



2024 Community Advisory Committee

Regulatory Policy Overview

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Presentation Overview

- Introduction to the Regulatory Policy Team
- Our Role within Peninsula Clean Energy
- Our Approach to Regulatory Policy
- Key Regulatory Agencies
- Key Issue Areas and Acronyms
- Power Charge Indifference Adjustment (PCIA)
- Greatest Challenges & Opportunities

Regulatory Policy Team



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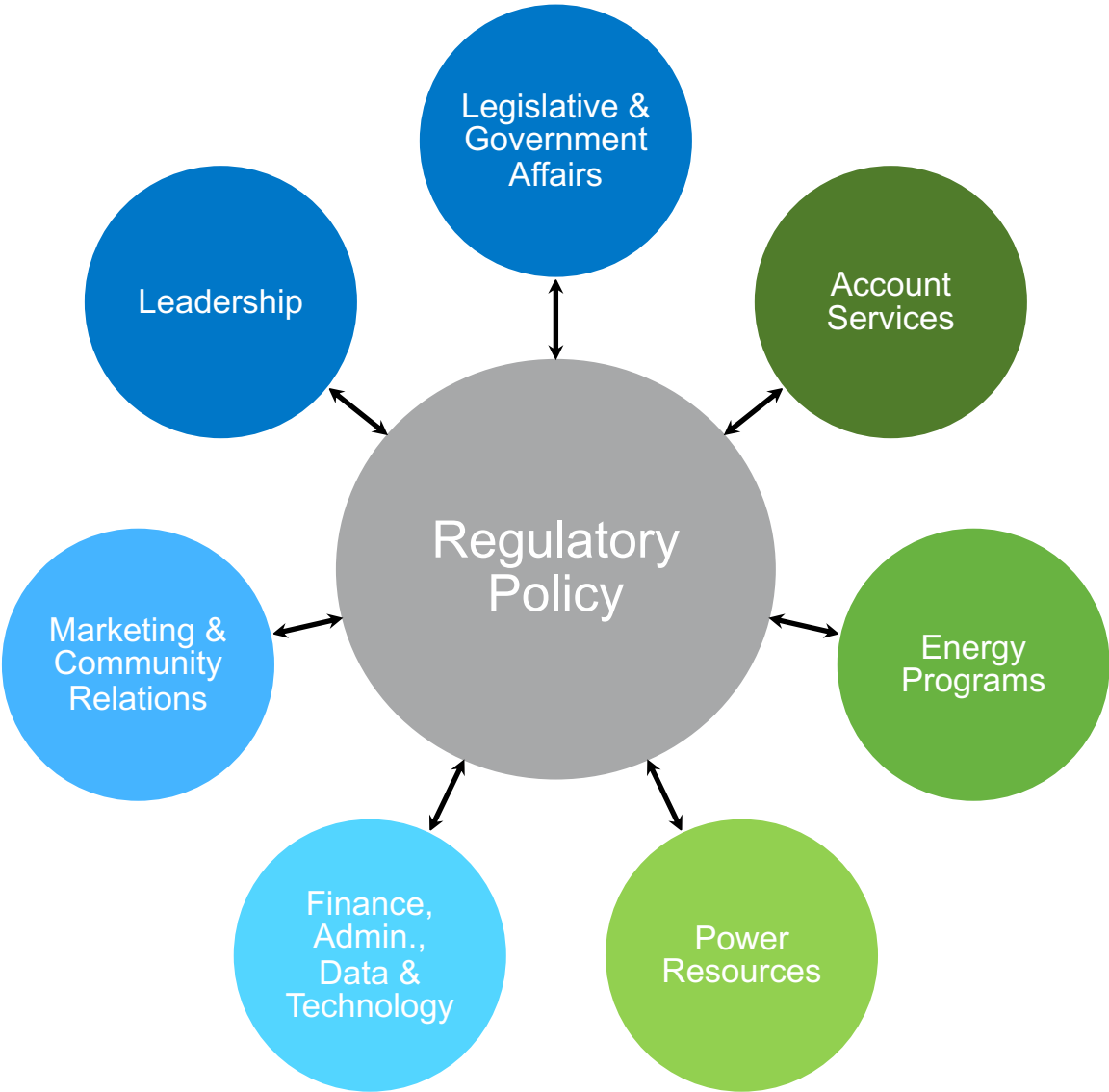
Regulatory Compliance Analyst



Jenna Sharp

Regulatory Analyst

Our Role within Peninsula Clean Energy



Our Approach to Regulatory Policy

- Demonstrate leadership
- Foster collaboration
- Support growth and access to community energy
- Advocate for clean, reliable, and affordable electricity
- Cultivate key relationships
- Establish respect for PCE
- Pursue new funding sources
- Ensure compliance
- Enable broader CCA success

Key Regulatory Agencies (1 of 2)

California Public Utilities Commission (CPUC)

- Regulates electricity, gas, water, telecom, rail & passenger transport
- *Directly* regulates Investor-Owned Utilities (IOUs)
 - Pacific Gas & Electric Company (PG&E),
 - Southern California Edison (SCE), and
 - San Diego Gas & Electric (SDG&E)
- *Indirectly* regulates CCAs where directed by statute



California Independent System Operator (CAISO)

- Maintains reliability of California's primary electricity grid



Key Regulatory Agencies (2 of 2)

California Energy Commission (CEC)

- Regulates Publicly Owned Utilities (POUs)
- Oversees permitting of new power plants
- Administers grant funds to spur electricity sector innovation



California Air Resources Board (CARB)

- Regulates air pollution and acts to fight climate change
- Administers Cap-and-Trade and Low-Carbon Fuel Standard
- Focuses on clean transportation and environmental justice



Key Issue Areas & Acronyms

RATES

- Power Charge Indifference Adjustment (PCIA)
- Time of Use (TOU) and Real-Time Pricing (RTP)
- Net Energy Metering (NEM) and Net Value Billing Tariff (NVBT)

PROCUREMENT

- Integrated Resource Planning (IRP)
- Resource Adequacy (RA)
- Renewable Portfolio Standard (RPS)

PROGRAMS

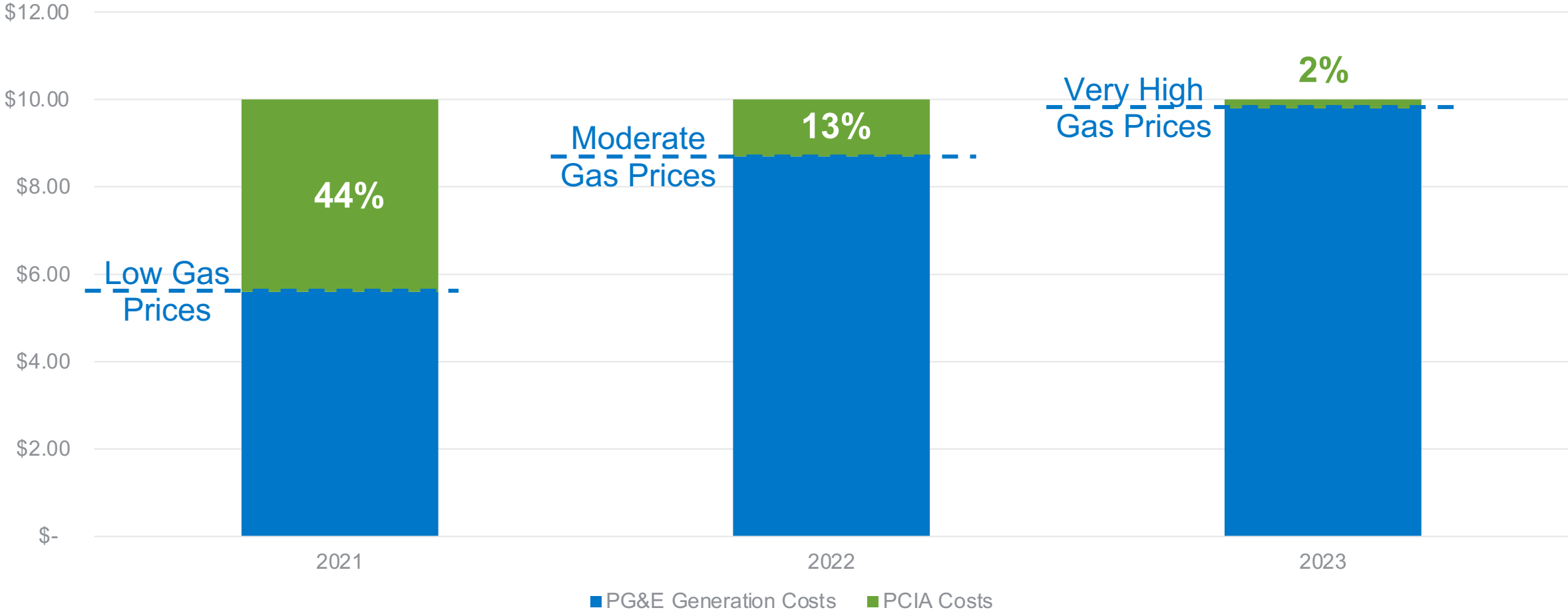
- Transportation Electrification (TE) and Building Decarbonization (BD)
- Disadvantaged Community Green Tariff (DAC-GT)
- Community Solar Green Tariff (CSGT)

Power Charge Indifference Adjustment (PCIA) (1 of 2)

- A non-bypassable charge applied to all customers' bills to recover above market costs of legacy IOU procurement commitments
 - *For CCA:* PCIA appears a separate charge on the generation portion of bill
 - *For IOU:* PCIA is blended into the IOU customers' generation rates
- A CCA customers' PCIA obligations vary based on when they joined
- PCIA will remain on customers' bills until the IOU's legacy commitments expire (at least until 2040 for PCE's customers)
- PCIA rates are highly volatile and updated annually
 - PCIA as percent of overall residential customers generation rates

2021: ~44% **2022:** ~13% **2023:** ~2%

Power Charge Indifference Adjustment (PCIA) (2 of 2)



Greatest Challenges & Opportunities

Rate Uncertainty

- PCIA rate changes are volatile and difficult to predict
- Annual adjustments make it challenging for long-term planning & budgeting

Compounding Industry Crises

- Electricity grid reliability diminishing as climate change impacts escalate
- Increasing volatility and unaffordability of utility costs
- Growing industry complexity as we transition to a cleaner supply
- Increasing political intervention into industry planning

Individuals' Relationships to Electricity Sector are Changing

Technologies Continue to Rapidly Evolve

Thank You & Let's Talk

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