



CAPITOL COMMITTEE WORKING GROUP MEETING 5/25/22

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

- The Legislature has until June 15 to pass a budget. The new fiscal year begins July 1.
 - *Note: Though the Legislature needs to pass a budget in mid-June, there is a possibility our issues (below), alongside other resource issues, may not be resolved until August. The Council will continue advocating for our budget asks in the June 15 timeframe.*

The following options are lobbying pathways for allocating some of the Governor's proposed demand-side grid support (\$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.

- ***Require streamlining of interconnection; these would be distribution-connected resources.***
 - This option could be considered an RA program without typical RA challenges (or “hoops” to jump through).
 - This could apply to all LSEs.
- **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.
 - Add PUC 454 (b) (9) (c) (iii) "The Commission shall not establish any rule or procedure that creates a higher standard or threshold for the procurement of distributed energy resources than for other resources."

Update on TECH funding request (separate and distinct from the above options both in nature and funding mechanism): Existing TECH funding has essentially ran out. The Council is working on weaving this fact into discussions/advocacy as appropriate, though it was a key message delivered in the joint stakeholder letter earlier in May.

High Priority Intervention Bills

- SB 1063 (Skinner) – Assembly Desk
 - Current law requires the State Energy Resources Conservation and Development Commission to prescribe, by regulation, standards for minimum levels of operating efficiency, and authorizes the commission to prescribe other cost-effective measures, to promote the use of energy- and water-efficient appliances whose use requires a significant amount of energy or water. Current law requires that those standards become effective no sooner than one year after their date of adoption or revision and requires that they not result in any added total costs for consumers

over the designed life of the impacted appliances. Current law prohibits the sale, and the offering for sale, of a new appliance unless its manufacturer certifies that it complies with the standards in effect at the time the appliance is manufactured. This bill would authorize the commission, upon considering specified factors and making a finding of good cause, to make the standards effective sooner than one year after their date of adoption or revision, as specified. The bill would require that those other cost-effective measures prescribed by the commission also not result in any added total costs for consumers over the designed life of the impacted appliances.

- SB 1026 (Wieckowski) – Assembly Desk
 - Current law requires the State Energy Resources Conservation and Development Commission to prescribe, by regulation, energy efficiency standards for lighting, insulation, climate control systems, and building design and construction standards for new residential and new nonresidential buildings. Current law requires the commission to also develop a public domain computer program that enables contractors, builders, architects, engineers, and government officials to estimate the energy consumed by residential and nonresidential buildings. Current law regulates the terms and conditions of residential tenancies and imposes various requirements on landlords. This bill would require the commission to prepare a residential energy efficiency disclosure statement form for landlords and other lessors of residential properties to use to disclose to tenants and lessees information about the energy efficiency of the property.
- Becker SB 1158 -- Senate Floor; amended to add coauthors
 - 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
- SB 1020 (Laird) – Senate Floor; amended 5/23/22, majority vote bill
 - 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 Floor; amendments add coauthors
 - The State Air Resources Board is required to approve a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020 and to ensure that statewide greenhouse gas emissions are reduced to at least 40% below the 1990 level by 2030. This bill would declare the intent of the Legislature that state agencies aim to achieve zero net emissions of greenhouse gasses resulting from their operations no later than January 1, 2035. The bill would require each state agency to develop and publish a plan, on or before January 1, 2025, that describes its current greenhouse gas emissions inventory, its planned actions for achieving net zero emissions of greenhouse gases, and an estimate of the costs associated with the planned actions. The bill would require the state agency to update the plan beginning June 30, 2027, and every 2 years thereafter until the goal has been achieved.
- AB 2667 (Friedman) – Senate Desk
 - 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 Energy Commission to administer the fund in consultation with the Public Utilities Commission and the State Air Resources Board 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.

Other Bills that we Support

- SB 839 (Dodd) –held under submission
 - Unanimous support in SEUC

High Priority Watch Bills

- SB 1164 (Stern) – Assembly
 - Would require the State Air Resources Board, 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.

- AB 2765 (Santiago) – Held Under Submission – 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) – Held under Submission
 - The Public Utilities Commission has regulatory authority over public utilities, including electrical corporations. Current law requires the commission to adopt a process for each load-serving entity, defined as including electrical corporations, electric service providers, and community choice aggregators, to file an integrated resource plan and a schedule for periodic updates to the plan to ensure that load-serving entities accomplish specified objectives. Current law requires each load-serving entity to prepare and file an integrated resource plan consistent with certain requirements on a time schedule directed by the commission and subject to commission review. This bill would require the commission 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.

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, June 8th 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.