



SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY

Board of Directors Meeting

Thursday, March 20, 2025

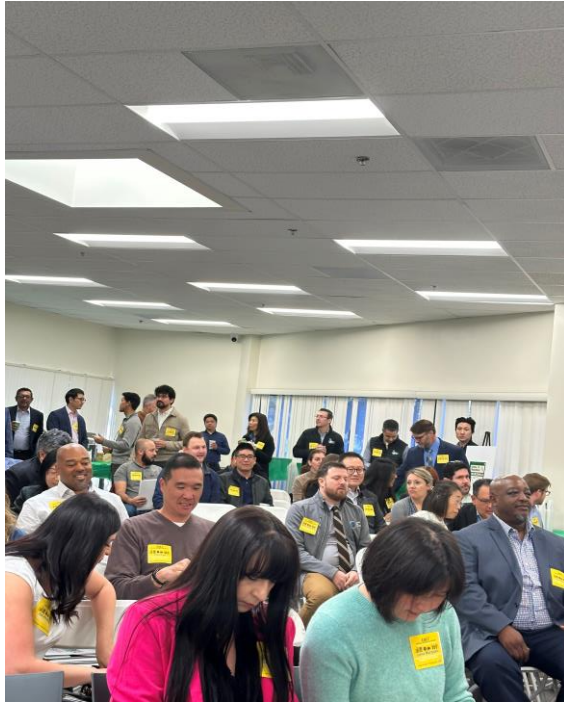


EXECUTIVE DIRECTOR REPORT

Working Group Update

Daniel E Garcia | *Executive Director*

Working Group Open House



CONSENT CALENDAR

A. Minutes of the Board of Directors Meeting

- Regular Meeting Minutes: February 20, 2025

B. Receive and File:

1. CY 2024 Q4 Renewables Operating Report
2. Finance Committee Meeting Minutes: February 3, 2025
3. Monthly Investment Report: January 2025
4. SCPPA A&G Budget Comparison Report: January 2025
5. Magnolia Power Project Operations Report: February 2025
6. Federal Legislative Report: February 2025

CONSENT CALENDAR CONTINUED..

C. Resolution 2025-009

Resolution Establishing Dates and Times for Regular Meetings of the Authority's Board of Directors, where the Meeting Date falls on an Authority Holiday

D. Resolution 2025-010

Approve a Novation Agreement between the Energy Federation, Inc., AM Conservation Group, Inc., and SCPPA pertaining to a Master Goods and Services Agreement for Energy Efficiency Services

E. Resolution 2025-011

Approve a Master Goods and Services Agreement with Richard Heath and Associates for Energy Efficiency Audits and Direct Installation Services.

The logo for SCP PA features the letters 'S', 'C', 'P', 'P', and 'A' in a bold, dark blue font. The letters are overlaid on a light blue map of Louisiana. A thick, orange-to-yellow gradient brushstroke sweeps across the map and the letters from the bottom left towards the top right.

SCP PA

GOVERNMENT AFFAIRS

MARIO De BERNARDO | *Director, Government Affairs*

ELISABETH de JONG | *Manager, Regulatory Affairs*

NATALIE SEITZMAN | *Manager, Legislative Affairs*

Federal Update

Action Items from Federal Fly-In

- **12 SCPPA-Scheduled Meetings**
 - Including Treasury & House W&M
- **Main Issues**
 - Tax-Exempt Muni Bonds
 - ITC/PTC/Direct Pay
- **Next Steps: Focus on Muni-Bonds**
 - SCPPA letter forthcoming
 - Over \$36 billion in bonds in the next 10 years
 - Letter will show impacts on ratepayers is significantly higher than federal savings



Inflation Reduction Act Tax Credits

- 21 House Republicans letter to chair of House Ways & Means
- Concerned about “disruptive changes to our nation’s energy tax structure”
- Highlights the importance of “pro-energy growth policies”
 - Increase domestic manufacturing
 - Promote energy innovation
 - Keep utility costs down
- ***“We have 20-plus members saying, ‘Don’t just think you can repeal these things and have our support,’”***
 - Rep. Andrew Garbarino (R-NY)



U.S. EPA Announcement

- EPA Sec. Zeldin announced 31 initiatives on 3/12
- Focus
 - Unleashing energy dominance
 - Lower costs for Americans
 - Strengthen U.S. Auto Industry
- Notable actions includes reconsideration of:
 - 2009 “Endangerment Finding” re GHGs
 - Clean Power Plan 2.0
 - GHG Reporting Program
 - Car GHG Rules



State Regulatory Update

CARB: Advanced Clean Fleets

- ▶ ACF requires 100% ZEV purchases starting in 2027
 - Rule applies to public fleets
 - CARB pulled US EPA waiver for private fleets
- ▶ SCPPA's AB 1594 (2023) Requires accommodations for POUs
- ▶ CARB was to release AB 1594 proposed rules this month
 - CARB has paused rulemaking per SCPPA's request
 - Pacific Palisades fires warrant a fresh look at the program
- ▶ SCPPA Meetings with CARB senior staff, CARB Legislative Office, Gov's Office
- ▶ Joint-POU letter to CARB leadership is pending



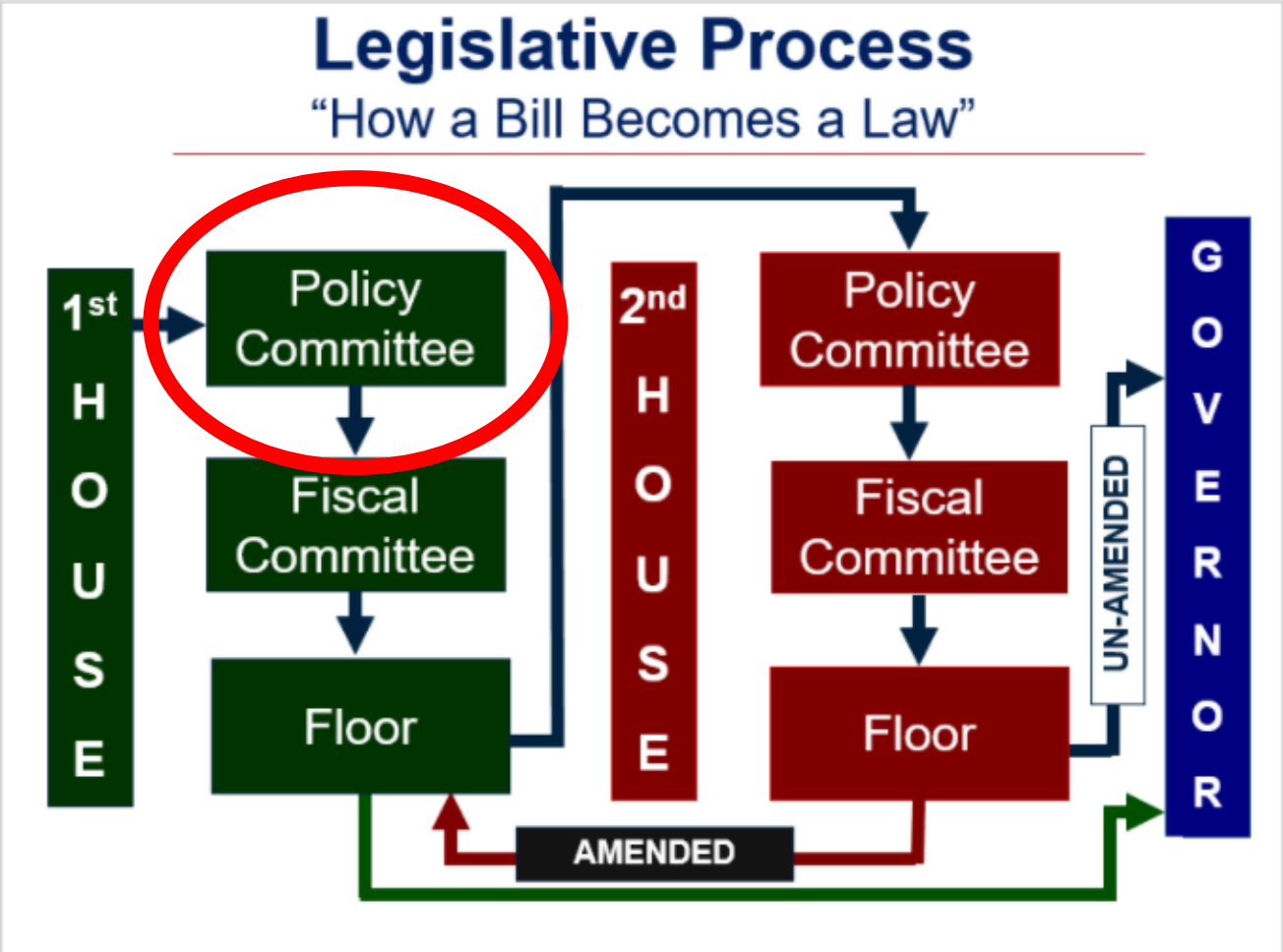
CEC-POU Meetings

- **CEC Vice Chair Gunda and Com. Gallardo quarterly POU roundtables**
 - Inspired by SCPPA roundtables and tours
 - Kickoff 3/6 with SCPPA, CMUA & NCPA
- **Initial Action items:**
 - Streamline data and reporting requirements.
 - Develop processes to stay informed of CEC and POU policy priorities
 - CEC IRP team to provide feedback on IRPs indicating where planning is not feasible (i.e. emerging technologies/resources, clean and firm resources)
 - SB 100 implementation
 - CEC-POU Summit to “celebrate and highlight POU excellence”
- **Next meeting likely in June**



State Legislative Update

State Legislative Calendar

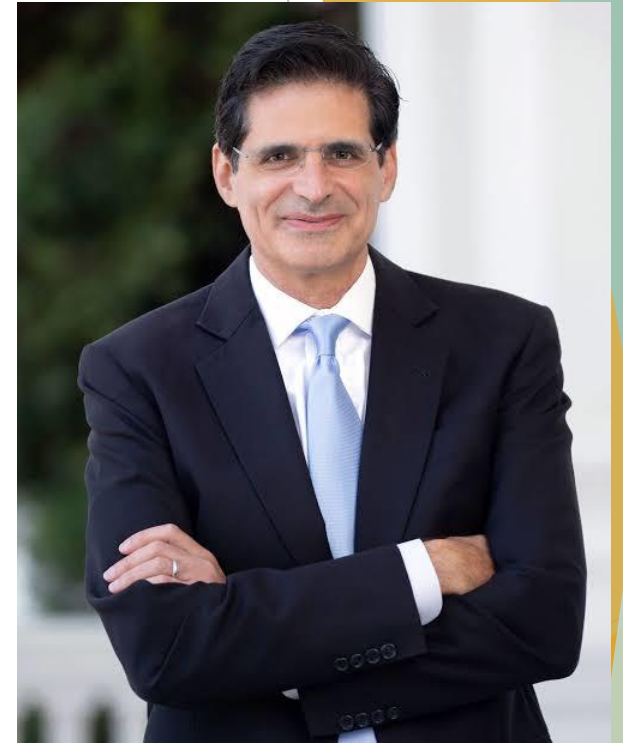


Notable Dates:

- Mar 17 - Assembly Substantive Spot Deadline
- Mar 26 - Senate Substantive Spot Deadline

Pathways Initiative

- **SB 540 (Becker)**
 - Allows CAISO & IOUs to use markets under an independent organization
 - Sponsors: IBEW, NRDC, Environmental Defense Fund
 - POU Supporters: NCPA and CMUA
- **March 12th Senate Energy Informational Hearing (chaired by Sen. Becker)**



Pathways Initiative

CPUC President Alice Reynolds' hearing slide

Recent State Study Shows Benefits to CA


Incremental benefits of expanding the EDAM footprint

- Cost savings:
 - Up to \$790M in total system cost savings compared to currently projected EDAM footprint
 - Renewable curtailments fall 10%
- Environmental:
 - GHG emissions and local air pollution decline up to 11% in state
- Reliability:
 - More available resources (market supply cushion) during the 100 tightest hours of the year
 - Substantial decrease in hours at risk of outages West-wide during stress conditions

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Pathways Initiative

NCPA GM Randy Howard's hearing slide



Elements of Pathways Proposal

- **Voluntary participation structure** – participants may engage in both EDAM and WEIM, or only WEIM
- **Low cost to participate** – using CAISO's existing optimization platform and resources
- **Daily resource sufficiency evaluation** – to ensure reliable operations of the grid
- **Intent to maximize use of available transmission** – enable seamless energy transfers across areas
- **Support greenhouse gas reduction goals** – is designed to support goals regarding GHG reduction programs

Pathways Initiative

- ▶ **Leading Opponent: Former CPUC President Loretta Lynch**
 - Concerned that proponents are assuming broad participation
 - Concerned that California would give up control of energy policies and risk losing jobs to other Western states.
- ▶ **Randy Howard's Response**
 - Greater risk to California if there is no action
 - Emphasized voluntary nature of the initiative



Pathways Initiative

SCPPA Staff's Recommendation:

- Lean Support
- Need feedback from SCPPA Members, including LADWP and IID

Battery Storage Bills

After Moss Landing, what's next for battery storage?

The fire that destroyed a 300-MW battery installation is a “learning opportunity” for a safety-conscious industry, experts say. Will non-lithium chemistries benefit?

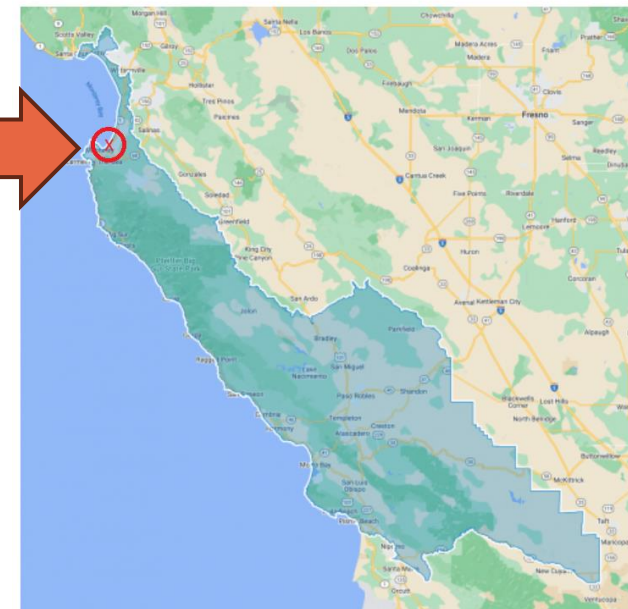


Addis Introduces Legislation to Bolster Community Choice & Environmental Protections in Battery Projects



- Asm. Dawn Addis is a Democrat who represents the Central Coast, including Moss Landing
- “After seeing what I saw at Moss Landing, it is very hard for me to look at battery energy storage as a green solution,” Addis said. “The whole purpose of climate action is to create a safer world. And so as we move into that, we have a responsibility to ask the core questions that our community is asking for their safety, for their health and for their well being.”

District Map



AB 303 (Addis)

- Modeled on setback laws for oil and gas development
- Applies to “Battery Energy Storage Systems” capable of storing 200 MWh or more of energy.
- “[A] battery energy storage system shall not be authorized if the development project is located on either of the following:
 - A site that is within 3,200 feet of a **sensitive receptor**.
 - An **environmentally sensitive site**.

AB 303 (Addis)

- What is a “sensitive receptor”?
 - A residence
 - A school (defined as pre K- 12, daycare, park, playground, or college)
 - Community resource center
 - Health care facility
 - Live-in housing (e.g., hospice, prison)
 - Business open to the public
- What is an “environmentally sensitive site”?
 - Coastal zone
 - Prime farmland
 - Wetlands
 - Very high fire hazard severity zone
 - Earthquake fault zone
 - Flood lands
 - Conservation land
 - Habitat for protected species

SB 283 (Laird)

- Senator John Laird is a Democrat who represents the Central Coast, including Moss Landing
- Addis' bill “premature and half-cooked.”
- “With oil and gas, there are emissions and potential hazards at the site,” Laird said. “For battery storage, there are no emissions, and so using the setbacks from oil and gas for battery storage is apples and oranges.”
- SB 283 (Laird) is currently a spot bill
- SB 283 is expected to focus on emergency planning and response re battery fires

