



Assemblymember Eduardo Garcia, 56th Assembly District

AB 893 – Building Resilience by Integrating Dynamic Green Energy (BRIDGE) Act of 2018

Jointly Authored by Senator Ben Hueso and Senator Henry Stern

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ISSUE

Despite ambitious climate goals for 2030, California's progress on decarbonizing the electric grid has stalled. These efforts provide important co-benefits to California communities, including but not limited to reduction of fossil fuel use, improved air quality, stable electricity rates, and the development of a safe, reliable and resilient electric grid. California must ensure existing renewable energy resources stay online and that new projects continue to develop if the state is to meet the greenhouse gas emissions mandates in statute.

BACKGROUND

The California Renewables Portfolio Standard Program is a key part of California's strategy to reduce greenhouse gas emissions. The Clean Energy and Pollution Reduction Act of 2015 created a 50 percent renewables portfolio standard (RPS) by 2030, however the RPS annual report shows that the state's three largest electrical corporations can meet that target by 2020 and have not procured new renewable energy resources since 2015. Procurement has been impacted by the growth of Community Choice Aggregators (CCAs) who often lack financing to develop large-scale projects and are shifting significant load away from investor owned utilities.

In July 2018, the State Air Resources Board, in consultation with the California Public Utilities Commission (PUC) and the California Energy Commission (CEC), adopted a goal to limit greenhouse gas emission in the electricity sector to between 35 and 52 million metric tons of carbon dioxide in 2030. The PUC, under the Integrated Resources Plan process, modeled a 42 million metric tons of carbon dioxide target for 2030, and found that reaching this target will require the state to keep all existing renewable resources online in addition to procurement of over 10,000 megawatts of additional renewable resources.

The Integrated Resources Plans (IRPs) submitted by each load serving entity are intended to help ensure that utilities reach the 42 million metric tons target, however the IRP does not require load serving entities to procure any specific renewable energy resources – only that they demonstrate they can meet the emissions target and follow other requirements established in statute for load serving entities.

The California Independent Systems Operator (CAISO) has found that the recent growth in solar and wind resources is increasing the need for more flexible resources that can generate power when solar and wind resources cannot, particularly during the morning and evening hours when demand is high but energy supply from solar is low. Additionally, the PUC's most recent modeling for IRPs projects that at least 1,700 megawatts of renewable baseload resources will be needed to cost-effectively achieve the 2030 emissions targets for the electric sector, on top of keeping the approximately 2,100 megawatts of current baseload renewable resources online. In addition to grid reliability, these resources also provide important wildfire risk mitigation and air quality benefits to the state.

PUC modeling shows that California will need additional solar and wind resources in addition to what has been deployed to date to meet the projected grid needs in 2030. Solar and wind projects are currently eligible for federal tax incentives that significantly lower the cost, but those incentives will end soon – federal incentives for wind projects end after 2019 and in 2022 for solar projects. Early procurement of solar and wind power will help ensure that ratepayers benefit from those tax advantages while also ensuring California has adequate renewable energy resources online to meet the 2030 emissions target.

BILL SUMMARY

AB 893 would:

- Require each retail seller of electricity and each publicly owned electric utility to procure a proportionate share of a statewide total of 5,000 megawatts of existing and new tax-advantaged, bioenergy, and geothermal energy resources.
- Require bioenergy resources procured under this section to install best available control technology and reduce local air pollutants.
- Require the PUC and CEC to provide the Legislature with a joint assessment of a central statewide entity to procure electricity for all end-use retail customers in the state by March 31, 2019.

SUPPORT

- All Power Labs
- Alton Energy, Inc.
- American Wind Energy Association – California Caucus
- Aries Clean Energy
- Bioenergy Association of California

- California Biomass Energy Alliance
- California Forestry Association
- California Wind Energy Association
- Calpine Corporation
- County of Imperial
- Eolus North America, Inc.
- Eurus Energy
- Generate Capital
- Geothermal Resources Council
- Greenleaf Power
- Imperial Irrigation District
- Independent Energy Producers Association
- Large-Scale Solar Association
- Low Carbon Fuel & Energy Coalition
- Rural County Representatives of California
- Scout Clean Energy LLC
- Solar Energy Industries Association
- State Building & Construction Trades Council
- Supervisor V. Manuel Pérez, County of Riverside
- Wind Stream Operations
- Wintec Energy, Ltd.

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