



# 2022 Legislative Update

California's New Energy-Related Laws

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## **AB-1738 Building standards: installation of electric vehicle charging stations: existing buildings.**

- » Commencing with the next triennial edition of the California Building Standards Code, requires the California Building Standards Commission and the Department of Housing and Community Development to research and develop mandatory building standards for the installation of electric vehicle charging stations with low power level 2 or higher electric vehicle chargers in existing multifamily dwellings, hotels, motels, and nonresidential development during certain retrofits, additions, and alterations to existing parking facilities. Authorizes the commission and department to propose these standards for adoption.

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## **AB-1757 California Global Warming Solutions Act of 2006: climate goal: natural and working lands.**

- » Requires the California Natural Resources Agency (CNRA) to determine an ambitious range of targets for natural carbon sequestration and nature-based climate solutions that reduce greenhouse gas (GHG) emissions for 2030, 2038, and 2045 to support state goals to achieve carbon neutrality and foster climate adaptation and resilience, by January 1, 2024. Requires CNRA to collaborate with the California Air Resources Board (CARB) and an expert advisory committee in determining these targets.
- » Requires targets to be integrated into the Scoping Plan and other state policies, and requires CNRA to review and update the Natural and Working Lands Climate Smart Strategy to achieve these targets.
- » Requires CNRA and CARB to jointly establish an expert advisory committee to: 1) inform and review modeling and analyses for natural and working lands, 2) advise state agencies on implementation strategies and standardized accounting, and 3) provide recommendations on addressing barriers to efficient implementation.
- » Requires CARB, to develop standard methods for state agencies to consistently track GHG emissions and reductions, carbon sequestration, and, where feasible and in consultation with the CNRA and the Department of Food and Agriculture, additional benefits from natural and working lands over time, by January 1, 2025.

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## **AB-2061 Transportation electrification: electric vehicle charging infrastructure.**

- » Requires the California Energy Commission (CEC), in consultation with the California Public Utilities Commission (CPUC), to develop uptime recordkeeping and reporting standards for electric vehicle chargers and charging stations by January 1, 2024.
- » Authorizes CEC to consider additional reliability metrics and requires CEC, in consultation with CPUC, to hold a public workshop to discuss and identify industry best practices and charger technology capabilities that are demonstrated to increase reliability.
- » Beginning January 1, 2025, requires CEC to assess the uptime of charging station infrastructure, including an assessment of equitable access to reliable charging stations in low-, moderate-, and high-income communities. Requires CEC to update the assessment every 2 years.

### **AB-2446 Embodied carbon emissions: construction materials.**

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- » Requires CARB to develop a framework for measuring and reducing the average carbon intensity of the materials used in the construction of new buildings, including those for residential uses by July 1, 2025.
- » Requires this framework to include a comprehensive strategy for the state's building sector to achieve a 40% net reduction in GHG emissions of building materials. Requires the strategy to achieve this target as soon as possible, but no later than December 31, 2035, with an interim target of 20% net reduction by December 31, 2030. Authorizes CARB to adjust the interim target, as provided, and requires the established targets to begin no sooner than January 1, 2027.
- » Requires CARB to form and maintain a technical advisory committee to review information that is required to be submitted by entities that are unable to meet targets.
- » Requires CARB to research and prioritize actions and provisions that leverage state and federal incentives and evaluate measures to support market demand and financial incentives to encourage the production and use of materials used in construction-related projects with low GHG intensity.

### **AB-2700 Transportation electrification: electrical distribution grid upgrades.**

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- » Requires CEC, in collaboration with the CARB, CPUC, and other relevant stakeholders, to annually gather fleet data from state agencies for on-road and off-road vehicles in the medium- and heavy-duty sectors, and to share data with electrical corporations and local publicly owned electric utilities to help inform electrical grid planning efforts.
- » Prohibits electrical corporations and local publicly owned electric utilities from disclosing that data to third parties. Requires electrical corporations and local publicly owned electric utilities, as part of their distribution planning processes, to consider the fleet data produced by CEC to facilitate the readiness of their distribution systems to support the state's anticipated level of electric vehicle charging.

### **AB-2383 Electrical corporations: green tariff shared renewables program.**

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- » Authorizes CEC, on and after April 1, 2023, to authorize electrical corporations with 100,000 or more customer accounts in California, previously required to administer a green tariff shared renewables program to enable ratepayers to participate directly in offsite electrical generation facilities that use eligible renewable energy resources, to terminate their green tariff shared renewables programs.

### **SB-379 Residential solar energy systems: permitting.**

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- » Requires every city and county to implement an online, automated permitting platform that verifies code compliance and issues permits in real time for a residential solar energy system that is no larger than 38.4 kilowatts alternating current nameplate rating and a residential energy storage system paired with a residential solar energy system that is no larger than 38.4 kilowatts alternating current nameplate rating.
- » Prescribes a compliance schedule for satisfying requirements, with exemptions based on population size. Requires a city with a population of 50,000 or fewer to comply by September 30, 2024, and cities, counties, and cities and counties with populations greater than 50,000 to comply by September 30, 2023.
- » Requires cities and counties to report to CEC when it is in compliance with specified requirements, and to self-certify their compliance when applying for specified funds from CEC.
- » Requires CEC to set guidelines, adopted through a specified public process, for cities, counties, and cities and counties to report to CEC on the number and relevant characteristics of permits issued for residential solar energy systems and residential energy storage systems paired with residential solar energy systems.

### **SB-599 Public Utilities Commission: proceedings, reports, and public utility procurement.**

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- » Revises and recasts provisions to CPUC relating to quiet periods and the authority for closed session commission meetings during ratesetting cases and catastrophic wildfire proceedings.
- » Requires CPUC to require every electric service provider with gross annual California revenues exceeding \$25,000,000, and their commission-regulated subsidiaries and affiliates, to implement an outreach program for recruiting women, minority, disabled veteran, and LGBT business enterprises to apply for procurement contracts.

### **SB-674 Public Contracts: workforce development: covered public contracts**

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- » Establishes the High Road Jobs in Transportation-Related Public Contracts and Grants Pilot Program to support the creation of equitable high-quality transportation and related manufacturing and infrastructure jobs. Requires a covered public contract awarded by the Department of General Services or the Department of Transportation for the acquisition of zero-emission transit vehicles or electric vehicle supply equipment valued at \$10,000,000 or more to incorporate high road job standards.
- » Requires, beginning 12 months after an entity is awarded a covered public contract, the contractor to annually submit information necessary to demonstrate its compliance with the specified requirements to the relevant public agency, and before it receives any final payment on a covered public contract, that it submits a final report that demonstrates its compliance with those requirements for the duration of the covered public contract to the relevant public agency.
- » Declares that the state has an interest in rolling out zero-emission transit vehicles as quickly and expeditiously as possible and requires a contractor or subcontractor to enter into a labor peace agreement with an organization representing its employees if the organization requests an agreement.

### **SB-846 Diablo Canyon powerplant: extension of operations.**

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- » Invalidates CPUC's approval of the proposal to retire the Diablo Canyon nuclear powerplant and requires CPUC to set new retirement dates, conditioned upon the United States Nuclear Regulatory Commission extending the powerplant's operating licenses. Requires CPUC to take certain actions to enable the operator of the Diablo Canyon powerplant to recover the reasonable operating costs and expenses.
- » Requires sufficient, predictable resource procurement and development to avoid unplanned energy supply shortfalls by taking into account impacts due to climate change and other factors that can result in those shortfalls. Requires CPUC to not include, and disallow a load-serving entity from including in their adopted resource plan, the energy, capacity, or any attribute from the Diablo Canyon powerplant in the integrated resource plan portfolios beyond specified dates, and requires CEC not consider the energy, capacity, or any attribute from the Diablo Canyon powerplant in meeting state policy targets.
- » Requires CEC and CPUC to provide a joint Reliability Planning Assessment, identifying estimates for the electrical supply and demand balance for the forward 5- and 10-year period under high-, medium-, and low-risk scenarios, to the Legislature by December 15, 2022 and quarterly thereafter.
- » Requires CEC to present a cost comparison of the Diablo Canyon powerplant by September 30, 2023, and to publish an assessment of the operation of the Diablo Canyon powerplant by July 1, 2023 and July 1 of each year thereafter.
- » Requires CEC, in consultation with CPUC and the Independent System Operator (ISO), to adopt a goal for load shifting to reduce net peak electrical demand and adjust this target in each biennial integrated energy policy report thereafter.

### **SB-884 Electricity: expedited utility distribution infrastructure undergrounding program.**

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- » Requires CPUC to establish an expedited utility distribution infrastructure undergrounding program, and authorizes electrical corporations with 250,000 or more customer accounts to participate in the program.
- » Requires a large electrical corporation to submit a distribution infrastructure undergrounding plan in order to participate in the program. Plans must include undergrounding projects located in tier 2 or 3 high fire-threat districts or rebuild areas that it will construct as part of the program.
- » Requires a participating large electrical corporations to file progress reports, include information in wildfire mitigation plans, hire an independent monitor to review and assess compliance, apply for federal, state, and other nonratepayer moneys, and use those moneys to reduce program costs on its ratepayers. Authorizes CPUC to assess penalties on a large electrical corporation that fails to substantially comply.

### **SB-887 Electricity: transmission facility planning.**

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- » Requires CPUC to request ISO to identify the highest priority transmission facilities needed to allow for increased transmission capacity into local capacity areas to deliver renewable energy or zero-carbon resources expected to be developed by 2035 and to consider whether to approve the identified projects as part of ISO's 2022-23 transmission planning process by January 15, 2023.
- » Requires CPUC, in consultation with CEC, to provide transmission-focused guidance to ISO about resource portfolios of expected future renewable energy and zero-carbon resources to allow ISO to identify and approve transmission facilities to interconnect resources and reliably serve the needs of load centers.
- » Expresses the policy of the state that planning for new transmission facilities considers the goals of minimizing the risk of wildfire and increasing systemwide reliability and cost efficiency, among other goals.

### **SB-905 Carbon sequestration: Carbon Capture, Removal, Utilization, and Storage Program.**

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- » Requires CARB to establish a Carbon Capture, Removal, Utilization, and Storage Program to evaluate the efficacy, safety, and viability of carbon capture, utilization, or storage (CCUS) technologies and carbon dioxide removal (CDR) technologies, and to facilitate the capture and sequestration of carbon dioxide from those technologies, prioritizing the reduction of both GHG emissions and fossil fuel production.
- » Requires CARB, in consultation with relevant state and local agencies to adopt regulations for a unified permit application for the construction and operation of carbon dioxide capture, removal, or sequestration projects to expedite the issuance of permits for those projects by January 1, 2025.
- » Requires CARB to develop a centralized public database to track the deployment of CCUS and CDR technologies and the development of relevant projects throughout the state by January 1, 2025. Authorizes CARB to adopt protocols to support additional methods of utilization or storage of captured carbon dioxide by January 1, 2024. Requires CARB to adopt regulations for financial responsibility for carbon dioxide capture, removal, or sequestration projects by January 1, 2025.
- » Requires a carbon dioxide capture, removal, or sequestration project operator to: 1) maintain financial responsibility, 2) provide proof of a binding agreement among relevant parties that drilling or extraction that may penetrate the geologic storage reservoir are prohibited for at least 100 years after the last date of injection of carbon dioxide, and 3) create an air monitoring and mitigation plan to submit to CARB.
- » Authorizes CARB to require changes in operations of a carbon dioxide capture, removal, or sequestration project to ensure public and environmental health and safety if the monitoring and reporting detects increased seismicity or carbon dioxide leakage outside the geologic storage reservoir.

### **SB-1020 Clean Energy, Jobs, and Affordability Act of 2022.**

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- » Revises state policy to provide that eligible renewable energy and zero-carbon resources supply 90% of all retail electricity sales to end-use customers by December 31, 2035; 95% by December 31, 2040; 100% by December 31, 2045; and 100% of electricity procured to serve all state agencies by December 31, 2035.
- » Requires CPUC, CEC, and CARB to issue a joint reliability progress report that reviews system and local reliability within the context of the state policy described above (with a particular focus on summer reliability), identifies challenges and gaps to achieving system and local reliability, and identifies the amount and cause of any delays to achieving compliance with all CPUC energy and capacity procurement requirements by December 1, 2023 and annually thereafter.
- » Requires CPUC to develop a definition of energy affordability and to use energy affordability metrics to guide the development of any protections, incentives, discounts, or new programs to assist residential customers facing hardships or disconnections due to electricity or gas bills, and to assess the impact of proposed rate increases on different types of residential customers.

### **SB-1075 Hydrogen: green hydrogen: emissions of greenhouse gases.**

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- » Requires CARB to prepare an evaluation including information relative to the deployment, development, and use of hydrogen by June 1, 2024. Requires CARB to consult with CEC, CPUC, the California Workforce Development Board and labor and workforce organizations in preparing this evaluation.
- » Requires CEC, as part of the 2023 and 2025 editions of the integrated energy policy report, to study and model potential growth for hydrogen and its role in decarbonizing electrical and transportation sectors.
- » Requires CPUC, CARB, and CEC to consider other potential uses of green electrolytic hydrogen specifically in all of their decarbonization strategies.

### **SB-1109 California Renewables Portfolio Standard Program: bioenergy projects.**

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- » Extends to December 31, 2023, relevant electrical corporations' obligation to collectively procure their proportionate share of 125 megawatts of cumulative rated generating capacity from existing bioenergy projects commencing operation before June 1, 2013, through financial commitments of 5 to 15 years.
- » Requires any incremental procurement of electricity products from bioenergy resources by a new contract or contract extension of 5 years or longer in duration, to be from a resource that meets emission limits equivalent to, or more stringent than, the applicable best available retrofit control technology.

### **SB-1112 1112 Energy: building decarbonization: notice and recordation of a decarbonization charge.**

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- » Requires CEC to identify state and federal financing or investment solutions, that will enable electrical corporations, community choice aggregators, or other eligible entities to provide zero-emission, clean energy, or decarbonizing building upgrades, by December 31, 2023. Requires CEC to apply for federal financing or investment solutions and provide technical assistance to certain entities to apply.
- » Requires CEC to submit a report to the Legislature describing any statutory changes necessary to improve access to federal funding for financing or investment solutions by December 31, 2023.
- » Requires CPUC, or the governing board of a local publicly owned electric utility or electrical cooperative, to require an energy supplier administering a decarbonization upgrade program or initiative to record a notice of decarbonization charge with the county recorder of the county where the property subject to the decarbonization charge is located, no later than 30 days after funding a decarbonization upgrade.

### **SB-1158 Retail electricity suppliers: emissions of greenhouse gases.**

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- » Beginning January 1, 2028, requires every retail supplier to annually report information to CEC, including their sources of electricity used to serve loss-adjusted load for each hour during the previous calendar year and the GHG emissions associated with those sources. Requires CEC to adopt rules through an open process, subject to public comment, to implement these reporting requirements by July 1, 2024
- » Requires CEC to share specified information with CPUC, CARB, and ISO to publish an annual aggregated summary of the data reported by each retail supplier.
- » Requires CPUC (for all load-serving entities) and the governing board (for each local publicly owned electric utility) to review the total annual GHG emissions and the annual average GHG emissions intensity reported for each load-serving entity or local publicly owned electric utility.
- » Requires CPUC to calculate and publish the percentage of each load-serving entity's local and system resource adequacy requirements from the previous calendar year that was met with capacity from eligible renewable energy, zero-carbon, or energy storage resources.

### **SB-1174 Electricity: eligible renewable energy or energy storage resources: transmission and interconnection.**

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- » Requires each electrical corporation that owns electrical transmission facilities to prepare and submit an annual report on any changes to previously reported in-service dates of transmission and interconnection facilities necessary to provide transmission deliverability to eligible renewable energy resources or energy storage resources that have executed interconnection agreements, and to identify the reason for any changes to the status of in-service dates.
- » Requires CPUC to include in its annual report evaluating electrical corporations' progress in complying with the Renewables Portfolio Standard Program, a systemwide assessment of delays to interconnection or transmission approvals for eligible renewable energy resources or energy storage resources.

### **SB-1208 Low-income utility customer assistance programs: concurrent application process.**

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- » Requires CPUC to develop a process that enables customers to concurrently apply, or begin to apply, to multiple low-income customer assistance programs by June 30, 2024. Requires CPUC to coordinate and consult with state agencies to develop the process, including the Department of Community Services and Development and other agencies providing low-income electric or gas utility customer assistance.
- » Requires the Low-Income Oversight Board to submit a report to the Legislature regarding the opportunity and process for expanding the third-party administrator contract used for the Universal Lifeline Telephone Service program, or establishing a similar new contract, to include water, gas, and electric utility service for purposes of facilitating enrollment between low-income assistance programs, minimizing privacy and data sharing concerns, and expediting eligibility verification processes, by June 30, 2023.

### **SB-1213 Public Utilities Commission and State Energy Resources Conservation and Development Commission: public outreach: community-based organizations.**

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- » Requires CPUC and CEC to collaborate to develop and maintain a list of community-based organizations (CBOs) to help ensure adequate public outreach regarding available programs and incentives, as specified. Requires CPUC and CEC to work with existing committees, boards, and CBOs in developing the list.



### **SB-1251 Governor's Office of Business and Economic Development: Zero-Emission Vehicle Market Development Office: Zero-Emission Vehicle Equity Advocate.**

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- » Continues the zero-emission vehicle division of Governor's Office of Business and Economic Development (GO-Biz) in existence within GO-Biz as the Zero-Emission Vehicle Market Development Office (office).
- » Requires the office to continue to be administered by a deputy director appointed by the Governor. Until January 1, 2028, establishes a Governor-appointed Zero-Emission Vehicle Equity Advocate in the office.
- » Requires the office to steer the development of a shared, cross-agency definition of equity, and to set an equity agenda for the deployment of light-, medium-, and heavy-duty zero-emission vehicles, the supporting infrastructure, and workforce development. Requires the office to develop and adopt an equity action plan as part of a periodic update to the ZEV Market Development Strategy and to notify the relevant policy committees of the Legislature of the information provided in that update.

### **SB-1383 Electricity: storage facilities: standards and records.**

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- » Requires CPUC to implement and enforce standards for the maintenance and operation of facilities for the storage of electricity owned by an electrical corporation or located in the state.
- » Requires ISO to maintain records of storage facility outages and to provide records to CEC on a daily basis.

### **AB-2204 Clean energy: Labor and Workforce Development Agency: Deputy Secretary for Climate.**

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- » Upon appropriation by the Legislature, establishes the position of Deputy Secretary for Climate within the Labor and Workforce Development Agency, to be appointed by the Governor and subject to confirmation by the Senate, for the purpose of assisting in the oversight of California's workforce transition to a sustainable and equitable carbon neutral economy. Requires the deputy secretary to coordinate with relevant state agencies to track state progress in moving toward 100% clean energy and create or coordinate programs with other state agencies to retrain and upskill workers for clean energy jobs.

### **AB-2316 Public Utilities Commission: customer renewable energy subscription programs and the community renewable energy program.**

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- » Requires CPUC to: 1) evaluate each customer renewable energy subscription program (program) to determine if it meets specified goals, 2) authorize the termination or modification of programs that do not meet specified goals, and 3) determine whether it would be beneficial to ratepayers to establish a program, by March 31, 2024. Requires CPUC to submit a report to the Legislature that includes actions taken based on this evaluation with further justification by March 31, 2024.
- » Requires CPUC to establish a program if doing so would be beneficial to ratepayers and to require each electrical corporation to participate, by July 1, 2024.
- » Requires programs to: 1) be complementary to, and consistent with, requirements of the California Building Standards Code, 2) ensure at least 51% of its capacity serves low-income customers, 3) prohibit costs from being paid by nonparticipating customers, 4) require that the construction of community renewable energy facilities comply with prevailing wage requirements, 5) provide bill credits to subscribers, and 6) prioritize the maximum use of state and federal incentives, and accelerate implementation to ensure that time- or quantity-limited federal incentives can be obtained for the benefit of subscribers.
- » Requires CPUC, within 24 months of establishing a program and annually thereafter, to submit a report to the Legislature on the facilities deployed and customers subscribed pursuant to the program.



# 2022-23 Energy Investments

FY 2022-23 California State Budget

View [Assembly Floor Report](#) for additional details.

## Energy Reliability, Relief and Clean Energy Investments (\$ in millions)

AGENCY	PROGRAM	21-22	22-23	23-24	24-25	25-26	MULTIYEAR TOTAL
<b>Ratepayer Relief</b>							
CSD	California Arrearage Payment Program	-	\$1,200	-	-	-	\$1,200
CPUC	Capacity Building Grants	-	\$30	-	-	-	\$30
<b>Reliability</b>							
DWR	Investments in Strategic Reliability Assets	\$1,500	\$700	\$20	\$75	\$75	\$2,370
DWR	Support for Reliability	-	\$3	-	-	-	\$3
CEC	DOE Grid Resilience Match	-	\$5	-	-	-	\$5
CEC	Distributed Electricity Backup Assets	\$550	-	\$100	\$25	\$25	\$700
CPUC	Residential Solar & Storage	-	-	\$900	-	-	\$900
IBank	Transmission & Energy Financing	\$200	0	\$95	-	-	\$250
CEC	Demand Side Grid Support	\$200	-	\$95	-	-	\$295
<b>Clean Energy</b>							
CEC	Carbon Removal Innovation	-	\$50	\$50	-	-	\$100
CEC	Incentives for Long Duration Storage	-	\$140	\$240	-	-	\$380
CEC	Distributed Energy Workload	-	\$1	\$1	\$1	\$1	\$5
CEC	Energy Modeling to Support California's Energy Transition	-	\$7	-	-	-	\$7
<i>Various</i>	AB-525 Implementation	-	\$4	-	-	-	\$4
DWR	Oroville Pump Storage	-	\$100	\$140	-	-	\$240
CEC	Food Production Investment Program	-	\$25	\$50	-	-	\$75
CEC	Offshore Wind Infrastructure	-	\$45	-	-	-	\$45
CEC/CPUC/ CARB	Equitable Building Decarbonization	-	\$182	\$780	\$53	\$92	\$1,107
CEC	Industrial Decarbonization	-	\$100	-	-	-	\$100
CEC	Hydrogen Grants	-	\$100	-	-	-	\$100
GO-Biz	Hydrogen Hub	-	\$5	-	-	-	\$5
CEC	Energy Data Infrastructure & Analysis	-	\$5	-	-	-	\$5
<b>TOTAL INVESTMENTS (\$ in Millions)</b>		<b>\$2,250</b>	<b>\$2,902</b>	<b>\$2,426</b>	<b>\$154</b>	<b>\$193</b>	<b>\$7,926</b>



**Cap and Trade\*** (\$ in millions)

DEPARTMENT	PROGRAM	2022-23
CARB	AB-617 – Community Air Protection	\$210
CARB	AB-617 – Local Air District Implementation	\$50
CARB	AB-617 – Technical Assistance to Community Groups	\$10
CARB	Community Air Monitoring	\$30
CARB	ZEV Package – Clean Cars 4 All & Equity	\$126
CARB	ZEV Package – HVIP	\$600
CARB	Lower Emission Boats	\$20
CARB	HFC Refrigerants	\$10
CARB	Wood Stoves	\$5
CARB	Methane Monitoring	\$10
CalRecycle	Organic Waste Infrastructure	\$180
CalRecycle	Methane reductions from landfills and wastewater treatment	\$10
CDFA	Methane Reduction: Cattle feed	\$10
CDFA	AAMP	\$20
CEC	Cal SHAPE	\$20
CSD	Low-Income Weatherization Program	\$15
<b>TOTAL INVESTMENTS (\$ in Millions)</b>		<b>\$1,421</b>

\*Discretionary funding; does not include baseline support items for various departments. Only includes energy- and emissions-reduction-related allocations in the Cap and Trade section of the State's 2022-23 Budget.

Visit [bit.ly/ARCCA-2022-Update](https://bit.ly/ARCCA-2022-Update) for a companion resource by the Alliance of Regional Collaboratives for Climate Adaptation (ARCCA) that highlights adaptation-related bills and budget allocations.