



STATE POLICY WORKING GROUP MEETING 4/28/2023

Agenda

1. Senate D Budget Proposal: Protect our Progress
2. SB 48 - BPS
3. SB 422 - CEQA
4. SB 306 - EBDP
5. AB 1373: "Energy"
6. SB 795: HVAC registry/compliance
7. AB 982: Public Utilities Public Purpose Programs Fund
8. Clean Transpo - CEC + legislation
9. Federal: EPA emissions regulations

Notes

1. Senate D Budget Proposal: Protect our Progress

- April 26, Senate Democrats released their Budget proposal, "[Protect our Progress](#)" in response to Gov. Newsom's January Budget [proposal](#).
- \$370 million for Equitable Building Decarbonization that the Governor proposes to be delayed.
- \$270 million for Residential Solar and Storage projects that the Governor proposes to be cut.
- No explicit mention of:
 - Demand Side Grid Support Program
 - or the Strategic Reliability Reserve Fund...
 - Clean Energy Reliability Investment Plan
 - Distributed Electricity Backup Assets Program
 - TECH Clean CA
- "Rejects proposed reductions to key programs in the energy and ZEV packages through the new Housing and Infrastructure Fund, including:
 - Equitable Building Decarbonization
 - Residential Solar and Storage
 - ZEV Fueling Infrastructure Grants
 - Transit Buses & Infrastructure
- Provides \$3.6 billion in Greenhouse Gas Reduction Fund allocations, in accordance with the following:

Senate GGRF Plan			
(in millions)			
Program	Department	Senate	Governor
Continuous Appropriations			
High Speed Rail Project	HSRA	941	526
Affordable Housing and Sustainable Communities Pro	HCD	753	421
Transit and Intercity Rail Capital Program	CalSTA	376	210
Healthy and Resilient Forests	CalFire	200	200
Low Carbon Transit Operations Program	Caltrans	188	105
Safe and Affordable Drinking Water Program	SWRCB	130	105
Other Existing Commitments			
Baseline Operations	CARB	150	150
Manufacturing Tax Credit	CDTFA	97	97
State Responsibility Area Fee Backfill	CalFire	79	79
Safe and Affordable Drinking Water Program Backfill	SWRCB	0	25
Discretionary			
Zero Emission Vehicles			
General Fund Backfill—Zero Emission Vehicle Packag	CEC	0	368
General Fund Backfill—Zero Emission Vehicle Packag	CARB	0	243
Heavy Duty Vehicles & Off Road Equipment Incentive:	CARB	400	0
Clean Cars 4 All & Other Equity Programs	CARB	275	0
ZEV Transit Buses & Infrastructure	CARB & CEC	100	0
ZEV Fueling Infrastructure Grants	CEC	100	0
Equitable At-Home Charging	CEC	100	0
Agriculture			
FARMER	CARB	150	0
Agriculture Related Methane Reduction Programs	CDFA	35	0
Research in GHG Reductions	CDFA	5	0
Energy			
Equitable Building Decarbonization	CARB & CEC	100	0
Residential Solar and Storage	CPUC	80	0
Building Energy Benchmarking Program	CEC	15	0
Coastal Resilience			
Protecting the Coast from Climate Change	SCC	60	0
Implementing SB 1 (Atkins)	OPC	40	0
Intertidal Biodiversity DNA Barcode Library (a)	OPC	10	0
Other			
Low-Income Weatherization Program	CSD	60	0
AB 617	CARB	50	250
Farmworker Housing Energy Efficiency & Solar	CARB	40	0
Carbon Removal Program (b)	CARB	25	0
Technical Assistance for Federal Tax Credits (c)	CEC	10	0
Wood Stoves	CARB	5	0
	Total	4,574	2,779
(a) = Create a program that establishes a baseline by identifying and determining thousands of organisms at a site, which is necessary to do before coastal adaptation construction begins.			
(b) = Direct CARB to establish a long-term plan for carbon dioxide removal according to California's emission reduction targets.			
(c) = Establish a technical assistance and outreach program for Californians to apply for federal tax credits (i.e. the used EV credit, the Residential Clean Energy Credit, Energy Efficient Home Improvement Credit, Clean Vehicle Credit).			

2. SB 48: Building Performance Standards

- Amended version with water language removed, etc. [here](#).
- As anticipated, going straight to Approps (5/01)
- From last updates: The following amendments were agreed to:
 - to limit the affordability impacts on Californians, especially as it related to housing affordability: to make explicit that the implementation of the strategy, including adoption of building performance standards shall only be adopted for existing commercial buildings that are 50,000 square feet or more.

- to strip all references to water efficiency out
- to make residential standards go to a study process and return to the Legislature, for their approval, before implementation.

3. SB 422 (Portantino): CEQA: expedited environmental review: climate change regulations.

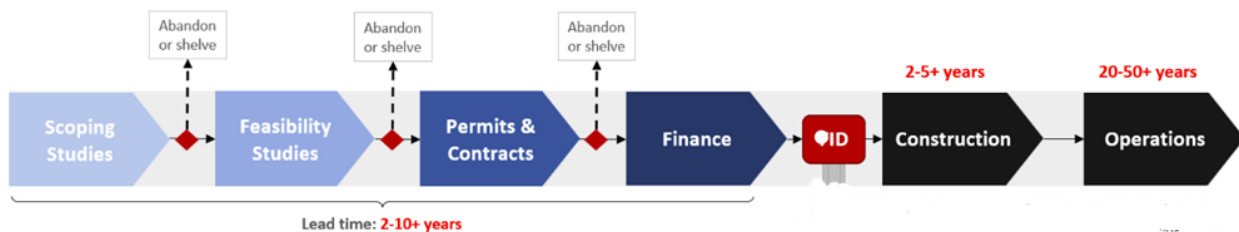
- Collaborative efforts to oppose have hit pause as there are anticipated, substantial changes. Still weary and concerned about current language and potential vagueness.

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

- [SB 306](#) (Caballero)
- Passed Senate Natural Resources & Water on 4/24 with previous amendments.

5. AB 1373: “Energy”

- No updates, updates below from last meeting:
- New bill from Asm Garcia addressing a central procurement mechanism for the DWR and the potential to assess payments for unused or un-achieved capacity.
- From the [CSG](#) (re: Gov’s TB):
 - *The provision empowers the Department of Water Resources (DWR) to procure energy for the purpose of achieving the state’s (SB 100) goal of supplying 100% clean electricity to all retail customers by 2045. This authority would only be exercised following a determination from the California Public Utilities Commission (CPUC) that the resources are required. **The intent of the proposed law is to support resources identified as needed but for which there is uncertainty regarding their development potential, including notably offshore wind, geothermal and long-duration storage.** For a risk-taking commercial enterprise, assured demand from an ultra-low risk, investment grade counterparty constitutes a drastic reduction in project risk, and so a powerful incentive to allocate capital towards project development.*
 - *The bill would authorize the PUC to direct an electrical corporation, and request the Department of Water Resources, to procure diverse clean energy resources, as defined by the PUC, that satisfy the portfolio of resources, as specified.*
 - *This bill would authorize the department, following a determination from the PUC, in consultation with the Energy Commission and the Independent System Operator, that it is necessary for the department to develop and conduct one or more competitive solicitations to procure energy, capacity, ancillary services, and all associated attributes, to conduct those solicitations, as specified*
- See also: CEDMC Newsletter 2023-04-21 - *Governor Proposes Clean Energy Central Procurement Mechanism to Support State’s Climate Targets*



6. SB 795: Energy: building energy efficiency: heating, ventilation, and air conditioning equipment: sale registry and compliance tracking system: compliance documentation data repository

- No updates from last meeting, other than re-referred to Approps with amendments, 4/26 8:2.
- *Reports by the Energy Commission and by the Public Utilities Commission have found that permits are obtained for HVAC replacements as little as 10 percent of the time, and that contractors comply with the California Energy Code's quality installation requirements as little as 15 percent of the time. It is estimated that by correcting these problems, peak energy demand could be decreased by 400 megawatts.*
 - Note: you can find the report in this docket:
<https://efiling.energy.ca.gov/Lists/DocketLog.aspx?docketnumber=22-DECARB-03>
- Amended from a spot bill, summary of changes:
 - 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 system to allow the Contractors State License Board and other responsible enforcement agencies to cross-check the purchase of HVAC equipment with the submittal of permit compliance verification documents in order to identify contractors and other installers that fail to comply with the law. The bill would specify that the system is not directly accessible by the general public and would require the commission to designate certain information in the system as presumptively confidential.*
 - *This bill would also require the commission to develop and implement an electronic statewide compliance ~~document~~ documentation data repository. repository with certain capabilities. The bill would specify that the repository is not directly accessible by the general public and would require the commission to designate certain information in the repository as presumptively confidential.*
 - *Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.*
 - *This bill would make legislative findings to that effect.*
 - Added 4/27: *This bill would also require the commission to develop and implement an electronic statewide compliance documentation data repository for the installation of HVAC equipment and lighting controls with certain capabilities. The bill would specify that the repository is not directly accessible by the general public to be publicly available and would require the commission to designate certain information in the repository as presumptively confidential. that certain information in the data repository is confidential and not to be disclosed to the public.*

7. AB 982:Public Utilities Public Purpose Programs Fund

- From Assembly Bill Fiscal Ctte Analysis:

- **This bill eliminates the collection of money from electrical utility ratepayers that funds certain “public purpose programs,” such as energy efficiency and clean energy research.**
- The bill establishes the Public Utilities Public Purpose Programs (PUPPP) Fund, and directs the California Public Utilities Commission (CPUC) to allocate monies in the fund, upon appropriation, to fund the programs currently funded through an electrical corporation’s public purpose program fund rate component as of December 31, 2023, the Costs of the Arrearage Management Program, the Costs of a Percentage of Income Payment Plan pilot program, as well as any other program the CPUC determines, via a public process, provides public benefits.
- **The bill explicitly excludes from the definition of public purpose programs two programs that provide rate assistance to low-income utility customers: the Family Electric Rate Assistance (FERA) program and the California Alternate Rates for Energy (CARE) program.**
- The bill declares, among other things, the intent of the Legislature to appropriate General Fund moneys sufficient to pay for these public purpose programs.
- Concerns regarding this bill and holding discussions among other stakeholders on this issue.

8. Clean Transpo - CEC + legislation

2 legislative vehicles:

- [AB 241 \(Reyes\)](#) Clean Transportation Program: Air Quality Improvement Program: funding
- [SB 84 \(Gonzalez\)](#) Clean Transportation Program: Air Quality Improvement Program: funding
- The Governor has also released [Budget Trailer Bill Language](#) on extending the program
- CEDMC is seeking to broaden the types of entities/vendors eligible to administer programs with the Clean Transportation Program

9. Federal: EPA emissions regulations

1. EPA Greenhouse Gas Reduction Fund (GGRF)

The IRA provides **\$27 billion** to EPA to implement the Greenhouse Gas Reduction Fund (GGRF) to combat the climate crisis by mobilizing financing and private capital for greenhouse gas- and air pollution-reducing projects in communities across the country.

This implementation framework builds on the initial guidance EPA released in February of this year and includes detailed descriptions of key parameters and anticipated application components for the grant competitions that EPA expects to administer under the GGRF program. This framework also provides a summary of the statutory language authorizing the GGRF, a summary of GGRF stakeholder engagement to date, initial guidance on the applicability of certain federal grant requirements to this program, and a resource guide for prospective applicants.

- [Greenhouse Gas Reduction Fund Competition Summary](#)

The **\$14 billion National Clean Investment Fund competition** will fund 2–3 national nonprofits that will partner with private capital providers to deliver financing at scale to

businesses, communities, community lenders, and others, catalyzing tens of thousands of clean technology projects to accelerate our progress towards energy independence and a net-zero economic future.

The **\$6 billion Clean Communities Investment Accelerator competition** will fund 2–7 hub nonprofits with the plans and capabilities to rapidly build the clean financing capacity of specific networks of public, quasi-public and non-profit community lenders—such as community development financial institutions (including Native CDFIs), credit unions, green banks, housing finance agencies, minority depository institutions, and others—to ensure that households, small businesses, schools, and community institutions in low-income and disadvantaged communities have access to financing for cost-saving and pollution-reducing clean technology projects.

The **\$7 billion Solar for All competition will provide up to 60 grants to states, Tribal governments, municipalities, and nonprofits** to expand the number of low-income and disadvantaged communities that are primed for investment in residential and community solar—enabling millions of families to access affordable, resilient, and clean solar energy.

2. FY23 RENEW AMERICA'S NONPROFITS

DE-FOA-0003065: The Schools & Nonprofits program within the Office of State and Community Energy Programs (SCEP) intends to issue a Funding Opportunity Announcement (FOA), Renew America's Nonprofits, to decrease energy use and utility costs, reduce carbon emissions, and redirect savings to mission-critical services for nonprofit organizations across America.

DOE intends to use an aggregation model to implement the Energy Efficiency for Nonprofits program. This approach will enable partners within the nonprofit community to provide technical and administrative support for retrofit projects while maximizing equitable impacts. The goal of this model is to encourage innovative program models and support strong localized engagement while mobilizing funding quickly and activating local workforces to improve the buildings of diverse nonprofits across America. DOE will encourage nonprofit 501(c)(3) applicants interested in serving as “Prime Recipients” to assemble a portfolio of nonprofit buildings in need of energy efficiency upgrades. Each portfolio should demonstrate significant energy and cost savings, emissions reductions potential, compelling cost effectiveness, and alignment with the Justice 40 (J40) Initiative goals. Recipients will subaward up to \$200,000 for individual energy efficiency projects in nonprofit buildings owned and operated by 501(c)(3) organizations (e.g., 25 energy efficiency projects at an average of \$150,000/project equals a \$3,750,000 project portfolio).

[BIL_40542_SCEP_Renew_America's_Nonprofits_Program_NOI](#) (Last Updated: 4/10/2023 10:56 AM ET)

3. DE-FOA-0003054: IRA: SECTION 50131. REQUEST FOR INFORMATION (RFI): TECHNICAL ASSISTANCE FOR LATEST AND ZERO BUILDING ENERGY CODE ADOPTION

DOE Office of State and Community Energy Programs (SCEP) is interested in information on supporting the development, adoption, and implementation of the latest model building energy codes and zero building energy codes for residential and commercial, new and existing buildings (or equivalent codes, standards, or policies) throughout the U.S. in accordance with Section 50131 of the IRA. **The IRA provides**

direction on certain high-level eligibility criteria and overall goals but does not detail how to develop and effectively implement an IRA codes program that will empower States and local jurisdictions to update their building energy codes and standards for new and existing buildings. Therefore, to further support program development, this RFI specifically seeks input on 1) selection criteria; 2) other funding sources, 3) compliance plans; and 4) existing-building opportunities. The information collected from this RFI will be used by DOE for planning purposes to develop a potential Funding Opportunity Announcement (FOA). The information collected will not be published. This is solely a Request for Information and not a FOA. SCEP is not accepting applications at this time.

Next Meeting

Our next State Policy WG meeting is scheduled for **Friday May 12 at 10:00 a.m.** Call-in coordinates are below.

[Zoom link](#)

Call-in: +13092053325,,82500501190#

Passcode: cedmc