

SB 99 Frequently Asked Questions

April 14, 2021

What does SB 99 do? SB 99 calls for creation of a new technical assistance and grant program, administered by the CEC in collaboration with other state agencies, to enable local governments to develop community energy resilience plans. It enables local governments to determine how and where to site local energy resilience infrastructure in coordination with the local distribution utility, rather than having crucial local electrical infrastructure investment decisions made via a process which is disconnected from local priorities and needs.

Why is community energy resilience planning needed? "Community energy resilience" means the ability of a community to maintain continuous electricity service to essential facilities and municipal services when a disruptive event or pre-emptive public safety power shutoff (PSPS) causes a loss of power from the state's power grid. Community energy resilience is inherently local. Local governments are directly accountable to their citizens and serve as the nexus between state agencies, load-serving entities (e.g., Community Choice Aggregators), public and private property owners and electric distribution utilities for planning and implementing community energy resilience infrastructure. Siting of key local electric infrastructure improvements (e.g. solar generation, battery storage, bi-directional electric vehicle charging infrastructure, etc.) is jurisdictional to local governments and requires compliance with local land use, permitting and planning ordinances.

How will SB99 improve energy reliability? First, community energy resilience infrastructure is able to operate independently as an electrical "island" to maintain continuous electrical service during grid outages. Second, these resources can also serve to increase overall system reliability as a statewide grid resource, capable of shedding load from the broader grid when needed during power shortages (such as occurred in August 2020).

Haven't California local governments already been investing in energy resilience? California has recently invested in energy resilience, but unfortunately most of it has resulted in uncoordinated, rapid expansion of fossil fuel back-up generation which runs counter to California's decarbonization goals. For example, recent CalOES grants to local governments (\$125M over the past two fiscal years) have primarily supported procurement of new diesel back-up generation. Individual homeowners and businesses have also purchased large volumes of small, high-emission on-site generators. Prior to the 2019 PSPS events, California already had thousands of megawatts of fossil-fuel back-up generation. There is a better way to enhance energy resilience in alignment with California's decarbonization goals. As noted in a recent [Vote Solar report](#), on-site solar plus storage is more cost effective than fossil fuel back-up generators when factoring in lifecycle cost, and can provide revenue and load shifting benefits on a daily basis, unlike diesel generators which only provide sporadic value during grid outages.

Aren't utilities already investing in energy resilience enhancements? Investor-owned utilities have been seeking to enhance resilience through mechanisms available to them, including grid segmenting to reduce the number of locations and customers subject to PSPS events, as well as preparation of the distribution grid to install emergency back-up fossil generation. The utilities do not typically invest in community-level clean energy resilience infrastructure because they do not control local public facilities (e.g., roofs and parking lots of critical municipal facilities) and they do not coordinate their own infrastructure planning with local government planners.

How will the new CEC program be funded? The new CEC program would commence pending provision of legislative funding, which is not specified in the bill. Potential funding mechanisms include the General Fund, GGRF funds, and a possible new state climate resilience bond as well as potential future federal funds.

How does SB 99 differ from what the CEC is already doing? Enactment of SB 99 will build and expand upon related [previous CEC initiatives](#) in support of microgrids and other distributed energy resources. To date, the CEC has funded dozens of microgrid projects, but has not yet undertaken the kind of statewide technical and planning support for local governments needed for widespread deployment of resilient energy infrastructure.

How does SB 99 relate to the CPUC microgrid and other proceedings? SB 99's targeted support for local government planning addresses a crucial area not covered effectively by CPUC proceedings. Some recent CPUC decisions have recognized support for local governments to be a prerequisite for improving community resilience but have not gone far enough. For example, in its [June 2020 decision](#) in the microgrid rulemaking to implement SB 1339 (passed in 2018), the CPUC directed investor-owned utilities to collaborate with local jurisdictions to support community resiliency efforts and pre-PSPS event planning. However, the decision did not provide any support for local government planning and technical engagement. In its [January 2021 decision](#), the CPUC allocated \$200M to fund a new microgrid incentive program to support development of microgrids in vulnerable communities. What is missing from both these decisions is the recognition that local governments are currently under-resourced in terms of staff capacity and technical knowledge to effectively integrate energy resilience into local planning, a deficiency that will be addressed through enactment of SB 99. The objectives underlying SB 99 are also relevant to other proceedings currently underway before the CPUC, including (but not limited to) [resource adequacy](#) and [emergency reliability procurement](#). SB 99 provides policy support for local governments to effectively partner with utilities in community energy resilience planning in a manner not addressed in any CPUC proceeding or other state activity.

Who supports SB 99 and why? SB 99 is supported by a wide coalition of environmental, industry, environmental justice and local government organizations (see related NASCAR support letter, attached below). Environmental groups view clean energy resilience as environmentally preferable to the current resilience strategy which to date has resulted in proliferation of polluting fossil generation resources. Industry groups support SB 99 for the greater consistency and streamlining it will bring to local energy planning and permitting,

without which projects cannot move forward and proliferate. Environmental justice groups recognize that local planning and state financial support are necessary to ensure that vulnerable communities receive the anticipated financial benefits that will support project implementation, including the \$200M to develop microgrids in vulnerable communities as approved in the January 2021 CPUC decision. Lastly, local governments support SB 99 to enable them to procure the requisite staffing and resources to effectively implement community energy resilience planning.

Who decides what are the most important local critical facilities? SB 99 allows local governments to decide what facilities are critical and to prioritize them as part of the local planning process.

Why does the bill prioritize vulnerable communities? All communities should benefit from clean and resilient energy infrastructure, and vulnerable communities are prioritized in SB 99 because they suffer the most from power outages and air pollution, have fewer existing emergency resources, and their residents have less capacity to absorb the sizeable financial losses typically incurred during power outages.

How will SB 99 ensure that project construction work is performed by a skilled and trained workforce? SB 99 is focused solely on local planning, not project construction. When it comes to project construction, local governments have the ability to control which installation contractors work on project development.

How will projects be financed once they are planned and how does SB 99 interact with other federal and state programs to enhance resilience? There are a variety of potential funding mechanisms. In a January 2021 Decision, the CPUC created a new [\\$200M](#) Microgrid Incentive Program for which funds will be available in 2022. On a federal level, FEMA has already initiated its [\\$500M](#) BRIC program while the Biden Administration has recently proposed a new trillion dollar infrastructure [plan](#).

How has SB 99 been amended since first introduced in December of 2020? On April 12th Senator Dodd filed amendments to SB 99 which included the following changes and clarifications:

- Adds California Native American Tribes as program eligible under the definition of local government;
- Clarifies that a community choice aggregator or other regional energy collaborative may 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;
- Adds language requiring a local electric distribution utility to share information identifying critical facilities and areas most likely to experience a loss of electricity with the local government preparing a community energy resilience plan
- Adds a citation to an existing state definition of critical facility, while also clarifying that a local government can decide what is a critical facility;

- Adds language stating that developing a process for expedited permit review of distributed energy resources and completing permitting compliance are eligible uses of program funds;
- Adds language clarifying that representatives from technology vendors can participate in community energy resilience plan development workshops;
- Adds language calling for community energy resilience plans to include identification of sites which could serve as community energy resilience hubs to provide services to people who have lost power to their homes;
- Clarifies that community energy resilience plan include specific project proposals, while also eliminating language stating that community energy resilience plans include project-specific feasibility analysis;
- Clarifies that a community energy resilience plan be consistent with local government general plans, while also removing a requirement that community energy resilience plans be incorporated into general plans;
- Adds additional specificity for items to be included in community energy resilience plans, stating that plans should:
 - Identify electrical distribution system improvements that can be undertaken by a local distribution electric utility that will reduce the risk of de-energization for communities and critical facilities.
 - Identify projects that can be combined to share engineering costs and achieve scalability of projects across like facilities to create the most value for a community.
 - Identify locations and facilities where the construction of microgrids could meet local resilience needs.
 - Identify critical facilities that are in greatest need of backup energy generation and potential backup energy systems that may meet the needs of those facilities.
 - Identify potential funding sources for implementation of projects included in the plan.

Attachment

SB 99 Support Letter Submitted April 14, 2021



April 14, 2021

Senator Ben Hueso
Chair, Senate Energy, Utilities, and Communications
State Capitol, Room 4035
Sacramento, CA 95814

Dear Chair Hueso:

We are writing to express our support for SB 99, which will empower local governments to create locally-driven community energy resilience plans based on clean energy technologies.

Climate-induced power outages during 2020 and 2019 cost the California economy billions and are expected to continue. In response, homeowners, businesses, and utilities have been rapidly investing in new fossil fuel generators – expenditures which run counter to California’s environmental goals. With the state facing increasingly frequent climate-driven grid disruptions, it is more critical than ever that California invest in the development of locally-driven community energy resilience based on clean energy.

SB 99 directs the California Energy Commission to create a technical assistance grant program that will support local governments in creating community energy resilience plans. Energy resilience is inherently local and approval for siting of new distributed energy projects is necessarily jurisdictional to local governments. Community energy resilience plans will outline the strategy that each local government will use to maintain a reliable supply of electricity, a necessary planning step that will make it possible to utilize new federal, state, and private funds for needed build-out of local energy resilience infrastructure.

SB 99 prioritizes allocation of new community energy resilience planning funds to vulnerable communities. Vulnerable communities suffer disproportionately from air pollution and high rates of respiratory disease, problems which are being exacerbated by installation of new diesel generation. The consequences of losing power, like the loss of a refrigerator full of food, are significantly magnified in vulnerable households.

With the passage of SB 99, California will take an important step towards creating a more decentralized electricity system which is clean, affordable, reliable, equitable and safe.

Sincerely,

Ellie Cohen
Chief Executive Officer
The Climate Center

Catherine Dodd PhD, RN FAAN
Policy Director
California Alliance of Nurse for Healthy
Environments

Ed Smeloff
Senior Director, Grid Integration
Vote Solar

Rosana Francescato
Communications Director
Clean Coalition

Daniel Barad
Campaign Representative
Sierra Club California

Laura Deehan
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Environment California

Rick Brown, PhD
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Kate Ringess
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Brad Heavner
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California Solar & Storage Association

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CC: Members, Senate Energy, Utilities and Communications Committee
Senator Bill Dodd