Conversation Around the Local Government Kitchen Table: How to Address Affordability & Preserve Energy Efficiency ***(Regency Ballroom II, 1:45 - 3:15pm)***

Opening Remarks and Framing

- CA leads clean energy but not adoption of appliances
- For example, The City of Chula Vista is biting around edges of electrification but not addressing core issues of affordability
- We must address the hidden cost shift from climate change that comes from having to spend more prepare and respond to the extreme risk created by fossil fuels
- Leverage existing resources that are in energy ecosystem: LGSEC is one example that enables engagement in regulatory action
- Some of the challenges include:
    - permitting interconnection
    - product availability and user interest
    - high electricity rates
    - workforce,
    - Upfront costs

Steven Moss

- Nothing has really become more affordable in past few years
- Our relationship to energy is more essential we should and is not a commodity
- Demand has been flat for years due to energy efficiency, and installation of rooftop solar, but costs have gone up because the costs of new supply have not been distributed
- Over-forecasting: We keep projecting and planning that demand will go up but regulators did not incorporate that into thinking
- They built it and we have to pay for it, as a result despite flat demand utility profits have soared
- Rates have increased because utility spending on transmission and distribution has increased
- We should ask: Is utility spending worth it?
- Wildfire costs are not the main reason for spending increases, transmission and distribution is bulk of what utilities spend money on
- What can we do when essential projects become too expensive?
    - Buy less of it (regional energy networks)
    - Switch vendors (solar plus storage)
    - Community solar is difficult to get done
    - Create competition -distributed energy, Microgrids, municipalization
    - Other alternatives like establishing a Public/Municipal utility - some have a fraction of costs
- Energy burden is not just energy but includes transportation as well, if households are spending more than 5% of total income on energy that is not good
- Not discrepancy with this analysis and PUC plenary: utilities get paid back through through complex accounting which reflect high administrative costs; they may be be categorizing costs differently
- We should also consider that in a monopoly market, customers in a designated service area don't have a choice of another market

Chris - City of San Luis Obispo

- What is affordability? The exact definition of affordability is highly context dependent, temporal, geographically dependent on income which is distributed quite unevenly
- How we define affordability determines what we spend on: Heating hot tub for second vacation home is not the same as having no access to AC in Las Vegas
- Spark gap: the ratio of electricity of natural gas + efficiency gain from electrification
- How can we scale up decarbonization to meet city climate goals and achieve decarbonization at a local scale?
- City of San Luis Obispo climate goal is to cut pollution from existing buildings by 50% by 2030
- Building sectors goals: Require all electric or mostly electric new buildings to be highly efficient and electric new buildings
- According to SoCal gas data, SLO is decreasing natural gas use over time
- A major challenge is working with only one utility to lower costs
- Solar + hot water heaters are slam dunk (however ability to develop this policy disappeared)
- Tailor local programs to make it possible to serve mobile and manufactured homes
- Work with local cities to support legislative approach and solutions
- Move public advocates office out of PUC and to AGs office
- Make it easier for local governments to enter competitive market
- Regulate rate or return
- Access to low cost public capital
- Local collaboration on energy affordability: Create cohort/coalition of local govts and allied organizations: What are there levers we need to activate to not be in a defensive posture?
- Dealing with loss of AB306: Lack of local govt expertise to make this bill workable was a factor

Aisha - San Diego Regional Energy Network

- Local and holistic affordability solutions
- CPUC doesn't know about rens, which are a new model of administering energy efficiency programs, fill gaps in activities utilities not undertaking, conduct pilots, serving hard to reach populations
- Benefits of regional energy networks: include non-energy benefits, help advise PUC on equity, provide public financing, help fill gaps, and support holistic customer solutions
- Ren funds also go back to the community
- San Diego County profile
  - 3 load serving entities,
  - San Diego ren programs centers on affordability for commercial, residential, industrial buildings

Audience Questions and Answers

- How can we push CPUC to align with state goals?
  - Reflected in ren comments and ex partes, educate and connect the dots for staff who may not be familiar with state goals
- How can ren and local governments coordinate on land use planning like infill development?
  - Join ex parte meetings with leg staff
  - Support local govts to provide testimony about benefits of rens

Small group conversations:

- Regulatory - Steven
- Community scale energy efficiency -Aisha
- Legislative solutions -Chris
- Direct action to lower bills - Ariana

Closing

- Reflect on takeaways: Engage on hoova app: what has been the best rate saving opportunity for you?