



STATE POLICY WORKING GROUP MEETING 9/01/2023 ~ canceled ~ Written Report *only*

Agenda

1. Legislative Timeline - 2 weeks left
2. AB 1373 - DWR central procurement - amended
3. SB 48, as amended, Building Energy Savings Act
4. SB 755, as amended, EE + building decarbonization programs - dead
5. SB 795, as amended, Energy: buildingHVAC EE - dead
6. Bills being monitored

Notes

1. Legislative Timeline - 2 weeks left

- ~~Aug. 14 The Legislature reconvened from Summer Recess~~
- ~~Sept. 1 Last day for fiscal committees to meet and report bills to Floor~~
- **Sept. 5-14** Floor session only. No committees, other than conference or Rules
- **Sept. 8** Last day to amend on the floor
- **Sept. 14** Last day for each house to pass bills

2. AB 1373 - DWR central procurement - amended

- [Bill language](#)
- Focus is on this proposal/approach towards a central procurement mechanism, a slight shift from the Governor's earlier proposal. Regardless, see Governor Newsom's support for AB 1373 [here](#).
- **PROCURE CLEAN ELECTRICITY.** California is creating a central buyer to procure clean electricity for the grid, focusing on sources like offshore wind and long-duration storage to diversify our energy portfolio – creating a market for diverse sources of clean electricity that will spur more projects to break ground.
- **FAST-TRACK ELECTRIC INFRASTRUCTURE PROJECTS.** Accelerate permitting for electric transmission projects – like power lines and transformers – to deliver more clean electricity throughout the state, cutting permitting timelines by months.
- **STRENGTHEN THE STRATEGIC RELIABILITY RESERVE.** New measures to help prevent the misuse of the new Strategic Reliability Reserve which is designed to maintain grid reliability during extreme weather events, like heatwaves.

- **MODERNIZE CLEAN ENERGY PROCUREMENT PROGRAMS.** Aligns the state's primary clean energy planning and procurement programs – [Renewables Portfolio Standard](#), [Resource Adequacy](#), and [Integrated Resource Planning](#) – with our 100% clean electricity by 2045 goal in an effort to chart a clear path to our clean energy future.
- “STRENGTHEN THE STRATEGIC RELIABILITY RESERVE”
 - *The bill would establish the Load-Serving Entity Capacity Payment Account and the Local Publicly Owned Electric Utility Capacity Payment Account in the Department of Water Resources Electricity Supply Reliability Reserve Fund, and would specify that moneys in those accounts would, upon appropriation by the Legislature, be used for certain purposes. The bill would require capacity payments collected by the department from load-serving entities and local publicly owned electric utilities to be deposited in those 2 accounts, as provided.*
 - *This bill would require the PUC, if the PUC requests the department to procure diverse clean energy resources and the department elects to conduct competitive solicitations or enter into contracts for diverse clean energy resources, to develop and adopt procedures and requirements that govern competitive procurement by, obligations on, and recovery of costs incurred by the department. The bill would require the department, in evaluating bids received through a solicitation to consider certain factors. The bill would requires bids for the development of a diverse clean energy resource project to include the bidder’s certification that certain labor requirements are met and that a skilled and trained workforce will be used to perform all construction work on the diverse clean energy resource project, as provided. The bill would, at the request of the department, authorize the PUC to require an electrical corporation to act as the agent for the department or to assist the department in conducting the solicitation, bid evaluation, or contract negotiation for new diverse clean energy resource procurement.*
 - *The bill would provide electrical corporations, electric service providers, and community choice aggregators with a voluntary option to obtain incremental diverse clean energy resources from the department, as provided.*

3. **SB 48, as amended, Building Energy Savings Act**

- [SB 48](#), Sen. Becker, passed Asm Approps but with amendments to remove language on requirement building performance standards. The bulk of the amendments include:
 - ~~(4) Building performance standards have been enacted in 10 United States jurisdictions as of January 1, 2023, including in New York City and Washington, D.C., and statewide in Washington, Maryland, and~~

~~Colorado, as a practical policy for requiring large buildings to improve efficiency, lower utility costs for tenants, and reduce emissions of greenhouse gases, with interim targets that become more stringent over time while giving building owners flexibility and time to plan for how to achieve those requirements.~~

- ~~(5) A focus on improving the performance of large buildings is desirable because large buildings represent a small share of total buildings, but a much larger share of total energy usage and emissions of greenhouse gases, and the owners of large buildings are usually more capable of making plans and obtaining capital for the needed improvements than the owners of smaller buildings.~~
- ~~(6) Building performance standards that drive investment in older buildings can create local job opportunities, strengthen climate resilience, and result in healthier, more durable spaces in which to live, learn, and work.~~
- ...
- (c) It is the intent of the Legislature to ~~explore the feasibility of establishing building performance standards for large buildings in order to~~ achieve improvements in energy efficiency and reductions of the emissions of greenhouse ~~gases,~~ *gases in buildings*, including measures to ensure that making the necessary investments to improve these buildings will also improve equity and avoid displacement or increased utility burdens, especially in under-resourced communities.
- ...
- ~~(2) The strategy may include building performance standards.~~
- (c) In developing the strategy pursuant to subdivision (b), the commission shall do all of the following:
 - ...
 - (6) Prioritize efficiency and decarbonization measures that will benefit tenants, including measures that reduce tenants' energy costs and remove indoor environmental hazards.
 - (7) Consider including a process by which a covered building owner can propose, and the commission, or a local city or county building department to which the commission delegates this authority, may approve or ~~reject~~ *reject*, an alternative compliance ~~plan for unusual circumstances where a covered building cannot reasonably meet the building performance standards that may be included within the strategy pursuant to paragraph (2) of subdivision (b).~~ *plan*. An alternative compliance plan shall, consistent with paragraph (1), avoid increasing utility

and rental cost burdens for, or causing evictions, harassment, or displacement of, tenants.

- See April 10 [CEDMC testimony](#).

4. **SB 755, as amended, EE + building decarbonization programs**

- [SB 755](#) was held in Asm Approps and is dead for the year.
- From previous intent language:
 - This bill, the California's Layered Energy Applications for Residents (CLEAR) Act of 2023, would require the Energy Commission to develop and make publicly available an internet website for energy efficiency and building decarbonization programs administered by the Energy Commission, ~~a federal or local governmental agency, or a nonprofit organization~~ *agencies, and nonprofit organizations* that are available in the state for residential buildings and residential electricity customers, as specified. The bill would require the Energy Commission to enable customer application for the included programs through the internet website. The bill would prohibit including *energy efficiency and building decarbonization* programs established or administered by the Public Utilities Commission on the internet website, but would authorize the Energy Commission to provide a link to programs that cannot be included.

5. **SB 795, as amended, Energy: building HVAC EE - dead**

- SB 795, Sen. Stern. Energy: building EE: HVAC equipment sale registry and compliance tracking system: electronic statewide compliance documentation data repository - **was held in Asm Approps and is dead for the year.**
- See June 20 [CEDMC letter of support](#)

6. **Bills being monitored**

- [AB 43](#) (Holden D) Greenhouse gas emissions: building materials: embodied carbon trading system.
 - Passed on partisan vote with amendments to extend timeline by 6 months, add a way to report delays
- [AB 50](#) (Wood D) Public utilities: timely service: customer energization.
 - Passed on a unanimous vote with amendments to extend timeline by 6 months, add way to report delays
- [AB 593](#) (Haney D) Carbon emission reduction strategy: building sector.
 - Not continuing this session, anticipate efforts to move during the next session - AKA 2-year-bill.
- [AB 841](#) (Berman D) State Energy Resources Conservation and Development Commission: Industrial Heat Electrification Roadmap.
 - Held in committee
- [AB 914](#) (Friedman D) Electrical infrastructure: California Environmental Quality Act: review time period.
 - Held in committee

- [AB 1198](#) (Grayson D) GO-Biz: Energy Unit: equity.
 - Held in committee; hearing canceled at the request of the author
- [SB 233](#) (Skinner D) Electric vehicles and electric vehicle supply equipment: bidirectional capability.
 - Passed on partisan vote with amendments to remove mandate and instead authorize ARB in consultation CEC and PUC to require any weight class of BEV include bi-directional charging
- [SB 306](#) (Caballero D) Climate change: Equitable Building Decarbonization Program: Extreme Heat Action Plan.
 - Passed with Republicans note voting with amendments to modify and streamline reporting requirements
- [SB 410](#) (Becker D) Powering Up Californians Act.
 - Passed on partisan vote with amendments to require 3rd party review of distribution grid infrastructure as rate mechanism
- [SB 416](#) (Laird D) State agencies: building and renovation projects: LEED certification.
 - Passed on unanimous vote
- [SB 422](#) (Portantino D) California Environmental Quality Act: expedited environmental review: climate change regulations.
 - Passed on unanimous vote
- [SB 511](#) (Blakespear D) Greenhouse gas emissions inventories.
 - Held in committee
- [SB 664](#) (Stern D) Energy: reliability planning assessment: integrated energy policy report.
 - Passed on unanimous vote

Next Meeting

Our next State Policy WG meeting is scheduled for **Friday September 15 at 10:00 a.m.** Call-in coordinates are below.

[Zoom link](#)

Call-in: +13092053325,,82500501190#

Passcode: cedmc