

Date of Hearing: April 21, 2021

ASSEMBLY COMMITTEE ON UTILITIES AND ENERGY

Chris Holden, Chair

AB 641 (Holden) – As Amended March 25, 2021

**SUBJECT:** Transportation electrification: local publicly owned electric utilities

**SUMMARY:** Requires all local publicly owned electric utilities (POUs) to have transportation electrification plans. Specifically, **this bill:**

Requires each POU to develop propose, review and adopt, at a public meeting, a transportation electrification plan, and post the plan on its internet website with the following elements:

- 1) Investments to deploy charging infrastructure for light-duty plug-in electric vehicles (EVs) for residential, public, and workplace settings and that support medium- and heavy-duty vehicles, and public transit within its service territory;
- 2) Electricity rate structures that promote transportation electrification and allow for affordable fueling and efficient integration into the electricity grid;
- 3) Plans to coordinate with adjacent or similarly situated utilities to meet broader community or regional infrastructure needs and ensure harmonious interterritory operations of electric transportation technologies;
- 4) Programs to promote transportation electrification in communities identified as disadvantaged;
- 5) Customer education and outreach efforts being implemented to inform customers about programs, tariffs, and other opportunities to advance transportation electrification; and
- 6) How transportation electrification planning is aligned with federal, statewide, or local air pollution reduction and zero-emission-vehicle initiatives, or a combination of those initiatives.

**EXISTING LAW:**

- 1) Requires the governing board of a POU with an annual electrical demand exceeding 700 gigawatt-hours (GWh) to adopt an Integrated Resource Plan (IRP), and a process for updating the plan, at least once every five years to ensure the utility achieves specified objectives. (Public Utilities Code § 9621)
- 2) Requires that the POU's IRP address procurement for, among other things, transportation electrification. (Public Utilities Code § 9621(d)(1)(C))
- 3) Requires the California Public Utilities Commission (CPUC) to direct investor-owned electric utilities (IOUs) to file for programs and investments to accelerate widespread transportation electrification. (Public Utilities Code § 740.12)

- 4) In part requires the CPUC rate-base all infrastructure needed to facilitate EV charging (except the charger) into distribution rates of the state's IOUs. (Public Utilities Code § 740.19)

**FISCAL EFFECT:** This bill is keyed fiscal and will be referred to the Appropriations Committee for its review of the fiscal effect of this bill.

**COMMENTS:**

- 1) *Author's Statement.* The vehicle manufacturing market is responding strongly to California's call for moving to zero-emission vehicles. General Motors is on its way to an all-electric future by 2035 with a commitment to 30 bring new global electric vehicles to the market by 2025. Most manufacturers are following and also have plans to add several EV models to their portfolios. Consequently, we must have a strong charging infrastructure to keep up with the deployment of electric vehicles. The state has several initiatives in place to meet this need but there is still a gap in the POU sector. The state's electric IOUs have transportation electrification plans and about one-third of the approximately four dozen POUs have plans, but not all. This bill fills that gap and requires the remaining POUs to come on board and ensure that their grid can support charging and that public charging is also available in their region.
- 2) *Filling the Gap.* Under the terms of SB 350, 16 POUs<sup>1</sup> are required to have transportation electrification plans with elements similar to this measure, to the extent feasible. The plans are part of these larger POU IRPs and filed with the California Energy Commission (CEC) every five years. However, smaller POUs are not required to address this growing need. Last summer Air Resources Board (CARB) reported that "one of the main barriers to ZEV adoption is limited access to charging stations."
- 3) *Need and Feasibility.* This bill was fashioned after the "CEC's Publicly Owned Utility Integrated Resource Plan Submission and Review Guidelines"<sup>2</sup> which includes many of the same elements in this bill. However, in those guidelines, the larger POUs are "encouraged" to include specified information "to the extent possible." This bill goes further and mandates that the smaller POUs include specified information regardless of feasibility. Representatives of the POUs report that the bill lacks sufficient flexibility for the POUs to account for smaller territories, many of which do not have smart meters (which would restrict EV rates), fleets, and public transportation, for example.

*Consequently, the committee may wish to consider amendments that retain a mandate that every POU facilitate and ensure the availability of public charging in their territory and are encouraged to include the remaining information in the plan, to the extent possible, in the plan.*

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<sup>1</sup> Los Angeles Department of Water & Power, Sacramento Municipal Utility District, Imperial Irrigation District, Anaheim Public Utilities Department, Modesto Irrigation District, Riverside Public Utilities Department, Turlock Irrigation District, Glendale Water & Power, Pasadena Water & Power, City of Roseville Electric Utility, City of Santa Clara/Silicon Valley Power, Burbank Water & Power, City of Redding/Redding Electric Utility, City of Palo Alto, San Francisco Public Utilities Commission, City of Vernon Light & Power

<sup>2</sup> Available at: <https://efiling.energy.ca.gov/getdocument.aspx?tn=221045>

- 4) *Pending Legislation.* SB 437 (Wieckowski) requires large POUs to include details of each utility's electrical service rate design that supports transportation electrification. Status: Set for hearing in Senate Energy & Utilities Committee April 19<sup>th</sup>.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

None on file.

**Opposition**

None on file.

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