the use of clean energy credits to satisfy*
20 *the clean energy standard procurement requirements as provided*
21 *in this article, subject to the following conditions:*

22 (1) The commission and the Energy Commission shall ensure
23 that the tracking system established pursuant to subdivision (c) of
24 Section 399.25, is operational, is capable of independently
25 verifying that electricity earning the credit is generated by an
26 eligible renewable energy resource, and can ensure that renewable
27 energy credits shall not be double counted by any seller of
28 electricity within the service territory of the WECC.

29 (2) (A) Each renewable energy credit shall be counted only
30 once for compliance with the renewables portfolio standard of this
31 state or any other state, or for verifying retail product claims in
32 this state or any other state.

33 (B) *Each clean energy credit shall be counted only once for*
34 *compliance with the clean energy standard of this state or any*
35 *other state, or for verifying retail product claims in this state or*
36 *any other state.*

37 (C) *Energy credits that qualify as both renewable energy credits*
38 *and clean energy credits may be counted once in each program*
39 *without violating subparagraphs (A) and (B).*

1 (3) All revenues received by an electrical corporation for the
2 sale of ~~a renewable~~ *an* energy credit shall be credited to the benefit
3 of ratepayers.

4 (4) ~~Renewable energy~~ *Energy* credits shall not be created for
5 electricity generated pursuant to any electricity purchase contract
6 with a retail seller or a local publicly owned electric utility executed
7 before January 1, 2005, unless the contract contains explicit terms
8 and conditions specifying the ownership or disposition of those
9 credits. Procurement under those contracts shall be tracked through
10 the accounting system described in subdivision (b) of Section
11 399.25 and included in the quantity of eligible ~~renewable~~ energy
12 resources of the purchasing retail seller pursuant to Section 399.15.

13 (5) ~~Renewable energy~~ *Energy* credits shall not be created for
14 electricity generated under any electricity purchase contract
15 executed after January 1, 2005, pursuant to the federal Public
16 Utility Regulatory Policies Act of 1978 (16 U.S.C. Sec. 2601 et
17 seq.). Procurement under the electricity purchase contracts shall
18 be tracked through the accounting system implemented by the
19 Energy Commission pursuant to subdivision (b) of Section 399.25
20 and count toward the renewables portfolio standard *or clean energy*
21 *standard* procurement requirements of the purchasing retail seller.

22 (6) Nothing in the amendments to this article made by the Clean
23 Energy and Pollution Reduction Act of 2015 (Senate Bill 350 of
24 the 2015–16 Regular Session) is intended to change commission
25 Decision 11-12-052 regarding the classification of renewable
26 energy credits from generation on the customer side of the meter.

27 (7) ~~A renewable~~ *An* energy credit shall not be eligible for
28 compliance with a renewables portfolio standard *or clean energy*
29 *standard* procurement requirement unless it is retired in the
30 tracking system established pursuant to subdivision (c) of Section
31 399.25 by the retail seller or local publicly owned electric utility
32 within 36 months from the initial date of generation of the
33 associated electricity.

34 (8) *Clean energy credits created by electricity exported from*
35 *an eligible clean energy storage resource shall not be eligible for*
36 *compliance with a clean energy standard procurement requirement*
37 *unless the energy storage resource has retired clean energy credits*
38 *and, if applicable, the corresponding renewable energy credits,*
39 *for the electricity consumed in storing the energy used for that*
40 *generation.*

(b) The commission shall allow an electrical corporation to recover the reasonable costs of purchasing, selling, and administering ~~renewable~~ energy credit contracts in rates.

SEC. 8. *Section 399.25 of the Public Utilities Code is amended to read:*

399.25. The Energy Commission shall do all of the following:

(a) (1) Certify eligible renewable energy resources that it determines meet the criteria described in subdivision ~~(e)~~ (k) of Section 399.12.

(2) *Certify eligible clean energy resources that it determines meet the criteria described in subdivision (i) of Section 399.12.*

(b) Design and implement an accounting system to verify compliance with the renewables portfolio standard *and clean energy standard* by retail sellers and local publicly owned electric utilities, to ensure that electricity generated by an eligible ~~renewable~~ energy resource is counted only once *pursuant to paragraph (2) of subdivision (a) of Section 399.21* for the purpose of meeting the renewables portfolio standard *and clean energy standards* of this state or any other state, to certify ~~renewable~~ energy credits produced by eligible ~~renewable~~ energy resources, and to verify retail product claims in this state or any other state. In establishing the guidelines governing this accounting system, the Energy Commission shall collect data from electricity market participants that it deems necessary to verify compliance of retail sellers and local publicly owned electric utilities, in accordance with the requirements of this article and the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code). In seeking data from electrical corporations, the Energy Commission shall request data from the commission. The commission shall collect data from electrical corporations and remit the data to the Energy Commission within 90 days of the request.

(c) (1) Establish a system for tracking and verifying ~~renewable~~ energy credits that, through the use of independently audited data, verifies the generation of electricity associated with each ~~renewable~~ energy credit and protects against multiple counting of the same ~~renewable~~ energy credit. The Energy Commission shall consult with other western states and with the WECC in the development of this system.

(2) *Enhance the system for tracking and verifying energy credits, as necessary, so that the generation of energy associated with each eligible clean energy generation resource and export of energy associated with each eligible clean energy storage resource is recorded for each individual hour.*

(d) Certify, for purposes of compliance with the renewables portfolio standard *and clean energy standard* requirements by a retail seller, the eligibility of ~~renewable~~ energy credits associated with eligible ~~renewable~~ energy resources procured by a local publicly owned electric utility, if the Energy Commission determines that all of the conditions of Section 399.31 have been met.

SEC. 9. *Section 399.26 of the Public Utilities Code is amended to read:*

399.26. (a) In order for the state to meet the requirements of the California Renewables Portfolio Standard *Program and the California 24/7 Clean Energy Standard Program*, substantially increased amounts of electricity generated by eligible ~~renewable~~ energy resources must be integrated with, and interconnected to, the transmission grid that is either owned by, or under the operational control of, the local publicly owned electric utilities and the transmission grid that is under the operational control of the Independent System Operator.

(b) The Independent System Operator and the balancing authority of each area in California shall do both of the following:

(1) Work cooperatively to integrate and interconnect eligible ~~renewable~~ energy resources to the transmission grid by the most efficient means possible with the goal of minimizing the impact and cost of new transmission needed to meet both reliability needs and the renewables portfolio standard *and clean energy standard* procurement requirements.

(2) Accomplish the requirements of paragraph (1) in a manner that respects the ownership, business, and dispatch models for transmission facilities owned by electrical corporations, local publicly owned electric utilities, joint powers agencies, and independent transmission companies.

(c) The Independent System Operator shall seek any approvals from the Federal Energy Regulatory Commission that are necessary to accomplish the goals and requirements of this article.

(d) In order to maintain electric service reliability and to minimize the construction of fossil fuel electrical generation capacity to support the integration of intermittent renewable electrical generation into the electrical grid, by July 1, 2011, the commission shall determine the effective load carrying capacity of wind and solar energy resources on the California electrical grid. The commission shall use those effective load carrying capacity values in establishing the contribution of wind and solar energy resources toward meeting the resource adequacy requirements established pursuant to Section 380.

SEC. 10. Section 399.30 of the Public Utilities Code is amended to read:

399.30. (a) (1) To fulfill unmet long-term generation resource needs, each local publicly owned electric utility shall adopt and implement ~~a renewable~~ *an* energy resources procurement plan that requires the utility to ~~procure~~ *do both of the following*:

(A) *Procure* a minimum quantity of electricity products from eligible renewable energy resources, including renewable energy credits, as a specified percentage of total kilowatthours sold to the utility's retail end-use customers, each compliance period, to achieve the targets of subdivision (c).

(B) *Procure* a minimum quantity of electricity products from eligible clean energy resources, including clean energy credits, to meet its obligations under Section 399.15.1.

(2) Beginning January 1, 2019, a local publicly owned electric utility subject to Section 9621 shall incorporate the ~~renewable~~ energy resources procurement plan required by this section as part of a broader integrated resource plan developed and adopted pursuant to Section 9621.

(b) The governing board shall implement procurement targets for a local publicly owned electric utility that require the utility to procure a minimum quantity of eligible renewable energy resources for each of the following compliance periods:

- (1) January 1, 2011, to December 31, 2013, inclusive.
- (2) January 1, 2014, to December 31, 2016, inclusive.
- (3) January 1, 2017, to December 31, 2020, inclusive.
- (4) January 1, 2021, to December 31, 2024, inclusive.
- (5) January 1, 2025, to December 31, 2027, inclusive.
- (6) January 1, 2028, to December 31, 2030, inclusive.

1 (c) The governing board of a local publicly owned electric utility
2 shall ensure all of the following:

3 (1) The quantities of eligible renewable energy resources to be
4 procured for the compliance period from January 1, 2011, to
5 December 31, 2013, inclusive, are equal to an average of 20 percent
6 of retail sales.

7 (2) The quantities of eligible renewable energy resources to be
8 procured for all other compliance periods reflect reasonable
9 progress in each of the intervening years sufficient to ensure that
10 the procurement of electricity products from eligible renewable
11 energy resources achieves 25 percent of retail sales by December
12 31, 2016, 33 percent by December 31, 2020, 44 percent by
13 December 31, 2024, 52 percent by December 31, 2027, and 60
14 percent by December 31, 2030. The Energy Commission shall
15 establish appropriate multiyear compliance periods for all
16 subsequent years that require the local publicly owned electric
17 utility to procure not less than 60 percent of retail sales of
18 electricity products from eligible renewable energy resources.

19 (3) A local publicly owned electric utility shall adopt *eligible*
20 *energy resource* procurement requirements consistent with Section
21 399.16.

22 (4) Beginning January 1, 2014, in calculating the procurement
23 requirements under this article, a local publicly owned electric
24 utility may exclude from its total retail sales the kilowatthours
25 generated by an eligible ~~renewable~~ energy resource that is credited
26 to a participating customer pursuant to a voluntary green pricing
27 or shared renewable generation program. Any exclusion shall be
28 limited to electricity products that do not meet the portfolio content
29 criteria set forth in paragraph (2) or (3) of subdivision (b) of Section
30 399.16. Any ~~renewable~~ energy credits associated with electricity
31 credited to a participating customer shall not be used for
32 compliance with procurement requirements under this article, shall
33 be retired on behalf of the participating customer, and shall not be
34 further sold, transferred, or otherwise monetized for any purpose.
35 To the extent possible for generation that is excluded from retail
36 sales under this subdivision, a local publicly owned electric utility
37 shall seek to procure those eligible ~~renewable~~ energy resources
38 that are located in reasonable proximity to program participants.

39 (d) (1) The governing board of a local publicly owned electric
40 utility shall adopt procurement requirements consistent with

1 subparagraph (B) of paragraph (5) of subdivision (a) of, and
2 paragraph (1) of subdivision (b) of, Section 399.13.

3 (2) The governing board of a local publicly owned electric utility
4 may adopt the following measures:

5 (A) Conditions that allow for delaying timely compliance *for*
6 *eligible renewable energy resource procurement* consistent with
7 subdivision (b) of Section 399.15.

8 (B) Cost limitations for *eligible renewable energy resource*
9 procurement expenditures consistent with subdivision (c) of Section
10 399.15.

11 (e) The governing board of the local publicly owned electric
12 utility shall adopt a program for the enforcement of this article.
13 The program shall be adopted at a publicly noticed meeting offering
14 all interested parties an opportunity to comment. Not less than 30
15 days' notice shall be given to the public of any meeting held for
16 purposes of adopting the program. Not less than 10 days' notice
17 shall be given to the public before any meeting is held to make a
18 substantive change to the program.

19 (f) Each local publicly owned electric utility shall annually post
20 notice, in accordance with the Ralph M. Brown Act (Chapter 9
21 (commencing with Section 54950) of Part 1 of Division 2 of Title
22 5 of the Government Code), whenever its governing body will
23 deliberate in public on its ~~renewable~~ energy resources procurement
24 plan.

25 (g) A public utility district that receives all of its electricity
26 pursuant to a preference right adopted and authorized by the United
27 States Congress pursuant to Section 4 of the Trinity River Division
28 Act of August 12, 1955 (Public Law 84-386), shall be in
29 compliance with the renewable energy *and clean energy*
30 procurement requirements of this article.

31 (h) For a local publicly owned electric utility that was in
32 existence on or before January 1, 2009, that provides retail electric
33 service to 15,000 or fewer customer accounts in California, and is
34 interconnected to a balancing authority located outside this state
35 but within the WECC, an eligible-~~renewable~~ energy resource
36 includes a facility that is located outside California that is
37 connected to the WECC transmission system, if all of the following
38 conditions are met:

39 (1) The electricity generated by the facility is procured by the
40 local publicly owned electric utility, is delivered to the balancing

1 authority area in which the local publicly owned electric utility is
2 located, and is not used to fulfill renewable *or clean* energy
3 procurement requirements of other states.

4 (2) The local publicly owned electric utility participates in, and
5 complies with, the accounting system administered by the Energy
6 Commission pursuant to this article.

7 (3) The Energy Commission verifies that the electricity
8 generated by the facility is eligible to meet the renewables portfolio
9 standard *or the clean energy standard* procurement requirements.

10 (i) Notwithstanding subdivision (a), for a local publicly owned
11 electric utility that is a joint powers authority of districts established
12 pursuant to state law on or before January 1, 2005, that furnishes
13 electric services other than to residential customers, and is formed
14 pursuant to the Irrigation District Law (Division 11 (commencing
15 with Section 20500) of the Water Code), the percentage of total
16 kilowatthours sold to the district's retail end-use customers, upon
17 which the renewables portfolio standard *or clean energy standard*
18 procurement requirements in subdivision (b) *or Section 399.15.1*
19 are calculated, shall be based on the authority's average retail sales
20 over the previous seven years. If the authority has not furnished
21 electric service for seven years, then the calculation shall be based
22 on average retail sales over the number of completed years during
23 which the authority has provided electric service.

24 (j) A local publicly owned electric utility in a city and county
25 that only receives greater than 67 percent of its electricity sources
26 from hydroelectric generation located within the state that it owns
27 and operates, and that does not meet the definition of a "renewable
28 electrical generation facility" pursuant to Section 25741 of the
29 Public Resources Code, shall be required to procure eligible
30 renewable energy resources, including renewable energy credits,
31 to meet only the electricity demands unsatisfied by its hydroelectric
32 generation in any given year, in order to satisfy its renewable
33 energy procurement requirements.

34 (k) (1) For purposes of this subdivision, "large hydroelectric
35 generation" means electricity generated from an existing
36 hydroelectric facility located within the state that does not qualify
37 as an eligible renewable energy resource and, as of January 1,
38 2018, was owned by a local publicly owned electric utility, the
39 federal government as a part of the federal Central Valley Project,
40 or a joint powers agency formed and created pursuant to the Joint

1 Exercise of Powers Act (Chapter 5 (commencing with Section
2 6500) of Division 7 of Title 1 of the Government Code).

3 (2) If, during a year within a compliance period set forth in
4 subdivision (b), a local publicly owned electric utility receives
5 more than 40 percent of its retail sales from large hydroelectric
6 generation under an ownership agreement or contract in effect as
7 of January 1, 2018, it is not required to procure eligible renewable
8 energy resources that exceed the lesser of the following for that
9 year:

10 (A) The portion of the local publicly owned electric utility's
11 retail sales unsatisfied by the local publicly owned electric utility's
12 large hydroelectric generation.

13 (B) The soft target adopted by the Energy Commission for the
14 intervening years of the relevant compliance period.

15 (3) An extension or renewal of a procurement agreement shall
16 not be eligible to count towards the determination that the local
17 publicly owned electric utility receives more than 40 percent of
18 its retail sales from large hydroelectric generation in any year. This
19 paragraph shall not apply to any agreement in effect on January
20 1, 2015, between a local publicly owned electric utility and the
21 Western Area Power Administration or federal government as part
22 of the federal Central Valley Project.

23 (4) The Energy Commission shall adjust the total quantities of
24 eligible renewable energy resources to be procured by a local
25 publicly owned electric utility for a compliance period to reflect
26 any reductions required pursuant to paragraph (2).

27 (5) This subdivision does not modify the compliance obligation
28 of a local publicly owned electric utility to satisfy the requirements
29 of subdivision (c) of Section 399.16.

30 (l) (1) (A) For purposes of this subdivision, "unavoidable
31 long-term contracts and ownership agreements" means
32 commitments for electricity from a coal-fired powerplant, located
33 outside the state, originally entered into by a local publicly owned
34 electric utility before June 1, 2010, that is not subsequently
35 modified to result in an extension of the duration of the agreement
36 or result in an increase in total quantities of energy delivered during
37 any compliance period set forth in subdivision (b).

38 (B) The governing board of a local publicly owned electric
39 utility shall demonstrate in its renewable energy resources
40 procurement plan required pursuant to subdivision (a) that any

1 cancellation or divestment of the commitment would result in
2 significant economic harm to its retail customers that cannot be
3 substantially mitigated through resale, transfer to another entity,
4 early closure of the facility, or other feasible measures.

5 (2) For the compliance period set forth in paragraph (4) of
6 subdivision (b), a local publicly owned electric utility meeting the
7 requirement of subparagraph (B) of paragraph (1) may adjust its
8 renewable energy procurement targets to ensure that the
9 procurement of additional electricity from eligible renewable
10 energy resources, in combination with the procurement of
11 electricity from unavoidable long-term contracts and ownership
12 agreements, does not exceed the total retail sales of the local
13 publicly owned electric utility during that compliance period. The
14 local publicly owned electric utility may limit its procurement of
15 eligible renewable energy resources for that compliance period to
16 no less than an average of 33 percent of its retail sales.

17 (3) The Energy Commission shall approve any reductions in
18 procurement targets proposed by a local publicly owned electric
19 utility if it determines that the requirements of this subdivision are
20 satisfied.

21 (m) A local publicly owned electric utility shall retain discretion
22 over both of the following:

23 (1) The mix of eligible ~~renewable~~ energy resources procured
24 by the utility and those additional generation resources procured
25 by the utility for purposes of ensuring resource adequacy and
26 reliability.

27 (2) The reasonable costs incurred by the utility for eligible
28 ~~renewable~~ energy resources owned by the utility.

29 (n) The Energy Commission shall adopt regulations specifying
30 procedures for enforcement of this article. The regulations shall
31 include a public process under which the Energy Commission may
32 issue a notice of violation and correction against a local publicly
33 owned electric utility for failure to comply with this article, and
34 for referral of violations to the State Air Resources Board for
35 penalties pursuant to subdivision (o).

36 (o) (1) Upon a determination by the Energy Commission that
37 a local publicly owned electric utility has failed to comply with
38 this article, the Energy Commission shall refer the failure to comply
39 with this article to the State Air Resources Board, which may
40 impose penalties to enforce this article consistent with Part 6

(commencing with Section 38580) of Division 25.5 of the Health and Safety Code. Any penalties imposed shall be comparable to those adopted by the commission for noncompliance by retail sellers.

(2) Any penalties collected by the State Air Resources Board pursuant to this article shall be deposited in the Air Pollution Control Fund and, upon appropriation by the Legislature, shall be expended for reducing emissions of air pollution or greenhouse gases within the same geographic area as the local publicly owned electric utility.

SEC. 11. Section 399.31 of the Public Utilities Code is amended to read:

399.31. A retail seller may procure ~~renewable~~ energy credits associated with deliveries of electricity by an eligible ~~renewable~~ energy resource to a local publicly owned electric utility, for purposes of compliance with the renewables portfolio standard *and clean energy standard* requirements, if both of the following conditions are met:

(a) The local publicly owned electric utility has adopted and implemented a ~~renewable~~ energy resources procurement plan *adopted pursuant to Section 399.30* that complies with the renewables portfolio standard ~~adopted pursuant to Section 399.30~~ *and clean energy standard*.

(b) The local publicly owned electric utility is procuring sufficient eligible ~~renewable~~ energy resources to satisfy the target standard, and will not fail to satisfy the target standard in the event that the ~~renewable~~ energy credit is sold to the retail seller.

SEC. 12. Section 399.33 of the Public Utilities Code is amended to read:

399.33. (a) This section shall only apply to a gas-fired powerplant that is located inside the state, is owned by and serves the electrical demands of a single local publicly owned electric utility, and meets all of the following conditions:

(1) The local publicly owned electric utility has outstanding public indebtedness associated with the powerplant, the powerplant was planned and built after January 1, 2000, and the debt was secured before January 1, 2017.

(2) Operating the powerplant below a 20-percent capacity factor on an annual average on a yearly basis may result in the loss of

1 employment of a powerplant employee who receives a prevailing
2 wage.

3 (3) The powerplant is subject to and meets the state’s greenhouse
4 gases emission performance standard established by the Energy
5 Commission pursuant to Section 8341.

6 (4) The powerplant is not located in a disadvantaged community.
7 For purposes of this paragraph, “disadvantaged community” means
8 a census tract that, pursuant to Section 39711 of the Health and
9 Safety Code, has received a score on the California Communities
10 Environmental Health Screening 3.0, also known as
11 CalEnviroScreen 3.0, in the 81st to 100th percentile, inclusive.

12 (5) The local publicly owned electric utility can demonstrate
13 with official documentation, such as an adopted city council
14 resolution, to the satisfaction of the Energy Commission, that the
15 powerplant was built in response to the energy crisis of 2000–01.

16 (6) The powerplant has not undergone repowering and is not
17 serving as a peaker powerplant.

18 (b) If the procurement requirements of this article require more
19 than 50 percent of retail sales of electricity to come from eligible
20 renewable energy resources, then a local publicly owned electric
21 utility that is the sole owner of a powerplant that both meets the
22 requirements of subdivision (a) and is operating below 20 percent
23 of its total capacity on an average annual basis during a given
24 compliance period may, based on the utility’s operations, adjust
25 its renewable energy procurement targets *and its clean energy*
26 *procurement targets* by an amount equal to the difference between
27 the actual generation from the powerplant and the amount of
28 generation that the powerplant would have produced if it had
29 operated at 20 percent of its total capacity, if all of the following
30 conditions are met:

31 (1) The local publicly owned electric utility has procured eligible
32 renewable energy resources as required by Section 399.30, as it
33 existed on January 1, 2018.

34 (2) Additional procurement of eligible ~~renewable~~ energy
35 resources ~~or zero-carbon generational resources~~ resulted in the
36 powerplant operating at, or below, a 20-percent capacity factor on
37 an annual average during a *renewables portfolio standard*
38 compliance period.

39 (3) The local publicly owned electric utility has attempted to
40 mitigate against the reduction of generation to below 20 percent

1 of the powerplant's total capacity by attempting to sell the
2 powerplant or attempting to sell the generation from the powerplant
3 to the extent it is practicable and does not result in resource
4 shuffling.

5 (c) A local publicly owned electric utility shall notify the Energy
6 Commission by April 1, 2019, of its intent to act pursuant to the
7 authorization granted by this section.

8 (d) The Energy Commission shall review, and either approve
9 or reject, a publicly owned electric utility's adjustment of its
10 procurement targets pursuant to this section.

11 (e) The Energy Commission may request relevant supporting
12 documentation from a local publicly owned electric utility acting
13 pursuant to this section.

14 (f) This section shall apply only until the end of the calendar
15 year during which the powerplant's original term of bonded
16 indebtedness expires.

17 *SEC. 13. Section 454.52 of the Public Utilities Code is amended*
18 *to read:*

19 454.52. (a) (1) Beginning in 2017, and to be updated regularly
20 thereafter, the commission shall adopt a process for each
21 load-serving entity, as defined in Section 380, to file an integrated
22 resource plan, and a schedule for periodic updates to the plan, and
23 shall ensure that load-serving entities do the following:

24 (A) Meet the greenhouse gas emissions reduction targets
25 established by the State Air Resources Board, in coordination with
26 the commission and the Energy Commission, for the electricity
27 sector and each load-serving entity that reflect the electricity
28 sector's percentage in achieving the economywide greenhouse gas
29 emissions reductions of 40 percent from 1990 levels by 2030.

30 (B) Procure at least 60 percent eligible renewable energy
31 resources *and 85 percent eligible clean energy resources* by
32 December 31, 2030, *and at least 90 percent eligible clean energy*
33 *resources by December 31, 2035*, consistent with Article 16
34 (commencing with Section 399.11) of Chapter 2.3.

35 (C) Enable each electrical corporation to fulfill its obligation to
36 serve its customers at just and reasonable rates.

37 (D) Minimize impacts on ratepayers' bills.

38 (E) Ensure system and local reliability on both a near-term and
39 long-term basis, including meeting the near-term and forecast
40 long-term resource adequacy requirements of Section 380.

1 (F) Comply with paragraph (1) of subdivision (b) of Section
2 399.13.

3 (G) Strengthen the diversity, sustainability, and resilience of
4 the bulk transmission and distribution systems, and local
5 communities.

6 (H) Enhance distribution systems and demand-side energy
7 management.

8 (I) Minimize localized air pollutants and other greenhouse gas
9 emissions, with early priority on disadvantaged communities
10 identified pursuant to Section 39711 of the Health and Safety Code.

11 *(J) Plan to meet all of the requirements of the California 24/7*
12 *Clean Energy Standard Program as provided in Article 16*
13 *(commencing with Section 399.11) of Chapter 2.3).*

14 (2) (A) The commission may authorize all source procurement
15 for electrical corporations that includes various resource types
16 including demand-side resources, supply side resources, and
17 resources that may be either demand-side resources or supply side
18 resources, taking into account the differing electrical corporations'
19 geographic service areas, to ensure that each load-serving entity
20 meets the goals set forth in paragraph (1).

21 (B) The commission may approve procurement of resource
22 types that will reduce overall greenhouse gas emissions from the
23 electricity sector and meet the other goals specified in paragraph
24 (1), but due to the nature of the technology or fuel source may not
25 compete favorably in price against other resources over the time
26 period of the integrated resource plan.

27 (3) In furtherance of the requirements of paragraph (1), the
28 commission shall consider the role of existing renewable
29 generation, grid operational efficiencies, energy storage, *demand*
30 *response*, and distributed energy resources, including energy
31 efficiency, in helping to ensure each load-serving entity meets
32 energy needs and reliability needs in *all hours to encompass the*
33 ~~hour of peak demand of electricity, excluding demand met by~~
34 ~~variable renewable generation directly connected to a California~~
35 ~~balancing authority, as defined in Section 399.12, and all seasons,~~
36 while reducing the need for new electricity generation resources
37 and new transmission resources in achieving the state's energy
38 goals at the least cost to ratepayers.

39 (b) (1) Each load-serving entity shall prepare and file an
40 integrated resource plan consistent with ~~paragraph (2) of~~

1 subdivision (a) on a time schedule directed by the commission and
2 subject to commission review.

3 (2) Each electrical corporation's plan shall follow the provisions
4 of Section 454.5.

5 (3) The plan of a community choice aggregator shall be
6 submitted to its governing board for approval and provided to the
7 commission for certification, consistent with paragraph (5) of
8 subdivision (a) of Section 366.2, and shall achieve the following:

9 (A) Economic, reliability, environmental, security, and other
10 benefits and performance characteristics that are consistent with
11 the goals set forth in paragraph (1) of subdivision (a).

12 (B) A diversified procurement portfolio consisting of both
13 short-term and long-term electricity and electricity-related and
14 demand reduction products.

15 (C) The resource adequacy requirements established pursuant
16 to Section 380.

17 (4) The plan of an electric service provider shall achieve the
18 goals set forth in paragraph (1) of subdivision (a) through a
19 diversified portfolio consisting of both short-term and long-term
20 electricity, electricity-related, and demand reduction products.

21 (c) To the extent that additional procurement is authorized for
22 the electrical corporation in the integrated resource plan or the
23 procurement process authorized pursuant to Section 454.5, the
24 commission shall ensure that the costs are allocated in a fair and
25 equitable manner to all customers consistent with Section 454.51,
26 that there is no cost shifting among customers of load-serving
27 entities, and that community choice aggregators may self-provide
28 renewable integration resources consistent with Section 454.51.

29 (d) To eliminate redundancy and increase efficiency, the process
30 adopted pursuant to subdivision (a) shall incorporate, and not
31 duplicate, any other planning processes of the commission.

32 (e) This section applies to an electrical cooperative, as defined
33 in Section 2776, only if the electrical cooperative has an annual
34 electrical demand exceeding 700 gigawatthours, as determined
35 based on a three-year average commencing with January 1, 2013.

36 *SEC. 14. Section 454.53 of the Public Utilities Code is amended*
37 *to read:*

38 454.53. (a) It is the policy of the state that by *December 31,*
39 *2045, eligible-renewable clean energy-resources and zero-carbon*
40 *resources resources, as defined in Section 399.12, supply 100*

1 percent of all ~~retail sales of electricity to California~~ *electrical loads*
2 *in California, including, but not limited to, retail sales of electricity*
3 *to end-use customers and 100 percent of customers*, electricity
4 procured to serve all state agencies by ~~December 31, 2045~~. The
5 ~~achievement of agencies~~, *electricity uses by electric utilities,*
6 *electrical line losses during the transmission and distribution of*
7 *electricity, and, excepted as provided in subdivision (e), electric*
8 *loads met by end-user self-generation*. Achieving this policy for
9 California shall not increase carbon emissions elsewhere in the
10 western grid and shall not allow resource shuffling. The
11 commission and Energy Commission, in consultation with the
12 State Air Resources Board, shall take steps to ensure that a
13 transition to a ~~zero-carbon~~ *clean* electric system for the State of
14 California does not cause or contribute to greenhouse gas emissions
15 increases elsewhere in the western grid, and is undertaken in a
16 manner consistent with clause 3 of Section 8 of Article I of the
17 United States Constitution. The commission, the Energy
18 Commission, the State Air Resources Board, and all other state
19 agencies shall incorporate this policy into all relevant planning.

20 (b) The commission, Energy Commission, state board, and all
21 other state agencies shall ensure that actions taken in furtherance
22 of subdivision (a) do all of the following:

23 (1) Maintain and protect the safety, reliable operation, and
24 balancing of the electric system.

25 (2) Prevent unreasonable impacts to electricity, gas, and water
26 customer rates and bills resulting from implementation of this
27 section, taking into full consideration the economic and
28 environmental costs and benefits of ~~renewable energy and~~
29 ~~zero-carbon~~ *clean energy* resources.

30 (3) To the extent feasible and authorized under law, lead to the
31 adoption of policies and taking of actions in other sectors to obtain
32 greenhouse gas emission reductions that ensure equity between
33 other sectors and the electricity sector.

34 (4) Not affect in any manner the rules and requirements for the
35 oversight of, and enforcement against, retail sellers and local
36 publicly owned utilities pursuant to the California Renewables
37 Portfolio Standard Program (Article 16 (commencing with Section
38 399.11) of Chapter 2.3) and Sections 454.51, 454.52, 9621, and
39 9622.

(c) Nothing in this section shall affect a retail seller's obligation to comply with the federal Public Utility Regulatory Policies Act of 1978 (16 U.S.C. Sec. 2601 et seq.).

(d) The commission, Energy Commission, and state board shall do both of the following:

(1) Utilize programs authorized under existing statutes to achieve the policy described in subdivision (a).

(2) In consultation with all California balancing authorities, as defined in subdivision (d) of Section 399.12, as part of a public process, issue a joint report to the Legislature by January 1, 2021, and at least every four years thereafter. The joint report shall include all of the following:

(A) A review of the policy described in subdivision (a) focused on technologies, forecasts, then-existing transmission, and maintaining safety, environmental and public safety protection, affordability, and system and local reliability.

(B) An evaluation identifying the potential benefits and impacts on system and local reliability associated with achieving the policy described in subdivision (a).

(C) An evaluation identifying the nature of any anticipated financial costs and benefits to electric, gas, and water utilities, including customer rate impacts and benefits.

(D) The barriers to, and benefits of, achieving the policy described in subdivision (a).

(E) Alternative scenarios in which the policy described in subdivision (a) can be achieved and the estimated costs and benefits of each scenario.

(F) *An evaluation of clean firm power capacity needed to achieve the policy described in subdivision (a) cost effectively, including the quantity of clean firm power needed, the performance requirements for clean firm resources, such as load-following capability and minimum duration once dispatched, and the technologies that could satisfy these requirements.*

(e) Nothing in this section authorizes the commission to establish any requirements on a nonmobile self-cogeneration or cogeneration facility that served onsite load, or that served load pursuant to an over-the-fence arrangement if that arrangement existed on or before December 20, 1995.

SEC. 15. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because

1 *a local agency or school district has the authority to levy service*
2 *charges, fees, or assessments sufficient to pay for the program or*
3 *level of service mandated by this act or because costs that may be*
4 *incurred by a local agency or school district will be incurred*
5 *because this act creates a new crime or infraction, eliminates a*
6 *crime or infraction, or changes the penalty for a crime or*
7 *infraction, within the meaning of Section 17556 of the Government*
8 *Code, or changes the definition of a crime within the meaning of*
9 *Section 6 of Article XIII B of the California Constitution.*

10 ~~SECTION 1. It is the intent of the Legislature to enact~~
11 ~~subsequent legislation to accelerate the state's progress toward~~
12 ~~having 100 percent of electricity provided by renewable or other~~
13 ~~zero-carbon sources on a 24-hour, seven-day basis, by doing all~~
14 ~~of the following:~~

15 ~~(a) Set an earlier target date for achieving 100 percent clean~~
16 ~~energy.~~

17 ~~(b) Define electric loads that are subject to the 100-percent clean~~
18 ~~energy requirement to include all in-state consumption.~~

19 ~~(c) Direct the State Air Resources Board and the Public Utilities~~
20 ~~Commission to establish a system for tracking the provision and~~
21 ~~consumption of clean energy, similar to tracking renewable energy~~
22 ~~credits today, but with higher granularity so that clean energy~~
23 ~~provision can be tracked on an hourly basis.~~

24 ~~(d) Require the tracking system to take into account the ability~~
25 ~~of storage-like resources to move the timing of the provision of~~
26 ~~clean energy.~~

27 ~~(e) Direct the Public Utilities Commission to establish a clean~~
28 ~~energy standard with compliance periods and procurement targets~~
29 ~~that require load-serving entities to procure clean energy equivalent~~
30 ~~to defined portions of their load during different periods of the day~~
31 ~~and during different seasons of the year, in addition to the existing~~
32 ~~annual renewable portfolio standard compliance target.~~



IN BRIEF

When building owners want to switch to electric equipment for heating or to install vehicle chargers or energy storage equipment, they often face high costs and long delays to upgrade their electrical service capacity and rewire their electrical panels to handle the extra load. These problems are a major barrier to the widespread adoption of technologies that are important for the decarbonization of buildings and transportation. SB 68 will reduce these barriers in four ways:

1. By directing the CEC to develop a guide for electrification.
2. By supporting the development of technology to reduce the *need* for upgrades and, when needed, reduce the *cost* of upgrades and rewiring.
3. By establishing service level standards for utilities to complete upgrades in a timely manner.
4. By requesting an analysis of additional barriers to electrification that should be addressed.

BACKGROUND & PROBLEM

Many homes, multifamily dwellings, and commercial buildings were built with electrical service capacity that did not anticipate a conversion to electric space and water heating, electric cooking, and charging electric vehicles. For example, older homes usually have 100A electrical service, and it is difficult or impossible to accommodate new electrical equipment for car charging, heating, and cooking within the existing electrical service capacity.

The need for an electrical service upgrade is often also triggered when installing solar or energy storage. Electrical codes allow the main electrical panel to accommodate potential inflows of 120% of the panel capacity. Since solar and storage provide additional inflows of power, they are limited to that extra 20%. For a 100A panel, that would allow 100A from the grid plus 20A from the solar and storage combined. Since most solar systems are larger than that, the electrical service capacity often needs to be upgraded to allow the increased power inputs.

If more electrical capacity is needed, building owners must request an upgrade from their utility. As a first step, the utility does an inspection of the existing meter location to verify that running wires to that location still meets safety requirements. If so, they schedule workers to perform the upgrade, which may require running new wires and upgrading the transformer on the power line pole, for example. The work to disconnect, upgrade, and reconnect service takes a few hours in routine cases. However, in many areas building owners routinely wait *months* for meter inspections and to get the upgrade work completed.

In more complex cases, such as when trenching is required for underground connections, waiting on the utility to provide upgraded electrical capacity often causes expensive, months-long delays to remodeling projects.

The costs and delays associated with upgrading electrical service capacity are a significant barrier to achieving California's climate goals. Combined, the emissions from the transportation and residential and commercial building sectors represent more than 50% of greenhouse gas (GHG) emissions in California.¹ They are also the primary sources of local air pollution, outside of major industrial areas. Electrification of light duty vehicles and energy use in buildings is one of the main pathways for reducing both GHG and criteria air pollutant emissions. Therefore, state policy should be strongly encouraging the voluntary actions of building owners who want to replace fossil fuel-powered building equipment with electrical equipment and add vehicle chargers to support a switch to electric vehicles. Whenever a water heater or furnace needs to be replaced, we want building owners to choose an electric model, but that is unlikely to happen if they will face months of delays in getting their electrical service upgraded to accommodate the new equipment. Therefore, avoiding the need for an upgrade or making the upgrade happen as quickly and inexpensively as possible, when needed, is crucial for achieving the state's decarbonization goals.

THE SOLUTION

SB 68 does not require any building owner to electrify their building, but for those who want to do so, the bill addresses these barriers through a multi-pronged approach:

First, information... There are approaches and technologies that allow building owners to support more electric equipment and avoid the cost and delay of upgrading their electrical service capacity,² but these approaches are not widely known, even by contractors, and the technologies that can help are new and not widely deployed. And whether or not an electrical service upgrade will be required, it is cost-effective to plan ahead for the capacity and wiring needed for all future electrical equipment rather than making changes piecemeal when adding a car charger or switching to an electric water heater. For both of these reasons, building owners would benefit from a more wholistic and strategic approach electrifying their buildings rather than treating each step as an isolated project. The bill directs the CEC to create a building electrification guide,

¹https://ww3.arb.ca.gov/cc/inventory/pubs/reports/2000_2017/ghg_inventory_trends_00-17.pdf

²<https://www.sanjoseca.gov/Home/ShowDocument?id=69602>

modeled on the “Solar Permitting Guidebook,”³ which helped to spread knowledge and drive standardization in the solar industry to reduce costs and massively increase the deployment of solar.

Second, technology... The bill expands the mandate for the EPIC program⁴ to include technologies that reduce the costs of building electrification, including by reducing or avoiding the costs of expanding electrical service capacity and electrical panel upgrades for existing buildings. For example, devices that allow a car charger and a dryer to share the same circuit (pausing one when the other is in use) can provide a cost-effective alternative to upgrading electrical service capacity.

Third, faster upgrades... The bill establishes service level standards for utilities to respond to electrical service upgrade requests and complete work in routine cases within specified deadlines, including penalties for missed deadlines to give the requirements teeth. For more complex upgrades or new electrical service connections, it directs the CPUC to establish required response times for each stage of the process: initial inspections, approval of plans, and completing the work. In both cases, it allows the CPUC to define special circumstances under which exceptions to the response times are allowed, but for the majority of cases, the rules will require consistently prompt service so that building owners are not deterred by slow upgrades.

Fourth, identifying further barriers... the bill directs the CEC to prepare a report for the legislature on other barriers to electrifying buildings, including workforce readiness, gaps in technology, permitting and inspections processes, the availability of low-cost financing, and the need for financial assistance for low-income owners and owners of affordable housing. This will identify areas for future improvement.

Combined, these changes will make it easier for building owners to choose to electrify their buildings and switch to electric vehicles – a crucial part of California’s climate strategy.

SUPPORT

TBD

FOR MORE INFORMATION

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³ https://opr.ca.gov/docs/20190226-Solar_Permitting_Guidebook_4th_Edition.pdf

⁴ <https://www.cpuc.ca.gov/energyrdd/>

ASSEMBLY BILL**No. 843****Introduced by Assembly Member Aguiar-Curry**

February 17, 2021

An act to amend Section 399.20 of the Public Utilities Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 843, as introduced, Aguiar-Curry. California Renewables Portfolio Standard Program: renewable feed-in tariff.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations. The California Renewables Portfolio Standard Program requires every electrical corporation to file with the commission a standard tariff for electricity generated by an electric generation facility, as defined, that qualifies for the tariff, is owned and operated by a retail customer of the electrical corporation, and is located within the service territory of, and developed to sell electricity to, the electrical corporation. The commission refers to this requirement as the renewable feed-in tariff.

This bill would provide that the tariff would apply to a qualifying electric generation facility that is developed to sell electricity to the electrical corporation or community choice aggregator within the electrical corporation's service territory.

Existing law requires an electrical corporation to make the renewable feed-in tariff available to the owner or operator of a qualifying electric generation facility within the service territory of the electrical corporation, upon request, on a first-come-first-served basis, until the electrical corporation meets its proportionate share of a statewide limitation of 750 megawatts cumulative rated generation capacity served

under the renewable feed-in tariff and a renewable feed-in tariff that is applicable to a local publicly owned electric utility. Existing law requires the commission to direct the electrical corporations, collectively, to additionally procure at least 250 megawatts of cumulative rated generating capacity from developers of bioenergy projects that commence operation on or after June 1, 2013. Pursuant to this requirement, the commission has established and revised the Bioenergy Market Adjusting Tariff program.

This bill would authorize a community choice aggregator to voluntarily submit eligible bioenergy contracts for cost recovery under similar conditions as apply to electrical corporations pursuant to a specified decision of the commission revising the Bioenergy Market Adjusting Tariff program, if open capacity exists within the 250-megawatt program limitation for bioenergy projects.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 399.20 of the Public Utilities Code is
- 2 amended to read:
- 3 399.20. (a) It is the policy of this state and the intent of the
- 4 Legislature to encourage electrical generation from eligible
- 5 renewable energy resources.
- 6 (b) As used in this section, “electric generation facility” means
- 7 an electric generation facility located within the service territory
- 8 ~~of, of an electrical corporation~~, and developed to sell electricity
- 9 to, an electrical corporation *or community choice aggregator that*
- 10 *provides electric service within the service territory of the electrical*
- 11 *corporation* that meets all of the following criteria:
- 12 (1) Has an effective capacity of not more than three megawatts,
- 13 with the exception of those facilities participating in a tariff made
- 14 available pursuant to paragraph (2) of subdivision (f).
- 15 (2) Is interconnected and operates in parallel with the electrical
- 16 transmission and distribution grid.
- 17 (3) (A) Except as provided in subparagraph (B), is strategically
- 18 located and interconnected to the electrical transmission and
- 19 distribution grid in a manner that optimizes the deliverability of
- 20 electricity generated at the facility to load centers.

1 (B) For purposes of paragraph (2) of subdivision (f), is
2 strategically located and interconnected to the electrical
3 transmission and distribution grid in a manner that optimizes the
4 deliverability of electricity generated at the facility to load centers
5 or is interconnected to an existing transmission line.

6 (4) Is an eligible renewable energy resource.

7 (c) Every electrical corporation shall file with the commission
8 a standard tariff for electricity purchased from an electric
9 generation facility. The commission may modify or adjust the
10 requirements of this section for any electrical corporation with less
11 than 100,000 service connections, as individual circumstances
12 merit.

13 (d) (1) The tariff shall provide for payment for every
14 kilowatthour of electricity purchased from an electric generation
15 facility for a period of 10, 15, or 20 years, as authorized by the
16 commission. The payment shall be the market price determined
17 by the commission pursuant to paragraph (2) and shall include all
18 current and anticipated environmental compliance costs, including,
19 but not limited to, mitigation of emissions of greenhouse gases
20 and air pollution offsets associated with the operation of new
21 generating facilities in the local air pollution control or air quality
22 management district where the electric generation facility is
23 located.

24 (2) The commission shall establish a methodology to determine
25 the market price of electricity for terms corresponding to the length
26 of contracts with an electric generation facility, in consideration
27 of the following:

28 (A) The long-term market price of electricity for fixed price
29 contracts, determined pursuant to an electrical corporation's general
30 procurement activities as authorized by the commission.

31 (B) The long-term ownership, operating, and fixed-price fuel
32 costs associated with fixed-price electricity from new generating
33 facilities.

34 (C) The value of different electricity products including
35 baseload, peaking, and as-available electricity.

36 (3) The commission may adjust the payment rate to reflect the
37 value of every kilowatthour of electricity generated on a
38 time-of-delivery basis.

39 (4) The commission shall ensure, with respect to rates and
40 charges, that ratepayers that do not receive service pursuant to the

1 tariff are indifferent to whether a ratepayer with an electric
2 generation facility receives service pursuant to the tariff.

3 (e) An electrical corporation shall provide expedited
4 interconnection procedures to an electric generation facility located
5 on a distribution circuit that generates electricity at a time and in
6 a manner so as to offset the peak demand on the distribution circuit,
7 if the electrical corporation determines that the electric generation
8 facility will not adversely affect the distribution grid. The
9 commission shall consider and may establish a value for an electric
10 generation facility located on a distribution circuit that generates
11 electricity at a time and in a manner so as to offset the peak demand
12 on the distribution circuit.

13 (f) (1) An electrical corporation shall make the tariff available
14 to the owner or operator of an electric generation facility within
15 the service territory of the electrical corporation, upon request, on
16 a first-come-first-served basis, until the electrical corporation meets
17 its proportionate share of a statewide cap of 750 megawatts
18 cumulative rated generation capacity served under this section and
19 Section 399.32. The proportionate share shall be calculated based
20 on the ratio of the electrical corporation's peak demand compared
21 to the total statewide peak demand.

22 (2) By June 1, 2013, the commission shall, in addition to the
23 750 megawatts identified in paragraph (1), direct the electrical
24 corporations to collectively procure at least 250 megawatts of
25 cumulative rated generating capacity from developers of bioenergy
26 projects that commence operation on or after June 1, 2013. The
27 commission shall, for each electrical corporation, allocate shares
28 of the additional 250 megawatts based on the ratio of each electrical
29 corporation's peak demand compared to the total statewide peak
30 demand. In implementing this paragraph, the commission shall do
31 all of the following:

32 (A) Allocate the 250 megawatts identified in this paragraph
33 among the electrical corporations based on the following
34 categories:

35 (i) For biogas from wastewater treatment, municipal organic
36 waste diversion, food processing, and codigestion, 110 megawatts.

37 (ii) For dairy and other agricultural bioenergy, 90 megawatts.

38 (iii) For bioenergy using byproducts of sustainable forest
39 management, 50 megawatts. Allocations under this category shall
40 be determined based on the proportion of bioenergy that sustainable

1 forest management providers derive from sustainable forest
2 management in fire threat treatment areas, as designated by the
3 Department of Forestry and Fire Protection.

4 (B) Direct the electrical corporations to develop standard
5 contract terms and conditions that reflect the operational
6 characteristics of the projects, and to provide a streamlined
7 contracting process.

8 (C) Coordinate, to the maximum extent feasible, any incentive
9 or subsidy programs for bioenergy with the agencies listed in
10 subparagraph (A) of paragraph (3) in order to provide maximum
11 benefits to ratepayers and to ensure that incentives are used to
12 reduce contract prices.

13 (D) The commission shall encourage gas and electrical
14 corporations to develop and offer programs and services to facilitate
15 development of in-state biogas for a broad range of purposes.

16 (E) Direct the electrical corporations to authorize a bioenergy
17 electric generation facility with an effective capacity of up to five
18 megawatts to participate in the tariff made available pursuant to
19 this paragraph, if it meets the following conditions:

20 (i) It delivers no more than three megawatts to the grid at any
21 time.

22 (ii) It complies with the electrical corporation's Electric Rule
23 21 tariff or other distribution access tariff.

24 (F) Payment is made pursuant to paragraph (1) of subdivision
25 (d) and no payment is made for any electricity delivered to the
26 grid in excess of three megawatts at any time.

27 (3) (A) The commission, in consultation with the Energy
28 Commission, the State Air Resources Board, the Department of
29 Forestry and Fire Protection, the Department of Food and
30 Agriculture, and the Department of Resources Recycling and
31 Recovery, may review the allocations of the 250 additional
32 megawatts identified in paragraph (2) to determine if those
33 allocations are appropriate.

34 (B) If the commission finds that the allocations of the 250
35 additional megawatts identified in paragraph (2) are not
36 appropriate, the commission may reallocate the 250 megawatts
37 among the categories established in subparagraph (A) of paragraph
38 (2).

39 (4) (A) A project identified in clause (iii) of subparagraph (A)
40 of paragraph (2) is eligible, in regards to interconnection, for the

1 tariff established to implement paragraph (2) or to participate in
2 any program or auction established to implement paragraph (2),
3 if it meets at least one of the following requirements:

4 (i) The project is already interconnected.

5 (ii) The project has been found to be eligible for interconnection
6 pursuant to the fast track process under the relevant tariff.

7 (iii) A system impact study or other interconnection study has
8 been completed for the project under the relevant tariff, and there
9 was no determination in the study that, with the identified
10 interconnection upgrades, if any, a condition specified in paragraph
11 (2), (3), or (4) of subdivision (n) would exist. Such a project is not
12 required to have a pending, active interconnection application to
13 be eligible.

14 (B) For a project meeting the eligibility requirements pursuant
15 to clause (iii) of subparagraph (A) of this paragraph, both of the
16 following apply:

17 (i) The project is hereby deemed to be able to interconnect
18 within the required time limits for the purpose of determining
19 eligibility for the tariff.

20 (ii) The project shall submit a new application for
21 interconnection within 30 days of execution of a standard contract
22 pursuant to the tariff if it does not have a pending, active
23 interconnection application or a completed interconnection. For
24 those projects, the time to achieve commercial operation shall
25 begin to run from the date when the new system impact study or
26 other interconnection study is completed rather than from the date
27 of execution of the standard contract.

28 (5) For the purposes of this subdivision, “bioenergy” means
29 biogas and biomass.

30 (g) The electrical corporation may make the terms of the tariff
31 available to owners and operators of an electric generation facility
32 in the form of a standard contract subject to commission approval.

33 (h) Every kilowatthour of electricity purchased from an electric
34 generation facility shall count toward meeting the electrical
35 corporation’s renewables portfolio standard annual procurement
36 targets for purposes of paragraph (1) of subdivision (b) of Section
37 399.15.

38 (i) The physical generating capacity of an electric generation
39 facility shall count toward the electrical corporation’s resource
40 adequacy requirement for purposes of Section 380.

1 (j) (1) The commission shall establish performance standards
2 for any electric generation facility that has a capacity greater than
3 one megawatt to ensure that those facilities are constructed,
4 operated, and maintained to generate the expected annual net
5 production of electricity and do not impact system reliability.

6 (2) The commission may reduce the three megawatt capacity
7 limitation of paragraph (1) of subdivision (b) if the commission
8 finds that a reduced capacity limitation is necessary to maintain
9 system reliability within that electrical corporation's service
10 territory.

11 (k) (1) Any owner or operator of an electric generation facility
12 that received ratepayer-funded incentives in accordance with
13 Section 379.6 of this code, or with Section 25782 of the Public
14 Resources Code, and participated in a net metering program
15 pursuant to Sections 2827, 2827.9, and 2827.10 of this code before
16 January 1, 2010, shall be eligible for a tariff or standard contract
17 filed by an electrical corporation pursuant to this section.

18 (2) In establishing the tariffs or standard contracts pursuant to
19 this section, the commission shall consider ratepayer-funded
20 incentive payments previously received by the generation facility
21 pursuant to Section 379.6 of this code or Section 25782 of the
22 Public Resources Code. The commission shall require
23 reimbursement of any funds received from these incentive
24 programs to an electric generation facility, in order for that facility
25 to be eligible for a tariff or standard contract filed by an electrical
26 corporation pursuant to this section, unless the commission
27 determines ratepayers have received sufficient value from the
28 incentives provided to the facility based on how long the project
29 has been in operation and the amount of renewable electricity
30 previously generated by the facility.

31 (3) A customer that receives service under a tariff or contract
32 approved by the commission pursuant to this section is not eligible
33 to participate in any net metering program.

34 (l) An owner or operator of an electric generation facility
35 electing to receive service under a tariff or contract approved by
36 the commission shall continue to receive service under the tariff
37 or contract until either of the following occurs:

38 (1) The owner or operator of an electric generation facility no
39 longer meets the eligibility requirements for receiving service
40 pursuant to the tariff or contract.

(2) The period of service established by the commission pursuant to subdivision (d) is completed.

(m) Within 10 days of receipt of a request for a tariff pursuant to this section from an owner or operator of an electric generation facility, the electrical corporation that receives the request shall post a copy of the request on its internet website. The information posted on the internet website shall include the name of the city in which the facility is located, but information that is proprietary and confidential, including, but not limited to, address information beyond the name of the city in which the facility is located, shall be redacted.

(n) An electrical corporation may deny a tariff request pursuant to this section if the electrical corporation makes any of the following findings:

(1) The electric generation facility does not meet the requirements of this section.

(2) The transmission or distribution grid that would serve as the point of interconnection is inadequate.

(3) The electric generation facility does not meet all applicable state and local laws and building standards and utility interconnection requirements.

(4) The aggregate of all electric generating facilities on a distribution circuit would adversely impact utility operation and load restoration efforts of the distribution system.

(o) Upon receiving a notice of denial from an electrical corporation, the owner or operator of the electric generation facility denied a tariff pursuant to this section shall have the right to appeal that decision to the commission.

(p) In order to ensure the safety and reliability of electric generation facilities, the owner of an electric generation facility receiving a tariff pursuant to this section shall provide an inspection and maintenance report to the electrical corporation at least once every other year. The inspection and maintenance report shall be prepared at the owner's or operator's expense by a California-licensed contractor who is not the owner or operator of the electric generation facility. A California-licensed electrician shall perform the inspection of the electrical portion of the generation facility.

(q) The contract between the electric generation facility receiving the tariff and the electrical corporation shall contain

1 provisions that ensure that construction of the electric generating
2 facility complies with all applicable state and local laws and
3 building standards, and utility interconnection requirements.

4 (r) (1) All construction and installation of facilities of the
5 electrical corporation, including at the point of the output meter
6 or at the transmission or distribution grid, shall be performed only
7 by that electrical corporation.

8 (2) All interconnection facilities installed on the electrical
9 corporation's side of the transfer point for electricity between the
10 electrical corporation and the electrical conductors of the electric
11 generation facility shall be owned, operated, and maintained only
12 by the electrical corporation. The ownership, installation, operation,
13 reading, and testing of revenue metering equipment for electric
14 generating facilities shall only be performed by the electrical
15 corporation.

16 (s) *A community choice aggregator may voluntarily submit*
17 *eligible bioenergy contracts for cost recovery under similar*
18 *conditions as apply to electrical corporations as determined by*
19 *the commission in Decision 20-08-043 (August 27, 2020) Decision*
20 *Revising the Bioenergy Market Adjusting Tariff Program, if open*
21 *capacity exists within the 250-megawatt program limitation*
22 *described in paragraph (2) of subdivision (f).*



AB 843 – Enabling Community Choice Agencies to Access CPUC Bioenergy Funds

SUMMARY

AB 843 is a narrow bill aimed to allow Community Choice Aggregators (CCAs) to access an existing state program that provides funding for renewable bioenergy electricity projects, including biomass and biogas. AB 843 does not propose any structural changes to the existing bioenergy program and allows for similar regulatory oversight of the program with the new applicants as currently administered.

BACKGROUND

SB 1122 (2012) created a bioenergy feed-in tariff within the Renewable Portfolio Standard program, and required Investor-Owned Utilities (IOUs) to procure 250 MW from then-new small-scale bioenergy projects. The California Public Utilities Commission (CPUC) created the BioMAT program, a feed-in tariff specifically for this purpose. The BioMAT program includes procurement of:

- Biogas from wastewater treatment, municipal composting, food processing, or co-digestion;
- Dairy and other agricultural bioenergy; and
- Generation from byproducts of sustainable forest management.

PROBLEM

Currently, only IOUs are able to access the BioMAT funds and there is a large amount of available capacity remaining under the 250 MW cap set in statute. At the time of the SB 1122's passage in 2012, only one CCA had launched.

CCAs are local government agencies that operate electricity generation services and other programs for customers within their service areas. The first CCA in California began service in 2010 and now over 10 million Californians are served by CCAs throughout the state.

In the Commission's most recent review of the BioMAT program, Energy Division Staff recommended that CCAs, among others, be permitted to procure and recover costs for the BioMAT program. The Commission rejected this recommendation given the statutory limitations of SB 1122 (2012), which only included IOUs.

SOLUTION

Bioenergy generated from organic waste cuts greenhouse gas emissions, reduces catastrophic wildfires, helps divert waste from landfills, produces organic soil amendments for California's soils, and generates 2 to 6 times as many jobs as fossil fuel based power.

In contrast to other renewable resources such as wind and solar, bioenergy resources such as biomass or biogas are considered stable generation sources on the grid because the power is available 24/7. This allows purchases of bioenergy resources to compensate for intermittent resources and contributes to grid stability and reliability. As California's renewable energy goals become more ambitious, it is imperative that the grid contains a balanced mix of resources.

Separately, cities and counties are currently implementing SB 1383 (2016, Lara), which sets targets for reducing short-lived climate pollutants including methane, and black carbon. One of the potential compliance pathways a city/county can take to reduce short-lived climate pollutants is through bioenergy. Some local governments have expressed interest in exploring bioenergy with their CCAs, but these projects are usually cost-prohibitive for CCAs without access to cost recovery through the BioMAT program.

The air emissions impact of the catastrophic 2020 California wildfires is currently estimated to be over 100 million metric tons of CO₂. AB 843 ensures that there are profitable waste streams for some of this material, incentivizing better forest and agricultural land management as well as providing potential renewable energy resources for microgrids and other backup energy projects.

THIS BILL

AB 843 provides opportunities for CCAs to purchase more baseload resources, contributing to grid reliability as California's energy mix becomes increasingly intermittent. It also offers potential local government partners to sanitation and waste agencies seeking to meet state and local methane reduction goals.

Specifically, AB 843:

- Gives CCAs the option to access funding their customers are already paying for bioenergy facilities.
- Does not raise the 250 MW cap or change the size of eligible bioenergy facilities.
- Provides similar CPUC oversight to funds used for CCA bioenergy contracts as it does for IOU bioenergy contracts.
- Does not provide any further CPUC oversight over CCA procurement.



Assemblymember Cecilia Aguiar-Curry, 4th Assembly District

AB 843 – Enabling Community Choice Agencies to Access CPUC Bioenergy Funds

SUPPORT

Bioenergy Association of California
California Association of Sanitation Agencies
Central Coast Community Energy
Pioneer Community Energy (Co-Sponsor)
Resource Recovery Coalition of California
Rural County Representatives of California
Marin Clean Energy (Co-Sponsor)
Valley Clean Energy
Western Placer Waste Management Authority
Wisewood Energy

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Policy Number: 16
Original Adoption Date:
January 25, 2018
Revised: January 24, 2019

Subject: Selection of the Chair and Vice Chair and appointment to the Executive Committee and other standing Board Committees.

Policy: Policy governing: (i) the appointment of the Chair and Vice-Chair; (ii) the make up of, and appointment process for, the Executive Committee, the Audit Committee, and the Finance Committee; and (iii) the maximum term length, if any, of the Chair, Vice-Chair, and members the Executive Committee, and the Audit and Finance Committee.

Chair and Vice-Chair

The Chair and Vice-Chair will be elected by the Board to serve one year terms. The Chair and Vice-Chair will each be subject to a consecutive term limit of three years. That means that a member may serve as Chair for up to three consecutive one-year terms. However, after a break in service, a member may again serve as Chair. The same rules apply to the position of Vice-Chair. A member may consecutively serve three years as Vice-Chair and then three years as Chair. There is a general expectation that Vice-Chairs will serve as Chair following their term as Vice-Chair. However, ultimately, the decision whom to elect is at the discretion of the Board.

With respect to the process and timing for nomination and election of the Chair and Vice-Chair, every January the Chair will appoint an *ad hoc* nominating committee made up of between three and five Board members, each of whom has indicated to the Chair an intention not to seek the positions of Chair or Vice-Chair. At the January meeting of the Board, the Chair will inform the Board of the composition of the nominating committee and invite interested members to notify the nominating committee of their desire to serve as either Chair or Vice-Chair. Prior to the February meeting of the Board, the nominating committee shall confer and prepare a recommendation regarding who should serve as Chair and Vice-Chair for that year. At the February Board meeting, that recommendation shall be submitted to the Board and the Board shall take action thereon.

Executive Committee

The Executive Committee will consist of up to nine members, two of whom will be the Chair and Vice-Chair and up to seven of whom will be separately elected by the Board to serve one-year terms. The Chair of the Board shall also serve as the Chair of the Executive Committee. The Vice-Chair of the Board shall also serve as the Vice-Chair of the Executive Committee. Members of the Executive Committee will not be subject to term limits.

With respect to the process and timing for nomination and election of the Executive Committee, the Chair elected in February will, in consultation with the Vice-Chair,

recommend to the Board at its March meeting a slate of up to seven Executive Committee members. The Board will be asked to cast a vote either for or against the entire slate [at the March Board meeting](#). In the event the Board does not approve the slate, any Board members may nominate individual members to the Executive Committee or the Board may direct the Chair to return at the April Board meeting with a new slate. [If there is an interim vacancy on the Executive Committee, the Chair and Vice Chair are authorized to fill that vacancy until the new slate is approved by the Board.](#)

Audit and Finance Committee

The Audit and Finance Committee will consist of up to five members elected by the Board to serve one-year terms. Members of the Audit and Finance Committee will not be subject to term limits.

With respect to the process and timing for nomination and election of the Audit and Finance Committee, the Chair elected in February will, in consultation with the Vice-Chair, recommend to the Board at its March meeting a slate of up to five Audit and Finance Committee members. The Board will be asked to cast a vote either for or against the entire slate [at the March Board meeting](#). In the event the Board does not approve the slate, any Board members may nominate individual members to the Audit and Finance Committee or the Board may direct the Chair to return at the April Board meeting with a new slate. Annually, the Audit and Finance Committee will elect a Chair of the Audit and Finance Committee at their first meeting following the election of the slate. [If there is an interim vacancy on the Audit and Finance Committee, the Chair and Vice Chair are authorized to fill that vacancy until the new slate is approved by the Board.](#)



**PENINSULA CLEAN ENERGY
JPA Board Correspondence**

DATE: March 5, 2020

BOARD MEETING DATE: March 8, 2021

SPECIAL NOTICE/HEARING: None

VOTE REQUIRED: Majority Present

TO: Honorable Peninsula Clean Energy Authority Executive Committee

FROM: Jan Pepper, Chief Executive Officer, Peninsula Clean Energy
Rafael Reyes, Director of Energy Programs

SUBJECT: Contract with Richard Heath and Associates (RHA) for Implementation of Income-Qualified Home Upgrade & Electrification Program.

RECOMMENDATION

Delegate authority to the Chief Executive Officer to execute contract with Richard Heath & Associates (RHA) up to \$2,000,000 over 2 years to implement the Income-Qualified Home Upgrade & Electrification Program.

BACKGROUND

Peninsula Clean Energy's mission is to reduce greenhouse gas (GHG) emissions in San Mateo County. California's goal is to be carbon neutral by 2045 and PCE aims to support the County in meeting that goal through investment in local community programs. Natural gas usage in buildings accounts for 20% of directly inventoried GHG emissions in the County. However, based on available research, natural gas emissions may be nearly double metered usage when accounting for methane leakage in the gas supply chain. Reducing GHG from existing building stock is critical in achieving decarbonization in San Mateo County.

In September 2018, the Board approved the PCE Program Roadmap, which identifies programs for 2019 and beyond to include measures on building electrification. In January 2019, the Board approved a technical assistance program for local governments for the development of local building codes, or "reach codes", to deliver increased electric vehicle readiness and all-electric buildings in new construction. In January 2020, the Board approved an extension and enhancement of the technical assistance program for new construction, and a new building electrification consumer awareness program.

In May 2020, the Board approved a four-year \$6.1 million Existing Building Electrification plan for existing buildings covering appliance incentives, home upgrades for low-income

households and supporting program elements including innovation pilots, administration and other needs.

The initial programs outlined as part of the Existing Building Electrification plan were:

1. Income-Qualified Homes Upgrade Program

Building off the existing “Healthy Homes” low-income turnkey home upgrade pilot (implemented as part of the 2018 Community Pilots program), this program would provide no-cost home repairs and upgrades, energy efficiency, and electrification measures to low-income single-family homes. The contract to implement this program would be with the consultancy firm RHA. The program and contract are described in more detail in the discussion section below.

2. Heat Pump Water Heater Program

This program provides rebates to customers in single family homes to replace gas water heaters with an electric heat pump water heater (HPWH). The PCE program is integrated with the BayREN’s Home+ program, which offers additional incentives. In June 2020, the Board approved a contract with CLEAResult to administer this program and the program was launched in January 2021.

3. Harvest Thermal Technology Pilot

This program will pilot a new innovative technology from Harvest Thermal Inc. that combines residential space and water heating into a unified heat pump electric system with a single water storage tank to potentially enable electrification at a lower capital and operating cost than undertaking two separate retrofits. In November 2020, the Board approved contract with Harvest Thermal to execute the pilot.

DISCUSSION

Staff is seeking approval by the Board on the contract with RHA to implement the Income-Qualified Home Upgrade Program, with authorization for refinement by the CEO.

This program will provide a turnkey service for no-cost home repairs and upgrades, energy efficiency, and electrification measures for low-income single-family residences with critical home needs. While there are existing energy efficiency and weatherization programs currently available to low-income households, such programs do not fund electrification or non-energy health-improving measures at all or only fund them partially. PCE’s program aims to bridge these funding gaps for its residents and leverage existing programs’ funds to deliver substantial home improvements. Homes will be assessed to determine and prioritize all possible measures that could be installed with PCE funds and other programs’ funds. To receive PCE funds, at least one electrification measure (i.e. switching a methane gas appliance with an electric equivalent) must be implemented in each home. Electrification measures will be implemented by union contractors.

Following Board approval of the Existing Building Electrification plan, in late 2020 PCE issued a Request for Proposals (RFP) for an implementer for the income-qualified home upgrade program. The selected implementer will assist PCE in finalizing program design elements and overseeing all aspects of the PCE program once launched including outreach, installation management, contractor payments for PCE-funded measures, coordination with other program's implementers and/or contractors, and homeowner support.

PCE received proposals from three vendors and their corresponding bid partners. With the assistance from a member of the Citizens Advisory Committee (CAC), staff interviewed and evaluated all proposing teams. RHA was selected as the preferred vendor due to their experience administering and implementing energy efficiency, weatherization, and electrification programs for low-income and underserved communities. This includes overseeing the Energy Savings Assistance Program for most of PG&E's service territory, including San Mateo County and Merced County (including the City of Los Banos) and executing an electrification pilot for low-income households in the San Joaquin Valley for PG&E. Additionally, RHA is partnering with El Concilio of San Mateo County and Bright Ideas Construction, community-based organizations in San Mateo County and Merced County respectively, on the outreach and installation of non-electrification measures through the program. Lastly, RHA is partnering with five union contractors to install electrification measures—three for San Mateo County projects and two for Los Banos projects.

As part of the contract, RHA would:

- Jointly with PCE, finalize the program design including program eligibility requirements, policies and procedures, list of eligible measures, and lead the development of technical design guidelines.
- Lead outreach for the program with subcontractor partners El Concilio of San Mateo County and Bright Ideas Construction for San Mateo County and the City of Los Banos, respectively.
- Oversee installation and contractor payment of PCE-funded measures. Electrification measures would be installed by union contractors.
- Provide enrollment and education support to homeowners, including assisting customer enroll in other programs they qualify for.

The proposed contract with RHA is for up to \$2,000,000 for two and a half years. \$1,300,000 of this is reserved for direct installation costs (including equipment and labor), which is intended to provide home upgrades for 200 homes at an average of \$6,500 per home. The remaining sum up to \$700,000 would be for program design support, customer outreach and education, and ongoing program administration (which includes in-person site visits to all homes served by the program). The program would also leverage funding from other existing energy efficiency programs for low-income households; at least one but as many as feasible in each home.

PCE staff is recommending for approval the attached draft contract with RHA pending refinement by the CEO.

STRATEGIC PLAN

Goal 3 – Community Energy Programs, Objective A:

- Key Tactic 4: Establish preference for all-electric building design and appliance replacement among consumers and building stakeholders

Goal 3 – Community Energy Programs, Objective B:

- Key Tactic 1: Invest in programs that benefit underserved communities
- Key Tactic 3: Support workforce development programs in the County

**AGREEMENT BETWEEN THE PENINSULA CLEAN ENERGY AUTHORITY
AND RICHARD HEATH & ASSOCIATES, INC.**

This Agreement is entered into this [day] of March, 2021, by and between the Peninsula Clean Energy Authority, a joint powers authority of the state of California, hereinafter called "PCEA," and Richard Heath & Associates, Inc. hereinafter called "Consultant."

* * *

Whereas, pursuant to Section 6508 of the Joint Exercise of Powers Act, PCEA may contract with independent contractors for the furnishing of services to or for PCEA; and

Whereas, it is necessary and desirable that Contractor be retained for the purpose of implementing a home upgrade and electrification program for income-qualifying homes.

Now, therefore, it is agreed by the parties to this Agreement as follows:

1. Exhibits and Attachments

The following exhibits and attachments are attached to this Agreement and incorporated into this Agreement by this reference:

Exhibit A—Services

Exhibit B—Payments and Rates

2. Services to be performed by Contractor

In consideration of the payments set forth in this Agreement and in Exhibit B, Contractor shall perform services for PCEA in accordance with the terms, conditions, and specifications set forth in this Agreement and in Exhibit A.

3. Payments

In consideration of the services provided by Contractor in accordance with all terms, conditions, and specifications set forth in this Agreement and in Exhibit A, PCEA shall make payment to Contractor based on the rates and in the manner specified in Exhibit B. PCEA reserves the right to withhold payment if PCEA determines that the quantity or quality of the work performed is unacceptable. In no event shall PCEA's total fiscal obligation under this Agreement exceed two million dollars (\$2,000,000). In the event that the PCEA makes any advance payments, Contractor agrees to refund any amounts in excess of the amount owed by the PCEA at the time of contract termination or expiration.

4. Term

Subject to compliance with all terms and conditions, the term of this Agreement shall be from April 1, 2021 through September 30, 2023.

5. Termination; Availability of Funds

This Agreement may be terminated by Consultant or by the Chief Executive Officer of the PCEA or his/her designee at any time without a requirement of good cause upon thirty (30) days' advance written notice to the other party. Subject to availability of funding, Consultant shall be entitled to receive payment for work/services provided prior to termination of the Agreement. Such payment shall be that prorated portion of the full payment determined by comparing the work/services actually completed to the work/services required by the Agreement.

PCEA may terminate this Agreement or a portion of the services referenced in the Attachments and Exhibits based upon the unavailability of Federal, State, or PCEA funds by providing written notice to Consultant as soon as is reasonably possible after PCEA learns of said unavailability of outside funding.

6. Intellectual Property and Ownership of Work Product

PCEA shall and does own all titles, rights, and interests in all materials, tangible or not, created in whatever medium pursuant to this Agreement, including without limitation publications, promotional or educational materials, reports, manuals, specifications, drawings and sketches, schematics, marks, logos, graphic designs, notes, matters and combinations therefore, and all forms of intellectual property ("Work Products") created by Consultant and any subcontractors under this Agreement. Consultant hereby assigns all titles, rights, and interests in all Work Products to PCEA. At the end of this Agreement, or in the event of termination, all Work Products shall be promptly delivered to PCEA.

Consultant may not sell, transfer, or permit the use of any Work Products without the express written consent of PCEA. Consultant shall not dispute, directly or indirectly, PCEA's exclusive right and title to the Work Products, nor the validity of the intellectual property embodied therein.

Consultant may (1) retain its rights to and ownership of pre-existing or open-source materials and/or (2) retain one copy of Work Products for archival use, but in either instance must notify PCEA and identify any such materials in writing prior to the commencement of work under this Agreement.

7. Relationship of Parties

Consultant agrees and understands that the work/services performed under this Agreement are performed as an independent Consultant and not as an employee of

PCEA and that neither Consultant nor its employees acquire any of the rights, privileges, powers, or advantages of PCEA employees.

8. Hold Harmless

a. General Hold Harmless

Consultant shall indemnify and save harmless PCEA and its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind, and description resulting from this Agreement, the performance of any work or services required of Consultant under this Agreement, or payments made pursuant to this Agreement brought for, or on account of, any of the following:

- (A) injuries to or death of any person, including Consultant or its employees/officers/agents;
- (B) damage to any property of any kind whatsoever and to whomsoever belonging;
- (C) any sanctions, penalties, or claims of damages resulting from Consultant's failure to comply, if applicable, with the requirements set forth in the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Federal regulations promulgated thereunder, as amended; or
- (D) any other loss or cost, including but not limited to that caused by the concurrent active or passive negligence of PCEA and/or its officers, agents, employees, or servants. However, Consultant's duty to indemnify and save harmless under this Section shall not apply to injuries or damage for which PCEA has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

The duty of Consultant to indemnify and save harmless as set forth by this Section shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

b. Release and Hold Harmless in Customer/Subcontractors Contracts

PCEA shall have the opportunity to review, prior to their execution, any contracts executed by Consultant to implement this Agreement. In addition, unless waived in advance in writing by PCEA, any such contracts shall contain the following terms:

- c. Release of Claims Against, and Hold Harmless of, Peninsula Clean Energy Authority

Customer/Subcontractor also discharges and releases the Peninsula Clean Energy Authority (PCEA) and its officers, employers, employees, and agents from and against any and all claims, demands, liabilities, obligations, damages or chose in action, legal or

equitable, of whatever kind or nature, including negligence by PCEA, in which Customer/Subcontractor, and Customer/Subcontractor's successors in interest, heirs, estates or personal representatives, or family members, now may have or assert, or may have had in the past or may have in the future, against PCEA as the result of, based upon, arising out of, or connected with PCEA's involvement with the Project. Customer/Subcontractor is on notice of and hereby specifically and expressly waives the provisions of California Civil Code § 1542, which provides that a "general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

Customer/Subcontractor also agrees to indemnify and hold harmless PCEA from any and all claims, actions, suits, procedures, costs, expenses, damages, and liabilities, including attorney's fees and costs, brought as a result of PCEA's involvement with the Project, and to reimburse PCEA for any such expenses incurred.

For purposes of this provision, PCEA is hereby intended to be a third-party beneficiary of any and all contracts executed by Consultant to implement this Agreement, pursuant to California Civil Code § 1559.

9. Assignability and Subcontracting

Consultant shall not assign this Agreement or any portion of it to a third party or subcontract with a third party to provide services required by Consultant under this Agreement without the prior written consent of PCEA. Any such assignment or subcontract without PCEA's prior written consent shall give PCEA the right to automatically and immediately terminate this Agreement without penalty or advance notice.

10. Payment of Permits/Licenses

Consultant bears responsibility to obtain any license, permit, or approval required from any agency for work/services to be performed under this Agreement at Consultant's own expense prior to commencement of said work/services. Failure to do so will result in forfeit of any right to compensation under this Agreement.

11. W-9 Form and Submission of Invoices

Invoices shall only be submitted by electronic form by sending an email to the PCEA project contact's email address. Consultant shall submit a completed W-9 form electronically to the same email addresses. Consultant understands that no invoice will be paid by PCEA unless and until a W-9 Form is received by PCE.

12. Insurance

a. General Requirements

Consultant shall not commence work or be required to commence work under this Agreement unless and until all insurance required under this Section has been obtained and such insurance has been approved by PCEA, and Consultant shall use diligence to obtain such insurance and to obtain such approval. Consultant shall furnish PCEA with certificates of insurance evidencing the required coverage, and there shall be a specific contractual liability endorsement extending Consultant's coverage to include the contractual liability assumed by Consultant pursuant to this Agreement. These certificates shall specify or be endorsed to provide that thirty (30) days' notice must be given, in writing, to PCEA of any pending change in the limits of liability or of any cancellation or modification of the policy.

b. Workers' Compensation and Employer's Liability Insurance

Consultant shall have in effect during the entire term of this Agreement workers' compensation and employer's liability insurance providing full statutory coverage. In signing this Agreement, Consultant certifies, as required by Section 1861 of the California Labor Code, that (a) it is aware of the provisions of Section 3700 of the California Labor Code, which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of the Labor Code, and (b) it will comply with such provisions before commencing the performance of work under this Agreement.

c. Liability Insurance

Consultant shall take out and maintain during the term of this Agreement such bodily injury liability and property damage liability insurance as shall protect Consultant and all of its employees/officers/agents while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims for property damage which may arise from Consultant's operations under this Agreement, whether such operations be by Consultant, any subcontractor, anyone directly or indirectly employed by either of them, or an agent of either of them. Such insurance shall be combined single limit bodily injury and property damage for each occurrence and shall not be less than the amounts specified below:

Yes	Comprehensive General Liability (Applies to all agreements)	\$1,000,000
Yes/No	Motor Vehicle Liability Insurance (Yes, if motor vehicle is used in performing services)	\$1,000,000
Yes/No	Professional Liability Insurance (Yes, if Consultant is a licensed professional)	\$1,000,000

PCEA and its officers, agents, employees, and servants shall be named as additional insured on any such policies of insurance, which shall also contain a provision that (a) the insurance afforded thereby to PCEA and its officers, agents, employees, and servants shall be primary insurance to the full limits of liability of the policy and (b) if the PCEA or its officers, agents, employees, and servants have other insurance against the loss covered by such a policy, such other insurance shall be excess insurance only.

In the event of the breach of any provision of this Section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, PCEA, at its option, may, notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend all further work and payment pursuant to this Agreement.

13. Compliance With Laws

All services to be performed by Consultant pursuant to this Agreement shall be performed in accordance with all applicable Federal, State, County, and municipal laws, ordinances, and regulations, including but not limited to the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Federal Regulations promulgated thereunder, as amended (if applicable), the Business Associate requirements set forth in Attachment H (if attached), the Americans with Disabilities Act of 1990, as amended, and Section 504 of the Rehabilitation Act of 1973, which prohibits discrimination on the basis of disability in programs and activities receiving any Federal or County financial assistance. Such services shall also be performed in accordance with all applicable ordinances and regulations, including but not limited to appropriate licensure, certification regulations, provisions pertaining to confidentiality of records, and applicable quality assurance regulations. In the event of a conflict between the terms of this Agreement and any applicable State, Federal, County, or municipal law or regulation, the requirements of the applicable law or regulation will take precedence over the requirements set forth in this Agreement.

Consultant will timely and accurately complete, sign, and submit all necessary documentation of compliance.

14. Non-Discrimination and Other Requirements

a. General Non-discrimination

No person shall be denied any services provided pursuant to this Agreement (except as limited by the scope of services) on the grounds of race, color, national origin, ancestry, age, disability (physical or mental), sex, sexual orientation, gender identity, marital or

domestic partner status, religion, political beliefs or affiliation, familial or parental status (including pregnancy), medical condition (cancer-related), military service, or genetic information.

b. Equal Employment Opportunity

Consultant shall ensure equal employment opportunity based on objective standards of recruitment, classification, selection, promotion, compensation, performance evaluation, and management relations for all employees under this Agreement. Consultant's equal employment policies shall be made available to PCEA upon request.

c. Section 504 of the Rehabilitation Act of 1973

Consultant shall comply with Section 504 of the Rehabilitation Act of 1973, as amended, which provides that no otherwise qualified individual with a disability shall, solely by reason of a disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination in the performance of any services this Agreement. This Section applies only to Consultants who are providing services to members of the public under this Agreement.

d. Employee Benefits

With respect to the provision of benefits to its employees, Consultant shall ensure that employee benefits provided to employees with domestic partners are the same as those provided to employees with spouses.

e. Discrimination Against Individuals with Disabilities

The nondiscrimination requirements of 41 C.F.R. 60-741.5(a) are incorporated into this Agreement as if fully set forth here, and Consultant and any subcontractor shall abide by the requirements of 41 C.F.R. 60-741.5(a). This regulation prohibits discrimination against qualified individuals on the basis of disability and requires affirmative action by covered prime contractors and subcontractors to employ and advance in employment qualified individuals with disabilities.

f. History of Discrimination

Consultant must check one of the two following options, and by executing this Agreement, Consultant certifies that the option selected is accurate:

☒ **No finding of discrimination has been issued in the past 365 days against Consultant by the Equal Employment Opportunity Commission, Fair Employment and Housing Commission, or any other investigative entity.**

___ Finding(s) of discrimination have been issued against Consultant within the past 365 days by the Equal Employment Opportunity Commission, Fair Employment and Housing Commission, or other investigative entity. If this box is checked, Consultant shall provide PCEA with a written explanation of the outcome(s) or remedy for the discrimination.

g. Reporting; Violation of Non-discrimination Provisions

Consultant shall report to the Chief Executive Officer of PCEA the filing in any court or with any administrative agency of any complaint or allegation of discrimination on any of the bases prohibited by this Section of the Agreement or Section 13, above. Such duty shall include reporting of the filing of any and all charges with the Equal Employment Opportunity Commission, the Fair Employment and Housing Commission, or any other entity charged with the investigation or adjudication of allegations covered by this subsection within 30 days of such filing, provided that within such 30 days such entity has not notified Consultant that such charges are dismissed or otherwise unfounded. Such notification shall include a general description of the circumstances involved and a general description of the kind of discrimination alleged (for example, gender-, sexual orientation-, religion-, or race-based discrimination).

Violation of the non-discrimination provisions of this Agreement shall be considered a breach of this Agreement and subject the Consultant to penalties, to be determined by the Chief Executive Officer, including but not limited to the following:

- i. termination of this Agreement;
- ii. disqualification of the Consultant from being considered for or being awarded a PCEA contract for a period of up to 3 years;
- iii. liquidated damages of \$2,500 per violation; and/or
- iv. imposition of other appropriate contractual and civil remedies and sanctions, as determined by the Chief Executive Officer.

To effectuate the provisions of this Section, the Chief Executive Officer shall have the authority to offset all or any portion of the amount described in this Section against amounts due to Consultant under this Agreement or any other agreement between Consultant and PCEA.

15. Retention of Records; Right to Monitor and Audit

(a) Consultant shall maintain all required records relating to services provided under this Agreement for three (3) years after PCEA makes final payment and all other pending matters are closed, and Consultant shall be subject to the examination and/or audit by PCEA, a Federal grantor agency, and the State of California.

(b) Consultant shall comply with all program and fiscal reporting requirements set forth by applicable Federal, State, and local agencies and as required by PCEA.

(c) Consultant agrees upon reasonable notice to provide to PCEA, to any Federal or State department having monitoring or review authority, to PCEA's authorized representative, and/or to any of their respective audit agencies access to and the right to examine all records and documents necessary to determine compliance with relevant Federal, State, and local statutes, rules, and regulations, to determine compliance with this Agreement, and to evaluate the quality, appropriateness, and timeliness of services performed.

16. Merger Clause; Amendments

This Agreement, including the Exhibits and Attachments attached to this Agreement and incorporated by reference, constitutes the sole Agreement of the parties to this Agreement and correctly states the rights, duties, and obligations of each party as of this document's date. In the event that any term, condition, provision, requirement, or specification set forth in the body of this Agreement conflicts with or is inconsistent with any term, condition, provision, requirement, or specification in any Exhibit and/or Attachment to this Agreement, the provisions of the body of the Agreement shall prevail. Any prior agreement, promises, negotiations, or representations between the parties not expressly stated in this document are not binding. All subsequent modifications or amendments shall be in writing and signed by the parties.

17. Controlling Law; Venue

The validity of this Agreement and of its terms, the rights and duties of the parties under this Agreement, the interpretation of this Agreement, the performance of this Agreement, and any other dispute of any nature arising out of this Agreement shall be governed by the laws of the State of California without regard to its choice of law or conflict of law rules. Any dispute arising out of this Agreement shall be venued either in the San Mateo County Superior Court or in the United States District Court for the Northern District of California.

18. Notices

Any notice, request, demand, or other communication required or permitted under this Agreement shall be deemed to be properly given when both: (1) transmitted via facsimile to the telephone number listed below or transmitted via email to the email address listed below; and (2) sent to the physical address listed below by either being deposited in the United States mail, postage prepaid, or deposited for overnight delivery, charges prepaid, with an established overnight courier that provides a tracking number showing confirmation of receipt.

In the case of PCEA, to:

Name/Title: Jan Pepper, Chief Executive Officer
Address: 2075 Woodside Road, Redwood City, CA 94061
Telephone: 650-260-0100
Email: jpepper@peninsulacleanenergy.com

In the case of Consultant, to:

Name/Title: Cynthia Rafferty, CEO
Address: 590 W. Locust Ave, Suite 103
Telephone: (559) 573-3544
Email: cbrafferty@rhainc.com

19. Electronic Signature

PCEA and Consultant wish to permit this Agreement, and future documents executed pursuant to this Agreement, to be digitally signed in accordance with California law. Any party that agrees to allow digital signature of this Agreement may revoke such agreement at any time in relation to all future documents by providing notice pursuant to this Agreement.

20. No Recourse Against PCEA's Member Agencies

Consultant acknowledges and agrees that PCEA is a Joint Powers Authority, which is a public agency separate and distinct from its member agencies. All debts, liabilities, or obligations undertaken by PCEA in connection with this Agreement are undertaken solely by PCEA and are not debts, liabilities, or obligations of its member agencies. Consultant waives any recourse against PCEA's member agencies.

* * *

In agreement with this Agreement's terms, the parties, by their duly authorized representatives, affix their respective signatures:

PENINSULA CLEAN ENERGY AUTHORITY

By: _____

Chief Executive Officer, Peninsula Clean Energy Authority

Date: _____

RICHARD HEATH AND ASSOCIATES, INC.

Contractor's Signature

Date: _____

Exhibit A

In consideration of the payments set forth in Exhibit B, Consultant shall provide the following services:

Overview

Peninsula Clean Energy's (PCE) mission is to reduce greenhouse gas (GHG) emissions and reinvest in the communities it serves: San Mateo County and, starting 2022, the City of Los Banos. This program will provide a turnkey service for no-cost home repairs and upgrades, energy efficiency, and electrification measures for low-income single-family residences with critical home needs. While there are existing energy efficiency and weatherization programs currently available to low-income households, such programs do not fund electrification or non-energy health-improving measures at all or only fund them partially. PCE's program aims to bridge these funding gaps for its residents and leverage existing programs' funds to deliver substantial home improvements. Homes will be assessed to determine and prioritize all possible measures that could be installed with PCE funds and other programs' funds. To receive PCE funds, at least one electrification measure must be implemented in each home. Electrification measures will be implemented by union contractors.

Consultant is tasked with overseeing all aspects of the PCE program including outreach, installation management, contractor payments for PCE-funded measures, coordination with other program's implementers and/or contractors, and homeowner support.

Objectives

1. Serve at least 200 income-qualified single-family homes over two years.
2. Reach at least 2,000 homes likely qualified for the program through direct outreach such as mail, email, and phone.
3. Complete work in each home within 5 months from the time of enrollment, barring permitting delays where applicable.
4. Implement at least one electrification measure in each home.
5. Leverage at least one funding source, in addition to PCE, and as many as feasible in each home.
6. Deliver customer satisfaction of 90% or higher based on post-installation surveys.
7. Provide reductions in GHGs, gas/electricity net total energy savings, as well as health, comfort, and safety improvements in homes served.

Consultant Tasks

1 Administrative Tasks

Consultant shall provide the following:

1.1 Kickoff Meeting

Participate in a kickoff meeting with PCE to review objectives, budget, timeline, and administrative processes at a mutually determined time following contract execution. The kickoff shall include a detailed project plan prepared by the Consultant.

1.2 Monthly Progress Report & Call

Provide a monthly 1-2 page report and associated call with the designated PCE contract administrator by the 10th of each month. Report may include, program process, challenges encountered (such as common technical problems/barriers), performance of other leveraged programs, and objectives for the next month.

Project data (as determined in 2.4) must also be submitted along with the report. A monthly Expense Report (1.3) and associated invoice should be submitted as well.

Major supplementary documentation developed in the course of work must also be submitted with the report. This supplementary documentation may include executed subcontracts, technical designs, permits, photographs of installed equipment, and materials developed for partner use.

1.3 Expense Report

Provide a monthly expense report documenting expenses including labor (hours, rate, total), subcontractor expenses (with invoices), and equipment (with invoices). The expense report must include the total expenditures for the month and running expense total. During the start-up phase (task 2), Consultant shall report on labor hours, however labor during this phase will be paid on a fixed fee and milestone basis as outlined in Exhibit B.

1.4 Subcontracts

All subcontracts will be provided to PCE for review and approval prior to execution to verify compliance with contract terms.

1.5 Site Visits

PCE may request site visits to one or more of the homes being served through the program. Consultant shall participate in project site visits with the designated PCE staff member(s) at a mutually determined date.

1.6 Final Report

Provide a final report (appropriate for public distribution) within 3 months after completion of last home served, which includes:

- 1.6.1 Executive summary
- 1.6.2 Itemized description of outcomes for each project objective
- 1.6.3 Itemized description of any additional accomplishments
- 1.6.4 Summary of each project including home characteristics, measures installed, funding sources, costs
- 1.6.5 Evaluated conclusions drawn from the project including lessons learned and recommendations for future work
- 1.6.6 Financial summary comparing expenditures to the project budget

2 Program Design and Start-up Tasks

2.1 Program Definition & Requirements

Consultant will assist PCE in finalizing the program strategy, plan, and requirements. Consultant will:

- 2.1.1 Develop a detailed project plan prior to the kickoff meeting.
- 2.1.2 Develop a program guide including, jointly defined detailed program objectives, policies, and eligibility requirements, including income and home eligibility requirements.
- 2.1.3 For programs which require being part of a contractor network to access incentives, such as the BayREN Home+ program, assist subcontractors in enrolling in such programs.

Deliverables:

- 1. Project plan
- 2. Program guide
- 3. Electrification subcontractor enrollment in BayREN Home+ program

2.2 Technical Design Guidelines

Consultant will lead the development of the site design guidelines, policies, and procedures. Consultant will:

- 2.2.1 Develop a characterization of 3-5 likely home scenarios expected to be encountered in PCE service territory including but not limited to: age, size, health and safety issues, efficiency, appliance conditions, energy bills, and energy use.

- 2.2.2 Outline all possible programs that can be leveraged, the measures they offer, and incentive amounts. These programs will be referred to as “Other Programs” hereinafter.
- 2.2.3 Identify funding gaps and develop a list of PCE eligible measures. Determine value and impact of each measure, such as GHG, energy usage, and health/safety/comfort impacts. For non-electrification measures, determine a reimbursement rate which shall be the basis of the PCE payments for those measures (see Exhibit B Table 4).
- 2.2.4 Outline all information to be collected during the in-person home assessment, such as home conditions, existing appliances information, homeowner information, and other as mutually determined with PCE.
- 2.2.5 Explore innovative techniques and technologies that could be utilized in the program.
- 2.2.6 In collaboration with PCE, develop technical design guidelines, which would guide the development of each home’s scope of work.
- 2.2.7 Propose packet of measures identified in 2.2.3 for each likely home scenario identified in 2.2.1. Assess the before and after energy use and bill for each scenario to use as benchmarks.
- 2.2.8 Outline the technical design guidelines into a 5-8 page document, including a decision tree and assessment of likely homes scenarios in 2.2.7, in a form appropriate for public distribution. The document will be reviewed and approved by PCE prior to being put into use.
- 2.2.9 With technical design guidelines as its foundation, build out, test, and deploy, the Prioritization Tool to be utilized for the in-person home assessments.
- 2.2.10 Update the design guidelines over the course of the program based on major lessons identified as site projects are executed.

Deliverables:

1. List of Other Programs with measures and incentive amounts
2. List of eligible PCE measures and each of their estimated value/impact
3. List of information to be collected during home assessment
4. Technical design guidelines document
5. Complete Prioritization Tool

2.3 Outreach Plan & Materials

Once the program launches, Consultant will lead outreach to identify potential program participants. To prepare for launch, Consultant will:

- 2.3.1 Jointly characterize the target customer base based on public and/or purchased data.

- 2.3.2 Develop list of likely eligible homes and prioritized homes to target outreach to.
- 2.3.3 Jointly develop a program outreach and marketing plan.
- 2.3.4 Connect with Other Programs' implementers and/or contractors to establish a cross-referral process and coordination in outreach efforts.
- 2.3.5 Develop PCE-branded program documents, forms, and outreach materials as mutually determined with PCE. This will include a customer participation agreement.
- 2.3.6 Assist PCE in developing program website material for PCE to build out, which will also include an inbound interest form for the program.

Deliverables:

- 4. Home characterization analysis and customer target outreach list
- 5. Outreach and marketing plan
- 6. Program forms and documents developed, including but not limited to a customer participation agreement
- 7. Program outreach materials, including but not limited to a program flier
- 8. Shared referral client protocol and process as agreed to by implementers/and or contractors of Other Programs, including a plan to track client referrals between programs.

2.4 Data Collection & Transfer

All information collected by the Consultant through the program shall be provided to PCE. This would include any home characterization and customer target analysis and data, customer outreach data, and data from homes served through the program.

Consultant will:

- 2.4.1 For participating homes, outline all information to be collected from the project and at which stage, including the information collected during the in-person home assessment (determined at task 2.2.4) and any other. Such data may include participant information, installed measures, installation costs, home performance data, funding sources utilized, and to-be-determined Key Performance Indicators (KPIs). All information collected during the site visit shall be provided to PCE.
- 2.4.2 Jointly determine with PCE the format, method, and frequency in which data will be provided.
- 2.4.3 Depending on the data sharing method determined, implement any necessary technical requirements to facilitate data transfers.

Deliverables:

- 1. Outline of data to be delivered
- 2. Sample file in the format data is to be delivered

3 Ongoing Program Implementation Tasks

3.1 Outreach, Education, and Enrollment

Consultant and subcontractors will lead targeted outreach for the program, identifying the program as a PCE program. Consultant will:

- 3.1.1 Conduct targeted outreach to likely eligible homes, as determined in tasks 2.3.2 and 2.3.3.
- 3.1.2 Collaborate with Other Programs' implementers and/or contractors to identify prospective homes and coordinate on outreach efforts.
- 3.1.3 Manage inbound customer interest forms.
- 3.1.4 Screen customer leads for PCE program eligibility and other Programs' eligibility.
- 3.1.5 Educate customers on Other Programs they are eligible for and assist them in enrolling by helping them gather documents, fill out applications forms, etc.
- 3.1.6 Manage all customer communications, from customer leads to enrolled participants.
- 3.1.7 Carry materials and provide basic information about other non-home-related programs that may be relevant to the participant, such as PCE's EV incentive programs.

Deliverable: Data of customers reached and engaged provided with the monthly report as determined in task 2.4.

3.2 Installation Management and Site Support

Consultant will monitor installation of all measures at participant's home and provide ongoing support to the participant throughout. Consultant will:

- 3.2.1 Execute an in-person home assessment in enrolled homes.
- 3.2.2 Using the technical design guidelines and Prioritization Tool, propose a scope of work for each home which outlines which program (PCE or Other Programs) would pay for each measure.
- 3.2.3 Oversee installation and manage subcontractors installing PCE-funded measures.
- 3.2.4 Manage PCE installation funds, including paying installation subcontractors and invoicing PCE on an actual cost basis.
- 3.2.5 Coordinate with Other Programs' implementers and/or contractors to stay informed on work to take place and associated timelines to coordinate on scheduled visits.

- 3.2.6 Serve as the participant's principal point of contact and provide ongoing support, including helping them navigate through the different programs and assisting to resolve any issues encountered.
- 3.2.7 Provide participant education or ensure such education is delivered effectively such that the participant can successfully operate new system(s) installed.

Deliverable: Data of homes served provided with the monthly report as determined in task 2.4.

3.3 Project Evaluation

After complete installation, Consultant will follow up with program participants after a to-be-determined timeframe. This could include:

- 3.3.1 Follow up surveys with participants to assess their satisfaction with the program, work completed, and self-reported changes to the home's comfort, health, safety, and energy performance.
- 3.3.2 Measure participant's utility bill impacts, both energy usage and cost, from the work completed after a to-be-determined timeframe. PCE and Consultant will mutually determine how the Consultant will access automated meter infrastructure (AMI) required for analyses, which could be through PG&E's Share My Data platform or another PCE platform.
- 3.3.3 Produce four case studies (2-4 pages each) throughout the program period, as mutually determined with PCE, that are appropriate for public distribution

Deliverables:

- 1. Customer surveys, to be provided with the monthly report as determined in task 2.4
- 2. Project evaluation data, to be provided on with the monthly report as determined in task 2.4
- 3. Four case studies appropriate for public distribution

4 Schedule

Task	Months from contract execution (36 months total)
1. Administrative tasks (task 1)	Month 1 – 30
2. Program Design and Start up (task 2)	Month 1 - 4
3. Outreach, education, enrollment (task 3.1)	Month 4 – 20

4. Installation management & site support (task 3.2)	Month 6 – 30
5. Project evaluation (task 3.3)	Month 8 – 30

DRAFT

Exhibit B

In consideration of the services provided by Consultant described in Exhibit A and subject to the terms of the Agreement, PCEA shall pay Consultant based on the following fee schedule and terms:

The maximum budget for this program is \$2,000,000. Table 1 illustrates the approximate budget breakdown for the program and payment schedule. Consultant is responsible for tracking expenditure and ensuring neither the maximum amounts per category, nor the total maximum budget are exceeded. PCEA agrees to pay Consultant within 30 days of receiving Consultant's monthly invoice.

Table 2 illustrates the hourly rates of Consultant staff to be paid on a time and materials basis. With the exception of the set program design and start-up fixed fee and outreach fee per enrolled customer, Consultant will use these hourly rates to invoice PCE for time spent. Invoices from installation subcontractors must demonstrate usage of this hourly rate.

Table 1 – Budget

Budget Category	Maximum Amount by Category	Payment Schedule
Program design and start-up fee (task 2)	\$75,000	<ul style="list-style-type: none">• \$40,000 when technical design guidelines document is completed (2.2.8)• \$35,000 when program is launched, and outreach begins (3.1)
Ongoing program administration (task 1 and 3)	Not to exceed \$530,000	Monthly – invoiced based on time and hourly rates in Table 2
Program outreach and enrollment (task 3.1)	Not to exceed \$95,000	Monthly – invoice based upon customer milestone fees outlined in Table 3
Installation budget including equipment and labor (task 3.2)	Not to exceed \$1,300,000	Monthly – direct installation costs for homes completed in that month as invoiced by subcontractors
Total Maximum Budget	\$2,000,000	

Table 2 – Consultant and Subcontractors Hourly Rates

Program Role	Hourly Rate
Program Manager (Consultant)	\$127.07
Program Coordinator (Consultant)	\$72.21
Field Superintendent (Consultant)	\$115.46
Information Systems Developer (Consultant)	\$97.03
IT Supervisor (Consultant)	\$87.47
Engineer (Consultant)	\$93.67
Data Analyst (Consultant)	\$80.65
Union Journeyman for electrification work (subcontractors)	TBD

Table 3 – Customer Outreach and Enrollment Payment Model (Draft)

Customer milestone	Payment amount per customer
Pre-assessment	\$57
Enrollment	\$78
Education	\$135
Project completion	\$90

Invoiced monthly based upon number of customers reaching specific milestone.

Table 4 – Non-Electrification Measures Reimbursement Rates (Draft)

Non-electrification measures will be paid upon a set reimbursement rate per measure. PCE and Consultant will determine full list of measures and their respective reimbursement rates as part of Task 2.2.3.

The reimbursement rate is to reflect fully loaded costs including equipment, labor time for task and travel, benefits, and overhead. All funds invoiced under this item are passed completely to the sub-contractor. The following table contains a sample list of measures and rates. Labor rate is not to exceed the equivalent of \$125/hour.

Measure	Materials	Level of effort (% of one hour)	Labor	Reimbursement rate
Caulking	\$6.80	0.4	\$50	\$56.80
Door weatherstripping	18.7	0.55	\$68.75	\$87.45
LED Hardwire Fixture - Exterior	39.6	0.31	\$38.75	\$78.35
Power Strip - Advanced Tier 2	38.5	0.25	\$31.25	\$69.75



**PENINSULA CLEAN ENERGY
JPA Board Correspondence**

DATE: March 1, 2021

BOARD MEETING DATE: March 8, 2021

SPECIAL NOTICE/HEARING: None

VOTE REQUIRED: None

TO: Honorable Peninsula Clean Energy Authority Executive Committee

FROM: Jan Pepper, Chief Executive Officer, Peninsula Clean Energy
Kirsten Andrews-Schwind, Sr. Manager of Community Relations

SUBJECT: Proposed Citizen Advisory Committee Working Group Projects

BACKGROUND

At its July 2020 regular meeting, the Peninsula Clean Energy Board of Directors approved a [work plan for its Citizens Advisory Committee \(CAC\)](#). This work plan included forming a number of working groups made up of CAC members to collaborate more deeply with staff on specific projects that are important to PCE's mission. Each CAC working group consists of less than a quorum of total CAC members.

The Citizens Advisory Committee would like to update the list of working groups and projects in its work plan, as many of its previous projects have now been completed.

DISCUSSION

Staff from each department have been consulted on specific projects for which CAC collaboration would be useful. Staff proposes the following list of working group projects for consideration by the Executive Committee. To remain in compliance with the Brown Act, each working group would focus on completing one specific project, then would disband when that project is complete. In addition, the CAC will not determine meeting times and/or schedules of the ad hoc working groups.

After review by the Executive Committee this list will go to the Citizen Advisory Committee for discussion. A final list will be brought to the Board of Directors for review.

Any remaining CAC working groups will be replaced with the new working groups. CAC members can then volunteer to join these new working groups and assign a CAC lead for each group. The CAC leads are responsible for convening the working group meetings and coordinating with the staff liaisons to complete the projects.

Note that in addition to serving on working groups, CAC members will also continue to serve in their capacity of community liaisons. This role is critical for getting the word out about PCE programs and initiatives and conveying community feedback to the organization.

2021 Proposed CAC Working Group Project List

Project	Description	Staff Liaison
Assist with design and launch of income-qualified home upgrade program	Assist staff with a) community relationships and outreach, and b) technical design guidelines and outcomes for the program	Alejandra Posada, Programs Team
Support building electrification reach codes	Conduct community education about electrification reach codes and their importance to GHG reduction goals	Rafael Reyes, Programs Team
Assess EV charging infrastructure permitting processes	Conduct an assessment of current EV charging infrastructure permitting processes across PCE jurisdictions, focusing on those that have not yet begun streamlining these processes	Phillip Kobernick, Programs Team
Support site identification for Community Solar DER installations	Research possible sites for community solar development in disadvantaged communities and introduce local site managers to PCE staff	Peter Levitt and Dave Fribush, Energy Resources Team
Review DER program grading and evaluation criteria	Provide feedback to staff on criteria for choosing future community Distributed Energy Resources projects, emphasizing diverse perspectives	Peter Levitt and Dave Fribush, Energy Resources Team
Assist with distribution of the Student Activity Packet	Leverage the impact of an existing PCE educational resource by getting it implemented in more schools and youth programs	Tj Carter, Marketing Team

**REGULAR MEETING of the Executive Committee of the
Peninsula Clean Energy Authority (PCEA)
Monday, February 8, 2021
MINUTES**

8:00 a.m.

Peninsula Clean Energy
Video conference and teleconference

CALL TO ORDER

Meeting was called to order at 8:02 a.m.

ROLL CALL

Present: Jeff Aalfs, Town of Portola Valley, *Chair*
Rick DeGolia, Town of Atherton, *Vice Chair*
Dave Pine, County of San Mateo
Julia Mates, City of Belmont
Donna Colson, City of Burlingame
Rick Bonilla, City of San Mateo
Pradeep Gupta, Director Emeritus
John Keener, Director Emeritus

Absent: Carole Groom, County of San Mateo

Staff: Jan Pepper, CEO
Andy Stern, CFO
Leslie Brown, Director of Customer Care
Sapna Dixit, Strategic Accounts Manager
Kim Le, Senior Manager, Data and Technology
Hailey Wu, Senior Financial Analyst
Rafael Reyes, Director of Energy Programs
KJ Janowski, Director of Marketing and Community Affairs
Siobhan Doherty, Director of Power Resources
Mark Fenstermaker, Pacific Policy Group
Jennifer Stalzer Kraske, Deputy County Counsel
Shayna Barnes, Administrative Assistant
Anne Bartoletti, Board Clerk/Executive Assistant to the CEO

A quorum was established.

PUBLIC COMMENT

Tim Strinden, Belmont Resident, Comments included in the Agenda Packet
Donna Colson, Burlingame

ACTION TO SET AGENDA AND TO APPROVE CONSENT AGENDA ITEMS

Motion Made / Seconded: Bonilla / Colson

Motion passed 6-0 (Absent: Groom)

REGULAR AGENDA

1. CHAIR REPORT

No report.

2. CEO REPORT

Chief Executive Officer Jan Pepper provided a staffing update and reported that CalCCA (California Community Choice Association) has a legislative bill proposal that would ensure fair access to the benefits of legacy resources held by the IOUs (Investor-Owned Utilities). Committee members discussed the impact the proposed bill might have on PCIA (Power Charge Indifference Adjustment).

3. RECOMMENDATION FROM EXECUTIVE COMMITTEE TO THE BOARD TO APPROVE REVISED POLICY 1 ON LEGISLATIVE INITIATIVES AND ADOPT PCE LEGISLATIVE/REGULATORY PLATFORM FOR CY 2021

Jan Pepper reviewed a redline of Policy 1 which provides the CEO with authority to take action to provide support for, or opposition to, legislation and other initiatives. She reviewed proposed revisions that would link the Policy to a Board-adopted Legislative Platform. Committee members discussed tracking PCE's regulatory and legislative positions, and that the Policy changes were reviewed and approved by the Legislative subcommittee.

Motion Made / Seconded: Bonilla / Mates

Motion passed 6-0 (Absent: Groom)

Jan Pepper reviewed the Legislative Platform including eight sub-sections on Governance and Authority, Decarbonization, IOU Charges and Exit Fees (PCIA), Resource Adequacy (RA), Environmental Justice, Community Resilience, Local Economic Development, and California Energy Market Structure. Committee members discussed tracking legislative activities and their connection to PCE's goals.

Motion Made / Seconded: Pine / Bonilla

Motion passed 6-0 (Absent: Groom)

4. RECEIVE DIRECTION FROM THE EXECUTIVE COMMITTEE TO THE BOARD ON STRATEGIC BUDGET PRIORITIES

Jan Pepper reported that staff met with the Strategic Budget Priorities subcommittee to review and discuss strategic budget priorities in response to changes in PCIA and PG&E's generation rates. Chief Financial Officer Andy Stern reported on changing projections and forecasts, and reviewed comparisons of PG&E generation rates and PCIA. Andy outlined savings initiatives and recommendations proposed by the subcommittee, including revised implementation plans for PPAs (Power Purchase Agreements) and energy programs, replacing a stair-step approach with a more organic growth model to achieve annual renewables targets, and consideration of penalties versus market costs for RA.

Committee members reviewed the potential savings of the subcommittee's recommendations, and discussed PCIA, Days Cash on Hand, expectations of the rating agencies, strategic objectives, and PCE's discount in generation rates compared to PG&E's. The Committee members reached a general consensus in support of the subcommittee's recommendations outlined in the presentation.

5. RECOMMENDATION FROM THE EXECUTIVE COMMITTEE TO THE BOARD TO APPROVE REVISED POLICY 18 ON FINANCIAL RESERVES POLICY

Andy Stern reviewed the current Reserve Policy, Days Cash on Hand and how it's calculated, compared PCE's Reserve Policy to other CCAs' (Community Choice Aggregators) Reserves Policies, and outlined suggested revisions to the Policy. Committee members discussed the policy minimums/targets/maximums of other CCAs, PCE's commitments for Community Energy Programs, and changing or keeping a target of 180 Days Cash on Hand (DCOH).

Motion Made supporting Revised Policy 18 with 180 days DCOH / Seconded:
Colson / Bonilla

Motion passed 5-1 (Opposed: DeGolia, Absent: Groom)

6. RECOMMENDATION FROM THE EXECUTIVE COMMITTEE TO THE BOARD TO APPROVE REVISED POLICY 16 SELECTION OF THE CHAIR AND VICE CHAIR AND APPOINTMENT TO THE EXECUTIVE COMMITTEE AND OTHER STANDING BOARD COMMITTEES

Jan reviewed the current Policy 16 timeline on nominations and appointments, and discussed the impact that Executive Committee vacancies have on limiting the number of people who can participate on subcommittees. Jan recommended changes to the Policy that would allow the new Chair and Vice Chair to make appointments to the Executive Committee in February rather than in March. Committee members discussed the timeline of nominations and appointments.

Motion Made / Seconded: DeGolia / Mates

Motion passed 6-0 (Absent: Groom)

7. COMMITTEE MEMBERS' REPORTS

Donna Colson—City of Burlingame—reported that discussions are taking place on the Nextdoor neighborhood service regarding higher energy bills. Committee members discussed public service announcements, sharing links to resources on how to reduce energy use, and creating informational pieces .

ADJOURNMENT

Meeting was adjourned at 10:03 a.m.