

OCTOBER 20, 2021

# Legislative and Regulatory Update



# End of Session Legislative Highlights

- COVID-19 & the Delta variant once again played a big role in slowing things down
  - Bill introductions were limited
  - Hearings were also limited and/or cancelled
- The Gubernatorial Recall election also affected the session
  - Less appetite for tackling controversial issues
- Many energy bills were tabled (2-year bills)
- Budget Bill has some potential opportunities for EBCE

# Budget Act of 2021 Highlights for EBCE

- Zero Emission Vehicle Package: \$3.9B
  - Includes ZEV buses, consumer adoption of ZEV, supporting transition of transportation sector, and ZE transit equipment purchases/infrastructure
- Climate Resilience Package: \$3.7B over 3 years
  - Includes funding for community resilience centers/extreme heat and community resilience program, resilience planning, environmental justice initiative
- Cap and Trade Expenditure Plan: \$1.5B GGRF (included in \$3.9B above)
  - Supports low-carbon transportation and ZEV strategy

# Future Energy Funding

- Energy and Transportation packages were deferred until next year
  - Discussions will continue this fall and the Administration and Legislature expect to address them in early 2022
- Deferred Energy Package: \$735M to accelerate progress on clean energy goals
- Deferred Transportation Package: \$3.4B including \$1B to enhance connectivity through clean transportation investment in priority transit and rail projects

# Bill Tracker - Assembly

Bill #	Author	Description	Status	EBCE Position
<a href="#">AB 33</a>	Ting	Requires CEC to provide grants and loans to local governments to maximize energy use savings and expand installation of energy storage and availability of transportation electrification infrastructure.	Chaptered	SUPPORT
<a href="#">AB 427</a>	Bauer-Kahan	Requires CPUC to establish rules governing the intersection of demand response, energy storage including customer-sited distributed generation plus storage, and RA.	2-year bill	SUPPORT
<a href="#">AB 525</a>	Chiu	Requires CEC to evaluate and quantify max feasible capacity of offshore wind and to establish planning goals for 2030 and 2045.	Chaptered	SUPPORT
<a href="#">AB 843</a>	Aguiar-Curry	Allows community choice aggregators to enter into Bioenergy Market Adjusting Tariff (BioMAT) contracts and recover related costs through the existing nonbypassable charge for the BioMAT program.	Chaptered	SUPPORT
<a href="#">AB 1139</a>	Gonzalez	Requires the CPUC to develop a replacement NEM tariff by 8/1/2022; if none, prescribes successor NEM tariff. Requires any existing NEM customer to be transferred to new tariff 20 years after customer first received NEM service.	2-year bill	OPPOSE
<a href="#">AB 1239</a>	Ting	Requires investigation into causes of demand response market failures and why demand response is not reaching its potential; recommendations to ensure market failures not repeated. Recommendations to CPUC to revise policies governing demand response resources. CEC and CAISO to develop initiatives to achieve all cost-effective demand response by 2030.	2-year bill	SUPPORT

# Bill Tracker - Senate

Bill #	Author	Description	Status	EBCE Position
<a href="#">SB 31</a>	Cortese	Requires CEC to identify/implement programs to promote existing & new building decarb. Would authorize expending fed funds for these projects. Would require CEC under EPIC to award funds for projects benefiting electric ratepayers & leading to development of building decarbonization technologies and investments to reduce GHG in those bldgs.	2-year bill	SUPPORT
<a href="#">SB 52</a>	Dodd	Expands sudden and severe energy shortage definition to include de-energization events, constituting state of emergency and local emergency.	Chaptered	SUPPORT
<a href="#">SB 68</a>	Becker	Requires CEC to develop guide for overcoming barriers to electrification of buildings and installation of EV charging equipment. Authorizes CEC EPIC \$ for reducing costs of building electrification.	Chaptered	SUPPORT
<a href="#">SB 99</a>	Dodd	Community Energy Resiliency Act of 2021. Requires the CEC to develop and implement a grant program for local govts to develop community energy resilience plans.	2-year bill	SUPPORT
<a href="#">SB 345</a>	Becker	Requires the CPUC to establish common definitions of nonenergy benefits, incorporate into distributed energy resource (DER) programs and projects, and track nonenergy benefits produced in DER program evals.	2-year bill	SUPPORT
<a href="#">SB 551</a>	Stern	Establishes California EV Authority in the Governor's office, responsible for coordinating state agency activities to deploy EV and zero emission charging infrastructure, create funding/financing tools to support deployments, prioritize equity	2-year bill	SUPPORT
<a href="#">SB 589</a>	Hueso	Requires CEC to identify workforce development and training resources needed to meet EV charging infrastructure goals.	Chaptered	SUPPORT
<a href="#">SB 612</a>	Portantino	Requires electrical corporations to annually offer for the following year an allocation of each product arising from legacy resources that departed load customers currently bear cost responsibility for through the PCIA. Requires the CPUC to recognize and account for the value of all products in the legacy portfolio in determining the PCIA.	2-year bill	SUPPORT



# Regulatory Highlights: CAPP

- CA Dept of Community Services & Development (CSD)'s California Arrearage Payment Program (CAPP)
  - Established in AB 135 Budget Trailer bill: Human services omnibus
  - \$1B from CA's share of American Rescue Plan Act funds to address energy debt
  - One-time debt forgiveness in early 2022 for arrears incurred during "pandemic period" (3/4/20-6/15/21)
  - Prioritizes funding for active residential customer accounts with past due balances of 60+ days
  - CAPP funding allocation between IOU and CCA customer arrearages is being determined

# Regulatory Highlights: AMP

- CPUC's Service Disconnections Proceeding
  - CPUC Resolution E-5114 (issued Dec 2020) approved 12-month Arrearage Management Plans (AMP)
  - Enrollment has already started and is ongoing
  - CARE/FERA customers with \$500+ of arrearages are eligible
  - With each on-time payment of current charges, AMP forgives 1/12 of the eligible debt owed at the time of enrollment



# Regulatory Highlights: COVID Relief Payment Plan

- CPUC's COVID-19 Debt Relief Proceeding
  - CPUC Decision 21-06-036 (issued June 2021) approved 24-month COVID-19 relief payment plans
  - Enrollment begins in Oct 2021; customers can be co-enrolled with CAPP but not with AMP
  - Customers with arrearage aged 60+ days are automatically enrolled in a plan; 100% of their arrears are amortized over 24 months
  - Small business customers with an arrearage of 60-days or more are automatically enrolled with payment terms long enough so that debt payments are no more than 10% of the customer's average bill based on past 24-months, 5% if the business is in a disadvantaged community