

(1) Existing law, until January 1, 2026, establishes the California Arrearage Payment Program (CAPP) within the Department of Community Services and Development. Existing law requires the department to survey utility applicants to obtain data pertaining to the total number of residential and commercial customer accounts in arrears to determine the total statewide energy utility arrearage and to develop an allocation formula for determining an individual utility applicant's share of CAPP funds. Existing law authorizes specified utilities to apply for CAPP funds on behalf of their customers, and requires the utility to use any funds received to offset customer arrearages that were incurred during the COVID-19 pandemic bill relief period, as specified. Existing law prohibits service from being discontinued due to nonpayment for those customers included in a utility's CAPP application while the department reviews and approves all pending CAPP applications, and requires the utility applicant to waive any associated late fees and accrued interest for customers who are awarded CAPP benefits. Existing law requires the department to report specified data to the Legislature and on its public-facing internet website relating to distribution of CAPP benefits. This bill would, upon appropriation, establish the 2022 California Arrearage Payment Program (2022 CAPP) within the Department of Community Services and Development. The bill would require the department to release program notices and post program notices related to 2022 CAPP administration on its public-facing internet website. The bill would require the department to make available an online application for utility applicants to request 2022 CAPP funding for residential customers. The bill would require the department to develop an allocation formula for determining an individual utility applicant's share of 2022 CAPP funds based on the proportional share of the total statewide energy utility arrearages. The bill would require the department to approve utility applicant's 2022 CAPP applications, set statewide allocations, and disburse funds within 7 months of the appropriation for the CAPP. This bill would require a utility applicant to issue 2022 CAPP benefits to residential customers within 60 days of receiving 2022 CAPP funds. The bill would require a utility applicant to submit all reporting required by the department detailed in a program notice within 6 months of the utility applicant's receipt of its 2022 CAPP allocation. The bill would require the department to report specified data to the Legislature and on its public-facing internet website relating to distribution of 2022 CAPP benefits within 60 days of receiving reporting from utility applicants. This bill would require that any payment authorized by the 2022 CAPP be treated in the same manner as the federal earned income refund for purposes of determining the individual's eligibility to receive benefits under specified public social services laws. The bill would also prohibit the payment from being taken into account as resources for a period of 12 months from receipt, for purposes of determining the eligibility of the individual, or any other individual, for benefits or assistance for any other state or local program, as provided.

(2) Existing law requires the State Energy Resources Conservation and Development Commission (Energy Commission) to undertake various actions in furtherance of meeting the state's clean energy and pollution reduction objectives. This bill would require the Energy Commission to establish and implement the Long-Duration Energy Storage Program to provide financial incentives for projects that have power ratings of at least one megawatt and are capable of reaching a target of at least 8 hours of continuous discharge of electricity in order to deploy innovative energy storage systems to the electrical grid for purposes of providing critical capacity and grid services. The bill would authorize the Energy Commission to adopt guidelines or other standards for, use financial incentives to provide moneys to participants in, and provide technical assistance for, that program. The bill would authorize the Energy Commission to noncompetitively award moneys for that program

under specified circumstances. Existing law vests the Energy Commission with the exclusive jurisdiction to certify the construction of a stationary or floating electrical generating facility using a source of thermal energy with a generating capacity of 50 megawatts or more. Existing law prohibits a person from constructing such a facility unless that person obtains a certificate from the commission, as provided. The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if the lead agency finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. The Jobs and Economic Improvement Through Environmental Leadership Act of 2021 authorizes the Governor, until January 1, 2024, to certify a leadership project, as defined, that meets specified requirements for streamlining benefits related to CEQA, as provided. The act authorizes a person proposing to construct a leadership project to apply to the Governor for certification that the leadership project is eligible for streamlining pursuant to the act.

*****This bill would establish a new certification process for a solar photovoltaic, terrestrial wind electrical generation powerplant, or thermal powerplant that does not use fossil or nuclear fuels, with a generating capacity of 50 megawatts or more, an energy storage system capable of storing 200 megawatthours or more of electricity, an electric transmission line from those generating or storage facilities to a point of junction with an interconnected electrical transmission system, or a facility for the manufacture, production, or assembly of energy storage systems or their components, wind systems or their components, solar photovoltaic systems or their components, or specialized products, components, or systems that are integral to renewable energy or energy storage technologies with a capital investment of at least \$250,000,000 over a period of 5 years. The bill would authorize a person proposing to construct those facilities, no later than June 30, 2029, to file an application for certification with the Energy Commission. The bill would require the Energy Commission to review the application, as provided, and to determine whether to issue the certification within a specified time period. The bill would require the Energy Commission to forward the application to a local government having land use and related jurisdiction in the areas of the proposed site and related facility and would require the local agencies to review the application and submit comments on the application, as provided, thereby imposing a state-mandated local program.

*****The bill would authorize local agencies to request a fee from the Energy Commission to reimburse the local agency for the actual and added costs of the review by the local agency. The bill would prohibit the Energy Commission from issuing the certificate unless the Energy Commission makes certain findings. The bill would, except as provided, specify that the issuance of the certification is in lieu of any permit, certificate, or similar document required by a state, local, or regional agency, or federal agency, to the extent permitted by federal law, for those facilities. The bill would designate the Energy Commission as the lead agency for purposes of CEQA in regards to the certification decision. The bill would specify procedures by which the Energy Commission is to conduct the environmental review for its certification decision. The bill would provide that a facility certified under these provision is a certified leadership project under the Jobs and Economic Improvement Through Environmental Leadership Act of 2021, without the need for any action from the applicant or the Governor, if the commission makes certain findings and takes certain actions. The bill would require the Judicial Council to adopt a rule of court to establish procedures that

require actions or proceedings related to the certification of an environmental impact report or the issuance of the certification for any site and related facility to be resolved within 270 days, and, if the Jobs and Economic Improvement Through Environmental Leadership Act of 2021 is inoperative or repealed, would require those procedures to become operative.

(3) This bill would require the Energy Commission to implement and administer the Distributed Electricity Backup Assets Program to incentivize the construction of cleaner and more efficient distributed energy assets that would serve as on-call emergency supply or load reduction for the state's electrical grid during extreme events, as provided. The bill would require the Energy Commission to implement and administer the Demand Side Grid Support Program to incentivize dispatchable customer load reduction and backup generation operation as on-call emergency supply and load reduction for the state's electrical grid during extreme events, as provided. The bill would create the Strategic Reliability Reserve Fund, and the Distributed Electricity Backup Assets Account and the Demand Side Grid Support Account in the fund. The bill would continuously appropriate to the Energy Commission moneys in the fund for purposes of adding resources to the electrical grid to ensure electrical grid reliability and support the clean energy transition, thereby making an appropriation. The bill would continuously appropriate moneys into the accounts to the Energy Commission for the implementation of the above-described programs, respectively, thereby making an appropriation. This bill would require the Department of Water Resources, in consultation with the Energy Commission, to implement those projects, purchases, and contracts to carry out the above-described purposes. The bill would provide that CEQA does not apply to contracts entered into, or approval granted by, the department to implement those projects, purchases, and contracts. The bill would establish the Department of Water Resources Electricity Supply Reliability Reserve Fund and would continuously appropriate moneys in the fund to the Department of Water Resources to cover the costs incurred by the department in the implementation of the bill, thereby making an appropriation. This bill would, until July 1, 2027, vest the Energy Commission with the exclusive jurisdiction to certify sites on which facilities for actions described above that are undertaken by the department are proposed to be located. The bill would require the department to submit an application for certification for those sites, as provided. The bill would require the Energy Commission to establish a process to expedite the review of an application, as provided, and to determine whether to issue the certification within a specified time period. The bill would prohibit the certification of a site under certain circumstances. The bill would exempt from CEQA the certification of a site and related facilities by the Energy Commission.

(4) Existing law vests the Public Utilities Commission (PUC) with regulatory authority over public utilities, including electrical corporations. Existing law requires the PUC to require each electrical corporation to identify a separate rate component to collect revenues used to fund certain programs. Existing law requires the rate component to be a nonbypassable element of local distribution service and collected on the basis of usage. This bill would repeal the requirement that the nonbypassable element be collected on the basis of usage. Existing law requires the PUC to continue the California Alternative Rates for Energy (CARE) program to provide assistance to low-income electric and gas customers with annual household incomes that are no greater than 200% of the federal poverty guideline levels. For electrical corporations with 100,000 or more customer accounts, existing law requires the PUC to ensure, among other things, that the average effective CARE discount is not less than 30% or more than 35% of the revenues that would have been produced for the same billed usage by non-CARE customers and that the average effective discount, as determined by the PUC, reflects any charges not paid by CARE customers. This bill would instead require that the average

effective discount, as determined by the PUC, not reflect any charges for which CARE customers are exempted, discounts to fixed charges or other rates paid by non-CARE customers, or bill savings resulting from participation in other programs. Existing law authorizes the PUC to adopt new, or expand existing, fixed charges, as defined, for the purpose of collecting a reasonable portion of the fixed costs of providing electric service to residential customers. Existing law requires the PUC to require each electrical corporation to offer default rates to residential customers with at least two usage tiers, as provided. Existing law requires the PUC to ensure that the approved charges do not, among other things, unreasonably impair incentives for conservation and energy efficiency. Existing law authorizes the PUC to authorize fixed charges that do not exceed certain amounts per residential customer account per month, as provided. This bill would delete the requirement that each electrical corporation offer default rates to residential customers with at least two usage tiers. The bill would additionally require the PUC to ensure that the approved fixed charges do not unreasonably impair incentives for beneficial electrification and greenhouse gas reduction. The bill would instead authorize the PUC to authorize fixed charges for any rate schedule applicable to residential customer accounts. The bill would eliminate the cap on the amount of the fixed charge that the PUC may authorize. The bill would require the fixed charge to be established on an income-graduated basis, as provided, with no fewer than 3 income thresholds so that low-income ratepayers in each baseline territory would realize a lower average monthly bill without making any changes in usage. The bill would require the PUC, no later than July 1, 2024, to authorize a fixed charge for default residential rates. The bill would prohibit the PUC from applying the composite tier method to the treatment of any revenues resulting from any fixed charge adopted pursuant to these provisions. Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the PUC is a crime. Because the provisions of this bill are within the act and require action by the PUC to implement their requirements, a violation of these provisions would impose a state-mandated local program.

(5) The Personal Income Tax Law and the Corporation Tax Law, in conformity with federal income tax law, generally define "gross income" as income from whatever source derived, and provide various exclusions from gross income. This bill, for taxable years beginning on or after January 1, 2022, and before January 1, 2027, would exclude from gross income any amount of bill credits received by a customer from a utility applicant pursuant to those acts. The bill would repeal these provisions on December 1, 2027.

(6) Existing law requires any bill authorizing a new tax expenditure to contain, among other things, specific goals, purposes, and objectives that the tax expenditure will achieve, detailed performance indicators, and data collection requirements. This bill, for specified provisions, would provide findings to comply with the additional information requirement for any bill authorizing a new tax expenditure.

(7) The bill would include findings that certain changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities.

(8) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement. This bill would provide that no reimbursement is required by this act for specified reasons.

(9) This bill would appropriate \$200,000,000 from the General Fund to the Energy Commission for the 2021–22 fiscal year to be used for a program to provide incentives for demand side grid support and associated mitigation costs, as specified.(10) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.