

A Resilient and Equitable Future: Energy Regulatory Opportunities and Challenges



LOCAL GOVERNMENT SUSTAINABLE ENERGY COALITION

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The Future is Electric

Supply increasingly looks like... Demand

➤ Renewables (Statewide Resource Adequacy backstop proposal)

➤ Storage

➤ Self-Generation Incentive Program for wildfire recovery



➤ Load management/pricing

➤ Energy Efficiency (focused more on behavior and load-shaping; loss of Local Government Partnerships)

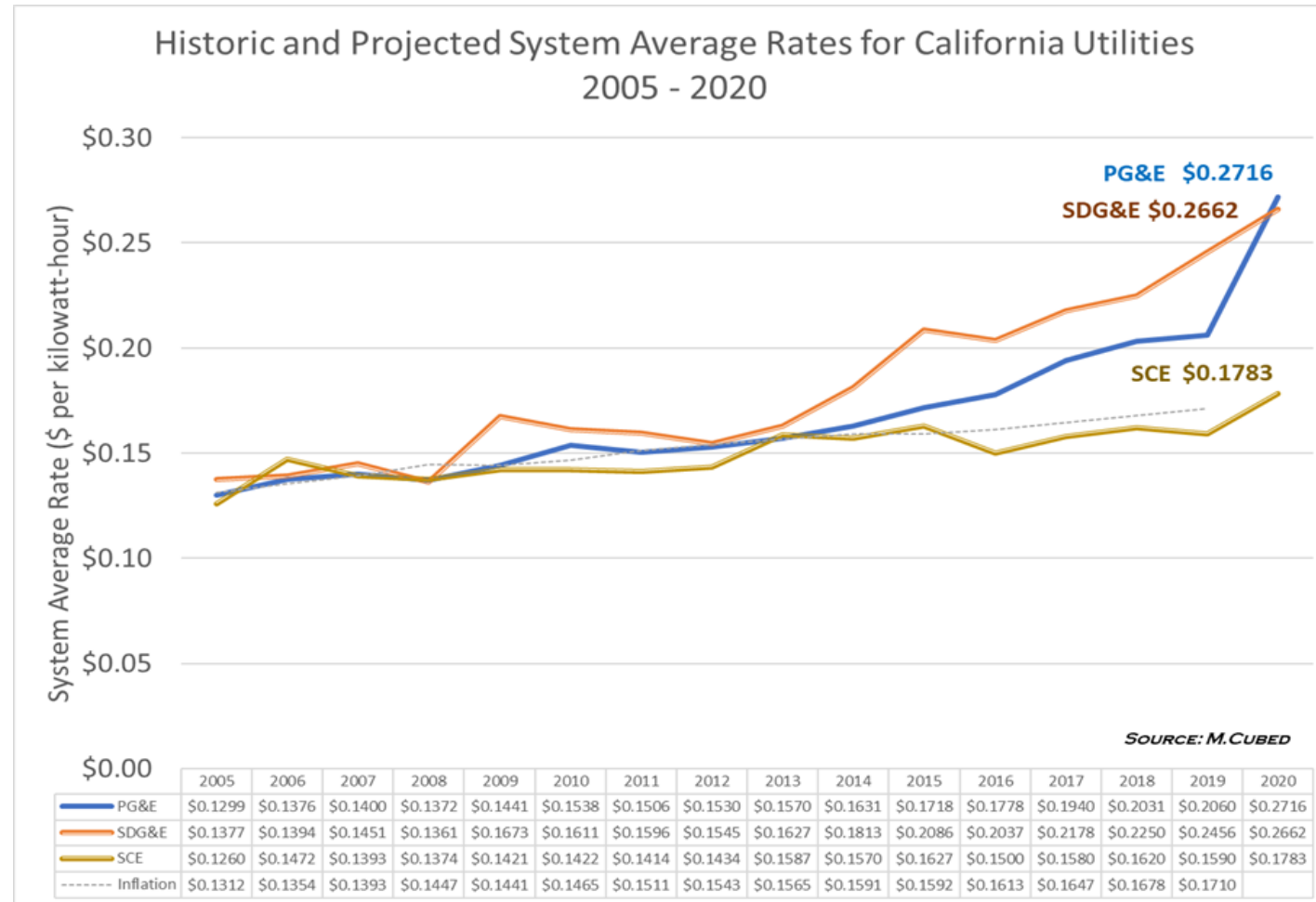
➤ Building Decarbonization

○ Order Instituting Rate-making (OIR) 19-01-011

○ Fuel Substitution Test (R.13-11-005)

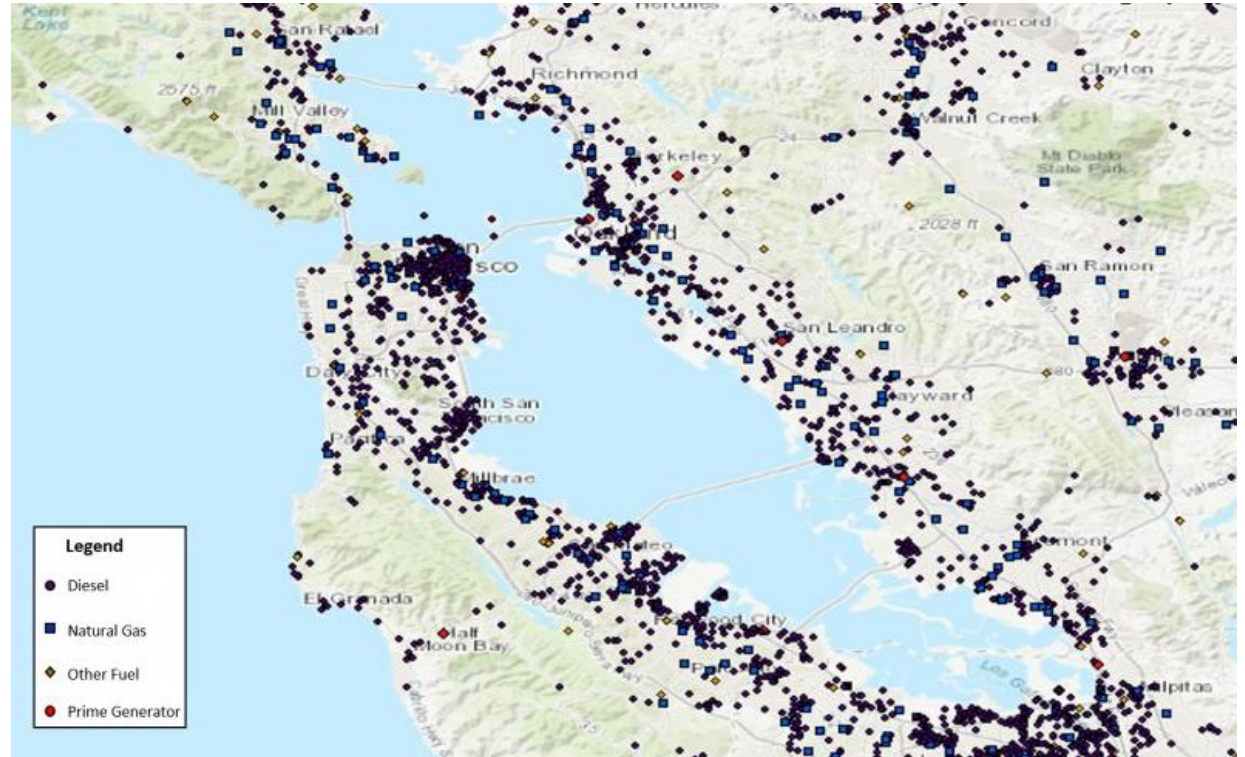
Higher Electricity Costs Almost Certain

- OIR to Consider Non-Bypassable Charge to Support California's Wildfire Fund
- Hotter Climates = Higher Bills
- Threats to "Baseline"
- Pressure on California Alternative Rates for Energy
- Inequitable electrified gated communities



Fossil Fuels Won't Go Down Without a Fight

- Diesel capacity growing as back-up generations installed in the face of Public Safety Power Shut-offs
- High fuel switching costs and looming electricity rate increases threaten electrification.
- Gas companies pushing renewable natural gas; fuel cells; Power-to-Gas



Diesel capacity growing as back-up 6,500 BUGs throughout the San Francisco Bay Area, not counting backyard generators, nearly four gigawatts of electricity, and producing upwards of 259,000 pounds of CO2 a day, and other emissions.

Pacific Gas and Electric Company (PG&E) Safety Culture Improvements, Investigation 15-08-019

In June the CPUC launched a proceeding to consider ways to improve PG&E's safety culture, including potentially splitting its natural gas and electricity businesses; establishing a periodic review of the utility's certificate of public convenience and necessity; and linking its return on equity to safety performance metrics.

"With a narrower focus, the hope would be that the company, and management in particular, would be able to concentrate on ensuring an improved safety culture and superior safety performance throughout the organization," the Commission stated in its investigation order.

Local Governments are better poised to safely take on emerging challenges and opportunities...but lack the resources to do so

Carbon Reduction

- Building and Transportation Electrification
- Energy Efficiency

Equity

- Rural and Hard to Reach
- Multi-unit Housing
- Case management of resources

Resilience

- Micro-grids
- Distribution undergrounding
- Vegetation management

Local Grid Management

- Distribution Planning Areas
- Community Distributed Energy Resources deployment
- Area-based pricing

Future Looks Cool, if We Can Get There

In the next 10 years, how will you...

- Electrify buildings and vehicles
- Ensure energy resilience
- Avoid worsening the “duck curve”
- Reduce climate change impacts
- Maintain affordability

In the context of...

- Increasing frequency and intensity of disasters
- Limited budget and capacity
- Utility mis-steps
- Declining energy efficiency funding
- Everything else you and your organization does

WE WIN!



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California Energy Commission); Energy Leaders;

Members-Only Portal; Peer networking; educational forums



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