

Local Energy Resources Network



Meeting 25
December 12, 2023

Featuring a Conversation with Roger Dickinson (CivicWell's Policy Director), and Steven Moss (LGSEC's Regulatory Consultant)



Welcome!

Purpose

Interactive 1-hour meetings designed to be a regular space where local governments - and those who work with them - can help each other learn about (and possibly inform) available opportunities to advance their energy and climate goals.

TODAY'S AGENDA

- Opportunity Roundtable + Spotlight
- Featured Discussion on Year End Policy Updates
- BPC Workshop
- Optional: Extended 15 minutes for Bonus Breakouts



Opportunity Roundtable

Need/Have
Board

View all
Opportunities

Policy Drives Investment

Agencies Scope/ Design Assistance Programs & Gather Input

Applicants Apply to Funding Solicitation

State

- FY 21-22 Budget (\$15B climate resilience)
- FY 22-23 Budget (\$38.8B climate change)
- Cap and Trade auction revenue allocations
(~\$19B raised since 2013)
- FY 23-24 Budget
- State agency proceedings (e.g. *CPUC
microgrid, CEC IEPR, *CARB Scoping Plan)

Federal

- Infrastructure Investment and Jobs Act (IIJA)
(2021) = \$47B in climate resilience funding
- FY 22-23 Budget (\$44.9B climate change)
- Inflation Reduction Act (IRA) (2022)
- Biden's Proposed FY 23-24 Budget (\$52.2B
climate change)

Funding

- PG&E - Microgrid Incentive Program - Consultations from November - December 31
- CEC: Golden State Priority Project: Northern & Southern Regions (CALeVIP 2.0) - due December 12
- FEMA/CalOES: Building Resilient Infrastructure and Communities (BRIC) - Subapp- NOI Oct 27, due Dec 13
- DOE: Communities Local Energy Action Program (LEAP) - due December 14
- CEC: Zero-Emission School Bus Charging and Fueling Infrastructure Block Grant - January 4, 2024
- DOE: Grid Resilience and Innovation Partnerships (GRIP) Program - Concept papers due January 12, 2024
- CEC: CA's National EV Infrastructure Formula Program - January 26, 2024
- DOE: Community Energy Innovation Prize - due February 2, 2024
- EPA: Climate Pollution Reduction Grants (\$4.6B). Phase 2 Implementation - due April 1, 2024. EPN app guide
- EPA: Strategies to Increase Hydropower Flexibility - Concept Papers due January 18 - due April 11, 2024
- DOE: EECBG Formula Grants and Voucher - webinar Nov 16; due April 30, 2024
- DOE: Buildings Energy Efficiency Frontiers & Innovation Technologies (BENEFIT) - Concept Paper due Dec 18 -
due April 30, 2024
- EPA: Environmental and Climate Justice Community Change Grants - Nov 21, 2024. EPN app guide.
- IRS: Consumer clean energy tax credits live!

Input

- State/Local Energy & Climate Coordination; next meeting: Dec 14 with CARB on barriers to local climate action
- CEC: TREC Contractor Training - Feedback and letters of support - email ahacker@civicwell.org for more info
- CARB: submit template to suggest a climate action for State PCAP - email ahacker@civicwell.org for more info
- CARB: Comment Log for Advanced Clean Cars II Amendments: Public Comments due January 15, 2024.
- **Pending possible input opportunities** - CEC's \$18M formula allocation for DOE Assistance for Latest and Zero
Building Energy Code Adoption and CEC application for DOE Renewable Energy Siting through Technical
Engagement and Planning



2024 Opportunities Prospective

*Here are a few opportunities on the horizon that we are tracking.
What are you looking forward to in 2024?*

**EPA Climate Pollution Reduction Grant (CPRG) -
Implementation Grant**

**CEC/CPUC/CARB: SB 100 “The 100% Clean
Energy Act of 2018” - Joint Agency Report**

CPUC Equity and Access Grants

SGC Housing, Equity, Climate Progress Report

**CEC’s Equitable Building Decarbonization
Program - Solicitation**

**CEC’s Community Energy Resilience
Investment (CERI) Program**

**CEC’s \$600M allocation for DOE Home Energy
Rebate Program + \$10 Contractor Training
Program**

**CEC’s \$18M formula allocation for DOE
Assistance for Latest and Zero Building
Energy Code Adoption**

**CEC’s \$10M allocation for DOE EECBG
Program**



Featured Guests



CivicWell Policy Director
Roger Dickinson



LGSEC Regulatory Consultant
Steven Moss



Legislative Update



CIVICWELL

Transforming Local Vision into Action

Roger Dickinson
POLICY DIRECTOR

AB 281 Grayson

- Mandates special districts to notify housing development project applicants of next steps in the review process within 30 business days for projects with 25 units or fewer and within 60 business days for projects with 26 units or more.
- Imposes a state-mandated local program by assigning additional duties to special districts in the context of housing development applications.

Status: Chaptered



AB 1132 Friedman

- Extends the repeal date for existing law governing permit fees for residential and commercial solar energy systems, pushing it to January 1, 2034.
- Imposes a state-mandated local program by prolonging the requirements on cities and counties related to solar energy systems, with the potential for reimbursement as outlined in statutory provisions.

Status: Chaptered



AB 1567 Garcia

- Introduces the Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, Clean Energy, and Workforce Development Bond Act of 2024.
- Seeks voter approval for issuing \$15.9 billion in bonds to fund various projects, including those related to safe drinking water, wildfire prevention, drought preparation, flood protection, extreme heat mitigation, clean energy, and workforce development programs.

Status:
Suspended



SB 12 Stern

- Mandates the state board to achieve a minimum 55% reduction in statewide greenhouse gas emissions from the 1990 level by December 31, 2030.
- Expands the scope of violations under the California Global Warming Solutions Act of 2006, treating non-compliance with rules, regulations, orders, emission limitations, or reduction measures as a crime, thereby imposing a state-mandated local program.

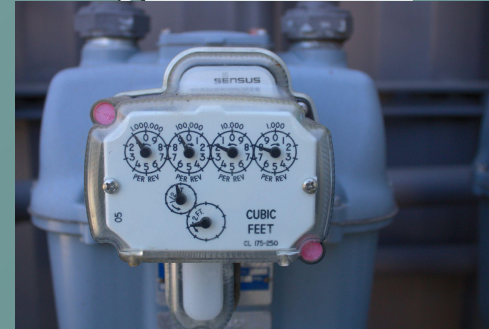
Status:
Suspended



SB 48 Becker

- Mandates the Energy Commission, in collaboration with relevant agencies, to formulate a strategy by July 1, 2026, utilizing energy usage data for tracking and managing energy consumption and greenhouse gas emissions in covered buildings to meet state goals.
- Requires the Energy Commission to submit the developed strategy and legislative recommendations for achieving specific objectives related to energy usage and greenhouse gas emissions of covered buildings to the Legislature by August 1, 2026.

Status: Chaptered



SB 49 Becker

- Mandates the Department of Transportation, working with the State Energy Resources Conservation and Development Commission and the Public Utilities Commission, to assess barriers to developing land within department-owned rights-of-way for renewable energy, energy storage, and electrical transmission facilities.
- Specifies that the evaluation should explore options such as the department owning, leasing, granting easements, or entering joint-use agreements with public utilities or other entities for the purpose of facilitating these facilities.

Status: Chaptered



SB 253 Wiener

- Mandates corporations with annual revenues exceeding \$1 billion doing business in California to annually report their greenhouse gas emissions.
- Requires the state board to contract with academic institutions or national laboratories to prepare a report by July 1, 2027, analyzing the public disclosures made by reporting entities to the emissions reporting organization.

Status: Chaptered



SB 261 Stern

- SB 261 will require any company (other than insurance companies) that has more than \$500 million in annual revenues and is doing business in California to report its climate-related financial risk on a biennial basis.

Status: Chaptered



SB 511 Blakespear

- Directs the state board to create and publish greenhouse gas emissions inventories for cities, counties, or city and county upon request, with reports due before January 1, 2028, and subsequent updates every 5 years, starting in 2030.
- Mandates the state board to establish a local government advisory committee by January 1, 2026, to guide the inventory development process, allocating \$2,500,000 in the 2024–25 fiscal year, subject to legislative appropriation, for these purposes.

Status:
Suspended



SB 867 Allen

- Introduces the Drought, Flood, and Water Resilience, Wildfire and Forest Resilience, Coastal Resilience, Extreme Heat Mitigation, Biodiversity and Nature-Based Climate Solutions, Climate Smart Agriculture, Park Creation and Outdoor Access, and Clean Energy Bond Act of 2024.
- Seeks voter approval for issuing \$15.5 billion in bonds to fund a diverse range of projects addressing drought, flood, and water resilience, wildfire and forest resilience, coastal resilience, extreme heat mitigation, biodiversity and nature-based climate solutions, climate smart agriculture, park creation, outdoor access, and clean energy programs.

Status:
Suspended





Roger Dickinson

POLICY DIRECTOR

916-448-1198

rdickinson@civicwell.org

520 Capitol Mall #440 - Sacramento, CA 95814



Local Government Sustainable Energy Coalition



2023: Higher Electricity Rates, Weak Regulatory Policing

Steven Moss

Partner, M.Cubed

December 12, 2024

Pacific Gas and Electric Company Rates Rising

Residential bills to soar more than \$400 a year in 2024

While approved as part of California Public Utilities Commission (CPUC) regulatory proceedings, rate increases are implemented in a stutter-step fashion through “advice letters” (AL). For instance, Pacific Gas and Electric Company’s (PG&E) residential rates will increase by 12.8% compared with October, with a 15.2% increase in January. PG&E’s **residential rates will be 28.3% higher than they were a year ago; agricultural customers will see a 36.7% increase over a year ago.**

PG&E 2024 rate increases

Advice Letter

Date

Class (Bundled)

Residential

Small Commercial

Medium Commercial

B-19 Industrial

B-20 Industrial

Streetlights

Agricultural

System Avg.

7066-E w/GRC Decision

6805-E

Jan-24

Oct-23

vs. Oct-23

Jan-23

vs. Jan-23

	\$0.37338	\$0.32423	15.2%	\$0.29113	28.3%
	\$0.44605	\$0.36464	22.3%	\$0.32904	35.6%
	\$0.40263	\$0.34202	17.7%	\$0.31180	29.1%
	\$0.34797	\$0.29571	17.7%	\$0.26957	29.1%
	\$0.24906	\$0.22268	11.8%	\$0.21389	16.4%
	\$0.57032	\$0.48853	16.7%	\$0.44410	28.4%
	\$0.41204	\$0.33776	22.0%	\$0.30148	36.7%
	\$0.36718	\$0.31312	17.3%	\$0.28586	28.4%

Southern California Edison Company Not so Much

Still Streetlight Rates Steadily Increasing, Causing Local Government Pain

SCE 2024 rate increases

Advice Letter

Date

Class (Bundled)

Residential

Commercial

Large Power

Streetlights

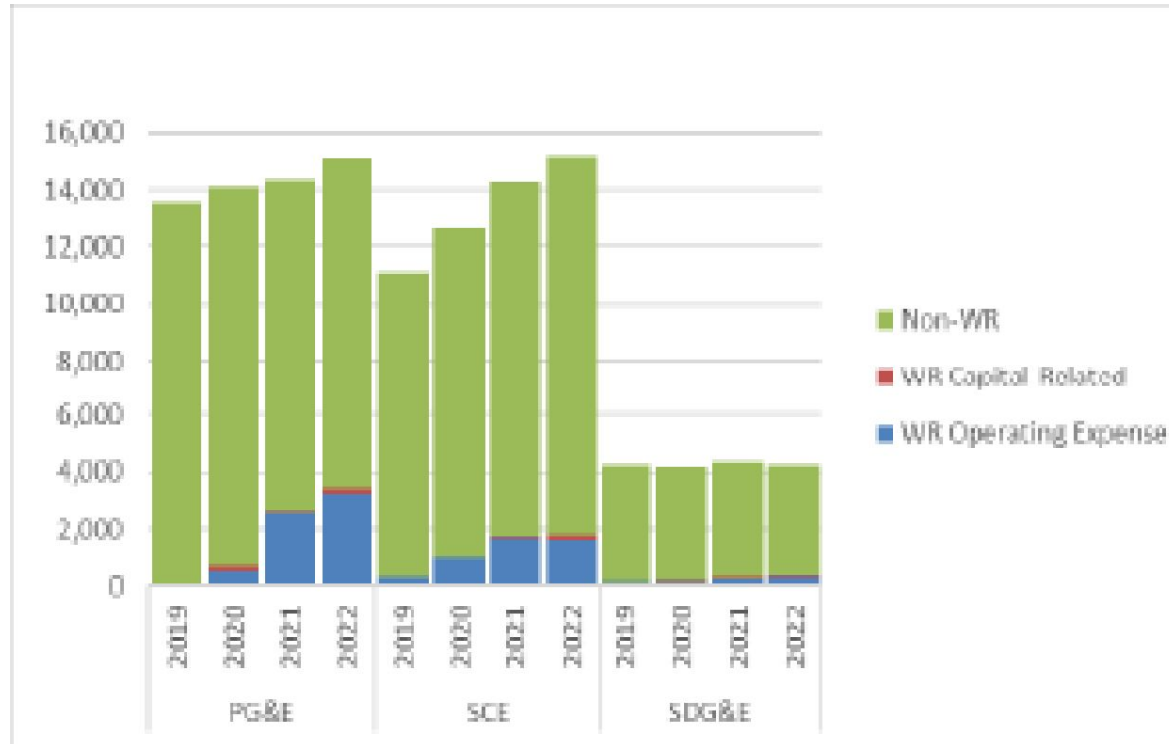
Agricultural

System Average

Date	Jan-24	Oct-23	vs. Oct-23	Jan-23	vs. Oct-23
Class (Bundled)					
Residential	\$0.29035	\$0.30529	-4.9%	\$0.29892	-2.9%
Commercial	\$0.28611	\$0.28889	-1.0%	\$0.27510	4.0%
Large Power	\$0.19089	\$0.19988	-4.5%	\$0.18913	0.9%
Streetlights	\$0.34173	\$0.32654	4.7%	\$0.31648	8.0%
Agricultural	\$0.23125	\$0.24570	-5.9%	\$0.23341	-0.9%
System Average	\$0.26086	\$0.26600	-1.9%	\$0.25247	3.3%

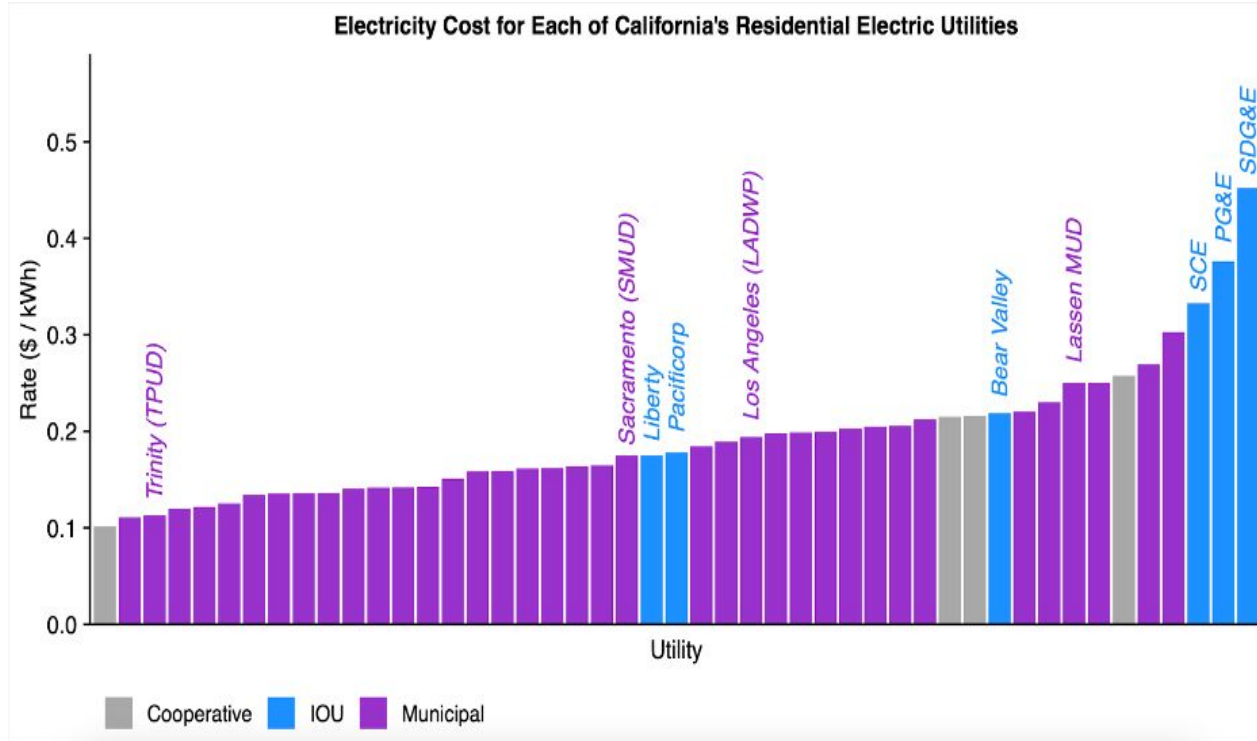
Senate Bill 695 Report on Causes of Electric Rate Increases

Indicates Wildfire (WR) Costs Significant Variable (\$ millions)

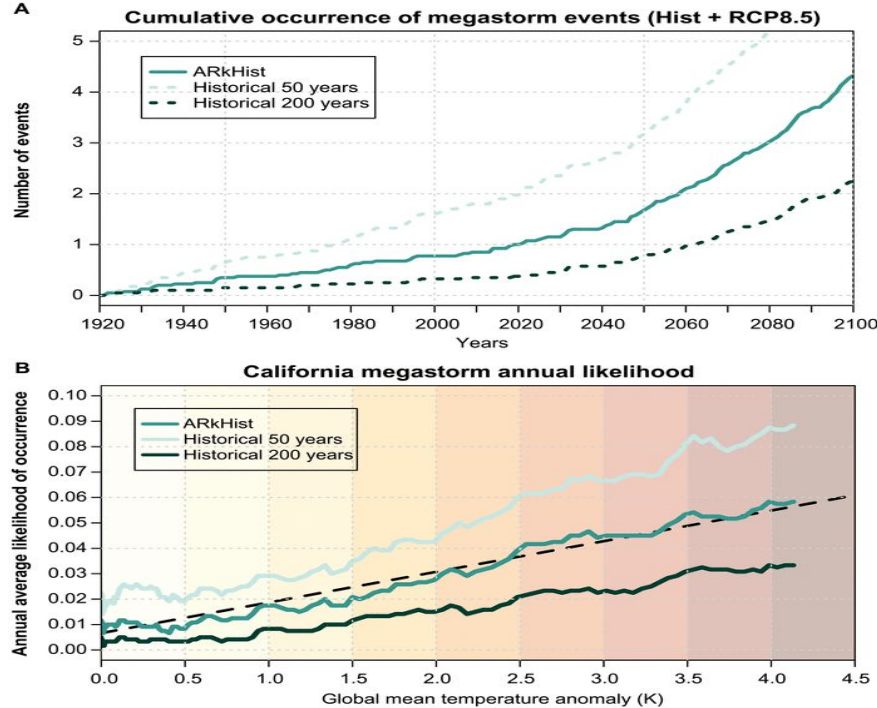


Not All of California's Electricity Prices Are High

Source: Meredith Fowlie and Duncan Callaway



Historically California's Electric Bills Have Been as Mild as the State's Weather. However, an Inclement Climate Could Spike Demand, with Associated Bill Impacts



Expenditures Could Accelerate Under a “High Distributed Energy Resources,” Electric Vehicle Saturated Future

Cal Advocate’s mid-range estimate suggests “electrification will cost \$26 billion in required upgrades to the investor-owned utilities’ (IOUs) distribution grids through 2035.” This is akin to diverting every single American’s annual Valentine Day’s purchases – clever cards, chocolate hearts, flowers, jewelry and other items – to just three IOUs in a single, albeit large, state.



Cal Advocates acknowledges this number has “significant uncertainty,” with a high estimation range that exceeds Kevala calculation that “...up to \$50 billion in traditional electricity distribution grid infrastructure investments by 2035” will be needed to accommodate California’s decarbonization plans.

Potential for annual peak demand in the state to reach 70 gigawatts, with 12 million customer meters, by 2035.

Will demand ameliorate rate impacts, but spreading costs more widely?

California State Auditor Report Calls for Improvements to CPUC and Cal Advocates Oversight

Some elements contributing to electricity and natural gas rate increases are outside of CPUC and Cal Advocates control. However, both agencies can improve their oversight. For example,

Rate of Return Inconsistencies are red flags. In nine of the last 10 years, San Diego Gas and Electric's (SDG&E) actual rate of return was higher than its authorized rate; while PG&E and SCE achieved the same result only two or three times, raising questions about the accuracy of SDG&E's forecasted costs.

Balancing accounts unaudited. As of December 2022, the four IOUs maintained in excess of 300 balancing accounts, tracking more than \$16.8 billion in cumulative balances—the difference in actual and authorized costs and revenue collection. Nonetheless, during fiscal years 2019–20 through 2021–22, Cal Advocates annually reviewed between only 35 and 42 balancing accounts for the three major electric utilities, or about 6 percent to 33 percent of each utility's total number of accounts. In the same three fiscal years, it reviewed only three balancing accounts for the three largest gas utilities.

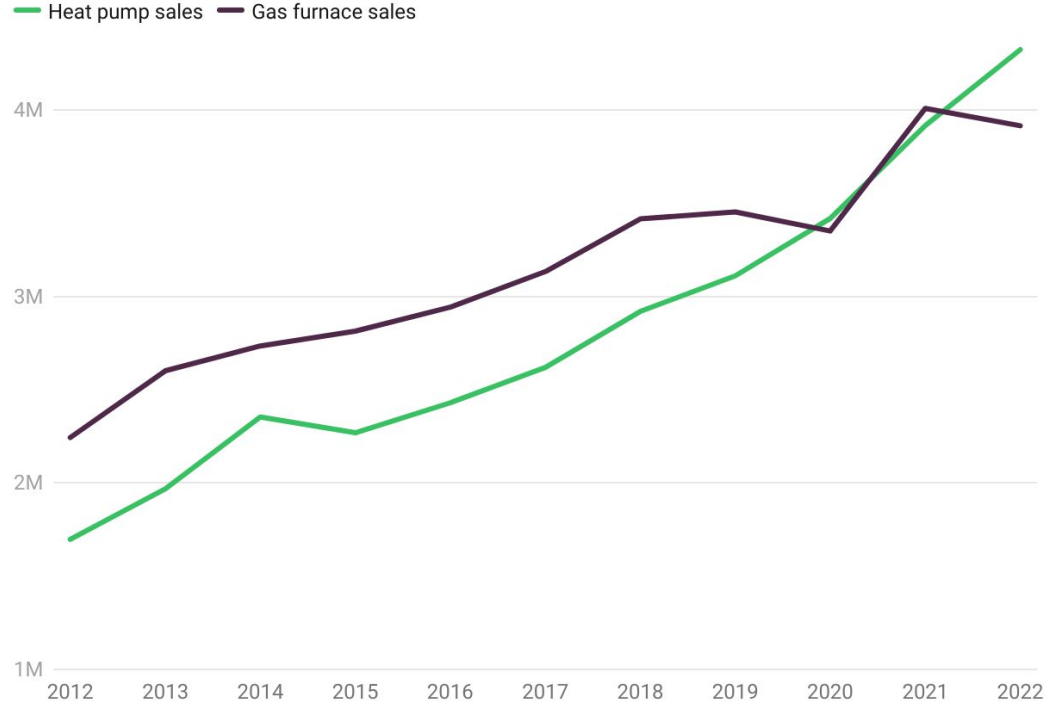
No systematic approach to evaluating revenue requirement applications. Cal Advocates lacks documented policies that would provide staff with formal criteria for reviewing and filing protests when utilities submit their applications to set rates for the next three- or four-year cycle.

Requested cost reimbursement unaudited. The CPUC and Cal Advocates could strengthen their processes for verifying whether a utility actually completed the activities associated with the costs it requests to recover through a cost recovery application.

Poor communication about rate increases. The CPUC lacks an effective process for ensuring that utility customers are fully informed of the reasons their utility is raising their rates.

Americans are buying more residential heat pumps. U.S. annual sales rose above four million units for the first time in 2022, outpacing sales of gas-powered furnaces.

Heat pump sales in U.S. surged past gas furnaces in 2022



2022 figures include sales data for Jan–Nov and projected sales for Dec.

Chart: Canary Media • Source: Air-Conditioning, Heating, and Refrigeration Institute

Contact us:
contact@lgsec.org



Thank You!





Audience Q&A

Please add your questions in the chat or raise your hand

BPC Workshop

Topic: Discussion



- ***Save the Date for the 2024 CCEC Forum!***
 - View More Information [About the 2024 Forum](#)

Local Energy Resources Network



What's Next?

- Bonus Breakouts up next!
- Next meeting **January 9th, 2023**
- Share [invitation](#) with others



Optional: Bonus Breakouts

Thanks for joining us!

This is a space for informal discussion among the LERN network. Feel free to:

- Offer an announcement, success story, or opportunity
- Share a need for information, collaborators, or advice
- Raise a suggested topic or speaker for future LERNS

If you need an in-depth discussion, you can pitch a specific bonus breakout topic and invite others to join you (today or we can plan ahead for next month)



CCEC Serves Local Needs



wEEkly Update



CURRENTS Quarterly



Webinars



Annual Forum



Active Funding Opportunities



Funding Program Database



Technical Assistance



Technical Assistance Directory



Local Government Roundtables



Best Practice Database



Interviews and Case Studies