

SB 707: Brown Act Updates and Changes to Hybrid Meetings Policy

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February 11, 2026

Brown Act was revised with SB 707 (2025)

- **Adding/Clarifying Remote Meeting Options**
 - Traditional Brown Act (hybrid)
 - Accommodations for Disabilities
 - Remote Participation for Just Cause
 - Multijurisdictional body/Remote meetings (personal travel)
- **Exploring But Not Adding Optional Translation Rules**
- **Other Changes to Hybrid Meetings**
 - Updating meeting location to Sunnyvale Civic Center
 - Added guidance for hybrid meetings

Added Guidance for Hybrid Meetings

- **Location:** Prefer regular meeting location in appointing jurisdiction as the publicly-noticed remote location
- **Public locations must join:** Have back-up plan so SVCE can connect to your remote location if you cannot attend
- **Good connection:** Consider not using traditional rules if: (1) unsure of internet connectivity; or (2) out of the country

Remote Meeting Options

Recommended for Policy

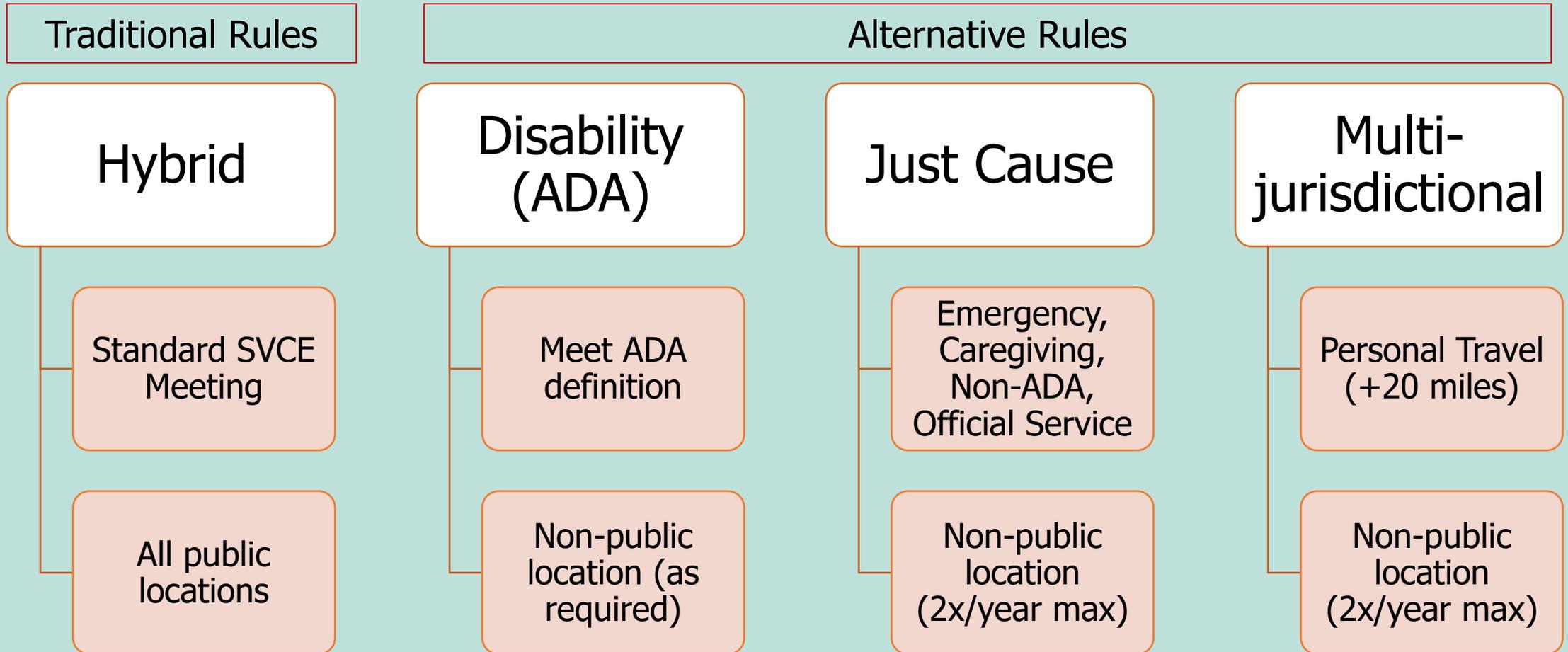
- Hybrid meeting option (exists)
- Accommodations for Disability
- Remote Participation for Just Cause
- Multijurisdictional body/Remote meetings

Not Recommended for Policy

- Subsidiary bodies



When to use each option



Remote Participation:

Hybrid – Traditional Rules

- Location noticed on agenda; agenda posted at location
- Location must be open to the public at all times during the meeting
- A quorum of the Board must exist within the jurisdiction
- Limitations
 - No limits on number of times per year
- Proposed changes as part of SVCE's Hybrid Meeting Policy:
 - Prefer regular meeting locations
 - Avoid international travel and poor connectivity
 - Back up plan so remote location joins

Remote Participation:

Americans with Disabilities Act (ADA)

- “Disability” meaning
 - As defined in the ADA
- Limitations
 - Reasonable accommodations

Remote Participation: Just Cause

- Can participate from a non-public location up to twice (2x) per year
 - Staff will track and report
- For “Just Cause”
 - Physical or medical need (not ADA)
 - Childcare or family caregiving
 - Contagious illness
 - **Official travel**
 - Immunocompromised family
 - Physical or family medical emergency
 - Military service
- Additional Limitations
 - Remote Member must participate via both audio and visual technology
 - Quorum at a single physical location within jurisdiction

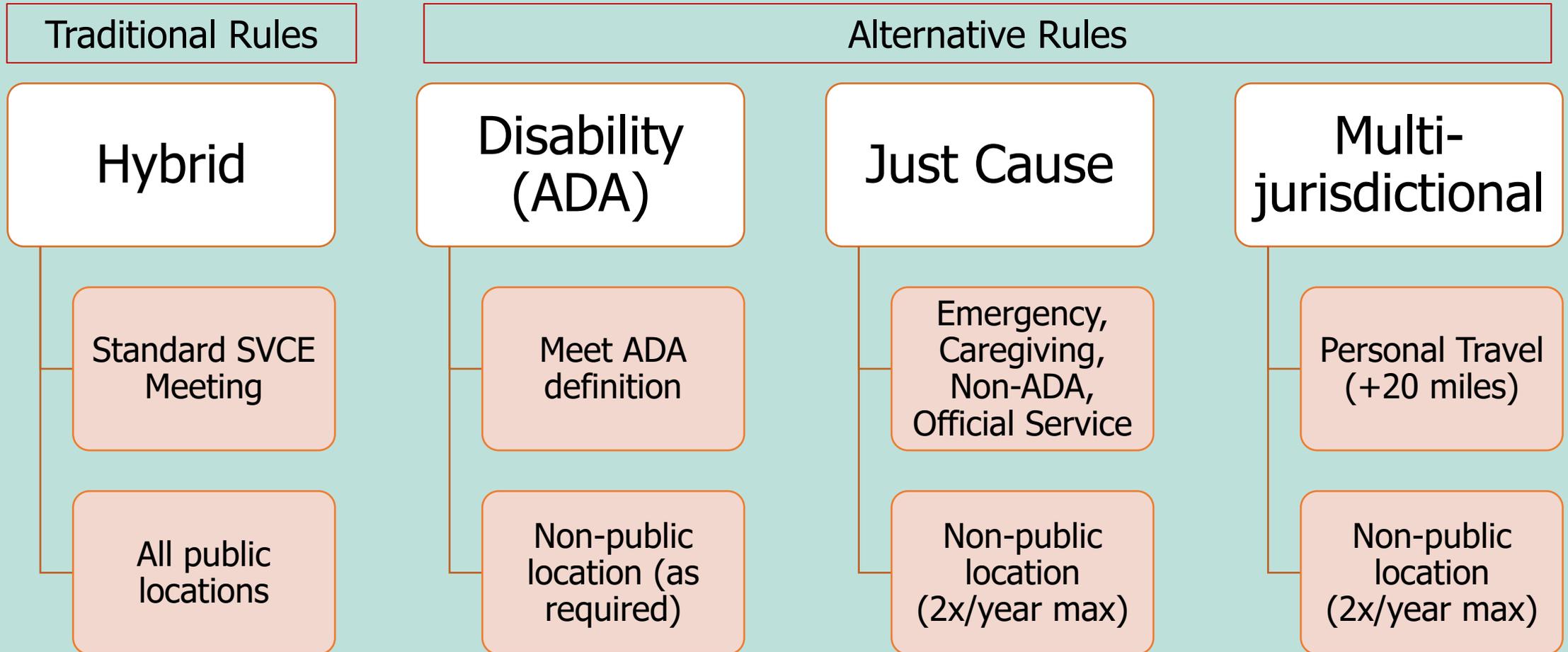
Remote Participation:

Multi- jurisdictional

- Can participate from a non-public location up to twice (2x) per year
 - Staff will track and report
- Useful for travel, including **personal travel**
 - Must participate at least 20 miles (one way) from a public meeting location
- Additional Limitations
 - Requires notice of remote participation on agenda
 - Remote Member must participate via both audio and visual technology
 - Quorum at one or more physical locations within jurisdiction



When to use each option



Request and Next Steps

Recommendation:

Adopt Resolution 2026-04 making changes to the General and Administrative Policy 9: Hybrid Meetings ("Policy") to incorporate changes from Senate Bill (SB) 707 (2025) and updating rules which includes:

- modifying participation rules under traditional hybrid/remote participation
- allowing for remote participation for just cause;
- allowing for remote participation for multijurisdictional bodies; and
- including a reference to the option for accommodation under the ADA

Next Steps:

- Develop tracking and reporting to ensure compliance
- Evaluate and recommend further changes, if necessary

Questions?

Power Charge Indifference Adjustment Primer

February 11, 2026



1. Overview of the PCIA's purpose and mechanics
2. PCIA's impact to SVCE
3. Regulatory update

Note: this is an information-only item requiring no Board action. The purpose is to lay groundwork for a potential Board action in the future as required.



PCIA Overview



Regulatory Compact

**Utilities receive:
reasonable
expectation of
cost-recovery.**



**In exchange for:
strict regulatory
oversight by the
Commission.**



History of California Utility Regulation

1900s: IOUs operate in vertical monopoly, controlling all assets and owning much of the generation fleet.

Early 2000s: IOUs directed by CPUC/state to procure expensive renewable projects to stimulate the market.



2002: AB 117 passes, enabling CCAs. AB 117 requires the Commission develop a cost-recovery mechanism to prevent cost shifts between IOU and CCA loads

2017-2022: As CCAs grow, PCIA proceeding opened; largely establishing framework in place today.



PCIA Overview

- The purpose of the PCIA is to ensure fair splitting of legacy utility costs between remaining customers and departed customers.
- Without the PCIA, remaining customers alone be responsible for resources procured on behalf of all customers.
- PCIA costs are determined per “vintage” – the date customers left utility service – and consisting of the portfolio for that vintage year and all years prior.





Power Resources – Not Just Energy

Illustrative Example

- When a utility enters into a power purchase agreement with a solar farm, often it's bundled: a contract for energy *and* compliance products:
- Products purchased by utility per MWh:
 - Energy
 - Resource adequacy credits (reliability)
 - Renewable energy credits (for compliance with renewable portfolio standard requirements)
 - Hydroelectric resources: greenhouse gas free credits





Market-Price Benchmarks

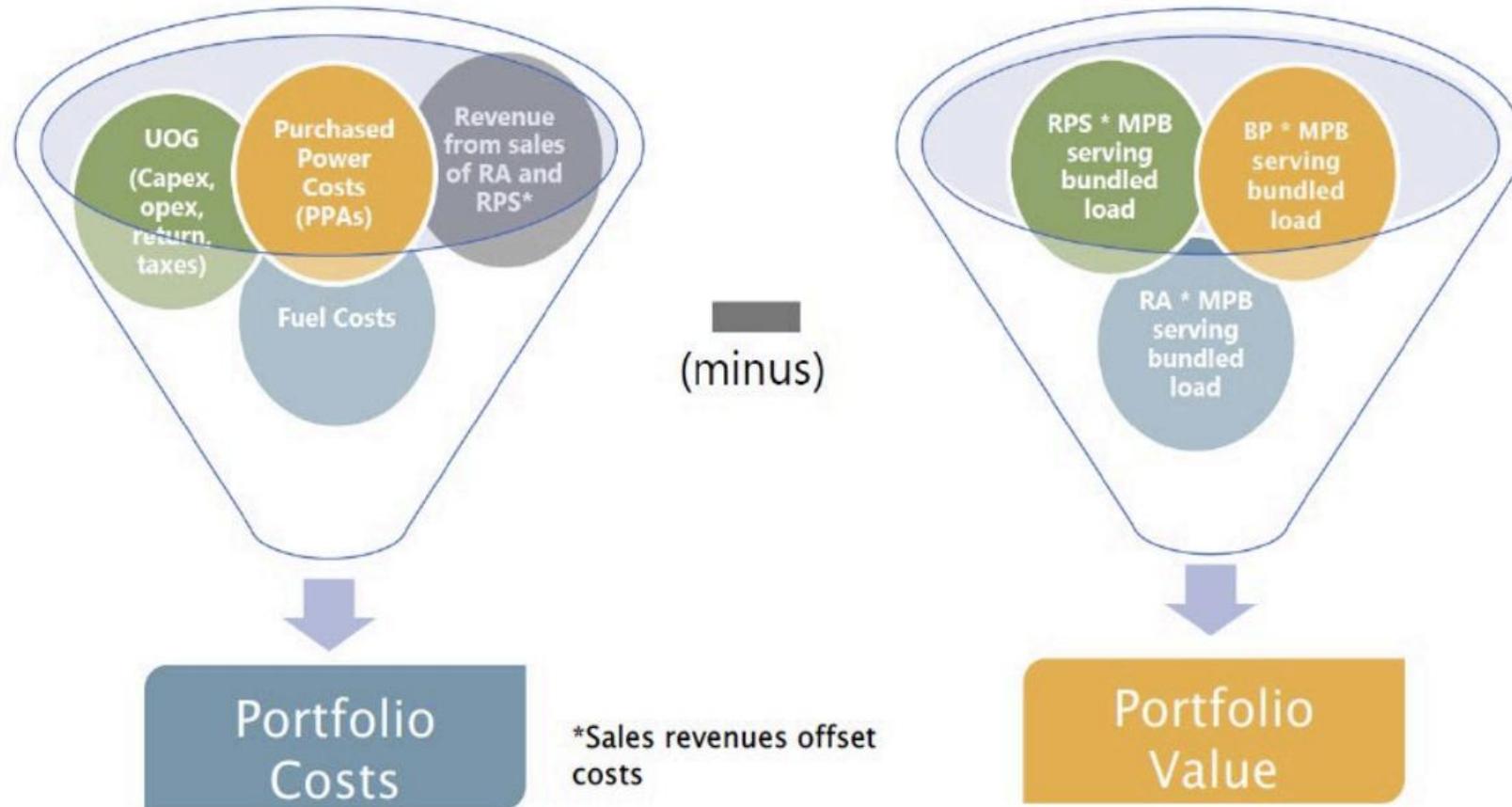
When the utility uses PCIA resources for its own compliance, a **market price benchmarks ("MPB")** is a calculated proxy to value the PCIA portfolio. However, it is an **approximation of actual market value.**

- Calculated annually by the CPUC
- MPBs calculated for:
 - Resource adequacy
 - Renewable energy credits
 - Green-house gas free credits





PCIA Calculation – How to Determine Above-Market Costs





Example

Imagine a simplified world in which there is only one utility resource in a CCA's vintage:

	Cost	Quantity (MWh)	Total \$
PPA 1	\$100	2,000	\$200,000
Portfolio Cost			\$200,000
IOU Retained RA (MPB)	\$20	2,000	\$40,000
IOU Retained RPS (MPB)	\$30	2,000	\$60,000
IOU Retained Settled Energy Value*	\$25	2,000	\$50,000
Total Portfolio Value			\$150,000
Above Market Cost (Portfolio Cost - Portfolio Value)			\$50,000
	CCA Load	IOU Load	Total Load for Vintage
	50,000	100,000	150,000
PCIA Cost per MWh (above market cost/ load)			\$0.33

* Value calculated based on forward energy prices (and trued up on actuals); not MPBs



Customer Experience



ENERGY STATEMENT

www.pge.com/MyEnergy

Account No: 1234567890-1
Statement Date: 06/04/2025
Due Date: 06/25/2025

Details of PG&E Electric Delivery Charges

04/29/2025 - 05/28/2025 (30 billing days)

Service For: 12345 ENERGY CT, SUNNYVALE, CA 94087

Service Agreement ID: 111111111

Rate Schedule: Time-of-Use (Peak Pricing 4-9 p.m. Every Day)

04/28/2021 - 05/26/2021

Baseline Allowance	291.00	kWh	(30 days x 9.7 kWh/day)	
Energy Charges				
Peak	151.429000	kWh	@ \$0.50088	\$75.84
Off Peak	398.338000	kWh	@ \$0.47088	187.56
Baseline Credit	291.000000	kWh	@-\$0.10301	-29.98
Generation Credit				-79.52
Power Charge Indifference Adjustment				5.90
Franchise Fee Surcharge				0.58
Utility Users' Tax (2.00%)				3.07

Total PG&E Electric Delivery Charges \$163.45

2017 Vintaged Power Charge Indifference Adjustment

Service Information

Meter # 1111111111
Total Usage 549.785000 kWh
Baseline Territory X
Heat Source B - Not Electric
Serial H
Rotating Outage Block 61

[Note: bundled PG&E customers do not have a line item for PCIA on their bills. Timing for adding this is being discussed in the ongoing billing modernization proceeding.](#)



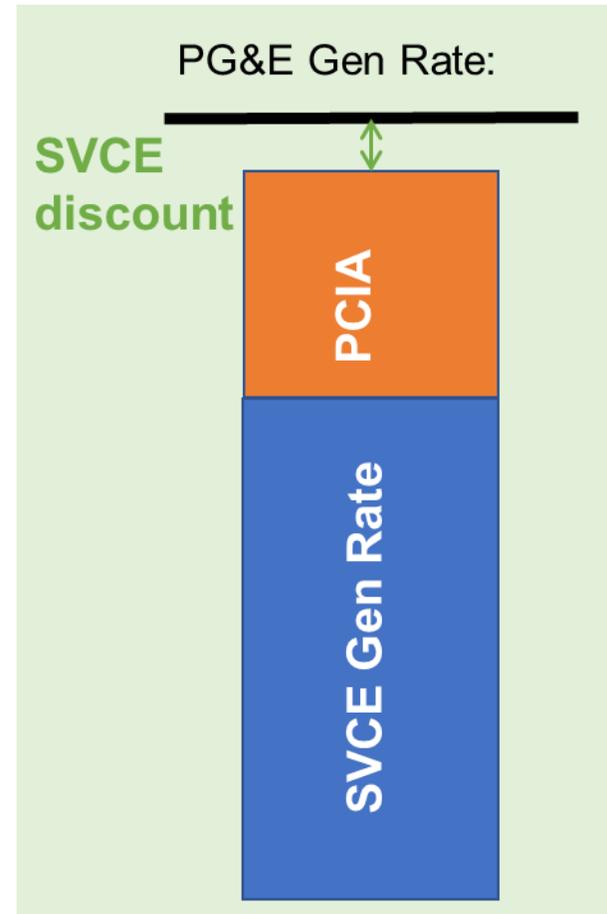
Impact and Management of the PCIA



PCIA's Current Impact on SVCE

Rate Setting

SVCE includes a customer's PCIA charge in its rate-setting, such that a customer's discount to PG&E includes the PCIA.

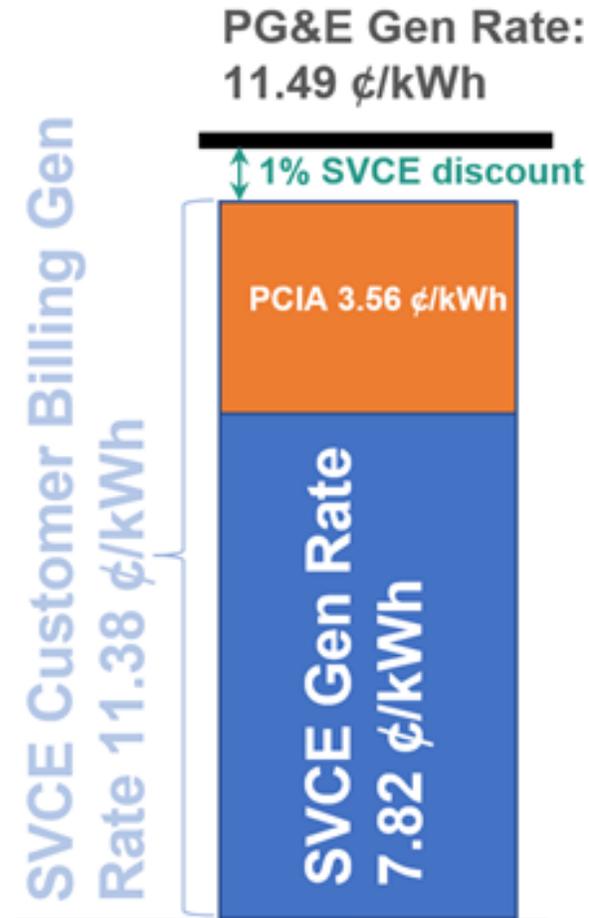




PCIA's Current Impact on SVCE

Rate Setting

SVCE's 2026 rate remains at a 1% discount to PG&E's generation rate when including the PCIA charge.





Lack of Transparency and Generation Rate Uncertainty

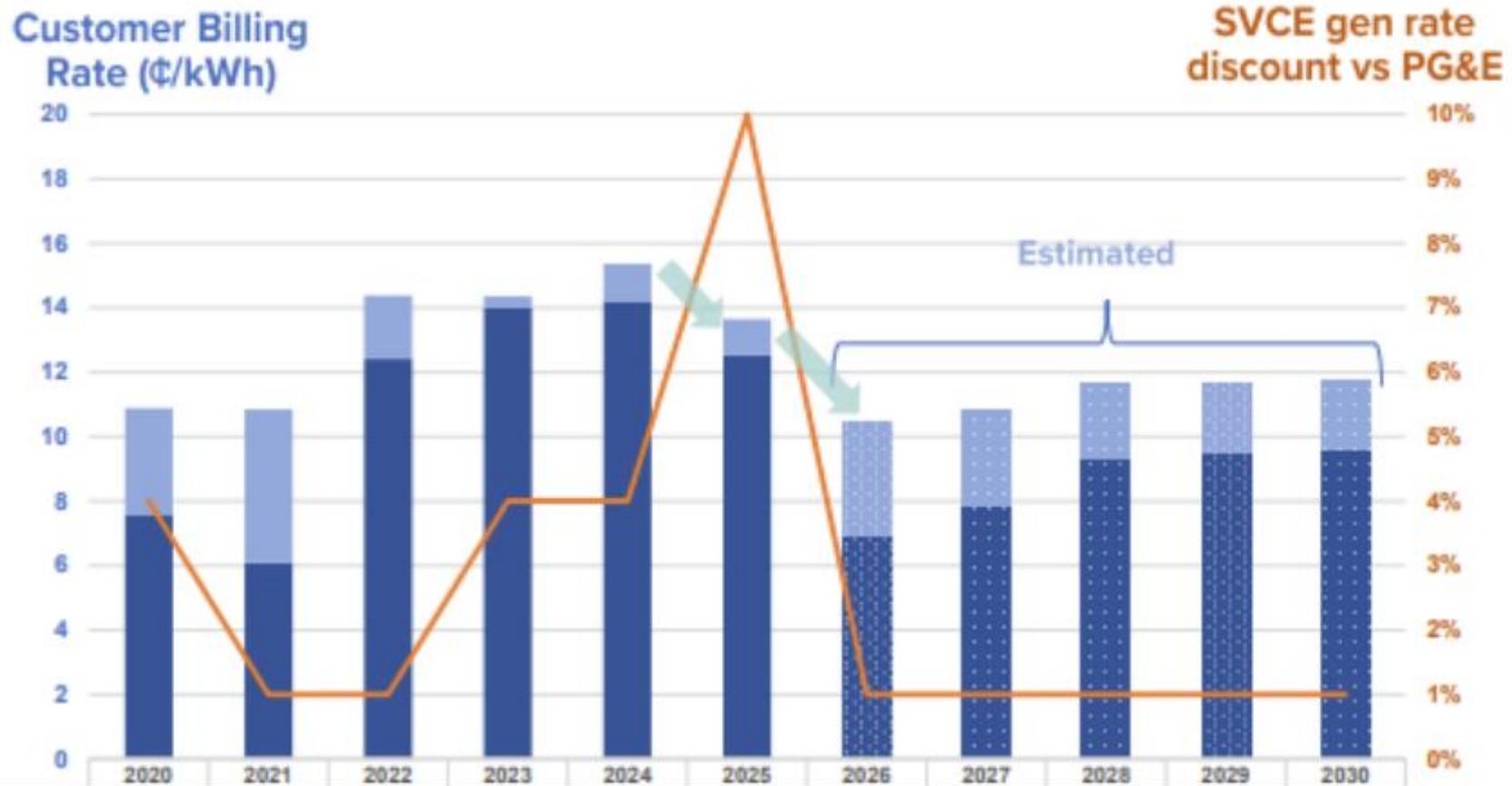
SVCE forecasts the PCIA with the best available market data but does not have access to PG&E's PCIA portfolio data.

This lack of information makes it more challenging for SVCE to forecast and prudently manage its own power procurement portfolio.



PCIA's Current Impact on SVCE

In addition to regular market volatility, lack of information as to type and quantity of resources in the PCIA portfolio makes forecasting difficult.





Over-Exposure to the Market

Because the resources in PG&E's PCIA portfolio impact SVCE financially through revenues – all else equal – SVCE has an increased direct relationship to market prices: more revenues when market prices are higher (and vice versa).



Financial Tools

- March 2025: SVCE Board approves an update to the Energy Risk Management Policy.
- Upon acknowledging that the PCIA provides a financial hedge to our portfolio gross margin, the Board's decision reduced the amount of physical hedge required in order to reduce SVCE's direct exposure to market prices.



Cash Reserves

The volatility of energy cost and attributes along with the lack of transparency in the data used to determine the MPBs and set the PCIA is one of the reasons SVCE has built sufficient cash reserves to draw down when needed.



PCIA Regulatory Update



CPUC PCIA Proceeding

Track 1	Completed in 2025	Considered and updated the methodology of the valuation of resource adequacy attributes.
Track 2	Ongoing	Will determine the valuation of utilities' banked renewable energy credits created before 2019.
Track 3	Expected in 2026	Intended to examine wholesale structural changes to the PCIA.



PCIA – Regulatory Updates from 2025

- Track 1 reexamined the calculation of the value of resource adequacy (“RA”) attributes. This new calculation derives the RA MPB from a multi-year average instead of a single year.
- CalCCA filed an Application for Rehearing arguing that the Decision resulted in retroactive ratemaking. The CPUC denied the Application, after which CalCCA filed an appeal in the courts to overturn the Decision.



PCIA – Regulatory Updates Expected in 2026

- Track 2 – On December 26, the Commission issued a Ruling stating that only one issue would be considered in Track 2: the valuation of pre-2019 banked renewable energy credits (“RECs”).
- By last known public information, PG&E had around 2M pre-2019 RECs banked, valued today in exceedance of \$1.2B. SVCE’s approximate share of that value is \$60M.



PCIA – Regulatory Updates Expected in 2026

- Track 3 – Possible proposals:
 - Sunsetting – PCIA is eliminated on a specific future date.
 - Allocation – Departed load is allocated attributes directly.
 - Buy-out / buy-down – CCAs can buy out or down their position.
 - MPBs – Further incremental changes.

Scoping memo is still forthcoming; other proposals and issues may be introduced.



PCIA – Next Regulatory Steps for SVCE

- Participate in Track 2 and prepare for Track 3 of the CPUC proceeding.
- Monitor ongoing judicial appeal of Track 1.
- CalCCA seeking a legislative fix on data transparency issue.



PCIA – Final Recap and Take-Aways

- The PCIA construct is aligned with regulatory principles and is likely here to stay.
- The PCIA presents various challenges to SVCE, and we would benefit from greater transparency into PG&E's PCIA portfolio.
- The goal should be ensuring fair cost allocation between utility and CCA customers.
- The re-opening of the regulatory proceeding provides an opportunity to change the overall structure of the PCIA.



Questions and Discussion



Appendix



PCIA's Current Impact on SVCE

Lack of Transparency and Generation Rate Uncertainty

	Impact
Prices ↑	PCIA ↓ PG&E Rate ↑ <u>SVCE Revenues ↑</u>
Prices ↓	PCIA ↑ PG&E Rate ↓ <u>SVCE Revenues ↓</u>