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

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**Bill No:** SB 833 **Hearing Date:** 3/14/2022  
**Author:** Dodd  
**Version:** 1/4/2022 Introduced  
**Urgency:** No **Fiscal:** Yes  
**Consultant:** Nidia Bautista

**SUBJECT:** Community Energy Resilience Act of 2022

**DIGEST:** This bill requires the California Energy Commission (CEC) to develop and implement a grant program for local governments to develop community energy resilience plans, as specified, to address power outages.

**ANALYSIS:**

Existing law:

- 1) Establishes within the Natural Resources Agency the State Energy Resources Conservation and Development Commission (also known as the 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)
- 3) Establishes the California Office of Emergency Services (CalOES) as responsible for the state's emergency and disaster response services for natural, technological, or manmade disasters and emergencies, including responsibility for activities necessary to prevent, respond to, recover from, and mitigate the effects of emergencies and disasters to people and property. (Government Code §8585 *et seq.*)
- 4) Makes funding available, upon appropriation as specified, \$25 million in the 2022–23 and \$75 million in 2023–24 fiscal years to the Strategic Growth Council (SGC), in coordination with the Office of Planning and Research (OPR), for the establishment of a grant program for the construction or retrofit of facilities that will serve as community resilience centers, including hydration stations, cooling centers, clean air centers, respite centers, community evacuation and emergency response centers, and similar facilities to mitigate

the public health impacts of extreme heat and other emergency situations exacerbated by climate change, such as wildfire, power outages, or flooding, on local populations. Provides that these centers will serve as both community emergency response facilities and to build long-term resilience, preparedness, and recovery operations for local communities. (SB 155, *Public Resources Trailer Bill*, Committee on Budget and Fiscal Review, Chapter 158, Statutes of 2021)

This bill:

- 1) Requires the CEC to develop and implement a grant program for local governments to develop community energy resilience plans that help achieve energy resilience objectives and state clean energy and air quality goals.
- 2) Requires a plan to, among other things, identify critical facilities, locations and facilities where the construction of microgrids or other distributed energy sources could meet local resilience needs, and potential funding sources for implementing projects in the plan, include a process for the expedited permit review of distributed energy resources by the local government, and demonstrate consistency with the city, county, or city and county general plan and other local government planning documents, as specified.
- 3) Requires, as a condition of receiving grant funding, a local government to submit its plan to the CEC within six months of adopting the plan.
- 4) Requires the CEC to:
  - a) Maintain a publicly available and searchable database of all local governments receiving a grant.
  - b) Annually submit a program summary to the Legislature and post the summary on its internet website.
  - c) Develop and maintain on its internet website:
    - i) A publicly available community energy resilience planning toolkit.
    - ii) A directory of prequalified consultants.
    - iii) A resilience valuation index, as defined, to assist local governments in community energy resilience planning and require the CEC to annually update the index.

## Background

*Recent history with power outages, including Public Safety Power Shutoffs (PSPS).*  
In recent years, California has experienced a number of catastrophic wildfires,

including several ignited by electrical utility infrastructure. In order to mitigate against utility equipment igniting fires, the state's three electric investor-owned utilities (IOUs) have proactively shutoff power on electric circuits that could pose risks during high wind events, coined as PSPS. As utilities increasingly utilized proactive power shutoffs as a tool to prevent igniting a wildfire, many communities were 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.

*California provides funding for backup power to local governments.* The Governor and Legislature have provided funding to support backup power resources to local governments and state agencies. Specifically, the 2019-20 state budget allocated \$75 million in PSPS resiliency grants administered by the CalOES. The grants helped fund backup 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.

*Community Resilience Centers.* Additionally, the 2021 Budget *Public Resources Trailer Bill*, SB 155, makes available, upon appropriation by the Legislature in the annual Budget Act, \$25 million in 2022-23 and \$75 million in 2023-24 to the SGC, in coordination with OPR, for the establishment of a community resiliency centers grant program. The funding would be available as grants to local governments for the purposes of supporting facilities that will serve as community resiliency centers to mitigate the public health impacts of climate changes, including power outages.

*Microgrids.* The California Public Utilities Commission (CPUC) as part of its active proceeding to help commercialize microgrid deployment directed the three large investor-owned electric utilities to develop a microgrid incentive program. The CPUC January 2021 decision allocates \$200 million to fund clean energy microgrids to support the critical needs of vulnerable populations impacted by a grid outages and test new technologies or regulatory approaches to inform future action, with the costs and funding for these programs to be borne by the counties in which the incentive programs are implemented.

*SB 833 (Dodd).* This bill would establish a grant program, at the CEC, to fund resiliency planning by local governments, including tribes, cities, counties, and cities and counties. This bill includes a public process to develop the solicitation and evaluation procedures at the CEC via the adoption of guidelines. Importantly, this bill does not prescribe specific projects, but does seek to foster collaboration

between local governments, community stakeholders, and public utilities to develop community energy resiliency plans. Specifically, this bill requires local governments to identify critical facilities and utilize a resilience valuation index to inform planning efforts that support deployment of distributed energy resources aligned with the state's climate policies and air quality goals.

*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 backup 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, or microgrids, which may be better aligned with the state’s climate policies. However, it is important to note that depending on the duration of an outage, a purely non-fossil fueled based backup energy resource may be limited in providing sufficient energy. Nonetheless, the CPUC directed Microgrid Incentive Program, via the electric IOUs, seeks to better understand the capabilities and limitations of purely clean distributed energy resources. Additionally, unlike diesel backup resources, which are generally used only as standby for emergency situations, the clean distributed energy resources, such as solar and storage, can be utilized daily to help offset peak demand and corresponding peak electricity rates.

*Strictly planning.* The sponsors of this bill note that there is no funding allocated specifically to help local governments to plan for the microgrid investments, and other investments, including those that may become available from the Federal Infrastructure Bill. They argue that this planning is necessary to help local governments better identify their local risks, needs, assets, and opportunities, especially as climate change impacts grow in frequency and intensity.

*Valuing resiliency.* This bill requires the CEC to develop a resilience valuation index that can be used by local governments to develop their plans. The resilience valuation index would be a standardized, data-driven tool that assists local governments in conducting cost-benefit analyses of community energy investments. This bill sponsors note such constructs were discussed in a recent National Association of Regulatory Utility Commissioners (NARUC) report, “Valuing Resiliency for Microgrids.” As the NARUC report notes, resiliency has emerged as a key consideration to guide electricity spending. The report also notes that “no universally accepted valuation tool for resilience exists,” however, there are a number of approaches in development by state and federal agencies, utilities, National Laboratories, researchers and others. Importantly, the CPUC is actively

pursuing valuing resiliency in its Track 5 of the microgrid proceeding, per the Scoping Memo issued in December 2021.

*Where's the funding and by what date(s)?* 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. This bill also does not include any dates by when the CEC must administer the grant program or any of the other requirements in this bill. Should this bill move forward, the author may wish to include specific dates prior to this bill being heard in the Committee on Appropriations.

*CEC's role.* As drafted this bill would require the CEC to administer grants for the program and require local governments to submit their plans to the CEC. The CEC would develop the resilience valuation tool. While it makes sense for the CEC to administer a grant program related to energy resources, should this bill move forward the author may wish to consider how related efforts by other agencies may be leveraged, so as to avoid duplication. For example, in January 2020, CalOES issued an "Electric Power Disruption Toolkit for Local Government," which should be considered in the CEC development of a toolkit and to inform the planning envisioned by this bill. As mentioned above, the CPUC is actively developing input for approaches to valuing resiliency to support microgrid deployment. Moreover, the 2021 State Budget noted the desire to appropriate funding the SGC for community resiliency centers.

*Need for amendments.* Should this bill move forward, the author and committee may wish to make the following clarifying and minor amendments:

- *Add clarifying language to ensure the electricity planning is for facilities within communities, as noted by the sponsors.*
- *Add local tribes to the list of stakeholders.*
- *Add language that ensures the community resilience hubs at a minimum are publicly available and accessible and provide access to electricity to charge phones and medical equipment, basic first-aid, access to restroom facilities, disaster information, and water.*
- *Delete specific requirement for the CEC to hire a third party evaluator to evaluate the program.*
- *Delete the requirement on the CEC to update the index annually and instead update as necessary.*

## **Prior/Related Legislation**

SB 99 (Dodd, 2021) would have established the Community Energy Resilience Act of 2021, upon appropriation by the Legislature, administered by the 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. The bill was held in Assembly Appropriations.

SB 155 (Committee on Budget and Fiscal Review, Chapter 158, Statutes of 2021) Public Resources Trailer Bill, makes certain funding available in the 2022–23 and 2023–24 fiscal years to the SGC, in coordination with the OPR, for the establishment of a grant program for the construction or retrofit of facilities that will serve as community resilience centers to mitigate the public health impacts of emergency situations exacerbated by climate change, such as wildfire, power outages, or flooding, on local populations.

AB 418 (Valladares, 2021) would have established the Community Power Resiliency Program, to be administered by the OES, to support local governments' efforts to improve resiliency in response to power outage events, as specified. The bill was vetoed by the Governor.

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

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 Humboldt: Grass Roots Climate Action  
Association of Regional Center Agencies

Bioenergy Association of California  
Bloom Energy  
California Alliance for Community Energy  
California Alliance of Nurses for Healthy Environments  
California Energy Storage Alliance  
California Environmental Voters  
California Solar & Storage Association  
California State Association of Counties  
Center for Sustainable Energy  
Central California Environmental Justice Network  
City of San Diego  
CivicWell  
Clean Coalition  
Coalition for Clean Air  
Community Energy Labs  
Community Environmental Council  
EcoShift Consulting  
Electric Auto Association San Joaquin Valley  
Electrify Now  
Environment California  
Grid Alternatives  
Indivisible California Green Team  
Indivisible San Jose  
Indivisible Ventura  
Joint Venture Silicon Valley  
Little Manila Rising  
Local Government Sustainable Energy Coalition  
Menlo Spark  
Microgrid Resources Coalition  
National Parks Conservation Association  
Natural Resources Defense Council  
Normal Heights Indivisible  
Peninsula Interfaith Climate Action  
R colte Energy  
Resilient Palisades  
Rising Sun Center for Opportunity  
Rooted in Resistance  
Rural County Representatives of California  
San Diego 350  
San Francisco Bay Physicians for Social Responsibility  
San Jose Community Energy Advocates  
Schneider Electric

Sierra Club California  
Silicon Valley Clean Energy  
SLO Climate Coalition  
SmartBlock Communities  
TerraVerde Energy  
The Climate Reality Project San Diego Chapter  
The Energy Coalition  
Union of Concerned Scientists  
Valley Clean Energy Alliance  
Ygrene Energy Fund  
ZEV 2030  
ZNE Alliance

**OPPOSITION:**

None received

**ARGUMENTS IN SUPPORT:** According to the author:

SB 833 calls for the creation of a new technical assistance and grant program administered by the California Energy Commission to provide local governments with the resources needed to develop clean energy resilience plans in collaboration with utilities and prioritize enhanced resilience for low-income communities. The increasing frequency of electrical outages, especially those driven by extreme climate events, has imposed enormous costs on California and have prompted many homeowners, businesses, and utilities to purchase polluting backup generators. SB 833 offers a better alternative through local planning that enhances energy resilience by strategically developing decentralized, locally produced clean energy resources that take advantage of significant recent cost reductions in clean, distributed energy. In contrast to diesel generators that are typically used only a few days a year, distributed clean energy resources (DERs) can operate on a daily basis to serve critical on-site needs, provide ancillary grid services and most importantly, “load shift” excess mid-day solar generation to serve evening peak loads just as solar production is decreasing... Rather than making crucial infrastructure investment decisions via a process disconnected from local priorities and needs, SB 833 would foster needed collaboration between local governments and utilities.

-- END --