



TO: East Bay Community Energy Board of Directors

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

SUBJECT: Approval of Legislative Positions (Action Item)

DATE: June 24, 2022

Recommendation

Take a “support” position on Senate Bill (“SB”) 1063 (Skinner), take an “oppose unless amended” position on SB 1136 (Portantino), and move to an “oppose unless amended” position on Assembly Bill (“AB”) 2667.

Background and Discussion

At the May 18, 2022, EBCE Board Meeting, the Board approved taking a “support” position on AB 2765 (Santiago). AB 2765 did not pass out of the Assembly Appropriations Committee by the deadline and is no longer moving forward. SB 1020 (Laird), however, continues to move forward, and EBCE has submitted a position letter with its “support if amended” position along with proposed amendments.

Bills in the legislature continue to be amended at a rapid pace, and with policy committee hearings wrapping up by the end of June before the Legislature’s summer recess, there are a few more bills that warrant taking a position in an expedited manner.

Recommended EBCE bill positions:

- **SUPPORT:** SB 1063 (Skinner) would allow new appliance standards to be applied more quickly when the California Energy Commission (“CEC”) makes a “good cause” finding that accelerated adoption is warranted. New technology and appliance standards established by the CEC currently have a one-year delay before they can go into effect. Appliance manufacturers are now often able to bring new technologies to market sooner. SB 1063 could accelerate the availability of energy efficient appliances during times of stress on the

electrical grid, helping both with reliability and to reduce greenhouse gas emissions.

SB 1063 aligns well with EBCE's legislative principle of Accelerating Decarbonization and our policy position of Environmental Sustainability, as the legislation would accelerate adoption of new energy efficiency appliances which will conserve energy resources.

Senator Skinner is a member of EBCE's legislative delegation. The California Energy Commission is supporting the bill.

- **OPPOSE UNLESS AMENDED:** SB 1136 (Portantino) would expand the California Environmental Quality Act ("CEQA") such that among other things it would require public agencies such as the California Public Utilities Commission ("CPUC"), at the time of adoption of a rule or regulation requiring compliance with an energy efficiency standard, to perform an environmental analysis of the reasonably foreseeable methods of compliance. According to the CPUC, the bill would impact CPUC-regulated, voluntary energy efficiency ("EE") programs. The CPUC estimates ongoing costs of about \$23.4 million annually (ratepayer funds) for environmental review of EE. These programs provide incentives from utility ratepayer dollars for customers to install energy efficient equipment or adopt more energy efficient processes to achieve energy savings generally above what would otherwise be achieved through state-established building codes and appliance standards. EBCE customers are eligible to participate in PG&E's EE programs, and EBCE has also applied to be an administrator of a portion of CPUC-regulated EE. In addition to the role CPUC would likely delegate out to EBCE and other EE program administrators to support its own CEQA obligations, EBCE would be a Responsible Agency for its programs, required to independently review and approve the CPUC's CEQA document. Requiring environmental analyses of EE projects will increase customer rates and slow down EE programs.

EBCE staff recommends amending SB 1136 such that it no longer references EE. This aligns with EBCE's legislative principle of Accelerating Decarbonization by opposing legislation that would have an adverse impact on EBCE's ability to advance decarbonization including through our programs. It also aligns with the Promoting Local Development principle by opposing legislation that limits or undermines EBCE's ability to invest in distributed energy resources such as EE in this instance.

SB 1136 is sponsored by the California Building and Construction Trades Council.

- **Move to OPPOSE UNLESS AMENDED:** AB 2667 (Friedman; EBCE's current adopted position is "support") would create a new Integrated Distributed Energy Resources Fund and enable EBCE to apply for incentive dollars to reduce its

peak load using distributed energy resources. The bill was recently amended to define an electrical corporation more broadly than current law to include any entity distributing electricity to the public. This could implicate EBCE in the context of its EV charging station projects, subjecting EBCE to much broader CPUC regulation (including rate regulation) as an electrical corporation, akin to the investor-owned utilities, instead of the limited regulatory oversight based on EBCE's status as a community choice aggregator.

EBCE staff continues to support other aspects of the bill and recommends amending AB 2667 to remove the recent addition of language around defining an electrical corporation, which is not necessary to effectuate the bill's objectives. This aligns with EBCE's legislative principle of Stabilizing Community Choice by opposing legislation that undermines or circumvents community choice energy.

AB 2667 is sponsored by NRG Energy and Environmental Defense Fund.

Fiscal Impact

SB 1136 would increase customer costs - the CPUC estimates by \$23.4 million annually; increases borne by EBCE customers would be our proportional share of the total.

Attachments:

- A. SB 1063 Author's Fact Sheet
- B. June 24, 2022 Legislative Update

Senate Bill 1063

Flexibility for Energy Innovation

Senator Skinner (SD 9)

THIS BILL

California is a mecca for technological innovation – home to global tech companies innovating the newest devices. This includes state-of-the-art efficient and “green” appliance technologies that help California’s homeowners and business owners use less energy and water and fight climate change. Despite the fast pace of innovation, California’s appliance standards process requires long waiting periods before new technology standards are adopted.

SB 1063 will help Californians access new technologies faster by allowing new appliance standards to be applied more quickly when the CA Energy Commission makes a “good cause” finding that accelerated adoption is warranted.

ISSUE

New technology and appliance standards established by the CA Energy Commission (CEC) have a one-year delay before they can go into effect. This rule, established by the Warren-Alquist Act of 1977, does not take into consideration the fast pace of technological advancement and nimbleness of manufacturing available today. Appliance manufacturers are now often able to bring new technologies to market before this mandatory one-year delay.

Additionally, during statewide or regional emergencies such as heatwaves, drought, or increased electrical grid demand, the state may have an interest in expediting the rollout of new technologies. Removing the mandatory one-year delay, would allow the Energy Commission to respond to such emergencies and accelerate the availability of water-use efficiency technologies during a drought or of energy efficient appliances during times of great stress on the electrical grid. And with the looming climate crisis, the CEC may wish to work with manufacturers to get climate-beneficial technology in the hands of consumers as soon as technologically feasible.

Other states do not have one-year delays, which allows new technologies and appliances to become available for purchase in neighboring states before they are available in California, thereby risking the in-state economic benefit from the sale of these products as our residents look to purchase elsewhere.

SOLUTION

SB 1063 authorizes the California Energy Commission, upon a finding of good cause, to make new technology standards effective sooner than one year after the date of adoption or revision to the standard, as long as the new standards are deemed cost-effective by the manufacturer and the Commission.

SUPPORT

California Energy Commission (Source)

CONTACT

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Legislative Update



Key Deadlines for the 2022 Legislative Year

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

Recommended Bill Positions

Bill #	Author	Description	Sponsor	Status	Recommended EBCE Position
SB 1063	Skinner	Authorizes the CEC to make standards for energy- and water-efficient appliances effective sooner than one year after adoption if there's a finding of good cause.	CEC	Asm U&E Cmte 6/29	SUPPORT
SB 1136	Portantino	Requires specified public agencies to perform an environmental analysis at time of adoption of rule/reg for compliance with an energy efficiency standard; authorizes focused EIR for projects installing pollution control.	CA Bldg and Construction Trades Council	Asm Nat Res Cmte 6/20	OPPOSE UNLESS AMENDED
AB 2667	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 Energy & EDF	Sen EUC Cmte 6/21	OPPOSE UNLESS AMENDED

Bill Tracker - Assembly

Bill #	Author	Description	Sponsor	Status	EBCE Position
AB 1814	Grayson	Authorizes CCAs to file applications for PUC programs and investments to accelerate widespread transportation electrification.	CaICCA	Author withdrawn	SUPPORT
AB 1960	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.		Enrolled 6/10	SUPPORT
AB 2061	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.	Flo	Sen EUC Cmte 6/21	
AB 2667	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	Sen EUC Cmte 6/21	SUPPORT
AB 2765	Santiago	Creates a new taxpayer-funded fund to cover the costs of CPUC Public Purpose Programs including energy efficiency and conservation, and arrearage management, instead of continuing to rely on customer delivery rates. Reverts to utility ratepayers if fund isn't sufficiently funded by the legislature. Excludes CARE/FERA.	Sempra	HELD in Asm Approps Cmte	SUPPORT

Bill Tracker - Senate

Bill #	Author	Description	Sponsor	Status	EBCE Position
SB 833	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	Asm U&E Cmte 6/29	
SB 881	Min	Gives CPUC authority to monitor compliance with LSE's IRP GHG emission reductions and penalties/CPUC-ordered procurement for non-compliance.	UCS	HELD in Sen Approps Cmte	
SB 1020	Laird	Sets interim targets for meeting renewable/zero-carbon goals: 90% by end-2035, 95% by end-2040; 100% for state agencies by 2030. State agencies can comply through their LSE, but LSE procurement for the state agency must meet certain criteria. Establishes new fund to support the costs of decarbonization, clean energy, and wildfire mitigation activities with funding sources outside of electricity rates. Establishes new nonprofit public benefit corporation to administer the fund.	Senate Climate Change Working Group	Asm U&E Cmte 6/22	SUPPORT IF AMENDED
SB 1112	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.		Asm U&E Cmte 6/22	SUPPORT
SB 1158	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.		Asm U&E Cmte 6/22	
SB 1393	Archuleta	Requires local jurisdictions to consider CEC guidance before mandating that retrofits to a bldg. must upgrade fossil appliances to electric and to file records with CEC.		Asm U&E Cmte 6/22	OPPOSE