

# AB 813 (Holden) Adds New Protections for California's Clean Energy Transition

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## **AB 813 adds more than a dozen new protections against federal interference, prohibiting California utilities from being part of any multi-state transmission organization unless it:**

1. Does not conflict with state authority over generation preference, transmission siting, resource portfolios, and resource planning, including, but not limited to, a prohibition on a centralized capacity market in California or other forward procurement of electrical generating capacity that requires capacity to clear at a market clearing price to count for resource adequacy purposes. \*
2. Does not conflict with state rules or public policy requirements to provide reliable electrical service for the safety, health, and welfare of the state's citizenry and economy, to encourage new or clean generation, reductions in emissions of greenhouse gases, or state-assigned policy attributes of electricity generation, such as requirements for California utilities to purchase electricity products from eligible renewable energy resources and from zero-carbon sources. \*
3. Complies with state law and regulation over California utilities, including, but not limited to, those that may affect, but do not set, the rate for the same wholesale sale of electricity at a price different and distinct from the Federal Energy Regulatory Commission approved rate. \*
4. Ensures financial and political independence of ISO Directors. (Section 8392)
5. Ensures a financially conflict-free decision-making process.
6. Provides for and maintains 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. \*
7. Maintains and strengthens stakeholder participation. \*
8. Provides 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.
9. Protects and preserves a state's authority over matters regulated by the state, including procurement policy, resource planning, and resource or transmission siting within the state.\*

10. Requires that states continue to make their own resource adequacy determinations for investor owned utilities.
11. Recognizes the right of publicly owned utilities to make their own resource adequacy decisions.\*
12. Prohibits “forward capacity markets”, which are ill-suited to the western states and have been controversial in the Northeast as a potential source of conflict with state policies. \*
13. Ensures that the costs for market resources to comply with California’s climate policies, as implemented by the State Air Resources Board is included. \*
14. Establishes and maintains equitable transmission cost allocation rules through an open stakeholder process, ensuring that California participating transmission owners are fairly treated for their past investments. \*
15. Maintains an Independent Market Monitor.
16. Establishes a clear process, structure, and organizational support to enable a meaningful role for state regulators to collaborate and provide guidance to the ISO on matters of interest to more than one state, including on issues relating to the organization’s independent market monitoring function established by the Federal Energy Regulatory Commission. \*
17. Enables participation of demand response, storage, and other distributed energy resources in the organization’s markets. \*
18. Ensures the unconditional right of any participating transmission owner to withdraw from the multistate regional transmission system organization, with or without cause, upon giving reasonable notice, not to exceed two years. \*
19. Submits the bylaws and other organizational documents that govern the multistate regional transmission system organization to the Energy Commission for review. These documents must be certified by the Commission and include a detailed stakeholder public process through which comments can be received, including at least one public hearing. \* (Section 8393)

**Finally, AB 813 requires California utilities to leave a regional transmission organization if the CEC finds a violation of any of these requirements.**

\* -- denotes provisions not currently required by California law.

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