



STATE POLICY WORKING GROUP MEETING 2/01/2023

Agenda

1. Review: legislative meetings
2. Takeaways: CEC Workshop on DSGS and DEBA
3. CEC Workshop on Energy Data Modernization and Analytics - Comment-Date Extended to Friday, Feb. 3rd
4. CPUC Decision: 13-11-005 (EE 3P+)
5. CPUC Decision: 19-01-011 (TECH)
6. EE Business Plan Status Conference Canceled

Notes

(Reference only) Legislation introduced thus far

- [AB 3](#) (Zbur): Offshore wind energy
 - Intent bill to accelerate offshore wind projects, reviewing approval process, etc. The language also notes the need to review environmental, social, economic impacts.
- [AB 9](#) (Muratsashi) | [SB 12](#) (Stern, Allen, & Wiener): CA Global Warming Solutions Act of 2006: emissions limit
 - Companion bills both hold the same language at this point. The current goal is 40% below '90 levels achieved by December 2030. These two bills change 40% to 55% below '90 levels achieved by December 2030.
 - It is possible this bill could see more substantive language beyond goal shifts.
- [AB 38](#) (Lee): Light pollution control
 - This bill has more substantive language. Starting in 2024, certain lights need to be dimmable, level of brightness, etc. Extinguishable by auto shut off, etc.
- [AB 43](#) (Holden): GHG emissions: building materials - credit trading platform and compliance system
 - Carbon credit trading on building materials. There was a previous bill on this issue that passed into law. AB 43 *could be* considered the next chapter.
- [AB 80](#) (Addis): Offshore Wind Coastal Protection Act
 - This bill would state the intent of the Legislature to enact future legislation to create the Offshore Wind Coastal Compensation Fund for purposes of mitigating the impacts of the deployment of offshore

wind infrastructure in California, funding costs associated with the future decommissioning of obsolete offshore wind infrastructure, and providing funding.

- [SB 56](#) (Skinner): Load-Serving Entities: IRPs
 - This bill “would make a non-substantive change” to the IRP provision re: diverse and balanced portfolio to meet several energy and climate policy targets.
- [SB 57](#) (Gonzalez): Extreme weather events.
 - This bill would state the Legislature’s intent to enact future legislation to prohibit shutting off utility service during extreme weather events.
- [SB 253](#) (Wiener, Gonzalez, Stern): Climate Corporate Data Accountability Act
 - This bill would require CARB, on or before January 1, 2025, to develop and adopt regulations requiring United States partnerships, corporations, limited liability companies, and other business entities with total annual revenues in excess of \$1,000,000,000 and that do business in California, defined as “reporting entities,” to publicly disclose to the emissions registry, as defined, and verify, starting in 2026 on a date to be determined by the state board, and annually thereafter, their greenhouse gas emissions, categorized as scope 1, 2, and 3 emissions, as defined, from the prior calendar year, as provided.
- **Nearest Legislative calendar deadlines:**
 - Feb. 17 Last day for bills to be introduced (J.R. 61(a),(1)(J.R. 54(a)).
 - March 30, Spring Recess begins upon adjournment (J.R. 51(a)(2)).

- **Upcoming Committee Meetings:**

March 22:

ASSEMBLY BUDGET SUBCOMMITTEE NO. 3 ON CLIMATE CRISIS, RESOURCES, ENERGY, AND TRANSPORTATION

BENNETT, Chair

LOCATION: State Capitol, Room 447

ENERGY

Item No. Description

8660 California Public Utilities Commission

3360 Energy Resources Conservation and Development Commission

3355 Energy Infrastructure Safety Office

3860 Department of Water Resources

The public may participate in this hearing by telephone. You can find more information at

www.assembly.ca.gov/committees.

1. Review: legislative meetings

- All of the following is in addition to the Council's Lobby Days, more information to the Sustaining Members on that this week.
- **Assemblymember Bennett:** Joe & lobbyists met with Assemblymember Bennett last week. They highlighted problems with meter data collection and metrics as well as the potential to return to these offices with potential legislative solution that could be appropriate in budget discussions or the regular legislative bill process.
- **Senator Skinner:** Lobbyists met with Senator Skinner's legislative director and policy lead for energy issues. They opened the dialogue on the problems with meter data collection and metrics. The Senator's policy staff will remain updated as we continue to have conversations with budget staff.
- **Senator Becker:** Scheduled meeting the week after next to carry forward many of the same talking points.
- Part of this approach is recognizing that there is expected to be clean up legislation to last year's Diablo Canyon NPP bill (SB 846) and budget bill language around CERIP. Generally part of budget negotiations, when the Governor is asking for funding for his priorities, the Legislature has the opportunity to ask for funding/inclusion of their priorities. We want to show that our potential ask/solution is in furtherance of the Legislature's priorities.

2. Takeaways: CEC Workshop on DSGS and DEBA

- January 27, the CEC met in two sessions to discuss the Demand Side Grid Support Program and the Distributed Electricity Backup Assets Program.
 - [Session 1](#)
 - [Session 2](#)
- The intent, especially for the DSGS was to provide a walkthrough on potential updates to the DSGS guidance; concerns on our end focused on ensuring DSGS would expand to all CA electric customers (in line with the law) and that
- It became clear from the slides, and comments from Vice Chair Gunda and staff, that the CEC was fully on board with the expansion of the DSGS program to all service territories, consistent with the AB209 language for both customers and aggregators. This was reinforced by the Policies Goals and Considerations on Slide 22. The visibility requirement to avoid double counting, not cannibalization, is understandable from a program management perspective, and should not result in unreasonable rules to comply.
- Council objectives in comments/questions to the CEC:
 - To elicit a response from staff to determine to what extent they have been considering such a service, if at all. (Confirmed)
 - To encourage the CEC (and others on the call) to consider data services for grid edge devices/ standalone submeters. (Staff confirmed it is under consideration, but not for 2023)
 - To suggest the CEC consider alternative approaches to help customers access their utility data information as easily as possible (ecobee's comments) in lieu of current requirements that customers provide utility account numbers for program enrollment.
- Concerns were raised that there may be routes to minimize how the program is rolled out. The direction is for CEDMC to make a touchpoint with the CEC and roll in comments ensuring we want to see the letter of the law incorporated into the guidance. Want to avoid takings concerns. Want all to have opportunity to participate. Want to ensure

visibility. The need to begin customer engagement (planning and eventual roll out) is soon.

3. CEC Workshop on Energy Data Modernization and Analytics - Comment-Date Extended to Friday, Feb. 3rd.

- As we prepare our legislative concepts for this session, adopting requirements for simple, electronic, automatic, web- and mobile-based methods for sharing energy data, along with data portability requirements, are in line with the comments we will be filing this Friday.

4. CPUC Decision: 13-11-005 (EE 3P+)

- On January 31, the CPUC issued their [decision](#) on energy efficiency third-party processes and other issues. The Council had submitted [opening](#) and [opening re: PD](#) comments.
- Respective to the Council's input:
- **COL #2 and OP #2: Performance Assurances (Securities)** If the Performance Assurance requirements from pay-for-performance contracts are not eliminated, the Council suggests the Proposed Decision be revised to clearly define criteria that qualifies and quantifies risks to ratepayers, including assessing the financial impacts that warrant the increased cost of pricing in Performance Assurances into EE contracts
 - NEUTRAL: *While we do not explicitly order this here, we do expect Commission staff will continue to monitor the inclusion of performance assurances in contracts and we will consider further action if this continues to create a barrier, particularly for disadvantaged or small businesses.*
- **COL #6 and OP #3: Cybersecurity Insurance Requirements** if the Proposed Decision is not be revised to replace cybersecurity insurance requirements with consistent, statewide, industry standard security certifications requirements then the Council suggests establishing consistent analysis criteria for when IOUs require cybersecurity insurance as part of a contract agreement.
 - UNSUCCESSFUL: *Here again, we note that Commission staff is aware of the issues, but we will not impose additional criteria in this decision.*
- **COL #10: Update to Terms and Conditions to Reflect TSB Requirements** the Council continues to recommend clarifying there is not a preference for the TSB metric before 2024 and ahead of the availability of measurement and verification infrastructure.
 - SUCCESS: *We have clarified in this decision that energy savings metrics are also acceptable to be used in third-party contracts*
- **Proposed Decision Sec. 4.2.2. and COL # 25: Funding and Representation from Non-IOU Administrators** the Council suggests the Proposed Decision be modified incorporate a stakeholder comment analysis structure in the annual development report that is similar to what is compiled in this Proposed Decision. The Council ultimately suggests the final annual development report must capture stakeholder (including implementer) feedback and discuss why certain suggestions or perspectives were not incorporated into the final report.
 - SUCCESS: *The report will also be required to include a summary of suggestions or perspectives offered by stakeholders, along with reasons why the suggestions were or were not adopted for implementation.*
 - CEDMC continues to request that we add the implementers to the Reporting PCG that is overseeing the database tools. We continue to decline that request, but do accept, in revised language, CEDMC's

suggestion to incorporate a stakeholder analysis structure in the annual development report for the database tools, discussing the disposition of suggestions or perspectives offered by stakeholders and why they were or were not incorporated.

- **INCORPORATE FEEDBACK FOR FAILED BIDS**

- **CPUC: NEUTRAL:** *CEDMC also asks us to further specify feedback required to be provided to unsuccessful third-party bidders. We support constructive feedback being offered to unsuccessful bidders, and encourage the IOUs to provide such feedback, but prefer not to specify all of the requirements recommended by CEDMC. We will continue to monitor this process and consider making further requirements in the future, if necessary.*
- *There was not explicit mention of who provides feedback to unsuccessful bidders and whether that feedback/feedback-provider addresses or focuses on substance over process and has actually read or engaged with the bid.*
- **SDG&E:** *SDG&E disagrees with the additional requirements, as they relate to unsuccessful bidders, given SDG&E maintains an established process to provide feedback to unsuccessful bidders. SDG&E currently hosts feedback sessions with unsuccessful bidders and, additionally, the EE Stakeholder Forum provides the opportunity for general feedback and observations as it relates to previous solicitations.*
- **SoCalGas:** *While SoCalGas agrees that providing meaningful feedback to unsuccessful bidders may improve the quality of future bids, the recommendation to formalize this process may not be in the best interest of the unsuccessful bidders or the IOUs. SoCalGas provides meaningful feedback to unsuccessful bidders at the bidder's request and believes that formalizing this process across all the IOUs is not needed at this time.*

5. CPUC Decision: 19-01-011 (TECH)

- On January 31 afternoon, the CPUC issued a [decision](#) regarding potential augmentation to the recently allocated \$50M for the TECH Clean CA Program.

6. EE Business Plan Status Conference Canceled

- The January 30 Status Conference per the scoping memo for the EE Business Plans applications was canceled.
- It has not been rescheduled and the Ruling did not say that it would be.
- No one requested evidentiary hearings so it does not look like they will be going forward mid-February.
 - Hopefully, a Ruling will come out soon admitting testimony into evidence and canceling evidentiary hearings.
- Our next step will be to submit an Opening Brief on April 17, 2023. We can also reach out to the utilities in the mean time.

Next Meeting

Our next State Policy WG meeting is scheduled for **Wednesday March 1 at 11:00 a.m.** Call-in coordinates are below.

[Zoom link](#)

Call-in: +13092053325,,82500501190#

Passcode: cedmc