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Clerk of the Board  
California Air Resources Board  
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## **RE: Comments on Climate Pollution Reduction Grants Program Webinar**

The California Municipal Utilities Association<sup>1</sup> (CMUA) appreciates the opportunity to provide these comments to the California Air Resources Board (CARB) on the February 1, 2024, Climate Pollution Reduction Grants (CPRG) Program webinar and on California's Draft Priority Climate Action Plan (PCAP) released for public comment on January 31, 2024.

CMUA represents California's local publicly owned utilities (POUs), which are governed by locally elected boards and are accountable to the communities which they serve. CMUA's member agencies are committed to maintaining reliable and affordable electric service in a manner that supports the state's climate goals. Beyond providing affordable and reliable electric service, California's POUs are community benefit organizations, providing programs and services that support their local communities. In this capacity, California's POUs are partners in the efforts to meet the state's clean energy and greenhouse gas reduction goals.

### **Comments**

#### **All California Electricity Customers Should Have Access to CPRG Funds**

As stated in the PCAP, emissions from electricity have dropped significantly. While this accounting reflects direct emission reductions in the electric sector, the electric sector is being tasked with reducing emissions from other sectors including building and transportation. Reliably and affordably increasing the role of electricity in building and transportation sectors will require expansion of local distribution systems. To that end, CMUA appreciates the proposal to create a new Distribution System Capacity Upgrades Funding Program to enhance California's electric distribution system. The draft PCAP

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<sup>1</sup> The California Municipal Utilities Association is a statewide organization of local public agencies in California that provide electricity and water service to California consumers. CMUA membership includes publicly owned electric utilities that operate electric distribution and transmission systems. In total, CMUA members provide approximately 25 percent of the electric load in California.

correctly notes that the cost of overall distribution system upgrades is immense, and without the CPRG or programs like it, those immense costs would traditionally be funded by ratepayers. “CPRG funding would kick-start this program, help alleviate the financial burden on consumers, and accelerate grid upgrades that will otherwise become a bottleneck to ZE technologies across the State.” (Draft PCAP, p. 30) The draft PCAP proposes that the California Public Utilities Commission (CPUC) in consultation with CEC and CARB, implement the program. It is important that California’s POU’s have appropriate access to funds from the Distribution System Capacity Upgrades Funding Program. CARB appears to rely on the fact that the CPUC has an open proceeding on distribution system planning and in which numerous representatives from low-income and disadvantaged communities participate and broad authority over the investor-owned utilities as the sole basis upon which to task the CPUC with “spearheading” and implementing the program. However, CMUA is concerned that this recommendation fails to account for the remaining 25% of the state’s electricity consumers, over which the CPUC had no jurisdiction, the customers of publicly owned utilities (POUs). POU’s and their customers, including their low-income and disadvantaged communities, face the same challenges and cost impacts for system upgrades. To ensure that all distribution systems have equal access to these funds, CMUA encourages this program to be implemented chiefly by the California Energy Commission (Energy Commission), with direct outreach and collaboration with the CPUC, CARB, and local publicly owned utilities. This outreach is critical, as the POU’s are actively engaged in each of their communities, know the challenges that need to be addressed, and are uniquely situated to outreach their disadvantaged and adversely impacted communities. The Energy Commission is well positioned to ensure that all electric utilities have appropriate access to these program funds.

### **Expanded Self-Generation Incentive Funds Should Be Fairly Distributed**

CMUA supports the proposal to use CPRG funds to expand behind-the-meter energy storage options for California’s electricity customers. While the Draft CPRG correctly notes that the CPUC has a demonstrated capability to successfully implement this measure, because the Self-Generation Incentive Program (SGIP) was established as an investor-owned utility (IOU) ratepayer-funded program solely for the benefit of IOU customers, the proposed expansion of the SGIP, including the recent changes authorized by AB 209, go beyond just IOU customers. While recent state legislation provided funding for solar and storage incentives through SGIP for customers of POU’s and IOU’s, CMUA continues to have significant concerns that the existing SGIP framework, developed by and for IOU, can effectively serve POU customers."

To ensure that all of California’s low-income customers have appropriate access to behind-the-meter energy storage funding opportunities, and to avoid disenfranchising low-income POU customers, it is critical that these customers be accurately identified.

