



City of Palo Alto

Utilities Advisory Commission Staff Report

(ID # 11590)

Report Type: Agenda Items

Meeting Date: 11/4/2020

Summary Title: Annual UAC legislative update

Title: Staff Recommendation That the Utilities Advisory Commission Accept a Presentation on 2020 and 2021 State Legislation, and Recommend the City Council Affirm the Continuation of the Current Utilities Legislative Guidelines Through 2021

From: City Manager

Lead Department: Utilities

Recommendation

Staff recommends that the Utilities Advisory Commission (1) accept the staff presentation regarding 2020 and 2021 state legislation, and (2) after possible discussion and a motion, recommend the City Council continue the 2020 Utilities Legislative Policy Guidelines into 2021.

Background

The utility industry is a high-profile and heavily regulated industry subject to continuous legislative action at both the state and federal levels. At the state level, over two thousand bills are usually introduced each year, many of which require review to determine if they relate to utilities. The pace at which bills change during the legislative process, and the speed at which bills may receive a legislative vote requires staff to respond quickly if the City is to have any influence on the resulting legislation. Often, a response to an amended bill is required in a matter of a day or two.

These timing constraints preclude a return to the Utilities Advisory Commission (UAC) and/or Council for approval each time a response is required. Therefore, staff annually develops a document identifying guidelines to be applied when evaluating and responding to legislation. While the guidelines are used by staff for evaluating legislation, any advocacy positions taken in alignment with these guidelines are subject to the approval of the Utilities Director or the Director's designee. Although it is impractical to return to the UAC for approval each time staff wishes to act in a timely, sometimes, very quick manner, the issues under debate are known to the UAC and Council through written reports and verbal updates from the City Manager, the Utilities Director, or staff.

Discussion

2021 legislative guidelines

The legislative guidelines before the UAC today (Attachment A) were first adopted on [November 1, 2017](#) with further UAC approval on [December 5, 2018](#). On [December 4, 2019](#), the UAC approved the guidelines again, with only a few non-substantive changes. Likewise, the City Council approved the guidelines each year, with the last approval occurring on [January 13, 2020](#). Today, staff requests no changes to the guidelines that have served us well, and recommends the UAC approve the 2020 guidelines for 2021. If so approved, the guidelines will become the 2021 guidelines, and will be subject to review and approval again in late 2021 for 2022.

Presentation

In addition to approving the guidelines, staff requests the UAC receive a presentation regarding legislative highlights from 2020 and possible 2021 legislation. The presentation is Attachment B.

Resource Impact

There is no direct resource impact associated with adoption of the legislative guidelines. However, actions taken that support the efficient use of the City's assets and resources will help control costs, implement the Council's policies and goals, and protect the interests of utility customers.

Environmental Review

The UAC's consideration of the legislative guidelines does not meet the California Environmental Quality Act's definition of a "project" under Public Resources Code Section 21065.

Attachments:

- Attachment A: Guidelines
- Attachment B: Presentation

Attachment A

Approved by the Utilities Advisory Commission on November 4, 2020

Approved by City Council on XX, 2021

Utilities Legislative Policy Guidelines: 2021 Update

City of Palo Alto Utilities Department (CPAU) staff will use the below guidelines as well as the City's guidelines to help determine any advocacy position or action on Utilities-related issues. Formal advocacy, such as submitting written letters or comments and meeting with policymakers and/or staff, requires the approval of the Utilities Director or his designee.

1. Seek to preserve local government flexibility, discretion, accountability, and oversight of matters impacting utility programs, services, activities, and rates. Oppose action that could hamper or minimize this flexibility or discretion.
2. Where possible, seek funding and program incentives.
3. Advocate for reasonable government action with minimal customer impact that allows for flexibility and implementation feasibility.
4. Advocate for locally-designed conservation or efficiency programs. Support reasonable State conservation or efficiency requirements that consider local populations, environment, and resources.
5. Inform state and federal policymakers about CPAU's current programs, services, goals, and reporting requirements.
6. Oppose unnecessary, unreasonable, impractical, or costly rates or mandates.
7. Collaborate with and support the efforts of regional agencies and associations whose goals align with ours.
8. Advocate for fair cost allocation and support the principle of beneficiary pays.
9. Support efforts to maintain or improve the security and reliability of our infrastructure.
10. Support government action that cost effectively reduces greenhouse gas emissions.
11. Promote locally-designed residential and commercial electrification programs.
12. Support government action allowing CPAU to maintain customer confidentiality.



2020 State Legislative Update

November 04, 2020

www.cityofpaloalto.org



Agenda



2020/2021 legislation



Affirm guidelines



2020/2021 Legislation



2020 Legislative session

OVERVIEW

- State legislature postponed session multiple times
- Current events took focus from the “usual” bills



ENERGY

- Another attempt at long duration storage



CONSTRUCTION

- New subsurface installations mandates



WORKER SAFETY

- Requirement for the state to stockpile PPE for essential workers

2021 Legislative session



ENERGY

- Possibly more attempts to mandate storage
- Resource Adequacy has been raised as an issue
- The Governor was asked about regionalization



WATER

- Affordability, related to COVID and existing programs
- Wildfire impacts on water supply



OTHER ISSUES

Police reform, housing, and bills that were shelved this year will appear in 2021.

2021 Legislative session, cont.

Senator Hill termed out after over a decade in the Legislature.

Alex Glew of Los Altos and Josh Becker of Menlo Park are running to replace Mr. Hill.

CPAU staff, CMUA and NCPA lobbyists will reach out to the new Senator





Guidelines

Motion

Staff and the Utilities Advisory Commission recommend the City Council approve the 2021 Utilities Legislative Policy Guidelines