The Balance of Power: Exploring Recent Developments and Potential Changes to the Power Industry

CSMA Napa Conference November 8, 2018

CA State Legislative Issues Wildfires

- SB 901 Conference Committee
- Bills
 - AB 1956 (Limon) Fire prevention local grant assistance
 - AB 2091 (Grayson) Prescribed burn insurance pool
 - AB 2126 (Eggman) California Forestry Corps Program
 - AB 2518 (Aguiar-Curry) Innovative forest products and mass timber
 - AB 2551 (Wood) Prescribed burning operations
 - **AB 2911 (Friedman)** Fire safety and utility easements
 - AB 2915 (Caballero) Workforce development boards and mutual aid
 - SB 833 (McGuire) Emergency alerts
 - SB 1035 (Jackson) Disaster preparedness in General Plans
 - SB 1260 (Jackson) Fire prevention and prescribed burns



Federal Wildfire Funding

- Historically, federal disaster assistance for wildfire suppression was dependent on annual congressional appropriations and woefully inadequate
- FY 2018 Omnibus Appropriations bill fixed "fire borrowing"
- However, funding increase is phased in and current year funding appears inadequate
- Both House and Senate appropriations bills provide extra funding, however, still unclear:
 - Whether bills will be approved in time
 - What will happen if funds are inadequate





Carr Fire — Redding

How Does a CCA Operate?

- Cities/Counties Join Together Under Joint Powers Authority or Separate Department
- Formed to Provide Power Supply Services/Governed by Board of Directors
- Voluntary Opt-Out Only Serve Customers of IOUs
- Function





Electric Vehicle Types





Source: CARB, "Mobile Source Strategy"

Appendix: Supporting Information

CA Wildfire Mitigation Plans

 All electric utilities must develop Wildfire Mitigation Plan Phase 1: Local Governing Board determines whether utility electric lines and equipment possess "significant" risk of causing a catastrophic wildfire





Supplier Side Perspective

- Many CCAs have established very aggressive renewable/carbon free policies
 - Short-Term impact on market supply (capacity, RPS, carbon-free)
 - Long-Term impact on resource development / resource mix in California
 - Impact to Integrated Resource Planning among Regulatory Agencies
 - Focused on Distributed Generation (DR) and local development
- Financial stability of CCAs
 - Building portfolios from the ground up
 - Lack of credit and access to capital
- Unique CCA Risks
 - CCA customers can opt-out of the program
 - Creates challenge for long term resource development and capital financing
 - Exposure to Power Charge Indifference Adjustment (PCIA)



Electric Vehicle Charging Infrastructure



Did you know?

Most plug-in electric vehicles can be charged on a household outlet overnight.

Cap-and-Trade Post-2020 Rulemaking

- Key Issues Addressed
 - Program cap over-allocation
 - Cost containment and price ceilings
 - Use of allowance value
 - Forced consignment of free allowances
- Timing
 - Formal rulemaking package expected to be released first week of September
 - Approval scheduled for December 2018



CARB staff believes utilities will support some of the revisions regarding use of allowance value

Cap-and-Trade Program – Some Statistics

Auction Quarter or Fiscal Year	Proceeds to Investor Owned Utilities	Proceeds to Publicly Owned Utilities	Proceeds to California
Q2 2018 (May)	\$174,002,108.05	\$39,440,231.90	\$681,619,979.63
Q1 2018 (February)	\$268,089,087.78	\$33,928,671.51	\$726,603,478.59
Q4 2017 (November)	\$275,571,961.26	\$20,008,851.54	\$862,813,992.74
Q3 2017 (August)	\$271,091,076.00	\$22,049,465.25	\$642,137,265.36
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	\$4,873,980,088.51	\$729,010,962.22	\$7,859,405,311.11



Over \$13 billion in revenues

