



CAPITOL COMMITTEE WORKING GROUP MEETING 5/11/22

Agenda

- Budget trajectory and asks
- High priority intervention bills
- Other bills that we support
- High priority watch bills
- Other items

Meeting Notes

Budget Trajectory and Asks

- Timing: The Governor's "May revision" to his proposed budget is scheduled to be rolled out during a press conference on Friday May 13 at (approximately) 10AM. You can livestream here: [@CAGovernor](#) Twitter page, [California Governor Facebook](#) page and the Governor's [YouTube page](#).
 - The Legislature has until mid-June to pass a budget.
- DER parity concept: 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 the Senate Working Group on Climate Change (Laird) authored a bill and was co-authored by other strategic members (SB 1020). This remains to be another potential vehicle for DER parity.
 - State agency technologies (in a section of SB 1020) addressed as in-front-of-the meter. PLA would need to be addressed.
 - There appears to be advantageous language for pumped hydro in another section.
 - AB 2667: Currently waiting on amendments. There has been a broader stakeholder collaborative effort. At this point we have yet to see anything in print.
 - Process: We will know more after 2667 comes off suspense, or once it's in the Sen. policy committee.
 - Timing is tight considering bills are expected to move (or not...) out of their fiscal committees late next week (by 5/20).

- TECH Clean CA: The Council and Energy Solutions collaborated on a [joint stakeholder letter](#) requesting at least \$100 million in additional incentive funding for TECH Clean CA. The \$100 million+ was suggested to be pulled from the Governor’s proposed \$300 million of “consumer rebates” in the Governor’s proposed Equitable Building Decarbonization budget. On 5/5, the letter was sent to the Governor’s Office and budget and legislative leads.
 - TECH was intended to layer into other programs, which is partially why it has been so successful. The challenges of stop-start could be significant.
 - Interest has been expressed re: expanding program access beyond IOU customers, to include customers of CCAs, etc.
 - We will know more Friday after the Governor’s press conference.

- DR budget request: The Council and OhmConnect submitted a [letter](#) to State budget leaders requesting a one-time \$25 million appropriation to develop a statewide program incentivizing low-to-moderate income consumer participation in DR programs. The letter was distributed later in the week of 5/2.
 - This request has the attention of the Senate Budget Committee Chair.
 - There is an ongoing need to emphasize the benefits this effort can bring to customers statewide.
 - Some additional legislative sign-ons. Due to timing matters, the letter was readdressed as a stakeholder letter.

High Priority Intervention Bills

- [SB 1063](#) (Skinner) – Sen. Approps
 - 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.
 - On 4/26, Greg [testified](#) in the Senate EUC committee in support of this bill. The Council also submitted a [letter of support](#) on 4/20.

- [SB 1026](#) (Wieckowski) – Sen. Approps
 - 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.
 - On 4/26, Greg [testified](#) in the Senate EUC committee in support of the bill. The Council also submitted a [letter of support](#) on 4/14.
 - IOUs dropped opposition after it was amended in the EUC Committee.

- [SB 1158](#) (Becker): – Sen. Approps
 - 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.

- The Council weighed in with “me too” support on 4/25.
- CalCCA withdrew their opposition.
- [SB 1020](#) (Laird) – Sen. Approps
 - 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) – Sen. Approps
 - Would set a net zero GHG mandate for all state agencies.
 - April 20, the Council submitted a [support letter](#) at the request of Becker’s office.
- [AB 2667](#) (Friedman) – Asm. Approps
 - 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 previously had discussions with the Author’s office about integrating our DER parity concept.

Other Bills that we Support

- [SB 839](#) (Dodd) BIP bill, 4/4, Senate Apps Suspense – high fiscal tag. 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.
 - March 8, the Council submitted a [support letter](#) at the request of Dodd's office.

High Priority Watch Bills

- [SB 1164](#) (Stern): – Sen. Approps
 - 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): – Sen. Approps
 - 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 them about DER importance.
 - Amends would be accepted in the June timeframe.

Other Items

- [ACR 188](#) (Holden) re: benefits of RTO. Requires CAISO to report/examine other work that has been done (literature review) to be delivered Feb. 2023. Other stakeholders may be engaging on this matter.
 - Background [information](#).
 - Multiple states raising concerns over potential summer supply shortages across the W.

Next Meeting

Our next Working Group meeting will be on **Wednesday, May 25th 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.