Staff Report Item 12

TO: Ava Community Energy Board of Directors

FROM: Alec Ward, Principal Legislative Manager
Feby Boediarto, Policy Analyst

SUBJECT: Approval of Legislative Positions (Action Item)

DATE: May 15, 2024

Recommendation

- Receive an update on Ava's Legislative Program document.
- Take a "support" position on Assembly Bill ("AB") 817 (Pacheco), AB 2329 (Muratsuchi), AB 2672 (Petrie-Norris), Senate Bill ("SB") 1130 (Bradford), SB 1095 (Becker), SB 1210 (Skinner), SB 1221 (Min), AB 2779 (Petrie-Norris), SB 1006 (Padilla), SB 1165 (Padilla), and AB 1834 (Garcia).

Background and Discussion

Ava's Legislative Program Document

In July 2018, Ava's Board approved a Legislative Program document. It outlined general legislative principles alongside more specific public policy positions. It also gave guidance for legislative policy coordination. The Legislative Program document was last updated in 2023. It has again been updated with clarifications and edits to names/addresses. Principles and positions remain unchanged.

Ava's updated Legislative Program document is provided for reference as an attachment to this item.

Recommended Ava Bill Positions:

- Brown Act/ Remote meeting flexibility - SUPPORT: **AB 817 (Pacheco)** permits a member of a subsidiary body to call in remotely and not disclose their location to the public. This particularly impacts Ava's Community Advisory Committee (CAC) as an advisory-only body, allowing them to access teleconferencing flexibility while ensuring safety of members. AB 817 implements these teleconferencing provisions until January 1, 2026. The intent of this bill is to create greater participation in Ava's CAC meetings while retaining and attracting members, especially those with economic and physical limitations, helping stabilize community choice.

- Affordability/ Promoting affordable electric rates - SUPPORT: **AB 2329 (Muratsuchi)** establishes a Climate Equity Trust Fund (Fund) that could receive state and federal funds for programs to address electrical bill affordability, decarbonization, and clean energy programs. The Fund could receive funding from Cap and Trade as well as penalty revenue from the California Public Utilities Commission, California Energy Commission, and California Air Resources Board. The Fund sets up a general framework to promote affordable electric rates and has the ability to give direct credit to ratepayers, accelerating affordable decarbonization.

- Affordability/ Expanding the CARE program - SUPPORT: **AB 2672 (Petrie-Norris)** expands eligibility of the low-income assistance program, California Alternate Rates for Energy (CARE) to public housing authority owned or administered by Project Homekey housing facilities that are master-metered. The investor-owned utilities (IOUs) must establish a process to ensure that the discount is directly benefiting the residents of these facilities. Cities such as Hayward, Union City, Oakland, and Stockton benefit from the State's initiative to house people experiencing homelessness through Project Homekey. This bill further protects these vulnerable residents by ensuring that the IOUs directly apply the CARE discount (30% - 35%) to them, accelerating decarbonization by making it more affordable.

- Affordability/ Expanding the FERA program - SUPPORT: **SB 1130 (Bradford)** expands the low-income assistance program, Family Electric Rate Assistance (FERA) eligibility by allowing households of one or two people to also qualify, allowing more residents to benefit from the 18% discount on their electricity bill. To combat low enrollment, this bill would require the IOUs, beginning in 2025, to share an annual report on their efforts to increase FERA enrollment. This bill will alleviate affordability concerns, especially for those customers who are living in higher cost-of-living areas and are making barely above the 200% federal poverty guidelines (i.e. CARE thresholds). This bill would accelerate decarbonization by making it more affordable.

- Building Decarbonization/ Mobile and manufactured homes electrification - SUPPORT: **SB 1095 (Becker)** reduces barriers for residents living in mobile and manufactured homes under a Homeowners Association (HOA) interested in transitioning to all-electric. The bill prevents HOAs from implementing provisions that prevent switching from gas to electric appliances including water heaters and furnaces. By July 2026, the Department of Housing and Community Development must issue regulations that facilitate the use of electric appliances in mobile and manufactured homes. This bill would accelerate decarbonization by making it more accessible.

- Building Decarbonization/ New housing development interconnection - SUPPORT: **SB 1210 (Skinner)** requires IOUs to publicly post on their website fees for service connections of different housing types, as well as estimated timeframes for completing service connections. The bill's data on service connection fees and timelines can speed up connections and help build a strong case for urgent reinvestment in our infrastructure, accelerating decarbonization by making it more accessible and promoting local development.

- Building Decarbonization/ Zonal electrification pilot projects- SUPPORT: **SB 1221 (Min)** facilitates responsible planning by identifying potential gas distribution line replacement projects and evaluating the cost-effectiveness to replace them with all-electric options. The bill would propose at most 30 pilot projects for priority neighborhood decarbonization zones. Cost-effective alternatives would save ratepayers money by avoiding more costly new investments in gas pipelines and promote cleaner options such as panel upgrades for heat pumps. There is bill intent language to prioritize low-income communities. This bill would accelerate decarbonization by making it more accessible.

- Transmission/ CAISO planning for new grid enhancing technology - SUPPORT: **AB 2779 (Petrie-Norris)** directs the California Independent System Operator (CAISO) to report to the Legislature and the CPUC on the use of new grid enhancing technology (GETs) that are deemed reasonable for approved transmission plan. CAISO's 20-year transmission outlook predicts a total estimated costs of $30.5 billion for transmission development to meet our state decarbonization goals. GETs can be a cheaper alternative to reducing transmission congestion thereby increasing capacity and accelerating decarbonization by making it more affordable.

- Transmission/ Planning for new grid enhancing technology - SUPPORT: **SB 1006 (Padilla)** requires IOUs to prepare a GETs strategic plan to increase transmission capacity, while reducing grid congestion. Every four years, the IOUs must also complete an evaluation to identify which transmission lines can be reconductored to increase grid reliability. SB 1006 could help IOUs better plan and deliver reliable energy at a lower cost than traditional grid enhancements, which accelerates decarbonization by making it more accessible and promotes local growth.

- Transmission/ Speeding up transmission projects - SUPPORT: **SB 1165 (Padilla)** would speed up transmission projects by allowing IOUs to submit an application with the CPUC to authorize new construction, while simultaneously submitting to the CEC an authorization request as an Environmental Leadership Development Project, a designation which could further streamline project review. SB 1165 can maintain important agency review while helping expedite the development of the transmission lines needed to reach California's 100% energy goals, which accelerates decarbonization by making it more accessible and promotes local growth.

- Renewables/ Flexible capacity payment mechanism - SUPPORT: **AB 1834 (Garcia)** requires the CPUC and CEC to consider mitigating factors including resource scarcity and above-market costs when determining capacity payment penalties for missed Resource Adequacy standards. AB 1834 could help CCAs work alongside the agencies to ensure that if they face capacity payment penalties, that are not too burdensome or harmful, especially during tight, expensive markets. This bill would accelerate decarbonization by making it more affordable.

<u>Fiscal Impact</u>

AB 817 is unlikely to have a fiscal impact on Ava.
AB 2329 is unlikely to have a fiscal impact on Ava in the near-term, but may eventually result in lower costs for Ava customers who could qualify for future bill credits.
AB 2672 may result in lower costs for Ava customers benefitting in public housing facilities.
SB 1130 may result in lower costs for Ava customers who qualify for the expanded FERA requirements, but slightly increase costs for other customers paying for the program.

SB 1095 may supplement funding for our electrification and direct-install programs.
SB 1210 is unlikely to have a fiscal impact on Ava.
SB 1221 may supplement funding for our electrification and building decarbonization programs.
AB 2779 is unlikely to have a fiscal impact on Ava in the near-term, but may eventually lower costs as Ava project delays are avoided and transmission bills are lowered.
AB 1006 is unlikely to have a fiscal impact on Ava in the near-term, but may eventually lower costs as Ava project delays are avoided and transmission bills are lowered.
SB 1165 may lower costs for Ava as project delays are avoided due to interconnection.
AB 1834 may result in lower procurement costs for Ava due to greater flexibility of the capacity payment mechanism.

Attachments:

A. May 15, 2024 Legislative Update (Slideshow)
B. Ava's Legislative Program
C. Author Fact Sheets

Ava Community Energy

Ava 2024 Legislative Update

Agenda

- Update on the 2024 legislative year (Dan)
- Update on Ava Legislative Platform (Alec)
- New recommended Ava bill positions (Alec/Feby):
  - AB 817 (Pacheco)
  - AB 1834 (Garcia)
  - AB 2329 (Muratsuchi)
  - AB 2672 (Petrie-Norris)
  - AB 2779 (Petrie-Norris)
  - SB 1006 (Padilla)
  - SB 1095 (Becker)
  - SB 1130 (Bradford)
  - SB 1210 (Skinner)
  - SB 1221 (Min)
  - SB 1165 (Padilla)

Ava Community Energy

Key Deadlines for the 2024 Legislative Year

January 3: Legislature reconvenes

January 10: Governor submitted budget

February 16: Bill introduction deadline

April 26: Policy cmtes to move fiscal bills to fiscal cmtes (1st house)

May 3: Policy cmtes to move nonfiscal bills to floor (1st house)

May 17: Fiscal cmtes must move bills to floor (1st house)

May 24: Last day for bills to be passed out of 1st house

June 15: Budget bill must be passed

July 3: Policy cmtes to meet and report bills (2nd house)

August 16: Fiscal cmtes to move bills to floor (2nd house)

August 31: Last day for each house to pass bills

September 30: Last day for Governor to sign/veto bills

Legislature – State of Play

Bills, Bills, Bills

- 2,214 bills introduced
- Dominant themes: retail crime, AI, insurance crisis and electricity affordability

Ballooning Budget Deficit

- $8-24B deficit projected
- Tax revenues falling about $5.5B below forecast

Significant Member Turnover

- 32 new legislators and another 30 newly elected this Fall
- New Ava delegation member: Asm. Heath Flora
- Sen. Eggman, Sen. Glazer, Sen. Skinner, Asm. Villapudua terming out/failed to advance
- New Leadership and Committee Chairs

2024 Legislative Themes

- Retail crime—bills mostly align with Gov priorities, including not re-opening Prop 47
- Clean Energy—affordability, fixed charges, NEM, reliability, interconnection
- AI—numerous bills that lack focus; autonomous vehicles face backlash
- Insurance—coverage crisis; will proposed regulations be sufficient?
- Healthcare—Single Payer bill advances but hurdles remain

Ava's Legislative Platform

- Ava staff recommendations for bill positions are based on Ava's Legislative Platform
- The Platform has main three priorities:
  - Accelerating Decarbonization
  - Promoting Local Development
  - Stabilizing Community Choice
- Ava Board determines final bill positions

Bill # (Author)	Description	Staff Rec. for Board
Brown Act		
AB 817 (Pacheco)	Permits a member of a subsidiary body (i.e. CAC) to call in remotely and not disclose their locations	Recommend Support
Affordability		
AB 1999 (Irwin)	Permits CPUC to create income-graduated fix charges no higher than $5 for CARE/FERA customers and $10 for non-CARE/FERA customers	Watch
AB 2329 (Muratsuchi)	Establishes a Climate Equity Trust Fund to promote affordable electric rates	Recommend Support
AB 2672 (Petrie-Norris)	Creates greater access to the CARE program for public housing facilities by ensuring direct benefits go to its residents	Recommend Support
SB 1130 (Bradford)	Expands FERA program eligibility by eliminating the requirement that a household consist of 3 or more persons	Recommend Support
SB 1142 (Menjivar)	Adds more protections for customers at-risk of disconnections	Watch

Bill # (Author)	Description	Staff Rec. for Board
Electric Vehicles		
AB 2427 (McCarty)	Orders GO-Biz to create checklists and best practices to help local govs permit curbside charging stations	Watch
Building Decarbonization		
SB 1054 (Rubio)	Requires the CEC to award grants to support low-income households and their purchase of zero-emitting household appliances	Watch
SB 1095 (Becker)	Streamlines transition from gas to all-electric in mobile and manufactured homes	Recommend Support
SB 1210 (Skinner)	Requires IOUs to post online schedules and fees for service connections to new housing construction	Recommend Support
SB 1221 (Min)	Requires IOUs to annually file a gas map to show foreseeable gas community-wide replacements, and determines cost-effectiveness process for electrification	Recommend Support
Clean Energy Bonds		
AB 1567 (Garcia)	Authorizes $2 billion in bonding for clean energy projects	Watch
SB 867 (Allen)	Authorizes $2 billion in bonding for clean energy projects	Watch

Bill # (Author)	Description	Staff Rec. for Board
Utilities		
AB 2054 (Bauer-Kahan)	Prohibits CEC/CPUC commissioners from being employed by an entity they regulate (including IOUs and CCAs) for 3 years after their role, and increased oversight in IOU overspending	Watch
Transmission		
AB 2779 (Petrie-Norris)	Directs CAISO to report on the use of new grid enhancing technologies in transmission plans	Recommend Support
SB 1006 (Padilla)	Requires IOUs to prepare strategic plans on grid enhancing technologies and evaluate which lines can be upgraded instead of replaced	Recommend Support
SB 1165 (Padilla)	Speeds up agency transmission project authorization by deeming them environmental leadership development projects	Recommend Support
Renewables		
AB 1834 (Garcia)	The CPUC and CEC must consider mitigating factors (like market scarcity) when determining Resource Adequacy capacity payments.	Recommend Support
AB 2368 (Petrie-Norris)	Will include provisions to more closely coordinate Integrated Resource Planning and Resource Adequacy planning and processes	Watch

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Legislative Program

State and Federal Policy Priorities

Contents

Introduction

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

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

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

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

Any correspondence signifying Ava's support or opposition of a given bill must be approved by the Ava 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 Alec Ward, Principal Legislative Manager, at 510.250.3094 or award@AvaEnergy.org.

Sincerely,
Nick Chaset

Chief Executive Officer, Ava

Ava Board of Directors

Alameda County
Supervisor Elisa Márquez

Albany
Councilmember Aaron Tiedemann (Vice Chair)

Berkeley
Vice Mayor Ben Bartlett

Dublin
Vice Mayor Sherry Hu

Emeryville
Councilmember Sukhdeep Kaur

Fremont
Councilmember Teresa Cox

Hayward
Councilmember Julie Roche

Lathrop
Vice Mayor Minnie Diallo

Livermore
Councilmember Ben Barrientos

Newark
Councilmember Matthew Jorgens

Oakland
Councilmember Dan Kalb

Piedmont
Vice Mayor Betsy Anderson

Pleasanton
Councilmember Jack Balch (Chair)

San Leandro
Mayor Juan González III

Stockton
Councilmember Dan Wright

Tracy
Councilmember Mateo Bedolla

Union City
Councilmember Jaime Patiño

Community Advisory Committee (non-voting)
Ed Hernandez, Chair

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General Legislative Principles

Ava has three general legislative principles. These priorities serve as the foundation for all actions Ava 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 Ava revenues, programs, and/or administrative discretion and control. Ava will support policies that accelerate decarbonatization, promote local development, stabilize community choice, or any combination thereof. If a given policy does not meet these criteria, Ava will oppose, support with amendments, or in some cases take no stance on that policy or legislation.

The General Legislative Principles for Ava are:

Accelerating Decarbonization

- Support the creation or expansion of federal, state, and local policies and programs that enable Ava 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 Ava'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 Ava'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 Ava 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.

Ava Public Policy Positions

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

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

1.1 Nonbypassable Charges

A. Oppose legislation that restricts or limits Ava'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 Ava'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 Ava'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 Ava'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 Ava 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.

Ava Community Energy

Legislative Program Coordination

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

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

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

Concurrent with this evaluation, Ava'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 Principal Legislative Manager of Public Policy or their designee:

1. **Direction to lobbyists to advocate in support, support with changes, oppose unless amended, or opposition to legislation**
    a. Pursuant to direction from the Ava 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, Ava staff will notify lobbyists of Ava's stance on legislation and direct them to take appropriate action with legislators. Ava may remain neutral on a given piece of legislation.
2. **Ava correspondence with relevant legislators**
    a. In conjunction with providing direction to lobbyists once Ava has determined its stance on legislation, Ava staff will send a support or opposition letter to the appropriate legislators.
3. **Ava Board-approved resolution**
    a. Ava staff will draft a staff report and resolution for consideration by the full Ava 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. **Ava Board outreach**
    a. Ava staff will draft talking points and other relevant information for individual Board Members to personally contact appropriate legislators to advocate on behalf of Ava.
5. **Travel to Sacramento or Washington, D.C**
    a. Ava 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**
    a. Ava staff and legislative advocates will work with Ava's legislative representatives to articulate Ava's stance on a policy and to ensure said stance is codified in statute.

AB 817- OPEN MEETINGS: TELECONFERENCING: NON-DECISION-MAKING BODIES

BACKGROUND

Local governments across the state have faced an ongoing challenge to recruit and retain members of the public on advisory bodies, boards, and commissions. Challenges associated with recruitment have been attributed to participation time commitments; time and location of meetings; physical limitation, conflicts with childcare, and work obligations.

The COVID-19 global pandemic has driven both hyper-awareness and concerns about the spread of infectious diseases, as well as removed barriers to local civic participation by allowing remote participation. This enabled individuals who could not otherwise accommodate the time, distance, or mandatory physical participation requirements to engage locally.

Diversification in civic participation at all levels requires careful consideration of different protected characteristics as well as socio-economic status. The in-person requirement to participate in local governance bodies presents a disproportionate challenge for those with physical or economic limitations, including seniors, persons with disability, economically marginalized groups, and those who live in rural areas and face prohibitive driving distances. Participation in local advisory bodies and appointed boards and commissions often serves as a pipeline to local elected office and opportunities for state and federal leadership positions.

Existing law (Stats. 1991, Ch. 669) declares "a vast and largely untapped reservoir of talent exists among the citizenry of the State of California, and that rich and varied segments of this great human resource are, all too frequently, not aware of the many opportunities which exist to participate in and serve on local regulatory and advisory boards, commissions, and committees." Under the Local Appointments List, also known as Maddy's Act, this information must be publicly noticed and published. However, merely informing the public of the opportunity to engage is not enough: addressing barriers to entry to achieve diverse representation in leadership furthers the Legislature's declared goals of equal access and equal opportunity.

December 6, 2023

EXISTING LAW

Senate Bill 544 (Stats. 2023, Chapter 216) until January 1, 2026, among other provisions, authorizes ***State*** advisory boards, commissions, committees and subcommittees or similar multimember advisory bodies to hold a meeting by teleconference without posting of location to promote equity and public participation by removing barriers while balancing the protection of them and their families while preserving the public's right to access.

Assembly Bill 557 (Stats. 2023, Chapter 534) eliminated the sunset date on provisions of law allowing local agencies to use teleconferencing without complying with specified Ralph. M Brown Act (Brown Act) requirements during a proclaimed state of emergency, indefinitely authorizing the full legislative body to participate remotely without posting physical location when the Governor has issued a specified state of emergency.

Assembly Bill 2449 (Stats. 2022, Chapter 285) until January 1, 2026, permits a full Brown Act legislative body to permit remote participation for a minority of local government officials for just cause or emergency circumstances.

AB 931 (Stats. 2019, Chapter 819) sought to ensure equal gender representation on local boards and commissions. While provisions were invalidated by the court, the legislative declarations recognize these local bodies establish a pathway to other governmental leadership positions and that California must take affirmative steps to remedy the injustices resulting from underrepresentation in leadership positions.

PROBLEM

Currently, there is no law that governs Brown Act Bodies specific to legislative subcommittees, boards, and commissions.

SOLUTION

- ✓ **AB 817** would provide a narrow exemption under the Ralph M. Brown Act for non-decision- making legislative bodies currently governed by Act, such as advisory bodies and commissions, to participate in two-way virtual teleconferencing without posting physical location of members, aligning equal access to civic participation with State advisory bodies.

- ✓ **AB 817** would remove barriers to entry for appointed and elected office by allowing non-decision- making legislative bodies to participate virtually as long as they do not have the ability to take final action on legislation, regulations, contracts, licenses, permits, or other entitlements.

SUPPORT

California Association of Recreation and Park Districts (CARPD), League of California Cities (CalCities), Urban Counties of California (UCC), Rural County Representatives of California (RCRC), California State Association of Counties (CSAC), California Association of Public Authorities for In-Home Supportive Services (CAPA-IHSS) **– Sponsors**

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December 6, 2023

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AB 2329 (Muratsuchi) – Climate Equity Trust Fund

SUMMARY

California's retail electricity rates have skyrocketed in recent years, driving average customer bills upwards and threatening the affordability of basic service. Higher electricity bills could undermine California's climate goals—households are less likely to adopt clean technologies such as zero-emission vehicles, electric heat pumps for space heating and hot water, and induction stoves if they can't afford the electricity needed to support them.

AB 2329 addresses electricity affordability by creating two entities: The Climate Equity Trust Fund (the Fund) and the California Affordable Decarbonization Authority. The latter, a non-profit public benefit corporation, would administer the former, a trust fund supplied with monies outside of ratepayer sources, with the explicit purpose of promoting electricity affordability and incentivizing electrification.

BACKGROUND

Electricity rates in California have increased in tandem with increased utility spending on wildfire mitigation, transmission and distribution costs, and support for public purpose programs. Utilities cover these increased costs by raising electricity rates.

Mitigation for these increased costs comes primarily via the California Climate Credit (funded through the Cap-and-Trade program) and the California Alternate Rates for Energy (CARE) programs (funded by ratepayers). The former shows up as semi-annual credit on all Investor Owned Utility (IOU) residential customer bills while the latter directly reduces low-income electricity bills by charging a small premium to all ratepayer customer classes.

ISSUE

The Climate Credit and CARE programs have not kept up with higher electricity bills. Additionally, electrification incentive programs to promote zero-emission vehicle purchases, rooftop solar installation, and electric heat pumps are subject to boom-and-bust budget cycles.

SOLUTION

To ensure that California's electrification goals don't come at the expense of affordability, AB 2329 seeks to identify and channel funding from a variety of non-ratepayer sources to offset costs otherwise collected in electricity rates but unrelated to providing basic service. This approach is consistent with the Joint Recommendations identified in the SB 100 report to the Governor.

Creating the Climate Equity Trust Fund will give the state the flexibility to promote affordability and electrification through one standalone entity. The Fund would recommend approaches to addressing the most pressing electricity needs of the state, including equity initiatives, rebates on bills, wildfire mitigation, and Public Purpose Programs.

The Fund would be overseen by the California Public Utilities Commission and the California Energy Commission to ensure that Fund priorities are honored. Additionally, the Legislature may establish priorities for the Trust as part of authorizing access to specific funding sources.

STAFF CONTACT

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SUPPORT

Citizen's Climate Lobby—California (co-sponsor)
The Utility Reform Network (TURN) (co-sponsor)
350 Sacramento
California Environmental Voters
California Municipal Utilities Association
California State Association of Electrical Workers
Clean Power Alliance of Southern California
Climate Action California
The Climate Center
Coalition of California Utility Employees
Natural Resources Defense Council (NRDC)
QuitCarbon
Santa Cruz Climate Action Network
The Climate Reality Project: Silicon Valley
Union of Concerned Scientists

Assembly Bill 2672
Lower Energy Bills for Affordable Housing

SUMMARY

AB 2672 expands the state's energy bill discount program (California Alternative Rates for Energy, "CARE") to housing owned or run by public housing authorities.

BACKGROUND

The primary existing policy to help low-income customers of the state's investor-owned utilities[1] pay their energy bills is the CARE program.[2] Households enrolled in CARE receive a 30-35% discount on their electric bill[3] and a 20% discount on their natural gas bill.

CARE discounts apply to individual customers, and are applied at the customer meter. This decades-old practice of applying the CARE discount at the customer meter helps to ensure qualifying customers directly receive the benefits of their discount.[4] However, the practice limits CARE program eligibility to individual residences. Generally, the CARE discount cannot be applied to housing that is master-metered (i.e. one meter for the entire facility, rather than metered at each unit). Statute provides a few exceptions to this master-meter CARE prohibition, where applicable; specifically for nonprofit group living facilities such as women's shelters, hospices, and homeless shelters.[5]

NEED FOR THE BILL

In March 2020, Project Roomkey was established as part of the state response to the COVID-19 pandemic. The purpose of Roomkey was to provide single-unit shelter options – such as hotels and motels – for people experiencing homelessness. By December 2020, Roomkey had provided rooms to more than 22,000 people.[6] Though Roomkey was conceived as a short-term health and safety measure, the program evolved into Project Homekey to address the more than 180,000[7] individuals experiencing homelessness in the state.

Homekey provides grant funding to local public entities, such as housing authorities, to develop a broad range of housing types[8] into permanent or interim housing units. Over $700 million was appropriated in 2022-2023 to fund Homekey.

Many Homekey participants, as formerly homeless individuals, would be eligible for CARE discounts on their electric and gas bills. However, Homekey sites are routinely master-metered properties, such as converted hotels and motels.[9] As such, utilities are unable to provide bill discounts to this target population.

SOLUTION

AB 2672 expands the CARE program eligibility to include housing owned or administered by a public housing authority, enabling participants in Project Homekey a needed reduction on their energy bills.

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[1] The largest: Pacific Gas & Electric, Southern California Edison, and San Diego Gas & Electric
[2] Public Utilities Code § 739.1
[3] For IOUs with more than 100,000 service connections; for those with fewer, the CARE discount is ~20%.
[4] Rather than risking unscrupulous landlords claiming the credit for themselves, and billing tenants a higher rate.
[5] Public Utilities Code § 739.1(h)
[6] Shannon McConville, "What Lessons Can Be Learned from Project Roomkey?" PPIC blog, Dec. 4, 2020; here
[7] Pg. 16, U.S. Dept. of Housing and Urban Dev., *2023 Annual Homelessness Assessment Report to Congress*, December 2023; here.
[8] including hotels, motels, hostels, and multifamily apartments
[9] Motel and hotel acquisitions include projects in Fresno, L.A., and San Diego; here.

SB 1130 – Expanding Enrollment in FERA

SUMMARY

SB 1130 would expand the eligibility criteria for the Family Electric Rate Assistance (FERA) Program and require the state's three largest investor-owned utilities to report on their efforts to enroll customers in the FERA program.

BACKGROUND

In 1989, the Public Utilities Commission (CPUC) established the California Alternate Rates for Energy program (CARE) to assist low-income customers with their electric and gas bills. Individuals and families whose annual household incomes are at or below 200% of the Federal Poverty Level are eligible.

In 2004, the CPUC ordered the state's three largest electrical corporations to provide relief for customers in larger households who are not eligible for the CARE program. By the following year, the FERA program had been established and designed to capture households with a yearly income level between 200% and 250% of the Federal Poverty Level. Eligible participants are given an 18% discount on their monthly electric bill.

Currently, a family of four is eligible for the FERA program if they have an annual income between $60,001 and $75,000.

Unlike its sister program, FERA is historically under-enrolled. In 2023, Pacific Gas & Electric Company estimated enrollment in its service territory at 23%. In the same year, San Diego Gas & Electric and Southern California Edison reported their enrollment rates at 24% and 14% respectively.

In contrast, enrollment in the CARE program in 2023 was over 100% for both PG&E and SDG&E and 91% for SCE.

SOLUTION

SB 1130 would expand the eligibility criteria for the Family Electric Rate Assistance (FERA) Program by eliminating the requirement that a household consist of three or more persons.

The bill would also require the state's three largest investor-owned utilities to report to the CPUC on their efforts to enroll customers in the FERA program. The CPUC would then annually review the reports to ensure they have sufficiently enrolled eligible households in the FERA program.

If investor-owned utilities' (IOU) efforts to increase enrollment are determined to be insufficient, they will be required to develop a strategy and plan to remedy the gap.

SUPPORT

AARP
CALIFORNIA SOLAR & STORAGE ASSOCIATION
MARIN CLEAN ENERGY (MCE)
THE UTILITY REFORM NETWORK (TURN)
WESTERN CENTER ON LAW & POVERTY

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Senator Josh Becker, 13th Senate District

SB 1095 – The Cozy Homes Cleanup Act

SUMMARY

SB 1095 updates code ambiguities to ensure individuals can switch from gas to electric appliances, allowing Californians to opt for cozier and healthier zero-emission homes.

BACKGROUND

Residential buildings compose 8% of greenhouse gas emissions (GHG) in California.[1] To achieve the AB 1279 (Muratsuchi, 2022) goal of 85% GHG reductions through 2045, California is incentivizing and enabling the uptake of electric appliances in homes.

California's Scoping Plan, budget, and regulations are all aiming to transition both the new and existing residential housing stock to be fully electric. The Scoping Plan calls for all electric appliances installed in new residential buildings by 2026. For existing buildings, the Scoping Plan establishes goals for the sales of new appliances to be 80% electric for residential buildings by 2030 and 100% by 2035, targeting the conversions of appliances at their end of life. In tandem with the scoping plan, Governor Newsom has established a target of 6 million heat pumps deployed in buildings by 2030.[2] The 2023-24 budget cycle committed $423 million toward the direct installation of electric appliances, particularly targeted at low-income homes.[3]

Beyond increasing and improving the comfort of homes, building electrification will prevent asthma symptoms for over 300,000 Californaians and prevent more than 1,000 deaths through 2045.[4]

THE PROBLEM

Despite California's ambitious targets and incentives, local agencies and non-profit organizations at the forefront of electric appliance installations have raised concerns about outdated health and safety codes that could prevent or discourage individuals from making the switch from gas to electric appliances.

Issues such as legal ambiguities or delays in approval of installation from a homeowner association can potentially add time or costs to the process of allowing residents to make the switch. This is particularly burdensome in cases of changes of appliances at the 'end of life,' where a family cannot and will not wait 3-6 months for their HOA to approve replacement water heater installation.

These outdated regulations could preemptively increase building electrification barriers and costs, particularly for edge case installations of heat pumps on the exteriors of homes, or for replacements in mobile and multi-family homes.

SOLUTION

SB 1095 cleans up outdated building and safety codes language inhibiting or delaying building and home electrification. Specifically, this bill:

- Prevent HOAs from implementing provisions which prevent the switch from gas to electric appliances
- Clarifies the authority of individuals to replace gas with electric appliances in mobile and manufactured homes
- Provides the Department of Housing and Community Development authority to update its regulations should further legal uncertainty inhibit appliance replacement

This legal language clean up will preemptively remove potential barriers that could frustrate Californians trying or required to make the switch to electric appliances.

SUPPORT

Bay Area Air Quality Management District (Sponsor)
Act Now Bay Area
Acterra: Action for a Healthy Planet

[1] CARB, 2021. GHG Emissions by Main Economic Sector
[2] Gov. Newsom, 2022. Letter to CARB.
[3] SB 102 (Budget Act of 2023).
[4] CARB, 2022. Scoping Plan. Table 3-7.

Building Decarbonization Coalition
California Air Pollution Control Officers Association
California Environmental Voters
Carbon Free Palo Alto
Carbon Free Silicon Valley
Center for Biological Diversity
Earthjustice
Institute for Market Transformation
Natural Resources Defense Council
Physicians for Social Responsibility - San Francisco
Bay Area Chapter
Rewiring America
RMI
Sierra Club California
Silicon Valley Leadership Group
Sustainability and Resilience Policy Director
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SB 1221

The Affordable Energy Transition and Workforce Protection Act
Senator Dave Min, 37th District

SUMMARY

SB 1221 requires the California Public Utilities Commission (CPUC) to adopt a planning process for evaluating zero-emission alternatives (ZEAs) to gas pipeline replacement projects. The bill encourages investor-owned-utilities (IOUs) to pursue cost-effective ZEA pilot projects with strong equity and labor benefits, while better informing the CPUC's Long-Term Gas Planning Rulemaking.

BACKGROUND

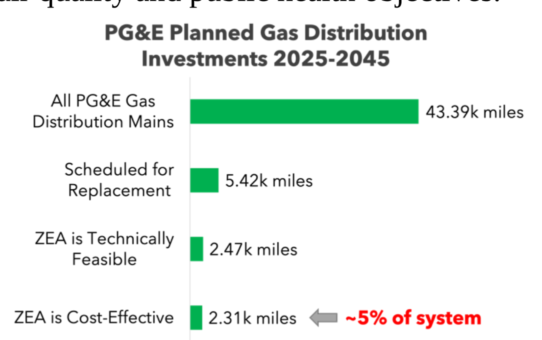
Buildings account for 25 percent of all emissions that contribute to climate change, poor indoor air quality and adverse health problems. The 2022-23 State Budget created the Equitable Building Decarbonization Program, which allocated $922 million for the decarbonization of low- and moderate-income households.

While this was a big step in the right direction, the state recognizes there is more to be done to decarbonize the existing building supply. In February 2024, the CPUC released a gas transition white paper outlining how the CPUC, California Air Resources Board (CARB), and the California Energy Commission (CEC) will collaborate in a long-term plan to transition California away from natural gas and move toward ZEA sources for heating, cooling, and other energy needs.

Currently, most decisions involving new gas infrastructure investments occur in the short-term period of CPUC rate cases. This process does not allow for meaningful consideration of alternatives to new long-term capital investments in the gas system. Instead, dollar amounts are approved for spending categories, such as pipeline replacements that can cost over $3 million per mile. These replacement and repair projects commit California's ratepayers to decades of expensive investments to delivery systems that may be obsolete before they are paid off.

Cost-effective ZEA projects, like neighborhood decarbonization projects, would save ratepayers money by avoiding more costly new investments in gas pipelines. Instead, project beneficiaries would receive energy-efficient electric appliances such as heat pumps and electric panel upgrades if necessary. Other examples of ZEA projects include thermal energy networks.

Over the next twenty years, PG&E forecasts the need to replace approximately 12.5 percent of its gas distribution pipelines. PG&E found ZEAs were both technically feasible and cost-effective in approximately 40 percent of these cases, offering significant potential for reducing gas system costs while furthering California's climate, air quality and public health objectives.



SB 1221

The Affordable Energy Transition and Workforce Protection Act
Senator Dave Min, 37th District

By piloting cost-effective ZEA projects, California has the opportunity to better inform the CPUC's Long-Term Gas Planning Rulemaking and ensure a transparent process, while saving ratepayers money, providing worker protections, and reducing emissions from buildings.

THIS BILL

SB 1221 will facilitate responsible utility planning and will create greater alignment between energy investments and the state's climate and air quality goals. The public process set up by SB 1221 will include an opportunity for community input, and ensure that historically disadvantaged communities are not left behind. This bill allows for the piloting of cost-effective ZEA projects in place of gas pipeline replacement projects to inform long-term gas system planning at the CPUC.

Through its evaluation process, the CPUC will identify disadvantaged, low-income communities and environmental justice communities as Priority Neighborhood Decarbonization Zones.

To help ensure the energy transition benefits all Californians and workers, this bill also provides worker protections, including high road jobs, skilled and trained workforce provisions, and a prohibition of the involuntary layoff of gas corporation employees as a result of these projects.

SUPPORT

Building Decarbonization Coalition (Co-Sponsor)
Earthjustice (Co-Sponsor)
Natural Resources Defense Council (NRDC) (Co-Sponsor)

OPPOSITION

None on file

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Assembly Bill 2779
Grid Enhancing Technologies Report

SUMMARY

AB 2779 requires the California Independent System Operator (CAISO), to report any new use and cost savings of the deployment of grid enhancing technologies (GETs) deemed reasonable in the Transmission Planning Process (TPP).

BACKGROUND

The SB 100 report has found that California will need to roughly triple its current electricity power capacity if it is to meet its 2045 clean energy goals. Transitioning to a carbon-free economy requires a rapid and costly expansion of the transmission system. For instance, in the 2022-2023 TPP, CAISO found 45 new transmission projects – roughly costing $7.3 billion – would be needed to support resource needs over the next decade.

Unfortunately, California's transmission development process can be complicated and delayed, taking over a decade from concept to construction. Permitting and siting may require approvals from a wide range of stakeholders that include federal, state and local agencies, and landowners.

NEED FOR THE BILL

Given the urgency for the state to meet its clean energy goals, a shorter-term solution is needed to maximize transmission capacity. Grid-enhancing technologies (GETs) encompass a suite of technologies that increase the capacity and efficiency of the existing transmission system. In other words, GETs will allow California to better utilize its existing infrastructure. Some examples of GETs technologies include dynamic line rating,[1] power flow control devices,[2] and analytical tools.

Given that GETs can be deployed faster than building new transmission infrastructure, they provide short-term solutions to temporary operational challenges, such as during outages or when new lines are under construction. GETs may also serve an important role of bridging a gap until a permanent transmission expansion is completed. As such, the need for these technologies will only increase as the pace of the energy transition accelerates.

SOLUTION

AB 2779 will provide transparency on the frequency and best use of GETs under consideration in the CAISO TPP, by having the CAISO report on their usage.

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[1] Dynamic Line Rating (and Ambient Adjusted Ratings) adjust thermal line ratings based on actual weather conditions including, ambient air temperature, wind speed/direction, and in conjunction with real-time monitoring

[2] Power-Flow Controllers allow grid operators to push or shift power away from overloaded lines and onto underutilized lines/corridors within the existing transmission network.

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NATURAL RESOURCES AND WATER

SB 1006 – Energy Transmission and Efficiency Goals

California has enacted some of the world's most aggressive climate goals. In 2018, the State adopted SB 100, committing to power the state with 100% clean energy by 2045. California's bold green energy goals put it at the forefront of the nation's climate efforts, however, meeting those goals will require a far larger, more reliable and resilient electrical grid that uses the best available technology. Making existing lines more efficient is critical to meeting California's clean energy goals, and modernizing the grid will enhance reliability and avoid costly blackouts.

Last year, the California Independent System Operator (CAISO) determined California needs to more than double the capacity of the grid by 2035 to meet our SB 100 goals. While CAISO had previously estimated the need for an additional 1,000 megawatts of new clean energy every year for the next decade, their updated analysis estimates California will require 7,000-8,000 megawatts of new capacity every year over that same period. Meeting this unprecedented demand will require California to use cost effective methods to increase grid capacity such as reconductoring which replaces existing transmission lines with wires with greater capacity or grid enhancing technologies (GETs) which can increase capacity, decrease congestion, and improve reliability. A study conducted by Berkeley states reconductoring can help meet over 80% of the new interzonal transmission needed to reach over 90% clean energy by 2035[1]. Despite their use in other countries and states, many California utility executives, regulators, and stakeholders are unfamiliar with advanced transmission technologies and their benefits.

Absent substantial changes to the state's energy grid, California will not meet its visionary climate goals and the state's fragile energy grid will be overextended as we transition to clean energy to power our homes, cars and economy. While new transmission lines will absolutely be necessary, upgrading existing lines can increase capacity by 30% quicker and at a fraction of the cost of new lines. California must take advantage of new technologies to maximize our grid efficiency, such as dynamic line ratings, which measure the true capacity of transmission lines based on actual conditions instead of worst case assumptions, improve capacity and reliability up to 48 hours ahead. Other GETs such as advanced power flow control and advanced topology control direct power away from overloaded lines and onto underutilized corridors which can greatly enhance the existing grid at lower costs and more flexibility.

Aligning with the California Energy Commission's Integrated Energy Policy Report (IEPR) recommendations to maximize usage and expansion of transmission capacity through emerging technologies, SB 1006 bill would require utilities to prepare a GETs strategic plan to increase transmission capacity and reduce congestion and risk of wildfire in a cost effective way. At least every 4 years, utilities must complete an evaluation of what transmission lines can be reconductored in a cost effective manner while also increasing reliability and reducing the risk of wildfire among other things. The utilities are required to include a timeline and report the progress in implementing the plan. SB 1006 would prepare California's transmission grid for the future and deliver reliable energy at lower costs than traditional grid enhancements.

[1] Chojkiewicz, E., Paliwal, U., Abhyankar, N., Baker, C., O'Connell, R., Callaway, D., & Phadke, A. (n.d.). *Accelerating Transmission Expansion by Using Advanced Conductors in Existing Right-of-Way*. Energy Institute at Haas. https://haas.berkeley.edu/wp-content/uploads/WP343.pdf

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SB 1165 – Transmission Acceleration

California has enacted some of the world's most aggressive climate goals. Governor Newsom has announced that internal combustion engines (ICE) will no longer be sold in California after 2035, and in 2018, the State adopted SB 100, committing to power the state with 100% clean energy by 2045. California's bold green energy goals put it at the forefront of the nation's climate efforts, however, meeting those goals will require a far larger and more resilient electrical grid. New high-voltage cables, modernized existing cable networks, and new infrastructure connecting a grid with a far larger capacity to carry clean electrons to power our homes and economy are all necessary to meet all those ambitious climate goals.

Despite the overwhelming need to expand our electrical grid, until last year, the California Public Utilities Commission (CPUC) had not approved a new transmission line in years. The current process requires multiple agencies, duplicative analyses, and permitting processes that take years to complete and create unnecessary cost overruns and substantial delays.

In an analysis produced by the California Independent System Operator (CAISO) last year, California needs over $30 billion in new transmission investments in the next two decades to meet our existing targets. While CAISO had previously estimated the need for an additional 1,000 megawatts of new clean energy every year for the next decade their updated analysis estimates California will require 7,000 megawatts of new capacity every year. Meeting this unprecedented demand will require California to simultaneously accelerate planning, siting, permitting, and construction of a new, modern electrical grid, while carefully managing its costs.

Current transmission projects are delayed by almost 5 years and have run up tens of millions of dollars in extra costs. In the best of circumstances, the CPUC requires five to six years to process a major transmission projects from concept to completion. Yet, that process is almost always substantially delayed and can take twice as long to complete. Absent substantial changes to the state's current planning and permitting processes, California will not meet its visionary climate goals and the state's fragile energy grid be overextended as climate pressures increase. Moreover, it will miss out on federal grant programs currently available for transmission modernization projects. That federal funding is critical to helping defray costs and lower long-term energy bills for consumers.

SB 1165 would help expedite the permitting and siting process by doing two things. First, it would expand last year's AB 205 program by authorizing the California Energy Commission (CEC) to certify transmission projects. Second, it would authorize the CEC to recover administrative costs from evaluating and application and authorize the CPUC regulated energy providers such as investor owned utilities (IOU's) to opt-in to have the CEC do the CEQA analysis on their project applications while the CPUC, its central regulator focuses on its costs and necessity analysis. Bifurcating the process for IOU's will enable the CPUC to focus on its core functions and accelerate its permitting while the CEC has a proven track record of completing CEQA processes in less than a year. Expanding permitting authority to the CEC will enable energy developers to upgrade our grid faster and for less money, while not compromising environmental reviews or protections. This bill is a reintroduction of SB 619 (2023) which the Governor vetoed last year. Discussions with the administration on expediting siting and permitting of new transmission capacity are underway with the goal of addressing this issue in 2024.

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Support

- California State Association of Electrical Workers
- Coalition of California Utility Employees
- Large Scale Solar Association
- Natural Resources Defense Council
- San Diego Community Power
- Sonoma Clean Power

Assemblymember Eduardo Garcia, 36th Assembly District

AB 1834 – Resource Adequacy: Electricity Supply Strategic Reliability Reserve Program

Updated 4/26/24

BACKGROUND

AB 1373 (Garcia, 2023) allows the Department of Water Resources to act as a central procurement entity and to require the California Public Utilities Commission and the California Energy Commission to ensure load serving entities are making sufficient progress towards their integrated resource portfolio goals and determine capacity payments for those who are deficient in reliability.

This bill created a mechanism to facilitate the procurement of diverse clean energy such as offshore wind and geothermal energy. Furthermore, it helps support grid reliability and ensure an adequate supply of resources.

ISSUE

California has made vast strides in leading the clean energy transition, and to meet its long-term decarbonization and electrification goals. AB 1373 provided the State with a tool to enhance renewable electricity development that helps meet California's increasing electricity demands. Clarifications to AB 1373 are needed to ensure it is implemented fairly and without increasing administrative burdens for publicly owned utilities.

BILL SUMMARY

AB 1834 adds important clarifications to the implementation of AB 1373. Specifically, that a local publicly owned electric utility (POU) will not be assessed a capacity payment for the reliability needs of others and provides the state agencies with tools to account for mitigating factors when calculating a utility's fair share of reliability costs.

These provisions provide certainty that capacity payments will be enforced only when needed and in an equitable manner that accurately reflects the status of the energy market. The bill also seeks to reduce administrative burden for POU staff which will help public agencies optimize deployment of resources.

Furthermore, this bill includes POU financing mechanisms when paying for voluntary participation in central procurements. This provision creates flexibility that allows a POU to utilize the financing mechanisms that best serve its customers in a manner that also ensures that the Department of Water Resources is compensated for a POU's share of a procurement.

SUPPORT

California Municipal Utilities Association
Northern California Power Agency
Southern California Public Power Authority

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