



L&R Committee Meeting

December 4, 2024
Legislative & Regulatory Affairs Committee

Item 1

Call to Order/Roll Call

Review Safety Procedures



Item 2

Approval of Minutes

L&R Committee Meetings:
August 21, 2024
September 25, 2024



Item 3

2024 Election Recap: View from a Pollster

Paul Mitchell

**Vice President—
Political Data Inc.**

**Owner—
Redistricting Partners**



Item 4

MTCSA with LaVigne Strategies, LLC for State Legislative Consulting Services

Action:
Recommendation for
Approval at 12/5/2024
NCPA Commission Meeting



Staff is seeking a recommendation to enter into a Three-Year MTCSA with LaVigne Strategies, LLC for state legislative consulting services for a not-to-exceed amount of \$540,000, for use by NCPA. The agreement includes the possibility for amendment to extend the term for an additional two years for a maximum contract term of five years and, in that event, a total not-to-exceed amount of \$900,000.

Item 5

First Amendment to MTCSA with Association Management Solutions, LLC for Conference and Event Planning Services

Action:
Recommendation for
Approval at 12/5/2024
NCPA Commission Meeting



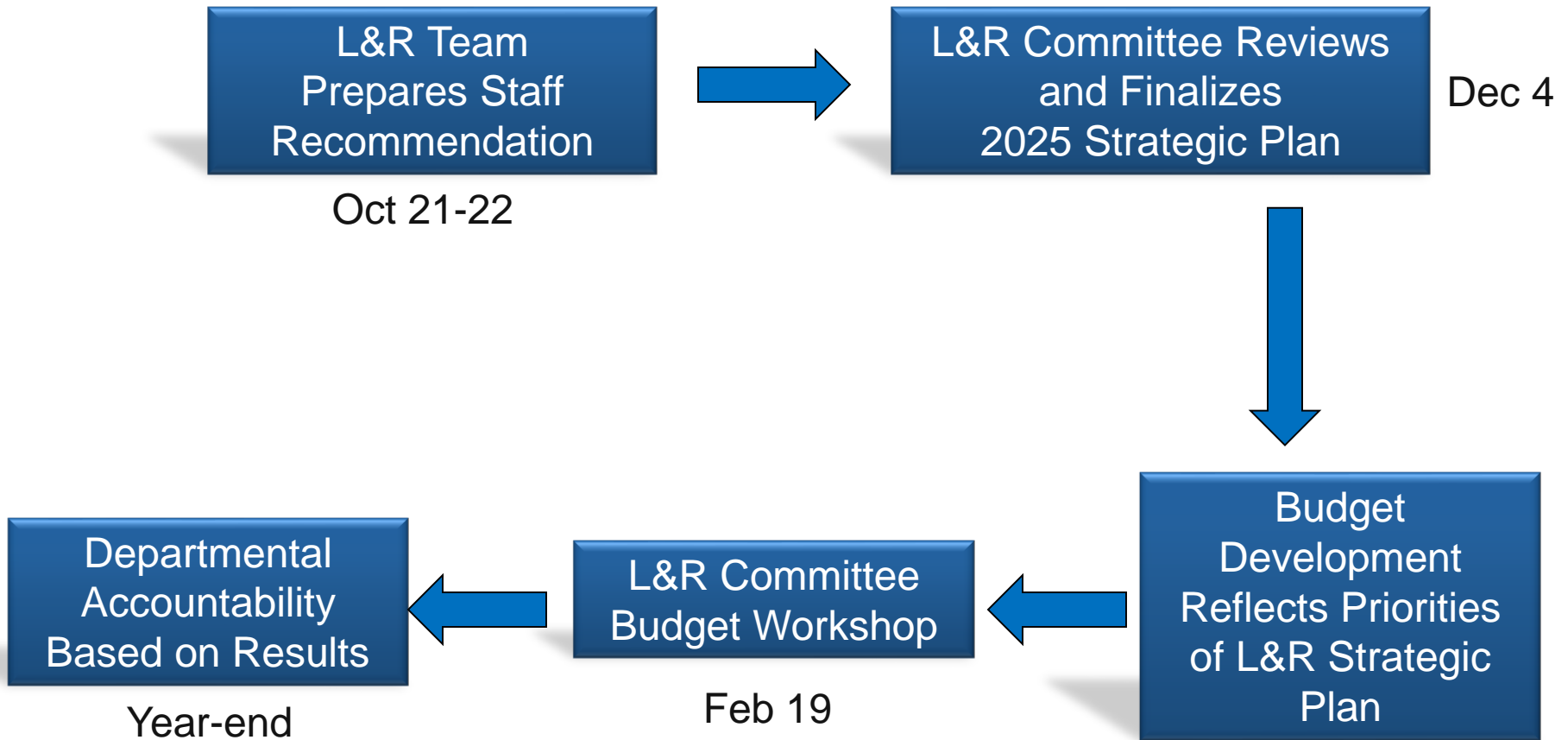
Staff is seeking a recommendation to enter into a First Amendment to the MTCSA with Association Management Solutions, LLC (AMS) for Conference and Event Planning Services to extend the term of the Agreement for an additional two-year period, increase the total not-to-exceed amount from \$450,000 to \$620,000, and to update the Compensation Schedule, for continued use by NCPA, NCPA Members, by SCPPA, and SCPPA Members.

NCPA L&R Affairs Committee 2025 Strategic Plan



**Accomplishments—2024
Trends and Initiatives—2025**

L&R Strategic Planning Process



L&R Strategic Planning Overview

L&R Mission Statement

We protect and enhance the value of NCPA's investments and the ability of NCPA's members to provide their customers with reliable, low-cost, and environmentally responsible electric service—through joint action.

A large, thick grey arrow pointing to the right, which serves as a background for the three blue boxes.

Accomplishments

Trends

Initiatives

L&R Long-term Goals

- Preserve and enhance local responsibility
- Promote public power and NCPA members' ability to serve customers with reliable and low-cost electrical service
- Advance NCPA as a credible solution-oriented leader
- Promote the environmentally and socially responsible achievements of NCPA members
- Provide timely communications and coordination to support strategic decisions and grass-roots advocacy



L&R 2025 Strategic Plan

Summary of Initiatives

Address Affordability

- Optimize value of Western resource
- Promote market expansion in the West
- Support electrification efforts that can be supported operationally
- Maximize benefits of market-based programs (Cap-and-trade, Low Carbon Fuel Standard)
- Advance wildfire prevention and limit utility wildfire liability
- Pursue grant funding and secure pending awards



Promote Value of Local Accountability

- Tell our story
- Actively engage with state/federal policymakers
- Effectively leverage partnerships
 - APPA/NWPPA
 - TAPS
 - CMUA/SCPPA
 - CalETC
 - NHA

A culture of accountability makes a good organization great and great organization unstoppable.

– Henry Evans

Value to NCPA Members



■ Federal

- Played major role in customer dialogue which led development of pre-pay COTP Series Capacitor Agreement (\$8 million in savings)
- Influenced WAPA to pursue additional benefits in renewing Pacific AC Intertie Transmission Exchange Agreement with PG&E (Up to \$5 million in savings for NCPA members)

■ State

- Low Carbon Fuel Standard: Secured regulatory changes to increase the number of base credits POUs retain (\$2 million annual savings)
- With GM and Gen Services, preserved federal funding commitment for LEC hydrogen project under ARCHES program (\$20 million restored)

■ Administrative

- Report Coordination
 - Developed 2024 energy efficiency reports (\$150K savings)
 - Led/facilitated completion of multiple NCPA member compliance reports (\$75K savings)
- Through Federal Power Working Group, offset NCPA member staffing otherwise needed to influence operations of Reclamation and WAPA initiatives (\$414,000 in direct savings)
- Coordinated submittal of grants (\$7.1 million FX Upgrade, \$38K DEED grant to develop 100% Hydrogen Deployment Strategy, both) at LEC

Key Accomplishments—2024

Western

- Implemented monthly Federal Power Working Group meetings, offsetting NCPA member staffing otherwise needed to influence operations of Reclamation and WAPA initiatives (\$414,000 in savings to members)
- Played major role in customer dialogue leading to a decision to pre-pay COTP Series Capacitor project (\$8 million in savings)
- Influenced WAPA to pursue additional benefits in renewing Pacific AC Intertie Transmission Exchange Agreement with PG&E
 - Secured an additional 200 MW of transmission capacity, with 62 MW allocated to NCPA
 - NCPA could realize as much as \$5 million in savings for CVP power



Key Accomplishments—2024

Western

- NCPA leveraged its status as a Cooperating Agency in the Reclamation EIS on the long-term operations of the CVP to protect the value of hydropower
 - Currently awaiting response from Reclamation on comments to public draft EIS
- Gained support from another WAPA regional customer group, through the APPA PMA Taskforce, to emphasize NCPA comments on long-term operations of the CVP
- Gained WAPA commitment to deeply engage NCPA and its members in EDAM implementation discussions and development of business practices



Key Accomplishments—2024

Western

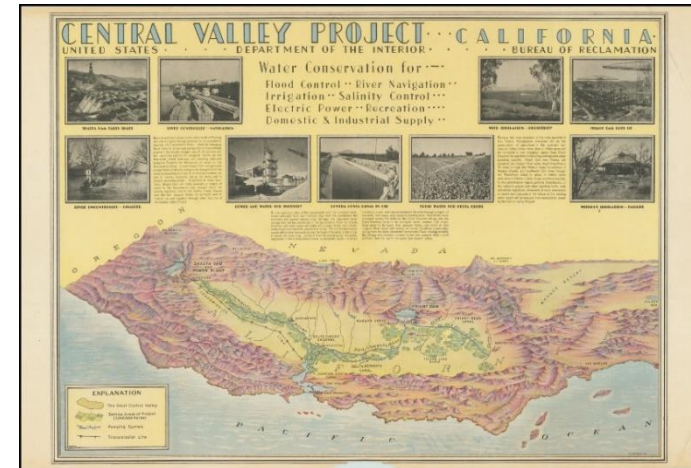
- Participated in collaborative committee to explore CVP sustainable funding
 - Reclamation is working with water customers to participate in advanced customer funding program to increase funding availability, and/or request appropriations
- Helped advance WAPA forecasting improvement initiative
- Partnered with DOE Labs to secure a \$975,000 grant to study hybridization of utility scale battery and hydropower



Key Trends—2025

Western

- Advanced customer funding ability to credit issue continues to limit availability of funding for WAPA and Reclamation O&M and capital projects, due to:
 - Power customer pre-payment of capital investment, resulting in decreased interest accrual
 - Identified by recent cost allocation study
 - Transmission loss repayment, transmission sales, and EIM revenues
 - Transmission capacity from recent PACI TEA will provide additional revenue and/or transmission into CAISO
 - EDAM may provide additional revenue
- WAPA and Reclamation are becoming more proactive about optimizing CVP



Key Trends—2025

Western

- Base Resource Forecasting needs additional improvement
 - Advanced modeling needed
 - More specific
 - Currently based on monthly averages
 - Water forecasting/inflow
 - Project-use Energy, quantity and timing
 - Power bypass requirements
- Value of CVP hydropower continues to be at risk from changing operations due to state and federal environmental actions
 - Re-initiation of Consultation on Long Term Operations of the CVP (ROC on LTO)
 - Bay-Delta Water Quality Plan



L&R Key Initiatives—2025

Western

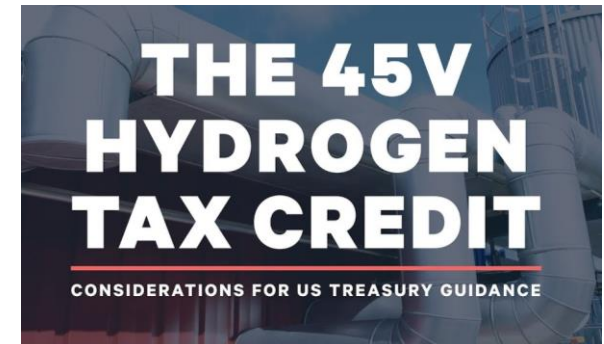
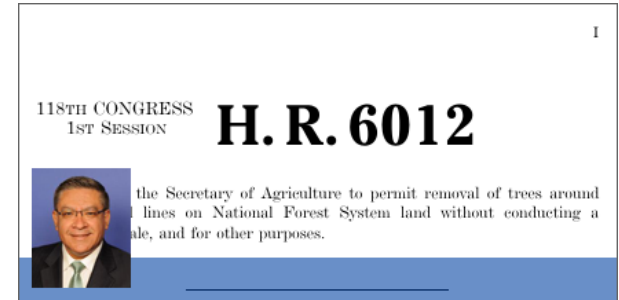
- Continue pushing for more effective processes and tools to improve Base Resource modeling and forecasting
- Engage in CVP EDAM implementation to protect value for all NCPA members
- Protect CVP power customers in ROC on LTO EIS and state's Bay-Delta Water Quality actions
- Monitor potential changes due to election outcome
 - Committee focus and actions
 - Actions from DOE resulting from Administration change
- Explore options for WAPA and Reclamation sustainable funding
- Monitor future CVPIA cost allocation issues to prevent additional costs to power customers



Key Accomplishments—2024

Federal Legislative

- Record attendance for NCPA/NWPPA Federal Policy Conference, demonstrating strong grassroots advocacy on behalf of public power priorities
- Hearing and markup of H.R. 6012, the Fire Safe Electrical Corridors Act as well as inclusion in both House & Senate Farm Bills, and the Bipartisan Senate Permitting Bill
- Engaged Delegation and Department of Treasury on 45V Clean Hydrogen Credit and protected NCPA's federal hub funding allocation



Key Trends—2025

Federal Legislative

- Administration change is expected to dominate the first half of 2025
- Republican trifecta will seek aggressive reforms
- House majority is extremely fragile
- Spending cuts will guide (or prevent) legislation
- Budget reconciliation will be an essential vehicle for reform
- Minorities within the majorities will have major leverage
- Anticipate clawbacks of IRA and IIJA
- Federal workforce challenges are inevitable



2025 Will be a Year of Change

- New Congress begins January 3
- New Administration begins January 20
- New Committee Leadership:
 - Senate Energy & Natural Resources
 - Senate Environment & Public Works Committee
 - Senate Finance
 - House Energy & Commerce
 - House Natural Resources
 - House Western Caucus
- New Senate Majority Leader
- New NCPA delegation members



New NCPA Federal Delegation Members

Senate:

Adam Schiff (D)



House:

- CA-12 – Lateefah Simon (D)
- CA-16 – Sam Liccardo (D)



L&R Key Initiatives—2025

Federal Legislative

- Identify opportunities to advance NCPA's policy priorities within the context of the new Administration
- Educate and cultivate relationships with new Members of Congress and staff, as well as incoming agency personnel
- Maintain strong Congressional delegation support for LEC hydrogen project
- Advance Fire Safe Electrical Corridors Act in lame duck disaster legislation, this year's Farm Bill package, or broader Farm Bill in the coming Congress
- Continue engagement on permitting reform, including regulatory streamlining for NCPA's sediment removal project
- Ensure protection of federal hydropower



Key Accomplishments—2024

State Legislative

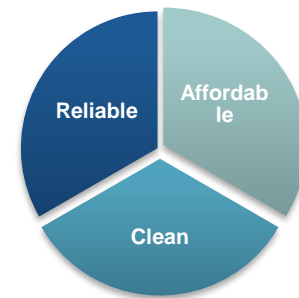


- Advanced NCPA mission to provide reliable, safe, and affordable power to ratepayers
 - AB 2368 establishes CAISO minimum planning reserve requirements. NCPA early engagement in debate resulted in removal of POU from minimum reserve requirements
- Preserved NCPA Member responsibility and local authority over public power operations
 - AB 2037 authorizes country sealers to test and verify the accuracy of electric chargers. As a result of advocacy by NCPA and SCPPA, early drafts of the legislation were amended to provide an exemption for POUs that meet certain requirements
- Protected Public Power Infrastructure
 - SB 1251 mandates that mosquito abatement offices coordinate with utilities when a mosquito problem is identified on utility property. This legislation was amended to address security considerations that NCPA highlighted for lawmakers
 - AB 2221 would have established a strict timeframe for POUs to approve or deny power design applications for telecommunication infrastructure on POU poles. Due to NCPA advocacy, the bill died in Appropriations Committee

Key Trends—2025

State Legislative

- As power costs continue to rise, legislators have stated their intent to examine options for improving energy affordability
- Labor plans to sponsor legislation to formalize regionalization of California's electricity market
 - POUs expected to co-sponsor with NCPA leading that effort
- Extension of cap-and-trade beyond 2030 will likely be a central energy policy issue at the State Capitol
- Permitting reform may be proposed by state legislators interested in streamlining clean energy deployment and transmission development
- Legislature will likely continue frequent public engagement with state energy agencies (CARB, CEC, CPUC, CAISO) focusing on decarbonization and affordability
- State budget shortfalls continue to impact Legislative Debate
 - Legislative Analysis Office anticipates a \$2 billion state budget deficit for FY 25-26, likely to impact state hydrogen funding, among other issues



L&R Key Initiatives—2025

State Legislative



- Encourage policymaking that advances cost-containment and affordability for ratepayers, including the use of market-based programs (cap-and-trade)
- Secure needed/anticipated state funding levels for LEC hydrogen project/California hydrogen hub. Encourage Senator McNerney to continue championing LEC in his new role as State Senator
- Support policies that allow for flexible implementation of cost-effective improvements to grid reliability and resilience, given anticipated load growth
 - Permitting reform for clean energy deployment and transmission development
 - Maintaining existing natural gas infrastructure
- Advocate for regional market expansion affiliated with the Pathways Initiative
- Promote legislative strategies that reduce wildfire risk and protect against adverse impacts on public power systems
 - Seek solutions to insurance and liability issues for POUs
- Oppose policies that impede local decision-making

2025 Legislative Session

- 23 new Assemblymembers and 11 new Senators were sworn in on December 2nd, the largest freshman class in a decade
- Democrats will maintain a super-majority in the Assembly and Senate

With significant changes, focus will be on establishing new relationships and educating members about NCPA

Alameda

State Senate: **Jesse Arreguín (D)**
Assembly: Mia Bonta (D)

BART

State Senate: **Jesse Arreguín (D)**
Assembly: Mia Bonta (D)

Biggs

State Senate: **Megan Dahle (R)**
Assembly: James Gallagher (R)

Gridley

State Senate: **Megan Dahle (R)**
Assembly: James Gallagher (R)

Healdsburg

State Senate: Mike McGuire (D)
Assembly: **Chris Rogers (D)**

Lodi

State Senate: **Jerry McNerney (D)**
Assembly: **Rhodesia Ransom (D)**

Lompoc

State Senate: Monique Limón (D)
Assembly: Greg Hart (D)

Palo Alto

State Senate: Josh Becker (D)
Assembly: Marc Berman (D)

Plumas-Sierra REC

State Senate: **Megan Dahle (R)**
Assembly: **Heather Hadwick (R)**

Port of Oakland

State Senate: **Jesse Arreguín (D)**
Assembly: Mia Bonta (D)

Redding

State Senate: **Megan Dahle (R)**
Assembly: **Heather Hadwick (R)**

Roseville

State Senate: Roger Niello (R)
Assembly: Joe Patterson (R)

Santa Clara (Silicon Valley Power)

State Senate: Aisha Wahab (D)
Assembly: **Patrick Ahrens (D)**

Shasta Lake

State Senate: **Megan Dahle (R)**
Assembly: **Heather Hadwick (R)**

Truckee Donner PUD

State Senate: **Megan Dahle (R)**
Assembly: **Heather Hadwick (R)**

Ukiah

State Senate: Mike McGuire (D)
Assembly: **Chris Rogers (D)**

Key Accomplishments—2024

Regulatory

- Successfully defended NCPA financial interests associated with participation in the state's cap-and-trade program
 - Ensured that ongoing flow of \$35-40 million in annual proceeds that NCPA members regularly receive from the state's cap-and-trade program is not reduced in conjunction with anticipated changes to the cap-and-trade regulations
 - Promoted importance of NCPA-member programs funded by cap-and-trade program
- Accelerated advocacy efforts to ensure that the state/federal agencies consider electric affordability and hydrogen in their respective policy objectives
 - CEC/CARB – As part of statewide SB100 report focusing on a clean energy mix, as well as ongoing cap-and-trade debate
 - FERC/NERC – Raise awareness about the impacts that FERC/NERC policies have on NCPA customers
- Secured acceptable set of changes to regulatory language associated with changes to utility Power Content Labels, in conjunction with NCPA's public power partners

Key Accomplishments—2024

Regulatory



- Wildfire Mitigation Work
 - Dramatically improved relationship NCPA and our partners have with members of the Wildfire Safety Advisory Board (WSAB)
 - Better highlights work being done by POU's and rural cooperatives to protect their communities from the risk of catastrophic wildfire. Sets POU's and coops far ahead of IOU counterparts in this regard. WSAB assessment of wildfire mitigation plans reflects the value of POU/coop activities
- Program and Administrative Support for Members
 - Assured member compliance with regulatory reporting requirements
 - Facilitated submittal of NCPA and NCPA-member reports to CARB, the CEC, and the WSAB (\$225K savings)
 - Provided policy/program design advice and responded to agency queries
 - Provided specific transition support for members as they encountered significant personnel changes

NCPA Focus:
Protect interests
of small entities,
along with APPA
and TAPS

Key Accomplishments—2024

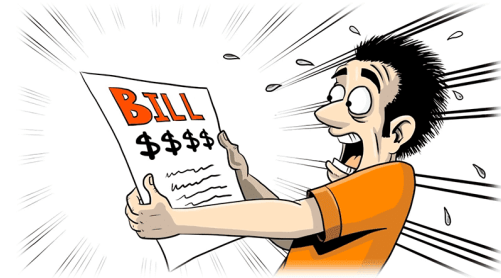
Regulatory

- Ensured that NCPA is influencing technical and policy debate at FERC/NERC
 - Fostered ongoing relationships with FERC staff assigned to address reliability issues
 - Held regular one-on-one sessions with senior-level executives to address reliability issues related to compliance, monitoring, and enforcement. Shaped direction of NERC Internal Audit activities evaluating the effectiveness of NERC compliance programs.
 - Secured spot for NCPA General Manager to testify at 10/16/24 NERC Reliability Technical Conference.
 - NCPA recognized as a leading national voice for public power, reflecting active involvement at APPA and NERC.
 - Chaired TAPS Regulatory Committee and appointed to lead TAPS NERC/NAESB Committee,
 - NCPA leads development of TAPS recommendations addressing reliability/transmission policy
- Shaped NERC reliability agenda through direct leadership of key industry committee
 - As Chair of the Compliance and Certification Committee and member of the Members Representative Committee, appointed to the Business Plan and Budget Input Group and the MRC “Kitchen Cabinet”
 - Provided unique access to shaping the details of the NERC budget and policy direction only provided to 3-5 industry representatives across North America.
 - Regular interaction with senior NERC management

Key Trends—2025

Regulatory

- State energy agencies struggle with attempting to reach GHG targets while addressing state budget limitations and the needs of disadvantaged communities and low-income consumers
- Agency myopia grows despite claims of unprecedented collaboration
- High electric utility bills will provide a backdrop for policy debate on affordability in Sacramento and Washington, D.C.
- Expected transmission buildout and fundamental shift in generation mix will press the boundaries of operational reality
- Reliability risk continues to grow across North America
- The jurisdictional boundaries of state and federal agencies blur with the growing complexity of the grid



L&R Key Initiatives—2025

Regulatory



- Protect NCPA-member interests as key state and federal climate policies are implemented
 - Minimize potential reduction in freely allocated cap-and-trade allowances to NCPA members through 2030
 - Promote policies that transition RPS policy to a clean emissions standard
 - Address ways to transition the natural gas system for carbon reduction while protecting the public interest
 - Seek rules that allow hydrogen to receive policy treatment that equals energy storage
 - Provide policy support for Pathways Initiative and market expansion in the West
 - Pursue policies that link carbon reduction benefits with reducing wildfire risk.
- Ensure that regulatory actions taken to support grid reliability do not create undue operational/financial burdens for small and medium-sized utilities
 - Minimize cost impacts associated with initiatives at FERC/NERC to build a more robust transmission system (particular focus on addressing financial incentives)

L&R Key Accomplishments—2024

Customer Programs

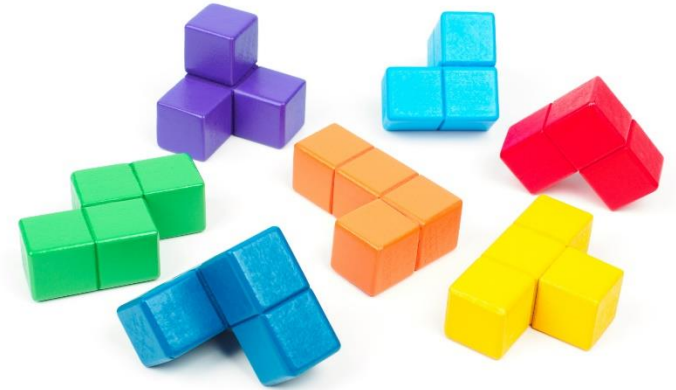


- **Advanced Clean Fleets (ACF) – Fleet electrification**
 - Collaborated with Joint POU and CARB staff to initiate amendments to the Advanced Clean Fleets regulation to implement statutory changes for public agency utilities
 - Advised Members on submittal of exemption applications and annual reporting requirements
- **Low Carbon Fuel Standard (LCFS) – Funding for EV programs**
 - Negotiated increases in credits allocated to POU programs for transportation electrification
 - Secured provisions enabling refund/reallocation of approximately \$10 million to small POU
 - Maintained POU program flexibility by preventing additional funding restrictions
- **Energy Efficiency and Electrification Reporting**
 - Established a Joint POU electrification working group to develop a coordinated approach to electrification measure reporting
 - Guided updates to the POU Technical Reference Manual, the energy efficiency reporting platform, and the annual energy efficiency report

Key Trends—2025

Customer Programs

- Funding Tetris
 - Stacking rebates and incentives
 - Protecting utility funding
 - Grants, state funding programs
- Forecasting Demand Growth
 - 10 – year energy efficiency forecast
 - Accessing data on EV and charger deployment and trends
- Electrification Measures go Mainstream
 - Updates to the Building Code
 - Costs are an issue



L&R Key Initiatives—2025

Customer Programs

- Assist with compliance and reporting issues for Member fleets
- Update energy efficiency reports based on coordinated POU approach to electrification
- Facilitate discussions between Members and the CEC on demand response programs and results



- Guide the redistribution of Clean Fuel Reward (CFR) dollars to POUs
- Ensure updates to the LCFS reporting templates and guidance documents don't negatively impact Members

L&R Key Accomplishments—2024

Grants Funding

- Ongoing funding and grants opportunity tracking
- Member support for grant applications
- Coordinated submittal of internal grant applications
 - NCPA's successful application to fund the LEC FX upgrade (\$7.1 million)
 - DEED grant to study charting a pathway to 100% hydrogen production capability (\$38,000)



Key Trends—2025

Grants Funding

- Will federal IRA funding continue?
- Federal funding distributed by the CEC
 - Energy efficiency and electrification programs
 - Solar funding for POU's
- Lessons from the IRA
 - Member and NCPA implementation of grant-funded programs
 - Lessons learned from grant applications and grant management



L&R Stakeholder Relationships and Leadership



Board Member, PowerPAC
Legislation & Resolutions Committee
PMA Task Force
JAA Working Group



Member, Legislative Committee



Chair, CalETC Board



Member, Government Relations
Committee



Chair, TAPS
Chair, Regulatory Committee
Chair, NERC-NAESB Committee



Chair, CFR Steering Committee



Member, Legislative Committee
Member, Regulatory Committee



Chair, Compliance & Certification Committee
Member, Member Representatives Committee
Member, Enterprise-wide Risk Committee
Member, Standing Committee Coordination Group

Upcoming Events in 2025

- **NCPA Strategic Issues Conference**
 - January 21—23
 - Location: Sacramento
- **Capitol Day**
 - February 3
 - Location: Sacramento
- **APPA Legislative Rally**
 - February 24—26
 - Location: Washington, D.C.
- **NCPA/NWPPA Federal Policy Conference**
 - Date: April 26—May 2
 - Location: Washington, D.C.



