
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anthony Portantino, Chair
2021 - 2022 Regular Session

SB 99 (Dodd) - Community Energy Resilience Act of 2021

Version: April 12, 2021

Urgency: No

Hearing Date: May 3, 2021

Policy Vote: E., U., & C. 12 - 0

Mandate: No

Consultant: Ashley Ames

Bill Summary: This bill would establish 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.

Fiscal Impact:

- Unknown cost pressure, potentially in the tens of millions of dollars ongoing (General Fund or special fund), to fund the Community Energy Resilience Act of 2021, the grant program that this bill would establish.
- Assuming a grant fund of \$10 million, the CEC estimates costs of \$750,000 annually (General Fund or special fund) for five positions to administer a grant program as outlined by the bill, plus \$250,000 ongoing (General Fund or special fund) for a technical support contract to conduct outreach as well as support database management. The CEC notes that any costs would vary based on the funding amount appropriated for the grant program.

Background: 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.

Proposed Law: This bill would:

1. Establish the Community Energy Resilience Act of 2021, which would require 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. Authorize 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. Set forth guiding principles for plan development, including equitable access to reliable energy, as provided.
4. Require plans to be consistent with the city, county, or city and county general plan and other local government planning documents.
5. Require 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. Require 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. Authorize grant funding awarded to be expended to complete environmental clearance of community energy resilience projects identified in the plan.
8. Require 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. Require 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. Require the CEC to annually report specified information about the grant program to the Legislature and post the report on its internet website.

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.

Staff Comments: The CEC notes that a fiscal impact assessment is speculative, without a grant amount specified.

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.

Staff notes that the CEC's Energy Resources Program Account (ERPA) is currently operating in a structural deficit and cannot absorb any additional costs within the agency's existing budget.

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