



CAPITOL COMMITTEE WORKING GROUP MEETING 8/11/21

Agenda

1. Governor's July 30th [Proclamation](#)
2. State Budget

Meeting Notes

Governor's July 30th Proclamation

- Issued as fire season is in full swing (sadly) and blackouts anticipated
 - Drought further exacerbating grid issues due to hydro short supply
- Demand Response Meetings based on [this document](#) CEDMC staff put together
 - Problem: Frequency of events increasing, regulatory regime not designed for this new normal
 - Solution: DR resources have evolved and are more advanced and able to respond to grid issues, but face skepticism about the resource
- Meeting with Kip Lipper focused on pushing Governor's office and CPUC leadership rather than legislative maneuvers
 - Need to make specific asks around processes and outcomes
 - We need to consider context Legislature/Governor's Office is used to in dealing with these issues, which is not focused on micromanaging regulatory agencies
 - Regulatory agencies don't require front-end procurement approval for other resources, which impedes DR compared to others
 - DR measured against counter-factual continues to impede resource, despite being as reliable as a generator
 - Still not a full understanding of the benefits and contrasts to traditional generating resources among legislators
 - CEDMC staff can help bridge the gap between 4th and 5th floors of CPUC, and regulatory leadership and legislature
 - Draft questions for Kip to ask CPUC leadership/Governor's Office
 - "Why does the CPUC continue to enforce DR procurement caps while simultaneously calling for more DR?"

- “If the CPUC is interested in bringing resources to bear quickly, why is the lead time for qualifying resources 1.5 years to qualify resources?”
 - “Why does the CPUC have both a cap and preemptive qualifying process, if they have confidence in your procurement process?”
- CPUC released two Rulings in response to Proclamation
 - [Email Ruling](#) in EE proceeding requesting additional program ideas to help meet grid needs (due August 31st)
 - Need to take this opportunity to provide new ways of integrating across resources and pushing innovative pathways that
 - New Scoping Memo in [Emergency Reliability](#) proceeding
 - CEDMC plans to comment on both

State Budget

- CEDMC is supporting the Governor's proposal for \$250 million for energy efficiency improvements in the state's industrial sector and \$125 million for the existing Food Production Investment Program (FPIP)
 - These items are not currently contained in a budget trailer bill and the concept was deferred by the budget committees pending additional detail. The hope is that these allocations are included in forthcoming budget trailer bills.

Next Steps

Our next Working Group meeting will be on **Wednesday, August 25th at 8:15 am**. This meeting will recur on a biweekly basis every other Wednesday of each month at 8:15 – 9:15 am. An invite from Admin@cedmc.org has gone out to all folks on the Working Group.