



## Staff Report Item 15

**TO:** East Bay Community Energy Board of Directors

**FROM:** Melissa Brandt, Vice President of Public Policy & Deputy General Counsel

**SUBJECT:** Approval of Legislative Positions (Action Item)

**DATE:** April 20, 2022

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### Recommendation

Receive an update on EBCE's Legislative Program and take a "support" position on Assembly Bill ("AB") 1960 (Villapudua), AB 2070 (Bauer-Kahan), AB 2667 (Friedman), AB 2765 (Santiago), and Senate Bill ("SB") 1112 (Becker), and an "oppose" position on SB 1393 (Archuleta).

### Background and Discussion

In July 2018 the EBCE Board approved a Legislative Program which outlined three general legislative principles and five more specific public policy positions, as well as guidance for legislative policy coordination. The Legislative Program, last updated in 2021, has again been updated with a few clarifications and edits to names/addresses, however the principles and positions are the same. EBCE's updated Legislative Program is provided for reference as an attachment to this item.

At the February 16, 2022 EBCE Board Meeting, the Board approved taking a "support" position on AB 1814 (Grayson). AB 1814 has recently been withdrawn by the author and will not be moving forward due to general lack of support from members on the Assembly Utilities and Energy Committee.

### Recommended EBCE Bill Positions:

- **SUPPORT:** AB 1960 (Villapudua), would attempt to provide more regional diversity when selecting California Public Utilities Commission ("CPUC") commissioners, by encouraging, not requiring, the Senate and the Governor to consider permanent residents of northern, southern and the central valley regions of the state. A regionally diverse CPUC is more likely to be attuned to

the various concerns of EBCE's diverse communities. Villapudua is a member of EBCE's legislative delegation.

- **SUPPORT: AB 2070 (Bauer-Kahan)** would require electrical corporations to notify fire protection districts at least 24 hours before initiating deenergization events. Receiving advance notice will allow our fire protection districts to adequately prepare for the deenergization event and enable notice to other local government entities including cities and EBCE, to help provide needed services to mitigate some of the ill effects of the deenergization event on the residents of the affected areas. Bauer-Kahan is a member of EBCE's legislative delegation.
- **SUPPORT: AB 2667 (Friedman)** would require the California Energy Commission ("CEC") to establish in the state Treasury and administer an Integrated Distributed Energy Resources Fund to incentivize eligible resources to support statewide consumer adoption of clean distributed energy resources ("DERs"). Resources eligible for incentives under the fund would include customer demand management, managed charging of electric vehicles, clean backup power, and other DERs that would achieve greenhouse gas emissions reductions. The CEC would be required to establish a system to equitably award incentives. Furthermore, the CEC would be required to establish a process to allow a load-serving entity ("LSE") such as EBCE to apply for incentives on behalf of a customer(s) as part of that LSE's customer program to reduce its resource adequacy ("RA") obligations. EBCE has current programs underway such as the Resilient Home program to manage our load and reduce our RA obligations, and under this bill we would be able to apply for incentives from the fund, which could lower the costs of our load management programs and enable us to undertake more load management in the future.
- **SUPPORT: AB 2765 (Santiago)** would establish a taxpayer-funded Public Utilities Public Purpose Programs Fund, and would require the CPUC to use the fund to pay for the Family Electric Rate Assistance (FERA) program, programs currently funded through an electrical corporation's public purpose program rate component including the California Alternate Rates for Energy (CARE) program, and other programs determined by the CPUC to provide public benefits. If the fund does not have sufficient moneys for those purposes, the bill would authorize the CPUC to permit electrical corporations to recover the costs of those programs from ratepayers, as they do today through a charge on electric service, which is collected through customer delivery rates. This bill would lower the electric delivery rates for all customers including EBCE customers, helping both with customer bill affordability and service disconnection rates, and supporting the growth of electrification by keeping electricity costs competitive.

- **SUPPORT:** SB 1112 (Becker) would encourage the creation of Tariffed On-Bill (“TOB”) investment programs to make low-cost capital widely available for climate-beneficial building upgrades so that upfront costs or lack of access to credit do not get in the way of upgrading buildings. The bill would address a technical fix that might otherwise impede the creation of TOB programs - ensuring proper notification for renters and home buyers - and further direct the CEC to explore how the state and LSEs can leverage existing and future federal funds and existing state programs to make low-cost financing available to TOB investment programs. EBCE is exploring how to use TOB financing to increase energy efficiency and building electrification in our jurisdiction. EBCE customers would also benefit from any federal or state funds identified and made available to support low-cost financing for TOB investment.
- **OPPOSE:** SB 1393 (Archuleta) would require local governments to obtain approval from the CEC for local requirements that mandate the replacement of fossil fuel appliances with electric appliances in existing buildings. This bill would prohibit the CEC from approving a local government’s retrofit requirement if the CEC finds that the requirement, or a portion of the requirement, is not technically feasible, is not cost effective, disproportionately impacts low and median income consumers, adversely impacts a skilled and trained workforce, or increases costs for ratepayers of a local publicly owned electric utility or electrical corporation. This bill would discourage local governments from adopting ordinances aimed at electrifying communities, and could restrict the authority of EBCE’s cities to support reach codes including efforts to mandate certain retrofits.

### **Fiscal Impact**

AB 2667 may result in additional funding for load management through the CEC.

AB 2765 may result in lower customer utility delivery charges.

SB 1112 may result in additional funding for lowering TOB financing costs.

### **Attachments:**

- A. April 20, 2022 Legislative Update
- B. EBCE Legislative Program
- C. Author Fact Sheets

APRIL 20, 2022

# Legislative Update



# Legislative Highlights

Attachment Staff Report Item 15A

- Update from Weideman Group on the 2022 Legislative Year
- Update on AB 1814
- New Recommended Bill Positions: AB 1960, AB 2070, AB 2667, AB 2765, SB 1112, SB 1393

# Key Deadlines for the 2022 Legislative Year

Attachment Staff Report Item 15A

- 1/3: Legislature reconvened
- 1/10: Governor submitted budget
- 1/31: Deadline to move 2-year bills out of 1<sup>st</sup> house
- 2/18: Bill introduction deadline
- 4/29: Policy cmtes to move fiscal bills to fiscal cmtes (1<sup>st</sup> house)
- 5/6: Policy cmtes to move nonfiscal bills to floor (1<sup>st</sup> house)
- 5/20: Fiscal cmtes must move bills to floor (1<sup>st</sup> house)
- 5/27: Last day for bills to be passed out of 1<sup>st</sup> house
- 6/15: Budget bill must be passed
- 7/1: Policy cmtes to meet and report bills (2<sup>nd</sup> house)
- 8/12: Fiscal cmtes to move bills to floor (2<sup>nd</sup> house)
- 8/31: Last day for each house to pass bills
- 9/30: Last day for Governor to sign/veto bills

# Legislature – State of Play

Attachment Staff Report Item 15A

- Democratic super majorities
- Redistricting not expected to change dynamics
- High levels of turnover now and expected
- Election year, but Governor in strong position
- Budget surpluses driving agenda
- Energy likely to be a policy theme in Senate, Assembly

# 2022 Legislative Themes

Attachment Staff Report Item 15A

- Clean energy – near-term, long-term
- Climate change and impacts
  - Wildfire, extreme heat, corporate disclosures
- Zero emission vehicles, infrastructure
- Green hydrogen
- Carbon capture and sequestration
- Jobs and labor
- Equity



# Gov's Proposed Budget: \$22B in New Climate Funding

Attachment Staff Report Item 15A

- \$6.1B – Zero emission vehicles (ZEVs), esp. “big ZEVs”
- \$9.1B – Transit and other transportation projects
- \$2B – Clean energy package
  - Long duration storage (\$380 M), green hydrogen (\$100 M), industrial decarbonization (\$210 M), food processing facilities (\$85 M), offshore wind (\$45 M), Orville dam pumped hydro (\$240 M), equitable building decarbonization (\$962 M)
- \$1B – Sustainable communities/housing
- \$1B – Energy Innovation Headquarters and green energy tax credits
- \$1.2B – Wildfire and forest resilience
- \$750M – Drought resilience and response
- \$2.5B – Nature-based solutions, climate resilience, climate smart ag, circular economy

# Recommended Bill Positions

Attachment Staff Report Item 15A

Bill #	Author	Description	Sponsor	Status	Recommended EBCE Position
<a href="#">AB 1960</a>	Villapudua	Encourages the Senate and the Governor to consider permanent residents of northern, southern and the central valley regions of the state to provide more regional diversity among CPUC commissioners.		Asm Consent Calendar	<b>SUPPORT</b>
<a href="#">AB 2070</a>	Bauer-Kahan	Requires an electrical corporation to notify the fire protection district 24+ hours before deenergization or else face penalties.		Asm U&E Cmte 4/20	<b>SUPPORT</b>
<a href="#">AB 2667</a>	Friedman	Establishes and requires CEC to administer state IDER Fund to incentivize eligible resources to support consumer adoption of clean DERs, creates a system to equitably award incentives, and establishes a process to allow an LSE to apply for incentives on behalf of a customer as part of that LSE's program to reduce its RA obligations.	NRG / EDF	Asm U&E Cmte 4/6	<b>SUPPORT</b>
<a href="#">AB 2765</a>	Santiago	Creates a new fund to cover the costs of CPUC Public Purpose Programs including energy efficiency, conservation, CARE, and FERA, instead of continuing to rely on customer delivery rates.		Asm U&E Cmte 4/20	<b>SUPPORT</b>
<a href="#">SB 1112</a>	Becker	Requires energy suppliers (including CCAs) offering decarb programs to record a decarb charge notice, then notice of full cost recovery, then notice of charge removal with the project's county.		Sen EUC Cmte	<b>SUPPORT</b>
<a href="#">SB 1393</a>	Archuleta	Requires local jurisdictions to apply for CEC approval before mandating that retrofits to a bldg. must upgrade fossil appliances to electric.		Sen Gov & F Cmte 4/21	<b>OPPOSE</b>

# Bill Tracker - Assembly

Attachment Staff Report Item 15A

Bill #	Author	Description	Sponsor	Status	EBCE Position
<a href="#">AB 1814</a>	Grayson	Authorizes CCAs to file applications for PUC programs and investments to accelerate widespread transportation electrification.	CalCCA	Author withdrawn	<b>SUPPORT</b>
<a href="#">AB 2061</a>	Ting	Requires data disclosure on EV charging station availability for stations using public or ratepayer money and requires the CEC to assess reliability and equitable access issues.		Asm Transp Cmte 3/28	
<a href="#">AB 2587</a>	E.Garcia	Requires the CPUC to open a proceeding related to procurement of firm zero-carbon resources, based on the findings of the CEC's report to the Legislature on CA policy that customers are served by 100% renewable and zero-carbon resources by 2045.		Asm U&E Cmte 4/6	
<a href="#">AB 2700</a>	McCarty	Requires IOUs and POU's to ensure that their distribution systems are upgraded to support the state's anticipated level of EV charging; requires the CPUC to develop an expedited process to ensure that IOUs can meet the requirements to upgrade, and to direct IOUs to expedite interconnection; requires CARB to share fleet data to inform electrical grid planning and requires CEC to forecast distribution needs for DERs.		Asm U&E Cmte	
<a href="#">AB 2703</a>	Muratsuchi	Establishes reliability standards for ZEV refueling/charging stations.		Asm Transp Cmte 4/18	

# Bill Tracker - Senate Attachment Staff Report Item 15A

Bill #	Author	Description	Sponsor	Status	EBCE Position
<a href="#">SB 45</a>	Portantino	Requires Dept of Res Recycling and Recovery to analyze progress in achieving organic waste reduction goals and assist local jurisdictions with funding to comply.		Asm pending cmte referral	
<a href="#">SB 833</a>	Dodd	Community Energy Resiliency Act of 2022: requires the CEC to develop and implement a grant program for local govts to develop community energy resilience plans and expedite permit review of DERs.	The Climate Center	Sen Approps suspense file	
<a href="#">SB 881</a>	Min	Gives CPUC authority to monitor compliance with LSE's IRP GHG emission reductions and penalties/CPUC-ordered procurement for non-compliance.	UCS	Sen Approps Cmte 4/18	
<a href="#">SB 1158</a>	Becker	Changes the Power Source Disclosure rules to require utilities and CCAs to report comparisons of their energy and capacity purchases with their electricity demand on an hourly basis including the associated GHG emissions.		Sen EUC Cmte 4/18	
<a href="#">SB 1287</a>	Bradford	Requires the CPUC to update the financial security requirements for ESPs and CCAs to include costs for no less than 12 months of incremental procurement incurred by the provider of last resort, upon the customers' involuntary return.		Sen EUC Cmte	
<a href="#">SB 1482</a>	Allen	Requires mandatory building standards for installation of EV charging infrastructure for parking spaces in new multifamily units.	Acterra	Sen Transp Cmte 4/26	

# Next Steps

Attachment Staff Report Item 15A

- Review and analyze new amendments
- Monitor bills on our watch list; determine when EBCE should formally take a position
- Send position letters for bills once EBCE formally takes a position
- Monitor Governor's Budget request, which includes \$6.1B over 5 years for Zero Emission Vehicles (ZEV)
- Engage with CalCCA on legislative efforts

# Legislative Program

State and Federal Policy Priorities



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## Introduction

The East Bay Community Energy Legislative Program outlines the legislative priorities and stances of East Bay Community Energy (“EBCE”) with the intent to inform customers, representatives, and policymakers of EBCE’s stances on the myriad of public policies that intersect with EBCE’s priorities, programs, and services. These priorities are applicable to legislation, statewide referenda, grant funding opportunities, and local ballot initiatives.

EBCE has three major legislative priorities: Accelerating Decarbonization, Promoting Local Development, and Stabilizing Community Choice. EBCE support of legislation will be contingent upon that legislation adhering to these priorities as well as EBCE’s priorities.

Moreover, EBCE supports any and all policies that will preserve or enhance the ability of EBCE to promote these priorities at the local level.

This document provides direction to EBCE’s legislative advocates in Sacramento. Additionally, this document serves as the foundation for any EBCE Board action regarding Federal or State legislation or funding opportunity. Staff may draft letters, direct our legislative advocates, or speak on behalf of EBCE regarding the legislative priorities this document outlines.

Any correspondence signifying EBCE’s support or opposition of a given bill must be approved by the EBCE Board of Directors, the Board’s Executive Committee, or the CEO in accordance with the delegation of authority provided by the Board to the CEO on time-sensitive matters.

Any questions regarding this Legislative Program can be directed to Melissa Brandt, Vice President of Public Policy and Deputy General Counsel, at 510-570-5110 or [mbrandt@ebce.org](mailto:mbrandt@ebce.org).

Sincerely,  
Nick Chaset

Chief Executive Officer, EBCE





## EBCE Board of Directors

### Alameda County

Supervisor Richard Valle

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### Tracy

Council Member Dan Arriola

### Union City

Council Member Jaime Patino

### Community Advisory Committee (non-voting)

Anne Olivia Eldred, Chair



## Contact Information

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### Program Staff

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## Legislative Advocates

### State Legislative Advocate

#### **Weideman Group**

Mark Weideman

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## General Legislative Principles

EBCE has three general legislative principles. These priorities serve as the foundation for all actions EBCE will take, including the lobbying for policies that promote those same guiding priorities.

Public policy encompasses a myriad of subject and topic areas. However, as these policies intersect at the local level, they have the ability to impact EBCE revenues, programs, and/or administrative discretion and control. EBCE will support policies that accelerate decarbonization, promote local development, stabilize community choice, or any combination thereof. If a given policy does not meet these criteria, EBCE will oppose, support with amendments, or in some cases take no stance on that policy or legislation.

The General Legislative Principles for EBCE are:

### Accelerating Decarbonization

- Support the creation or expansion of federal, state, and local policies and programs that enable EBCE to contribute to the State's efforts to reduce greenhouse gas emissions.
- Oppose any legislation, policies, programs, referenda, unfunded mandates and budgets that would have an adverse impact on EBCE's ability to advance decarbonization through its procurement, programs, projects, and services.

### Promoting Local Development

- Support any legislation, policy, referenda, and budgets that enhance community choice energy providers' ability to invest in local clean energy, distributed energy resources, and zero-emission transportation, and promote equity in the communities that it serves.
- Oppose any legislation, policy, referenda, and budgets that limit or undermine EBCE's ability to invest in local clean energy, distributed energy resources, and zero-emission transportation, and promote equity in the communities that it serves.

### Stabilizing Community Choice

- Support any legislation, policies, referenda, and budgets that maintain or improve the stability of community choice energy providers by ensuring regulatory structure is equitable and enables CCE to meet its mission and goals.
- Oppose any legislation, policies, referenda, and budgets that undermine or circumvent community choice energy and impede the ability of the agency to achieve its mission and goals or its value proposition.

## EBCE Public Policy Positions

The General Legislative Priorities help identify which public policy positions EBCE will take.

The list of policy positions below is by no means exhaustive. In addition to the general legislative priorities, EBCE takes the following more specific public policy positions:

### 1.1 Nonbypassable Charges

- A. Oppose legislation that restricts or limits EBCE's ability to procure its own energy products to meet state policy goals.
- B. Oppose legislation that increases or is likely to lead to an increase in nonbypassable charges.
- C. Support legislation that promotes a level playing field between community choice aggregators and other market participants.
- D. Support legislation that enhances the flexibility of community choice energy providers to support statewide procurement policy and develop and expand programs, local options, and rate design to support EBCE's community and customers.

### 1.2 Disadvantaged Communities

- A. Support legislation and initiatives that boost funding for new energy projects that support disadvantaged communities and low-income customers within EBCE's service territory.
- B. Support legislation and initiatives that increase access and funding for energy-related programs serving disadvantaged communities.
- C. Support legislation and initiatives that would reduce local air pollution, reduce other negative local impacts associated with energy production, and boost adoption of distributed energy resources within disadvantaged communities.
- D. Oppose legislation and initiatives that have the potential to disproportionately and negatively impact EBCE's disadvantaged communities and/or low-income customers.

### 1.3 Environmental Sustainability

- A. Support legislation and initiatives that increase funding for the creation of sustainable and stable energy supply infrastructure.
- B. Support legislation and initiatives that encourage the conservation of energy resources as well as the development of dynamic load-shifting capabilities.
- C. Support legislation and funding for renewable and advanced energy technology that increase efficient consumption.
- D. Support legislation and funding for pilot energy and resource efficiency programs.
- E. Support legislation and initiatives with the goal of reducing and mitigating the effects of climate change and building local resiliency.



#### 1.4 Finance

- A. Support legislation that enhances the financial standing of community choice aggregators and their ability to receive a positive credit rating.
- B. Oppose legislation that reduces or removes the tax-exempt status of municipal bonds.
- C. Oppose any legislation that would divert community choice energy revenues to the State or other governmental entities.

#### 1.5 Educational, Neighborhood and Social Services

- A. Support legislation that aids or helps to fund EBCE to provide energy support services, education, and opportunities for reducing energy costs to people who are low-income, seniors, veterans, and/or people with disabilities.
- B. Support legislation and initiatives that increase funding for energy efficiency, demand response, solar plus storage, and transportation electrification programs, and energy literacy services.

## Legislative Program Coordination

Legislation can be brought to the attention of EBCE through a variety of channels:

- State Legislative Advocates
- Elected Representatives
- CalCCA
- EBCE Board Members
- EBCE Staff
- EBCE Community Advisory Committee
- EBCE Customers and Community Members
- Other Governmental Associations

All legislative requests for support or opposition will be directed toward EBCE's Public Policy department. EBCE staff will then review the legislation in coordination with any relevant departments to analyze whether or not the legislation aligns with EBCE's general legislative priorities. Staff will then monitor and track the legislation, providing updates when necessary.

Concurrent with this evaluation, EBCE's Public Policy department will recommend a position and course of action. There are six main levels of action, which may be taken independently or in combination, but all of which are coordinated by the Vice President of Public Policy or their designee:

- 1. Direction to lobbyists to advocate in support, support with changes, or opposition to legislation**
  - Pursuant to direction from the EBCE Board of Directors, the Board's Executive Committee, or the CEO in accordance with the delegation of authority provided by the Board to the CEO on time-sensitive matters, EBCE staff will notify lobbyists of EBCE's stance on legislation and direct them to take appropriate action with legislators. EBCE may remain neutral on a given piece of legislation.
- 2. EBCE correspondence with relevant legislators**
  - In conjunction with providing direction to lobbyists once EBCE has determined its stance on legislation, EBCE staff will send a support or opposition letter to the appropriate legislators.
- 3. EBCE Board-approved resolution**
  - EBCE staff will draft a staff report and resolution for consideration by the full EBCE Board of Directors. Approved resolutions will be forwarded along with a letter signed by the Chief Executive Officer or his/her designee to the appropriate legislators.
- 4. EBCE Board outreach**
  - EBCE staff will draft talking points and other relevant information for individual Board Members to personally contact appropriate legislators to advocate on behalf of EBCE.
- 5. Travel to Sacramento or Washington, D.C**
  - EBCE staff and/or Board Members may decide to advocate in person. Staff will coordinate with the appropriate lobbyists to organize meetings or attendance at other lobbying events.
- 6. Draft or Sponsor Specific Legislation**
  - EBCE staff and legislative advocates will work with EBCE's legislative representatives to articulate EBCE's stance on a policy and to ensure said stance is codified in statute.



# AB 1960

## CA Public Utilities Reform (Diversity of Thought)

### SUMMARY

**Assembly Bill 1960** will advance a more geographically diverse perspective at the California Public Utilities Commission (CPUC) to guarantee that proper energy infrastructure investments meet the needs of every community across the state.

### BACKGROUND

The decisions the CPUC makes has an impact on every Californian. Contrary to other regulatory commissions, the CPUC is the only one that lacks the requirement for the Governor to appoint commissioners based on specific background experience or regional perspective leading to a true lack of diversity of thought.

An estimated 68% of commissioners spanning almost two decades have not been representative of regions like the Central Valley or any other underrepresented communities. While three of the commissioners currently reside in Sacramento, Sacramento's municipal electric utility is not overseen by the CPUC. This means that without a variety of regional diverse thoughts, the commission's decisions often only reflect a one-size fits all view leading to higher energy costs.

Similarly, the CPUC's actions often do not align with legislative and gubernatorial direction. Often, the CPUC has either been slow to act on or acted contrary to legislative requirements intended by the State Legislature. These decisions have far-reaching consequences for the majority of Californians and without the perspective of different regions with varied climate zones, the Commission remains blind to the needs and impacts of millions of ratepayers in hotter climate zones that are often the state's most vulnerable populations.

To illustrate, AB 2672 (Perea; Chapter 616, Statutes of 2014) was created with the motive to make gas extensions in San Joaquin Valley more affordable. After years of consideration, the CPUC interpreted "other alternatives" and "deemed it appropriate by the CPUC" to take away choice from propane consumers to switch to natural gas energy and instead promoted electrical service which resulted in higher electric bills and increased greenhouse gas (GHG) emissions in disenfranchised communities.

### PROBLEM

The California Public Utilities Commission (CPUC) is a constitutionally created entity that promulgates rules and regulates transportation, communications, and utility industries, but in the last 17 years, there has not been a single Commissioner appointed from the San Joaquin or Central Valley, a rural town, or low-income or disadvantaged community.

We are living in a time of significant innovation and transition in the energy industry as the state urgently seeks to mitigate the impact of climate change. In this context, now more than ever, it is imperative that the CPUC reflect every Californian so that a deeper awareness is central as they set energy policy.

### SOLUTION

Similar to current background and regional requirements for the California Energy Commission, State Water Resources Control Board, Board Of Equalization and California Air Resources Board, AB 1960 will increase perspectives among the CPUC commissioners by requiring future Governor





# AB 1960

## CA Public Utilities Reform (Diversity of Thought)

Appointees to reside in each of the following areas: Northern California, Central Valley, and Southern California. By doing so, California can achieve better regional representation, provide diversity of thought, a more expansive knowledge of utility and energy experiences, and ultimately make better informed decisions about the different energy needs of every community across the state.

### **SUPPORT**

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Sempra Energy Utilities  
San Diego Gas and Electric (SDG&E)  
Southern California Gas (SoCal Gas)

### **STAFF CONTACT**

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REBECCA BAUER-KAHAN  
Assemblymember, District 16

## AB 2070 – Utility Notification

### Summary

AB 2070 will require all electrical utilities to notify local fire districts at least 24 hours before conducting mitigation or planned burns in a high fire risk area.

### Background

2020 was California's worst fire season in modern history<sup>1</sup>. By the end of the year, over 10,000 wildfires had burned more than 4.2 million acres of land in California. Additionally, an exceeding 4 percent of all land in the state was burned by wildfires<sup>2</sup>. Climate change has made our fire season much less predictable, and has contributed to both the intensity and duration of wildfires that our state faces. Over 2.7 million people in California live in a Fire Hazard Severity Zone. The Camp Fire of 2018, killed 85 people and was the most damaging fire in our state's history as well as the most expensive natural disaster in the world of that year. It is clear that wildfires and other related natural disasters are a way of life in California and only growing in intensity.

Utility companies manage vegetation and repair infrastructure in order to help prevent future fires. However, much of this work is done in high fire areas next to and around businesses and family homes, and the work risks causing fires itself. A common method of fire prevention is a "controlled burn". This is when a team will set a fire intentionally, in order to make that area less susceptible to wildfires in the future.

### Problem

Currently, controlled burns and dangerous work is being conducted in areas with a designated high fire risk **without** the collaboration of the local fire district to protect the local area.

### Solution

Utilities must provide clear communication and collaboration with fire districts locally. Cities of San Ramon and Orinda have passed local ordinances which require electrical utilities to notify the fire district during maintenance in a fire risk zone. This bill would take that model statewide for high-risk fire zones.

### What this bill does

AB 2070 requires that electrical utilities notify local fire districts 24 hours before any fire safety or mitigation services within a high fire risk area.

To prevent fires, collaboration and coordination of resources is paramount, and this is a commonsense practical measure to ensure that occurs.

### Support:

San Ramon Valley Fire Protection District

### Contact

Estefani Avila  
Senior Legislative Aide  
estefani.avila@asm.ca.gov  
916-319-2016

<sup>1</sup> <https://www.theguardian.com/us-news/2020/dec/30/california-wildfires-north-complex-record>

<sup>2</sup> <https://www.fire.ca.gov/incidents/2020/#:~:text=As%20of%20the%20end%20of,gigafire%22%20as%20the%20area%20burned>



ASSEMBLY MEMBER

Laura Friedman

DISTRICT 43

## AB 2667 – Integrated Distributed Energy Resources Fund

### Summary

AB 2667 would create an Integrated Distributed Energy Resources incentive program at the California Energy Commission to support statewide customer adoption of clean distributed energy resources with a technology-neutral approach to further the State's collective goals on reliability, resiliency, decarbonization, and equity. The bill would allow all customers to deploy more clean distributed energy resources options to meet the customer's needs and better align customer value with collective policy goals.

### Background

Distributed Energy Resources (DER) refer to a class of decentralized customer energy products, services, and technologies. DERs can provide a superior quality of energy service when compared to the electric grid. DERs include customer demand management, small-scale renewable generation, energy storage, smart charging of electric vehicles, clean backup power, and even mobile power stations to meet emergency management needs.

California supports the deployment of clean distributed energy resources. Customers buy these resources for a variety of reasons, including to have greater electric reliability and to achieve their clean energy objectives, the resources are cost-effective over the life of the asset, but incentives are needed to overcome the upfront purchasing costs. Access and availability of incentive support for customer adoption can vary across different parts of the state, depending on the retail provider, the need of the customer segment, and technology-based eligibility guidelines.

Certain distributed generation and storage technologies are designed to be interconnected to the grid and can feed power back onto the grid. Still others are designed to support solely on-site needs or provide backup power as needed. With a wider variety of options, customers and their retail providers can customize different solutions, including product content, reliability, and other services.

As the state moves to electrify more of its economy, including its zero emission vehicles, integrating DER deployment to meet the increased electric vehicle charging needs will enhance our ability to reduce greenhouse gas emissions and mobile-source pollutants in environmentally impacted communities.

Furthermore, as California faces an increased frequency of extreme weather events, wildfire-triggered outages, and global geopolitical instability with cyber intrusion risks of critical sectors, it is time innovate the adoption of clean DERs across all customer segments.

### AB 2667 (as amended on March 15, 2022):

- Creates an Integrated Distributed Energy incentive program at California Energy Commission with a set of prioritized functional attributes to support reliability, decarbonization, resiliency, and equity goals.
- Allows retail providers to directly apply for funding on behalf of customers and use DER resources in an integrative manner to support both customer and grid needs.

### Support

Environmental Defense Fund  
Mainspring Energy  
NRG Energy

### Contact

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### **Bill Summary**

[AB 2765](#) would sunset the Public Purpose Program (PPP) surcharge on utility customers and continue the programs with funding from the State's General Fund to continue helping low-income consumers and help meet California's climate goals.

### **Existing Law**

Establishes energy efficiency, cost saving, and rate assistance programs to help reduce energy costs for consumers (Public Utilities Code Section 381, 399.4, 739.1, 739.3; Public Resources Code Section 25710).

### **Background**

Electric rates continue to increase dramatically in California. Inflation is hitting goods across the board, and the economic impacts of the pandemic and the Russian invasion of Ukraine are causing financial challenges for many Californians, especially at the gas pump and on their utility bills.

California's PPP includes cost-effective energy efficiency, conservation, and rate assistance programs to help meet the state's climate goals and subsidize energy costs for low-income consumers. Electric customers in investor-owned utility (IOU) territories pay for these state-mandated public benefits programs through a surcharge on their utility bill.

Although the PPP is meant to provide discounts on utility bills for low-income households, these same low-income beneficiaries effectively have to pay into the programs through a monthly surcharge on their utility bill. For example, the California Alternate Rates for Energy (CARE) program provides a monthly discount of up to 35% on electricity for low-income folks and public assistance recipients. A recipient with an electric utility bill of \$121 would receive about \$42 in CARE assistance, a total savings of 35% on their utility bill. However, that same ratepayer forgoes 3% of their 35% CARE savings by paying a utility surcharge into the PPP. This surcharge takes away savings from the population the CARE program is meant to serve.

### **Need for AB 2765**

In California, high electric bills are hitting low-income households hard. Their utility bills are saturated with various add-on costs that don't actually reflect the cost of supplying electricity. These add-ons include low-income support programs, subsidies for clean energy and EV charging stations, climate change adaptation costs, and more.

One of the best ways to help the working poor is by reducing their utility bills and taking some of these costs out of electricity prices to make them more closely reflect their true social cost.

Since the PPP benefits accrue to everyone in California, it is more appropriate for all taxpayers to fund these programs, not just a subset of electrical and gas customers. Furthermore, if all taxpayers paid for the PPP, then electric customers would pay lower utility bills, especially low-income households. For example, as of January 1, 2022, if public purpose program costs were removed from San Diego Gas & Electric's electric rates, system average rates would be 6% lower. Removing just the low-income portion of the PPP costs would lower system average rates by 3.5%.

To ensure that the cost of the PPP is equitably distributed, AB 2765 would sunset the PPP surcharge on utility customers and continue the programs with funding from the State's General Fund, thus reducing the cost of utility bills for low-income utility customers experiencing rising energy costs and equitably distributing the costs of achieving California's climate goals.

### **Support**

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Coalition of California Utility Employees  
California State Association of Electrical Workers  
San Diego Gas & Electric Company

### **Opposition**

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The Utility Reform Network (Unless Amended)

### **For More Information**

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**SB 1112 – Tariffed On-Bill Investment Enablement****IN BRIEF**

SB 1112 encourages the creation of Tariffed On-Bill (TOB) investment programs as a way to make low-cost capital for climate-beneficial building upgrades widely available so that upfront costs or lack of access to credit do not get in the way of improving our buildings and advancing our climate goals. It does this by addressing a technical fix that might impede the creation of TOB programs (ensuring proper notification for renters and home buyers) and by directing the CEC to explore how the state and its utilities can leverage existing and future federal funds and existing state programs to make low-cost financing available to TOB investment programs.

**THE PROBLEM**

According to a report by the Building Decarbonization Coalition, approximately 6 million households, 4 million of which are low-income, lack ready access to private capital for upgrading their homes with climate-beneficial appliances.<sup>1</sup>

While financial incentives are helpful in lowering upfront investment costs, customers still need access to capital to fund the balance, and they can often be disqualified due to high debt-to-income ratios, poor credit, low home equity, or renter status. Utility TOB investment is a proven, scalable model that is currently being used to accelerate customer adoption of energy and water efficiency measures in utility programs operating across the county. This model allows ratepayers to make upgrades in their homes, not through a loan, but through utility investment, for which cost recovery is tied to the utility meter, according to terms set forth in a utility tariff. The tariff charge remains attached to the meter at the improved home, regardless of who occupies the property, until utility cost recovery is complete. This investment model thus enables the sponsoring utility to offer nearly universal access to capital to its customers.

Currently, utilities in California do not offer TOB investment programs to customers, but there are proceedings underway to establish creative solutions to financing clean energy investments in California households. The Public Utility Commission has begun an open proceeding (R 20-08-022), related to Clean Energy Finance, which may allow for customers to have access to TOB investment for climate-beneficial building upgrades. This proceeding will likely lead to establishing a program that benefits utility and CCA customers by providing clear guidance on decarbonization installations and authority to

attach payback to the meter and allowing payback to occur over a longer period of time than is currently offered in the private market.

If the proceeding concludes expeditiously, California could deploy TOB programs to access billions of dollars from the federal government for decarbonization projects throughout the state.

However, for the PUC to be successful, there needs to be authority in the law to address the issue of ensuring proper notification to successor customers about bill charges when there is a change in home ownership or tenancy. Specifically, decarbonization upgrades must be added to the list of authorized home improvements that may be recorded on the title documentation for a residence by the county recorder. The same requirement exists for a similar TOB program that was enacted by SB 564 (McGuire, 2017) to fund water conservation improvements.

**THE SOLUTION**

SB 1112 will address the issue of notifying successor customers of TOB investment by requiring that utilities and CCAs give a notice of a decarbonization charge, associated with a decarbonization upgrade, to their county recorder within 10 days of funding the upgrade. This bill also requires that when a property is not owner-occupied, the property owner must disclose the terms of the decarbonization charge to new tenants as part of the information provided prior to leasing or licensing the property.

SB 1112 also directs the CEC to identify federal funding and existing state programs that could be used to provide low-cost financing via TOB programs, such as loan guarantees offered by the U.S. Department of Energy under the Infrastructure Investment and Jobs Act. It also directs the CEC to provide technical assistance to utilities to apply for available low-cost financing.

<sup>1</sup>[https://www.buildingdecarb.org/uploads/3/0/7/3/30734489/bdc\\_whitepaper\\_final\\_small.pdf](https://www.buildingdecarb.org/uploads/3/0/7/3/30734489/bdc_whitepaper_final_small.pdf)

## **SUPPORT**

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350 Sacramento

Acterra

Benisol LLC

Carbon Free Palo Alto

Carbon Free Silicon Valley

CEDMC

Foundation for Climate Restoration

Menlo Spark

Project Green Home

Silicon Valley Clean Energy

Silicon Valley Youth Climate Action Team

Sonoma Clean Power

## **FOR MORE INFORMATION**

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