



East Bay Clean Power Alliance
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Subject: Oppose CAISO Regional Expansion (AB 813)

July 11, 2018

Dear Chair Haggerty and EBCE Directors,

East Bay Clean Power Alliance is writing to follow up on our June 11, 2018 letter (attached) in which we asked the EBCE Board of Directors to formally oppose California Assembly Bill 813, which authorizes regional expansion of the California Independent Systems Operator (CAISO).

In this follow-up letter, we call your attention to a number of developments that have occurred since our earlier request, the most significant of which is that the bill has moved forward through two Senate Committees (Utilities/Energy/Communications and Judiciary) and is now awaiting a decision by the Senate Appropriations Committee.

East Bay Senators have cast important votes in favor and will be influential in the bill's future. Not having heard from the EBCE Board, they could assume that this bill would have no serious repercussions on EBCE and the East Bay community it serves.

However, as we indicated in our June 11 letter, the multistate Regional Transmission Organization (RTO) proposed by AB 813 would adversely affect the ability of EBCE to fulfill its obligations to develop local renewable resources in our community and would undermine the concept of local control and procurement autonomy, which are key to EBCE's mission.

At the EBCE Board's Executive Committee meeting on June 29 we pointed to the broad opposition to AB 813 from over 120 organizations (see attached full list), representing prominent voices statewide across many sectors. These include labor (State Building and Construction Trades Council and California State Association of Electrical Workers), municipal utilities (California Municipal Utilities Association and Sacramento Municipal Utility District), cities (League of California Cities and thirteen individual cities), environmental organizations (Sierra Club, Food and Water Watch, and nine 350 organizations), environmental justice organizations (California Environmental Justice Alliance), consumer organizations (The Utility Reform Network and Consumer Watchdog), and Community Choice advocates (CA Alliance for Community Energy).

EBCE Board Action is Urgent

The Senate Appropriations Committee hearing on AB 813 is now scheduled for August 6, 2018 and timely action by the EBCE Board to formally oppose AB 813 and communicate such opposition to California legislators, especially the Appropriations Committee and legislators representing EBCE constituents, is critical to EBCE's viability and underlying principles.

Despite a discussion of AB 813 at the April 27 Executive Committee meeting, EBCE staff has not recommended to date that the Board take a position in opposition to AB 813, though they have acknowledged that the bill would need to be amended substantially in order to be successful on the floor. Staff has argued for the EBCE Board to wait and see what happens with rumored amendments before taking a position. At the Community Advisory Committee discussion of AB 813 on June 18, staff prevented the Committee from taking a vote on the issue.

A “wait and see” approach is not working

The overall result of a “wait and see” approach has been to advance this bill through the Rules, the Energy/Utilities/Communication, and the Judiciary Committees of the Senate. Crucial aye votes in these committees included those by Senators Skinner and Wieckowski, who represent EBCE and EBCE ratepayers.

Continuing to “wait and see” supports the illusion that amendments can make this bill work for California or for Community Choice energy programs, in particular. Nothing could be further from reality. The attached June 25, 2018 Judiciary Committee Analysis provides a thorough, nineteen-page review of the legal risks associated with CAISO Regional Expansion as represented by AB 813:

- Page 8 of 19: “...there are grave dangers in moving forward with the reorganization of the CAISO....The concern is that once California gives up this degree of control, it will be gone forever, and in its place will be the uncertainty of increased federal intervention.”
- Page 9 of 19: “In the regionalization context, the concern is that should California open up the operation of the CAISO to a wider footprint and begin engaging with other states on a contractual basis, it may expose state policies and programs to federal preemption or Dormant Commerce Clause challenges. Simply put, if California attempts to regulate the type or amount of energy being produced while part of a regional market, there could be a challenge made that such laws either conflict with the FERC jurisdiction and are preempted or that the laws unduly interfere with the interstate flow of energy generation and exchange in other states as part of the regional grid California would be integrated into.”
- Page 14 of 19: “FERC has expansive jurisdiction over energy that is transferred through interstate commerce. Given the current administration and its ever-increasing appetite to usurp state control, it would arguably be dangerous policy to enter California into a regional grid and thereby increase risk that FERC and this administration find a hook to challenge a host of laws in California, not to mention take control over what type of energy is generated and used in California and how much it costs.”

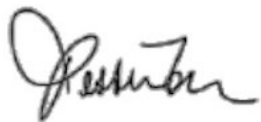
The Judiciary Committee Analysis also confirms that there are better and less risky options to achieve the benefits promised by AB 813.

Recommendation:

We urge the EBCE Board of Directors to pass a resolution opposing AB 813 at the July 18 Board meeting. We also urge the Board to contact the Senate Appropriations Committee members and East Bay State legislators to express opposition to AB 813.

Thank you for your consideration of our request.

Respectfully,



Jessica Tovar, Coordinator of the East Bay Clean Power Alliance

Attachments: East Bay Clean Power Alliance letter to EBCE Board, June 11, 2018
Organizations opposing AB 813, as of June 12, 2018
Senate Judiciary Analysis of AB 813, June 25, 2018



East Bay Clean Power Alliance
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Subject: Request for EBCE to oppose CAISO Regional Expansion (AB 813)

June 11, 2018

Dear East Bay Community Energy board members,

East Bay Clean Power Alliance is writing to ask the EBCE Board of Directors to formally oppose pending legislation (AB 813) that would change the governance of the California Independent System Operator (CAISO). Please review the positions taken by Community Choice advocates and environmentalists as expressed in the referenced documents, below, to inform yourselves about this important legislation.

Background:

The proposed legislation would allow CAISO expansion into a multi-state region, thus transforming CAISO into a Regional Transmission Organization (RTO). Such a change would eliminate the State of California's power to appoint the CAISO Board of Governors; selection of the RTO's Board would fall under the jurisdiction of the Federal Energy Regulatory Commission, which prohibits state representatives from serving on RTO boards. A multi-state RTO based in the eleven western states would very likely undermine California's transition to renewable energy and divert California ratepayer resources to building transmission infrastructure throughout the western region.

California's and EBCE's priorities of local clean energy development, local jobs, and public health benefits would be subject to a western regional authority that would most assuredly be sympathetic to fossil fuel and large transmission interests. This would adversely affect the ability of EBCE to fulfill its obligations to develop local renewable resources in our community and would undermine the concept of local control and procurement autonomy, which are key to EBCE's mission.

During the April 27, 2018 EBCE Executive Committee Meeting, CEO Chaset recommended that the Board adopt a resolution to support CAISO regional expansion in concept, and delegate to the CEO the authority to support it in pending legislation. The Executive Committee asked for additional information, inclusive of a more detailed statement of the pros and cons of AB 813 and its impact on EBCE. Community members present at the Executive Committee meeting who spoke to this issue unanimously opposed AB 813.

Since the April 27 Executive Committee meeting, CEO Chaset has not to our knowledge responded to the Executive Committee's request. Community Choice advocates around the state have continued to express opposition to the concept of CAISO regional expansion represented by AB 813. The three position statements referenced below reflect a broad

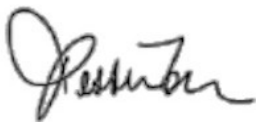
consensus that CAISO regional expansion does not support the values and priorities of the state or of Community Choice programs in California.

Recommendation:

We urge the EBCE Board of Directors to study these position statements and pass a resolution opposing AB 813.

Thank you for your consideration of our request.

Respectfully,

A handwritten signature in black ink, appearing to read "Jessica Tovar". The signature is fluid and cursive, with the first name being more prominent.

Jessica Tovar, Coordinator of the East Bay Clean Power Alliance

Attachments:

1. May 10, 2018- California Alliance for Community Energy [2-page Position Paper](#) opposing CAISO regionalization
2. June 4, 2018 – AB 813 Joint Oppose Letter (The Utility Reform Network, Sierra Club California, State Building & Construction Trades Council of California, and others)
3. June 8, 2018, [Statewide organizational sign-on letter](#) in opposition to AB 813 (Food & Water Watch and many others)

AB 813:
California State Senate’s Energy, Utilities, and Communications Committee

The [committee’s bill analysis](#) on 2018-06-18 lists the following
120+ organizations that oppose AB 813.

350 Bay Area
350 Chico
350 Conejo – San Fernando Valley
350 Riverside
350 Silicon Valley
350 San Diego
350 Santa Barbara
350 SoCal
350 South Bay Los Angeles
Agricultural Energy Consumers Assn
Alameda Municipal Power
Alliance for Retail Energy Markets
American Wind Energy Assn CA Caucus
ASI Hastings, Inc.
BayWare Solar Projects
Business for Good San Diego
CA Alliance for Community Energy
CA Assn of Nurseries & Garden Centers
CA Business Roundtable
CA Citrus Mutual
CA Cotton Ginners and Growers Assn
CA Dairies, Inc.
CA Environmental Justice Alliance
CA Farm Bureau Federation
CA for Progress
CA Independent Petroleum Assn
CA League of Food Producers
CA Manufacturers and Technology Assn
CA Municipal Utilities Assn
CA Poultry Federation
CA Retailers Assn
CA State Assn of Electrical Workers
CA State Pipe Trades Council
CA Tomato Growers Assn
CA Wind Energy Assn
Californians for Energy Choice
Center for Sustainable Energy
City of Biggs
City of Glendale Water & Power
City of Healdsburg

City of Lake Forest
City of Lodi
City of Lompoc
City of Palo Alto
City of Redding
City of Riverside
City of Roseville
City of Santa Clara
City of Shasta Lake
City of West Hollywood
Clean Coalition
Climate Action Campaign
Climate Hawks Vote
Climate Justice Committee
Coastal Environmental Rights Foundation
Consumer Watchdog
Divest LA
Earthjustice
East Bay Clean Power Alliance
Emerald Cities San Francisco
Encinitas City Councilmember Tasha Boerner Horvath
Environmental Center of San Diego
Far West Equipment Dealers Assn
Food & Water Watch
Green Party of CA
Greenpower
Impact Investors
Imperial Irrigation District
Indivisible CA-33
Indivisible Los Angeles CA-43
IndivisibleSF
League of CA Cities
League of Conservation Voters–San Diego
League of Women Voters
Local Clean Energy Alliance
Lumeo
Main Street Alliance–San Diego
Modern Times Beer
Mothers Out Front
No Coal in Oakland
Northern CA Power Agency
Oakmont Progressives
Pacific Gas and Electric Company
People Demanding Action
Plumas-Sierra Rural Electric Cooperative
Port of Oakland

Progressive Democrats of America
Raise Progress
Renovate America
Revolution LA
Romero Institute
Rootskeeper
Sacramento Municipal Utility District
San Diego Coastkeeper
San Diego Community Choice Alliance
San Diego County Democrats for Environmental Action
San Diego Energy District
San Diego Gas & Electric Company
San Francisco Berniecrats
San Luis Obispo Clean Energy
Santa Barbara County Board of Supervisors
Santa Barbara Standing Rock Coalition
Save Porter Ranch
Sierra Club California
SightWorks Architecture & Interior Design
Sonoma Valley Climate Coalition
Southern California Edison
Southern CA Public Power Authority
State Building & Construction Trades Council of California
Sullivan Solar Power
Sunflower Alliance
Sunpower by Stellar Solar
Surfrider Foundation
Sustainable Marin
The Greenlining Institute
The Utility Reform Network
Tosdal Law Firm
Truckee Donner Public Utility District
United Assn of Journeymen & Apprentices of the Plumbing & Pipe Fitting Industry of the US & Canada
United Assn of Journeymen & Apprentices of the Plumbing & Pipe Fitting Industry, Local Union 38, 460 & 484
Western Agricultural Processors Assn
Western States Petroleum Assn
Western States SMART
Women's Energy Matters
World Business Academy

SENATE JUDICIARY COMMITTEE
Senator Hannah-Beth Jackson, Chair
2017-2018 Regular Session

AB 813 (Holden)
Version: June 12, 2018
Hearing Date: June 26, 2018
Fiscal: Yes
Urgency: No
CK

SUBJECT

Multistate regional transmission system organization: membership

DESCRIPTION

This bill would establish a pathway for the California Independent System Operator to transform its governance structure to operate as a multistate regional transmission system organization should certain requirements be met. It would require approval from the state before any California transmission owner, retail seller, or local publicly owned utility joins a multistate regional transmission system organization.

BACKGROUND

The California Independent System Operator (CAISO) is a nonprofit public benefit corporation created by statute as part of the State's efforts to restructure the electric industry. (*See* Pub. Util. Code Sec. 334 et seq.) The purpose of the CAISO is to ensure the efficient use and reliable operation of the electrical transmission grid, and it is charged with managing the flow of electricity across a system comprising most of California and a piece of Nevada's transmission. The CAISO also manages the wholesale electricity market in California and operates a voluntary energy imbalance market (EIM). As discussed further below, the EIM helps balance energy supply and demand by allowing for trading of bulk power on short-term scales among a variety of utilities and generators across a number of states in the region.

The CAISO governing board is made up of five members that are appointed by the Governor and subject to confirmation by the Senate. Such members are prohibited from being affiliated with any participant in any market administered by the CAISO.

This bill would allow for the transformation of the CAISO into a more widely integrated regional governance structure that would operate as a multistate regional transmission organization in the western United States. The bill would authorize the CAISO to submit a proposal for such a governance structure that meets certain detailed requirements to the California Energy Commission.

This bill passed the Senate Energy, Utilities, and Communications Committee on a 6-1 vote with four members not voting.

CHANGES TO EXISTING LAW

Existing law, the Federal Power Act, grants the Federal Energy Regulatory Commission (FERC) with exclusive jurisdiction over the transmission of electric energy in interstate commerce. It establishes the process and procedures for establishing transmission of electric energy in interstate commerce by public utilities. (16 U.S.C. 824, 824d, 824e)

Existing law provides that all rates and charges made, demanded, or received by any public utility for, or in connection with, the transmission or sale of electric energy subject to the jurisdiction of FERC, and all rules and regulations affecting or pertaining to such rates or charges shall be just and reasonable, and any such rate or charge that is not just and reasonable is hereby declared to be unlawful. (16 U.S.C. Sec. 824d.)

Existing law provides for the restructuring of the electricity industry and creates, among other entities, the California Independent System Operator (CAISO). (Pub. Util. Code Sec. 334 et seq.)

Existing law provides for a governing board of the CAISO made up of five members appointed for three-year terms by the governor and subject to confirmation by the Senate. (Pub. Util. Code Sec. 337 et seq.)

Existing law requires the CAISO to manage the transmission grid and related energy markets in order to ensure the reliability of electric service and the health and safety of the public. (Pub. Util. Code Sec. 345.5.)

Existing law requires, in order to fulfill unmet long-term resource needs, the establishment of a renewables portfolio standard (RPS) requiring all retail sellers to procure a minimum quantity of electricity products from eligible renewable energy resources as a specified percentage of total kilowatthours sold to their retail end-use customers each compliance period. (Pub. Util. Code Sec. 399.15, 399.16.)

This bill would authorize the CAISO Board of Governors to develop and submit to the Energy Commission a governance proposal that complies with specified requirements. The Energy Commission, in consultation with the Public Utilities Commission (PUC) and the State Air Resources Board (ARB), would be required to review the governance proposal for compliance. This review would include public review of, and written comment on, the proposal and at least one public workshop or hearing at which public comment is received.

This bill would provide that if the Energy Commission determines that the governance proposal meets all requirements, and if a transmission owner from outside California that is not a participating transmission owner as of January 1, 2019, has entered into an

agreement with the CAISO indicating its intent to become a participating transmission owner, and FERC has approved any changes to the CAISO's tariff necessary for the new participating transmission owner to join, then the CAISO would be allowed to proceed with implementing a governance structure consistent with the proposal. Such a new structure could be implemented as of January 1, 2021.

This bill would require the Energy Commission to verify that the CAISO has implemented a governance structure consistent with this section and, upon so verifying, shall promptly provide notice to the Secretary of State. Upon receipt of notice by the Secretary of State, the following provisions would become inoperative: Article 2 (commencing with Section 334), Section 345.5, and Sections 346 to 349, inclusive, of the Public Utilities Code. This bill would require the Energy Commission to report to the Legislature its verification and notification to the Secretary of State.

This bill would provide that a California transmission owner, retail seller, or local publicly owned electric utility shall not join a multistate regional transmission system organization as a California participating transmission owner unless the bylaws or other organizational documents that govern the organization and its operations meet FERC requirements and do all of the following:

- prohibit a member of the governing board of the organization from any affiliation with a participant in any market overseen by the organization. A member of the governing board also shall not have been an employee of a market participant within two years prior to becoming a member of the board;
- limit conflicts of interest by prohibiting any member of the governing board from directly owning any interest in energy-related assets that are appreciably affected by the actions of the organization and by requiring annual disclosure of significant financial interests;
- provide for and maintain a decision-making process that is independent of control by any market participant or class of participants;
- provide for and maintain open meeting standards and meeting notice requirements that are consistent with the general policies of the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code) and afford the public the greatest possible access to meetings, consistent with other duties of the organization;
- subject to reasonable measures to limit the length of meetings or disruptions to meetings, authorize interested members of the public and representatives of customers to participate in person or through remote electronic means in meetings of the governing board and in the meetings of any advisory group to the governing board;
- provide public access to the records of the organization consistent with the general policies of the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code), consistent with the other duties of the organization;
- require that the governing documents of the organization be posted and maintained on the organization's public Internet Web site;

- protect and preserve a state's authority over matters regulated by the state, including procurement policy, resource planning, and resource or transmission siting within the state;
- require retail sellers in each state to meet minimum resource adequacy standards and permit each state to establish resource adequacy standards for its retail sellers that exceed those required by federal law, in the state's discretion;
- require a participating local publicly owned electric utility in each state to meet minimum resource adequacy standards and permit the governing board of a participating local publicly owned electric utility to establish resource adequacy standards that exceed those required by federal law, in the discretion of the governing body;
- prohibit the multistate regional transmission organization from operating a centralized capacity market in California for the forward procurement of electrical generating capacity that requires capacity to clear at a market clearing price in order to count for resource adequacy purposes;
- ensure that the dispatch of resources by the multistate regional transmission organization to serve load in California appropriately reflects the costs for resources to comply with California's climate policies, as implemented by the State Air Resources Board. The multistate regional transmission system organization shall maintain a transparent system for tracking emissions of greenhouse gases resulting from resources dispatched to serve California load;
- establish and maintain equitable transmission cost allocation rules through an open stakeholder process approved by FERC. The rules shall ensure that California participating transmission owners receive equitable use of, and just and reasonable compensation for, their past investments in the transmission system assets for which operational control is transferred to a multistate regional transmission system organization;
- enhance the competitive structure of the organization by providing for and maintaining an independent market monitor;
- establish a clear process, structure, and organizational support for state regulators within the region served by the multistate regional transmission system organization to collaborate and provide guidance to the organization on matters of interest to more than one state, including on issues relating to the organization's independent market monitoring function established by FERC;
- enable participation of demand response, storage, and other distributed energy resources in the organization's markets;
- provide for and maintain a process for obtaining stakeholder input on policy initiatives requiring approval of FERC that is open to all members of the public and that does not require payment of a membership fee or other charge to participate; and
- ensure the right of any participating transmission owner to unilaterally withdraw from the multistate regional transmission system organization, with or without cause, upon giving reasonable notice, not to exceed two years.

This bill would provide that, in order to meet the requirement regarding state regulators, the proposal must provide for the establishment of a western states' committee. The committee would have three representatives from each state that has a transmission owner participating in the Independent System Operator. The representatives from California would be appointed by the Governor, subject to confirmation by the Senate. The committee would provide guidance to the Independent System Operator on all matters of interest to more than one state.

This bill would provide that the requirements regarding open meetings and record access policies are met by the policies of the CAISO in effect as of January 31, 2018.

This bill would provide that no California transmission owner, retail seller, or local publicly owned electric utility would be required to join or remain in a multistate regional transmission system organization. However, before joining one, they would be required to submit the bylaws and other organizational documents that govern the multistate regional transmission system organization to the Energy Commission for review. The Energy Commission, in consultation with the PUC and ARB, shall review the bylaws and organizational documents that govern the multistate regional transmission system operator for compliance, including public review of, and written comment on, the materials and at least one public workshop or hearing at which public comment is received.

This bill would prohibit a California transmission owner, retail seller, or local publicly owned electric utility from joining a multistate regional transmission system organization unless the Energy Commission has determined that the organization's bylaws and organizational documents meet the specified requirements. If a California transmission owner, retail seller, or local publicly owned electric utility has joined an independent system operator that becomes a multistate regional transmission organization, and the Energy Commission determines that the organization's bylaws and organizational documents do not meet the requirements, the California transmission owner, retail seller, or local publicly owned electric utility would prohibit them from remaining in the organization.

This bill would provide that if the CAISO becomes a multistate regional transmission system organization and thereafter operates a balancing area that expands beyond the CAISO's balancing authority area as of December 31, 2018, to include one or more new participating transmission owners located outside of California, the balancing authority area boundary used for determining compliance with the requirements of Section 399.16, except as provided, shall continue to be the boundary of the CAISO's balancing authority area as of December 31, 2018. If another balancing authority in California elects to join the Independent System Operator's balancing authority area, the balancing authority used for determining compliance with the requirements of Section 399.16 would include facilities of that other balancing authority that are added to the Independent System Operator's balancing authority area.

This bill would provide that the CAISO shall not be deemed to be a multistate regional transmission system organization unless and until it has completed the governance change process requirements and the Energy Commission has provided notice of this change to the Secretary of State.

COMMENT

1. Stated need for the bill

According to the author:

The bill facilitates expansion of the CAISO to expand its membership to include other balancing authorities across the 14 western states which is also referred to as regionalization. Specifically, if the CAISO shows compliance with the operating standards and protocols set forth in this bill (which would be confirmed by the California Energy Commission), the CAISO reports an agreement with one or more out-of-state balancing authorities to join the CAISO, and the FERC approves a revised tariff, then, no sooner than 2021, The CAISO board would be deemed inoperable and a western states committee of the CAISO would be created which would include with three appointments by the Governor and confirmed by the Senate. [sic.]

The value of an expanded grid to the ratepayers of California is:

- Reduced rates for customers across the state: More efficient day-ahead unit commitment and dispatch of resources, beyond what can be achieved through the Energy Imbalance Market (EIM), resulting in reduced costs for customers across the footprint;
- Reduced reserve requirements, resulting in fewer unnecessary fossil power plants being built, both for peak demand and operating requirements, due to the regional diversity of loads across a broader footprint;
- Enhanced accuracy tracking and reporting of GHG emissions associated with out-of-state imports of power, including coal, which is largely masked as “system power” and does not properly account for costs of carbon coming into the state;
- Smoother integration of increasing renewable resources due to a more diverse supply, both technologically and geographically, and the potential to reduce otherwise expected curtailments of renewable generation; and
- Enhanced regional transmission planning and elimination of unnecessary “pancaked” transmission rates: Elimination of “pancaked” transmission rates across multiple Balancing Authorities (BAs) will facilitate increased trade in surplus renewable energy. More efficient transmission system planning across a broader geographic footprint will help ensure that only the most cost-effective system additions are approved.

2. The benefits and risks of regionalization

Proponents of regionalization contend that the move will provide significant environmental and economic benefits to California, as well as other western states. They argue a regionalized grid would enhance reliability as California and other states increase their integration of renewable energy into the system. Proponents believe that regionalization is critical to meeting the State's lofty renewable goals. The ultimate outcome would be cheaper, cleaner electricity on a much larger scale.

Proponents argue that wider regionalization is infeasible with a board appointed by the Governor of California as other states would be unwilling to operate under such a model. Therefore, the transition of the CAISO governance structure, authorized by this bill, is necessary to achieve the benefits of a regionally-integrated grid.

In response, opponents generally acknowledge the benefits of wider regional coordination, but vehemently oppose the path laid out by this bill. They believe that regionalization as laid out by this bill would cause serious, irreparable harm to California and its progress in greater reliance on renewable energy sources.

Regionalization would provide certain efficiencies in the maintenance of energy supply and demand, addressing the issues of surplus renewable energy in California. Opening up a much larger market for this commodity could help California and other states meet their renewable energy goals. SB 350 (De León, Ch. 547, Stats. 2015) called upon the CAISO to conduct studies on the impacts of a regional market. Proponents point to some of the positive results that came out of those studies. However, there are cogent critiques of the methodology and results. For instance, the study declined to model the incremental economic benefits of regional expansion when compared to the benefits expected from the Energy Imbalance Market (EIM). This is particularly relevant, as discussed more thoroughly below, given that an expanded EIM is arguably a sounder step forward than the leap proposed by this bill. The study specifically acknowledges that its "analyses exclude any impacts related to the EIM. This means the benefits analyzed and quantified in our study do not include any that could be (or would be) achieved by expanding the EIM" (CAISO, *Senate Bill 350 Study* (July 8, 2016) <https://www.aiso.com/Documents/SB350Study_AggregatedReport.pdf> [as of June 22, 2018].)

A coalition of groups in opposition, including the Utility Reform Network, Sierra Club, and various labor organizations, point out deficiencies in the study, identifying "a variety of unrealistic assumptions," "omissions," and "misrepresentations" therein, including:

- Approximately 70% of the estimated benefits to California customers in 2020 are assumed to result from PacifiCorp paying a full share of CAISO operational costs. The study ignores the fact that PacifiCorp has insisted that it will pay little or none of these costs even after joining CAISO.

- The greatest job creation would result under a scenario where regional expansion does not occur but California increases coordination with other parts of the West to enable greater exports of electricity. This approach would yield an additional 10,000 in-state jobs by 2030. These results were withheld from the original results presented to stakeholders, are omitted from the main volume of the final report, and can only be found through careful review of a cryptic table buried within the 688-page document.

Given the concerns, the Committee may wish to consider calling for a revised study to include a wider range of regional coordination scenarios including an expansion of the EIM to inform any further regionalization attempts. This study should be completed prior to the passage of a bill to approve regionalization.

Despite the stated benefits, there are grave dangers in moving forward with the reorganization of the CAISO. Currently, California is able to exert a certain amount of influence over the direction of the CAISO with a board appointed by the Governor and subject to approval by the California State Senate. Under this bill, California would lose its control.

After California ceded control to the federal government in the 1990s, it took tremendous effort to claw back the amount of control currently maintained. This critical oversight was established by statute and a challenge several years later by Duke Energy and the Federal Energy Regulatory Commission (FERC) was narrowly defeated. (*See Cal. Indep. Sys. Operator Corp. v. FERC* (2004) 372 F.3d 395.) The concern is that once California gives up this degree of control, it will be gone forever, and in its place will be the uncertainty of increased federal intervention.

3. The Dormant Commerce Clause and federal preemption

The two major legal concerns that arise from the regionalization model proposed by this bill are based on the federal preemption doctrine and the Dormant Commerce Clause.

The supremacy clause of the United States Constitution provides:

This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any State to the Contrary notwithstanding.

(U.S. Const., art. VI, cl. 2.) This provision forms the basis of Congress' authority to preempt state laws. "Under the Supremacy Clause, from which our pre-emption doctrine is derived, any state law, however clearly within a State's acknowledged power, which interferes with or is contrary to federal law, must yield." (*Gade v. National*

Solid Waste Management Association (1992) 505 U.S. 88, 108.) United States Supreme Court precedent identifies several forms such preemption may take.

The simplest form is “express preemption,” which occurs when Congress explicitly preempts state law in its enactment of federal law. Congress can also preempt state law implicitly. Field preemption exists when federal law creates “a scheme of federal regulation ‘so pervasive as to make reasonable the inference that Congress left no room for the States to supplement it.’” (*Barnett Bank, N.A. v. Nelson* (1996) 517 U.S. 25, 31 (quoting *Rice v. Santa Fe Elevator Corp.* (1947) 331 U.S. 218, 230).) “Conflict preemption” exists where federal law actually conflicts with state law and compliance with both state and federal law is impossible or where the state law impedes the realization of the full purposes and objectives of Congress. (*California v. ARC America Corp.* (1989) 490 U. S. 93, 100.) Federal preemption is not limited to federal statutes, as regulations adopted by federal agencies may also supersede state law. (*Washington Mutual Bank v. Superior Court* (2002) 95 Cal.App.4th 606, 612.)

Article I, Section 8 of the United States Constitution bestows the power upon the federal government to regulate commerce among the states. Although not explicitly stated therein, this clause has been interpreted to include a “dormant limitation on the authority of the States to enact legislation affecting interstate commerce.” (*Healy v. Beer Inst.* (1989) 491 U.S. 324, 326 n.1.) This is aptly referred to as the Dormant Commerce Clause. The key questions when determining whether a state law is in violation of this constitutional principle is whether the law discriminates between in-state and out-of-state actors. Thus, while preemption requires that the federal government has legislated, the Dormant Commerce Clause can be used to invalidate state laws where no federal law governs.

In the regionalization context, the concern is that should California open up the operation of the CAISO to a wider footprint and begin engaging with other states on a contractual basis, it may expose state policies and programs to federal preemption claims or Dormant Commerce Clause challenges. Simply put, if California attempts to regulate the type or amount of energy being produced while part of a regional market, there could be a challenge made that such laws either conflict with FERC jurisdiction and are preempted or that the laws unduly interfere with the interstate flow of energy and the energy generation and exchange in other states as part of the regional grid California would be integrated into.

For instance, existing law establishes a renewable portfolio standard (RPS) that requires the California Public Utilities Commission (CPUC) to establish an RPS requiring all retail sellers to procure a minimum quantity of electricity products from eligible renewable energy resources. (Pub. Util. Code Sec. 399.16.) The RPS “bucket” system has worked and the recent amendments to the bill would maintain it, but apply it to the current CAISO territory. Unfortunately, this boundary loses its meaning in a larger regional organization. A recent case out of the Second Circuit Court of Appeals upheld

an RPS scheme in Connecticut, but specifically on the grounds that it applied across the wholesale electricity market the state operated within:

Significantly, we note that Connecticut's RPS program makes geographic distinctions between RECs only insofar as it piggybacks on top of geographic lines drawn by [the New England ISO] and the [New England Power Pool Generation Information System], both of which are supervised by FERC – not the state of Connecticut. It is FERC that has created the geographic distinctions on which Connecticut's program is predicated by organizing owners of transmission lines into "independent system operators" (ISOs), such as ISO-NE, and "regional transmission organizations" (RTOs) in order "to help manage the grid, ensure system reliability, and guard against discrimination and the exercise of market power in the provision of transmission services."

(*Allco Fin., Ltd. v. Klee* (2d Cir. 2017) 861 F.3d 82, 107.) Under this bill, the RPS eligibility would not be defined on the basis of the regional market supervised by FERC and overlapping with the new regional market, but would be based on the CAISO borders as they exist prior to expansion. **While the decision supports the existing system applying to the CAISO market boundaries, the language in *Klee* calls the continued viability of California's RPS program into serious doubt if regionalization occurred pursuant to this bill.** A system that appears to provide an in-state preference, as this bill would, leaves the program susceptible to a Dormant Commerce Clause challenge. **In fact, no court has upheld delivery requirements to a single state within an RTO.**

A coalition of organizations, including Food and Water Watch and Consumer Watchdog, state in opposition:

If California disbands the CAISO in favor of a RTO that would run electricity markets and transmission grids throughout the West, California will leave itself vulnerable to the FERC's preempting California's renewable energy mandates, its already approved contracts with California power plants, and its strong motion toward community-based and distributed energy resources. Recent U.S. Supreme Court decisions have affirmed FERC's authority over RTOs and at least ten states that fought against their RTOs to preserve state authority over power decisions have lost at FERC.

Other opponents echo this point:

CAISO expansion would increase the likelihood of successful federal preemption challenges when state procurement and resource planning policies directly affect multi-state RTO wholesale markets. To the extent that CAISO's preferred regional energy market design or other regional requirements conflict with state policies, California could be forced to defend its laws and regulations against challenges that would be adjudicated at FERC or in federal court. **Conflicts in other regional markets have led to a variety of state laws being challenged by private interests with a number of high-profile state initiatives being struck down by federal courts on the**

basis of federal preemption. In at least one major case, the court relied heavily on the fact that the state was part of a multi-state RTO as the basis for striking down its efforts to reduce reliance on coal-fired generation.

The author argues that such concerns are without foundation. Proponents argue that California is at no greater risk of FERC interference under this bill than it already is. However, there is a growing volume of case law that supports the reality of these risks.

In *North Dakota v. Heydinger* (8th Cir. 2016) 825 F.3d 912, the Eighth Circuit Court of Appeals was presented with a challenge to a Minnesota statute governing carbon dioxide emissions. The statute intended to reduce “statewide power sector carbon dioxide emissions” by prohibiting utilities from meeting Minnesota demand with electricity generated by a “new large energy facility” in a transaction that will contribute to carbon dioxide emissions. (*Id.* at 915-916.) The statute regulated “the total annual emissions of carbon dioxide from the generation of electricity within the state and all emissions of carbon dioxide from the generation of electricity imported from outside of the state and consumed in Minnesota.” (*Id.*)

Minnesota is part of an ISO, the Midcontinent Independent Transmission System Operator (MISO). The court found that in the regional grid, “a person who imports electricity does not know the origin of the electrons it receives, whether or not the transaction is pursuant to a long-term purchase agreement with an out-of-state generator.” (*Id.* at 921.) The court explained:

In the MISO grid, electrons flow freely without regard to state borders, entirely under MISO’s control. Thus, when a non-Minnesota generating utility injects electricity into the MISO grid to meet its commitments to non-Minnesota customers, it cannot ensure that those electrons will not flow into and be consumed in Minnesota. Likewise, non-Minnesota utilities that enter into power purchase agreements to serve non-Minnesota members cannot guarantee that the electricity eventually bid into the MISO markets pursuant to those agreements will not be imported into and consumed in Minnesota.

(*Id.*) The court found that Minnesota’s statute therefore ran afoul of the Dormant Commerce Clause because it sought to impose carbon dioxide emissions standards that would necessarily implicate other participants in the regional grid where generation and transmission was occurring wholly out of state. (*Id.*) The court reasoned:

Other States in the MISO region have not adopted Minnesota’s policy of increasing the cost of electricity by restricting use of the currently most cost-efficient sources of generating capacity. Yet the challenged statute will impose that policy on neighboring States by preventing MISO members from adding capacity from prohibited sources anywhere in the grid, absent Minnesota regulatory approval or the dismantling of the federally encouraged and approved MISO transmission system. This Minnesota may not do without the approval of Congress.

(*Id.* at 922.)

One recent United States Supreme Court case involved PJM Interconnection, a regional transmission organization overseeing a multistate grid on the east coast. (*Hughes v. Talen Energy Mktg., LLC* (2016) ___ U.S. ___ [136 S.Ct. 1288, 1297].) PJM operated a capacity auction for the exchange of power through long-term bilateral contracts. (*Id.* at 1294-95.) Maryland, a participant in the PJM, became concerned that the capacity auction was not adequately incentivizing the development of sufficient new electricity generation in-state. (*Id.*) In response, Maryland enacted its own regulatory program, providing subsidies to a new generator that would sell that capacity into the auction. (*Id.*)

The United States Supreme Court struck down the Maryland program, finding it intruded upon FERC's exclusive jurisdiction. (*Talen Energy* at 1297-99.) The Court specifically held that the fact Maryland was only attempting to encourage construction of new in-state generation did not save its program. (*Id.*) The Court concluded that "States may not seek to achieve ends, however legitimate, through regulatory means that intrude on FERC's authority." (*Id.*)

The author and proponents argue that such holdings are limited to the particular circumstances of those cases and would not serve to undermine California law should California enter into a larger regional market pursuant to this bill. However, this is far from clear. Although, for instance, the Court in *Talen Energy* expressly limited its holding to the particular intrusion presented therein, there is no certainty or guarantee that the underlying principles of these cases would not be applied to undermine California's current or future policies. Regionalization would make the bounds of California's energy policy blurrier and attempts to assert authority over in-state production could be found to run afoul of the Dormant Commerce Clause or, where impinging on the jurisdiction of FERC, preempted by federal law.

Should such fears materialize, California could see significant harms to its energy goals and its standing in the regional market. Opponents point out that should California laws governing the use of renewable energy be preempted in this new scheme, dirtier energy, such as from coal, could enter into the grid operating in California. Recent efforts by the Trump administration to promote coal and roll back environmental protections make clear the type of damage that could result in a worst-case scenario. Currently, coal-powered generation does not exist within CAISO territory, and nuclear generation has significantly declined, impairing the ability for the Trump administration to force either source of power generation on California ratepayers. However, under this bill, the territory of a western regional operator would likely include significant coal and natural gas generation capacity, markedly increasing the likelihood that California, as the largest statewide market in the western region, would be required to purchase coal and natural gas, in contravention of state climate policies and renewable energy goals.

It is an understatement to say the federal administration does not share the same environmental policy goals as California as the Trump administration has made unprecedented attempts to test the limits of the Federal Power Act (FPA), the key federal statute governing energy generation and transmission. In early 2018, FERC rejected an attempt by Secretary of Energy Rick Perry to implement a policy (the so-called “Perry Plan”), under Section 206 of FPA, to protect existing fossil fuel and nuclear generation.

Undeterred, in June of this year, a draft memo was leaked that indicated the Trump administration would attempt to use its emergency powers authority under Section 202 of the FPA to establish a Strategic Electric Generation Reserve composed of fossil fuel and nuclear generators, requiring FERC to impose a two-year reserve requirement of “strategic generation” on all regional transmission entities. The plan would also have relied on the Defense Production Act of 1950, which provides the executive broad powers.

One of the clearest examples of these risks is California’s carbon pricing. It is the main mechanism that keeps coal power out of California’s wholesale electricity market. However, it is uncertain whether California would be able to continue to impose carbon prices on generators outside of California without violating the Dormant Commerce Clause, and even if there was a way to maintain the carbon pricing scheme, it is unclear how it could function on a practical level. The current EIM operated by the CAISO is entirely voluntary and amazingly FERC approved the integration of carbon pricing into the EIM tariff. Regionalization of the grid would undermine the voluntary nature of this mechanism and likely run into serious issues, such as those faced in *Heydinger*.

Even if the law could be applied solely within California to California generators without affecting interstate commerce, out-of-state entities would have a clear advantage over in-state producers that would be required to absorb this additional cost. The bill attempts to address these risks by strictly conditioning the restructuring of the CAISO on various prerequisites. For instance, a California transmission owner, retail seller, or local publicly owned electric utility would not be authorized to join a multistate regional transmission system unless certain requirements are met, such as clear processes for state regulators to provide guidance, maintenance of equitable transmission cost allocation rules, minimum resource adequacy standards, a prohibition on the organization operating a centralized market in California, and policies providing similar protections to the Bagley Keene Act and Public Records Act. However, despite all these up front assurances, once the CAISO is set out on its own, in territory strictly overseen by FERC, there are no guarantees, especially when the CAISO no longer has to operate under the political oversight of the Legislature. The holding in *Talen Energy* reinforces this concern, as it involved guarantees made to Maryland by the PJM in exchange for support for a centralized capacity market. However, those promises were later revoked over Maryland’s objections.

FERC has expansive jurisdiction over energy that is transferred through interstate commerce. Given the current administration and its ever-increasing appetite to usurp state control, it would arguably be dangerous policy to enter California into a regional grid and thereby increase the risk that FERC and this administration find a hook to challenge a host of laws in California, not to mention take control over what type of energy is generated and used in California and how much it costs.

4. Illusory safety net

Although proponents of the measure point to the escape hatch provisions of the bill that would allow participating transmission owners to unilaterally withdraw from the multistate regional transmission organization with two years' notice should things go awry, the reality is that things would not be able to simply return to how they currently operate. Outside of the great expense and legal tangles that such a "reset" would involve, as indicated above, the current structure of the CAISO was nearly overturned by an aggressive legal challenge. A change in governance now would undermine any res judicata effect of that ruling and reestablishing a new structure with State oversight, such as the one the CAISO has now, would have a difficult time attaining the necessary approval from FERC. The United States Court of Appeals for the District of Columbia Circuit made clear this possibility. (*See Cal. Indep. Sys. Operator Corp. v. FERC* (2004) 372 F.3d 395.)

The only fool-proof way to secure a path back would be to require express and binding assurances from FERC in advance of any change in governance that the current structure would be recertified in the event of a pull out. The chances of attaining such assurances are dismal.

5. Another way forward

Despite the appealing benefits of decisive and expansive regionalization, the uncertainty that comes with increased regionalization, and the magnitude of the risks, supports a measured approach. While proponents assert that the increased expansion provided for by this bill in no way lessens California's power over energy policies affecting it nor increases its susceptibility to federal preemption or commerce clause challenges, the evidence does not support such unequivocal optimism.

One alternative way forward that would achieve the benefits and efficiencies afforded by larger markets is expanding the existing voluntary EIM that the CAISO currently operates. The EIM currently includes participants from eight states and is steadily expanding. While the current market operates on a limited scale, it could be expanded to allow for longer-term agreements. Such a system would allow California to reap the benefits of more expansive trading without risking the relative autonomy over energy policy it currently enjoys.

A coalition of groups in opposition to the bill, including The Utility Reform Network, Sierra Club California, the State Building and Construction Trades Council, and other labor organizations, makes the case:

[Alternative options include] [e]xpanding the voluntary Energy Imbalance Market (EIM) to permit transactions with other western balancing authorities that go beyond real-time and allow day ahead scheduling. Previous CAISO studies found that participation by other Western utilities in the EIM could significantly reduce, or even eliminate, all expected curtailments of renewable resources within California. CAISO identified this potential change in its most recent policy initiatives roadmap and notes that an expanded EIM would improve market efficiency and more effectively integrate renewable generation while allowing each state to retain control over reliability responsibilities, integrated resource planning, resource adequacy and transmission planning and investment.

The California Municipal Utilities Association similarly states in opposition:

CAISO started the Energy Imbalance Market (EIM) in 2014 to increase efficiencies and help address renewable integration challenges. The Western EIM now has eight EIM Entities that have gone live, and four more currently scheduled to go live in the next two years. Notably, the largest public power systems in the West are in that group going live in 2019 and 2020. The CAISO had teed up possible expanded functionality of the EIM to include day-ahead bidding. Importantly, the decision to become an EIM Entity is voluntary and based on a case-by-case benefit/cost analysis for each organization. Furthermore, resource participation decisions within the EIM market structure are voluntary. It's working, saving consumers money and benefitting the environment. Political intervention, like that contemplated in AB 813, puts this valuable progress in jeopardy.

Consumer benefits must drive consideration of CAISO expansion. CMUA firmly believes that the best way to ensure consumer benefits is to build upon the success of the EIM, let markets evolve organically, and shift our focus onto implementing other, more effective clean energy priorities rather than changes to CAISO governance.

One major impetus for pushing regionalization now is the surplus renewable energy California is unable to use effectively. Another proposal presented short of regionalization would involve an exchange of hydropower from the Northwest for the solar energy that California overproduces during the daylight hours. In addition, advances in electricity storage technology can also render this problem moot:

With battery costs continuing to decrease and battery alternatives coming into the fore, projections of storage capacity are indeed quite possible. Assuming the electric industry can indeed upgrade its current infrastructure, new grid connections means that energy will be able to be shared more than ever, perhaps even traveling far

distances during peak or be stored for non-peak use anywhere on the grid. When storage costs and capacity align with market incentives, we may just see a renewable energy revolution, one that makes distributed generation mainstream for all consumers.

(Brigham McCown, *Is Reliable Energy Storage On The Horizon?* (June 19, 2018) Forbes <<https://www.forbes.com/sites/brighamccown/2018/06/19/is-reliable-energy-storage-on-the-horizon/#5cc7a4f02993>> [as of June 21, 2018].)

The California Environmental Justice Alliance offers additional methods, including:

- Taking steps to enable greater exports of surplus in-state renewable generation including obtaining an assessment from the Western Electricity Coordinating Council regarding the feasibility of increasing net export limits.
- Investigating the establishment of a regional planning reserve sharing agreement among Western Balancing Authorities to reduce overall reserve requirements.
- Work with other western balancing authorities to reduce barriers to exporting excess power produced by in-state renewable resources.

These proposals represent a move toward greater regional cooperation without the attendant risks associated with regionalization pursuant to the procedures laid out in this bill. Given the current climate at the federal level, it is arguably a more prudent policy decision to proceed incrementally and cautiously, rather than go all in with no path back.

6. Support and Opposition

The Environmental Defense Fund writes in support:

This bill is essential to achieving California's bold greenhouse gas reduction goals. AB 813 leverages the capabilities of our CAISO, so that it can evolve into a regional platform for a low carbon grid. By linking our sophisticated grid operator and wholesale markets with other clean, renewable energy resources in the West, California will gain more flexibility to manage its own abundant renewable resources, while helping other states make the transition to low-carbon electricity systems.

Writing in support, the Natural Resources Defense Council states:

We need a fully integrated western power grid to replace our current fragmented system where 38 different grid operators move electricity to homes and businesses across California and other Western states. With greater coordination, an independent Western grid operator will be able to draw cleaner, cost-effective electricity from across the region and send it where it is needed. This approach will reduce costs and improve reliability for electricity customers across the region. A

2016 study by CAISO found that a transition to a regional grid operator with an independent board will save the state's electricity customers \$1 billion to \$1.5 billion annually by 2030.

AB 813 will ensure that California can obtain the economic benefits of a regional grid while maintaining control of its own utilities and energy policies, by establishing a set of criteria in statute that must be met prior to participation of California utilities and transmission owners.

Stem writes in support that it "believes that a regionally-integrated grid and market, if designed correctly, can ensure continued growth of distributed energy resources, distributed storage, and largescale clean resources." It cites its "experience with sustainability-oriented customers" in arguing that "consumers want to access the energy markets in new ways and to contribute to state and regional sustainability goals." Stem contends:

Regionalization could help expand distributed storage and distributed clean resource growth to further serve local capacity constraints across the West as well as contribute to regional grid service functions. Distributed storage, inside and outside California via a regionalization paradigm, can help address our current, severe grid ramps in energy demand at sunset, when solar generation goes offline.

Writing in opposition, the County of Imperial states that the "consolidation of California's grid with other states would increase costs to ratepayers, relinquish California's control over resource procurement, result in the export of much-needed, well-paid jobs to other states, and place Imperial County's renewable resources, particularly geothermal, at a competitive disadvantage."

The Southern California Public Power Authority (SCPPA) writes in opposition:

Given the number of significant policy and implementation discussions that have yet to occur, SCPPA strongly believes that a more thorough cost-benefit analysis is needed before the State can make an informed decision. There are simply too many unknown components and variables – which, even if known, would be still difficult to control. The greater regional market touting advocates cannot feasibly measure California customer and ratepayer impacts without fully understanding these interactions. Any transition to new or expanded energy markets requires careful consideration to ensure that it is "in the best interests of California and its ratepayers" – a growing number of whom are served by not-for-profit public power entities.

California must be diligent in protecting its ratepayers from inadvertent negative long-term market and reliability impacts.

The California Alliance for Community Energy writes in opposition:

CAISO regionalization is about changing the governance of CAISO. Rather than being governed by a California-appointed board, California would become a minority party in a large Regional Transmission Organization (RTO), an industry-run authority directly regulated by the federal government via the Federal Energy Regulatory Commission (FERC).

This change in governance would place control over California's energy market in the hands of a Western states RTO heavily dominated by coal interests (the largest coal-producing states in the U.S.) and under the direction of the Trump administration. California's policies for transitioning to renewable energy – and initiatives to develop distributed or decentralized energy resources – would be subject to review and revision by a market authority that is not interested in either.

Support: 8minutenergy Renewables; Advanced Energy Economy; American Association of Blacks in Energy; American Council On Renewable Energy; Bay Area Council; Brightline Defense Project; California Chamber of Commerce; California Community Choice Association; California Independent System Operator; EDF Renewable Energy; EDP Renewables; Environmental Defense Fund; E2 – Environmental Entrepreneurs; Independent Energy Producers Association; The Honorable Jay Inslee, Governor, Washington; League of Women Voters of California; Monterey Bay Community Power; Natural Resources Defense Council; Public Generating Pool; Silicon Valley Leadership Group; Solar Energy Industries Association; Sonoma Clean Power; Stem; SunPower; Union of Concerned Scientists; Vote Solar

Opposition: 350 Bay Area; 350 Conejo – San Fernando Valley; 350 Riverside; 350 Santa Barbara; 350 Silicon Valley; 350 Sonoma; 350 South Bay Los Angeles; American Wind Energy Association California Caucus; Business for Good, San Diego; California Alliance for Community Energy; California Community Choice Association; California Environmental Justice Alliance; California for Progress; California Large Energy Consumers Association; California Municipal Utilities Association; California State Association of Electrical Workers; California State Pipe Trades Council; Californians for Energy Choice; Californians for Green Nuclear Power, Inc.; Change Begins with Me – Indivisible CA District 78; Chico 350; City of Lake Forest; Climate Action Campaign; Climate Hawks Vote; Consumer Watchdog; Democratic Socialists of America, Climate Justice Committee – Los Angeles; Divest LA; East Bay Clean Power Alliance; Emerald Cities San Francisco; Food & Water Watch; Greenpower; Imperial County Board of Supervisors; Imperial Irrigation District; Indivisible CA-33; Indivisible Media City; IndivisibleSF; Local Clean Energy Alliance; Los Angeles Alliance for a New Economy; Mothers Out Front; No Coal in Oakland; Northern California Power Agency; Northridge Indivisible; Oakmont Progressives; People Demanding Action; Progressive Democrats of America; The Resistance Sacramento/Elk Grove; Revolution LA; Romero Institute; Rootskeeper; San Diego 350 – Climate Action; San Diego Community Choice

Alliance; San Diego Energy District; San Francisco Berniecrats; San Luis Obispo Clean Energy; San Luis Obispo Clean Water; Santa Barbara Standing Rock Coalition; San Jose Community Energy Advocates; Save Porter Ranch; Sierra Club; SoCal 350; Sonoma Valley Climate Coalition; Southern California Public Power Authority; State Building and Construction Trades Council; Sunflower Alliance; Surfrider Foundation, LA Chapter; Sustainable Marin; The Utility Reform Network; Western States Council SMART; Women's Energy Matter; World Business Academy

HISTORY

Source: Author

Related Pending Legislation: None Known

Prior Legislation:

SB 726 (Holden, 2017) would have authorized the transformation of the CAISO into a regional organization if its governing board undertook certain steps and the Commission on Regional Grid Transformation, which the bill would have created, made specified findings. This bill is in the Senate Rules Committee.

SB 350 (De León, Ch. 547, Stats. 2015) among other things, established targets to increase retail sales of renewable electricity to 50 percent by 2030, states the intent of the Legislature to provide for the regionalization of CAISO, and requires statutory authorization of such regionalization.

Prior Vote:

Senate Energy, Utilities, and Communications Committee (Ayes 6, Noes 1)

Assembly Floor (Ayes 78, Noes 0)

Assembly Appropriations Committee (Ayes 12, Noes 4)

Assembly Higher Education Committee (Ayes 11, Noes 1)
