

**STRATEGIC RELIABILITY RESERVE - CEC**

*Add Chapter 8.05 consisting of sections 25706, 25706.1, 25707, 25707.1, 25707.2, 25707.3, 25707.4, 25707.5, 25708, and 25708.1 to the Public Resources Code to read:*

**Chapter 8.05 Strategic Reliability Reserve**

**§25706 Legislative findings and declarations**

The Legislature finds and declares:

- (a) California is a leader in driving the affordable and equitable transition to a clean reliable energy system and economy. However, the impacts of climate change are occurring sooner and with more intensity and frequency than previously anticipated.
- (b) Extreme events from climate change – including heat waves, wildfires, and drought – combined with other factors such as supply chain disruptions are jeopardizing California’s ability to build out the electric infrastructure needed to maintain affordability and reliability.
- (c) As California transitions to a clean energy future and contends with climate impacts and other challenges, sufficient capacity of new and existing generation assets will be required to maintain reliability during extreme events.

**§25706.1 Definitions**

For purposes of this chapter, the following terms have the following meanings:

- (a) “Fund” means the Strategic Reliability Reserve Fund established pursuant to Section 25707.
- (b) “Extreme event” is a time and place in which weather, climate, or environmental conditions, including temperature, precipitation, drought, or flooding rank above a threshold value near the upper or lower ends of the range of historical measurements and includes extreme weather, drought, and wildfire.
- (c) “Board” means the California Air Resources Board.

**§ 25707 Strategic Reliability Reserve Fund**

- (a) The Strategic Reliability Reserve Fund is hereby created in the State Treasury. Notwithstanding Section 13340 of the Government Code, the moneys in the fund and the accounts contained therein are hereby continuously appropriated

without regard to fiscal year to be expended by the commission for purposes of adding resources to the grid to ensure grid reliability and support the clean energy transition.

- (b) The Distributed Electricity Backup Assets Account is hereby created in the State Treasury in the fund, to be administered by the commission to implement the Distributed Electricity Backup Assets Program in accordance with this chapter.
- (c) The Demand Side Grid Support Account is hereby created in the State Treasury in the fund, to be administered by the commission to implement the Demand Side Grid Support Program in accordance with this chapter. Revenue generated by the sale of energy services within the Demand Side Grid Support Program shall be deposited in the Demand Side Grid Support Account.
- (d) The commission may accept nonstate moneys, including, but not limited to, federal moneys, for the purposes of this chapter.
- (e) The commission shall adopt guidelines to implement this chapter at a commission business meeting. The Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code) does not apply to any regulation or guideline adopted by the commission or Board pursuant to this chapter.
- (f) Notwithstanding any other law, a contract, grant, or loan entered into for purposes of this chapter shall not require competitive bidding, or the review, consent, or approval of the Department of General Services or any other state department or agency and is not required to comply with the requirements of the State Contracting Manual, the Public Contract Code, or the personal services contracting requirements of Article 4 (commencing with Section 19130) of Chapter 5 of Part 2 of Division 5 of Title 2 of the Government Code.
- (g) Notwithstanding any other law, the commission may pay an incentive upfront if not doing so would inhibit participation in the programs established pursuant to sections 25707.1 and 25707.2.

### **§ 25707.1 Distributed Electricity Backup Assets Program**

- (a) The Distributed Electricity Backup Assets Program is hereby created. The commission shall implement and administer this 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 electricity grid during extreme events.
- (b) In implementing and administering the Distributed Electricity Backup Assets Program, the commission, in coordination with the Board, shall allocate moneys for any of the following:
  - (1) Emission reduction equipment, such as selective catalytic reduction units, that would improve the environmental performance of existing backup generators.
  - (2) Deployment of new zero or low emission technologies, including fuel cells, at existing or new facilities.

(3) Deployment of zero or low emission technologies to replace or substantially improve the environmental performance of existing backup generators.

(4) Efficiency upgrades, maintenance, and capacity additions at existing power generators.

(c) The commission shall develop guidelines, in consultation with the Board, to implement the Distributed Electricity Backup Assets Program.

(d) The Board, in coordination with the commission, and consulting with air districts as appropriate, shall recommend which best available technology and equipment would qualify for the incentives for backup generators under the guidelines.

(e) The commission, in consultation with the Board, may invest in efficiency upgrades, maintenance, and incremental capacity additions to existing power generator that do not have contracts from other sources that would fund efficiency upgrades, maintenance, or incremental capacity additions.

(f) All funding recipients under this section shall participate as an on-call emergency resource for the state during extreme events.

#### **§ 25707.2 Demand Side Grid Support Program**

(a) The Demand Side Grid Support Program is hereby created. The commission shall implement and administer this program to incentivize dispatchable customer load reduction and backup generation operation as on-call emergency supply and load reduction for the state's electricity grid during extreme events.

(b) The commission shall allocate moneys to provide incentives to reduce customer load during extreme events with up-front capacity commitments and/or for per unit reductions in load. Eligible recipients include all energy customers in the state of California, except those that are under the jurisdiction of the California Public Utilities Commission who have the option of participating in a separately funded emergency load reduction program. Payments shall be made to:

1) participating individual entities,

2) participating aggregators of multiple energy customers, and

3) participating local publicly owned electric utilities who manage demand response programs.

(c) Entities with generation or load reduction assets that were incentivized pursuant to section 25707.1 shall participate in the program.

(d) Participants shall provide load reduction and/or backup generation service in response to a dispatch by the California Independent System Operator during extreme events.

- (e) The commission, in consultation with the California Independent System Operator and the Board, shall adopt guidelines to determine when to implement the Demand Side Grid Support Program, including which resources are dispatched first to minimize local pollution and greenhouse gas emissions.
- (f) The Board, in consultation with the commission, shall develop a plan, including determining the funding amounts allocated after dispatch of resources participating in the Demand Side Grid Support Program to mitigate impacts from these resources. The commission shall transfer funds from the Distributed Electricity Backup Assets Account to the Board to be used in the Climate Heat Impact Response Program.
- (g) All energy produced as a result of this program shall be settled at the relevant energy price and allocated pursuant to the California Independent System Operator market tariff.

**§ 25708.1 Severability**

If any provision of this chapter, or the application of any such provision to any person or circumstances, shall be held invalid, the remainder of this chapter to the extent it can be given effect, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby, and to this end the provisions of this chapter are severable.

## **STRATEGIC RELIABILITY RESERVE - DWR**

*Add Division 29 of the Water Code consisting of sections 80700, 80701, 80710, 80713, 80716, 80717, 80718, and 80730 to read:*

### **DIVISION 29. ELECTRICITY SUPPLY STRATEGIC RELIABILITY RESERVE PROGRAM**

#### **Chapter 1. General provisions**

##### **§ 80700.**

(a) The Legislative findings and declarations stated in Public Resources Code section

25706 shall apply to the provisions of this Division.

(b) Additionally, the Legislature finds and declares all of the following:

(1) The enactment of this Division is in furtherance of the Strategic Reliability Reserve established in Chapter 8.05 (commencing with Section 25706) to Division 15 of the Public Resources Code. The development and operation of a program as provided in this division is in all respects for the welfare and the benefit of the people of the state, to protect public peace, health and safety, and constitutes an essential governmental purpose. This division shall be liberally construed in a manner so as to effectuate its purposes and objectives.

(2) The powers and responsibilities of the department established under this Division are not governed by the provisions related to the State Water Resources Development System pursuant to the provisions of Chapter 8 (commencing with Section 12930) of Part 6, and nothing in this Division shall constitute a limitation on or modification of the department's authorities pursuant to the provisions of Chapter 8 (commencing with Section 12930) of Part 6.

##### **§ 80701.**

For purposes of this Division, the following definitions apply:

(a) "Commission" means the California Energy Commission.

## Chapter 2. Electricity Supply Strategic Reliability Reserve Agreements

### § 80710.

(a) The department, in consultation with the commission, shall implement projects, purchases and contracts to carry out the purposes of the Strategic Reliability Reserve established pursuant to Chapter 8.05 of the Public Resources Code, including, but not limited to, the Distributed Electricity Backup Assets Program and the Demand Side Grid Support Program.

(b) In furtherance of subdivision (a), and notwithstanding any other law, the department, may construct, own, and operate, or contract for the construction and operation of, or contract for purchase of electrical power from facilities, including but not limited to:

(1) New emergency and temporary power generators of 10 megawatts or more.

(2) New energy storage systems of 20 megawatts or more that are capable of discharging for at least two hours.

(3) A power plant of any size using fuel cell technology to produce electricity.

(c) The facilities constructed by the department or under a contract with the department pursuant to this division shall not constitute the State Water Resources Development System facilities under Chapter 8 (commencing with Section 12930) of Part 6.

(d) The department shall consult with the commission, the California Public Utilities Commission, the California Independent System Operator, and the California Air Resources Board in carrying out the purposes of the Strategic Reliability Reserve.

(e) The department shall develop, execute, and implement contracts covering power generation, operation and maintenance, fuel management, site leases, power settlements, invoice verification, billing and other associated items. The department shall also enter into contracts for external services to provide specialized expertise.

(f) Contracts entered into pursuant to this Division, amendments to those contracts during their terms, or contracts for services reasonably related to those contracts, and entered on or before December 31, 2024, shall not be subject to competitive bidding or any other state contracting requirements nor shall they require the review, consent, or approval of the Department of General Services or any other state department or agency and are not subject to the requirements of the State Contracting Manual, the Public Contract Code, or the personal services contracting requirements of Article 4

(commencing with Section 19130) of Chapter 5 of Part 2 of Division 5 of Title 2 of the Government Code.

(g) For contracts entered into pursuant to this Division, amendments to those contracts during their terms, or contracts for services reasonably related to those contracts, and executed after December 31, 2024, Public Contract Code Sections 10295, 10297 and 10340 shall not apply to any contract that meets the conditions established by the Department of Water Resources for those contracts.

(h) A contract entered into or approval granted by the department pursuant to this Division, shall not be subject to the requirements of the California Environmental Quality Act in Public Resources Code, Division 13 (commencing with section 21000) and regulations adopted pursuant to that Division.

(i) The department may adopt guidelines to implement this Division. The Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 1 of Title 2 of the Government Code) shall not apply to any regulation or guidelines adopted by the department pursuant to this Division.

### **§ 80713.**

The department, in consultation with the commission, shall recover all of the costs it incurs pursuant to this article from the Department of Water Resources Electricity Supply Reliability Reserve Fund established pursuant to this Division. Neither the department nor its customers shall bear any of the costs associated with carrying out the purposes of the Strategic Reliability Reserve established pursuant to Chapter 8.05 of the Public Resources Codes., and such costs shall not be included in the prices, rates, and charges for water and power under the water supply contracts executed pursuant to the provisions of Chapter 8 (commencing with Section 12930) of Part 6.

### **§ 80716.**

(a) The department may do any of the following as may be, in determination of the department, necessary for the purposes of this Division and to advance the purposes of Chapter 8.05 of Division 15 of the Public Resources Code:

(1) Engage the services of private parties to render professional and technical assistance and advice and other services in carrying out the purposes of this chapter.

(2) Contract for the services of other public agencies.

(3) Engage in activities or enter into contracts or arrangements as may be necessary or desirable to carry out the department's duties and responsibilities pursuant to this Division.

(4) Hire personnel necessary and desirable for the timely and successful implementation and administration of the department's duties and responsibilities pursuant to this Division. The State Personnel Board and the Department of Human Resources shall assist the department in expediting that hiring.

### **Chapter 3. Department of Water Resources Electricity Supply Reliability Reserve Fund**

#### **§ 80730.**

(a) There is hereby established in the State Treasury the Department of Water Resources Electricity Supply Reliability Reserve Fund, that is separate and distinct from any other fund and money administered by the department.

(b) Notwithstanding Section 13340 of the Government Code, all moneys in the fund are continuously appropriated to the department, without regard to fiscal years, and shall be available for the purposes of Chapter 2 (commencing with Section 80710).

(c) Obligations authorized and expenses incurred by the department in administering this Division shall be payable solely from the fund established in paragraph (a).

(d) All revenues payable to the department under Chapter 2 (commencing with Section 80710), shall be deposited in the fund.

(e) The fund shall be separate and distinct from any other fund and moneys administered by the department and any interest earned on the moneys in the fund shall be used solely for purposes of this Division.

(f) When fixed assets procured under the authority of Division 29 are sold or otherwise disposed of, the revenue from such sale or disposition, including any gain or loss, measured by the difference between book value and selling price, shall be deposited in the fund and available to the department for the purposes of Chapter 2 (commencing with Section 80710). Any remaining revenue from the sale or other disposition of fixed assets procured under the authority of Division 29. shall be returned to the General Fund once all obligations of the department are satisfied after the wind down of the Strategic Reliability Reserve and the closure of the Department of Water Resources Electricity Supply Reliability Reserve Fund. While any obligation of the department incurred under this division remain outstanding and not fully performed or discharged, the rights, powers, duties and existence of the department shall not be diminished or impaired in any manner that will affect adversely the interests and rights of the holders of or parties to such obligations.



## **TRANSMISSION and CLEAN ENERGY FINANCING - IBank**

### **Amend Government Code Section 63048.93**

(a) The bank is hereby authorized and empowered to provide financial assistance under the Climate Catalyst Revolving Loan Fund Program to any eligible sponsor or participating party either directly or to a lending or financial institution, in connection with the financing or refinancing of a climate catalyst project, in accordance with an agreement or agreements, between the bank and the sponsor or participating party, including, but not limited to, tribes, either as a sole lender or in participation or syndication with other lenders.

(b) Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 does not apply to any climate catalyst financing plan or any criteria, priorities, and guidelines adopted by the bank in connection with the Climate Catalyst Revolving Loan Fund Program or any other program of the bank. However, any climate catalyst financing plan shall be posted on the bank's internet website in a conspicuous location at least 30 calendar days before a bank board meeting at which the climate catalyst financing plan will be considered for approval.

(c) Repayments of financing made under the Climate Catalyst Revolving Loan Fund Program shall be deposited in the appropriate account created within the Climate Catalyst Revolving Loan Fund.

(d) (1) Beginning in the 2021–2022 fiscal year, the bank shall meet and confer with the consulting agencies concerning the specific categories of climate catalyst project corresponding to each agency as provided in subdivision (f). Thereafter, the bank board shall adopt, by majority vote of the bank board, a climate catalyst financing plan. Prior to the bank board meeting in which the bank board will first consider adoption of the financing plan, each consulting agency shall submit a letter to the bank board discussing any areas of support and any areas of disagreement with the financing plan under consideration.

(2) Following bank board approval, the climate catalyst financing plan shall be posted on the bank's internet website.

(3) If the bank board has not approved a climate catalyst financing plan, then no climate catalyst financing plan shall be in effect until approved by the bank board.

(e) (1) A climate catalyst financing plan shall remain in effect until superseded by a revised climate catalyst financing plan. Commencing the first fiscal year following adoption of the initial climate catalyst financing plan, and in each fiscal year thereafter, the bank shall contact each consulting agency to discuss potential revisions to the climate catalyst financing plan last approved by the bank board. Following each consultation, the bank board shall consider adopting, by majority

vote, a revised climate catalyst financing plan reflecting any material revisions to the prior climate catalyst financing plan.

(2) A modified climate catalyst financing plan shall not be considered for approval if no consulting agencies propose material revisions to the financing plan then in effect.

(3) In the event the bank board does not adopt a proposed revised climate catalyst financing plan, the existing climate catalyst financing plan shall remain in effect.

(f) Beginning with the 2021–2022 fiscal year, the consulting agencies and corresponding areas of climate catalyst projects they will provide consultation on shall be as follows:

(1) The Natural Resources Agency for climate catalyst projects that relate to sustainable vegetation management, forestry practices, and timber harvesting products. Eligible climate catalyst project categories include, but are not limited to, all of the following:

(A) Clean energy production, except combustion biomass conversion.

(B) Advanced construction materials.

(C) Forestry equipment needed to achieve the state's goals for forest and vegetation management treatments.

(2) The Department of Food and Agriculture for climate catalyst projects that relate to agricultural improvements that enhance the climate or lessen impacts to the climate resulting from in-force agricultural practices. Eligible climate catalyst project categories include, but are not limited to, all of the following:

(A) Onfarm and food processing renewable energy, including both electricity and fuels, and bioenergy, to be used or distributed onsite.

(B) Energy, water, and materials efficiency.

(C) Methane reduction projects, utilizing best practice approaches consistent with state policy goals, excluding dairy digesters and biogas unless used or distributed onsite.

(D) Energy storage or microgrids.

(E) Equipment replacement.

(3) (A) The Energy Resources Conservation and Development Commission or the Public Utilities Commission for climate catalyst projects that relate to clean energy transmission projects. As required in subdivision (g), a separate account will be established to fund these projects titled "Clean Energy Transmission Financing Account."

(B) The initial climate catalyst project in this paragraph will support the development of new transmission to deliver to the CAISO system, clean, firm electricity from new

resources located in the Salton Sea region. The specific project or projects will be identified by the Public Utilities Commission in consultation with the Energy Resources Conservation and Development Commission and the California Independent System Operator. The Public Utilities Commission shall utilize or modify existing activities to identify the initial project.

(C) After the project or projects in paragraph (B) has been identified, future clean energy transmission projects will be reviewed and referred to the Bank by Public Utilities Commission in consultation with the Energy Resources Conservation and Development Commission and the California Independent System Operator. The Public Utilities Commission shall utilize or modify existing activities to inform its review and referral.

(D) Referral of a potential transmission project to the bank shall not constitute approval of that project by the Public Utilities Commission or the Energy Resources Conservation and Development Commission under their decision-making authority, if any such authority exists.

(E) Referral of a transmission project to the bank shall not indicate the bank's approval. The bank shall consider the credit and financial aspects of the project before determining whether or not to approve and finance a project.

(E) Future clean energy transmission project shall meet the following conditions:

(i) Have at least one interconnection point with the California Independent System Operator balancing authority area;

(ii) Will primarily deliver electricity to the California Independent System Operator balancing authority area from clean resources located in identified resource areas which currently do not have adequate deliverability to the California Independent System Operator balancing authority area;

(iii) Support new high-voltage, defined as 200 kilovolts or higher, transmission projects or upgrades of existing transmission lines and substations to high voltage that are consistent with the state's reliability and greenhouse gas policy objectives; and

(iv) Prioritize transmission projects that have not already been approved through the California Independent System Operator transmission planning process or the specific project has not been recently studied in the California Independent System Operator's transmission planning process and found to be unneeded or uneconomical.

(4) (A) The Energy Resources Conservation and Development Commission or the California Public Utility Commission for climate catalyst projects that relate to projects that avoid, reduce, utilize, or sequester air pollutants or anthropogenic emissions of greenhouse gases as defined in 42 U.S.C. § 16513 (2022), as amended.

(B) Projects in subparagraph (A) shall be subject to the following conditions:

(i) Projects shall not be funded until the U.S. Department of Energy is able to finance projects that do not meet the criteria in 42 U.S.C. § 16513(a)(2). This requirement shall expire on June 30, 2024, and thereafter, projects can be funded as identified in paragraph (3).

(g) The bank shall establish a separate account for each climate category, identified by a unique paragraph, listed in subdivision (f).

~~(gh)~~ (1) The bank may engage in outreach activities to inform disadvantaged participating parties and disadvantaged sponsors of the categories of financial assistance potentially available within the climate catalyst revolving loan fund program. The outreach efforts may include, but are not limited to, all of the following:

(A) Conferring with the consulting agencies.

(B) Conferring with the Governor's Office of Business and Economic Development.

(C) Direct contact with existing bank clients and customers that operate within the boundaries of a disadvantaged community.

(D) Consulting with governmental entities, individuals, and business entities engaged in providing, or assisting the obtaining of, financial assistance for disadvantaged sponsors or participating parties, including, but not limited to, business and industrial development corporations and minority enterprise small business investment companies. The executive director, on behalf of the bank, may enter into service contracts for this purpose. Section 10295 and Article 4 (commencing with Section 10335) of Chapter 2 of Part 2 of Division 2 of the Public Contract Code shall not apply to any such service contracts.

(2) The criteria, priorities, and guidelines adopted for the climate catalyst revolving loan fund program may include potential options for applying interest rate or fee subsidies for disadvantaged participating parties or disadvantaged sponsors seeking financial assistance from the bank under the climate catalyst revolving loan fund program. Further, the bank may offer reduced application fees to disadvantaged sponsors or participating parties seeking financial assistance under the climate catalyst revolving loan fund program.

(3) The bank may offer technical assistance to disadvantaged sponsors or participating parties potentially seeking financial assistance under the climate catalyst revolving loan fund program. The executive director, on behalf of the bank, may enter into service contracts to provide, or assist with the provision of, the technical assistance. Section 10295 and Article 4 (commencing with Section 10335) of Chapter 2 of Part 2 of Division 2 of the Public Contract Code shall not apply to any such service contracts.

~~(hi)~~ All financial assistance under the climate catalyst revolving loan fund program approved by the bank board shall be consistent with the climate catalyst financing plan then in effect.

(ij) (1) The bank shall prepare, and the bank board shall approve by majority vote of the board, criteria, priorities, and guidelines for the provision of financial assistance under the climate catalyst revolving loan fund program. The bank board's approval of any financial assistance for a climate catalyst project shall take into consideration those criteria, priorities, and guidelines together with the climate catalyst financing plan currently in effect. The criteria, priorities, and guidelines shall include, as factors for the determination of whether to approve the provision of financial assistance, the ability of the sponsor or participating party potentially receiving financial assistance to satisfy any obligation incurred and the return of capital to the catalyst revolving loan fund.

(2) The bank board may consider additional factors when determining whether to approve financial assistance for a climate catalyst project, taking into consideration the climate catalyst financing plan.

(3) The bank shall consider applications for financial assistance as they are received, on an ongoing basis, so long as there remain available moneys within the climate catalyst revolving loan fund to provide that financial assistance. The bank board's determination of whether to approve applications for financial assistance shall be based on the climate catalyst financing plan in effect at the time the bank received the application.

(jk) The bank shall provide financial assistance only for climate catalyst projects that the bank board approved prior to July 1, 2025.

## **FIXED CHARGE CAP REMOVAL – CPUC**

*(a) The Legislature finds and declares all of the following:*

*(1) The Public Utilities Commission has found that electrical corporation customers are facing two areas of increasing cost pressures, including growing electric transmission and distribution infrastructure and operation costs, including wildfire mitigation costs, and equitable recovery of utility fixed costs.*

*(2) The majority of electrical corporation revenue requirement, including funds for electric generation, transmission and distribution investments, and operations and maintenance work, is recovered from customers via a volumetric rate. However, only a portion of the electrical corporation costs directly vary based on how much energy a customer consumes, while many infrastructure and operational costs do not.*

*(3) The current default residential customer rate structure in electrical corporation territories leads to a situation in which rates must rise to recover sufficient revenue to support certain fixed utility costs and can lead to year-to-year rate increase volatility, especially with declines in electricity sales that result from greater adoption of distributed energy resources.*

*(4) The disparity between volumetric revenue recovery and fixed costs that do not vary with electricity consumption also contributes to potential inequities among customers.*

*(5) To help stabilize rates and equitably allocate and recover costs amongst residential customers in electrical corporation territories, it is the intent of the Legislature to authorize the Public Utilities Commission to establish reasonable fixed charges on default residential customer rates.*

*(6) It is also the intent of the Legislature that if the Public Utilities Commission establishes fixed charges on default residential customer rates that the fixed charges be collected so that the burden of supporting the electric system and achieving California's climate change goals through the fixed charge is more fairly distributed.*

### **Public Utilities Code Section 739.9**

(a) "Fixed charge" means any fixed customer charge, basic service fee, demand differentiated basic service fee, demand charge, or other charge not based upon the volume of electricity consumed.

(b) Increases to electrical rates and charges in rate design proceedings, including any reduction in the California Alternate Rates for Energy (CARE) discount, shall be reasonable and subject to a reasonable phase-in schedule relative to the rates and charges in effect prior to January 1, 2014.

(c) Except as provided in subdivision (c) of Section 745, the commission shall require each electrical corporation to offer default rates to residential customers with at least two usage tiers. The first tier shall include electricity usage of no less than the baseline quantity established pursuant to paragraph (1) of subdivision (d) of Section 739.

(d) Consistent with the requirements of Section 739, the commission may modify the seasonal definitions and applicable percentage of average consumption for one or more climatic zones.

(e) The commission may adopt new, or expand existing, fixed charges for the purpose of collecting a reasonable portion of the fixed costs of providing electric service to residential customers. The commission shall ensure that any approved charges do all of the following:

(1) Reasonably reflect an appropriate portion of the different costs of serving small and large customers.

(2) Not unreasonably impair incentives for conservation and energy efficiency.

(3) Not overburden low-income customers.

(f) For the purposes of this section and Section 739.1, the commission may, ~~beginning January 1, 2015,~~ authorize fixed charges for any default rate schedule applicable to a residential customer account. The fixed charge shall be established on an income-graduated basis such that low-income ratepayers are not jeopardized or overburdened by monthly energy expenditures. ~~do not exceed ten dollars (\$10) per residential customer account per month for customers not enrolled in the CARE program and five dollars (\$5) per residential customer account per month for customers enrolled in the CARE program. Beginning January 1, 2016, the maximum allowable fixed charge may be adjusted by no more than the annual percentage increase in the Consumer Price Index for the prior calendar year. This subdivision applies to any default rate schedule, at least one optional tiered rate schedule, and at least one optional time variant rate schedule.~~

(1) For the purposes of this section, income-graduated means that low-income customers shall pay a smaller fixed charge than high-income customers.

~~(g) This section does not require the commission to approve any new or expanded fixed charge.~~

~~(h) The commission may consider whether minimum bills are appropriate as a substitute for any fixed charges.~~

## SGIP SOLAR + STORAGE EQUITY PROGRAM – CPUC

### Public Utilities Code Section 379.6

(a) (1) It is the intent of the Legislature that the self-generation incentive program increase deployment of distributed generation and energy storage systems to facilitate the integration of those resources into the electrical grid, improve efficiency and reliability of the distribution and transmission system, and reduce emissions of greenhouse gases, peak demand, and ratepayer costs. It is the further intent of the Legislature that the commission, in future proceedings, provide for an equitable distribution of the costs and benefits of the program.

(2) The commission, in consultation with the Energy Commission, may authorize the annual collection of not more than double the amount authorized for the self-generation incentive program in the 2008 calendar year, through December 31, 2024. The commission shall require the administration of the program for distributed energy resources originally established pursuant to Chapter 329 of the Statutes of 2000 until January 1, 2026. On January 1, 2026, the commission shall provide repayment of all unallocated funds collected pursuant to this section to reduce ratepayer costs.

~~(3) The commission shall administer solar technologies separately, pursuant to the California Solar Initiative adopted by the commission in Decisions 05-12-044 and 06-01-024, as modified by Article 1 (commencing with Section 2851) of Chapter 9 of Part 2 of Division 1 of this code and Chapter 8.8 (commencing with Section 25780) of Division 15 of the Public Resources Code.~~

(b) (1) Eligibility for incentives under the self-generation incentive program that are provided by the authorized annual collection pursuant paragraph (2) of subdivision (a) shall be limited to distributed energy resources that the commission, in consultation with the State Air Resources Board, determines will achieve reductions in emissions of greenhouse gases pursuant to the California Global Warming Solutions Act of 2006 (Division 25.5 (commencing with Section 38500) of the Health and Safety Code).

(2) On or before July 1, 2015, the commission shall update the factor for avoided greenhouse gas emissions based on both the most recent data available to the State Air Resources Board for greenhouse gas emissions from electricity sales in the self-generation incentive program administrators' service areas and current estimates of greenhouse gas emissions over the useful life of the distributed energy resource, including consideration of the effects of the California Renewables Portfolio Standard.

(3) The commission shall adopt requirements for energy storage systems to ensure that eligible energy storage systems reduce the emissions of greenhouse gases.

(c) Eligibility for the funding of any combustion-operated distributed generation projects using fossil fuel is subject to all of the following conditions:



- (1) An oxides of nitrogen (NOx) emissions rate standard of 0.07 pounds per megawatt hour and a minimum efficiency of 60 percent, or any other NOx emissions rate and minimum efficiency standard adopted by the State Air Resources Board. A minimum efficiency of 60 percent shall be measured as useful energy output divided by fuel input. The efficiency determination shall be based on 100-percent load.
- (2) Combined heat and power units that meet the 60-percent efficiency standard may take a credit to meet the applicable NOx emissions standard of 0.07 pounds per megawatt hour. Credit shall be at the rate of one megawatt hour for each 3,400,000 British thermal units (Btus) of heat recovered.
- (3) The customer receiving incentives shall adequately maintain and service the combined heat and power units so that during operation the system continues to meet or exceed the efficiency and emissions standards established pursuant to paragraphs (1) and (2).
- (4) Notwithstanding paragraph (1), a project that does not meet the applicable NOx emissions standard is eligible if it meets both of the following requirements:
  - (A) The project operates solely on waste gas. The commission shall require a customer that applies for an incentive pursuant to this paragraph to provide an affidavit or other form of proof that specifies that the project shall be operated solely on waste gas. Incentives awarded pursuant to this paragraph shall be subject to refund and shall be refunded by the recipient to the extent the project does not operate on waste gas. As used in this paragraph, "waste gas" means natural gas that is generated as a byproduct of petroleum production operations and is not eligible for delivery to the utility pipeline system.
  - (B) The air quality management district or air pollution control district, in issuing a permit to operate the project, determines that operation of the project will produce an onsite net air emissions benefit compared to permitted onsite emissions if the project does not operate. The commission shall require the customer to secure the permit prior to receiving incentives.
- (d) In determining the eligibility for the self-generation incentive program, minimum system efficiency shall be determined either by calculating electrical and process heat efficiency as set forth in Section 216.6, or by calculating overall electrical efficiency.
- (e) Eligibility for incentives under the program shall be limited to distributed energy resource technologies that the commission determines meet all of the following requirements:

(1) The distributed energy resource technology shifts onsite energy use to off-peak time periods or reduces demand from the grid by offsetting some or all of the customer's onsite energy load, including, but not limited to, peak electric load.

(2) The distributed energy resource technology is commercially available.

(3) The distributed energy resource technology safely utilizes the existing transmission and distribution system.

(4) The distributed energy resource technology improves air quality by reducing criteria air pollutants.

(f) Recipients of the self-generation incentive program funds shall provide relevant data to the commission and the State Air Resources Board, upon request, and shall be subject to onsite inspection to verify equipment operation and performance, including capacity, thermal output, and usage to verify criteria air pollutant and greenhouse gas emissions performance.

(g) In administering the self-generation incentive program, the commission shall determine a capacity factor for each distributed generation system energy resource technology in the program.

(h) (1) In administering the self-generation incentive program, the commission may adjust the amount of ~~incentives-rebates~~ and evaluate other public policy interests, including, but not limited to, ratepayers, energy efficiency, peak load reduction, load management, and environmental interests.

(2) The commission shall consider the relative amount and the cost of greenhouse gas emissions reductions, peak demand reductions, system reliability benefits, and other measurable factors when allocating program funds between eligible technologies.

(i) The commission shall ensure that distributed generation resources are made available in the program for all ratepayers.

(j) In administering the self-generation incentive program, the commission shall provide an additional incentive of 20 percent from existing program funds for the installation of eligible distributed generation resources manufactured in California.

(k) The costs of the program adopted and implemented pursuant to this section shall not be recovered from customers participating in the California Alternate Rates for Energy (CARE) program.

(l) The commission shall evaluate the overall success and impact of the self-generation incentive program based on the following performance measures:

(1) The amount of reductions of emissions of greenhouse gases.

(2) The amount of reductions of emissions of criteria air pollutants measured in terms of avoided emissions and reductions of criteria air pollutants represented by emissions credits secured for project approval.

(3) The amount of energy reductions measured in energy value.

(4) The amount of reductions of customer peak demand.

(5) The ratio of the electricity generated by distributed energy resource generation projects receiving incentives from the program to the electricity capable of being produced by those projects, commonly known as a capacity factor.

(6) The value to the electrical transmission and distribution system measured in avoided costs of transmission and distribution upgrades and replacement.

(7) The ability to improve onsite electricity reliability as compared to onsite electricity reliability before the self-generation incentive program technology was placed in service.

(m) On and after January 1, 2020, generation technologies using nonrenewable fuels shall not be eligible for incentives under the self-generation incentive program. *(Amended by Stats. 2018, Ch. 839, Sec. 1. (SB 700) Effective January 1, 2019.)*

### **Public Utilities Code Section 379.8**

(a) As used in this section, "advanced electrical distributed generation technology" means any electrical distributed generation technology that generates useful electricity and meets all of the following conditions:

(1) The emissions standards adopted by the State Air Resources Board pursuant to the distributed generation certification program requirements of Article 3 (commencing with Section 94200) of Subchapter 8 of Chapter 1 of Division 3 of Title 17 of the California Code of Regulations.

(2) Produces de minimis emissions of sulfur oxides and nitrogen oxides.

(3) Meets the greenhouse gases emission performance standard established by the commission pursuant to Section 8341.

(4) Has a total electrical efficiency of not less than 45 percent. If legislation is enacted that increases the 42.5 percent efficiency described in subdivision (b) of Section 216.6 above 45 percent, the commission may adjust the electrical efficiency standard described in this paragraph to ensure that this electrical efficiency standard meets or exceeds the standard enacted for the purposes of subdivision (b) of Section 216.6.

(5) Is sized to meet the generator's onsite electrical demand.

(6) Has parallel operation to the electrical distribution grid.

(7) Utilizes renewable or nonrenewable fuel.

(b) (1) An advanced electrical distributed generation technology shall qualify for the rate established by the commission pursuant to Section 454.4.

(2) The limitation in subdivision (b) of Section 6352 upon the assessment of surcharges for gas used to generate electricity by a nonutility facility applies to an advanced electrical distributed generation technology.

(3) The limitation in Section 2773.5 upon imposing alternative fuel capability requirements upon gas customers that use gas for purposes of cogeneration applies to an advanced electrical distributed generation technology.

(c) The commission or State Air Resources Board may, in furtherance of the state's goals for achieving cost-effective reductions in emissions of greenhouse gases, meeting resource adequacy requirements, or meeting the renewables portfolio standard, treat advanced electrical distributed generation technology as cogeneration.

(d) Subdivisions (b) and (c) do not apply to an advanced electrical distributed generation technology that is first operational at a site on and after January 1, 2016. *(Amended by Stats. 2014, Ch. 71, Sec. 146. (SB 1304) Effective January 1, 2015.)*

### **Public Utilities Code Section 379.9**

(a) In administering the self-generation incentive program pursuant to Section 379.6, the commission shall allocate at least 10 percent of the annual collection for the program in the 2020 calendar year for the installation of energy storage and other eligible distributed energy resources as determined by the commission pursuant to paragraph (1) of subdivision (b) of Section 379.6 for customers that operate a critical facility or critical infrastructure serving communities in high fire threat districts to support resiliency during a deenergization event. Eligible customers may include, but are not limited to, emergency responders, emergency operations centers, emergency shelters, water suppliers, wastewater agencies, fire stations, and police stations.

(b) In allocating funds pursuant to subdivision (a), the commission shall do all of the following:

(1) Adjust the rules of the self-generation incentive program, if necessary, for the amount allocated pursuant to subdivision (a) to allow for the use of backup power when electricity is shut off due to wildfire risk.

(2) Prioritize funding to projects for eligible customers that do all of the following:

(A) Demonstrate a financial need.

(B) Operate a critical facility or critical infrastructure serving communities in high fire threat districts during a deenergization event.

(C) Demonstrate coordination with the electrical corporation serving the customer's community, relevant local governments, and the Office of Emergency Services for emergency and disaster planning and preparedness.

(3) Ensure that customers receiving funding pursuant to subdivision (a) are informed of the potential limitations of the energy storage and distributed energy resources system to provide reliable backup power, particularly for unplanned and extended loss of power.

(4) Include an evaluation of the performance and impact of the projects funded pursuant to subdivision (a) in a relevant self-generation incentive program evaluation report no later than December 31, 2022. The evaluation shall include a list of customers receiving funding and the type of customer operating each project. For a representative sampling of projects, the evaluation shall also include the known and expected performance of each project as a source of backup power; the impact of the project on greenhouse gas emissions; the communities served by the critical facility or critical infrastructure; customer coordination with the Office of Emergency Services, the electrical corporation serving the community, and relevant local governments; and any other information the commission deems useful.

(c) The commission may prioritize funding for additional customers located in high fire threat districts and may continue to prioritize self-generation incentive program funding for customers that operate critical facilities or critical infrastructure serving communities in high fire threat districts in subsequent years.

(d) Nothing in this section shall be interpreted to allow for the use of incentives from the self-generation incentive program for generation technologies using nonrenewable fuels on or after January 1, 2020.

*(Added by Stats. 2019, Ch. 394, Sec. 1. (AB 1144) Effective January 1, 2020.)*

### **Public Utilities Code Section 379.10**

*(a) In administering the self-generation incentive program pursuant to Section 379.6, the commission shall utilize funds appropriated by the Legislature for the purpose of providing incentives to eligible residential customers who install behind the meter energy storage systems or solar photovoltaic systems paired with energy storage systems. The commission shall allocate funding pursuant to this subdivision as follows:*

- (1) Seventy percent for incentives to eligible low-income residential customers who install either new behind the meter solar photovoltaic systems paired with energy storage systems or new energy storage systems.
- (2) Thirty percent for incentives to residential customers who install new behind the meter energy storage systems.

## **OFFSHORE WIND VOLUNTARY PROGRAM – CEC**

An act to add Chapter 15 (commencing with Section 25992) to Division 15 of the Public Resources Code

### **Chapter 15**

#### **25992.**

The Legislature finds and declares:

(a) The state is committed to the responsible development of wind energy in federal ocean waters off the coast of California and supporting state agencies' and other entities' capacity needs in the time period between Wind Energy Areas being leased and lessees submitting Construction and Operation Plans. Under the federal Coastal Zone Management Act, the California Coastal Commission reviews Bureau of Ocean Energy Management consistency determinations for proposed lease sales in federal waters, as well as consistency certifications for proposed wind development projects, to determine if those activities are consistent with the California Coastal Management Program.

(b) Offshore wind should be developed in a manner that protects coastal and marine ecosystems. The state should use its authority to ensure, as feasible, (1) avoidance, minimization, and mitigation of significant adverse impacts, and (2) monitoring and adaptive management for offshore wind projects and their associated infrastructure.

(c) Offshore wind lessees should be encouraged, and required when appropriate, to coordinate and provide relevant survey and monitoring data, implement any relevant best practices or guidelines, assist with identification of research gaps, and develop strategies for monitoring and adaptive management.

(d) Offshore wind lessees engagement with Tribal governments and potentially affected communities ensures these governments and communities are part of planning and project-specific decision-making related to offshore wind, and to address identified impacts.

(e) Investment in offshore wind energy development can offer career pathways and workforce training in clean energy development. Offshore wind energy will provide additional industrial work opportunities and should provide apprenticeship opportunities for a diverse labor pool, including to local communities experiencing high unemployment through prioritization of local hiring.

(f) Funding would help accelerate the ability of state agencies to coordinate, conduct needed studies, and otherwise prepare for future permitting and review activities related to offshore wind development, including ancillary permitting, such as port and waterfront facility upgrades and other associated infrastructure.

## **25992.2**

For purposes of this chapter, the following terms have the following meanings:

(a) "Account" means the Private Donations Account created pursuant to Section 25992.6.

(b) "Bureau" means the federal Bureau of Ocean Energy Management.

(b) "Commission" means the State Energy Resources and Conservation Development Commission.

(c) "Fund" means the Voluntary Offshore Wind and Coastal Resources Protection Fund created pursuant to Section 25992.6.

(d) "Program" means the Voluntary Offshore Wind and Coastal Resources Protection Program established pursuant to Section 25992.4.

## **25992.4**

(a)(1) The Voluntary Offshore Wind and Coastal Resources Protection Program is hereby established to be administered by the commission for the purposes of supporting state activities that complement and are in furtherance of federal offshore wind laws, including offshore wind lease conditions of the bureau. The program shall award moneys to public and private entities, including, but not limited to, state agencies, tribal entities, local governmental agencies, research institutions, and nonprofit entities, through various mechanisms, including, but not limited to, grants.

(2) Moneys from the fund and account shall be available for allocation by the commission for the purposes of this chapter.

(b) The commission may allocate moneys for any of the following:

(1) Increasing the ability of state agencies to engage in post-lease assessments and study of impacts, including surveys and plans, as well as ongoing review of project compliance and monitoring. This includes administrative costs.

(2) Research facilitation and coordination, including, but not limited to, funding to support state agencies to work collaboratively with the bureau and other federal, state, and tribal entities to ensure that lessees' construction and operations plans incorporate strategies and specific plans for comprehensive monitoring and adaptive management, as well as to ensure that the strategies and plans are implemented appropriately. This could include funding to support technical experts retained by the state agencies to consult and collaborate on strategies and specific plans for comprehensive monitoring and adaptive management, at the discretion of the commission.

(3) Funding to support technical experts to assist the bureau and the state in their review of survey and sampling and analysis plans, survey data and analysis,



construction and operation plans, and other planning, project development, and project implementation activities and documents.

(A) The purpose of the technical experts would be to review current research on survey methodologies, monitoring approaches and technologies, adaptive management strategies, and other relevant topics for floating offshore wind and to provide the bureau and the state with recommendations, suggested guidelines and best practices, and additional research needs during all phases of floating offshore wind development and implementation with the overall goal of avoiding and minimizing impacts to coastal resources.

(4) Environmental impacts monitoring including, but not limited to, any of the following:

(A) Funding for the collection, analysis, and reporting of baseline and post-development environmental data to assess large-scale changes and cumulative impacts to marine species, habitats, and uses from floating offshore wind development and related activities with a goal to enable the bureau and the state to accurately assess, mitigate, and adaptively manage impacts.

(B) Funding for data collection at a regional scale that would integrate these data with information and data provided by lessees or the bureau and other relevant data to provide a comprehensive understanding of how floating offshore wind development is affecting the marine environment and coastal uses.

(5) Infrastructure readiness commitments, including, but not limited to activities associated with the bureau's lease requirements for lessees to support infrastructure readiness, such as ports, waterfront facilities, and transmission for floating offshore wind.

(c) Moneys in the fund and the account shall not be allocated by the commission to another state or local agency for that agency's costs that are otherwise recovered from project proponents in administering a regulatory or entitlement program.

#### **25992.6**

(a) The Voluntary Offshore Wind and Coastal Resources Protection Fund is hereby created in the State Treasury. Notwithstanding Section 13340 of the Government Code, the moneys in the fund are hereby continuously appropriated without regard to fiscal year to the commission for the purposes of this chapter.

(b) The Private Donations Account is hereby created in the State Treasury in the fund. Notwithstanding Section 13340 of the Government Code, the moneys in the account are hereby continuously appropriated without regard to fiscal year to the commission for the purposes of this chapter.

**25599.8**

(a) The commission may accept federal and private sector moneys, including for purposes of financial commitments made to fulfill a lessee's bidding credits in a bureau lease sale auction, for the purposes of this chapter. The private sector moneys shall be deposited in the account. The federal moneys shall be deposited into the fund.

(b) Records of the donations received and allocations made pursuant to this section shall be subject to public disclosure.

(c) For each donation that it receives pursuant to this section, the commission shall post a report on its Internet website within 30 days of receiving that donation. The report shall contain all of the following:

(1) Name and address of the donor.

(2) Amount of the donation.

(3) Date the donation was made.

(4) Brief description of the goods or services donated or purchased, if any.

(5) Description of the specific purpose or event for which the donation was made, if any.

(d) The commission may enter into an agreement with a donor for the purposes in which the donation may be used consistent with this chapter.

(e) Notwithstanding Section 11005 of the Government Code, the Director of Finance's approval of the donations accepted by the commission under this section shall not be required.

**25599.10**

(a) The Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 1 of Title 2 of the Government Code) shall not apply to any regulation or guidelines adopted by the commission pursuant to this chapter. (b) The commission may require a form to be submitted and signed under penalty of perjury to carry out the purposes of this chapter. A form shall be adopted in the format and manner prescribed by the commission.

**25599.14**

On or before March 15, 2024, and each January thereafter concurrent with the submission of the Governor's Budget, the commission shall submit a report to the Legislature and relevant policy and fiscal committees on the moneys received and allocated pursuant to this chapter.

## **PLANNING RESERVE MARGIN - CEC**

*Add section 25704.5 to the Public Resources Code to read:*

### **§25704.5 Legislative findings and declarations; Planning Reserve Margin**

(a) The Legislature finds and declares that climate change has increased the frequency and intensity of extreme heat events and increasing levels of variable renewable energy resources necessitate planning for the net-load (load minus variable renewables) peak in addition to peak load. While many load serving entities have historically used a 15 percent planning reserve margin in order to plan for a typical 1 in 10 loss of load expectation standard, there is currently no standard or consensus for what that reserve margin should be. Without a consistent standard for reliability planning across all load-serving entities in the California Independent System Operator balancing authority area, there is a danger of both an under-resourced balancing authority area and cost-shifting across load-serving entities.

(b) On or before January 1, 2023, the commission shall, after one or more hearings, adopt a planning reserve margin for local publicly owned electric utilities within the California Independent System Operator balancing authority area sufficient to ensure each of those utilities is adequately accounting for their contribution to reliability in the California Independent System Operator balancing authority area, taking into consideration climate change and extreme weather events. This planning reserve margin shall be used by applicable publicly owned utilities in conformance with Public Utilities Code section 9620(b). The commission shall from time to time revisit the planning reserve margin to ensure it remains at a level that adequately accounts for each publicly owned utility's contribution to reliability as described above.

(c) The commission may adopt guidelines for the planning and procurement of a planning reserve margin. The Administrative Procedures Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code) does not apply to guidelines, rules, or regulations adopted at a commission business meeting pursuant to this section.

*Amend section 9620 of the Public Utilities Code to read:*

**§9620**

(a) Each local publicly owned electric utility serving end-use customers, shall prudently plan for and procure resources that are adequate to meet its planning reserve margin and peak demand and operating reserves, sufficient to provide reliable electric service to its customers. Customer generation located on the customer's site or providing electric service through arrangements authorized by Section 218, shall not be subject to these requirements if the customer generation, or the load it serves, meets one of the following criteria:

(1) It takes standby service from the local publicly owned electric utility on a rate schedule that provides for adequate backup planning and operating reserves for the standby customer class.

(2) It is not physically interconnected to the electric transmission or distribution grid, so that, if the customer generation fails, backup power is not supplied from the electricity grid.

(3) There is physical assurance that the load served by the customer generation will be curtailed concurrently and commensurately with an outage of the customer generation.

(b) (1) Each local publicly owned electric utility serving end-use customers shall, at a minimum, meet the most recent minimum planning reserve and reliability criteria approved by the Board of Trustees of the Western Systems Coordinating Council or the Western Electricity Coordinating Council.

(2) Each local publicly owned electric utility serving end-use customers within the California Independent System Operator balancing authority area shall also, at a minimum, meet the most recent minimum planning reserve and reliability criteria approved by the California Energy Commission pursuant to Public Resources Code section 25704.5.

(c) Each local publicly owned electric utility shall prudently plan for and procure energy storage systems that are adequate to meet the requirements of Section 2836.

(d) A local publicly owned electric utility serving end-use customers shall, upon request, provide the Energy Commission with any information the Energy Commission determines is necessary to evaluate the progress made by the local publicly owned electric utility in meeting the requirements of this section, consistent with the annual targets established pursuant to subdivision (c) of Section 25310 of the Public Resources Code.

(e) The Energy Commission shall report to the Legislature, to be included in each integrated energy policy report prepared pursuant to Section 25302 of the Public Resources Code, regarding the progress made by each local publicly owned electric utility serving end-use customers in meeting the requirements of this section.

## OPT-IN PERMITTING

### Opt-in Streamlined Review for Renewable and Zero Carbon Facilities

Add section 25544 to the Public Resources Code to read:

#### § 25544.

(a) (1) Any person may file an application for certification with the commission to certify a site or related facility in this state, as defined in subdivision (b). A notice of intention as described in Section 25502 shall not be required. Upon receipt of the application, the commission shall have the exclusive power to certify the site and related facility, whether the application proposes a new site and related facility or a change or addition to an existing facility. Nothing in this section modifies California Public Utilities Commission jurisdiction, including certificate obligations under Public Utilities Code, Division 1, Part 1, Chapter 5, over facilities defined in subdivision (b), that are proposed by an investor-owned utility regulated by the California Public Utilities Commission.

(2) The issuance of a certificate by the commission for a site and related facility pursuant to this section shall be in lieu of any permit, certificate, or similar document required by any state, local or regional agency, or federal agency to the extent permitted by federal law, for such use of the site and related facilities, and shall supersede any applicable statute, ordinance, or regulation of any state, local, or regional agency, or federal agency to the extent permitted by federal law.

(b) For purposes of this section, "facility" includes and means any of the following:

- (1) A solar photovoltaic or terrestrial wind electrical generating power plant, with a generating capacity of 50 MW or more, and any facilities appurtenant thereto.
- (2) An energy storage system as defined in Public Utilities Code section 2835 that is capable of storing 200 MWh or more of electrical energy.
- (3) A discretionary project as described by Public Resources Code section 21080 for the manufacture, production, or assembly of specialized products, components, or systems that are integral to renewable energy or energy storage technologies, and for which a capital investment of at least \$250 million will be made over a period of five years.
- (4) An electric transmission line carrying electric power from a power plant or energy storage system located in the state and described in subdivisions (b)(1), (b)(2), and (b)(4) to a point of junction with any interconnected transmission system.

(c) For purposes of this section, the following definitions shall apply:

- (1) "California Native American tribe" as defined in Public Resources section 21073.
  - (2) "CEQA" shall mean the California Environmental Quality Act at Public Resources Code (Division 13 (commencing with Section 21000) of the Public Resources Code).
  - (3) "CEQA Guidelines" shall mean the administrative regulations governing implementation of CEQA as promulgated in Title 14, Division 6, Chapter 3 of the California Code of Regulations).
  - (4) "Traditional ecological knowledge" shall mean knowledge held by indigenous cultures about their immediate environment and the cultural practices that build on that knowledge and including California Native American tribes' intimate and detailed knowledge of plants, animals, and natural phenomena, the development and use of appropriate technologies for hunting, fishing, trapping, agriculture, and forestry, and a holistic knowledge, or "world view" that parallels the scientific discipline of ecology.
- (d) An application submitted pursuant to this section shall be in the form prescribed by the commission and shall contain all of the information required in section 25520 and be further supported by such information as the commission may require to support the certification of an environmental impact report and issuance of a certificate for the site and related facility.
- (1) The commission shall review the application and make a determination of completeness within 30 days of the submission of the application, except as provided in subsection (d)(3).
  - (2) The Executive Director may require the applicant to submit any information, document, or data, in addition to that specified in section 25520, that is determined reasonably necessary to make a decision on the application, including whether to certify the environmental impact report and issue a certificate for the site and related facility. The Executive Director shall transmit the request for such additional information within 30 days of the submission of the application.
  - (3) The application shall be deemed complete either after the commission's receipt of the additional information requested under subsection (d)(2), or 30 days after the original submittal of the application if no such additional information is timely requested.
  - (4) No later than 270 days after the application is deemed complete, the commission shall determine whether to certify the environmental impact report and issue a certificate for the site and related facilities.
- (e) Notwithstanding any other sections in this chapter or other law or regulation applicable to the commission's issuance of a certificate for sites and related

facilities which require adjudicatory or nonadjudicatory hearings or other procedures in accordance with the Administrative Procedure Act (Chapter 4.5 (commencing with Section 11400) of Part 1 of Division 3 of Title 2 of the Government Code), an application submitted pursuant to this section shall be reviewed by commission staff and the Executive Director shall prepare a recommendation for the commission's consideration on whether to certify an environmental impact report and issue a certificate for the site and related facilities, subject to the substantive and procedural requirements specified in this section.

- (f) The commission shall be the lead agency under CEQA for all applications received pursuant to this section.
  - (1) Notwithstanding any other provision in CEQA or the CEQA Guidelines, the commission shall prepare an environmental impact report to consider the potential environmental impacts for any application submitted pursuant to this section. In preparing the environmental impact report, the commission shall satisfy all of the substantive and procedural requirements of CEQA and the CEQA Guidelines as modified herein.
  - (2) The commission shall prepare the environmental impact report pursuant to CEQA Guidelines section 15080. The regulatory program certified by the California Natural Resources Agency pursuant to Public Resources Code section 21080.5 and CEQA Guidelines section 21080 applicable to sites shall not apply to this section. The commission may also prepare an Initial Study pursuant to CEQA Guidelines section 15063 to help identify the significant effects of the project, but the preparation of the Initial Study shall not extend the timeline for final commission action under subdivision (d)(4).
  - (3) The commission shall conduct public outreach to solicit input on the application to identify the range of actions, alternatives, mitigation measures, and significant effects to be analyzed in depth in the environmental impact report and proposed certificate for the site and related facilities at the following times:
    - (A) Within three days after the application is deemed complete, the commission shall issue the Notice of Preparation pursuant to CEQA Guidelines section 15082.
    - (B) No sooner than 10 days and no later than 30 days after the commission determines the application is complete, the commission shall conduct a public informational meeting as close as is practicable to the proposed site. The informational meeting shall include information on the proposed project from the applicant and from commission staff. The informational meeting shall also include information on how to participate in the



commission's review of the application, and shall provide a reasonable opportunity for the public to comment upon the application. The informational meeting shall be noticed at least 10 days before the meeting and notice shall be sent electronically to all persons who have requested to receive notice of the commission's review of applications pursuant to this section, and to any person who the Executive Director, in conjunction with the Public Advisor, determines to be concerned with the application.

- (C) No later than 30 days after the issuance of the Notice of Preparation pursuant to CEQA Guidelines section 15082, the commission shall conduct a public scoping meeting pursuant to CEQA Guidelines section 15082(c) as close as practicable to the proposed site.
- (D) No sooner than 15 days and no later than 30 days after the issuance of the Notice of Completion and Notice of Availability of the draft environmental impact report, and during the public review and comment period pursuant to CEQA Guidelines sections 15086 and 15087, the commission shall conduct at least one public meeting as close as practicable to the proposed site.
- (E) The public comment and review period for the draft environmental impact report prepared pursuant to subdivision (f)(1) shall be at least sixty (60) days.
- (F) No sooner than 30 days after completion of the final environmental impact report prepared pursuant to subdivision (f)(1), the commission shall consider adoption and certification of the environmental impact report at a public hearing.

(g) In addition to its responsibilities as a lead agency under CEQA:

- (1) The commission's consideration of the application and issuance of a certificate for the site and facilities under this section shall include all of the specific provisions and findings provided in section 25523(a), (d), and (e) through (h).
- (2) The commission may not certify a site and related facility under this section when  
it finds pursuant to subdivision (d) of Section 25523 that the facility does not conform with any applicable state, local, or regional standards, ordinances, or laws, unless the commission determines that the facility is required for public convenience and necessity pursuant to Section 25525.
- (3) The commission's issuance of a certification for a site and related facility is subject to the provisions of Section 25527.
- (4) The commission shall not certify a site and related facility under this section unless it finds that construction, operation, or both, of the facility will have an overall net positive economic benefit to the local government that would have otherwise had permitting authority over the site and related facility. For purposes of this part, economic benefits may include, but are not limited to:
  - (A) Employment growth.

- (B) Housing development.
- (C) Infrastructure and environmental improvements.
- (D) Assistance to public schools and education.
- (E) Assistance to public safety agencies and departments.
- (F) Assistance to nonprofit community-based organizations.
- (G) Property taxes and sales and use tax revenues.

(5) The commission shall not certify a site and related facility under this section unless it finds that the applicant has entered into one or more legally binding and enforceable agreements with, or that benefit, a coalition of one or more community-based organizations, such as workforce development and training organizations, labor unions, social justice advocates, local governmental entities, or other organizations that represent community interests, where there is mutual benefit to the parties to the agreement. The topics and specific terms in the community benefits agreements may vary.

Examples of topics might include workforce development, job quality, and job access provisions such as:

- (A) Terms of employment, such as wages and benefits; employment status; workplace health and safety; scheduling; and career advancement opportunities.
- (B) Worker recruitment, screening, and hiring strategies and practices; targeted hiring planning and execution; investment in workforce training and education; and worker voice and representation in decision-making affecting employment and training.
- (C) Establishing a High Road Training Partnership, as defined in subdivision (s) of Section 14005 of the Unemployment Insurance Code.

(6) (A) If any site and related facility is proposed to be located, in whole or in part, within the coastal zone, the commission shall transmit a copy of the application to the California Coastal Commission. Any written analysis or report by the California Coastal Commission on the application and the suitability of the proposed site and related facility shall be submitted to the commission within 60 days of the commission's issuance of a Notice of Preparation, for the analysis to be addressed in the draft environmental impact report. The California Coastal Commission's report should contain a consideration of and findings regarding the factors identified in subdivision (d) of Section 30413.

(B) If any site and related facility is proposed to be located, in whole or in part, within the Suisun Marsh or within the jurisdiction of the San Francisco Bay Conservation and Development Commission, the commission shall transmit a

copy of the application to the San Francisco Bay Conservation and Development Commission. Any written analysis or report by the San Francisco Bay Conservation and Development Commission on the application and the suitability of the proposed site and related facility, shall be submitted to the commission within 60 days of the commission's issuance of a Notice of Preparation for the application. The San Francisco Bay Conservation and Development Commission's report should contain a consideration of and findings regarding the factors identified in subdivision (d) of section 66645 of the Government Code.

(C) If any site and related facility is proposed to be located, in whole or in part, on lands within the jurisdiction, control, or supervision of the State Lands Commission, the commission shall transmit a copy of the application to the State Lands Commission. Any written analysis or report by the State Lands Commission on the application and the suitability of the proposed site and related facility, shall be submitted to the commission within 60 days of the commission's issuance of a Notice of Preparation for the application. The State Lands Commission's report should contain a consideration of and findings regarding the consistency of the proposed site and related facilities with the primary uses of the land and whether the proposed use is necessary or advisable in the public interest.

(D) If subparagraph (A), (B), or (C) is applicable to an application, then the commission shall confer with the California State Lands Commission, California Coastal Commission, or San Francisco Bay Conservation and Development Commission, as appropriate, in the development of the environmental impact report and recommendations on the application and shall ensure that the findings and analyses of these entities are considered and responded to in writing. The commission may not certify a site and related facility if the members of the governing body of the California State Lands Commission, California Coastal Commission, or San Francisco Bay Conservation and Development Commission, as relevant, determine by a vote made during a public meeting, that the site and related facility are inconsistent with the primary uses of the land and there would be substantial unmitigated adverse environmental impacts.

(h) (1) Within five days of determining an application complete, the commission shall submit the application to all California Native American tribes that are culturally and traditionally associated with the geographic area of the proposed project pursuant to sections 21080.3.1, 21080.3.2, and 21082.3, and invite consultation. The commission shall take feasible measures to avoid or minimize adverse impacts to tribal cultural resources pursuant to section 21084.3.

(2) During consultations pursuant to this subdivision, the commission shall solicit California Native American tribes' traditional ecological knowledge and,

where feasible, incorporate the California Native American tribes' traditional ecological knowledge into the environmental impact report prepared pursuant to subdivision (f)(1).

(3) Where feasible, the commission shall invite Tribal Historic Preservation Officers, or other cultural monitors designated by a California Native American tribe, of California Native American tribes that are culturally and traditionally associated with the geographic area of the site and related facilities to observe and monitor activities at the site and related facilities during the environmental review and permitting processes.

(i) An application submitted under this section shall include the applicant's certification that either of the following is true:

(1) The entirety of the project is a public work for purposes of Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code.

(2) The project is not in its entirety a public work for which prevailing wages must be paid under Article 1 (commencing with Section 1720) of Chapter 1 of Part 7 of Division 2 of the Labor Code, but all construction workers employed on the project will be paid at least the general prevailing rate of per diem wages for the type of work and geographic area, as determined by the Director of Industrial Relations pursuant to Sections 1773 and 1773.9 of the Labor Code, except that apprentices registered in programs approved by the Chief of the Division of Apprenticeship Standards may be paid at least the applicable apprentice prevailing rate. If the project is subject to this paragraph, then for those portions of the project that are not a public work all of the following shall apply:

(A) The applicant shall ensure that the prevailing wage requirement is included in all contracts for the performance of all construction work.

(B) All contractors and subcontractors shall pay to all construction workers employed in the construction of the project at least the general prevailing rate of per diem wages, except that apprentices registered in programs approved by the Chief of the Division of Apprenticeship Standards may be paid at least the applicable apprentice prevailing rate.

(C) All contractors and subcontractors performing construction work on the project shall employ apprentices at no less than the ratio required in Section 1777.5 of the Labor Code.

(D) Except as provided in subparagraph (F), all contractors and subcontractors performing construction work shall maintain and verify payroll records pursuant to Section 1776 of the Labor Code, make those records available for inspection

and copying as provided therein, and furnish those payroll records to the Labor Commissioner pursuant to Section 1771.4 of the Labor Code.

(E) Except as provided in subparagraph (F), the obligation of the contractors and subcontractors to pay prevailing wages and employ apprentices may be enforced by the Labor Commissioner through the issuance of a civil wage and penalty assessment pursuant to Section 1741 of the Labor Code, which may be reviewed pursuant to Section 1742 of the Labor Code, within 18 months after the completion of the project, or by an underpaid worker through an administrative complaint or civil action, or by a joint labor-management committee through a civil action under Section 1771.2 of the Labor Code. If a civil wage and penalty assessment is issued, the contractor, subcontractor, and surety on a bond or bonds issued to secure the payment of wages covered by the assessment shall be liable for liquidated damages pursuant to Section 1742.1 of the Labor Code.

(F) Subparagraphs (D) and (E) shall not apply if all contractors and subcontractors performing construction work on the project are subject to a project labor agreement. For purposes of this subparagraph, "project labor agreement" has the same meaning as set forth in paragraph (1) of subdivision (b) of Section 2500 of the Public Contract Code. The project labor agreement shall include, but not be limited to, all of the following:

(i) Provisions requiring payment of prevailing wages to all construction workers employed in the construction of the project and for enforcement of that obligation through an arbitration procedure.

(ii) Targeted hiring provisions, including a targeted hiring plan, on a craft-by-craft basis to address job access for local, disadvantaged, and/or underrepresented workers, as defined by a local agency.

(iii) Apprenticeship utilization provisions that commit all parties to increasing the share of work performed by state-registered apprentices above the state-mandated minimum ratio required in Section 1777.5 of the Labor Code.

(iv) Apprenticeship utilization provisions that commit all parties to hiring and retaining a certain percentage of state-registered apprentices that have completed the Multi-Craft Core Curriculum as defined by subdivision (t) of Section 14005 of the Unemployment Insurance Code.

(j) An application submitted under this section shall include the applicant's certification that a skilled and trained workforce will be used to perform all construction work on the project.

(1) For purposes of this section, "skilled and trained workforce" has the same meaning as provided in Chapter 2.9 (commencing with Section 2600) of Part 1 of Division 2 of the Public Contract Code.

(2) When the applicant certifies that a skilled and trained workforce will be used to perform all construction work on the project, the following shall apply:

(A) The applicant shall require in all contracts for the performance of work that every contractor and subcontractor at every tier will individually use a skilled and trained workforce to construct the project.

(B) Every contractor and subcontractor shall use a skilled and trained workforce to construct the project.

(C) For purposes of this subdivision, "applicant" has the same meaning as "awarding body" as provided in Chapter 2.9 (commencing with Section 2600) of Part 1 of Division 2 of the Public Contract Code.

(D) Contractors and subcontractors that fail to use a skilled and trained workforce shall be subject to the penalties provided in Section 2603 of the Public Contract Code. Penalties for a contractor's or subcontractor's failure to comply with the requirement to use a skilled and trained workforce may be assessed by the Labor Commissioner within 18 months of completion of the project using the same procedures for issuance of civil wage and penalty assessments pursuant to Section 2603 of the Public Contract Code. Penalties shall be paid to the State Public Works Enforcement Fund.

(E) The applicant shall retain records, including copies of monthly reports, that demonstrate compliance with Chapter 2.9 (commencing with Section 2600) of Part 1 of Division 2 of the Public Contract Code while the project or contract is being performed and for three years after completion of the project or contract. The applicant shall submit these records immediately upon request of the commission. When submitted to the commission, these records shall be a public record under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code) and shall be open to public inspection.

(F) Subparagraphs (C) to (E), inclusive, shall not apply if all contractors and subcontractors performing work on the project are subject to a project labor agreement. For purposes of this subparagraph, "project labor agreement" has the same meaning as set forth in paragraph (1) of subdivision (b) of Section 2500 of the Public Contract Code. The project labor agreement shall include, but not be limited to, all of the following:

- (i) Provisions requiring compliance with the skilled and trained workforce requirement and for enforcement of that obligation through an arbitration procedure.
  - (ii) Targeted hiring provisions, including a targeted hiring plan, on a craft-by-craft basis to address job access for local, disadvantaged, and/or underrepresented workers, as defined by a local agency.
  - (iii) Apprenticeship utilization provisions that commit all parties to increasing the share of work performed by state-registered apprentices above the state-mandated minimum ratio required in Section 1777.5 of the Labor Code.
  - (iv) Apprenticeship utilization provisions that commit all parties to hiring and retaining a certain percentage of state-registered apprentices that have completed the Multi-Craft Core Curriculum as defined by subdivision (t) of Section 14005 of the Unemployment Insurance Code.
- (k) The commission may adopt guidelines to implement the provisions of this section that are not governed by CEQA and the CEQA Guidelines. The guidelines shall be adopted at a publicly noticed meeting offering all interested parties an opportunity to comment. Substantive changes to the guidelines shall not be adopted without at least 10 days' written public notice. The Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code) does not apply to the adoption of these guidelines.
- (l) Notwithstanding any other law, for purposes of this section, the commission may non-competitively enter into an agreement with a city, county, or city and county, and the city, county, or city and county can non-competitively subcontract without restriction, to provide expertise or analysis for preparation of an environmental impact report required under this section. The agreement shall not require the review, consent, or approval of the Department of General Services or any other state department or agency and is not subject to the requirements of the State Contracting Manual, the Public Contract Code, or the personal services contracting requirements of Article 4 (commencing with Section 19130) of Chapter 5 of Part 2 of Division 5 of Title 2 of the Government Code. Under the agreement, the commission may advance funds to the city or county.
- (m) Upon receiving the commission's request to provide expertise or analysis for an environmental impact prepared under this section, the city, county, or city and county may request a fee pursuant to Section 25538 to cover for the actual and added costs of this review and the commission shall pay this amount to the city, county, or city and county.

(n) Notwithstanding any other law, a commission agreement entered into for purposes of this section shall not require competitive bidding, or the review, consent, or approval of the Department of General Services or any other state department or agency and is not required to comply with the requirements of the State Contracting Manual, the Public Contract Code, or the personal services contracting requirements of Article 4 (commencing with Section 19130) of Chapter 5 of Part 2 of Division 5 of Title 2 of the Government Code.

(o) (1) A person who submits to the commission an application under this section shall submit with the application a fee of two hundred fifty thousand dollars (\$250,000) plus five hundred dollars (\$500) per megawatt of gross generating capacity of the proposed facility or per megawatt-hour of gross storage capacity of the proposed facility, up to a maximum fee of seven hundred fifty thousand dollars (\$750,000).

(2) A person who receives certification of a proposed generating facility under this section shall pay an annual fee of twenty-five thousand dollars (\$25,000). The first payment of the annual fee is due on the date the commission adopts the final decision. All subsequent payments are due by July 1 of each year in which the facility retains its certification. The fiscal year for the annual fee is July 1 to June 30, inclusive.

(3) The fees in subdivisions (o)(1) and (o)(2) shall be adjusted annually to reflect the percentage change in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services, as published by the United States Department of Commerce.

(4) All fees received by the commission pursuant to this section shall be remitted to the Treasurer for deposit in the Energy Facility License and Compliance Fund established pursuant to section 25806. The money in the fund shall be expended, upon appropriation by the Legislature, for processing applications under this section and for compliance monitoring of facilities certified under this section.

(p) Notwithstanding any other law, the procedures established pursuant to subdivision (q) shall apply to any action or proceedings brought to attack, review, set aside, void, or annul the certification of an environmental impact report and issuance of the certification for any site and related facility subject to this section, provided that the commission prepares the administrative record of the proceeding concurrently with its review process, and certifies the administrative record within 5 days of approving the project.

(q) On or before \_\_\_\_\_, the Judicial Council shall adopt a rule of court to establish procedures that require actions or proceedings brought to attack, review, set aside, void, or annul the certification of an environmental impact report or the issuance of the certification for any site and related facility subject to this section, including any potential appeals to the court of appeal or the Supreme Court, to be resolved, to the extent feasible, within 270 days of certification of the record of proceedings pursuant to subdivision (p).



- (r) A court shall not grant provisional or permanent relief barring construction or operation of a site or related facility under this section, by injunction or writ of mandate or other similar relief, unless the court finds, in addition to any other findings generally required for granting the relief, that either (i) that the continued construction or operation of the site or related facility presents an imminent threat to the public health and safety, or (ii) that the site or related facility contains unforeseen important Native American artifacts or unforeseen important historical, archaeological, or ecological values that would be materially, permanently, and adversely affected by the continued construction or operation of the site or related facility unless the court stays or enjoins the construction or operation of the site or related facility. If the court finds that clause (i) or (ii) is satisfied, the court may only enjoin or bar those specific activities associated with the site or related facility that present an imminent threat to public health and safety or that materially, permanently, and adversely affect unforeseen important Native American artifacts or unforeseen important historical, archaeological, or ecological values. Additionally, as to an application for provisional relief, a court may not grant the relief unless it finds that the party seeking provisional relief is more likely than not to succeed on the merits of its claims.
- (s) The provisions of this section are severable. If any provision of this section or its application is held to be invalid, that invalidity shall not affect any other provision or application that can be given effect without the invalid provision or application.
- (t) This section is effective only for applications pursuant to subdivision (a) above submitted on or after July 1, 2022.

## CAISO DATA SHARING – CPUC

SECTION 1. Section 7921.505 of the Government Code is amended to read:  
7921.505. (a) As used in this section, "agency" includes a member, agent, officer, or employee of the agency acting within the scope of that membership, agency, office, or employment.

(b) Notwithstanding any other law, if a state or local agency discloses to a member of the public a public record that is otherwise exempt from this division, this disclosure constitutes a waiver of the exemptions specified in:

(1) The provisions listed in Section 7920.505. (2)

Sections 7924.510 and 7924.700.

(3) Other similar provisions of law.

(c) This section, however, does not apply to any of the following disclosures:

(1) A disclosure made pursuant to the Information Practices Act (Chapter 1 (commencing with Section 1798) of Title 1.8 of Part 4 of Division 3 of the Civil Code) or a discovery proceeding.

(2) A disclosure within the scope of disclosure of a statute that limits disclosure of specified writings to certain purposes.

(3) A disclosure not required by law, and prohibited by formal action of an elected legislative body of the local agency that retains the writing.

(4) A disclosure made to a governmental agency that agrees to treat the disclosed material as confidential. Only persons authorized in writing by the person in charge of the agency shall be permitted to obtain the information. Any information obtained by the agency shall only be used for purposes that are consistent with existing law.

(5) A disclosure of records relating to a financial institution or an affiliate thereof, if the disclosure is made to the financial institution or affiliate by a state agency responsible for regulation or supervision of the financial institution or affiliate.

(6) A disclosure of records relating to a person who is subject to the jurisdiction of the Department of Business Oversight, if the disclosure is made to the person who is the subject of the records for the purpose of corrective action by that person, or, if a corporation, to an officer, director, or other key personnel of the corporation for the purpose of corrective action, or to any other person to the extent necessary to obtain information from that person for the purpose of an investigation by the Department of Business Oversight.

(7) A disclosure made by the Commissioner of Business Oversight under Section 450, 452, 8009, or 18396 of the Financial Code.

(8) A disclosure of records relating to a person who is subject to the jurisdiction of the Department of Managed Health Care, if the disclosure is made to the person who is the subject of the records for the purpose of corrective action by that person, or, if a corporation, to an officer, director, or other key personnel of the corporation for the purpose of corrective action, or to any other person to the extent necessary to obtain information from that person for the purpose of an investigation by the Department of Managed Health Care.

(9) A disclosure made through the sharing of information between the Independent System Operator and a state agency.

SEC. 2. Section 583 of the Public Utilities Code is amended to read:

583. (a) No information furnished to the commission by a public utility, ~~or any~~ a business which that is a subsidiary or affiliate of a public utility, or a corporation ~~which that~~ holds a controlling interest in a public utility, except those matters specifically required to be open to public inspection by this part, shall be open to public inspection or made ~~public~~ public, except on order of the ~~commission~~,

commission or by the commission or a commissioner in the course of a hearing or proceeding. ~~Any~~ A present or former officer or employee of the commission who divulges ~~any such~~ that information is guilty of a misdemeanor.

(b) Notwithstanding subdivision (a) or any other law, a present officer or employee of the commission may share information with the Independent System Operator pursuant to an agreement to treat the shared information as confidential.

SEC. 3. The Legislature finds and declares that Section 1 of this act, which amends Section 7921.505 of the Government Code, imposes a limitation on the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article I of the California Constitution. Pursuant to that constitutional provision, the Legislature makes the following findings to demonstrate the interest protected by this limitation and the need for protecting that interest:

This act protects market-sensitive procurement information from public disclosure to protect fair competition and prevent market manipulation, while enabling the Independent System Operator and a state agency to share with each other otherwise confidential information for purposes of ensuring electrical system reliability. Further, the Legislature endorses the Public Utilities Commission's findings and governing rules adopted after the 2000–01 energy crisis for protecting and accessing confidential market-sensitive information, as specified in Public Utilities Commission Decisions 06-06-66, 06-12-030, 07-05-032, 08-04-023, 09-12-020, 11-07-028, and 20-07-005.

## CARBON REMOVAL INNOVATION – CEC

### Chapter \_\_\_\_ Carbon Removal Innovation Program Article 1. General Provisions

25640. This chapter shall be known, and may be cited, as the Carbon Removal Innovation Program.

25640.1. For purposes of this chapter, the following definitions apply:

- a. "Carbon Removal Innovation" means the programs and activities described in Section 25640.1.1.
- b. "Financial incentive" includes a contract, grant, loan, or other appropriate funding mechanism.
- c. "Under-resourced community" has the same meaning as defined in Section 71130.

25640.1.1 The commission shall establish and administer the Carbon Removal Innovation Program to provide financial incentives for eligible projects that advance technologies for direct air capture of atmospheric carbon. Eligible projects shall include, but not be limited to, technology research, development and demonstrations and implementation of prototype and pilot research test centers

25641. In implementing the Carbon Removal Innovation program, the commission may do all of the following:

- a. In addition to any other authorized method of providing moneys to participants, use financial incentives.
- b. Adopt guidelines or other standards at a business meeting for the carbon removal innovation program.
- c. Notwithstanding any other law, noncompetitively award carbon removal innovation program moneys to an entity that will use the moneys as matching funds for federally awarded moneys.
- d. Notwithstanding any other law, in its discretion, advance up to 25 percent of the carbon removal innovation program moneys awarded pursuant to this chapter.
- e. Consult with Air Resources Board to ensure carbon removal innovation program moneys support achieving the State's climate targets, to the extent feasible.