SENATE / ASSEMBLY TRAILER BILL

NO. XXX

Climate Action Solutions Addressing Fire Emergencies (CA-SAFE)

Proposed Trailer Bill to Fund Newly Passed SB-99. This \$750 million emergency appropriation would fund locally-controlled microgrids in high fire-risk communities.

July 1, 2021 DRAFT for legislative review

An act relating to fire protection and climate change, and making an appropriation therefor.

LEGISLATIVE DRAFT by the CLIMATE ACTION SOLUTIONS ADDRESSING FIRE EMERGENCY (CA-SAFE) COALITION

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Fire prevention and climate change activities: funding Community Microgrid Operators to create clean energy locally-controlled microgrids in areas of past wildfires and power blackouts. This bill would allocate \$750 million from the California budget (1% of the surplus) to the California

Energy Commission to provide critical seed capital financing and a revised regulatory framework that provides a monetization pathway for Community Microgrid Operators.

Forestry and fire prevention and climate action by decentralizing power systems in high fire risk areas from overhead poles and wires that run through tinderbox forests to a decentralized system of locally-controlled clean energy microgrids in wildfire and blackout impacted communities.

Existing law establishes within the Natural Resources Agency and the State Energy Resources Conservation and Development Commission (the California Energy Commission"). Existing law assigns the commission various duties, including applying for and accepting grants, contributions, and appropriations, and awarding grants consistent with the goals and objectives of a program or activity the commission is authorized to implement or administer.

This bill would appropriate the sum of \$750 million from the General Fund to the California Energy Commission to finance clean energy locally-controlled microgrids at publicly accessible community designated facilities in the most fire prone areas of the state, to jump start the urgently-needed solution of decentralized microgrids power systems for fire prevention, carbon emission reduction and public health.

This bill would provide that it is the intent of the Legislature to to enact statutory changes relating to wildfire prevention and climate action to manage, through the California Energy Commission, the buildout of clean energy locally-controlled-microgrids in fire-prone areas, commencing August 1, 2021, with the long term objective to transition to locally-controlled resilient power systems that prevent fires and reduce the state's outdated reliance on long distance transmission lines owned by private utility companies, while advancing the state's commitment to a 100% renewable energy system by 2035.

BILL TEXT:

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1

The Legislature finds and declares all of the following:

- (a) Wildfires are the greatest threat that Californians face to life, property, commerce and our environment.
- (b) Last year was the most destructive year ever for California wildfires, burning more than 4% of the state and releasing 110 million tons of carbon into the air.
- (c) Because of climate-change, 2021 is <u>predicted to be</u> at least as catastrophic, with a record drought and ever higher winds contributing to a perfect storm for more wildfires.
- (d) Four of the six most destructive fires since 2017, including the Tubbs and Camp Fire, the two worst in state history, were caused by overhead power lines sparking wildfires during high winds.
- (e) Liability-averse utility companies have responded by preemptively shutting down power with increasing frequency (see Exhibit 1 below). Millions of Californians have been severely impacted by recent power shutdowns. With record heat and drought, the number of preemptive shutdowns are expected to grow, causing even more suffering, especially for the elderly and infirm who depend upon electricity for life support machinery.
- (f) Building decentralized locally-controlled clean energy microgrids in fire-prone areas is an urgently needed long term solution to empower resilient communities, respond to blackouts, prevent wildfires and reduce carbon emissions to protect public health.
- (g) Although California has allocated billions of dollars to prepare for, remediate and fight wildfires after they spread, none of this funding will be allocated to respond to blackouts or build a carbon-emissions free decentralized power system for the future by building clean energy microgrids.
- (h) By allocating \$750 million from the state budget (just 1% of California's unexpected surplus), CA-SAFE provides a unique fiscal opportunity to finally commit to the funding necessary for this urgently-needed long term solution of building out microgrids, with local entities identified and managed by the California Energy Commission. The funding, for shovel-ready localities, will provide clean energy resilience through the deployment of clean energy microgrids, with a priority for lower income communities that suffer the most from air pollution and power outages, as described in the newly passed SB99, the Community Energy Resilience Act of 2021.

- (i) To accompany this appropriation and attract additional funding, the state shall create and implement new legislation to provide a community microgrid operator with the ability to monetize clean energy generated locally by selling it back to utility companies, with tariffs set and regulated by the Public Utilities Commission.
- (j) In this challenging era of climate change and wildfire emergencies that are caused by a centralized power transmission system reliant upon antiquated overhead power lines, a long term solution for a renewable energy future and fewer fires requires replacing overhead lines in high risk areas with locally-controlled clean energy microgrids.
- (k) The CA-SAFE bill will help California meet its decarbonization and climate action goals by incorporating clean energy, while at the same time reducing reliance on large centralized fossil fuel plants that harm disadvantaged communities

SECTION 2: FUNDING

The sum of seven hundred-fifty hundred million dollars (\$750,000,000) is hereby appropriated from the General Fund to be allocated to local government and power entities to build clean energy locally-controlled microgrids in high fire risk areas, to be managed by the California Energy Commission, with a priority for lower income communities that suffer the most from air pollution and power outages.

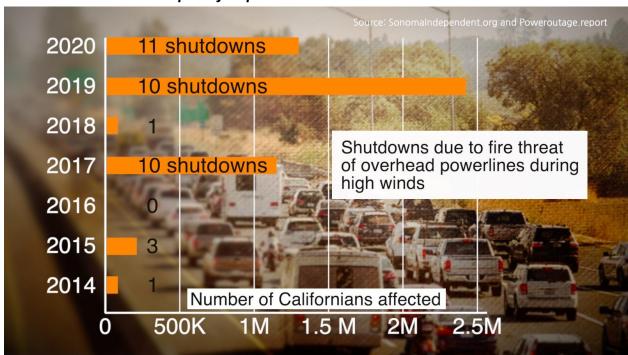


Exhibit A: Increase in frequency of power blackouts in California

