

# The Council's Policy Call

May 27, 2022



*Advancing Our Clean Economy*

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# → Today's Agenda

## Council News

- Upcoming Events
- Member Working Group Report
- What's Coming Up?
- Information of Interest
- Capitol Update

## Issues/Topics

1. Follow-up on Governor's May revise budget items
2. Update: May 17 PHC

# → Upcoming Council Events

- Market Access Program Overview Webinar Series
  - June 2nd 2-3PM: SCE/SDG&E ([Zoom](#); Passcode=market)
- The Council's Annual Industry Training Course
  - July 20th 11AM - 3PM (via Zoom) [Registration](#)
  - Trainers:
    - Ann McCormick (EE history)
    - Ed Vine (EM&V history)
    - Greg Wikler (DR/DER history)
    - Clark McIsaac (Current Policy overview and resources)



# ➤ Member Working Group Report

Member Working Group	Meeting Cadence	Update
Capitol	Biweekly	5/25: Updated on current bill status and discussed next steps on budget discussion and possible pathways for advocating Council priorities in that process.
Cost-Effectiveness	Monthly	5/16: Reviewed new E4TheFuture grant regarding CE issues; overviewed recent ALJ ruling regarding NEM3.0; prioritized CE policy priorities including ACC reform, test perspective, and NTG erosion.
Custom Review	Monthly	
DR Policy	Monthly	
DR Regulatory	As Needed	
Federal	Monthly	
Market Transformation	Monthly	<i>Note: This MWG is on hold and will resume once the MTA is on board</i>
NMEC	Monthly	5/17: Prepared for 5/18 meeting with ED (which was subsequently canceled); covered member priority issues with regard to site-based NMEC including how to overcome blur with Custom rules/processes.
Solicitations	Monthly	5/24: Reviewed key issues that were covered with ED staff during 5/23 phone call and also prepared for 7/11 semi-annual stakeholder meeting to be held at SCG's Downey training center.

- If you missed a meeting, no problem; you can obtain the notes for any of our MWG meetings on the CEDMC member [portal](#)

# ➤ What's Coming Up?

- **Lead Commissioner Workshop to Launch Distributed Energy Resources in California's Energy Future Proceeding**
  - June 1, 10 AM – 12 PM Session 1; [Zoom](#); (669) 900-9128 / ID: 934 3292 0182 / Passcode: DERW01
  - June 1, 1 PM – 3 PM Session 2; [Zoom](#); (669) 900-9128 / ID: 981 6741 5465 / Passcode: DERW02
- **PANC Monthly Meeting: Electric Vehicles and The Grid: Making Transportation Electrification Beneficial For All**
  - June 1, 12 – 1:30 PM; [Registration](#)
- **CEDMC Member Webinar: Market Access Program Overview (Part 2–SCE/SDG&E)**
  - June 2, 2 – 3 PM; [Zoom](#); (669) 900-9128 / Meeting ID: 837 6435 3934 / Passcode: market
- **Lead Commissioner Workshop to Launch Gas Decarbonization Proceeding**
  - June 3, 10 AM – 12 PM Session 1; [Zoom](#); ID: 972 4302 9615 / Passcode: DECARB01
  - June 3, 1 PM – 4 PM Session 2; [Zoom](#); (669) 900-9128 / ID: 933 8082 4606 / Passcode: DECARB02
- **AEE Webinar: FERC 2222: Will DERs Get Full Market Access?**
  - June 6, 9 AM – 10 AM; [Registration](#)
- **CAISO Market Performance and Planning Forum**
  - June 16, 9 AM; Remote participation details to be posted [here](#)
  - [More information](#)

# ➤ Information of Interest

## Notable Regulatory Documents

- [Presentations](#) from Clean Energy Financing Workshop May 12, 2022
- [Transcripts](#) from CPUC PreHearing Conference for EE Business Plan Proceeding May 17, 2022
- High DER (R.21-06-017): Draft Independent Professional Engineer (IPE) Plans
  - [SDG&E](#)
  - [PG&E](#)
  - [SCE](#)

## Open Solicitations

- BayREN [Program Implementation RFP](#) and [Technical Services RFQ](#): Both proposals are due 6/3 by 5PM
- SoCalGas Energy Savings Assistance Program RFP: Bids due 6/10 (SoCalGas has notified selected bidders have been notified via PowerAdvocate)
- [CEC GFO-21-304 - Realizing Accelerated Manufacturing and Production for Clean Energy Technologies](#): Bids due 7/28 by 11:59PM (Round 1)
- Spring 2022 PG&E [Solar Choice RFO](#) and Spring 2022 [Regional Renewable Choice \(RRC\) RFO](#) were launched on March 31
- EE program 3P solicitation information and links found on the CAEECC [Website](#)

# → Capitol Update from Our Lobbyists



Erin Niemela



Tiffany Phan

# ➤ Governor's May Revision

- On May 13, Governor Newsom released the [May Revision](#) to his proposed [January budget](#). A large part of the May Revision addresses the State's \$97.5 billion surplus.
- The May Revision adds \$8 billion for a Clean Energy Investment Plan to \$2 billion proposed in the January budget. This Plan is intended to support innovation and deployment of clean energy technologies and to further increase system resilience, reliability, affordability, and resource deployment.
- The Plan now has a total of \$10.05 billion in proposed funding over five years. Of particular interest:
  - **Strategic Electricity Reliability Reserve: \$5.2 billion** for a Strategic Electricity Reliability Reserve, including \$950 million at CA Energy Commission (CEC) for distributed energy backup assets.
  - **Residential Solar and Storage: \$970 million** to the CA Public Utilities Commission (CPUC); \$670 million for solar and storage systems for low-income households and \$300 million for additional storage installations paired with existing residential solar systems.
  - **Transmission and Energy Financing: \$250 million** to leverage additional state financing tools dedicated to supporting the development of strategic clean energy projects that will assist the state in meeting its reliability, affordability and climate goals. Projects will be identified in coordination with the CPUC and the CEC and in consultation with the CAISO, as appropriate.
  - **Demand Side Grid Support: \$295 million** over multiple years to support the CEC in developing demand-side grid support initiatives. These efforts will help reduce energy demand on the grid during peak energy times.
- Timing: The Legislature has until June 15 to pass a budget.



# ➤ Council Advocacy in the Budget

The Council has identified several advocacy efforts intended to drive beneficial investments of some of the Governor's proposed demand-side grid support funding (\$295 million over several years):

- **Option 1: Day-ahead/Day of Reliability**
  - Concept: \$100M in non-utility DR and DER aggregators for day-of and day-ahead reliability that meets summer peak or net peak upon CAISO declaring emergency alert or higher. The providers/program participants would need to dispatch resources at the commitment level or face a discount.
  - This could apply to all load-serving entities (LSEs).
- **Option 2: Critical Facilities Reinforcement**
  - Concept: Maximum allocation \$100M. Require IOU's to procure from non-utility, third party providers battery energy storage systems to critical facilities where they have pre-existing stand-alone solar installations for PSPS/Wildfire.
  - Facilities would be required to reduce grid consumption and dispatch batteries and solar production in response to PSPS notices from IOUs.
- **Option 3: Low-mod income/disadvantaged communities Grid Reliability Program**
  - Concept: \$25M for demand reduction from residential consumers (with focus on low-mod and disadvantaged communities) for extreme events. Up-front capacity commitment and/or for per unit reductions in load. Eligible participants would include all residential electric customers except those who already participate in the ELRP.
- **Option 4: statutorily removing barriers to maximum deployment of demand response**
  - Concept: Remove the current arbitrary cap of 8.3% on demand response procurement in RA. This is an arbitrary cap which disproportionately affects non-IOU LSE's (first-come; first serve) and limits the potential of the resource. Additionally, there is already an extensive verification process. *You don't need both a cap and a verification process.*
  - Concept: Remove PUC ability to establish a separate and unequal cost-effectiveness and reliability processes for DR vis-a-vis other resources (ie, natural gas). The authority is currently embedded in the statutory loading order.

## ➤ Pre-Hearing Conference Update

- On May 17th, the CPUC hosted a pre-hearing conference (PHC). Greg provided testimony on behalf of the Council, addressing:
  - The Council’s support for the CPUC incorporating the following into their scope:
    - Issue 9: Consider PA proposals for improvements to the cost-effectiveness tool (CET).
    - Issue 9: Fund efforts aimed at making the CEDARS database more user friendly.
    - Issue 13: Direct the relevant PAs to make modifications to the 3P solicitations process, including reforming the 2-stage bid process, enhancing bidder feedback efforts, and creating more opportunities for disadvantaged business entities to participate in the solicitation process.
    - Issue 13: Direct the relevant PAs to modify their third-party contracting provisions to equitably spread the burden of risk between PAs and 3P implementers.
  - Several issues that were not included in the scoping document but were addressed in the Council’s April 15 comments.
  - Urging the CPUC issue a final decision by August 31, 2023.
  - Urging the CPUC to consider not compelling testimony from intervening parties and not hold hearings in this proceeding.

## → Discussion and Q&A

# Thank You!

*Please contact us if you have any questions.*

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