



L&R Committee Meeting

February 23, 2022
Legislative & Regulatory Affairs Committee

Item 1. Call to Order/Roll Call



Item 2. Approval of Minutes

L&R Committee Meetings: 12/1/21
Special L&R Committee Meetings: 12/16/22

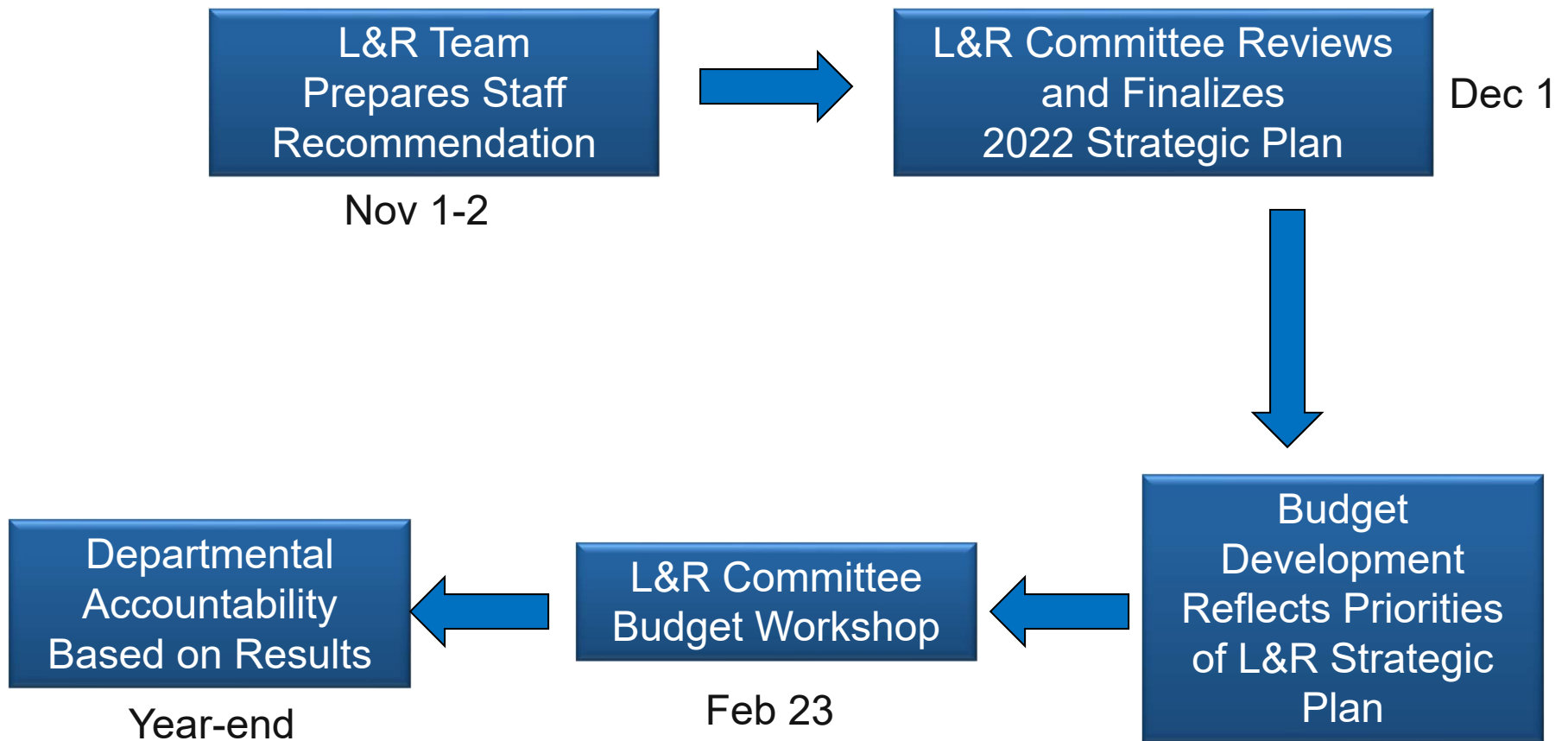


NCPA L&R Committee Budget Workshop

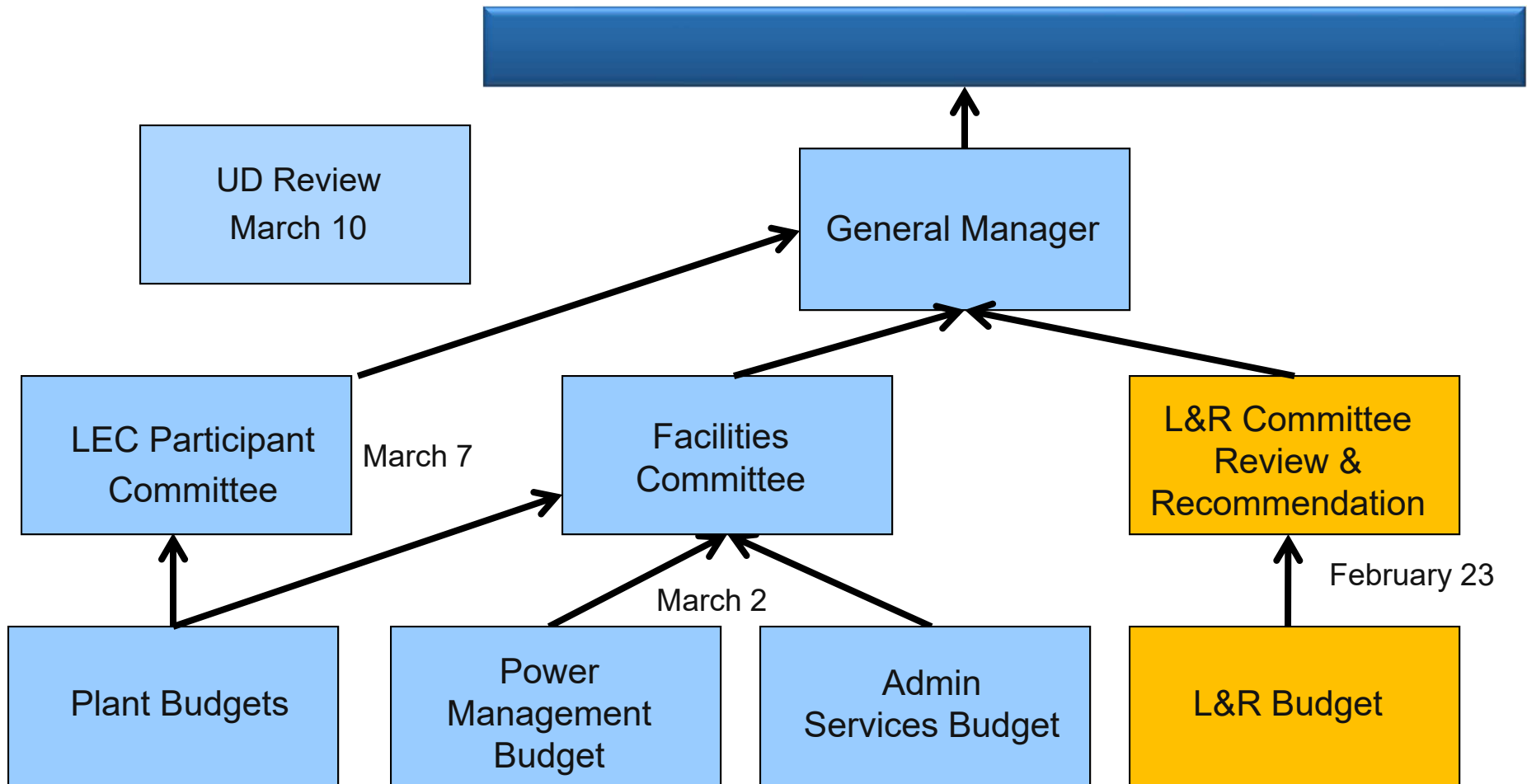


Jane Cirrincione

L&R Strategic Planning Process



NCPA Budget Review Process



FY2023 L&R Budget Key Considerations

- Operational L&R budget is \$1.41 million
 - Includes new funding for grant writing and tracking services
- Total does not include passthroughs (\$510,347)
 - Special projects allocated only to NCPA members that participate
 - APPA Dues, DEED, SEPA, CEE Membership



NCPA L&R Budget FY2023

State/Federal Advocacy (Legislative & Regulatory)

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

- Promote local decision-making
- Secure infrastructure grant funding at state and federal levels to support NCPA-member programs and agency initiatives, including hydrogen integration at LEC
- Advance policies that control and/or reduce regulatory compliance burden and cost
- Encourage policymaking that recognizes energy affordability challenges—including assistance for utility arrearages
- Secure comparable tax incentives for public power
- Seek support for addressing impact of climate change on utility infrastructure, including sediment removal
- Proactively engage in development of wildfire-related policies to advocate for strategies that reduce wildfire risk and protect against adverse impacts to public power systems.

62% of Budget
\$873,200

Grassroots Advocacy Support:

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



NCPA L&R Budget FY2023 Western Programs

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

- Protect NCPA members from unwarranted or rising costs and resource reductions
- Maintain CVPIA true-up credits to reduce exposure to new costs resulting from CVPIA funding plans and implementation of biological opinions
- Strike a balance with environmental goals while avoiding harm to fish and reducing power bypass operations and cost exposure
- Advance clean, carbon-free attributes of large hydro
- Monitor EIM expansion, potential regionalization efforts, and evolving markets
- Federal agency efforts to develop and improve modeling and forecasting tools

12% of Budget
\$165,000



NCPA L&R Budget FY2023

Customer Programs

15% of Budget
\$218,100

Program Objectives:

- Assist Members in tracking and preparing for state and federal funding opportunities
- Seek additional flexibility and clarity related to LCFS equity requirements and Advanced Clean Fleets regulation
- Shape state funding opportunities for customer programs-related funding opportunities
- Ensure that the transition to the electronic Energy Efficiency Technical Reference Manual, to measure the effectiveness of energy efficiency programs. meets the needs of all NCPA Members
- Support customer program needs through RFPs, vendor outreach, and working group meetings



NCPA L&R Budget FY2023 Dues for Key Coalitions

6% of Budget
\$78,145

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 FY2023

5% of Budget
\$74,542

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



NCPA Budget FY2023 Legal Support

\$279,000 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



NCPA L&R Budget FY2023

NCPA Member Pass-through Costs

\$510,347

- 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
 - Technical Reference Manual
 - Energy Efficiency Reporting Tool



NCPA FY2023 Budget Review

Key Changes to Operational Budget Compared to FY2022

Increases

▪ Grant Writing Assistance	\$50,000
▪ State Advocacy	30,000
▪ LCFS Support Services	25,000
▪ Grant Tracking Services	21,600
▪ TAPS Membership	725

Pass through Changes

▪ Technical Reference Manual	\$15,000
▪ Member Dues (Net Increase)	1,142
▪ Energy Efficiency Reporting Tool	(235)

Net Change from FY2022

+ \$127,325

Net Change from FY2022

+ \$15,906

Next Steps

- February 23 – Committee consideration and recommendation to NCPA Commission
- March 10 – Utility Directors' Review
- April 28 – NCPA Commission consideration and approval



Item 4. MTCSA with Government Affairs Consulting for State Legislative Consulting Services

Action:
Recommendation for
Approval at 2/24/2022
NCPA Commission Meeting



Staff is seeking a recommendation for approval of a five-year MTCSA with Government Affairs Consulting for state legislative consulting services, with a not to exceed amount of \$990,000, for use by NCPA

Item 5. MTCSA with Kanner and Associates for Federal Legislative and Regulatory Advocacy Services

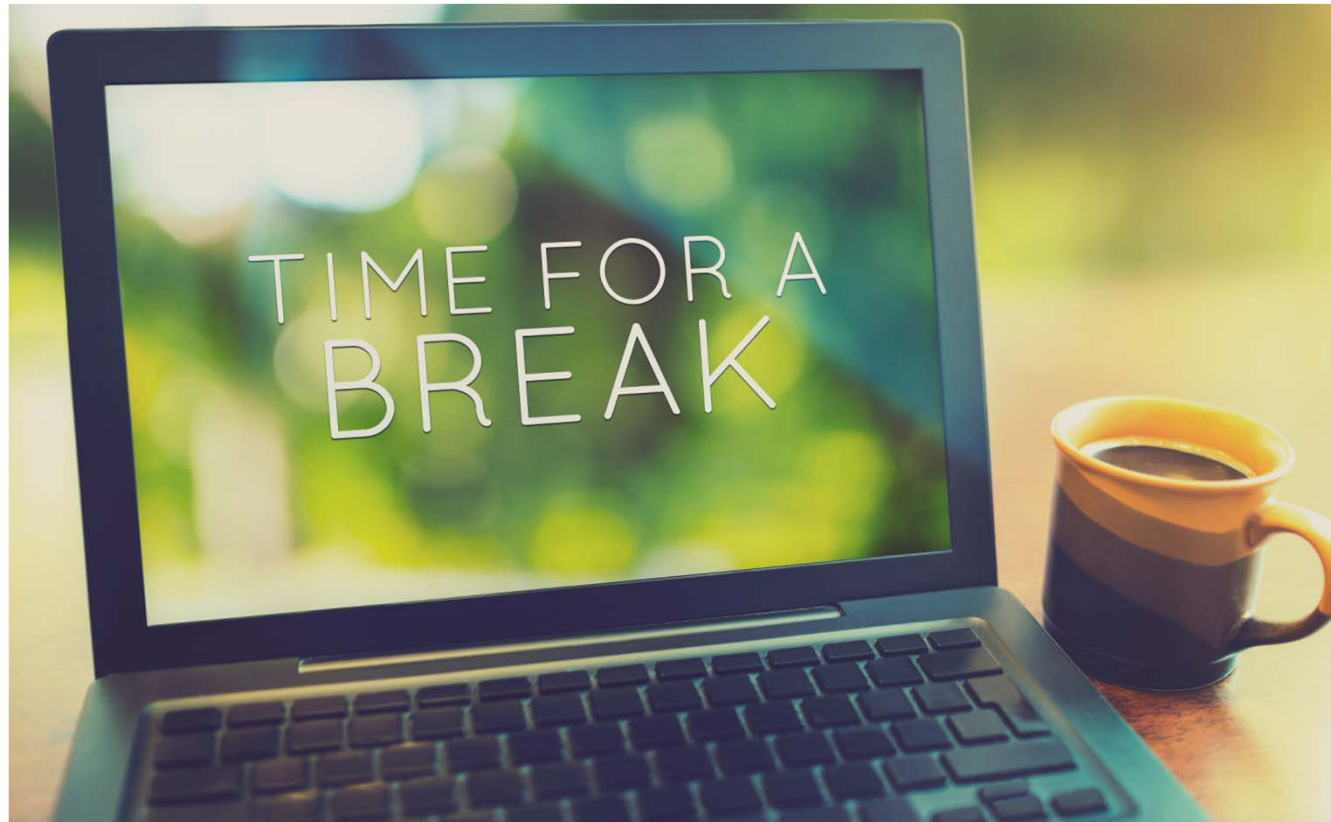
Action:
Recommendation for
Approval at 2/24/2022
NCPA Commission Meeting



Staff is seeking a recommendation for approval of a two-year MTCSA, with a right to renew for a third year, with Kanner and Associates for federal legislative and regulatory advocacy services, with a not-to-exceed amount of \$930,000, for use by NCPA



N O R T H E R N C A L I F O R N I A P O W E R A G E N C Y





N O R T H E R N C A L I F O R N I A P O W E R A G E N C Y

Federal Affairs Report



Jack Lincoln
Marty Kanner

Federal Legislative Update

Current Trends

- Midterm elections and rising inflation significantly reduce likelihood of major legislative action this year
 - That said, considerable attention among federal agencies to focus on implementation of the Bipartisan Infrastructure Bill
- Death of BBB Act creates possibility for standalone energy package that includes clean energy incentives
- FY 2022 Appropriations process will likely result in an Omnibus spending bill to fund govt. through end of year, and FY2023 may also face hurdles



L&R Key Initiatives

Federal Legislative

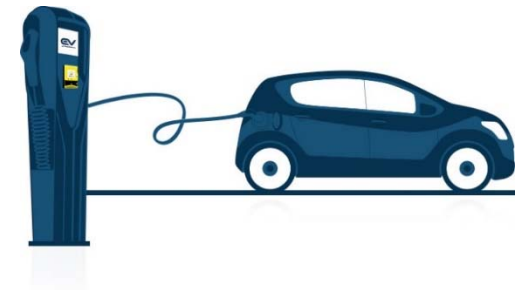
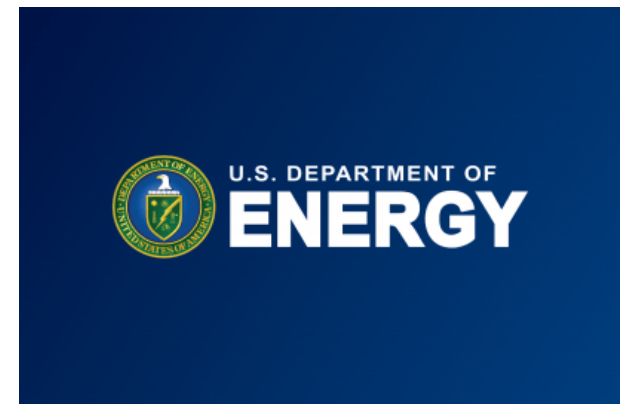
- Identify, prioritize, and pursue funding opportunities for NCPA and member infrastructure projects
 - Continue outreach and education on NCPA's hydrogen project and secure federal funding
 - Obtain federal funding and regulatory streamlining for NCPA's sediment removal project
- Continue educational outreach on the importance of aligning future state/federal climate programs
- Secure non-reimbursable funding for federal facilities related to infrastructure and/or environmental improvements
- Advance tax incentives for energy storage and transmission, including "Direct Pay" option for public power
- Efforts to advance relicensing reforms continue



L&R Key Initiatives

Federal Grants

- Federal funding opportunities NCPA has targeted as potential infrastructure projects:
 - Green hydrogen development
 - Sediment removal from our hydroelectric reservoir
 - Electric vehicle charging infrastructure
 - Grid hardening to prevent wildfires
- Next steps
 - Meeting with grant writers and federal agency staff
 - Monitoring deadlines and applying for grants
 - Securing support from NCPA's congressional delegation



Federal Power Update



Regina Rieger

Western (WAPA) – Central Valley Project Hydropower

CVP Cost and Resource

- Lower cost but also base resource
- Current year fixed cost is \$11 million less than average since 2006
- Drought reducing base resource availability and pushing up unit rate
- Weather “whiplash” creating uncertainty on water year

CVP Component	Average Since 2006	Current Year FY 2022
Base Resource (\$)	\$67 million	\$62 million
CVPIA RF (\$)	\$23 million	\$17 million
Total (\$)	\$90 million	\$79 million
CVP Energy (GWh)	2,977	1,551
Unit Rate (\$/MWh)	\$30	\$51

Other Central Valley Project Updates

- Transitional Period
 - Reservoir levels improved but year trending dry
 - Reclamation’s CVPIA True-up and Business Practice Guidelines still under review
 - CVPIA completion metrics uncertain
 - BioOps (ESA) New Consultation
 - Bay Delta Water Quality Plans (flow requirements under Clean Water Act) implementation timelines set
- Bipartisan Infrastructure Bill funding and grants
- Inflation challenges ahead

Customer Programs Update



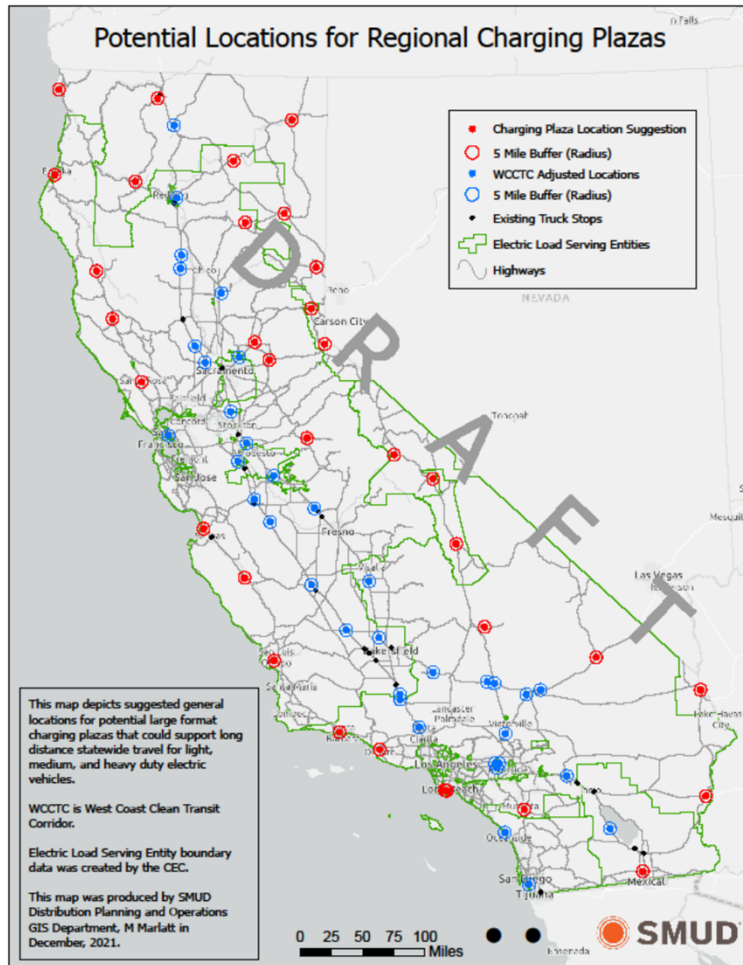
Emily Lemei

Transportation Electrification



- Low Carbon Fuel Standard (LCFS) equity requirement now in effect
 - 30% of residential credit proceeds must be spent on “equity” projects
 - “Encumbrance” qualifies
 - Working with CARB on reporting guidance and template

Regional EV Charging Planning Efforts



- West Coast Clean Transit Corridor Initiative (WCCTCI)
- California Utility MOU
- Best practices for EV supply equipment
- Outreach to truck stops
- Load modeling

Identification of Funding Opportunities

- Grant Writing Assistance contracts executed
- Monitoring of state and federal funding
 - DOT Federal Guidance released
 - New state programs launching soon
- Outreach to relevant state/federal agencies



Energy Efficiency



- Annual report due March 15
 - Individual POUs submit data within the joint reporting platform in February
 - Collaborative process with CMUA and SCPPA to aggregate the data and submit report to the CEC
 - Future updates made to the tool and reporting platform will allow more customization and increased accuracy in tracking program results

Break Time

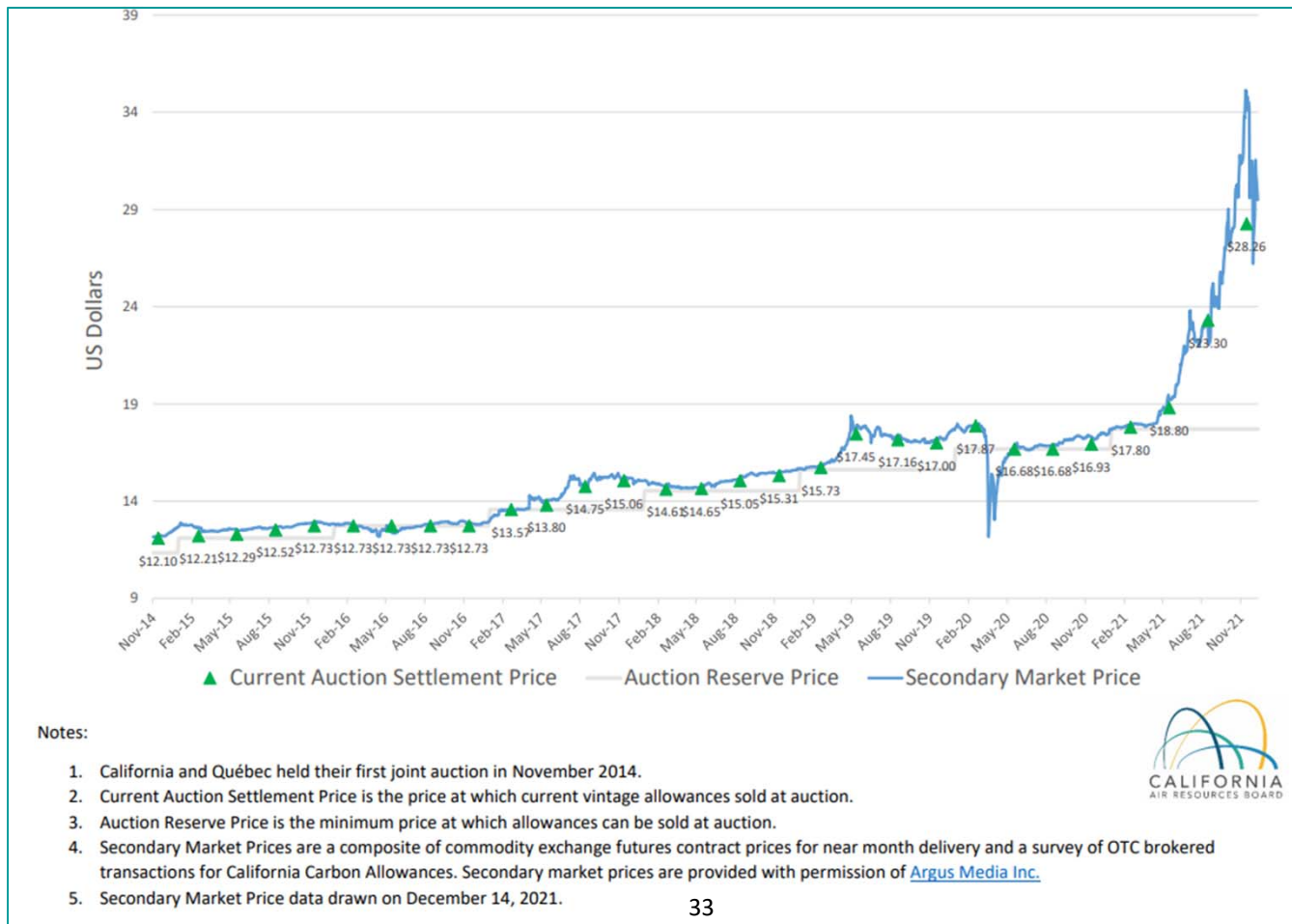


Regulatory Affairs Report



Scott Tomashefsky

Quick Update on Cap-and-Trade Auction Prices Increasing



Quick Update on Cap-and-Trade Auction Revenues Increasing Also

Auction Quarter or Fiscal Year	Proceeds to Investor Owned Utilities	Proceeds to Publicly Owned Utilities	Proceeds to California
Q4 2021 (November)	\$545,590,527.30	\$84,115,946.52	\$1,293,418,042.97
Q3 2021 (August)	\$427,098,156.90	\$51,344,695.50	\$1,137,078,049.88
FY 2020-2021	\$1,296,880,638.96	\$198,901,236.17	\$2,623,651,181.06
FY 2019-2020	\$1,221,078,537.81	\$201,478,223.67	\$2,105,810,362.62
FY 2018-2019	\$1,265,950,465.91	\$200,956,026.02	\$3,207,445,517.33
FY 2017-2018	\$988,754,233.09	\$115,427,220.20	\$2,913,174,716.32
FY 2016-2017	\$1,151,988,100.94	\$266,890,257.15	\$891,915,202.45
FY 2015-2016	\$761,712,497.92	\$140,022,932.14	\$1,829,134,502.71
FY 2014-2015	\$867,907,691.04	\$105,462,449.63	\$1,490,776,416.79
FY 2013-2014	\$601,489,503.22	\$64,114,949.50	\$477,140,441.20
FY 2012-2013	\$502,128,062.30	\$37,093,153.60	\$257,264,031.64
TOTAL	\$9,630,578,415.39	\$1,465,807,090.10	\$18,226,808,464.97



Location of Programs Funded with State Auction Revenues

	2020	Cumulative
Appropriated	\$0.9B	\$14.0B
Allocated	\$1.7B	\$13.8B
Selected & Awarded	\$4.1B	\$11.2B
Implemented	\$3.1B	\$8.3B

Regulatory Updates

- CEC
 - Integrated Energy Policy Report
 - Load Management Standards
 - RPS Eligibility – Energy Storage Devices
 - Funding Opportunities

- CARB
 - Scoping Plan
 - Advanced Clean Fleets

- CPUC
 - Affordability Rulemaking En Banc

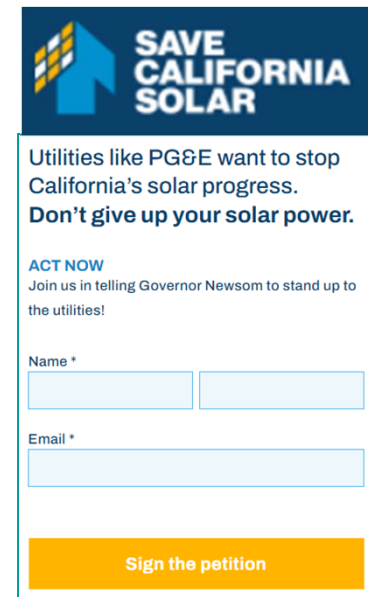
- Wildfire Safety Advisory Board
 - Guidance Advisory Opinion
 - 2022 Wildfire Mitigation Plans


- FERC
 - Transmission Planning Rulemaking



CPUC Net Energy Metering Proposal (NEM 3.0)

- Key Features
 - Generation-only payment
 - Further reduces cross-subsidies already built into NEM 1.0 and NEM 2.0
 - Provides utility with opportunity to recover distribution assets needed to accommodate added solar load
 - Reduces ability of customer to avoid non-bypassable charges
- Status
 - Highly controversial issue
 - Final decision on indefinite hold
 - Oral arguments next up
 - Effort toward ballot initiative
 - Not applicable to POUs....yet



 **SAVE CALIFORNIA SOLAR**

Utilities like PG&E want to stop California's solar progress.
Don't give up your solar power.

ACT NOW
Join us in telling Governor Newsom to stand up to the utilities!

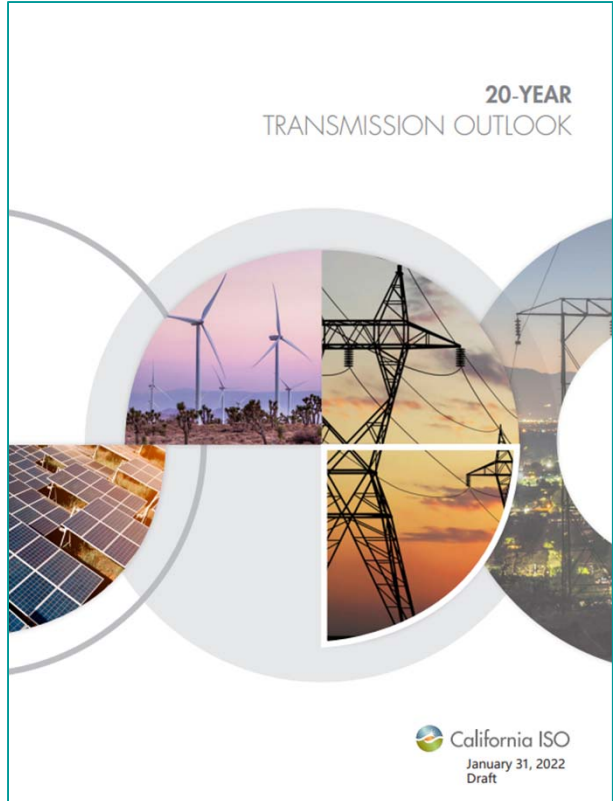
Name *

Email *

[Sign the petition](#)

CAISO Transmission Outlook

- \$30 billion transmission buildout
- Major potential impact on customer bills



State Legislative Report



Gregg Cook

State Legislative Update

California Budget

- **Early Action Package**
 - COVID-related— \$1.9 billion from FY22 budget surplus

- **FY23 California Blueprint**
 - \$270 billion budget proposal
 - \$45.7 billion surplus
 - \$20.6 billion — Discretionary
 - \$16.1 billion — Funding for K-14
 - \$9 billion — Reserves and pension payments



State Legislative Update

Discretionary Budget Expenditure Proposals

Clean Energy Program
\$2.0 billion



Wildfire & Forest Resilience
Program (\$1.2 billion)



Zero-Carbon EV Program
Program (\$2.7 billion)



State Legislative Update

Legislative Priorities

- Reliability and Resource Adequacy
- Transmission
- Clean Energy
- Clean Water
- Electrification
- Wildfire Program Implementation/
Administration



Upcoming Events in 2022

- **APPA Legislative Rally**
 - February 28 — March 3
 - Location: Washington, D.C.

- **NCPA/NWPPA Federal Policy Conference**
 - Date: April 3 — 7
 - Location: Washington, D.C.

- **NCPA Annual Conference**
 - Date: September 21 — 23
 - Location: Olympic Valley, CA



