



## **CAPITOL COMMITTEE WORKING GROUP MEETING 3/30/22**

### **Agenda**

- **Update on budget asks**
- **High priority intervention bills**
- **Other bills that we support**
- **High priority watch bills**
- **Other items**

### **Meeting Notes**

#### **Update on Budget Asks**

- DER parity concept update
  - We've briefed members of the Senate Climate Working Group and have also reached authors of comparable bills to see if we can add in the parity approach.
  - Lobbyists will meet with Kip Lipper about this by early next week.
  - No budget involved here.
- Salas DR low income update
  - This week is the deadline for the assembly budget submissions.
  - OhmConnect's lobbyist is driving this with the various caucus.
  - There seems to be a lot of momentum that could be moving this forward.
  - Budget ask is \$25M
- DER program update
  - This one might be more difficult given the budget magnitude (\$200M ask).
  - There is the potential that more broadly clean energy priorities might need to be shelved beyond the June budget deadline...there is a potential for a budget adjustment later in the summer.
  - Much of this focus is due to constitutional obligations and the state has to complete its budget process and address the most pressing issues (mandated to be addressed).
- The State is obligated to return some money to the taxpayers (gas cards, etc.) by statute from way back.

- There are limits to how much money that the state can appropriate but there are workarounds... infrastructure (antiquated definition limited to steel in the ground) and debt retirement.
- We are over-appropriating Prop 98 limits which is leading to significant debt payment to clear space for future deficits.
- Electeds are intent on spending now and there doesn't appear to be concern about saving for a "rainy day" ... very limited memory from the Gray Davis years.
- Link to [LAO Report](#) that outlines constitutional requirements related to the budget.

### **High Priority Intervention Bills**

- [AB 2667](#) (Friedman) – 4/6, Asm U&E – SUGGEST LETTER OF SUPPORT. See Attached Fact Sheet and offer for amends.
  - Would establish the Integrated Distributed Energy Resources Fund as a special fund in the State Treasury, the monies in which would be available to the Energy Commission, upon appropriation by the Legislature, for purposes of the bill.
  - The bill would require the CEC to administer the fund in consultation with the CPUC and CARB to provide incentives for eligible resources to support statewide customer adoption of clean distributed energy resources, as specified.
  - The bill would require the commission to establish a system to equitably award incentives, as specified. The bill would require the commission to establish a process to allow a load-serving entity to apply for incentives on behalf of a customer or a set of customers as part of that load-serving entity's customer program to reduce its resource adequacy requirement obligations.
  - We have had discussions with the Author's office about integrating our DER parity concept.
- [SB 1158](#) (Becker): Would require the State Energy Resources Conservation and Development Commission (Energy Commission), on or before January 1, 2024, to adopt guidelines, through an open process, subject to public comment, and adopted by a vote of the Energy Commission, for, among other things, the reporting and disclosure of electricity sources by hour.
  - Bill pulled from calendar due to opposition; not yet reset.
  - The Council submitted a [support letter](#) at the request of Becker's office.

### **Other Bills that we Support**

- [SB 839](#) (Dodd) BIP
  - Unanimous support in SEUC.
  - Supported by PG&E/SCE; opposed by TURN and the basis of their concern is that the bill will enshrine BIP in perpetuity and as new markets evolve they believe that BIP will be rendered unnecessary.

- The Council submitted a [support letter](#) at the request of Dodd's office.
- [SB 1203](#) (Becker): State agency net zero GHG
  - The Council submitted a [support letter](#) at the request of Becker's office
  - We will testify on this next Tuesday 4/5.
- [SB 1026](#) (Wieckowski): The bill is modeled after what is practiced in Maine and is a disclosure requirement for labeling of energy efficiency levels that would mandate landlords to disclose information about the energy usage of equipment in units.
  - Author has requested a support letter from the Council
  - NRDC is supporting this bill.
  - Steve Schiller suggested that we ask if it could be expanded to include commercial tenant markets as well, which makes sense...the author is not able to expand the bill beyond residential markets.
  - Building trades are pushing back hard on moving forward on this type of thing for commercial buildings.

### **High Priority Watch Bills**

- [SB 1164](#) (Stern): The bill would require the CARB, on or before July 1, 2023, to submit to the Legislature a report proposing a statewide heating, ventilation, and air conditioning equipment sales registry and compliance tracking system to identify the installation of heating, ventilation, and air conditioning equipment done without permit or testing of proper performance, as provided.
  - Note that we helped kill a more aggressive bill in this space authored by Stern during last year's session.
  - This one is less aggressive (for now) and it wouldn't be worthwhile for us to go after it aggressively but is something to watch out for.
- [SB 881](#) (Min): This bill would require the CPUC to require each load-serving entity to undertake sufficient procurement to achieve a diverse, balanced, and reliable statewide portfolio and realize specified electricity sector greenhouse gas emissions reductions, as provided.
  - This is of interest to us given the fact that there is a provision for 15,000 MWs to be carved out for renewables and **demand response** resources.
  - This may be another support position for us.
  - Similar to SB 1158, which is getting at the macro-processes and what is happening at the LSE levels in terms of procuring balanced portfolios that ensure GHG reductions.
  - We need to approach the author's office to help inform about DER importance.
  - Amends would be accepted in the June timeframe.

### **Other Items**

- None.

## Next Meeting

Our next Working Group meeting will be on **Wednesday, April 13th 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.