



VOTE SOLAR

May 18, 2020

VIA EMAIL

The Honorable Governor Gavin Newsom
1303 10th Street, Suite 1173
Sacramento, CA 95814

The Honorable Toni G. Atkins
Senate President pro Tempore
State Capitol, Room 205
Sacramento, CA 95814

The Honorable Anthony Rendon
Speaker of the Assembly
State Capitol, Room 219
Sacramento, CA 95814

Re: Community Energy Resilience in the FY 20-21 Budget

Dear Governor Newsom, Pro Tem Atkins and Speaker Rendon,

We strongly support the focus on energy resilience in the Governor's recently revised budget proposal and are writing to suggest clarifications regarding the \$50M to support Community Energy Resilience.¹ We also recommend state agency actions to help local governments implement community energy resilience planning, complementing a related recent CPUC decision. Once community energy resilience plans have been developed, local governments will be positioned to make well-informed decisions about how best to meet their resilience needs, taking advantage of available public and private funds for project implementation.² State funds should not be utilized in ways that support polluting and outdated fossil fuel back up generation which endangers public health and safety and is contrary to California's environmental goals.

We respectfully suggest the following:

Direct state agencies to inventory and report on *existing* agency technical and financial resources that could help local governments start community energy resilience planning and implementation.

State agencies – including Cal OES, the Strategic Growth Council and the California Energy Commission – have existing related technical and program resources which could help local governments engage in community energy resilience planning. For example, the California Energy

¹ The Governor's May budget proposal for FY 20-21 included the following under Cal OES: "*Community Power Resiliency—Maintain \$50 million one-time General Fund to support additional preparedness measures that bolster community resiliency. Building on the state's 2019-20 power resiliency investments, these measures will support critical services still vulnerable to power outage events, including schools, county election offices, and food storage reserves. This proposal will support a matching grant program to help local governments prepare for, respond to, and mitigate the impacts of power outages.*"

² Local governments are eligible applicants for SGIP funds which can pay for local renewable energy generation as well as storage. Private vendors offer energy-as-a service offerings which can make it possible for local governments to procure clean energy resilience infrastructure without requiring expenditure of public funds.

Commission (CEC) has supported development of microgrids via its EPIC program. The CEC has invested approximately \$90M in 39 projects to enhance resilience, supporting critical facilities including medical centers, fire stations, and community centers. A directive to state agencies from the Governor’s Office would complement the April 29th Proposed [Decision](#) issued by the California Public Utilities Commission (CPUC) which directs Investor Owned Utilities to provide information to local governments to help them initiate resilience project development.

Prioritize use of community energy resilience funds for *clean energy* resilience.

In the Fall of 2019, Cal OES allocated \$75M to local governments to help prepare for future power shutoffs. In many instances, these funds were used to support installation of new diesel back-up generation. Diesel generators emit high levels of asthma-inducing particulate matter, as well as toxic carbon monoxide and smog-producing, climate-changing pollutants. Furthermore, diesel generators are themselves a potential fire hazard. Energy resilience through clean distributed energy resources offers a safer, healthier solution. With rapidly declining prices for solar and battery storage – as well as advances in fuel cells, combined heat and power and other energy efficient power generation technologies – distributed clean energy can provide a more sustainable path to resilience.³ California already has over one million solar roofs installed, most of which cannot be used during power outages because they are not yet paired with energy storage.⁴ Solar plus storage is often more cost effective than fossil fuel backup generators over the long term. It can also provide revenue and system benefits on a daily basis,⁵ unlike diesel generators which are only useful during a grid outage.

Prioritize allocation of energy resilience funds to low-income and disadvantaged communities.

Low-income and disadvantaged communities suffer disproportionately from air pollution and high rates of respiratory disease, problems which are being exacerbated by installation of new fossil generation. In addition, while all communities who suffer from power outages are disrupted, lower income households are likely to suffer most. California should prioritize providing community energy resilience support – including minimizing local government matching fund requirements – for critical facilities serving disadvantaged and low-income communities in high fire threat districts, consistent with the funding priorities contained in the Self-Generation Incentive Program Equity Resilience Budget.⁶

Allow use of energy resilience funds for local governments to engage in community energy resilience planning.

Local governments have been spending state resilience funds on diesel generators because they have not had time or resources to do the necessary planning. Enhancing energy resilience through clean distributed resources requires planning: thinking from a community-wide perspective rather than just a facility-specific basis; thinking about life-cycle cost rather than upfront first cost; consulting with

³ For a detailed discussion, see the Vox article [here](#), “Wildfires and blackouts mean Californians need solar panels and microgrids,” Oct 28, 2019.

⁴ See the recently-released [paper](#) by Sunrun, “Smart, Clean Neighborhood Grids: Redesigning Our Electric System to Help Communities Power Through Blackouts” which explains how distributed energy resources can reliably supply the same services as gas-powered microgrids. The idea is to disconnect distribution substations from the transmission grid during planned outages and use energy stored in batteries at the distribution substation to re-energize individual distribution circuits on the local level. This re-energization could be triggered by a substation-sited energy storage installation.

⁵ See the recently-released Vote Solar [report](#), “Resilient Clean Energy for California.”

⁶ See the CPUC SGIP Proceeding, [R.12-11-005](#)

local utilities regarding existing distribution circuit infrastructure. A unifying state policy framework for community energy resilience planning was provided by legislation introduced earlier this year by Senator Bill Dodd, SB 1314, the Community Energy Resilience Act. The policy framework of SB 1314 could be used to allow funds from the Governor’s proposed \$50M for community energy resilience to support the resilience planning that local governments need to choose energy resilience resources wisely.

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

Thank you in advance for your attention to this issue. Please contact Kurt Johnson at The Climate Center (kurt@theclimatecenter.org) with any technical questions and Lea-Ann Tratten (LTratten@TrattenPrice.com) or Jena Price (JPrice@TrattenPrice.com) of TrattenPrice Consulting with any policy questions related to this recommendation.

Sincerely,

Ellie Cohen CEO The Climate Center	Susannah Churchill California Director Vote Solar	Craig Lewis Executive Director Clean Coalition	Allie Detrio Senior Advisor Microgrid Resources Coalition
--	---	--	---

Raghav Murali
Senior Director of Policy and General Counsel
Center for Sustainable Energy

cc: Kate Gordon, Alice Reynolds, Rachel Wagoner, Governor’s Office
Kip Lipper, Pro Tem’s Office
Joanne Roy, Senate Budget
Alf Brandt, Speaker’s Office
Susan Chan, Assembly Budget
Senator Bill Dodd
Senator Henry Stern