



STATE POLICY WORKING GROUP MEETING 3/03/2023

Agenda

1. - 8. Key bills
9. Senate Energy Oversight Hearing
10. Jt. Hearing on Climate Change Policies
11. Upcoming Legislative Activity/Schedules

Notes

1. SB 48: Building Performance Standards

- [Draft fact sheet](#)
- [SB 48](#) (Sen. Becker) has been amended from a spot bill in its current Rules Committee. Amended language provides substantial changes to the bill through incorporating water efficiency to existing energy + standards as well as authorizing the CEC in coordination with the State Water Resource Control Board ("SWRCB") to develop a strategy that can leverage existing [benchmarking] data to reduce energy and water use, including the potential use of building performance standards."
 - The BPS would only apply to commercial buildings above 50,000 square feet.
 - California's benchmarking program collects electricity, natural gas, and other fuel usage but does not currently include water usage, so SB 48 also adds water usage reporting into the benchmarking program.
- Building performances establish long-term, high-performance requirements for large buildings to improve efficiency and reduce GHG emissions, often including interim targets that increase over time.
- 10 US jurisdictions have BPS already.
- In 2021, the CEC identified, in their IEPR, a BPS as a potential policy tool to reduce energy consumption and GHG emissions.
- BPS requires a lot of data collection, which CA generally already does to some degree.
- BPS language:
 - *(f) (1) Upon appropriation by the Legislature, the commission and State Water Resources Control Board may jointly establish energy and water usage building performance standards consistent with the strategy developed pursuant to subdivision (b).*
 - *(2) A building performance standard established pursuant to this subdivision shall provide covered building owners with at least 15 years to meet the final building performance standard from the date*

on which the building performance standard is adopted or from the date on which buildings of the same size and usage type are required to start providing, related to the building performance standard, the applicable energy or water usage benchmarking data, whichever is later. The commission and State Water Resources Control Board may establish interim building performance standards designed to ensure that adequate progress is being made from a building's baseline performance toward meeting the final building performance standard.

- Sen. Becker's staff + proponents have asked for the Council's support of this bill.
- The Council/lobbyists will engage with Sen. Becker's staff that we would like to support the bill but work towards some improvements over the coming weeks.

2. SB 43: Embodied Carbon: Building Materials

- [SB 43](#) (Holden)
- **Existing law** requires the state board, by July 1, 2023, to develop a comprehensive strategy for the state's cement sector to achieve net-zero emissions of greenhouse gases associated with cement used within the state as soon as possible, but no later than December 31, 2045. Existing law, effective January 1, 2023, requires the state board, by July 1, 2025, to develop, in consultation with specified stakeholders, a framework for measuring and then reducing the average carbon intensity of the materials used in the construction of new buildings, including those for residential uses.
- **This bill:** Establishes an embodied carbon trading system by 2027 and implementable as of 2029, applicable to building materials providers, developers, architectural and engineering firms, and construction companies.
 - *(2) "Carbon intensity" means the quantity of life-cycle greenhouse gas emissions per unit of building material, and specifically the ratio between the net upstream carbon dioxide impact (emissions minus storage) of a material and the weight of the material.*
 - *... (b)(2) The embodied carbon trading system unit of measurement shall be Global Warming Potential (GWP) per gross square foot (kg CO₂ e/sq. ft.2).*
 - *CARB will oversee and shall consult with CA Building Standards Commission, Dept. of Housing & Community Development, and CEC to develop regulations and minimize duplication/inconsistencies.*
 - *(g) The state board may consider the use of third parties, such as verifiers, for purposes of implementing the requirements of this section.*
- "Construction materials" is consistently referenced, but not explicit.

3. SB 306: Equitable Building Decarb Program (Direct Install)

- [SB 306](#) (Caballero)
- **Existing law** requires the State Energy Resources Conservation and Development Commission to establish the Equitable Building Decarbonization Program, which includes establishing a statewide incentive program for low-carbon building technologies and the direct install program to fund certain projects, including installation of energy efficient electric appliances, energy efficiency measures, demand flexibility measures,

wiring and panel upgrades, building infrastructure upgrades, efficient air conditioning systems, ceiling fans, and other measures to protect against extreme heat, where appropriate, and remediation and safety measures to facilitate the installation of new technologies.

- **This bill:** would revise Direct Install Program to: require that third-party implementers perform the projects funded through the program rather than authorizing the commission to administer the program through regional third-party implementers, limit participation in the program to certain individuals, also give preference to projects in buildings in specified regions of the state, and expand the projects eligible to be funded through the program, as specified. By expanding the purposes for which the moneys appropriated for purposes of the Equitable Building Decarbonization Program may be used, the bill would make an appropriation.
- Potential upgrades to the EBDP include more specificity around weatherization, efficiency, and efficient technology investments.
- Intent was to provide clarity to rollout of the program.
- Concerns were raised that the language addressing 3P implementers may actually have unintended - limiting consequences. The Council needs to continue this discussion in the coming weeks:
 - *(e) (1) A project funded by a grant from the direct install program shall be performed by a third-party implementer.*
 - *(2) An entity may apply to the commission to be classified as a third-party implementer for purposes of the direct install program.*
 - *(3) The commission shall review applications submitted pursuant to paragraph (2) and, through a competitive solicitation process, select the applicants to classify as third-party implementers for purposes of the direct install program.* In selecting *the applicants to classify as* third-party implementers, the commission shall prioritize applications from entities that include at least one community-based organization in order to ensure for the provision of culturally-appropriate outreach, education, and support to households participating in the direct install program, and from entities that employ workers from local communities.

4. SB 416: LEED Certification

- [SB 416](#) (Laird)
- **This bill** would require all new building and major renovation projects larger than 10,000 gross square feet undertaken by state agencies, and for which the project schematic design documents are initiated by the state agency on or after January 1, 2024, to obtain the **Leadership in Energy and Environmental Design or “LEED” Gold or higher certification**, as described. The bill would authorize certification to an equivalent or higher rating system or standard, if any, only when approved by the Director of General Services.
- *(2) “Major renovation” has the same meaning used for purposes of LEED certification.*

5. SB 795: HVAC Registry and Tracking

- [SB 795](#) (Stern)
- **This bill** would require the commission to develop and implement an electronic statewide heating, ventilation, and air conditioning (HVAC) equipment sales registry and

compliance tracking system. The bill would also require the commission to develop and implement an electronic statewide compliance document data repository.

- There is apparent significant skirting of appliance regulations this is trying to address.

6. AB 1664: DERs and Distribution Resource Plans

- [AB 1664](#) (Friedman)
- **Existing law** requires each electrical corporation to submit to the commission a distribution resources plan proposal to identify optimal locations for the deployment of distributed resources, as defined. Existing law requires that each proposal, among other things, propose or identify mechanisms for the deployment of cost-effective distributed resources that satisfy distribution planning objectives and propose cost-effective methods of effectively coordinating existing commission-approved programs, incentives, and tariffs, as specified.
- **This bill** would change the phrase “distributed resources” to “distributed energy resources” in the described-above provisions and require that each distribution resources plan proposal, among other things, propose or identify mechanisms for the deployment of cost-effective distributed energy resources that also satisfy resiliency objectives and propose cost-effective methods of effectively coordinating existing state-funded and ratepayer-funded, rather than commission-approved, programs, incentives, and tariffs, as specified.
 - The latter provision is largely existing language, except for the expansion to state-funded programs.

7. SB 422: GHG Emissions Permit Streamlining

- [SB 422](#) (Portantino)
- This bill would state the intent of the Legislature to enact subsequent legislation to adopt permit streamlining guidance for projects that will reduce greenhouse gas emissions.

8. AB 241 / SB 84 / Governor’s proposal to extend AB 8

- [AB 241](#)
- [SB 84](#)
- [Governor’s proposal](#) to extend AB 8 Reauthorization
 - **SUMMARY**
 - In this brief, we assess the Governor’s proposal to extend the sunset of certain-vehicle related fees that support clean transportation activities. Fees that are scheduled to sunset on January 1, 2024—often referred to as AB 8 fees—generate revenues totaling about \$175 million annually, which are used to support three different programs that encourage adoption of zero-emission vehicles (ZEVs) and upgrades to cleaner vehicle technology. (While these charges are commonly referred to as fees, under the State Constitution they qualify as taxes, and therefore will require a two-thirds vote of the Legislature to extend.) While the associated fee levels are modest, vehicle registration fees in California already are quite high compared to other states. In light of significant policy and funding changes to support ZEVs and cleaner transportation since these fees were last reauthorized in 2013, we recommend the Legislature think carefully about how the revenues complement existing efforts and how essential they are to achieving state goals given the costs they represent to households. Should it choose to reauthorize AB 8 fees, the Legislature could consider changing how the funds are used to support different clean transportation programs, or fund entirely different activities with the revenues, depending on the state’s highest priorities.

9. Senate Energy Oversight Hearing

- Last week, the CPUC and PAO provided their annual update to the Legislature on utility bill affordability.
- Pres. Reynolds alongside CPUC staff were present for the CPUC.
- Matt Baker was present for PAO
- SCG, TURN, SCE, CLECA, EBCE were present for utility perspectives.
- Building trades and PG&E provided public comments.
- Notes to follow.
- **Agenda** **VIDEO**
- **Background**
- Alice Reynolds, President, California Public Utilities Commission
CPUC Annual Report
- **Matt Baker, Director, The Public Advocates Office**
PAO Annual Report
- **Sam Harper, Consultant, California Large Energy Consumers Association**
- Adam R. Smith, Principal Manager--State Public Policy, Southern California Edison
- **Nick Chaset, Chief Executive Officer, East Bay Community Energy**
- **Dr. Mark Toney, Ph.D., The Utility Reform Network**
 - **CPUC I-Comp Backlog Report**

10. Jt. Hearing on Climate Change Policies

- Notes to follow
- [Agenda 3/1/23 \[pdf\]](#)
- [Assessing the 2022 Scoping Plan Update Hearing - Final Backgrounder \[pdf\]](#)
- [IEMAC - 2022 Annual Report \[pdf\]](#)
- [LAO - 2022 Scoping Plan Update \[pdf\]](#)
- [LAO Handout for 2022 Scoping Plan Up](#)

11. Upcoming Legislative Activity/Schedules

The following meetings may need to be updated:

Wednesday, March 08, 2023

9:30 a.m.

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

BENNETT, Chair

LOCATION: State Capitol, Room 447

CARB/**ZEVS**/CDFA

Item No. Description

3900 California Air Resources Board

8570 Department of Food and Agriculture

3360 Energy Resources Conservation and Development Commission

Wednesday, March 22, 2023

9:30 a.m.

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

Thursday, March 23, 2023

9:30 a.m. or upon adjournment of Session

SENATE BUDGET AND FISCAL REVIEW SUBCOMMITTEE NO. 2 ON RESOURCES,
ENVIRONMENTAL PROTECTION AND ENERGY

BECKER, Chair

LOCATION: 1021 O Street, Room 2200

item Description

3355 Energy Infrastructure Safety Office

3360 Energy Resources Conservation and Development Commission

3860 Department of Water Resources

3900 California Air Resources Board

8570 Department of Food and Agriculture

8660 California Public Utilities Commission

Thursday, March 30, 2023

9:30 a.m. or upon adjournment of Session

SENATE BUDGET AND FISCAL REVIEW SUBCOMMITTEE NO. 2 ON RESOURCES,
ENVIRONMENTAL PROTECTION AND ENERGY

BECKER, Chair

LOCATION: 1021 O Street, Room 2200

ALL DEPARTMENTS - OPEN ISSUES

Thursday, April 13, 2023

9:30 a.m. or upon adjournment of Session

SENATE BUDGET AND FISCAL REVIEW SUBCOMMITTEE NO. 2 ON RESOURCES,
ENVIRONMENTAL PROTECTION AND ENERGY

BECKER, Chair

LOCATION: 1021 O Street, Room 2200

ALL DEPARTMENTS - OPEN ISSUES

Thursday, April 20, 2023

9:30 a.m. or upon adjournment of Session

SENATE BUDGET AND FISCAL REVIEW SUBCOMMITTEE NO. 2 ON RESOURCES,
ENVIRONMENTAL PROTECTION AND ENERGY

BECKER, Chair

LOCATION: 1021 O Street, Room 2200

ALL DEPARTMENTS - OPEN ISSUES

Wednesday, April 26, 2023

9:30 a.m.

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

BENNETT, Chair

LOCATION: State Capitol, Room 447

OPEN ISSUES / SPRING FINANCE LETTERS / ALL DEPTS

Thursday, April 27, 2023

9:30 a.m. or upon adjournment of Session

SENATE BUDGET AND FISCAL REVIEW SUBCOMMITTEE NO. 2 ON RESOURCES,
ENVIRONMENTAL PROTECTION AND ENERGY

BECKER, Chair
LOCATION: 1021 O Street, Room 2200
ALL DEPARTMENTS - OPEN ISSUES

Wednesday, May 03, 2023

9:30 a.m.
ASSEMBLY BUDGET SUBCOMMITTEE NO. 3 ON CLIMATE CRISIS, RESOURCES,
ENERGY, AND TRANSPORTATION
BENNETT, Chair
LOCATION: State Capitol, Room 447
OPEN ISSUES / SPRING FINANCE LETTERS / ALL DEPTS

Thursday, May 04, 2023

9:30 a.m. or upon adjournment of Session
SENATE BUDGET AND FISCAL REVIEW SUBCOMMITTEE NO. 2 ON RESOURCES,
ENVIRONMENTAL PROTECTION AND ENERGY
BECKER, Chair
LOCATION: 1021 O Street, Room 2200
ALL DEPARTMENTS - OPEN ISSUES

Wednesday, May 10, 2023

9:30 a.m.
ASSEMBLY BUDGET SUBCOMMITTEE NO. 3 ON CLIMATE CRISIS, RESOURCES,
ENERGY, AND TRANSPORTATION
BENNETT, Chair
LOCATION: State Capitol, Room 447
OPEN ISSUES / SPRING FINANCE LETTERS / ALL DEPTS

Next Meeting

NOTE: All future State Policy Committee Calls, at least for now, have shifted from every other Wednesday at 11:00 a.m. to every other Friday at 10:00 a.m.

Our next State Policy WG meeting is scheduled for **Wednesday March 17 at 10:00 a.m.** Call-in coordinates are below.

[Zoom link](#)

Call-in: +13092053325,,82500501190#
Passcode: cedmc