



CAPITOL COMMITTEE WORKING GROUP MEETING 2/16/22

Agenda

- **CEDMC 2022 Proposed Legislative Parity Concept**
 - CEDMC staff/lobbyists shopping [concept language](#) around
- **Salas DR Low-Income Incentive Concept**
 - Draft Budget Letter regarding low-income DR Bill Credit [concept](#) has been shared with Salas' office
- **Lobby Day 2022**
 - February 23rd for Sustaining Members

Meeting Notes

CEDMC 2022 Proposed Legislation

- CEDMC staff/lobbyists have developed evolved concept language to incorporate DER parity into existing bills and/or budgetary processes (previous concept for reference)
 - Despite interest from potential authors, requirement of support (or neutrality) from labor has made traditional bill process infeasible
 - We are working through a budgetary process instead
 - Beginning of Senate process to develop climate package
 - Conversations positive with key Senate staff members
 - Evolved concept is a little more explicit about DER resources (including adding storage) not being held to a higher standard than natural gas
 - Comparison could advantage natural gas (e.g. hours of operation)
- When will the budget process come out?
 - With bill introductions we believe we have seen placeholder bills that could be related to this discussion but do not have substantive content as yet
 - Senate climate package will include bills Senate members were planning to offer + budget asks, and likely to be released around May but may not be released publicly
- Input into development of budget proposals will be via conversations via Senate members and their staffs

- Since this is being discussed in the context of budget, are we asking for budget allocation?
 - No, this is part of the series of trailer bills that control budget appropriation
 - Expecting significant energy policy issues contained in trailer bills

Salas DR Low-Income Incentive Concept

- Budget letter provided to Salas' office regarding DR Credit Bill [concept](#)
 - Evolution of AB 699 from last legislative session
 - Interest from Salas in continuing to pursue DR incentives for low-income customers, but more broadly focused than just smart thermostats
 - Proposed \$90/year incentive
 - Similar approach to parity concept, this will likely be pursued through budgetary process
- Budget letter would go to Assembly Member Ting, Assembly Budget Committee
 - Next steps are to build support in coordination with Salas' office
 - Likely to receive list of members Salas needs to sign onto the letter

CEDMC Lobby Day 2022

- This year's Lobby Day is taking place February 23rd
- Meeting with a number of elected and appointed officials to advance our key 2022 messages
- Participation is available to CEDMC Sustaining Members
- This year we are also meeting with appointed officials at CAISO, CPUC, CEC (e.g. Severin Bornstein, CAISO Governor and CPUC Deputy Executive Director)

Additional items

- Conversations at other trade associations about not having budget dollars allocated to DERs
 - Some trade associations considering a proposal to allocate funding to DERs
 - Senate budget subcommittee staff in last session suggested that some of GHG funds should be allocated to customers to offset rate increases
 - If we are discussing providing money from Greenhouse Gas Reduction Fund (GGRF), we should consider using those funds to invest in tools that mitigate rate increases (e.g. DERs)
 - Wouldn't our legislative concepts fall into the bucket of funding DERs?
 - Parity concept removes hurdles to existing funding, but does not create new funding; Salas incentive creates new funding
 - With politics around NEM issue, Governor needs to invest in other resources (e.g. DERs) to mitigate pressure on ratepayers and constituents
 - Parity ensures ratepayer funding is equitably allocated to cost-effective, clean resources through the procurement process. BTM DERs need additional funding.

- If other resources are going to get this funding and we are not, it will distort markets
 - Benefit of current NEM is expansion of BTM resources broadly
 - With budget surplus, combined with NEM 3.0, could provide opportunity for our resource
 - Given parts of the legislature (especially Senate) and Governor sympathetic to DER resources a means to push back
- CEDMC would be willing to join discussions around additional funding
- CALSSA does not want to be the face of this conversation
 - Who might be willing to represent this effort?
 - Need to accentuate positive aspects of DERs through collaboration
- What is budgetary ask?
 - \$2B range initially floated, but seems high
 - 5,000 MW shortfall anticipated, cost of entry $\sim \$200/\text{kW} = \sim \1B
 - \$100M – \$200M?

Next Steps

Our next formal Working Group meeting will be on **Wednesday, March 2nd 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.