



December 4, 2019

Advocacy Policy and Procedures

Monterey Bay Community Power Authority

Advocacy Policy and Procedures

Monterey Bay Community Power's ("MBCP") Advocacy Policy is intended to serve as the foundation for MBCP Policy Board action regarding Federal, State, local legislation, regulatory proceeding, or funding opportunity. Recognizing that the legislative and regulatory processes often impose immediate deadlines, the MBCP Advocacy Policy provides guidance to MBCP's staff and advocates regarding the Board's core positions as related to MBCP's stated purposes.

Monterey Bay Community Power's Stated Purposes

MBCP seeks to promote and pursue public policies which enable MBCP to satisfy its purpose as set forth in the Joint Exercise of Powers Agreement between MBCP's member agencies:

1. Reducing greenhouse gas emissions and reliance on fossil fuels through electrification of the transportation, public infrastructure, and building sectors
2. Providing electric power and energy programs to customers at affordable and competitive rates;
3. Stimulating and sustaining the local economy by lowering electric rates and creating local jobs;
4. Promoting long-term energy security and reliability through local control of electric generation resources.

General Guiding Principles:

MBCP recognizes that its policy positions are better informed and more competently advanced when guided by the following general principles:

1. Collaboration

MBCP pursue policies and advocate for renewable energy in collaboration with member agencies, local and regional partner agencies.

2. Solution Oriented

MBCP pursues solution-oriented policies informed by the myriad of competing or interrelated proposals advanced in legislative, regulatory, and legal settings.

3. Ethical

MBCP advocacy respects adverse positions and are undertaken ethically and with the highest degree of integrity.

Key Policy Issues and Strategies

1. Reducing Greenhouse Gas Emissions Through Electrification

ISSUE:

In September 2018, California passed SB 100 which set targets of 50% renewables by 2026, 60% renewables by 2030, and 100% zero-carbon energy by 2045. While the 2026 and 2030 targets represent upward adjustments to California's existing renewable portfolio standard, the 2045 100% zero-carbon energy requirement represents a challenge that MBCP looks to meet through renewable energy sources supported by storage, large hydro, nuclear, offshore wind, natural gas with carbon capture, and other renewable emerging technologies.

Strategy:

- a. Support the creation or expansion of energy programs that enable MBCP to meet California's promise of 100% zero carbon energy sooner than mandated.
 - i. Support formation and growth of Community Choice Energy throughout California.
 - ii. Promote decarbonization or the use of carbon-offsets where decarbonization is not yet feasible.

2. Affordable and Competitive Rates

ISSUE:

Electricity procurement rates are the product of minute by minute variations in electricity demand, availability of generation resources, line loss factors, and fuel costs. Additionally, in California, generation rates can be impacted by time of use, non-bypassable charges approved by the California Public Utilities Commission (“CPUC”), and certain costs stemming from legacy Investor Owned Utilities (“IOU”) investments.

Strategy:

- a. Support the elimination of existing non-bypassable charges and oppose creation of new ones.
- b. Support increased transparency and consistency of non-bypassable charges when implemented.
 - i. Support public processes that allow for transparency of inputs, methodology, and stakeholder input.
- c. Support transparency of Power Charge Indifference Adjustment (“PCIA”) on migrating and non-migrating customer bills.
- d. Promote policies to sunset PCIA.
 - i. Support policies to reform investor owned utility procurement practices and minimize stranded investments to avoid stranded costs.
 - ii. Support reformation of the PCIA calculation process to promote transparency, accountability and proper valuation of PCIA components.
- e. Support policies that promote and reinforce local control and the independent rate setting authority of MBCP’s Policy Board.
 - i. Oppose policies that threaten Community Choice Aggregation, local control of energy provision, and the independence of the MBCP Boards.
- f. Support policies that promote the simplification of rate structures and provide transparent and understandable rate comparisons for customers.

3. Local Control

ISSUE:

MBCP is governed by its Operations and Policy Board of Directors, who are appointed and duly elected representatives of MBCP's member agencies and their constituents. MBCP's governing Boards have, with limited exceptions, independent procurement and operational decision-making authority.

Strategy:

- a. Protect MBCP's Boards' authority as the primary governing structure and oversight of MBCP.
- b. Support policies that define complementary and supportive roles for state agencies, especially in the areas of reliability and renewable portfolio compliance.
- c. Oppose policies that expand state agency oversight into areas reserved to MBCP's Boards.
- d. Oppose policies that threaten Community Choice Aggregation, local control of energy provision, and the independence of the MBCP Boards.

4. Economic Stimulus Through Lower Rates and Electrification

ISSUE:

MBCP believes that electrification, clean energy investment, investments in the greenhouse gas reductions, and affordable competitive rate structures for all customer classes will stimulate reinvestment in our local economies.

Strategy:

- a. Support economic development within existing and emerging industries that support a reduction in greenhouse gas emissions while maintaining the character of local communities.
- b. Support policies that incent development of local clean energy and greenhouse gas reduction technologies.
- c. Support electrification through local building code and reach code development.
- d. Pursue affordable and competitive rates.

5. Support Development of Local and Regional Energy Programs

ISSUE:

MBCP supports development of programs that provide our communities with equal access to educational resources, support services, and financial incentives to transition the central coast toward a built infrastructure powered by electricity generated from clean power.

Strategy:

- a. Support policies that further or enhance the ability to deliver energy programs consistent with the MBCP Policy Board's stated priorities.
- b. Support local administration of Public Purpose Funds
 - i. Support policies that transfer control of Public Purpose Funds collected from all ratepayers within MBCP's jurisdiction to MBCP for distribution through local partners to better accommodate local needs.

6. Grid Reliability

ISSUE:

Grid reliability requires ensuring enough resources are available to generate the power necessary to constantly balance the power consumed by all consumers across the grid on a second by second basis across all hours and days. Demand for electricity is increasing as California moves toward 60% renewable energy by 2040 and 100% zero carbon energy by 2060. Simultaneously, the generation of that increased power demand is increasingly varied in both source and resiliency. Ensuring a reliable grid requires utilization and investment in both existing and emerging technologies that will accommodate both the increased load from the electrification of processes and greater generation from solar, wind, and other renewables.

Strategy:

- a. Promote energy storage models to effectively leverage existing and future renewable energy generation.
- b. Promote clean distributed energy resources to ensure critical and public safety infrastructure resiliency.
- c. Support policies that permit integration and management of distributed energy resources.
- d. Support reasonable and necessary infrastructure upgrades to enhance grid resiliency and stability.

- e. Support policies that promote effective low or zero emission conventional generation resources to serve as a bridge to California's zero-carbon future.
 - i. Require conventional generation resource be powered, when possible, by non-fossil fuels or utilize carbon offsets.
 - ii. Advocate that all bridge resources have a planned obsolescence, two-stage life cycle, and/or a contract structure that minimizes non-zero emission generation, maximizes carbon offset benefits, and ensures the resource retires when no longer needed for reliability purposes.

- f. Oppose policies that may adversely impact MBCP customers, such as Public Safety Power Shutoffs.
 - i. Promote the transparent, timely, and effective communication of any such policies impacting MBCP customers.
 - ii. Promote programs and strategies to mitigate the impacts to customers from adverse policies, such as Public Safety Power Shutoffs.

ADVOCACY PROCEDURE

Requests for support or opposition shall be directed to MBCP's CEO and the General Counsel's Office. MBCP's staff will analyze the subject policy in coordination with any relevant MBCP departments to determine the policy aligns with MBCP's Advocacy Policy. Staff may, as appropriate, collaborate with other local and regional public agencies and community choice energy advocates to evaluate the subject for statewide or regional coordination and integration.

MBCP staff shall, based on its analysis, recommend a position and course of action. Such action shall consist of some combination of the following to be coordinated through the General Counsel's Office.

1. Advocate through staff, partners and lobbyist in support, support if amended, in opposition to, or to remain neutral.
2. Transmit official position correspondence with appropriate legislators.
 - a. Requests for official MBCP positions shall be directed to the Executive Committee for review and direction.
 - i. At the discretion of the CEO or direction of the Executive Committee, requests for official MBCP positions shall be directed to the full Policy Board of Directors.
 - b. Time permitting, requests for official positions shall be presented to the Community Advisory Board prior to submission to the Executive Committee.
3. Prepare draft resolutions for consideration of the full MBCP Policy Board of Directors to be forwarded to appropriate legislators.
4. Prepare talking points and other relevant information to allow individual Directors to personally contact appropriate legislators to advocate on behalf of MBCP positions.
5. When appropriate, MBCP staff and/or individual Board Directors may advocate in person in Sacramento or Washington, D.C. Staff will coordinate with the appropriate lobbyist to organize meetings or attendance at events.
6. MBCP staff shall work with advocates and MBCP's legislative representatives to articulate MBCP's policy positions in any draft or sponsored legislation.

During the legislative session, the General Counsel's Office shall monitor and update the MBCP Policy Board, Operations Board, and Community Advisory Committee through written summaries of key bills and advocacy efforts.