SB 881
Enforcement of Utility Emissions Reductions.
Senator Dave Min, 37th District

SUMMARY
In recent years, California has developed a robust planning process to ensure its electrical grid is clean, reliable, and affordable. However, there are currently no requirements in place to ensure that the state’s electricity sector reduces its global warming emissions enough for California to achieve its climate change goals. Senate Bill (SB) 881 will ensure that the California Public Utilities Commission has the authority to enforce global warming emissions reduction requirements for the electricity sector.

BACKGROUND
The purpose of integrated resource plans (IRPs) is to determine how to meet future electricity demand while ensuring grid reliability, maintaining affordability, and achieving environmental justice and clean energy goals. Current law requires 60% of California’s electricity to come from renewable sources, such as wind and solar, by 2030, and 100% of retail sales to come from renewable and zero-carbon sources by 2045. Current law also requires California to reduce global warming emissions to 40% below 1990 levels by 2030.

In 2015, IRPs were mandated in SB 350 (Chapter 547, Statutes of 2015) to require investor owned utilities, community choice aggregators, and electric service providers (collectively referred to as “load-serving entities,” or LSEs) to develop a path forward that meets renewable energy goals and global warming emissions reduction targets.

This planning process takes place in two-year cycles at the California Public Utilities Commission (CPUC). First, the CPUC establishes overall goals and a common set of assumptions for LSEs to use in their individual IRPs. These goals and assumptions form an overall plan for the state’s electricity sector to achieve the global warming emissions reduction target while meeting future electricity demand.

Second, LSEs create and submit individual IRPs, illustrating how they will reduce their global warming emissions by providing customers with additional clean electricity while minimizing costs, ensuring grid reliability, and minimizing air pollution in California’s disadvantaged communities. Load serving entities must demonstrate that they will do their part to reduce emissions as part of the statewide plan.

Next, the CPUC collects all the individual plans from LSEs and compiles them into one aggregated plan and assesses it to determine whether California will meet its goals if the LSEs all follow their submitted individual plans. The CPUC then implements new policies and authorizes the development of clean energy projects to meet the goals of the aggregated plan.

Current law provides clear expectations for LSEs and their written plans, yet it provides few safeguards to ensure that these plans are implemented in an appropriate and timely manner.

THIS BILL
SB 881 will clarify that in addition to planning, the IRP process should also ensure that LSEs follow through with their IRP commitments. Specifically, it provides greater clarity that the CPUC shall require LSEs to undertake sufficient procurement to meet the electricity sector’s global warming emissions reduction target. Additionally, SB 881 will ensure that if LSEs fail to meet their IRP requirements, then the CPUC can assess penalties and authorize another entity to satisfy unmet procurement needs.

To meet our state electricity goals, California’s LSEs must follow through with their plans and buy enough clean energy to achieve the goals of the IRP process.

SUPPORT
Union of Concerned Scientists (Sponsor)
California Environmental Voters (Formerly CLCV)
California State Association of Electrical Workers
California Wind Energy Association
Clean Air Task Force
Clean Power Campaign
Coalition of California Utility Employees
Environment California
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Environmental Defense Fund
Sierra Club

The Utility Reform Network (TURN) (If amended)

OPPOSE
Marin Clean Energy
Sempra Energy Utilities

California Choice Energy Authority (Unless amended)
California Community Choice Association (Unless amended)
San Diego Community Power (Unless amended)
San Francisco Public Utilities Commission (Unless amended)
San Jose Clean Energy (Unless amended)
Silicon Valley Clean Energy (Unless amended)
Sonoma Clean Power (Unless amended)
Valley Clean Energy Alliance (Unless amended)

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