



2022 Legislative Requirements





CEC Legislative Requirements

AB 205

AB 209

SB 846

SB 423





Key Legislative Requirements

Assembly Bill 205

- Strategic Reliability Reserve Fund
 - Distributed Electricity Assets Program
 - Demand Side Grid Support Program
 - Certification of DWR SRR Facilities
- Opt-In Permitting
- Long-Duration Energy Storage
- Summer 2022 Reliability Report

Assembly Bill 209

- Planning Reserve Margin
- Climate Innovation Program
- Clean Energy Programs
- Offshore Wind Infrastructure

Senate Bill 846




- Reliability Planning Assessment
- Clean Energy Reliability Investment Plan (CERIP)
- Report on the Need for Extension of Diablo Canyon
- Report on Diablo Canyon Operations
- Load Shift Goal and Policies
- Cost Comparison of Diablo Canyon
- Reevaluating Cost Effectiveness of Diablo Canyon

Senate Bill 424

- Assessment of Firm Zero-Carbon Resources

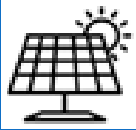

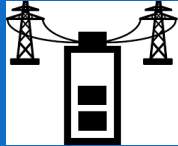





AB 205 - Strategic Reliability Reserve

Demand Side Grid Support Program (DSGS)	Distributed Electricity Backup Assets Program (DEBA)	Permitting DWR SRR Facilities
		



AB 205 - Opt-in Permitting Program

<p>Solar photovoltaic power plant of at least 50 MW</p> 	<p>Terrestrial wind power plant of at least 50 MW</p> 	<p>Energy storage system of at least 200MWh</p> 
<p>Non-fossil-fueled thermal power plant of at least 50 MW</p> 	<p>Manufacturing/assembly facility for renewable energy/energy storage systems or components with at least \$250 million investment</p> 	<p>Transmission from a power plant eligible under this law to the first point of interconnection</p> 



AB 205 - Long Duration Storage Program



\$380 Million

Long Duration Storage Projects

Eligible technologies

- Compressed air or liquid air
- Flow batteries
- Advanced chemistry batteries
- Mechanical storage
- Thermal storage
- Aqueous battery systems

Not eligible

- Pumped storage
- Lithium-ion



AB 205 – Summer 2022 Reliability Report

JANUARY 31, 2023



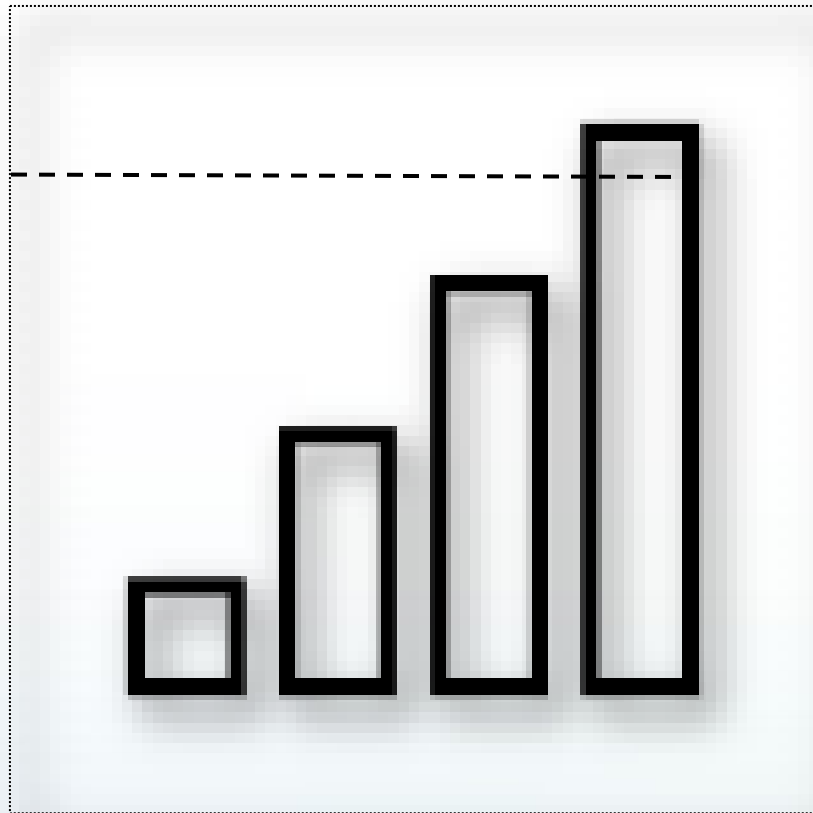
Three elements to the report:

- How summer 2022 reliability was managed
- Magnitude of projected reliability problems for 2023-2026
- Potential solutions



AB 209 - Planning Reserve Margin

DECEMBER 31, 2023



Product

- Recommendations for minimum planning reserve margin
- Implementation timeline

Process

- Transparent public process
- Input from stakeholders
- Direct collaboration with POUs and CAISO



AB 209 Clean Energy Programs



\$100 Million
Industrial Decarbonization



\$922 Million
Building
carbonization



\$45 Million
Offshore Wind Infrastructure



\$100 Million
Carbon Removal



\$525 Million
Climate Innovation Program



\$75 Million
Food Production
Investment Program



\$100 Million
Green Hydrogen Grants



\$10 Million
Energy Modeling, Offshore
Wind & Opt-In Permitting



SB 846 – Joint Reliability Planning Assessment

DECEMBER 15, 2022



Assessment must contain several elements, including:

- Estimates for electrical supply and demand balance
- Identify online and expected loads and resources
- Prospective information about existing and expected resources
- Report on significant delays or barriers
- Recommendations on actions to resolve
- Report on any regulatory barriers

Submitted quarterly after initial deadline



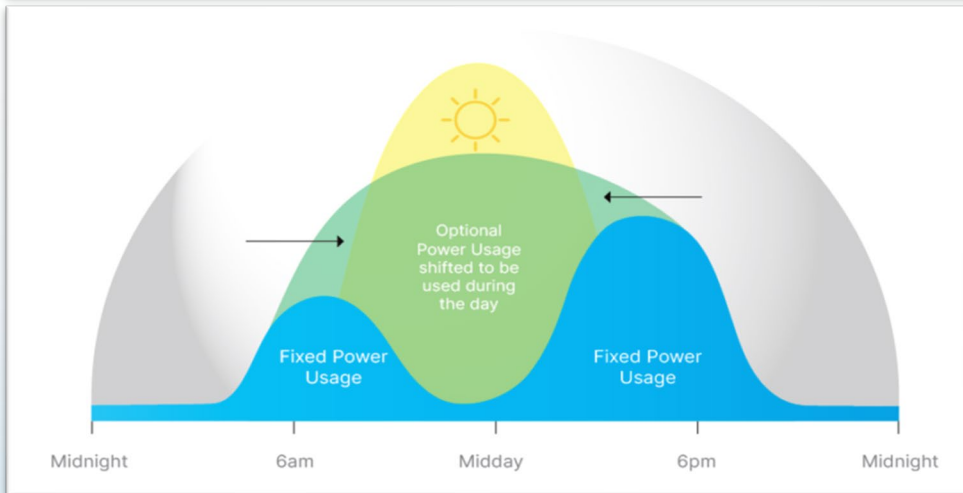
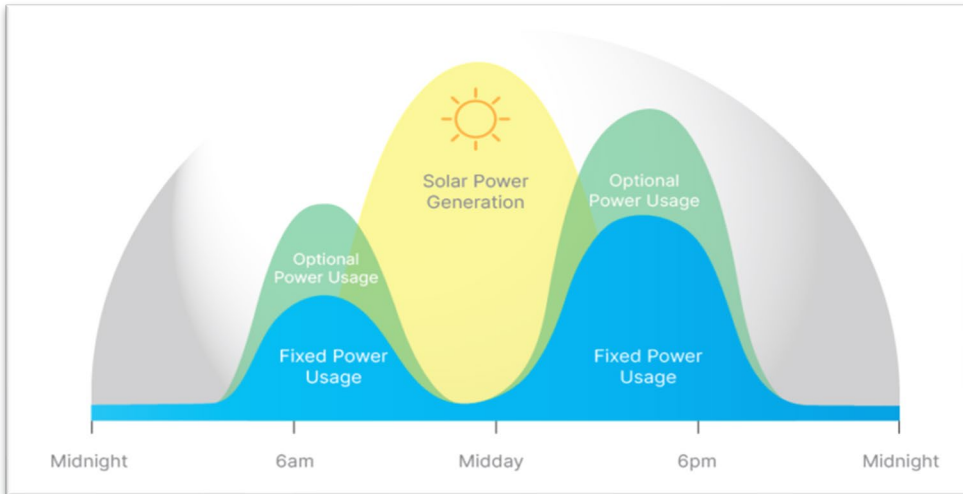
SB 846 – Diablo Canyon Powerplant

- Determine whether there is potential for reliability deficiencies and whether extension is prudent
- Assess the operation of the powerplant
- Present a cost comparison
- Reevaluate cost-effectiveness



SB 846 – Load Shift Goals

JUNE 1, 2023

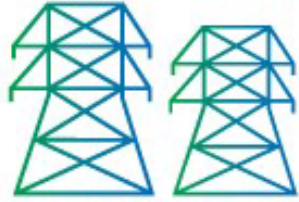


- In consultation with CPUC and CAISO
- Adopt a goal for load shifting to reduce net peak electrical demand
- Must consider Berkeley National Lab report on Shift Resource, etc.
- Adjust target in biennial IEPRs



SB 846 – Clean Energy Reliability Investment Plan

MARCH 1, 2023



\$1 Billion

Clean Energy Reliability
Investment Plan

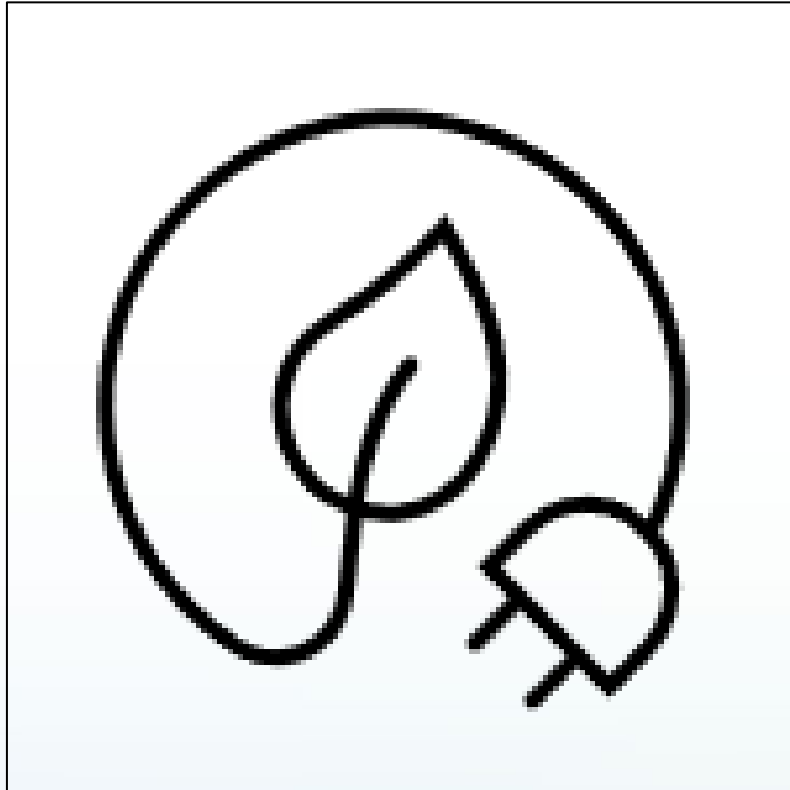
Support investments that take into account:

- Anticipated supply and demand needs for near- and mid-term reliability
- Advancement of 100% zero carbon and renewable resources policies
- GHG reduction target for electricity sector



SB 423 Firm Zero-carbon Resources

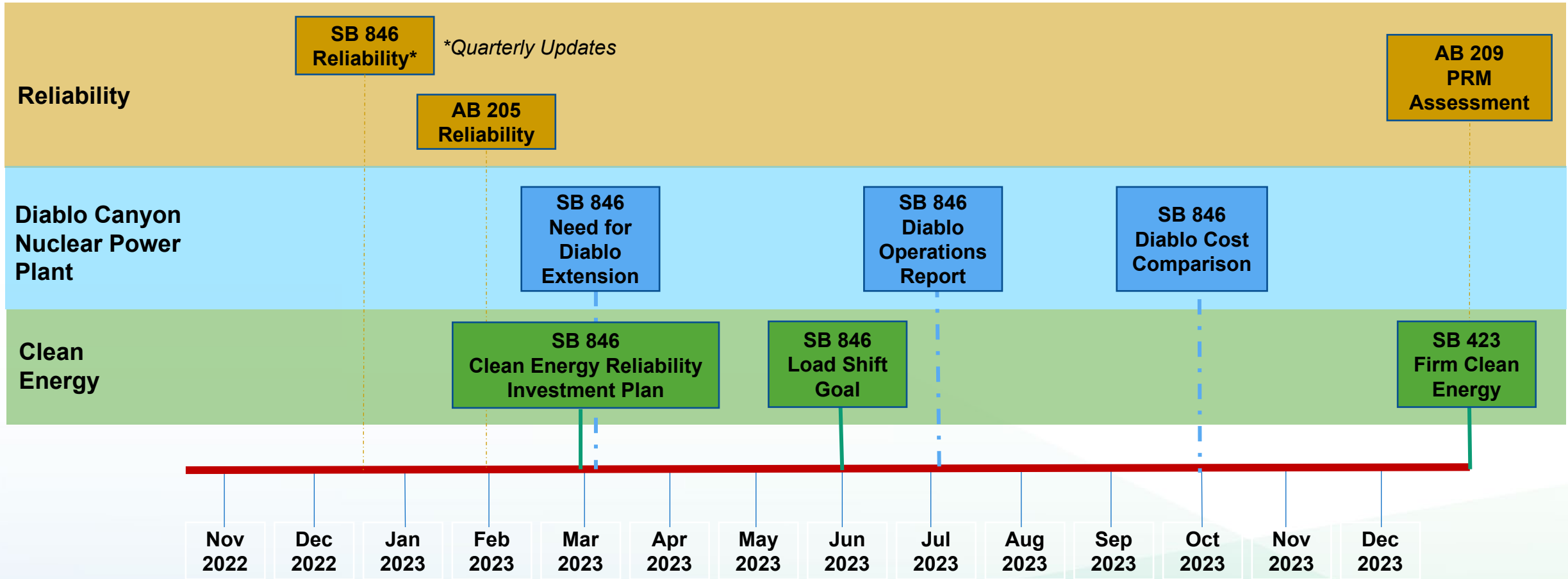
DECEMBER 31, 2023



- In consultation with CPUC, CAISO, and CARB
- Identify all available commercially feasible or near-commercially feasible
- Evaluate magnitude of potential needs
- Identify barriers to development
- Recommend changes
- Evaluate reliability of LSE IRPs



Statutory Deadlines



SB 846 – CPUC Requirements

- Within 120 days, CPUC to issue a decision authorizing PG&E to (1) take actions to extend the operations of DCPD and (2) track all costs (DWR loan and CPUC jurisdictional ratepayers)
- By 12/31/23, determine final closure dates for the two units.
- Within an “Energy Resource Recovery Account Like Proceeding”:
 - Enable PG&E to recover the reasonable costs and expenses of operating DCPD
 - Authorize PG&E to recover in rates an operating fee for each megawatt-hour generated by DCPD during the period of extended operations.
 - Determine whether PG&E is liable for any above-market costs resulting from any extended outages
- Establish a new Cost Allocation Mechanism to recover costs from all CPUC jurisdictional entities.
- Authorize PG&E to recover reasonable replacement power costs, if incurred, during any DCPD unplanned outage periods.
- Determine whether and how much additional Decommissioning funding is needed and authorize PG&E to collect as needed.

SB 846 – CPUC Requirements (Cont'd)

- Ensure sufficient funding for the Diablo Canyon Independent Safety Committee to attract qualified experts and require PG&E to (1) respond to the findings and recommendations of the Committee, and (2) distribute the response to various public entities.
- Determine the disposition of DCPD properties in a manner that best serves the interests of the local community, ratepayers, California Native America tribes, and the state.
- Ensure that the energy, capacity, or attributes of DCPD is excluded from all IRP portfolios developed by the CPUC or CPUC-jurisdictional load serving entities (beyond current license expiration dates).
- At any point during the license renewal process or extended operations period, determine whether continued operations are reasonable or not as a result of the cost of performing upgrades needed to continue operations of one or both units exceeding the benefits to ratepayers.
- Verify at the conclusion of extended operations that PG&E's sole compensation during the period of extended operations is limited to the volumetric and fixed payments.

SB 846 – CPUC Joint Requirements / Support Role

- Jointly with the CEC, provide to the Legislature a quarterly Reliability Planning Assessment that identifies estimates for the electrical supply and demand balance for the forward 5- and 10-year period under high-, medium-, and low-risk scenarios.
- DWR is to conduct a semi-annual loan costs true-up, with the support of CPUC.
- The CEC, in consultation with the CPUC and CAISO, is to adopt a goal for load shifting to reduce net peak electrical demand and adjust this target in each biennial integrated energy policy report thereafter.
- All relevant state agencies directed to consult and work collaboratively with local California Native American tribes, including designating a tribal liaison to consider tribal access, use, conservation, and co-management of DCPD lands and agencies are directed to work cooperatively with tribes interested in acquiring DCPD lands.
- In coordination with the CEC, CAISO, and DWR, submit a report to the Legislature each year on the status of new resource additions and revisions to the state's electric demand forecast.
- Support the CEC in developing , an assessment of the DCPD operations that includes, but is not limited to, outage information (either in a new report or including in an existing report)

AB 205 and AB 209 – Relevant CPUC Requirements

- **AB 205:**

- Requires the CPUC to develop an income graduated fixed charge for residential rates that results in a lower average monthly bill for low-income without making any changes in usage.
- Requires the CPUC to ensure that the approved fixed charges do not unreasonably impair incentives for beneficial electrification and greenhouse gas reduction and prohibits.

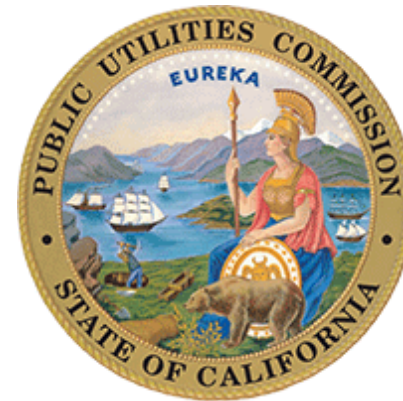
- **AB 209:**

- Allows solar-only projects that were previously ineligible in the Self-Generation Incentive Program (SGIP) to receive incentives, and requires any additional incentives for solar-only and solar + storage (above SGIP's previously authorized ratepayer-funded budget) to come from legislative appropriation.
- Allows CPUC staff to share confidential information with the CAISO.

CALIFORNIA DEPARTMENT OF WATER RESOURCES

Electricity Supply Strategic Reliability Reserve

CEC Workshop, October 28, 2022



Legislative Drivers

- Proclamation of State of Emergency (July 30, 2021)
[Energy Emergency Proclamation Text](#)
- AB 205 Energy (June 30, 2022)
[Bill Text - AB-205 Energy](#)
- SB 846 Diablo Canyon Powerplant: Extension of Operations (September 2, 2022) [Bill Text - SB-846 Diablo Canyon powerplant: extension of operations](#)
- AB 209 Energy and Climate Change (September 6, 2022)
[Bill Text - AB-209 Energy and climate change](#)



California Department of Water Resources (DWR)

Tasked to deploy and manage additional energy resources to support the State's energy grid through a newly created **Strategic Reliability Reserve**



CALIFORNIA DEPARTMENT OF
WATER RESOURCES

DWR's Role

- Identify, prioritize and select new generation projects
- Develop and execute contracts
- Oversee engineering, procurement and construction of projects
- Implement state certification and environmental compliance
- Administer Electricity Supply Strategic Reliability Reserve Fund
- Coordinate with State agencies and partners
 - CAISO, CARB, CEC, CPUC, SWRCB, etc.
- Report progress



Types of Projects

- Extended operations of retiring facilities
- Emergency and temporary power generators of 5 MW or more
- Energy storage systems ≥ 20 MW; capable of 2-hr discharge minimum
- Zero-emission fuel technology generation facilities
- Imported energy / import capacity products



2022 Investments

- 200 MW of emergency and temporary power generators
- 1,400 MW of imported energy / capacity imports
- Provided critical support to State's electric grid during September heatwave



Future Planned Investments

- Additional temporary power generators
- Extend operations of retiring facilities
- Will provide additional details during November 16 CEC Business Meeting

