



Communications & Legislation Committee

Express opposition, unless amended, to SB 1020 (Laird, D-Santa Cruz, Caballero, D-Salinas, Durazo, D-Los Angeles, and Atkins, D-San Diego): **Clean Energy, Jobs, and Affordability Act of 2022.**

Item 7-15

August 15, 2022

Summary of **SB 1020** (as amended on May 23, 2022)

- Sets interim milestones for all retail sales to achieve SB 100 clean energy goal (100% by 2045)
 - 90% by December 31, 2035
 - 95% by December 31, 2040
- Accelerates 2045 target for state agencies to 2030
- Creates Climate and Equity Trust Fund to assist in rate mitigation for electricity customers
- Establishes frameworks for DWR
 - to achieve accelerated target compliance for the SWP
 - to help state agencies achieve accelerated targets

California Climate Policy Background

Timeline

2006

AB 32 (Nuñez)

Reduce GHG emissions to 1990 levels by 2020.

2016

SB 32 (Pavley)

Extended AB 32 by requiring state reduce GHG emissions to 40 % below 1990 levels by 2030.

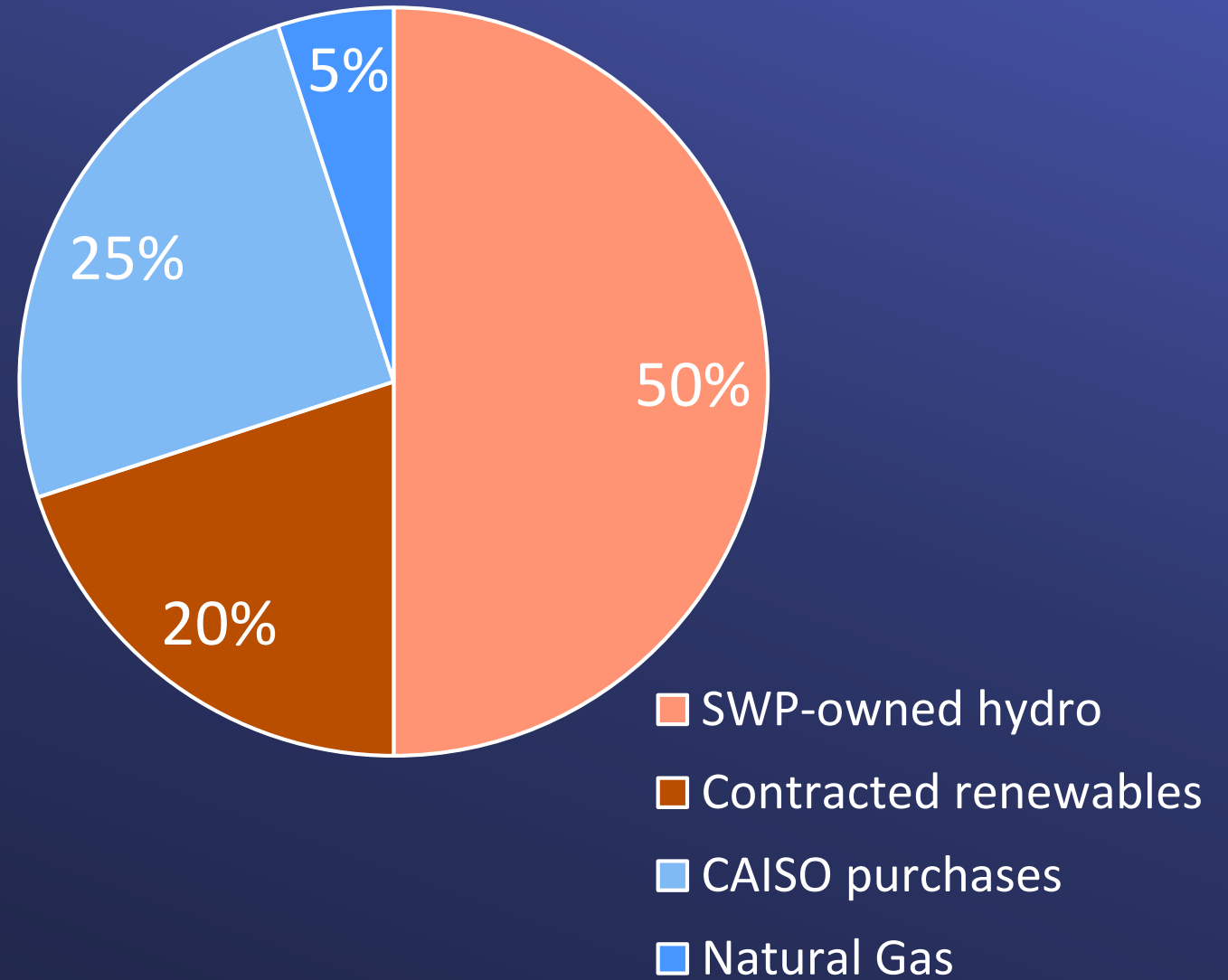
2018

**SB 100 (DeLeón)
&**

Executive Order B-55-18

Set 100 % clean energy policy for electric utilities and state agencies by 2045

State Water Project Energy Profile



SB 1020 Issues: Operational & Equity.

- Accelerates target by 15 years (to 2030) for SWP to achieve 100% clean energy
- Imposes procurement requirements on DWR
- Requires DWR to procure renewables on behalf of other state agencies
- SWP ineligible to receive assistance from the Climate and Equity Trust Fund

SB 1020 Issues: Water Affordability.

Impacts of Proposed Target Compliance Date

- New target of 2030 for SWP
 - + \$2.6 billion – new resource procurement
 - + \$600 million – transmission access improvements
 - TOTAL \$3.2 billion
- Metropolitan's share: additional \$130 million annually, including both procurement of new resources and transmission access improvements.

SB 1020 Issues

Eligibility Constraints.

- SB 1020 would substantially limit the scope of eligible renewable/zero-carbon resources to achieve the target.
- SB 1020 procurement requirements:
 - Newly developed
 - Interconnected in front of the meter
 - Located within California
 - Capable of being dispatched & operated by CAISO

SB 1020 Issues

DWR & Procurement.

- Creates de facto procurement role for DWR
- DWR required to invite IOUs, POUs, CCAs, etc. to subscribe to its SWP procurement commitments
- Additional eligible resources procured by DWR could be used to meet other state agencies' accelerated targets

Proposed Amendments.

- Change the SWP target to achieve 100 percent clean energy to 2035 and set interim milestones
- Delete procurement requirements so DWR has ability to procure cost effective alternatives
- Clarify DWR would not be financially responsible for any renewable procurement subscriptions on behalf of other entities or state agencies
- Ensure the Climate and Equity Trust Fund can fund:
 - procurement of renewable energy resources for the SWP
 - initiatives that could help the SWP achieve zero carbon emissions

Agreed upon Amendments.

- ✓ Removed procurement requirements so DWR has ability to procure cost effective alternatives
 - Except provision requiring resources to be dispatchable and operated by CAISO
- ✓ Clarified that DWR would not be financially responsible for any renewable procurement subscriptions on behalf of other entities or state agencies
- ✓ Added provision that recognizes existing DWR contracts for fossil fuel generation
- ✓ Added “force majeure” provision authorizes Governor to alter target date due to any unforeseen circumstances

Remaining Issues.

- Change the SWP target to achieve 100 percent clean energy to 2035 and set an interim milestone
 - DWR estimates \$1.2 billion in additional procurement costs plus transmission access improvements, compared to \$3.2 billion total with currently proposed 2030 target date.
- Ensure the Climate and Equity Trust Fund can fund efforts to achieve new SWP target including
 - procurement of SWP renewable energy resources
 - initiatives to help SWP achieve zero carbon emissions
- Remove or alter the requirement that eligible renewable energy resources & zero-carbon resources be dispatchable by the CAISO

Other Positions.

Support

- Central Coast Community Energy
- Central Coast Energy Services
- Elders Climate Action, NorCal and SoCal Chapters
- Marin Clean Energy
- Offshore Wind California
- San Diego Gas & Electric
- Sonoma Clean Power
- The Utility Reform Network (TURN)

Opposition

- Animal Legal Defense Fund
- California Environmental Justice Alliance
- CEJA Action
- Center for Food Safety
- Clean Water Action
- Community Water Center
- Food & Water Watch
- Leadership Counsel for Justice and Accountability
- Western Electrical Contractors Association

Board Options.

Option #1

Express opposition, unless amended, to SB 1020 (Laird, D-Santa Cruz, Caballero, D-Salinas, Durazo, D-Los Angeles, and Atkins, D-San Diego)

Option #2

Express support, if amended, for SB 1020 (Laird, D-Santa Cruz, Caballero, D-Salinas, Durazo, D-Los Angeles, and Atkins, D-San Diego)

Option #3

Take no position

Staff Recommendation.

Option #1

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Questions.

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