



## CAPITOL COMMITTEE WORKING GROUP MEETING 10/6/21

### Agenda

1. 2022 outlook, potential sponsored legislation
2. Miscellaneous Capitol updates

### Meeting Notes

#### Proposed Sponsored Legislation, 2022 outlook

- *All DERs should be presumed cost-effective unless proven otherwise*
  - Would force CPUC to come to the table and delineate cost-effectiveness – thereby illustrating the shortcomings of the current regime
  - Ex ante + ex post process can be excessive
  - 2023 Avoided Cost Calculator/cost-effectiveness proceeding may present an opportunity
  - Strong intent language needed comparing treatment of DERs to wholesale resources (“clean energy parity proposal”)
- *NMEC for non-buildings (e.g. industrial processes)*
  - Can leverage legislative process to have CPUC enforce letter of AB 802 law
  - CPUC skirted around industrial, replacement measure eligibility required by AB 802
  - Need to use existing conditions baseline
  - Builds on existing law, could put onus on CPUC for technical debate; could be a mechanism to simplify discussion
- *EE portfolio standard (RPS for EE/EERS) / requiring loading order in procurement of new resources*
  - Excess renewables lead to occasional negative prices, and EE is lowest levelized cost resource
  - ~25 states have an EERS
  - Some states tying utility DR to EERS, which would speak to “top of the loading order” category floor
  - Requiring loading order in procurement of all new resources

- Recent focus on allowing fossil fuel resources may provide a timely opportunity to truly use the loading order
- *Amending 1131 and terminating custom review process*
  - Needed a finite timeline for custom review, which hasn't happened
  - Direct CPUC to oversee ex ante reviews, require PAs to conduct reviews with implementers
  - Regulator should be doing ex post –not ex ante– work
- Need to focus on a singular, simple idea
  - Strategic preference for a Senator, over an Assemblymember
  - Need to be pragmatic and work backwards from what we can achieve

### **Miscellaneous:**

- PUC President Batjer stepping down at end of the year
- Assemblymember David Chiu appointed as next San Francisco City Attorney; will vacate Assembly seat
- Governor Newsom signed on September 23rd a "\$15 billion Climate Package" covering wildfire, forest resilience, water/drought resilience. Also included:
  - \$800 million to address the impacts of extreme heat through programs including urban greening, **funding to enable low-income families to reduce their energy bills by making their homes more energy efficient**, community resilience centers to provide cooling and other services and funding to advance the Extreme Heat Framework as part of the state's Climate Adaptation Strategy.
  - Drought/water resiliency components to this package
    - Additional [info](#) on these packages, also featured in this week's Council newsletter (out Friday, 10/8)
  - \$3.9 billion ZEV package
  - Additional climate discussions for a potential trailer bill likely as early as legislature's return in January
- Governor also signed [SB 756 Hueso](#) that expands eligibility for ESA to include households at or below 250% of federal poverty level, instead of the current 200%; a CEDMC supported bill.
- [AB 843](#) signed as well

### **Calendar:**

- October 10, 2021: Last day for Governor to sign or veto bills
- January 3, 2022: Legislature reconvenes
- January 10, 2022: deadline for Governor's proposed state budget

## **Next Steps**

Our next Working Group meeting will be on **Wednesday, October 20<sup>th</sup> 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](mailto:Admin@cedmc.org) has gone out to all folks on the Working Group.