

VALLEY CLEAN ENERGY ALLIANCE**Staff Report – Item 7**

To: Board of Directors

From: Mark Fenstermaker, Pacific Policy Group

Subject: Legislative Update – Pacific Policy Group

Date: September 8, 2022

Staff, VCE's lobby services consultant at Pacific Policy Group, and the Community Advisory Committee's Legislative - Regulatory Task Group continues to meet and discuss legislative matters. Below is a summary of the last year of the two year session.

The 2021-22 legislative session came to a conclusion in the wee hours of Thursday, September 1 following the passage/failure of one of the most impactful measures of the session. SB 846 by Senator Dodd extends the operations of the Diablo Canyon Nuclear Facility from 2025 to 2030 and provides a \$1.4 billion loan to PG&E to facilitate the extension. A top priority of Governor Newsom, the Diablo Canyon extension was the bill of all bills in the final days of session.

There were plenty of other high-profile climate and energy proposals voted on in the final couple of days. A package of bills to increase California's climate and clean energy ambitions, from putting more stringent greenhouse gas reduction goals for 2030 (AB 2133 (Quirk)) or a 2045 goal to achieve carbon neutrality (AB 1297 (Muratsuchi)) to interim clean energy targets on the way to 100% clean energy by 2045 (SB 1020 (Laird)), the end of the session has put California on a new path to confront climate change.

In addition to these significant policy bills, the final budget for Fiscal Year 2022-23 provided billions of dollars for electric vehicles and hundreds of millions of dollars to decarbonize homes, businesses, and industries. A new program at the California Energy Commission will receive \$100 million to provide rebates and other incentives to homeowners to install energy efficient electric appliances, energy efficiency measures, demand flexibility measures, wiring and panel upgrades, building infrastructure upgrades, efficient air conditioning systems.

The end-of-session scrum also provided some foresight into what may be an issue CCAs must fight in the 2023 legislative session. In response to the Governor's Diablo Canyon proposal, a handful of Assemblymembers crafted an alternative proposal that would provide funding and policy provisions to incentivize the acceleration of constructing and interconnection of more clean energy generation resources. One such provision sought to penalize load-serving entities (LSEs) with prior Resource Adequacy citations or penalties by barring those LSEs from adding

new customers or increasing their load. CalCCA and individual CCAs did a hard press on this provision and the alternative proposal and successfully kept the concept from gaining any traction. Despite winning this round, it is possible, and maybe even likely, that a similar proposal resurfaces next year.

The following chart provides an overview of bills that staff, Pacific Policy Group, and the Community Advisory Committee's Legislative - Regulatory Task Group monitored and engaged on throughout the year. It also shows those bills where VCE took a position.

Measure	Summary	Outcome	VCE Position	CalCCA Position
SB 846 (Dodd)	Extends the operation of the Diablo Canyon Nuclear Facility to 2030 and loans PG&E \$1.4 billion to facilitate the extension.	Passed Legislature	None	None
AB 1297 (Muratsuchi)	Requires California to be carbon neutral by the year 2045.	Passed Legislature	None	None
AB 2133 (Quirk)	Increases the state's 2030 climate goals from 40% below 1990 levels to 55% below 1990 levels	Failed Asm. Floor	None	None
SB 905 (Caballero)	Requires the CA Air Resources Board to create a program and regulatory framework for Carbon Capture and Sequestration (CCS) projects	Passed Legislature	None	None
SB 1020 (Laird)	Requires load-serving entities to procure a minimum of carbon-free energy resources to reach goals of 90% carbon-free by 2035 and 95% by 2040. In addition, all state agencies shall be served by 100% carbon free energy by 2035.	Passed Legislature	None	None (MCE and Sonoma Supported)
SB 1137 (Gonzalez)	Prohibits the permitting for new oil & gas wells within 3200 feet of a home, school, hospital, or other sensitive receptor.	Passed Legislature	None	None
AB 1814 (Grayson)	Sought to authorize CCAs to submit applications to the CPUC to receive funding to administer transportation electrification programs in their service areas	Failed Assembly U&E	Support	Sponsor

SB 833 (Dodd)	Sought to require the CEC to implement a grant program to for local governments to develop community energy resilience plans	Failed Senate Approps	Support	None
SB 881 (Min)	Sought to authorize the CPUC to assess penalties or require additional procurement, which could be undertaken by an IOU, of an LSE who fails to meet its procurement obligations in its IRP.	Failed Senate Approps	Oppose Unless Amended	Oppose