



March 25, 2022

The Honorable Gavin Newsom
Governor, State of California
1021 O St., Suite 9000
Sacramento, CA 95814

The Honorable Toni Atkins
Senate President pro Tempore
1021 O St., Suite 8518
Sacramento, CA 95814

The Honorable Anthony Rendon
Speaker of the Assembly
1021 O St., Suite 8330
Sacramento, CA 95814

The Honorable Nancy Skinner
Chair, Senate Committee on Budget
1021 O St., Suite 8630
Sacramento, CA 95814

The Honorable Phil Ting
Chair, Assembly Committee on Budget
1021 O St., Suite 8130
Sacramento, CA 95814

The Honorable Richard Bloom
Chair, Assembly Budget Subcommittee #3
1021 O St., Suite 8130
Sacramento, CA 95814

The Honorable Bob Wieckowski
Chair, Senate Budget Subcommittee #2
1021 O St., Suite 6530
Sacramento, CA 95814

Re: Community Energy Resilience Recommendations for the FY 22-23 Budget

Dear Governor Newsom, Pro Tem Atkins, and Speaker Rendon:

We are writing to provide energy resilience recommendations for the FY 22-23 budget and urge you to prioritize investments for enhancing energy resilience across California, prioritizing frontline communities. We applaud the January proposal's strong focus on climate and the energy sector. We believe that the budget can be strengthened by including significant investments in planning for and installation of clean distributed energy resources to increase energy resilience in communities across the state. We suggest creating a new line item in the Energy Package to fund Community Energy Resilience Planning and Implementation at the CEC as follows:

- **\$200 million for Community Energy Resilience Planning**
- **\$800 million for Community Energy Resilience Project Implementation**

In recent years, climate-related power outages have cost the California economy billions and are expected to continue. From wildfire seasons that seem to run all year to record-breaking snowstorms that leave thousands in the dark to extreme heat events that stretch the grid to its breaking point, the rapid changes driven by climate change are prompting Californians to take control of their energy futures. These measures, however, run counter to the state's climate and air quality goals as homeowners, businesses, and utilities have been rapidly procuring new fossil fuel generators in order to blunt the impacts of these outages. This disturbing trend is driving up emissions of the toxic air pollutants that threaten the health of all those who live nearby, while also emitting greenhouse gasses that drive the extreme events that threaten the grid.

With the state facing more frequent climate-driven grid disruptions, as well as new threats to grid infrastructure, now is the time for California to make serious investments in the development of locally-driven community energy resilience strategies powered by clean generation technologies. The projected budget surplus and expected federal infrastructure dollars present a unique opportunity for California to make its communities significantly more energy resilient while also driving down the emissions that worsen air quality and the climate crisis.

We suggest the following new items for the FY 22-23 budget:

Invest \$200 million at the CEC to create a community energy resilience planning program that will empower local governments to create strategic energy resilience plans that meet their specific needs and prime them to compete for implementation-focused funding from state and federal government.

A program to support this type of community energy resilience planning is provided by legislation introduced this session by Senator Bill Dodd, 833, the Community Energy Resilience Act. SB 833's framework should be used to guide new state investments in community energy resilience to support the resilience planning and deployments that local governments need to choose energy resilience resources wisely.

To support SB 833, we recommend that the state allocate \$200 million from the General Fund for community energy resilience planning grants. The allocation should be spread over two years, with the program being administered by the CEC, as laid out in SB 833. These grants will provide local jurisdictions with the resources needed to develop community energy resiliency plans, including hiring staff and obtaining technical assistance. With plans easily on hand, local governments will be better positioned to compete for project implementation funding, including dollars that are expected from the federal infrastructure spending bill as well as funds already appropriated through last year's \$3.7 climate resilience package.

Allocate \$800 million to the CEC for community energy resilience implementation and project buildout

In addition to funding for planning, the state should also invest in the buildout of CER-focused projects. California has tens of thousands of critical facilities, very few of which currently have clean energy resilience measures. We recommend that \$800 million be allocated from the General Fund to create a program at the CEC that will support the development of these projects. The program should fund clean energy projects that increase community resilience, promote equity and environmental justice, including the deployment of energy resilience hubs, clean generation, energy storage, microgrids, and other advanced energy technologies and solutions that further the goals outlined in community energy resilience plans.

Local governments are often cash-strapped with tight budgets that do not enable them to invest in these forward-looking resiliency solutions. California's state budget allocation to the CEC for community energy resilience planning and implementation will enable the equitable distribution of funding to bring these projects to life in an expeditious manner to protect communities from the worst impacts of climate change and extreme weather, while maximizing community benefits and social equity.

Absent state prioritization of clean-energy based resilience, local governments will likely continue investing in polluting and outdated diesel generation – an outcome which endangers public health and safety and is contrary to California's environmental goals.

Thank you in advance for your attention to this issue. Please contact Kurt Johnson at The Climate Center (kurt@theclimatecenter.org) or Allie Detrio at the Microgrid Resources Coalition (allie@reimagine-power.com) for any questions.

Sincerely,

Ellie Cohen
CEO
The Climate Center

Allie Detrio
Strategic Advisor
Microgrid Resources Coalition