



# **L&R Committee Meeting**

February 19, 2025  
Legislative & Regulatory Affairs Committee

## **Item 1 - Call to Order/Roll Call**



## **Item 2 - Approval of Minutes**

**L&R Committee Meeting: 12/4/24**  
**Special L&R Committee Meeting: 2/3/25**

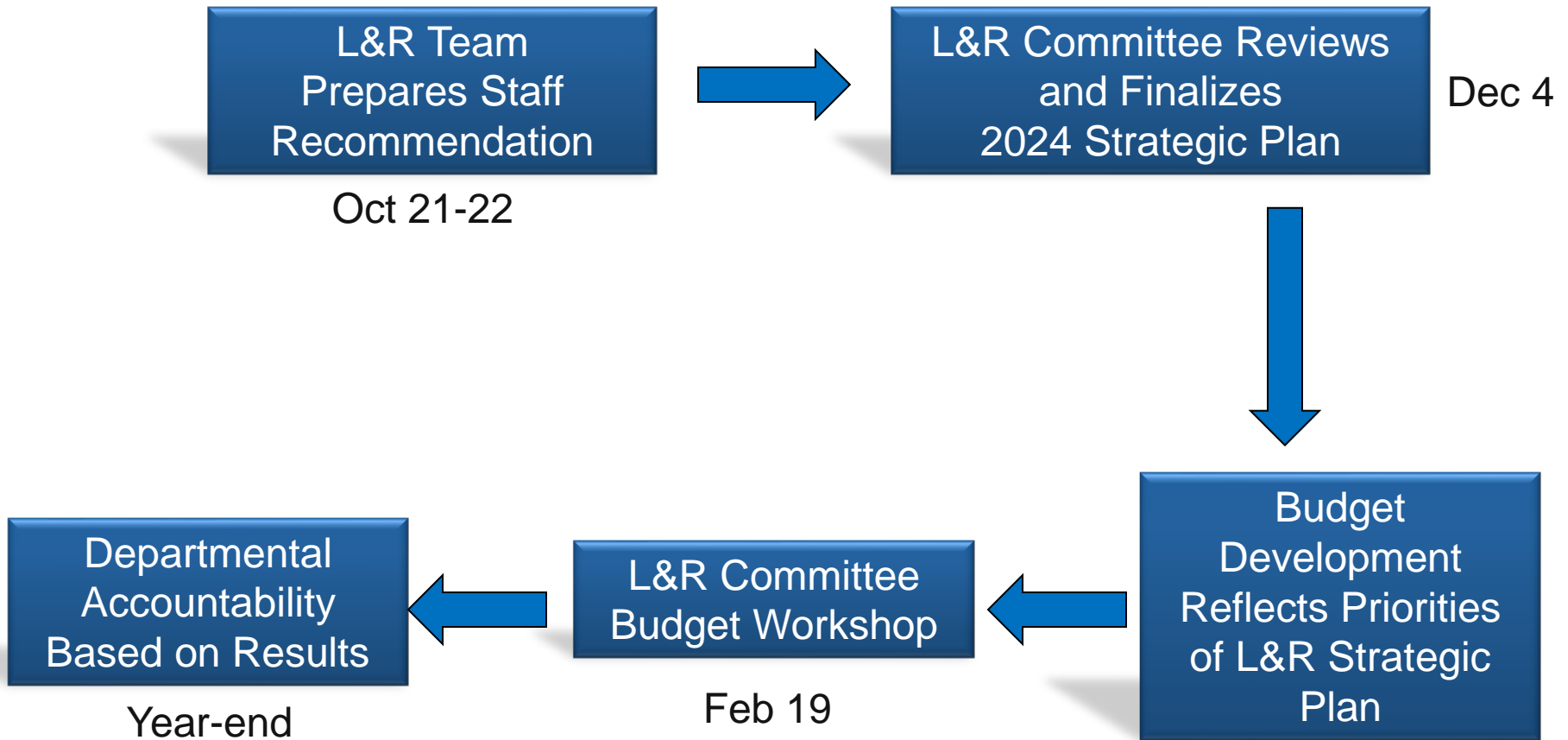


# **NCPA L&R Committee Budget Workshop**

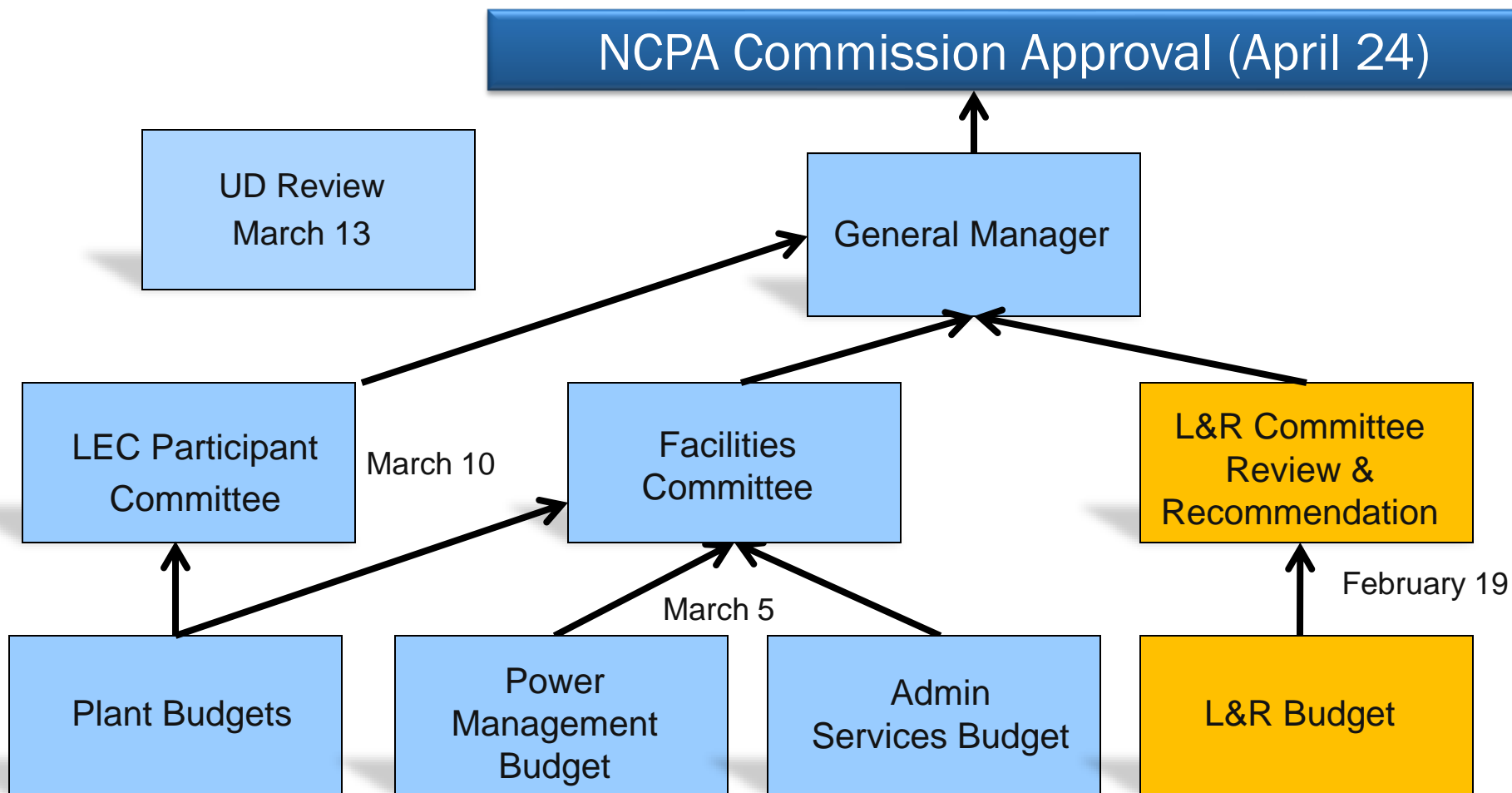


**Jane Cirrincione**

## L&R Strategic Planning Process



# NCPA Budget Review Process



# FY26 L&R Budget

## Key Considerations

- Operational L&R budget is \$1.43 million
  - \$29,910 increase from FY2025
- Budget does not include passthroughs (\$560,536)
  - Special projects allocated only to NCPA members that participate
  - APPA Dues, DEED, SEPA, CEE Membership



# NCPA L&R Budget FY26

## State/Federal Advocacy (Legislative & Regulatory)

***Program Objective: Represent and advocate for NCPA interests on state/federal policy issues***

- Promote local decision-making
- Secure state and federal funding for Lodi Hydrogen Project
- Encourage policymaking that recognizes energy affordability
- Proactively engage in development of wildfire-related policies that reduce wildfire risk and protect against adverse impacts to public power systems
- Ensure that regulatory actions taken to support grid reliability do not create undue operational/financial burdens for small and medium-sized utilities
- Advocate for regional market expansion affiliated with the Pathways Initiative
- Advance policies that provide permitting reform and control/reduce regulatory compliance burdens

66% of Budget  
\$943,829

Grassroots Advocacy Support:

- Strategic Issues Conference
- Capitol Day
- APPA Legislative Rally
- NCPA Federal Policy Conference
- NCPA Annual Conference
- Legislative Tour
- Legislative Briefings
- Member Advocacy



# NCPA L&R Budget FY26

## Western Programs

*Program Objective: Increase value of CVP and keep customer rates low*

- Protect NCPA members from unwarranted costs and resource reductions
- Continue pushing for more effective processes and tools to improve Base Resource modeling and forecasting
- Monitor potential changes due to election outcome
  - Committee focus and actions
  - Actions from DOE resulting from Administration change
- Engage in CVP EDAM implementation to protect value for all NCPA members

12% of Budget  
\$172,400



# NCPA L&R Budget FY26

## Customer Programs

10% of Budget  
\$146,435

### *Program Objectives:*

- Provide members with tools to optimize and enhance local programs through joint action.
- Assure compliance with state energy policy requirements.
- Facilitate discussions between Members and the CEC on demand response programs and results
- Support NCPA member customer program needs through RFPs, vendor outreach, and working group meetings
- Ensure that energy efficiency forecasts and annual POU reports incorporate up-to-date energy efficiency measures, including electrification measures



# NCPA L&R Budget FY26

## Coalitions and Partnerships

6% of Budget  
\$90,463

### Memberships

- American Public Power Association (Agency Dues)
- California Municipal Utilities Association
- National Hydropower Association
- Northwest Public Power Association
- Transmission Access Policy Study Group
- Association of California Water Agencies
- California Special Districts Association
- Power Association of Northern California



## NCPA L&R Budget FY26

6% of Budget  
\$85,100

- Office Furniture & Computer Supplies
- Subscriptions & Publications
- Staff Development/Training
- Mailings and Webinars



# NCPA Budget FY26

## Legal Support

\$330,000 in  
NCPA Legal Budget  
for L&R Purposes

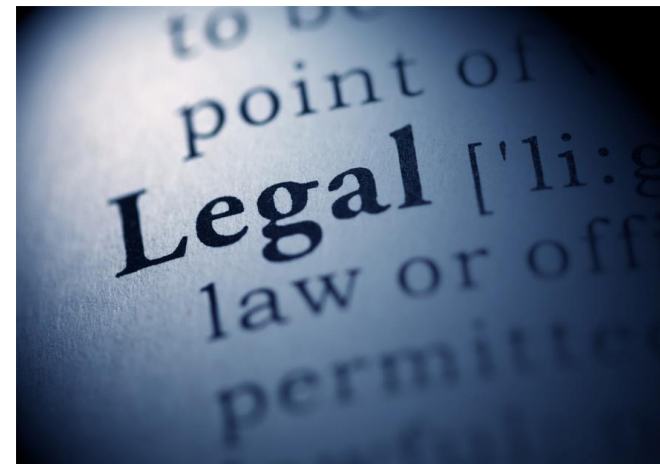
### Advocacy Support:

Law Offices of Susie Berlin (State)

- CARB/CEC/CPUC Representation

Spiegel & McDiarmid (Federal)

- Support for key FERC visits and related analysis as needed
- CVP issues



# NCPA L&R Budget FY26

## NCPA Member Pass-through Costs

\$560,536

- Group Memberships
  - American Public Power Association
    - Individual Member Dues
    - DEED Membership
  - Smart Electric Power Alliance
  - Consortium for Energy Efficiency
  - Alliance to Save Energy
- Specialized Projects with Member Participation
  - Energy Efficiency Reporting Tool Upgrade
  - Energy Efficiency Target Setting



# NCPA FY26 Budget Review

## Key Changes to Operational Budget Compared to FY25

### Increases

- New State Lobbyists \$180,000
- Communications Consultant 50,000
- Subscriptions 21,000
- Legislative Tour 5,000
- APPA/CMUA Events 5,000

### Decreases

- Gregg Cook Retirement \$171,090
- Grant Writing Assistance 50,000
- Grant Tracking 10,000

#### Net Change from FY24

+ \$29,910

### Passthrough Increases

- Technical Reference Manual \$30,000
- APPA Dues 10,116
- APPA/DEED Dues 3,369

### Passthrough Decreases

- Energy Efficiency Target Setting \$150,000

#### Net Change from FY25

- \$106,516

## Next Steps

- February 19 – Committee consideration and recommendation to NCPA Commission
- March 13 – Utility Directors' Review
- April 24 – NCPA Commission consideration and approval



# State Legislative Report



# State Legislative Update

## California FY26 Budget

- The Governor's FY26 Budget proposal includes \$322.2 billion in spending, including:
  - \$228.9 billion from the general fund
  - \$86.8 billion from special funds
  - \$6.5 billion from bond funds
    - Including Prop 4 funds for dam safety
- The nonpartisan Legislative Analyst's Office (LAO) estimated that the state would have a deficit of \$2 billion.



# State Legislative Update

## California Legislative Calendar

Spot Bill Amendment Deadline:

- **March 17:** Assembly
- **March 26:** Senate

Other Important State Legislative Dates:

- **May 2:** First House Policy Committee Hearing Deadline
- **June 6:** First House Deadline to pass bills introduced in that house
- **June 15:** Budget Passage Deadline
- **July 18:** Second House Policy Committee Hearing Deadline
- **September 12:** Final Day to Pass Bills
- **October 12:** Governor Must Sign or Veto Bills



### Bills Introduced this Session:

- Assembly: 724 Bills
- Senate: 416 Bills

**NCPA is currently following 115 bills, including 21 spot bills**

# State Legislative Update

## Upcoming Committee Hearings:

- Oversight Hearings
  - Addressing Electricity Utility Bill Affordability While Advancing the State's Clean Energy Goal
  - Utility Wildfire Preparedness and Response: Focus on the 2025 Southern California Power Outages and Restoration
  - Utility Wildfire Spending
- Informational Hearings
  - Cap-and-Trade
  - The History and the Future of the Greenhouse Gas Reduction Fund
  - Wildfire Prevention Oversight

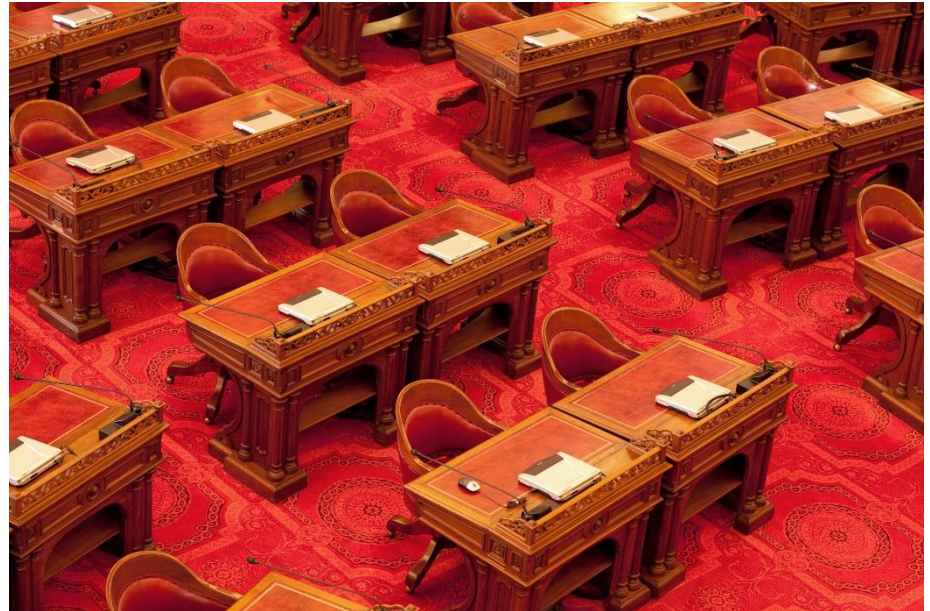
# State Legislative Themes of Energy-Related Bills

## Introduced:

- Wildfire Prevention and Recovery
- Electric Rates (Affordability)
- Data Centers
- CEQA Exemptions
- Dam Safety
- Electrification
- Generation and Transmission
- Local Government
- Hydrogen
- Nuclear
- Reliability and Resource Adequacy

## Upcoming:

- Pathways
- Cap And Trade



# State Legislative Update

- **AB 303 (Addis):**  
**Battery Energy Storage Facilities**
- **Pathways Update**
- **Electricity Affordability**
- **Wildfire Mitigation**
- **RPS Hydropower Extension – Palo Alto**
- **Engaging on Fine Issue In Support of Local Community**



# State Legislative Update

## NCPA Member Engagement

- Capitol Day
- Save the Date:  
Legislative Staff Tour - August 6-8



# Customer Programs Update



**Emily Lemei**

## Advanced Clean Fleets – In Effect for Public Fleets

- Regulation currently in effect for local and state agencies
  - High population counties in effect starting Jan 2024
  - Low population counties start Jan 2027
- Zero-Emission Vehicle (ZEV) purchase requirement:
  - 50% of purchases must be ZEV until 2027
  - 100% of purchases must be ZEV starting 2027
- Regulation includes exemptions:
  - ZEV availability – *can you buy it?*
  - Daily usage – *can it meet the fleet's needs?*
  - Mutual aid – *exempts up to 25% of fleet vehicles*



# Advanced Clean Fleets Rulemaking



- CARB is in the pre-rulemaking process to amend the Advanced Clean Fleets regulation to implement AB 1594 (Garcia 2023)
  - Draft rulemaking language expected March 2025, and adoption May 2025
- AB 1594 removes barriers from the exemption process for public agency utilities (electric, water, and wastewater)
- POUs are submitting comments on:
  - Definition for “traditional utility specialized vehicle”
  - Demonstrating utility end-of-life determinations
  - Advocacy for the daily usage exemption to be set on the highest usage
- POUs are submitting joint letter to CARB Board to request consideration of impacts from the waiver withdrawal, and impacts of the ACF on emergency response vehicles

# Energy Efficiency and Electrification Reporting

- POU's are required to:
  - ❖ Submit an annual report to the California Energy Commission (CEC) on energy efficiency savings by March 15 each year
  - ❖ Every four years, identify all potentially achievable cost-effective energy efficiency savings and establish annual targets for the next 10 years
- Status of 2025 reporting:
  - ❖ The 2025 POU Energy Efficiency Potential Forecast is underway, and POU's have received drafts to review
  - ❖ POU data for the annual energy efficiency forecast is due by Feb 28. NCPA, SCPA, and CMUA will compile the report and submit by March 15.
- Changes to Approach
  - ❖ The potential forecast includes baseline assumptions of both energy efficiency and electrification
  - ❖ The 2025 annual report will include electrification measure savings in totals, and will report gas savings to the CEC to ensure inclusion in CEC modeling

# **Federal Power Program Update**



**Kevin Howard**

# Central Valley Project (CVP) Hydropower

## 2025 Federal Hydropower Outlook

- 3,200 GWh: 50% exceedance forecast for next 12 months (Feb. report)
- 2,540 GWh: 90% exceedance forecast for next 12 months (Feb. report)
- Benchmarks:
  - 2024 total Base Resource – 3,303 GWh, with approximate market value of \$140.24 M
  - Average = 2,432 GWh (2009-2024); Median = 2,368 GWh; Low = 818 GWh (FY 2022); High = 4,159 GWh (FY 2017)
- CVP Reservoirs
  - Shasta 121% of average
  - Folsom 122% of average
  - Trinity 126% of average
  - New Melones 134% of average



# Central Valley Project (CVP) Hydropower

## Reinitiation of Consultation on Long Term Operations of the CVP (ROC on LTO)

- Reclamation published the final EIS on November 15, and Record of Decision on December 20, 2024
  - Finalized selection of Alternative 2, Multi-Agency Consensus
  - Did not modify Adaptive Management and Governance structure to elevate power interests
- NCPA comment letter to Reclamation on Final EIS and ROD
  - Governance Issues and impacts from modeled shift of generation into March and April as well as shift of pumping load away from March and April
- Reclamation offered to meet with NCPA to discuss issues
  - Activities at a standstill as new Administration actions proceed
- NCPA will work to schedule follow-up discussion with Reclamation
- NCPA promoting better collaboration among Reclamation, WAPA, water, and power customers to optimize project-use scheduling and timing around market conditions
- Reclamation and WAPA taking advantage of opportunities in Real-time market. Day-ahead market needs more attention

# Central Valley Project (CVP) Hydropower

## WAPA Pacific AC Intertie (PACI) Project Transmission Exchange Agreement (TEA)

- Continuing to work through the use of new capacity - 200 MW capacity delivered from and/or received at the PG&E DLAP located within the CAISO's balancing authority area
- NCPA would be allotted 62 MW of this capacity
- Avoidance of CAISO Transmission Access Charges (TAC)
- Market simulation scheduled for April (tentative)
- Production release scheduled for May (tentative)



# Central Valley Project (CVP) Hydropower

## WAPA and Reclamation CVP Ongoing Funding Issues

- Reclamation and WAPA continuing funding issues related to limited availability to credit within the Advanced Customer Funding program
  - Upcoming shortfalls within Reclamation's O&M and extraordinary maintenance program are approximately \$33 M (FY 2026 – 2029)
- Reclamation directed to suspend use of Infrastructure Investment and Jobs Act (IIJA) funding
  - Projects at risk:
    - Trinity River Division Transformer Replacements
    - New Melones generator rewinds
    - Spring Creek turbine runner replacements
    - Shasta Station Service
      - SSU1 repair, new transformer & switchgear for both units
    - Shasta Condense Mode capability (restoration)
    - Shasta Distribution Resiliency Upgrades
      - Update protection, improve reliability, additional standby power, upgrade electrical infrastructure, install sub-metering for energy management

# Central Valley Project (CVP) Hydropower

## Potential Impacts of Executive Orders and Federal Policy Initiatives

- EO directing the Secretary of the Interior and the Secretary of Commerce to “immediately take actions to override existing activities that unduly burden efforts to maximize water deliveries” from northern CA to southern CA
  - USACE took action to release water from Terminus and Shafer Dams on January 31
  - No related operational changes from CVP to date
- “Fork in the Road Letter”/Deferred Resignation offer
- Probationary employee policy
  - Two efforts overall, likely to result in 10-20% reduction in staff for WAPA and Reclamation
  - Actions
    - Joint PMA customer representatives letter to the Secretary of Energy

# Central Valley Project (CVP) Hydropower

## APPA Rally Focus

- Sustainable funding
  - Need for long-term solution
  - Potential impacts
  - Forecast shortfall is approximately \$33M over the next four years and will grow
  - Reclamation directed to suspend use of Infrastructure Investment and Jobs Act (IIJA) funding
- Staffing policies
  - Impacts to system reliability and energy security
- Reclamation Cost Allocation Practices
  - Honor intent of court decision
    - Water/power split, including CVPIA
    - Accounting principles must be consistent between water and power purposes
      - Include San Felipe and water distribution facilities on water side of calculations
  - Risk to power and water rates if Reclamation decides to designate past CVPIA costs as “reimbursable”

## Federal Affairs Report



**Sam McDonald**

## Key Administration Confirmations

- Doug Burgum – U.S. Department of Interior, Energy Czar
- Chris Wright – U.S. Department of Energy
- Lee Zeldin – Environmental Protection Agency



# Important Orders

## Executive Orders

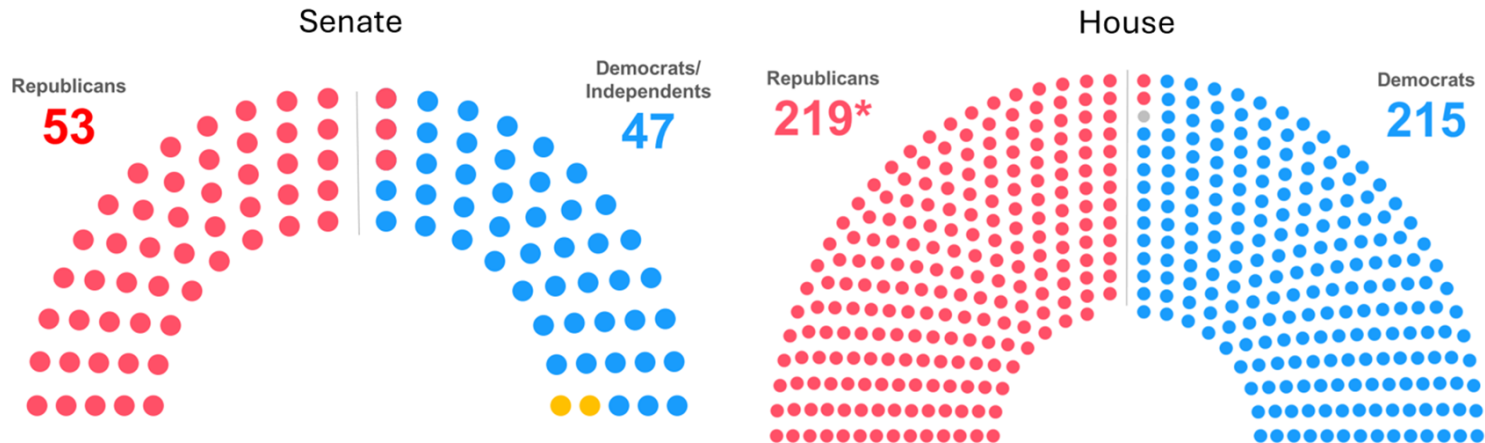
- Declaring a National Energy Emergency
- Unleashing American Energy
- Unleashing Prosperity Through Deregulation



## Secretarial Orders

- Unleash Golden Era of American Energy Dominance (Wright)
- Addressing the National Energy Emergency (Burgum)
- Unleashing American Energy (Burgum)
- Delivering Emergency Price Relief for American Families and Defeating the Cost-of-Living Crisis (Burgum)
- Powering the Great American Comeback (Zeldin)

# Congress & Major Themes



- Administration transition will dominate first half of 2025.
- The House majority is fragile; the Senate is not filibuster-proof.
- Spending cuts will guide (or prevent) legislation.
- Budget reconciliation will be an essential vehicle.
- Legislation forthcoming: permitting reform, comprehensive wildfire legislation, Farm Bill.

## Movers & Shakers in Our Delegation



# Fire Safe Electrical Corridors Act



## 1. [H.Amdt.3](#) — 119th Congress (2025-2026)

**Description:** An amendment numbered 2 printed in House Report 119-1 to allow the U.S. Forest Service to approve the removal of hazardous trees near power lines on federal land without requiring a timber sale, easing a serious threat that has in the past been a major cause of destructive wildfires.

**Sponsor:** [Carbajal, Salud O.](#) [[Rep.-D-CA-24](#)] (Offered 01/23/2025)

**Latest Action:** 01/23/25 On agreeing to the Carbajal amendment (A002) Agreed to by voice vote. ([All Actions](#))

# NCPA Advocacy for the APPA Rally & Beyond

- Maintaining strategic bipartisan advocacy
- Leveraging delegation committee assignments and leadership roles
- Education for new delegation members and broad engagement on NCPA-specific programs and issues
- Utilization of coalitions and stakeholders to help build a national awareness
  - H2Hub, PMA protection, workforce impacts
- Regular, timely communication on all major developments impacting NCPA and its members
  - ARCHES



# NCPA 2025 Federal Policy Priorities

- Power Marketing Administrations (PMAs) – Possible Workforce Reduction
- CVP Funding
- Wildfire Mitigation – Bipartisan Fire Safe Corridors Act
- Hydrogen Hub Funding and Tax Credits
- Sediment Relocation – Permitting Reform



# Regulatory Affairs Report



Scott Tomashefsky

# Capitol Day Aftermath

## A Regulatory Perspective



### Cap-and-Trade

- We are in a holding pattern
  - Regulations to be released in “the first quarter of 2025”
  - No specifics offered by CARB in recent months
- Strategically important to highlight the value of what utilities do with their auction proceeds
- Has implications for regulations and potential legislation reauthorizing the program past 2030

# Affordability – Energy Agency Perspectives

## EXECUTIVE DEPARTMENT STATE OF CALIFORNIA

### EXECUTIVE ORDER N-5-24

**WHEREAS** California has responded forcefully to the climate crisis with ambitious plans for a clean energy future—one in which the State will achieve carbon neutrality economywide by 2045, and run on 100% clean electricity by 2035 and 100% clean electricity by 2045; and

**WHEREAS** clean energy will power more of the daily lives of Californians as we move closer to those goals, from our cars and trucks and trains, to our homes and buildings, to our industrial sector; and

**WHEREAS** it is essential that electric service remains affordable, reliable, and safe for all Californians during our clean energy transition; and

**WHEREAS** California's over four decades of work to advance appliance and building energy efficiency standards has kept electric bills lower on average in California than many other states, but Californians have seen their electric bills rise in recent years, outpacing the rate of inflation; and

**WHEREAS** Californians' electric rate increases have been driven largely by the cost of some programs added over time, such as the subsidy provided through the legacy Net Energy Metering program for rooftop solar photovoltaic systems; and

**WHEREAS** electric rate increases have also been driven by historic investments that are critical to reduce wildfire risk and improve the safety and reliability of the electric grid, particularly in the wake of catastrophic wildfires that devastated communities throughout California in recent years and have been exacerbated by the increasing impacts of climate change; and

**WHEREAS** in 2023, I released the Building the Electricity Grid of the Future: California's Clean Energy Transition Plan to provide a roadmap for keeping electric costs affordable, while effectively managing our energy supply through this transition; and

**WHEREAS** California regulatory agencies have taken important actions within their authority to advance the cost-effective procurement and deployment of clean energy resources while pursuing opportunities to limit and stabilize costs to Californians, including actions by the California Public Utilities Commission to adjust the Net Energy Metering program subsidies to reflect the growth of the rooftop solar photovoltaic market and the value these systems provide to all customers, and through improved oversight and the imposition of cost controls on private utility expenses; and

**WHEREAS** the critical work of upgrading and expanding the aging electric transmission and distribution infrastructure that makes up our electric grid to meet future demand is well underway — investments that will ultimately increase the base of electricity customers and help address rising electricity rates while growing the State's economy; and

**WHEREAS** the upcoming legislative session provides a critical opportunity to take decisive action to rein in those costs by ensuring that private electric utilities and State programs alike are prioritizing the most efficient and effective opportunities to meet energy demand with clean energy resources, informed by the analyses required and requested under this Order; and



January 1, 2025

### California Energy Commission Response to Executive Order N-5-24

#### Overview

The California Energy Commission (CEC), as the state's energy policy and planning agency, is responsible for advancing state energy policy, investing in energy innovation, overseeing energy infrastructure, and preparing for energy emergencies. The CEC is also responsible for advancing energy efficiency and developing renewable energy and has done so in part through longstanding building and appliance efficiency programs, as well as more recent, nation-leading energy research, renewable energy, and load flexibility programs. These programs support California's energy and environmental policies, including the transition to entirely clean energy sources by 2045.

The CEC administers dozens of programs funded by a variety of revenue sources. Outside of the recent one-time state and federal funds dedicated to expediting the state's transition to clean energy, most CEC programs are funded by dedicated revenue sources from special funds. One example is the Clean Transportation Program (CTP), which invests up to \$100 million annually, leveraging public and private investments to accelerate the development of zero-emission and near-zero-emission technologies and reduce petroleum dependence. The CTP receives revenue from vehicle registration, vehicle identification plates, and smog abatement fees. Another example is fees paid by power plant developers to support the CEC's power plant licensing and compliance activities.

The main fund supporting CEC's operational activities is the Energy Resources Programs Account (ERPA). The revenues in ERPA are linked to the sale of metered electricity, and ERPA revenues support activities at the CEC such as building and appliance standards that have helped California consistently rank as a leading state in energy efficiency — including the #1 ranking in the latest assessment of the American Council for an Energy-Efficient Economy (ACEEE).<sup>1</sup> Since their inception in the late 1970s, these standards have significantly reduced energy consumption and ratepayer bills.

The clean energy programs of the CEC are critical to helping the state rise to meet the energy and climate challenges of today and tomorrow, from grid decarbonization to reliability and affordability. The state has made great strides in decarbonizing the California grid. From January to September 2024, for example, the grid reached 100 percent clean energy for a portion of the day in two out of every three days. The grid's struggles with reliability seemed insurmountable only a couple years ago when extreme weather events, more limited flexible resources, and market dynamics, among other influences, led to outages that disrupted lives and the economy.<sup>2</sup> In contrast, this past summer was the hottest in modern history, and ratepayers experienced no outages from supply shortfalls and zero flex alerts. These

<sup>1</sup> ACEEE State Energy Efficiency Scorecard: <https://www.aceee.org/state-policy/scorecard>

<sup>2</sup> CISO, CPUC, CEC (2021) Root Cause Analysis: Mid-August 2020 Extreme Heat Wave. <https://www.ciso.com/Documents/Final-Root-Cause-Analysis-460-August-2020-Extreme-Heat-Wave.pdf>

January 1, 2025  
715 P Street, Sacramento, CA 95814

## CPUC Response to Executive Order N-5-24

February 18, 2025



California Public  
Utilities Commission



## Other State Regulatory Updates

- CEC
  - Power Source Disclosure
  - Resource Adequacy
  - 2025 Integrated Energy Policy Report – Scoping Order
- CARB
- CPUC
- Wildfire Safety Advisory Board
- State Water Resources Control Board



## Federal Update

- FERC
  - Mark Christie officially named Chair on January 20<sup>th</sup>
  - Implications for FERC policy agenda
    - Consumer costs
    - Reliability
    - Grow state/federal partnerships
  
- NERC
  - Influence of public power sector grows
  - Key Policy Issues
    - Inverter-based Resources impacts on power grid (solar/wind)
    - Large loads
    - Supply Chain



## Upcoming Events in 2025

- **APPA Legislative Rally**
  - February 24 — 27
  - Location: Washington, D.C.
- **NCPA/NWPPA Federal Policy Conference**
  - Date: April 27 — May 1
  - Location: Washington, D.C.
- **NCPA Annual Conference**
  - Date: September 24 — 26
  - Location: Monterey, CA



