



CAPITOL COMMITTEE WORKING GROUP MEETING 4/13/22

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

Timeline for budget-related items will happen after the current Spring break, and will heat up in the coming weeks (even though much of what gets decided happens in June).

- Gov asked last year to accommodate greater flexibility to use NG and Diesel backup which was pushed back by the Legislature
- DER parity concept update
 - We are asking to remove many of the hurdles that stand in the way of DER deployment
 - There is some movement on potential language regarding not requiring cost-effectiveness at the front end of consideration of these resources, as these requirements set a higher bar for our resources vs. "other" resources (not just NG)
 - We have had good discussions with a subset of members about adding our language to either the budget or trailer legislation (Atkins, Laird, Becker, Skinner on the Senate side and Wieckowski, Friedman on the Assembly side)
 - We have been working with Friedman's office on language inserts for AB2667. Money would go to CEC.
 - Draft [letter](#) that we are circulating with members

- Salas DR low income update
 - This request is in the budgetary hopper and we don't have visibility as to whether the legislature will ultimately adopt; 6-7 signatories so there is good support but there are key budgetary issues right now.
- DER program concept update
 - This one won't gain traction during this current challenging budgetary environment.
- CAEFTA \$20M budget ask is pending as well. CEDMC signed onto a support [letter](#) led by Enervee.
- Budget Monitoring: ERPA and PSPS: GO released a number of spring finance letters;
 - CPUC is asking for \$2M for workload issues related to summer reliability work regarding PSPS (Public Safety Power Shutoffs) and they need to hire more folks.
 - CEC's ERPA (Energy Resources Program Account): Proposing to change this based on CPI and extend the charges to include behind-time-meter resources. CEC expects a deficit in their funding if this is not approved. Friedman's bill might impact this effort as well.
 - The surcharge generated approximately \$69.1 million in 2020-21 and currently costs the average household about \$2.13 annually (larger customers pay the same rate but pay more based on volume).
 - Despite CEC management's actions to reduce ERPA spending by more than \$37 million over four budget cycles, a structural deficit remains and ERPA's fund balance is projected to be in the red in 2024-25.
 - Extending the surcharge to BTM electricity at the same rate as retail electricity sales would provide approximately \$9 million in new revenue annually.
 - The CEC will apply the surcharge to BTM effective January 1, 2023. The ERPA surcharge rate would be the same for all customers.

High Priority Intervention Bills

- [SB 1203](#) (Becker) – On 4/5, the bill passed through the Senate GO committee unanimously. It now goes to another committee (EQ) on 4/25.
 - Would set a net zero GHG mandate for all state agencies.
 - The Council submitted a [support letter](#) at the request of Becker's office.
 - Greg was prepared to testify but there was a miscommunication with the author's office so that didn't happen.
- [AB 2667](#) (Friedman) – Next step for this bill is Asm NR 4/25; Greg will testify in support at hearing.
 - On 4/6 Greg [testified](#) before the U&E committee hearing for this bill. It passed out of committee unanimously.

- 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 Council submitted a [support letter](#) at the request of Friedman’s office.
- 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....working on permanent exemption for cost-effectiveness requirements in bill language.
- [SB 1158](#) (Becker) Next step is Senate EUC on 4/25; Erin can offer our testimony to the author's office.
 - 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.
 - This bill contains other related provisions and other existing laws.
 - CalCCA submitted an Oppose Unless Amend [letter](#) on 4/11.

Other Bills that we Support

- [SB 839](#) (Dodd) BIP; won’t move until suspense file at end of May
 - 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 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.
 - Council will submit a support letter after the last committee hearing but we did voice our “*me too*” support during a Senate Judiciary committee hearing last week. It will be heard next in the Senate Energy Committee.
 - Author is open to various practical amendments

- The bill passed out of committee even w/ opposition from the apartment association, landlord groups and real estate lobby.
- 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.
 - Don pointed out that this bill might be a good approach given that it would seek to obtain much-needed HVAC-related data... we might want to explore a possible support position.
- [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.
 - Bill is in Senate appropriations and we are looking for potential amendments that would be complementary to some of asks on DER parity.
 - 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 27th 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.