



STATE POLICY WORKING GROUP MEETING 6/09/2023

Agenda

1. Updates/Context
2. AB 1198 - GO-Biz: Energy Unit: equity
3. AB 691 - Electricity: optional flexible interconnection tariff: onsite demand and distributed energy
4. Gas Research and Development Program Proposed Budget Plan for Fiscal Year 2023-2024
5. 22-11-013 Scoping Memo
6. SB 48: Building Performance Standards
7. SB 795: HVAC
8. AB 241 - Clean Transportation Program / AB 8 Reauthorization
9. Income Graduated Fixed Charge ("IGFC") Brief Update

Notes

1. Updates/Context

- Past the ½ way point for the Legislature (in terms of process).
- Budget deals are anticipated to surface over the weekend (or soon) as the Constitutional deadline to pass a budget looms at June 15.
 - The budget deal could provide details re: DEBA and DSGS funding.
 - DEBA funding could be diverted to DWR and it is rumored that DSGS funding may be siphoned as well. The Council is looking urgently into the DSGS matter.

2. AB 1198 - GO-Biz: Energy Unit: equity

- [AB 1198](#) (Grayson)
- Go-Biz: The Governor's Office of Business and Economic Development (GO-Biz) serves as the State of California's leader for job growth, economic development and business assistance efforts. No cost consultation for incentive identification, site selection, regulatory or permitting compliance assistance, foreign direct investment and export assistance. Contact us to get started.
- This bill would require the Energy Unit to identify, among other things, *nonratepayer-funded energy industry resources, including grants, tax credits, loans, and technical assistance, across local, state, and federal departments and agencies that are available to assist businesses and workers in the transition to a net-zero-powered economy. The bill would require the Energy Unit to work with specified agencies to identify workforce development programs specific to the energy industry and gather data on how education*

and outreach is conducted to disadvantaged communities, as defined. The bill would also require the Energy Unit, in collaboration with the Small Business Advocate, to identify the participation levels—of in those energy industry resources by businesses owned by women, minorities, disabled individuals, and veteran-owned businesses, as well as individuals from disadvantaged communities.—The

- *This bill would require the Energy Unit to hold at least 3 public workshops and engage with stakeholders and specified representatives to develop recommendations—to address on addressing barriers to access to—the those energy industry resources faced by business-owner groups and individuals who live in disadvantaged communities and how to increase—the participation rate for underrepresented communities. The bill would require the Energy Unit to work with designated agencies to identify workforce development programs specific to the energy industry and to gather data on specified communities, as well as how education and outreach is conducted in these communities. their participation levels to the extent that there are disparities, as specified. The bill would also require the Energy Unit to convene a technical advisory group for related purposes, as specified.* The bill would require the Energy Unit to include those findings and recommendations *and other related information* in its annual report to the Legislature. The bill would also make related legislative findings and declarations.
- No concerns were surfaced on this bill.

3. AB 691 - Electricity: optional flexible interconnection tariff: onsite demand and distributed energy

- *Existing law vests the Public Utilities Commission with regulatory authority over public utilities, including electrical corporations. Pursuant to its existing authority, the commission has issued and revised Electric Tariff Rule 21 establishing operational and metering requirements for a generation or storage facility to be interconnected to an electrical corporation's distribution grid. Existing law authorizes the commission to establish an expedited distribution grid interconnection dispute resolution process, as specified.*
- *This bill would require the commission, on or before July 1, 2025, to establish an optional flexible interconnection tariff, as specified, to modify the distribution energization and interconnection tariffs of electrical corporations to promote the cost-effective and timely interconnection of expanded onsite demand or distributed energy resources, as defined, pursuant to the optional flexible interconnection tariff, and to authorize the use of the optional flexible interconnection tariff by a customer as an alternative to an electrical distribution system upgrade that would otherwise be required by the electrical corporation in response to the customer's request to energize or interconnect a distributed energy resource that does not use a certified power control system, as defined. The bill would require the commission, in consultation with specified entities, to assess the effectiveness of power control systems to mitigate adverse impacts to electrical grid components and to update relevant electrical corporation energization and interconnection rules to incorporate those findings.*
- *Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the commission is a crime.*

- *Because the above provisions would be part of the act and a violation of a commission action implementing this bill's requirements would be a crime, the bill would impose a state-mandated local program.*
- *The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*
- *This bill would provide that no reimbursement is required by this act for a specified reason.*
- ~~Existing law requires the Public Utilities Commission to, on or before December 31, 2018, and biennially thereafter, as part of a specified report, identify and report to the Legislature on electrical and gas corporation ratepayer-funded energy efficiency programs that are similar to programs administered by the State Energy Resources Conservation and Development Commission, the State Air Resources Board, and the California Alternative Energy and Advanced Transportation Financing Authority.~~
- ~~This bill would instead require the commission to identify and report to the Legislature on those programs on an annual basis.~~
- No concerns were surfaced on this bill.

4. Gas Research and Development Program Proposed Budget Plan for Fiscal Year 2023-2024

- CEC, CPUC, and CA Natural Resources Agency submitted AL re: proposed budget plan for gas research and development program (FY 23-24):
 - The FY 2023-2024 Gas R&D Budget Plan proposes to utilize the annual \$24 million budget, as well as \$6,536,142 from previously unspent funds. The FY 2023-2024 Gas R&D Budget Plan covers July 1, 2023, through June 30, 2024.

Initiative Themes	Initiative Title	Proposed Budget	Proposed Supplemental Budget
Gas Leakage Mitigation	Innovative Gas Leakage Monitoring, Mitigation, and Prevention Solutions	\$6,000,000	\$4,130,876
Building Decarbonization	Air Pollutant Exposure Assessment in California Residences	\$7,000,000	
Targeted Gas System Decommissioning	Scaled-Up Gas Decommissioning Pilot and Integrated Planning Tools	\$2,000,000	
Leveraging Cost Share Opportunities	Federal and Private Cost Share	\$5,640,000	\$2,405,266
Comprehensive Programmatic Evaluation, Under G-3592		\$960,000	
Program Administration		\$2,400,000	
TOTAL		\$24,000,000	\$6,536,142
Grand TOTAL		\$30,536,142	

- Anyone wishing to protest this advice letter may do so electronically and must be received no later than 20 days after the date of this advice letter was filed with the CPUC, or June 21, 2023.
- The Council does not anticipate nor advocate for protest to be filed, but is simply reporting on the process at this point.

5. 22-11-013 Scoping Memo

- [Scoping Memo \(May 31\)](#)
- Divides proceeding into two phases:
 - **Phase 1:**
 - DER CE, including updating Avoided Cost Calculator “and policies on improving data usage and access to help customers make informed decisions about adoption, evaluation, and utilization of DERs.” Phase 1 divided into two tracks:
 - **Track 1:** how to make cost-effectiveness assessments more accurate and consistent across DER programs
 - The issues to be determined in Phase One, Track One are:
 1. What updates are appropriate for the Avoided Cost Calculator (ACC), in accordance with Decision (D.)

22-05-002? What modifications, if any, to the biennial update process are appropriate?

- 2. Should the Commission adopt guiding principles for the ACC, including principles that ensure alignment with R.20-05-003 (Integrated Resource Planning OIR) and other DER-related proceedings?
- 3. Should the Commission adopt a Societal Cost Test? If so, how should the results of the Societal Cost Test be considered in the DER cost-effectiveness framework? If appropriate, how should the Societal Cost Test consider equity issues, such as affordability and public health inequalities?
 - Reminder - we submitted [comments on the SCT](#) in this proceeding.
- 4. Should the Commission consider the results from the research report Quantifying the Air Quality Impacts of Decarbonization and Distributed Energy Programs in California³ when evaluating DER cost effectiveness? If appropriate, how should we apply and incorporate these results in the ACC?
- 5. How should equity issues be considered in evaluating DER cost effectiveness?

Event	Date
Party Comments on Societal Cost Test and Air Quality Research Results	April 28, 2023
Issuance of Staff Proposal on the 2024 ACC	July 2023
Workshops on the Staff ACC Proposal	August 2023
Proposed Decision for the Societal Cost Test, or Air Quality Research Results	TBD
Discovery completed on the ACC Proposal	8 weeks after issuance of Staff Proposal
Opening Testimony served	12 weeks after issuance of Staff Proposal
Rebuttal Testimony served	15 weeks after issuance of Staff Proposal
List of Disputed and Stipulated Issues; Report of Meet and Confer	January 9, 2024
Evidentiary hearing	January 23-25, 2024
Opening briefs	February 21, 2024
Reply briefs [<i>Track One submitted</i>]	March 13, 2024
Proposed decision	June 2024

- **Track 2:** rules and requirements to improve data access to facilitate adoption, evaluation, and utilization of DERs by customers and other entities and to improve DER integration with the grid.

- The issues to be determined in Phase One, Track Two are:
 - 1. What rules and requirements should the Commission develop or modify to improve data access to support the following:
 - a. enable customers and other entities to make informed decisions on selecting, adopting, evaluating, and utilizing DERs,
 - b. increase accuracy of load forecasting, and
 - c. align with other DER-related Commission proceedings, particularly R.22-07-005 (Demand Flexibility OIR) and R.21-06-017 (High DER Future Grid OIR), including enabling customer interaction with real-time pricing portals?
 - 2. In considering the development or modification of data usage and access rules and requirements, how should the Commission consider the following issues:
 - a. customer privacy,
 - b. barriers to data sharing and data access,
 - c. the standardization or centralization of databases, data models, data collection, and data reporting tools,
 - d. developing or improving data management best practices, and
 - e. identifying and removing data reporting redundancies?
 - 3. What data-related issues are specific to environmental and social justice (ESJ) communities and how do we address these issues to facilitate DER adoption in ESJ communities?
- Track 2 to include following types of data (not limiting):
 - Customer Smart Meter data,
 - DER device-level data,
 - Customer information, including location, California Alternate Rates for Energy status, appliance ownership, customer relationship management/customer information system data, and other personally-identifiable information,
 - Electric distribution infrastructure data, including data on circuit capacity, and
 - Gas distribution system data

Event	Date
Ruling requesting party comments on formation, membership, and coordinator for Data Working Groups	June 2023
Party comments in response to Ruling on the Formation of Data Working Groups, filed	2-3 weeks after the issuance of the Ruling
Ruling creating Data Working Groups and establishing roles and responsibilities of a facilitator for the Data Working Groups	Q3 2023
Workshops for the Data Working Groups	TBD
Recommendations from Data Working Groups, served	Approximately 12 months after the first workshop is held
Ruling requesting Party Comments on the Recommendations from the Data Working Groups	Within two weeks after Recommendations from the Data Working Groups are served
Workshops, if necessary, to discuss Recommendations from the Data Working Groups	TBD
Party Comments on the Recommendations from the Data Working Group, filed (<i>Track Two submitted</i>)	Three weeks after the conclusion of workshops

- **Phase 2:** developing equipment performance standards.
- Next steps on this issue:
 - Some time this month a Ruling will be issued requesting party comments on formation, membership, and coordinator for Data Working Groups. That Ruling will specify when comments are due.
 - After that, in July CPUC Staff will issue a Proposal on the 2024 ACC and then there will be workshops in August.

6. SB 48: Building Performance Standards

- Non-substantial amendments made last evening (6/8)
- From findings provision:
 - *(7) While improvements in building energy efficiency are salutary, they should not be achieved at an undue cost to tenants, particularly those tenants who are vulnerable to formal or informal eviction, displacement, harassment, or rent increases, if state and local strategies to achieve those energy efficiency improvements are not properly designed.*
 - *(8) Improvements in building energy efficiency should be achieved in a way that benefits building inhabitants and the general public. Ensuring that those benefits accrue to tenants is particularly important because tenants have less control over the timing and nature of those improvements than the people who own the home the tenants live in.*

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

- Continued and ongoing interest in our language.
- Interest in supporting with our amendments.

8. AB 241 - Clean Transportation Program / AB 8 Reauthorization

- No updates

9. Income Graduated Fixed Charge (“IGFC”) Brief Update

- Clark provided a brief walkthrough of ongoing updates to the IGFC issue.

General follow-up:

- IOU [Advice Letter](#) re: CATALENA expenses
- Mission:Data’s [Protest](#) to AL6140 et al. CATALENA expenses.

Next Meeting

Our next State Policy WG meeting is scheduled for **Friday June 23 at 10:00 a.m.**
Call-in coordinates are below.

[Zoom link](#)

Call-in: +13092053325,,82500501190#

Passcode: cedmc