



CAPITOL COMMITTEE WORKING GROUP MEETING 6/22/22

Agenda

- Budget updates
- High priority intervention bills
- Other bills that we support
- High priority watch bills
- Other items

Meeting Notes

Budget Trajectory and Asks

- The Legislature's formal deadline to pass a budget was June 15.
- Following budget-crafting processes have continued, including working towards the anticipated release of further details to the budget framework as agreed upon by the Legislature and the Governor.
- TECH funding: No news to provide on the budgetary ask yet. However, the Council is working with a group of joint stakeholders to submit industry and advocate letters (respectively) supporting amendments to SB 1261 (residential building extreme heat zone mitigation assistance grant program), which could help provide another source/stream of revenue.

High Priority Intervention Bills

- Timeline: July 1 begins the summer recess through the month.
 - August 31 is the last day for each house to pass bills, final recess begins upon adjournment.
- [SB 1136](#) (Portantino) – Asm L&E, 6/22
 - CEDMC, alongside a group of joint stakeholders, submitted a [letter of opposition](#) to the Chair of the Assembly Committee on Labor & Employment (6/15).

- The bill:
 - Expands expedited CEQA review provisions to apply to an undefined range of projects re: compliance and EE standards, and requires all eligible projects to comply with specified construction labor requirements.
 - Expands the application of these expedited envtl review procedures for environmentally mandated projects to also apply to CEC and PUC rules and regulations requiring installation of new or modified eqpt, the implementation of other facility process changes, or both the installation and implementation, including EE projects, adopted pursuant to AB 32.
- [SB 1432](#) (Hueso) – Asm U&E, 6/29
 - This bill would authorize the CPUC to adopt a capacity valuation methodology and applicable rules and criteria for DERs if the CAISO completes a deliverability assessment of the capacity available to the electrical grid from DERs, as provided.
- [AB 2667](#) (Friedman) – Sen EUC
 - CEDMC, alongside a group of joint stakeholders, submitted a [letter of opposition](#) to the Chair of the Senate Committee on Energy, Utilities, & Communications (6/16).
 - The Council had previously supported this bill until recent amendments.
 - The Findings and Declarations section appears to subvert an active CPUC rulemaking on microgrids (R.19-09-009) where many issues related to the interpretation of Public Utilities Code Sec. 218 will be litigated through a well established regulatory process.
 - Another amendment appears to encourage utilities to own and operate DERs behind customer meters, which would be dispatched by the utility rather than operate to benefit the customer.
 - This directly conflicts with the intent of AB 2667 to support customer initiative and raises conflicts of interest for the utility.
 - Another amendment defines all DER projects over 15 kW as “public works” would impose prevailing wage requirements on small private residential solar installations.
 - This will seriously reduce incentives for the projects that AB 2667 is intended to encourage.

Other High Priority Bills:

- SB 1063 (Skinner) – Asm U&E, 6/29
 - 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) – Asm U&E, 6/29
 - 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 – Asm U&E, 6/22
 - 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) – Asm Utilities & Energy Committee, 6/22
 - 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) – Passed AAR, 6/20
 - 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.

Other Bills that we Support

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

High Priority Watch Bills

- SB 1164 (Stern) – Assembly U&E 6/22
 - 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

- CPUC President Alice Reynolds is up for confirmation the week of 6/27. Also up for confirmation during the same hearing are Severin Borenstein and Jan Schori as Members of the Independent System Operator Governing Board.

Next Meeting

Our next Working Group meeting will be on **Wednesday, July 6th 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.