



CAPITOL COMMITTEE WORKING GROUP MEETING 4/27/22

Agenda

- **Spring Symposium takeaways**
- **Budget trajectory and asks**
- **High priority intervention bills**
- **Other bills that we support**
- **High priority watch bills**
- **Other items**

Meeting Notes

Spring Symposium Takeaways

- Chair Garcia's live keynote (vs. original plan to do a taped address)
- Asm Bennett stayed with us all day! He oversees CPUC, CEC and CARB.

Budget Trajectory and Asks

- Update on the DER parity concept... we are waiting for all the parties to get together and discuss energy (there is significant interest in helping us to overcome barriers to DER and willingness to push the CPUC on making some reforms)
 - We provided a list of questions that leadership staff is engaging on and willing to push to CPUC during the commissioner confirmation process.
 - Chair of Sen Climate (Laird) has authored a bill coauthored by other strategic members that would create sub targets for a clean energy standard, including meeting our flexible capacity needs with clean resources (vs. current GO mode of NG-only solutions)... and this may be another vehicle for DER parity.
 - DR low income ask is in the budget "mosh" pit.
 - Gov's budget will come on May 9th (final budget proposal for the year) but in this context the Legislature holds all the power... leadership is developing a strategic plan which makes it easier to deploy other clean energy resources (storage and DR) to help keep the lights on.

- Review TECH funding issue and discuss possible letter to leadership regarding \$100M budget ask
 - TECH FUNDING:
 - 6 million heat pumps by 2030.
 - Program was intended to layer into other programs, which is in part why it has been so successful. Program will hit goals, just early.
 - Potential for gaps in the market with use of funding for heat pump adoption.
 - With goals in CA, the challenges of a stop-start issue could be significant.
 - Proposal: Tap some of \$300M in Gov's proposal to be targeted for this program to ensure there is no gap in delivery of only active decarb effort (at this scale) in buildings in the state.
 - Next steps: Draft letter with as many stakeholders as we can to enter into the process requesting continued funding is a good idea. Direct that letter to Bloom and Wieckowski , budget chairs, staff connected to the budget committee, and leadership.
 - Note: We are late "in the calendar" for individual-member requests. May not be late in the process. Keep in mind these don't have as much clout as universal issues.
 - Timing: Could get the letter together (working off of the existing draft) in the next two days, we are in a position to move fast.

High Priority Intervention Bills

- [SB 1063](#) (Skinner) – On 4/26, Greg [testified](#) in the Senate EUC committee in support of this bill.
 - This bill allows the CEC to accelerate appliance efficiency standard implementation if there is a good cause finding, including good product availability and other attributes.
 - The Council also submitted a [letter of support](#) on 4/20.
- [SB 1026](#) (Wieckowski): On 4/26, Greg [testified](#) in the Senate EUC committee in support of the bill.
 - 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.
 - IOUs had concerns about the bill but dropped their opposition with amendments.
 - The Council also submitted a [letter of support](#) on 4/14
- [SB 1158](#) (Becker): On 4/25, bill passed Senate EUC; We weighed in w/ *me too* support.
 - Would require the CEC 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.
- CalCCA withdrew their opposition.
 - [SB 1020](#) (Laird) – On 4/26, bill was on Senate EUC agenda.
 - The California Global Warming Solutions Act of 2006 requires the state board to prepare and approve a scoping plan for achieving the maximum technologically feasible and cost-effective reductions in greenhouse gas emissions and to update the scoping plan at least once every 5 years.
 - The act requires the state board to conduct a series of public workshops to give interested parties an opportunity to comment on the plan and requires a portion of those workshops to be conducted in regions of the state that have the most significant exposure to air pollutants, including communities with minority populations, communities with low-income populations, or both. This bill instead would modify, with respect to the provision that a portion of the workshops be conducted in regions of the state that have the most significant exposure to air pollutants, the above-described included communities as additionally being areas designated as federal extreme nonattainment.
 - [SB 1203](#) (Becker) – Senate EQ committee on 4/27.
 - Would set a net zero GHG mandate for all state agencies.
 - The Council submitted a [support letter](#) at the request of Becker’s office.
 - [AB 2667](#) (Friedman) – Passed Asm NR 4/25.
 - 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.

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.

High Priority Watch Bills

- [SB 1164](#) (Stern): 5/2 Senate Appropriations
 - 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.
- [AB 2765](#) (Santiago) – Asm Appropriations; heard in Policy committee this week
 - TURN (Matt Friedman) oppose unless amend but they are working out their concerns with the office; they see the positive of taking these types of programs out of the ratepayer crosshairs BUT there is the risk of losing control over these types of programs; we are reviewing the bill language edits do not go overboard and potentially inject skilled and trained standards within this programmatic realm.
 - The CPUC administers, or otherwise oversees, various public purpose programs, including energy efficiency and conservation programs, cost-effective energy efficiency programs, the Family Electric Rate Assistance program, the California Alternate Rates for Energy (CARE) program, rate assistance programs for eligible food banks, and home insulation financial assistance programs.
 - Under current law, those programs are generally funded through a charge on electrical service, which is collected through customer rates.
 - This bill would establish the Public Utilities Public Purpose Programs Fund, and would, upon appropriation, require the commission to allocate the moneys in the fund for purposes of funding programs funded through an electrical corporation's public purpose program rate component as of September 1, 2022, other programs determined by the commission to provide public benefits, and programs that enhance electrical system

reliability and provide in-state benefits, except the Family Electric Rate Assistance program and the CARE program, as specified.

- [SB 881](#) (Min): 4/17 Senate Appropriations; next step is a May 20th hearing.
 - 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.

Next Meeting

Our next Working Group meeting will be on **Wednesday, May 11th 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.