
**SENATE COMMITTEE ON ENERGY, UTILITIES AND
COMMUNICATIONS**
Senator Ben Hueso , Chair
2021 - 2022 Regular

Bill No: SB 99 **Hearing Date:** 4/19/2021
Author: Dodd
Version: 4/12/2021 Amended
Urgency: No **Fiscal:** Yes
Consultant: Nidia Bautista

SUBJECT: Community Energy Resilience Act of 2021

DIGEST: This bill establishes a new program, the Community Energy Resilience Act of 2021, upon appropriation by the legislature, administered by the California Energy Commission (CEC) to develop and implement a grant program for local governments to develop community energy resilience plans and expedite permit review of distributed energy resources.

ANALYSIS:

Existing law:

- 1) Establishes within the Natural Resources Agency the State Energy Resources Conservation and Development Commission (CEC). (Public Resources Code §25200 *et seq.*)
- 2) Assigns the CEC various duties, including applying for and accepting grants, contributions, and appropriations, and awarding grants consistent with the goals and objectives of a program or activity the CEC is authorized to implement or administer. (Public Resources Code §25218)

This bill:

- 1) Establishes the Community Energy Resilience Act of 2021, which requires the CEC to develop and implement a grant program for local governments to develop community energy resiliency plans and expedite permit review of distributed energy resources.
- 2) Authorizes a community choice aggregator (CCA) or other regional energy collaborative to apply for funding and prepare a community energy resilience plan on behalf of one or more of the local governments it serves upon request of that local government.

- 3) Sets forth guiding principles for plan development, including equitable access to reliable energy, as provided.
- 4) Requires plans to be consistent with the city, county, or city and county general plan and other local government planning documents.
- 5) Requires a plan to, among other things, ensure that a reliable electricity supply is maintained at critical facilities and identify areas most likely to experience a loss of electrical service.
- 6) Requires a public utility to share information identifying critical facilities and areas most likely to experience a loss of electricity with the local government, CCA, or regional energy collaborative that is preparing a community energy resilience plan.
- 7) Authorizes grant funding awarded to be expended to complete environmental clearance of community energy resilience projects identified in the plan.
- 8) Requires the CEC to maintain a publicly available and searchable database of all local-governments, CCAs, or regional energy collaboratives receiving grant funding pursuant to the program, including information on specific plan projects.
- 9) Requires a local government, CCA, or regional energy collaborative, as a condition of receiving grant funding, to submit its plan and a report of project expenditures to the CEC within six months of completing the plan.
- 10) Requires the CEC to annually report specified information about the grant program to the Legislature and post the report on its internet website.

Background

California wildfire and electric utility infrastructure. Electrical equipment, including downed power lines, arcing, and conductor contact with trees and grass, can act as an ignition source. Risks for wildfires also increased with the extended drought and bark beetle infestation that has increased tree mortalities and, as a result, increased the fuel, and risk for wildfires. In recent years, California has experienced a number of catastrophic wildfires, including several catastrophic wildfires ignited by electrical utility infrastructure.

Recent history with power shutoffs. In order to mitigate against having utility equipment ignite fires, the state's three electric investor-owned utilities have proactively shutoff power on circuits that could pose risks during high wind events. As utilities have increasingly utilized proactive power shutoffs as a tool to prevent igniting a wildfire, many communities have been left scrambling to provide backup power for their residents and critical facilities. Additionally, wildfires themselves have damaged electric infrastructure and caused extended loss of power. With the increasing risks of natural disasters and the utilities use of proactive power shutoffs, local governments are seeking to better plan for these events. However, in many cases, local governments are seeking funding from the state or federal government to help them prepare for these events or better plan for potential unexpected events.

California provides funding for back-up power to local governments. After widespread proactive power shutoffs affected millions of California residents for several days in recent years, local governments expressed great frustration over their challenges to have their communities, including critical facilities, better prepared for the loss of power. In the aftermath of the event, the California Public Utilities Commission (CPUC) updated notification and reporting protocols. The Governor and Legislature also responded with changes to utility protocols for deenergizing electric lines and with funding to provide back-up power resources to local governments and state agencies. Specifically, the state budget allocated \$75 million in Public Safety Power Shutoff resiliency grants administered by the Office of Emergency Services (CalOES) for fiscal year 2019-20. The grants helped fund back-up power resources for counties, cities, tribal governments, and state agencies. The following year, the state budget appropriated another \$50 million for local governments, special districts, and tribes for grants for back-up power resources to critical facilities. Just last month, CalOES announced the awardees for this fiscal year's funding.

SB 99 (Dodd). This bill would establish a grant program, upon appropriation by the Legislature, at the CEC to fund resiliency planning by local governments, including tribes, cities, counties, and cities and counties. Appropriately, this bill authorizes CCAs and regional energy networks to apply for the grant funding on behalf of local governments, if the local government(s) request the entity to do so. This bill includes a public process to develop the solicitation and evaluation procedures. Importantly, this bill does not prescribe specific projects, but does seek to foster collaboration between local governments, community stakeholders, and public utilities to develop resiliency plans and bolster efforts to support deployment distributed energy resources aligned with the state's climate policies.

Desire for clean energy resources. The proponents of this bill state their frustration that the absence of local clean energy resiliency planning has resulted in “vast public and private investments in fossil fuel back-up generation, which runs counter to California’s decarbonization goals.” They specifically cite the CalOES grants as resulting in primarily procuring diesel-fueled back-up resources. They believe the local and collaborative planning envisioned to be supported by this bill’s proposed program would help communities plan for clean distributed energy resources aligned with the state’s climate policies. Should this bill move forward, the author may wish to consider the recommendation from Environmental Defense Fund to incorporate consideration of emissions of criteria pollutants and include environmental organizations among the stakeholders included in the community workshops.

Where’s the funding? The author states his desire to have the state budget appropriate funds to pay for the proposed grant program. As such, the author does not intend to have the program funded through electric ratepayers. Instead, funding would be subject to a state budgeting decision.

Prior/Related Legislation

SB 1314 (Dodd, 2020) proposed similar language as SB 99. However, it was never heard in a Senate committee.

SB 533 (Stern, 2021) proposes several measures to address proactive electric power shutoffs by electric utilities, including requiring specified actions for utility equipment that experiences a specified number of recurring deenergization events, establishment of a statewide database of critical facilities and infrastructure, and information and valuation of microgrid projects, as proposed.

SB 1339 (Stern, Chapter 566, Statutes of 2018) required the CPUC, in consultation with the CEC, and the California Independent System Operator, to take specified actions by December 1, 2020, to facilitate the commercialization of microgrids for distribution customers of large electrical corporations.

AB 1144 (Friedman, Chapter 394, Statutes of 2019) required the CPUC to support resiliency during a deenergization event for communities in high fire threat districts by allocating at least ten percent (\$16.6 million) of the annual allocation of the self-generation incentive program in 2020 for the installation of energy storage and other distributed energy resources for customers that operate a critical facility or critical infrastructure in these communities.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

SUPPORT:

The Climate Center, Sponsor
350 Bay Area Action
350 Silicon Valley
Bioenergy Association of California
California Alliance for Community Energy
California Alliance of Nurses for Healthy Environments
California Community Choice Association
California Energy Storage Alliance
California League of Conservation Voters
California Solar & Storage Association
California State Association of Counties
Center for Sustainable Energy
Central California Environmental Justice Network
Clean Coalition
Clean Power Campaign
Coalition for Clean Air
Community Energy Labs
Community Environmental Council
East Bay Community Energy
Elders Climate Action, NorCal Chapters
Elders Climate Action, SoCal Chapters
Electric Auto Association San Joaquin Valley
Environment California
Environmental Defense Fund, if amended
Grid Alternatives
Joint Venture Silicon Valley Network
Little Manila Rising
Local Government Commission
Local Government Sustainable Energy Coalition
Marin Clean Energy
Mi Familia Vota
Microgrid Resources Coalition
National Parks Conservation Association
Physicians for Social Responsibility - San Francisco Bay Area Chapter
Récolte Energy
Redwood Coast Energy Authority
Rising Sun Center for Opportunity
Rural County Representatives of California
Schneider Electric
Sierra Club California

SLO Climate Coalition
SmartBlock Communities
TerraVerde Energy
The Energy Coalition
Union of Concerned Scientists
Valley Clean Energy
Vote Solar
Ygrene Energy Fund
ZEV 2030
An Individual

OPPOSITION:

None received

ARGUMENTS IN SUPPORT: According to the author:

Currently, DER deployments for resilience tend to be limited to utility-centric installations within or adjacent to substations, or “behind-the-meter” projects on individual properties. A more effective pathway is for the community as a whole to plan local energy resource development targeted to local conditions and priorities to maximize value to the power system as a whole, putting new DER where they make the most sense from a community-wide basis, rather than each individual property owner considering only what makes sense within their existing property line. Community energy resilience planning provides a common framework through which cost-effective DERs can be developed statewide.

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