

# Local Energy Resources Network



**Meeting 14**  
**December 13, 2022**

*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



# Opportunity Roundtable

[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 investments)
- FY 22-23 Budget (\$38.8B climate change)
- Cap and Trade auction revenue allocations (~\$19B raised since compliance began in 2013)
- Other legislative action (e.g. SB 852 local climate resilience financing districts)
- State agency proceedings (e.g. \*CPUC microgrid, \*CEC IPER, \*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)

### Funding

- CEC: CA Automated Permit Processing Program (CalAPP) (\$20M) - due May 2, 2023
- DOE: Program Upgrading Our Electric Grid & Ensuring Reliability & Resiliency - Grid Innovation Program (\$5B from IIJA) - Concept Papers Jan 13, full applications May 19

#### *On the horizon ... (applications anticipated in next 3 months)*

- DOE: Energy Efficiency and Conservation Block Grant (EECBG) (\$550M IILJ) - Q1 2023
- DOE: Building Codes Implementation for Efficiency and Resilience (\$225M) - late 2022
- DOE: Deployment of Technologies to Enhance Grid Flexibility - late 2022
- DOE: Energy Improvement in Rural and Remote Areas (\$1B from IIJA) - late 2022
- DOE: Long Duration Energy Storage Demonstration Initiative - late 2022
- OPR: Adaptation Planning Grant (\$25M; \$10M for Round 1) Round 1: \$10M - late 2022
- OPR: Regional Resilience Planning & Implementation Grant Round 1: \$25M NOFA - Winter 2022/23
- Caltrans: Sustainable Transportation Planning Grants - Jan 2023
- SGC: Affordable Housing Sustainable Communities (AHSC) - Jan 2023
- SCG: Transformative Climate Communities - Feb-March 2023

### Input

- CCEC comment submitted on CEC IEP and EPA Greenhouse Gas Reduction Fund - thank you!
- SGC: Transformative Climate Communities Guidelines - Dec 21
- DOE: Requesting White Papers detailing how Partnership Intermediaries to Support the Development, Scaling, Commercialization, and Deployment of DOE Technologies - Jan 3rd
- DOE: Home Energy Rebate Program (IRA, \$582M allocated to CA) - Listening sessions Nov-Jan 2023)

### Other Assistance

- White House - Electrification Summit Dec 14
- PSI Healthy Energy - Report on Richmond Air Monitoring Network Project - Public Briefing Dec 15
- SGC: Transformative Climate Communities - TA available now to prep for Round 5 (early 2023)



# Opportunity Spotlight

**Presented by:**

**Joshua Nederhood (he/him)**  
Project Associate, TRC





# BUILD

Building Initiative for Low-Emissions Development Program

Presented by:  
BUILD Technical Assistance  
Provider (TAP) Team

## Program Overview



# What is BUILD?

BUILD a residential building decarbonization program that provides incentives and technical assistance to support the adoption of advanced building design and all-electric technologies in new, low-income all-electric homes and multifamily buildings.





# Why Participate in BUILD?



**BUILD**  
Building Initiative for Low-Emissions Development Program  
Program Fact Sheet

The Building Initiative for Low-Emissions Development (BUILD) Program is a residential building decarbonization program that provides incentives and technical assistance to support the adoption of advanced building design and all-electric technologies in new, low-income all-electric homes and multifamily buildings.

<b>300 FREE HOURS</b> of technical assistance for design, development, and construction	<b>\$3,300</b> per unit for multifamily average greenhouse gas incentive
<b>\$2,000,000</b> program cap per applicant	<b>\$5,500</b> per home for single family average greenhouse gas incentive

**Incentives**  
BUILD provides robust incentives consisting of four components:



**New Adopter Design Award**  
BUILD provides eligible applicants constructing their first all-electric, low-income multifamily building (10+ units) with up to \$100,000 design award to offset direct design costs.

**FOR QUESTIONS, EMAIL BUILD AT:**  
[build@energy.ny.gov](mailto:build@energy.ny.gov)

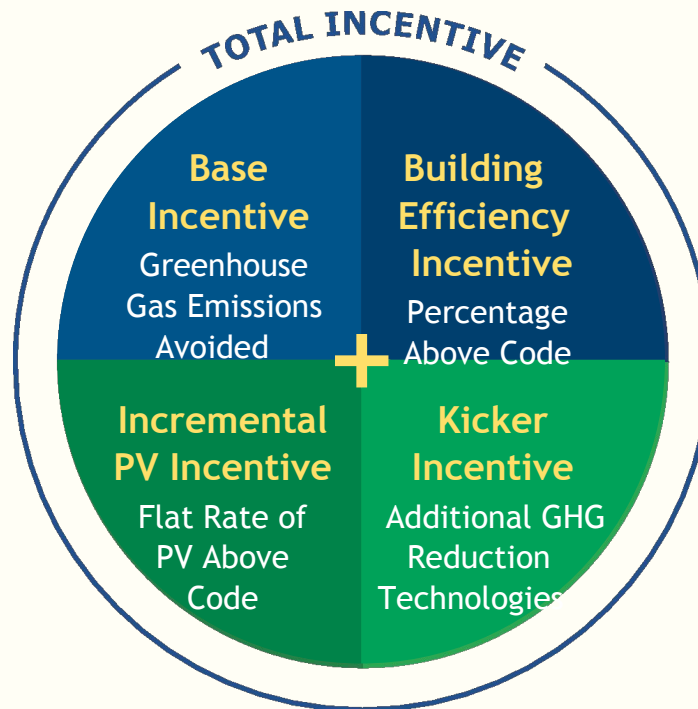
**FOR MORE INFORMATION, VISIT:**  
BUILD Program Website  
[www.energy.ny.gov/building-incentives-and-topics/program/building-initiative-low-emissions-development-program](http://www.energy.ny.gov/building-incentives-and-topics/program/building-initiative-low-emissions-development-program)

BUILD Program Fact Sheet

- Receive up to \$2,000,000 in incentives to reduce construction costs
- Receive up to 300 hours of no-cost technical assistance to overcome design or construction barriers, and to complete an incentive application
- Reduce long-term utility costs for both you and your residents
- Build your in-house capacity for all-electric design and construction
- Prepare for current and future state and local building electrification policies
- Layer funds with other programs and incentives
- Eliminate costs for gas infrastructure

# Incentives Overview

BUILD provides robust incentives consisting of four components:





# Apply for Technical Assistance and Incentive Opportunities

## Questions?

Email [jnederhood@trccompanies.com](mailto:jnederhood@trccompanies.com) or call 510-403-9210

## Technical Assistance Application

<https://www.tfaforms.com/4945354>

## Program Guidelines, Incentive Application and More Information

<https://www.energy.ca.gov/programs-and-topics/programs/building-initiative-low-emissions-development-program>



Program Launch Webinar <https://www.youtube.com/watch?v=K6FkUQ0slo0>



# *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 1279 Muratsuchi

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Establishes state policy to achieve net zero greenhouse gas emissions no later than 2045 and to maintain net zero emissions thereafter and to ensure that by 2045 anthropogenic greenhouse gas emissions are reduced by at least 85% below 1990 greenhouse gas emission levels. Requires the Air Resources Board (ARB) to adopt scoping plan to achieve the above targets and requires ARB by December 31, 2035 to evaluate feasibility and tradeoffs to achieve the 85% reduction target.



# **AB 1738** Boerner Horvath

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Accelerates and expands the availability of EV charging equipment by directing an upgrade to the state's building code which will lead to the earlier installation of such equipment in the parking facilities of multifamily buildings, hotels, motels, and schools.

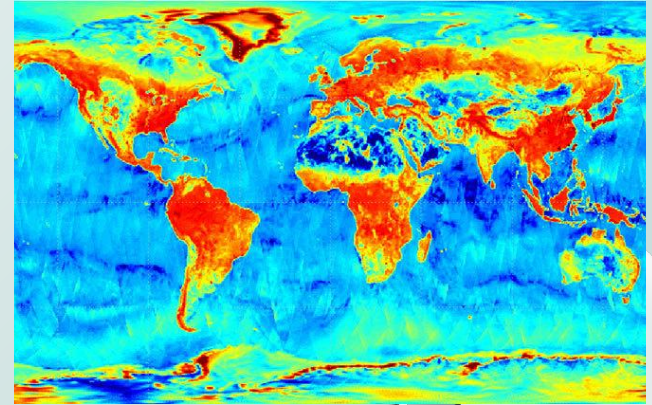




# AB 1757 Garcia, Christina

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Requires the Natural Resources Agency (CNRA) before January 1, 2024 to determine an ambitious range of targets for natural carbon sequestration and nature-based climate solutions to reduce greenhouse gas emissions for 2030, 2038, and 2045 to support achieving carbon neutrality. Requires ARB by January 1, 2025 to develop standard methods to consistently track GHG emissions and reductions, carbon sequestration, and other benefits from natural and working lands.



# AB 2238 Rivas, Luz

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Establishes an extreme heat ranking and warning system for California, providing a clear communication tool for warning vulnerable communities of impending and dangerous heat events. Categories would serve as triggers for policy measures, such as decreasing physical activity outside, limiting certain electricity use, opening cooling centers, and adding more health care capacity to intervene.





# SB 379 Weiner

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Implements instant, online solar permitting in counties with over 150,000 residents to decrease approval times for residential solar and solar-plus-storage systems. Cuts permitting costs for local governments and homeowners.



# SB 852 Dodd

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Permits local governments to form climate resilience districts (CRDs) to plan, finance, and implement climate adaptation and mitigation projects. CRDs have the authority to plan and implement projects to address climate change either through mitigation or adaptation, giving communities and regions the means to focus resources on the most urgent aspects of climate change as determined locally or by coordinating across jurisdictional boundaries.



# SB 905 Caballero

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Requires the ARB to establish a carbon capture, removal, utilization, and storage program to facilitate the capture and storage of carbon and to evaluate the efficacy, safety, and viability of technologies for such purposes. Requires the ARB by January 1, 2025 to develop a unified permit application to expedite the construction and operation of carbon capture and sequestration projects.



# SB 1020 Laird

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Establishes state policy that renewable energy and zero carbon resources supply 90% of all retail sales of electricity to end use customers in California by 2035, 95% of all retail sales by 2040, and 100% of all retail sales by 2045. Requires 100% of all electricity procured by state agencies be renewable and zero carbon by 2035.



# SB 1063 Skinner

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Authorizes the California Energy Commission (CEC) to implement new appliance efficiency standards sooner than one year after adoption or updating upon finding of good cause.





# SB 1137 Gonzalez

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Prohibits new oil and gas wells or reworking existing oil and gas wells within 3,200 feet of residences, schools, health care facilities, and buildings with businesses open to the public.



# SB 1314 Limón

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Prohibits the use of concentrated carbon dioxide, fluid from a carbon dioxide capture, or fluid from a carbon capture and sequestration project for injection fluid for enhanced oil recovery (EOR).







# Roger Dickinson

POLICY DIRECTOR

916-448-1198

[rdickinson@civicwell.org](mailto:rdickinson@civicwell.org)

980 9th Street, Suite 1700 - Sacramento, CA 95814





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ENERGY COALITION

# 2022 Regulatory Overview

## CA Public Utilities Commission Updates

*Steven Moss, LGSEC Regulatory Consultant – Partner, M.Cubed*

*December 13, 2022*

# Demand Spiked Due to Volatile Weather

Statewide demand peaked at to 51,145 megawatts (MW) this year, driven by 115 degree temperatures inland; 80s and 90s closer to coast.

Pacific Gas and Electric Company (PG&E) relies on “fast-trip” outage programs as wildfire management tool. As of September 30, 1,746,822 customer accounts, or between 3.5 and 5.25 million individuals, lost power. 473,062 customer accounts, between 946,000 and 1.4 million individuals, lost power in September alone. Outages lasted an average of six hours.

Strained grid conditions sent wholesale power prices soaring to \$2,000 a MW-hour, ten-fold increase.

Air conditioning load becoming a significant factor.





# Electricity Rates High and Steadily Increasing

## *PG&E and Southern California Edison (SCE) Rate Changes by Advice Letter*



2023 Annual Electric True-Up (AET)	2022	2023
PG&E Advice Letter	6408-E-B	6761-E
SCE Advice Letter	4651-E	4904-E
<b>Present Rates</b>		
SCE Total Rates	\$0.19	\$0.25
PG&E Total Rates	\$0.23	\$0.28
<b>Proposed Rates</b>		
SCE Total Rates	\$0.22	\$0.26
PG&E Total Rates	\$ 0.25	\$ 0.28
<b>Increase from Present</b>		
SCE Total Rates		6%
PG&E Total Rates		2%
<b>Year over Year Increase</b>		
SCE Total Rates		18%
PG&E Total Rates		13%

# New State Funds On Way to Support Clean Distributed Energy Resources

Substantial state funds will be available next year. For example, the fiscal year (FY) 2022 California budget includes \$6.705 billion for energy resiliency, reliability and fossil fuel phase-out programs, as partially reflected in the tables below.

## ***New State Funding for Incentive Programs***

Incentive Program	Amount (millions)
Long-Duration Energy Storage Program	\$380
Hydrogen Program	\$100
Industrial Grid Support and Decarbonization Program	\$100
Food Production Investment Program*	\$75
Equitable Building Decarbonization Program	\$922
Climate Innovation Program	\$525
Carbon Removal Innovation Program	\$100
Offshore Wind Infrastructure Investment Program	\$45
CalSHAPE Ventilation Program*	\$20
<b>Total</b>	<b>\$2,267</b>

## ***New State Funding for Energy Reliability***

Program	Amount (millions)
Distributed Electricity Backup Assets Program	\$700
Demand Side Grid Support Program	\$295
Clean Energy Reliability Investment Plan*	\$1,000
<b>Total</b>	<b>\$1,995</b>



# New Federal Funds Available to Support Cleaner Grid

**California is eligible for roughly \$2.6 billion in federal funds** from the Infrastructure and Investment Jobs (IIJA) and Inflation Reduction (IRA) acts.

These include monies for “Preventing Outages and Enhancing the Resilience of the Electric Grid,” under which \$34 million a year for five years is obtainable to support Community Energy Resilience Investments. Sub-grant funds are available to eligible entities, such as public utility commissions, to invest in enhanced community energy resilience and reliability, decarbonization, and energy justice. *Applications are due March 2023.*

IRA also includes changes to the 30 percent solar tax credit, which allows individuals to invest in a solar system and take the credit. This, in term, enables investors who want to reduce their tax liabilities to invest in renewable projects and secure a solid rate of return over a 30-year period.



## D.22-11-040 – Decision Transportation Electrification Policy and Investment (R.18-12-006)

CPUC adopts transportation electrification program to help accelerate electric vehicle adoption. Five-year, statewide, **\$1 billion transportation electrification program.**

Based on decision:

- 70% of the funds will go towards charging for medium-and heavy-duty vehicles
- 30% will go towards light-duty charging at or near multi-unit dwellings

The program offers rebates for customer side (“behind-the-meter”) EV infrastructure investments at commercial, industrial, and residential sites beginning in 2025

- provides higher rebates for projects in underserved, disadvantaged, and tribal communities.

Funds are in addition to more than \$1.5 billion in federal clean transportation funds



## R.20-08-020 – NEM 3.0 Proposed Decision (PD)

California Public Utility Commission (CPUC) states that “Affordability front and center” in guiding its Net Energy Metering (NEM) 3.0 PD.

### **Key elements:**

- Additional bill credits will be allotted for low-income households to “ensure the solar system payback is just as attractive as the payback for higher-income customers.”
- Will dovetail with the Self-Generation Incentive Program (SGIP), which allocates \$630 million of additional \$900 million residential solar and storage incentives (~70%) to low-income customers.
- New, much lower, export credit.
- Additional fixed costs to be considered in the Demand Flexibility proceeding.

### **Key rationale for PD:**

- Existing residential NEM customers not paying their fair share for grid services, over-compensated for energy contributions.
- Non-residential NEM customers not cost-effective, though this appears to be based on inconsistent application of the “avoided cost” calculator.

## A. 22-09-002 – Application of Sunnova Community Microgrids California

### **Seeks to create “mini-utilities” to serve new developments.**

PG&E, SDG&E. and SCE oppose proposal, asserting that California lacks rules for “micro-utilities”, noting the Commission has a microgrid rulemaking to address this issue.

The Utility Reform Network, Public Advocates Office, Coalition of California Utility Employees, Sonoma Clean Power Authority and Peninsula Clean Energy Authority also oppose or protested the proposal.

California Solar & Storage Association and LGSEC supportive, as a bridge to a more decentralized, community-based system.

### **Raises a host of issues:**

- *Equity*: new development only, at least initially, likely to serve higher-income residents.
- *Municipal consequences*: could be implications to utility franchise fees; need for new building permit expertise. Why not local government, rather than Commission, sponsored?
- *Institutional*: a stepping-stone to a more dispersed system? How to manage retreat from socialized costs?



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# ***Fin: Lots of Issues Up in the Air***

## ***Questions?***

***Steven Moss, LGSEC Regulatory Consultant – Partner, M.Cubed***

# BPC Workshop

## Topic: Discussion



- *Polls:*
  - To what extent do you want the LERN meetings to showcase programs targeting your constituents?
- Next year's CCEC Forum!
- Please help Shape the 2023 Forum
  - [Take the survey](#)

# Local Energy Resources Network



## *What's Next?*

- Next meeting **January X, 2022**
- Please take a few minutes to complete this [feedback survey](#) for LERN to inform our future planning efforts!
- Share [invitation](#) with others



# 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