# State & Local Energy Climate Coordination (SLECC)

*Coordination meetings between State and local leaders across California*

## Welcome!

**Meeting #11 | July 9, 2025**

In-person | San Jose

*Please download meeting guide*

*Insert your updates on page 7*

# TODAY'S AGENDA

- Welcome & Introductions (featuring CEC Commissioner Gallardo)
- SLECC Purpose & Progress
- State Roles in Local Energy & Climate Initiatives
- Discussion: *Reality Check: What's Really Keeping Californians from Achieving Affordable, Reliable, and Decarbonized Energy*
- State-Led breakouts: CEC, SGC, CARB, OEHHA
- Closing

## SLECC's Purpose

SLECC serves as a **statewide communication and ideation hub to help State and local leaders improve coordinated efforts** to more rapidly unlock the unique potential of California regions and communities to address energy, climate, and land use goals.

SLECC will **identify priority needs and co-create operational solutions to advance place-based energy and climate action**.

Co-facilitated by

CALIFORNIA CLIMATE & ENERGY COLLABORATIVE CCEC

CALIFORNIA STRATEGIC GROWTH COUNCIL

With participation from

STATE OF CALIFORNIA ENERGY COMMISSION

CALIFORNIA AIR RESOURCES BOARD

PUBLIC UTILITIES COMMISSION EUREKA STATE OF CALIFORNIA

OEHHA SCIENCE FOR A HEALTHY CALIFORNIA

CDPH California Department of Public Health

50 Years CALIFORNIA NMVB NEW MOTOR VEHICLE BOARD

CA Governor's Office of Land Use and Climate Innovation

California Alternative Energy and Advanced Transportation Financing Authority

CALIFORNIA GOVERNOR'S OFFICE OF BUSINESS AND ECONOMIC DEVELOPMENT

HOUSING AND COMMUNITY DEVELOPMENT CALIFORNIA

BCSH

Caltrans

# Purpose & Progress of SLECC

***We set out to:*** *Build deeper understanding and stronger collaborative relationships between State and local agencies to identify barriers and streamline/improve delivery of energy and climate information, resources, and services.*

0 Low Engagement and Transparency

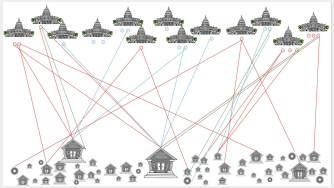
1 More Engagement and Tracking

2 Information Sharing and Shaping

3 Strategic and Streamlined Statewide Coordination

4 Regional Coordination and Project Pipelines

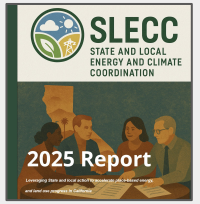
5 Document, amplify and empower



Local Energy Resources Network

SLECC

REACH

# Progress of SLECC - Priorities Elevated

| Climate Action | Housing & Climate Nexus | Community Resilience | Clean Energy Transition | Clean & Active Transportation |
|---|---|---|---|---|
| Planning capacity | Building affordable housing | Access to vulnerability information | Regulatory & IOU decisions & investments | Transportation electrification |
| GHG source data | Infrastructure needs | Infrastructure needs (energy, water, transp) | Siting and permitting | Car dependance and Vehicle Miles Traveled |
| Transitioning to action | Balancing nature/land protection | Natural and working lands | Affordability & residential decarbonization | Active transit |
| Legal hurdles | Permitting & processes | Adaptive capacity to extreme climate events | Infrastructure and load constraints | Inclusive mobility |
| Equitable implementation | Integrated land use planning | Support for CBOs and frontline communities | Workforce | Congestion |
| **Cross-cutting Themes** | | | | |
| Meaningful and Equitable Engagement | | | | |
| Governance and Institutional Coordination | | | | |
| Funding Access and Capacity Building | | | | |

# State Roles in Local Energy & Climate Initiatives

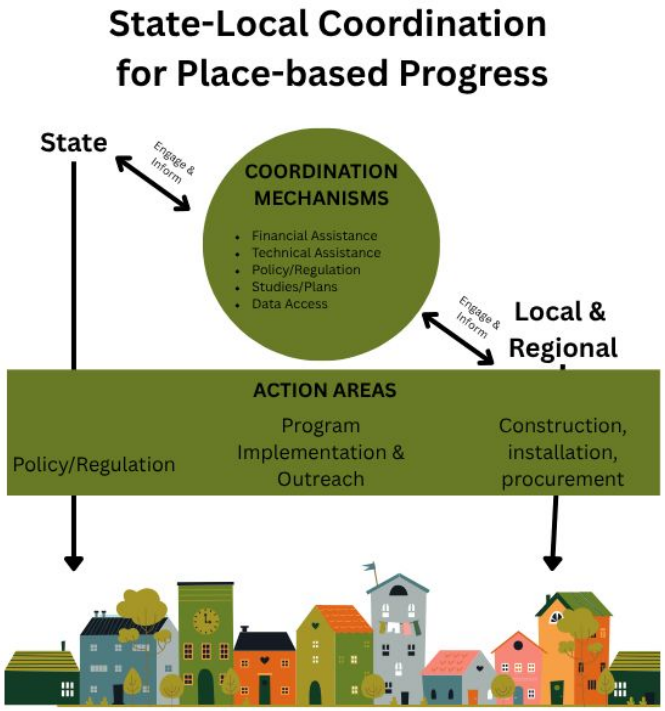
Last year we tackled local roles…

| PUBLIC CONSTRUCTION, INSTALLATION, PROCUREMENT |
|---|
| Build community solar |
| Install solar on public buildings/facilities |
| Install storage on public buildings/facilities |
| Install and operate microgrid on public buildings/facilities |
| Install solar on affordable housing developments |
| Conduct energy retrofit on municipal buildings |
| Conduct energy retrofit on schools |
| Install EV charging (with economic development e.g. station with retail) on public lands |
| Procure EV Fleet |
| Replacement of traffic signals and street lighting with energy efficient lighting technologies |
| Urban greening/open space projects |
| Develop or join a joint energy procurement program for regional municipalities |
| Conduct wildfire emission mitigation (e.g. fuels reduction) |
| Establish and operate community resilience centers |
| Consider energy options as part of facility condition assessments |
| Install water efficiency measures on public facilities and parks and optimize water/energy operations |
| Other? |
| Other? |

| COMMUNITY PROGRAM IMPLEMENTATION, OUTREACH |
|---|
| Establish or join CCA |
| Provide direct install or other incentive for low/moderate income home energy improvements (efficiency, electrification, solar, storage) |
| Provide audits, incentives, and contractor/resident support for home energy improvements (efficiency, electrification, weatherization, solar, storage) |
| Provide audits and incentives for commercial energy improvements (efficiency, electrification, solar, storage) |
| Provide audits and incentives for nonprofit energy improvements (efficiency, electrification, solar, storage) |
| Provide audits and incentives for schools and colleges (efficiency, electrification, solar, storage) |
| Develop non-profit or commercial sector microgrids |
| Development and implementation of programs to conserve energy used in transportation |
| Administer building permit incentives to encourage deeper retrofits |
| Conduct workforce development/training for energy/contracting trades and building departments |
| Provide sequestration/healthy soils incentives and services |
| Provide incentives for agricultural efficiency |
| Provide rebates for EV and electric bikes |
| Provide incentives for public transportation |
| Compensate and empower equitable community policy engagement |
| Provide community education on benefits of efficiency, electrification, EV, solar and storage |
| Implement a community tree planting plan |
| Provide public energy and electrification education and communications |
| Provide technical assistance for public and private transportation electrification and EV fleet and charging, including accessing funding |
| Help build community/CBO capacity to engage and partner |
| Other? |

| POLICY, PLANNING, LAND USE |
|---|
| Adopt energy efficiency and electrification reach codes |
| Adopt a net-zero municipal building policy |
| Adapt solar-ready new construction ordinance |
| Enforce California Energy Code |
| Adapt building performance standards for all buildings |
| Develop or update general plans pertaining to solar and storage |
| Amend zoning or development codes to enable mixed-use, walkable, and compact infill development (e.g. allowable density of the neighborhood) |
| Simplify permitting requirements for solar and storage |
| Create a solar overlay zone |
| Develop benchmarking ordinance |
| Develop or modify and implement parking policies |
| Completion of GHG Inventory and Climate Action Plans |
| Completion of Climate Adaptation Plans and/or Hazard Mitigation Plan |
| Participate in regional climate planning |
| Completion of electrification assessments and planning |
| Completion of Strategic Energy Plan, including generation opportunities |
| Completion of plan to manage mobility and reduce VMT |
| Completion of energy resilience/load capacity plans |
| Completion of sustainable transportation or smart growth plans |
| Completion of Active Transportation Plan |
| Completion of EV transition plan |
| Assist with forest and wildfire management planning |
| Amend affordable housing policies and contracts to encourage development of efficient, electrified, and solar-powered affordable housing |
| Develop plan for urban greening |
| Policies to preserve natural and working lands |
| Engage in collective efforts to inform or influence state or federal policy, regulations, or programs, regional markets, or utility and industry priorities (e.g. utility data access) |
| Conduct economic studies to create jobs and ready energy /climate workforce |
| Develop an Equity Action or Just Transition Plan |
| Other? |

# State Roles in Local Energy & Climate Initiatives




## Key Survey Results

### Your Feedback

- What roles does the State play directly and indirectly (in coordination with locals) to support or hinder place-based progress? Think about your current initiatives.

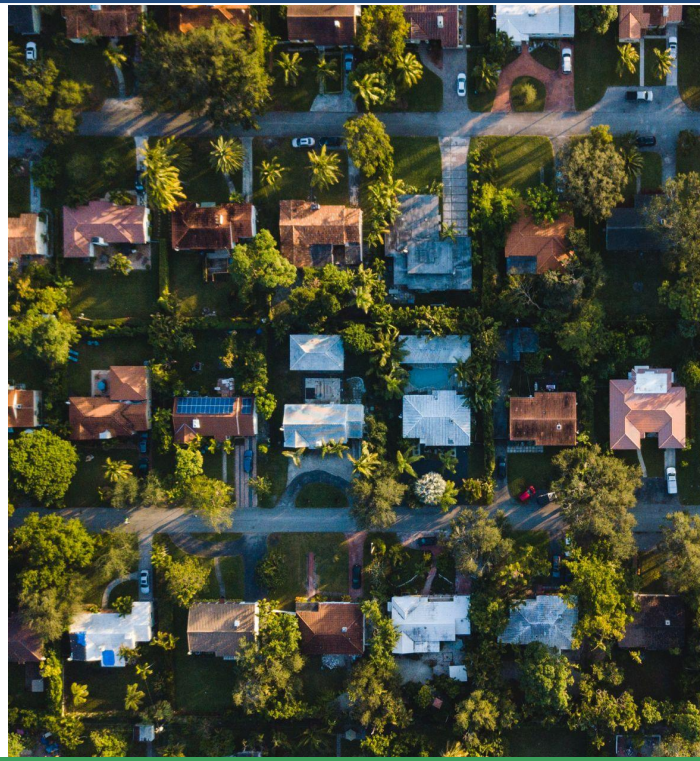
- How should the roles that the state is playing to advance local, energy, and climate priorities and initiatives change in 2025 and beyond in light of changes at federal and state level?

# Key Discussion

## Reality Check:
## What's Really Keeping Californians from Achieving Affordable, Reliable, and Decarbonized Energy

***Complex and intersecting energy realities exacerbate dual climate and affordability crises:***

- ➔ *GHG emissions from carbon-heavy energy use = more severe and frequent events like wildfires*
- ➔ *Wildfires and related outages = disrupt economic and community activities that depend upon reliable energy already strained by aging grid infrastructure and service capacity constraints*
- ➔ *Increasing utility spending in areas like wildfire mitigation and transmission infrastructure is largely responsible for increased rates in recent years*
- ➔ *Higher electric rates make the financial case for electrification in CA's households more difficult = delaying a key strategy to meet state and local emission targets*
- ➔ *To lower customer bills, some state leaders suggest reducing investment in energy efficiency and electrification programs that are critical to both lowering emissions, energy use and maintaining low costs.*



# What's Really Keeping Californians from Achieving Affordable, Reliable, and Decarbonized Energy

## Featured Speakers

- **Steven Moss**
  LGSEC & M3
- **Alejandra Tellez**
  Ventura County & 3C-REN
- **Nik Kaestner**
  City/County of San Francisco

*Followed by dialogue between state agency and local government representatives*

## What have we already heard?

### Clean energy transition barriers already gathered via SLECC

- **REGULATION, PROCESSES & AFFORDABILITY:**
  - Transitioning vehicles and buildings to clean electric fuels is challenging due to electrical capacity constraints, delayed load studies, and long interconnection queues managed by the utilities
  - Disproportionate IOU political influence often results in investments and policies that discourage clean energy deployment or favor centralized utility infrastructure rather than distributed, localized energy resources
  - Siting, planning, and deciding on utility-scale energy infrastructure projects lacks transparency and faces community resistance in some areas, often those most remote, leading to expensive delays
  - Global dependencies and geopolitical risks in the clean energy industry slows progress towards clean energy goals
  - Residential energy bills are not affordable for many, especially in IOU territories, making electrification initiatives more difficult. CA must adequately address the real cost drivers rather than dismantling energy efficiency programs that help lower customer costs.
  - Adopting reach codes can be highly political and result in legal challenges, and now faces moratorium
  - Interpretation and enforcement of CA Building Standards is inconsistent across jurisdiction
  - There is a lack of state-level coordination between utilities and policy makers to align clean energy priorities and implementation across the state.
- **WORKFORCE**: The market of qualified workers necessary to construct and install clean energy projects and retrofits is not large enough, especially outside of major urban centers.
- **DATA:** Lack of or inconsistent access to data and information that can inform CAPs, capital projects, and cost/affordability impact analyses
- **FUNDING:**
  - Making home decarbonization retrofits affordable, especially for low-income households, necessitates a more coordinated effort to identify and use all capital and programmatic options
  - Lack of sufficient, accessible, flexible, and reliably recurring funding/financing to support widespread implementation of place-based clean energy projects and decarbonization initiatives that don't extract too much capacity to obtain and administer
- **INFRASTRUCTURE**: Insufficient and aging infrastructure (e.g. battery storage, smart grid, transmission) cannot adequately support or optimize growing energy demand (e.g EVs, VPPs, AI, data centers, housing), the rapid transition to renewables, abundant day-time energy, and reliability as climate impacts increase.

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**Contact us:** contact@lgsec.org

# Climate and Energy Forum

## Steven Moss

# Why California's Investor-Owned Utility Rates are so High


**Utility spending drives rates**

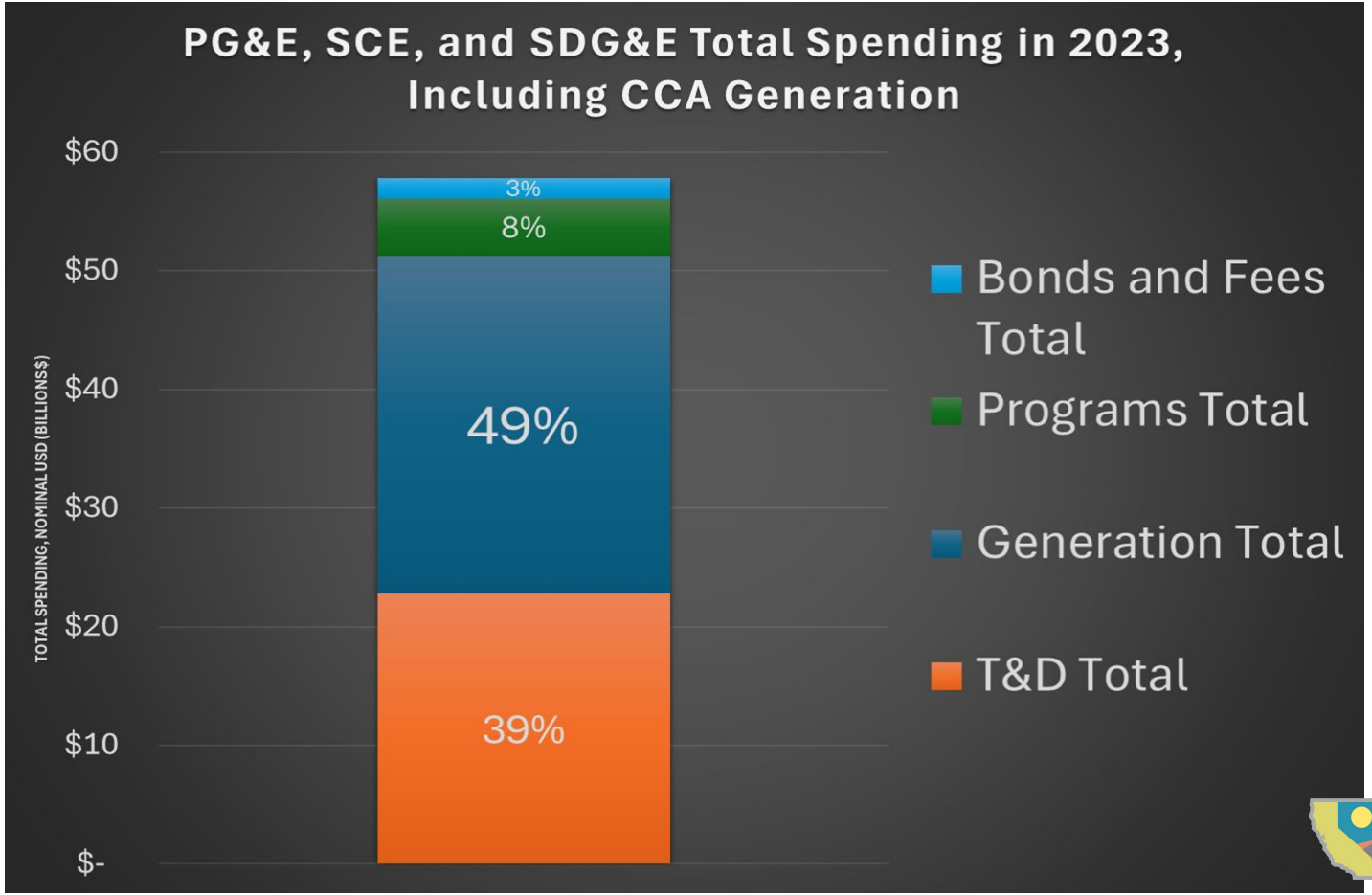
- Programmatic and wildfire spending reflect a modest, if likely growing, portion

Rooftop solar and energy efficiency generally reduce IOU revenue requirements

- The state's loading order[10] emphasizes using less energy

Key question is how to control utility spending.

M.CUBED
POLICY ANALYSIS FOR THE PUBLIC AND PRIVATE SECTORS

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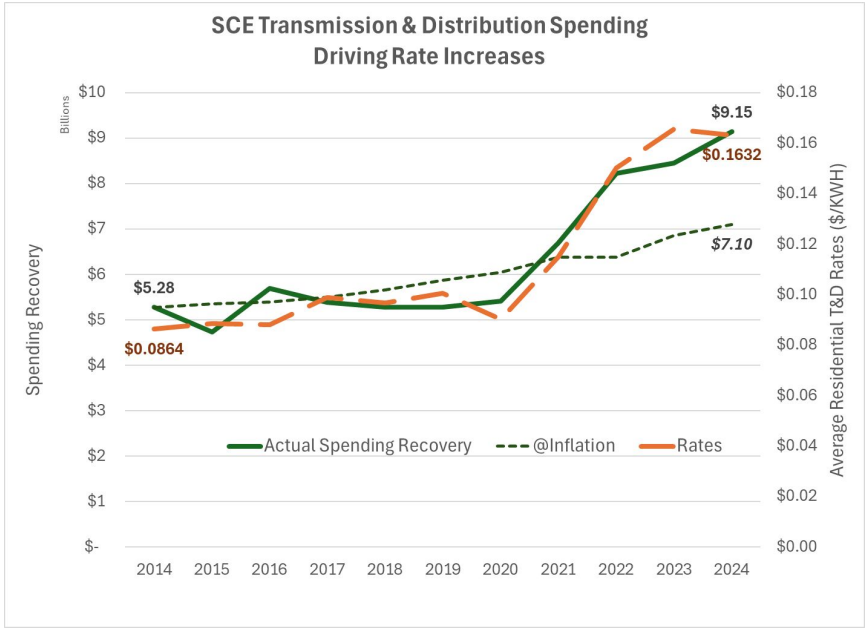
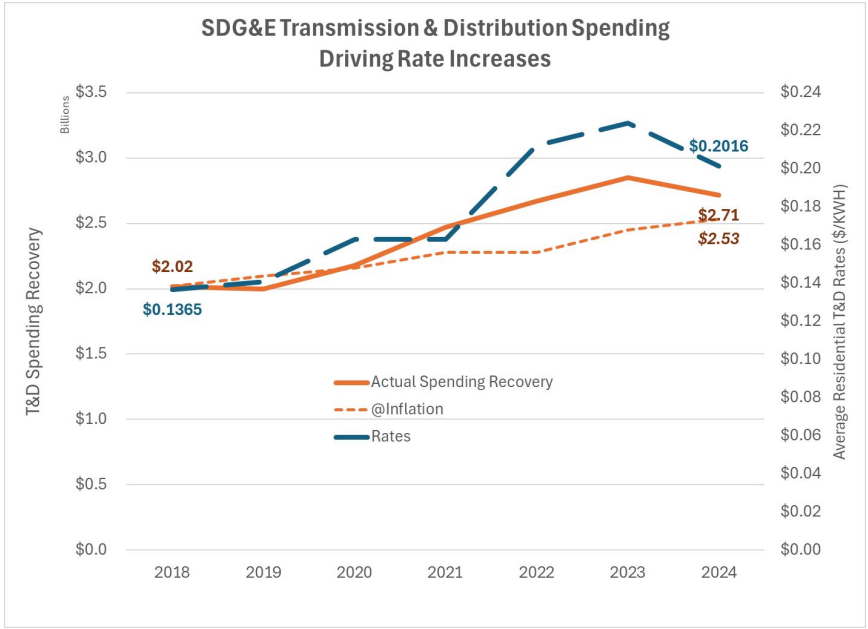
Programs includes non-bypassable charge-funded initiatives, such as California Alternate Rates for Energy, nuclear decommissioning, and energy efficiency.

# Rates Track Spending for All IOUs




If rate increases were due to largely to net-energy metered solar installations, utility spending would increase less than rates.

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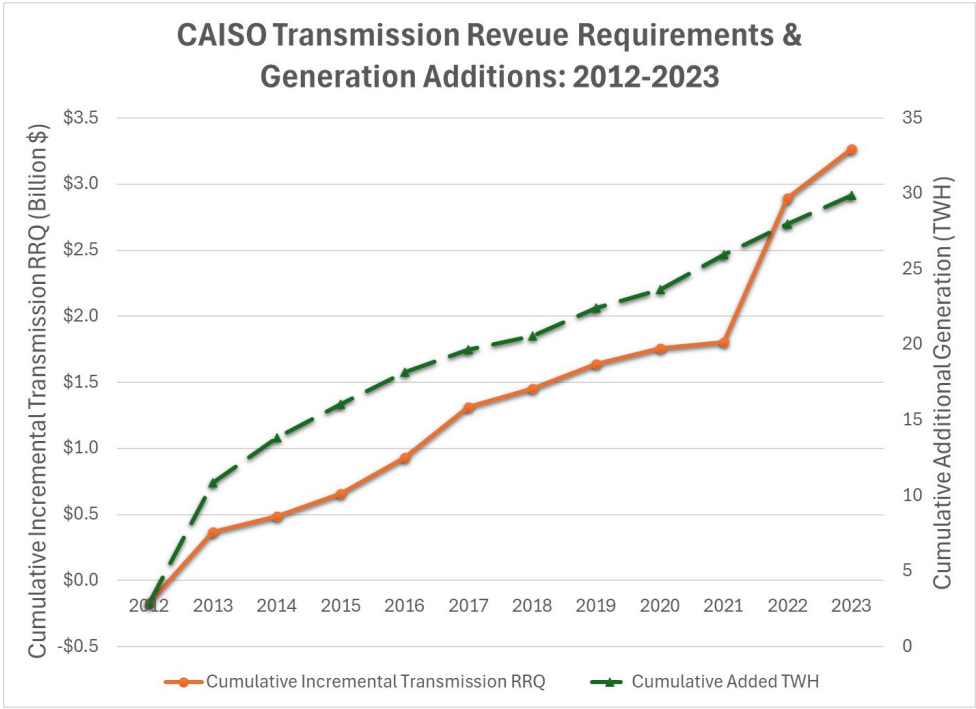
# New Transmission Is Expensive

- New generation drives transmission spending
- California Independent System Operator area added 30 terawatt-hour of new generation 2012 to 2023
- The three utilities added $3.3 billion in annual revenue requirements during the same period
- The added transmission cost was 12.5 cents per kilowatt-hour

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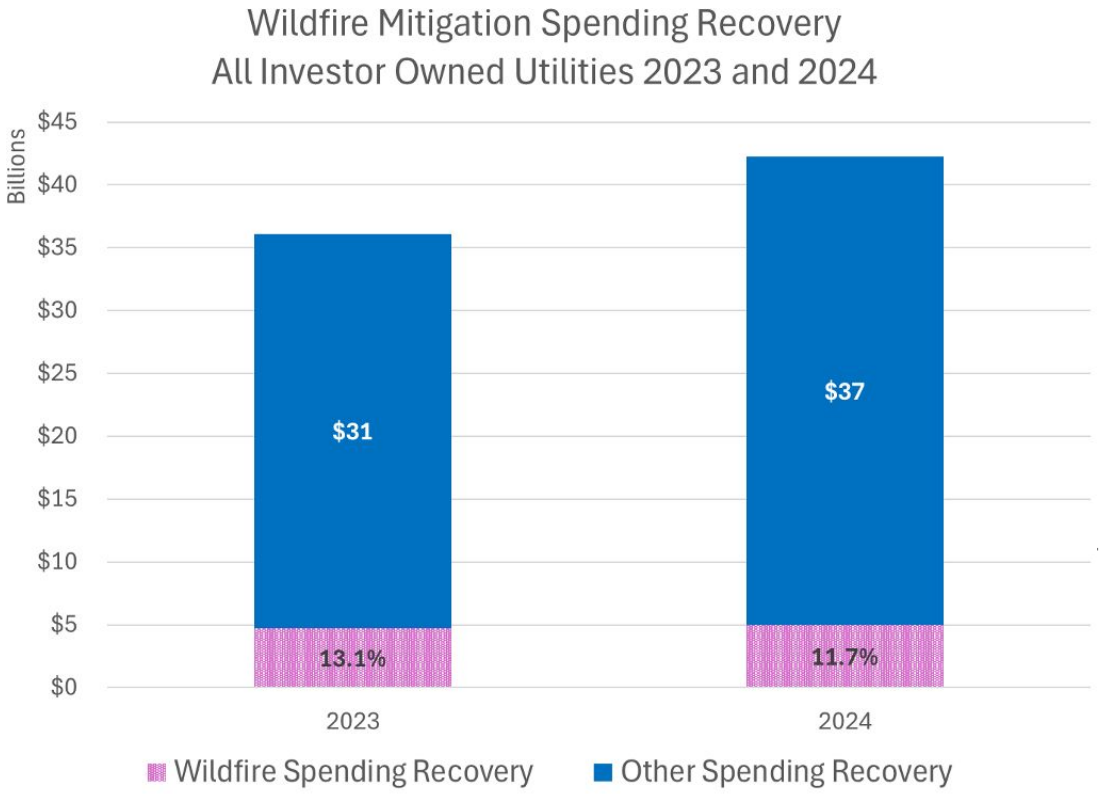
# Wildfire Costs Are Not The Main Reason For Spending Increases (Yet)




Wildfire expenditures may be 12% of costs, but rates have increased ~75% over the last four years.

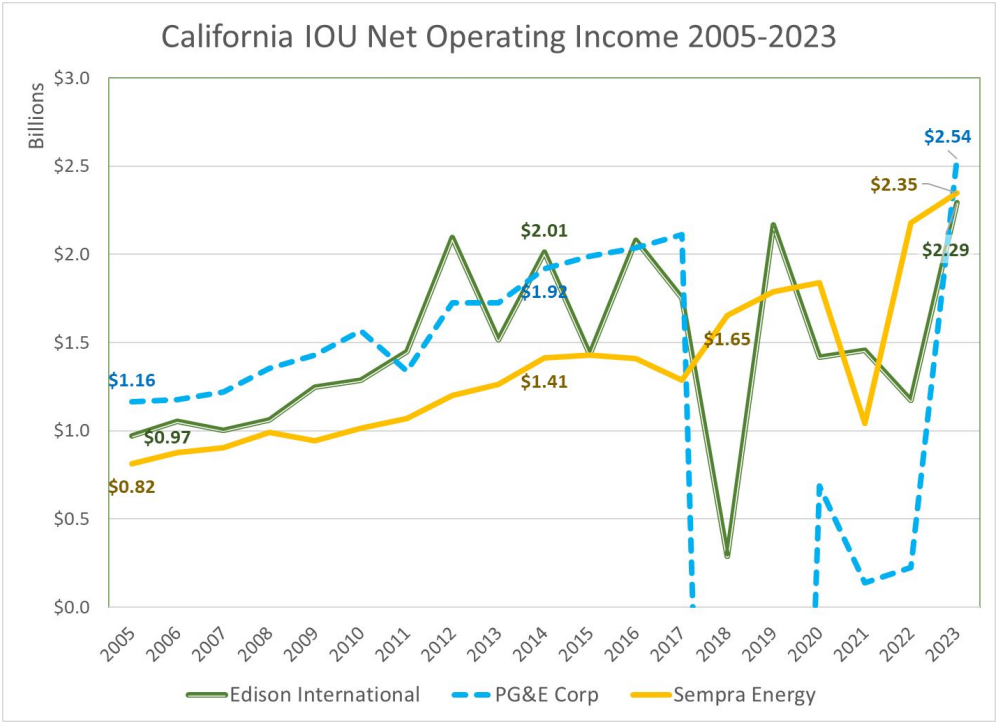
M.CUBED
POLICY ANALYSIS FOR THE PUBLIC AND PRIVATE SECTORS

# Despite “Affordability Crisis,” Utility Profits Have Soared

**IOU profits tied to expenditures.**

Any company with shareholders must conduct business in the best interest of the shareholders and company itself.

Despite flat demand for their product over the past twenty years, IOUs grew their profits almost 150% since 2005.




Source: FERC Form 1



M3 POLICY ANALYSIS FOR THE PUBLIC AND PRIVATE SECTORS
M.CUBED

# Pathways to Affordability

**Legislative Reform**

- Rebalance shareholder responsibility through transparent mechanisms.
- Open-up DER market, by enabling “over-the-fence” vending, modifying “duty to serve,” and combining fuel switching with grid-DER switching policies.
- Move Public Advocate's Office to Attorney General for more independence,

**Regulatory Reform**

- Reduce authorized investor equity returns
- Closely audit utility spending and penalize misspending
- Add local bottom-up resources, such as microgrids and distributed solar and storage, to displace expensive utility spending
- Order utilities to adopt more cost-effective wildfire management strategies and investment

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# 2025 City Rate Advocacy

## Envisioning a decarbonized and affordable energy future

*Nik Kaestner, SF Environment Department*

English Español 正體字 Filipino Русский Tiếng Việt

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# Electrify your home

# CA Average Residential Rate

## (inflation adjusted)


*(1976) Utility Energy Efficiency Programs Founded

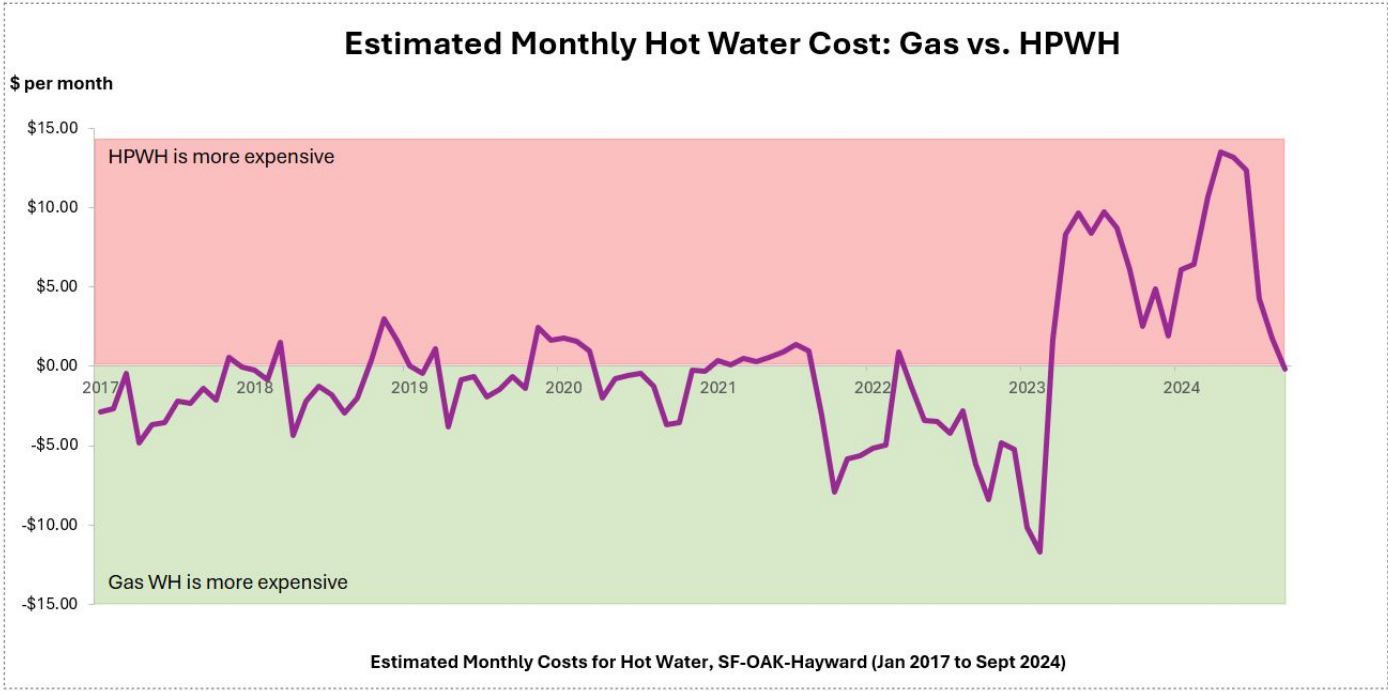
# California regulators approve fourth PG&E rate increase of the year

By **Kate Galbraith**, Climate Editor
Updated Sep 12, 2024 3:36 p.m.

# ‘Like you’re getting punished’: Californians stunned by skyrocketing PG&E bills

By **Julie Johnson**, Reporter
Feb 4, 2024

# Contextualizing Higher Operational Costs




Estimated Monthly Costs for Hot Water, SF-OAK-Hayward (Jan 2017 to Sept 2024)

# Goals

## Affordability & Equity

Minimize energy burden & equitably distribute costs of expanding and maintaining the grid

## Sustainability

Promote decarbonization of the building and transportation sectors & power the State with renewables

## Resilience

Ensure that the grid provides safe and reliable energy for our residents and economy

# Theory of Action

Cities matter!

# Principles

## Our North Stars

**Open to Ideas**

Seek ideas from a variety of stakeholders

**Focus on Big Driver**

Identify the main culprits of high electric rates

**Incremental Approach**

Start with achievable wins; big changes will take time

**Work Across Jurisdictions**

Align with municipal utilities, CCA's, and RENs

**Seek Consensus**

Identify solutions supported by cities around the State

# Approach

| Table Setting | Prioritization | Strategy | Action |
| --- | --- | --- | --- |
| A shared understanding of energy affordability issues. | Developing a collective set of rate advocacy priorities | Identifying action steps to advance priorities | Engaging in legislative and regulatory advocacy |

# DISCUSSION: SUGGESTED PROMPTS

***Reality Check:***
***What's Really Keeping Californians from Achieving Affordable, Reliable, and Decarbonized Energy***

- What questions or responses do you have for our panelists?
- How is affordability and reliability affecting your community (e.g. other priorities like electrification, public health)?
- What if rates never go down?
- How do we continue to advance energy efficiency and electrification amid affordability concerns?
- How do we solve these interconnected problems?

# State-Led Breakout

## *Select a breakout to inform active state initiatives!*

*30 minutes then turn for report out and closing*

**Breakout 1:** (Mainroom): **SB 100 Implementation Challenges and Opportunities** (Led by Jacqueline Jones, CEC)

**Breakout 2:** (Adjacent room, roundtable discussion) **Structures for local and regional coordination for climate action** (Led by Sean Kennedy, Strategic Growth Council)

**Breakout 3:** (Adjacent room, roundtable discussion) **Advancing Medium- and Heavy-Duty Zero-Emission Transportation** (Led by Larry Rillera, California Air Resources Board)

**Breakout 4:** (Adjacent room, roundtable discussion) **CalHeatScore - a novel heat warning tool for California** (Led by Felicia Chiang, OEHHA)

*See breakout descriptions*

# Discussion: Progress on Barriers to Local Climate Action

## Breakout 1: SB 100 Implementation Challenges and Opportunities

**Breakout 1:** (Mainroom): **SB 100 Implementation Challenges and Opportunities** (Led by Jacqueline Jones, CEC)

**OUTLINE**

- ★ Overview of 2025 SB 100 Report and input needed
- ★ Roundtable discussion to inform implementation challenges in opportunities
  - How have implementation challenges changed?
  - What's keeping your community or region from actualizing clean energy targets?
  - What opportunities can we use to our advantage (e.g. scaling up successes)?

### Clean energy transition barriers already gathered via SLECC

- ★ **REGULATION, PROCESSES & AFFORDABILITY:**
  - Transitioning vehicles and buildings to clean electric fuels is challenging due to electrical capacity constraints, delayed load studies, and long interconnection queues managed by the utilities
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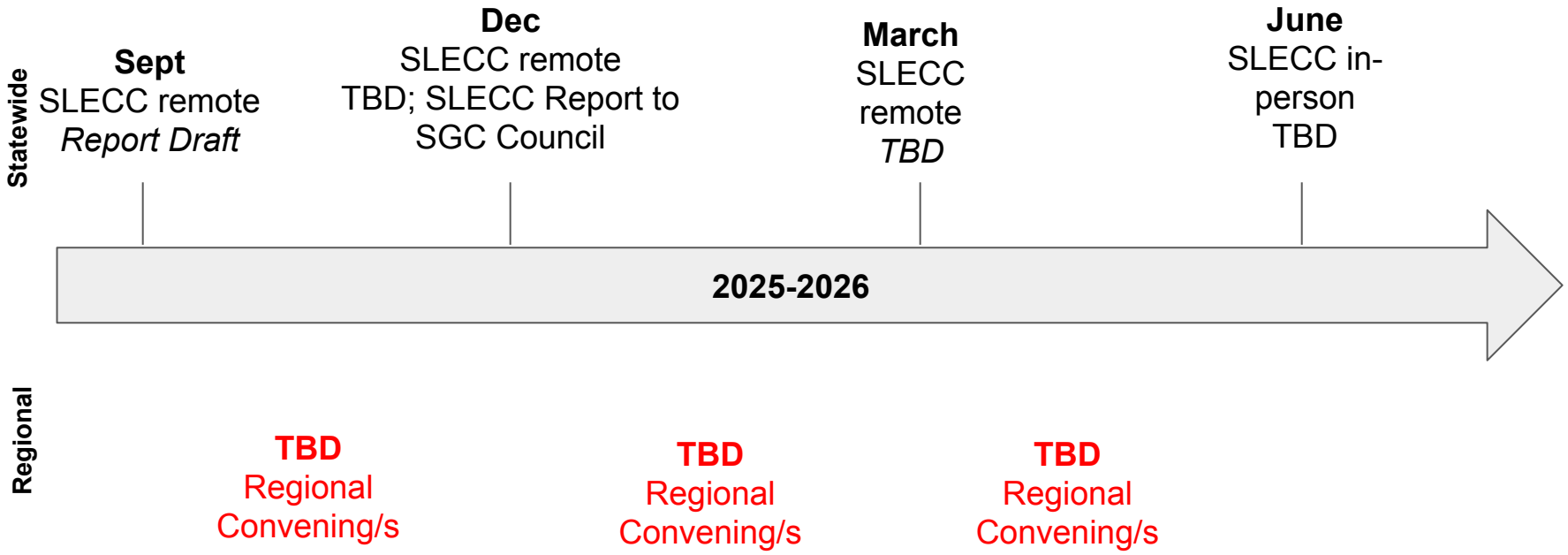
# Report Out

***What are the most constructive ideas that came out of your breakout?***

*1 minute per group*

# What's Next for SLECC

## State and Local Coordination & Engagement (2025-2026)



***Contact Angie Hacker***
***ahacker@civicwell.org***

# *What's Next?*

- Compile notes
- Next SLECC statewide meeting date: September 4, 2025 (remote)
  - Draft SLECC 2025 Report
- Will use survey results on key coordination needs to ID future meeting topics

***Thank you for continued help improving state-local coordination!***