



STAFF REPORT

AGENDA NO: 9m

MEETING DATE: March 16, 2026

To: Honorable Mayor and City Council

Date: March 16, 2026

From: Lisa K. Goldman, City Manager – (650) 558-7243

Subject: Adoption of a Resolution Authorizing the Mayor to Send Letters to the State Legislature Regarding Three Peninsula Clean Energy Supported Bills

RECOMMENDATION

Staff recommends that the City Council authorize the Mayor to send letters to the relevant State Legislators regarding three Peninsula Clean Energy Supported Bills.

BACKGROUND

Peninsula Clean Energy (PCE) has requested that all of its member cities as well as San Mateo County submit letters of support for three bills that are pending in the State Legislature, AB 2111 (Papan), AB 1761 (Rogers), and SB 1138 (Padilla).

DISCUSSION

The following summaries of the bills were provided by PCE staff:

AB 2111 (Papan), Modernizing Transmission Planning

AB 2111, which PCE is co-sponsoring with Sonoma Clean Power and the Abundance Network, seeks to improve California's transmission planning framework. The bill requires the state to evaluate a broader set of plausible future scenarios and analyze the full system cost impacts of different combinations of electricity resources and transmission investments. By requiring state agencies to look at different future scenarios -- including high load growth and extreme weather -- the bill will help prevent expensive, last-minute fixes that drive rate spikes and reliability risks so that the grid is built in a more proactive, transparent, and cost-effective way. By planning transmission investments more strategically and earlier, AB 2111 will help reduce costly emergency upgrades and lower overall system costs, improving electricity affordability for California customers.

AB 1761 (Rogers) – PCIA Transparency

AB 1761 improves transparency in how the Power Charge Indifference Adjustment (PCIA) is calculated. This bill introduces transparency in the PCIA process by requiring the Public Utilities Commission to disclose all underlying data used to calculate investor-owned utilities cost-recovery charges, giving Community Choice Aggregators (CCAs) like PCE and ratepayer advocates timely

access to the information needed to assess forecasts, challenge assumptions, and protect customers from unjustified rate impacts. Greater transparency will help ensure that PCIA charges are accurate and fair, protecting customers from unnecessary cost increases and supporting more affordable electricity rates.

SB 1138 (Padilla) – Lowering Resource Adequacy Costs

SB 1138 addresses inefficiencies in California’s Resource Adequacy (RA) program. The state recently moved to an hourly “Slice-of-Day” framework requiring load-serving entities (LSEs), including CCAs, to meet reliability obligations each hour, yet RA products can still only be traded monthly. This mismatch forces LSEs to over-procure capacity, creating artificial scarcity and driving up costs for customers. SB 1138 fixes this by allowing hourly RA transactions aligned with the new framework, improving market efficiency while maintaining reliability. By allowing capacity to be bought and sold in hourly increments, SB 1138 reduces unnecessary over-procurement and lowers Resource Adequacy costs for ratepayers. If this flexibility had been in place in 2025, ratepayers statewide could have saved an estimated \$150–\$180 million.

FISCAL IMPACT

There is no fiscal impact associated with sending these letters.

Exhibits:

- Resolution
- Draft Letters