



ENVIRONMENTAL QUALITY POLICY COMMITTEE
Thursday, June 3, 2021
1:30 pm – 4:30 pm

Register for this meeting:

<https://zoom.us/join/joinMeeting?zmt=930RrSmvKLT4WzAUksFXRL2>

Immediately after registering, you will receive a link and confirmation email to join the meeting.

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AGENDA

- I. Welcome and Introductions**
*Speakers: Chair, Chris Rogers, Mayor, Santa Rosa
Vice Chair, David Pollock, Councilmember, Moorpark*

- II. Public Comment**

- III. General Briefing (Handout)** *Informational*

- IV. Legislative Update** *Informational*
Speaker: Derek Dolfie, League of California Cities
A list of the Cal Cities EQ interest bills can be found [here](#) and a complete list of all the Cal Cities EQ bills can be found [here](#).

- V. SoCal Gas Presentation (2pm - 20 mins)** *Informational*
*Speaker: Michelle Sim- Director of Sustainability, SoCalGas
James Lucas- Commercial Development Manager, SoCalGas
Ty Korenwinder- Project Manager, SoCalGas*

Presentation from SoCal Gas on what their company is doing to sequester carbon, their use and production of renewable natural gas, and transition towards a clean energy future.

- VI. Legislative Agenda (Attachment A)** *Action*
*Speaker: Derek Dolfie, League of California Cities
Jason Rhine, League of California Cities*
 - [SB 533 \(Stern\)](#) Electrical Corporations. Wildfire Mitigation Plans. Deenergization Events. Microgrids
 - [ACA 7 \(Murtasuchi\)](#) Local Government. Police Power. Municipal Affairs. Land Use and Zoning

- VII. New Proposed Microgrid Policy (Attachment B)** *Action*
Speaker: Derek Dolfie, League of California Cities
New proposed policy for the committee's consideration on microgrids and how they play into city energy resiliency.

- VIII. Issues that Affect Cities Statewide Discussion** *Informational*
Open forum and discussion opportunity for committee members to share ideas on what topics and issues are impacting your city and cities statewide. This will be an opportunity for Cal Cities staff to hear ideas about potential legislation for next year.

IX. Adjourn

Next Meeting: Staff will notify committee members after July 24 if the policy committee will be meeting in September

Please visit our Cal Cities Environmental Quality Policy Committee [webpage](#) for more information about the committee and resources on EQ topics

Brown Act Reminder: The League of California Cities' Board of Directors has a policy of complying with the spirit of open meeting laws. Generally, off-agenda items may be taken up only if:

1. *Two-thirds of the policy committee members find a need for immediate action exists and the need to take action came to the attention of the policy committee after the agenda was prepared (Note: If fewer than two-thirds of policy committee members are present, taking up an off-agenda item requires a unanimous vote); or*
2. *A majority of the policy committee finds an emergency (for example: work stoppage or disaster) exists.*

A majority of a city council may not, consistent with the Brown Act, discuss specific substantive issues among themselves at Cal Cities meetings. Any such discussion is subject to the Brown Act and must occur in a meeting that complies with its requirements.

**Environmental Quality Policy Committee
June 2021 Legislative Agenda**

Staff: Derek Dolfie, Legislative Representative, (916)-658-8218
Caroline Cirrincione, Policy Analyst, (916)-658-8250

1. [SB 533 \(Stern\)](#) Electrical Corporations: Wildfire Mitigation Plans: Deenergization Events: Microgrids. (As Amended 5/20/21)

Bill Summary:

This measure would require electrical corporations to identify circuits that are frequently deenergized and the steps taken to reduce the need for deenergization in their wildfire mitigation plans (WMPs). SB 533 would also require electrical corporations to collaborate with local governments, tribal governments, and community choice aggregators (CCAs) to develop microgrids and other energy solutions.

Bill Description:

Specifically, this measure would:

- Require an electrical corporation's wildfire mitigation plan to identify circuits that have frequently been deenergized to mitigate the risk of wildfire and the measures taken, or planned to be taken, by the electrical corporation to reduce the need for future deenergization of those circuits, including replacing, hardening, or undergrounding any portion of the circuit or of upstream transmission or distribution lines, or the installation of microgrids;
- Require an electrical corporation, upon request, to collaborate with local governments, tribal governments, or CCAs within its service area to identify critical circuits and microgrid projects;
- Require electrical corporations to provide local governments, tribal governments, and CCAs with electrical distribution equipment data, transmission and distribution circuit data, grid hardening plans, and other information requested by those entities to ensure that they are able to plan and develop microgrid projects collaboratively with the electrical corporations; and
- Specify that if a local government, tribal government, or CCA requests information relating to individual customers, customers' personal information, or customers' locations, the electrical corporation is required to provide the information on a confidential basis.

Background:

Definition of a Microgrid

Existing law, [SB 1339](#) (Stern, Chapter 566, Statutes of 2018), added Chapter 4.5, Sections 8370-8372 to California's Public Utilities Code, which defines a microgrid as:

- "An interconnected system of loads and energy resources, including, but not limited to, distributed energy resources, energy storage, demand response tools, or other management, forecasting, and analytical tools, appropriately sized to meet customer needs, within a clearly defined electrical boundary that can act as a single, controllable entity, and can connect to, disconnect from, or run in parallel with, larger portions of the electrical grid, or can be managed and isolated to withstand larger disturbances and maintain electrical supply to connected critical infrastructure."
 - SB 533 uses this definition to define a "microgrid."

A microgrid can be as simple as a diesel-fuel generator able to provide needed power during an electric power outage or a more complicated system of interconnected resources. Microgrids can provide reliability and resiliency services to better manage power outages due to wildfire, flooding, etc.

California Public Utilities Commission (CPUC) Microgrid Proceeding

In January 2021, the CPUC adopted rates, tariffs, and rules for Pacific Gas and Electric Company (PG&E), Southern California Edison (SCE), and San Diego Gas & Electric (SDG&E) to facilitate the commercialization of microgrids across California and strategies for procurement of backup power in advance of the wildfire season. As part of this decision, large investor-owned utilities are:

- Required to conduct meetings to educate and inform local and tribal government agencies on vulnerable electric transmission and distribution infrastructure as well as critical operations that service local jurisdictions;
- Required to develop a resiliency project guide to assist local and tribal governments in navigating the interconnection processes for deploying a resiliency project; and
- Required to dedicate staff to manage the intake of local and tribal government resiliency projects and create a separate, access-restricted data portal for local and tribal governments to review data essential for microgrid and resiliency project development.

Additionally, this decision required SCE, PG&E, and SDG&E to jointly develop a statewide Microgrid Incentive Program with a \$200 million budget to fund clean energy microgrids to support vulnerable communities impacted by grid outages and test new technologies or regulatory approaches.

The CPUC continues to do work in this space. As part of the proceeding mentioned above, the CPUC organized a working group to facilitate discussions to continue to support the goal of resiliency and the commercialization of microgrids. The [Resiliency and Microgrids Working Group \(RMWG\)](#) has been meeting throughout this year to further explore issues identified in the proceeding.

Wildfire Mitigation Plans

In 2019, Cal Cities supported [SB 901](#) (Dodd, Chapter 626, Statutes of 2018), requiring investor-owned utilities (IOUs) to annually develop and submit Wildfire Mitigation Plans (WMP) to the CPUC. IOUs' WMPs detail, describe, and summarize IOU responsibilities, actions, and resources to mitigate wildfires. These actions include plans to harden their system to prevent wildfire ignitions caused by utility infrastructure, such as widespread electric line replacement with covered conductors designed to lower wildfire ignition, pole replacement, and other actions. The WMPs also include information regarding the electric IOUs' efforts to conduct extensive vegetation management to reduce the risk of tree branches, grasses, and other vegetation from coming into contact with utility infrastructure. The WMPs also require electric utilities to incorporate their protocols and procedures for proactive power shutoffs. As California continues to experience what has become a year-round fire season, strengthening safety and other policies to protect against these disasters is critical for local governments.

Fiscal Impact:

While the fiscal impacts of this measure on local governments are unknown, it can be assumed the collaboration outlined in this measure could generate modest costs to local governments. However, some of the provisions of this measure are “upon request,” meaning the city would need to initiate the collaboration with the utility first.

According to the Senate Appropriations Committee, SB 533 would generate ongoing costs of roughly \$300,000 annually for the CPUC to collaborate with local governments, tribal governments, and community-choice aggregators. These costs would also include identifying critical circuits and microgrid projects and starting a new proceeding to determine whether new secured databases for sharing this information are necessary.

Existing Cal Cities Policy:

Community Choice Aggregation

Local Energy Autonomy:

Cal Cities supports programs that increase local control over the purchase and development of renewable energy resources, as an effective means of increasing consumer access to renewable energy at stable, competitive rates, and decreasing statewide greenhouse gas emissions.

Cal Cities supports cities' exercise of the right to form or join existing Community Choice Aggregation (CCA) entities, as an effective method increasing local control over power supply. Accordingly, Cal Cities supports legislation and regulatory policies that support CCA autonomy in policymaking and decision-making, and opposes legislation and regulatory policies that unfairly disadvantage CCAs or CCA customers, or reduce or undermine local decision-making autonomy by the CCA or its governing board.

Cal Cities supports continuing development of local renewable energy resources and supply, including protection of local autonomy to administer energy efficiency and install and utilize integrated distributed energy resources.

Energy Efficiency:

Cal Cities supports effective leveraging of energy efficiency programs tailored to address local needs and concerns.

Electric Industry Restructuring

Municipal Utilities:

The autonomy of municipal utilities should not be eroded. Cal Cities will oppose any legislation that harms municipal utilities.

Cal Cities 2021 Strategic Priorities:

"Improve state-local coordination and planning to strengthen community disaster preparedness, resiliency, and recovery. Pursue additional resources and support to mitigate the effects of climate change, sea level rise, catastrophic wildfires, and flooding in our communities. Promote community disaster preparedness, resiliency, and recovery in collaboration with the state and federal governments. Increase availability and access to the National Flood Insurance Program to include other natural disasters."

Staff Comments:

Energy resiliency and reliability are at the top of the mind for both local governments and the Legislature. There have been numerous bills introduced in the last five years that touch on the creation, deployment, and use of microgrids as a way for local governments to keep the lights on during an emergency or power shutoff. Senator Stern has introduced several bills on this topic and is looking to see where local governments stand on microgrids and their use in cities as forms of energy resiliency. As such, taking a position on a bill such as this would create precedent for future engagement on bills on this topic.

Support-Opposition (As of 4/26/21):

Support

- 350 Silicon Valley
- California Association of Public Authorities for In-Home Supportive Services IHSS
- City of Moorpark
- City of Santa Clarita
- City of Simi Valley
- City of Thousand Oaks
- Disability Rights California
- El Dorado Irrigation District
- Elders Climate Action, NorCal, and SoCal chapters
- Independent Living Resource Center
- Rural County Representatives of California
- Schneider Electric North America
- UDW/AFSCME Local 3930

Opposition

- Coalition of California Utility Employees
- San Diego Gas & Electric Company
- Southern California Edison
- The Utility Reform Network

Staff Recommendation:

Staff recommends that the committee support SB 553 (Stern).

Committee Recommendation:

Board Action:

2. [ACA 7 \(Muratsuchi\)](#) Local Government Police Power. Municipal Affairs. Land Use and Zoning

Bill Summary:

This measure would provide that with regard to the zoning or use of land within the boundaries of a county or city, local ordinances, regulations, or charter provisions, would prevail over state law if a conflict exists.

Bill Description:

ACA 7 is an Assembly Constitutional Amendment that, if approved by the voters, would provide the following:

- A county or city ordinance or regulation enacted under the police power that regulates the zoning or use of land within the boundaries of the county or city would prevail over conflicting general laws, with specified exceptions; and
- A city charter provision, or an ordinance or regulation adopted pursuant to a city charter, that regulates the zoning or use of land within the boundaries of the city is deemed to address a municipal affair and would prevail over a conflicting state statute, with specified exceptions.

Specified exceptions are as follows:

- The California Coastal Act of 1976 (Division 20 (commencing with Section 30000) of the Public Resources Code), or a successor statute;
- The siting of a power generating facility capable of generating more than 50 megawatts of electricity; and
- The development or construction of a water or transportation infrastructure project for which the Legislature has declared in statute the reasons why the project addresses a matter of statewide concern and is in the best interests of the state. For purposes of this paragraph, a transportation infrastructure project does not include a transit-oriented development project, whether residential, commercial, or mixed use.

Background:

There are two types of cities, charter cities and general law cities. Of California’s 482 cities, 108 of them are charter cities. The Constitution grants both types of cities the power to adopt ordinances to protect the public’s health, safety and welfare. This grant is called the “police power.” The Constitution grants charter cities the additional power to adopt ordinances affecting “municipal affairs.” This power, commonly referred to as “home rule” is based on the principle that a city, rather than the state, is in the best position to identify and satisfy the needs of the local community.

An ordinance adopted under the police power cannot be enforced if it “conflicts” with state law. State law is said to “preempt” the local ordinance. An ordinance adopted under the municipal affairs power cannot be enforced if it affects a “matter of statewide concern.” The subjects that have been “preempted” and the subjects that have been identified as “matters of statewide concern” have changed over the years with changing economic, social, and political circumstances.

Since the 1960s, the state has enacted laws that have restricted local land use and zoning. These laws include the Fair Employment and Housing Act (FEHA), Housing Element, Housing Accountability Act (HAA), density bonus, Permit Streamlining Act, Accessory Dwelling Units, California Environmental Quality Act (CEQA) and many more.

Fiscal Impact:

There would be no direct fiscal impact to cities.

Existing Cal Cities Policy:

Vision

To be recognized and respected as the leading advocate for the common interests of California’s cities.

Mission Statement

To expand and protect local control for cities through education and advocacy to enhance the quality of life for all Californians.

We Believe

- Local self-governance is the cornerstone of democracy.
- Our strength lies in the unity of our diverse communities of interest.
- In the involvement of all stakeholders in establishing goals and in solving problems.
- In conducting the business of government with transparency, openness, respect, and civility.
- The spirit of honest public service is what builds communities.

- Open decision-making that is of the highest ethical standards honors the public trust.
- Cities are vital to the strength of the California economy.
- The vitality of cities is dependent upon their fiscal stability and local autonomy.
- The active participation of all city officials increases the League's effectiveness.
- Partnerships and collaborations are essential elements of focused advocacy and lobbying.
- Ethical and well-informed city officials are essential for responsive, visionary leadership and effective and efficient city operations.

Zoning

Cal Cities believes local zoning is a primary function of cities and is an essential component of home rule. The process of adoption, implementation and enforcement of zoning ordinances should be open and fair to the public and enhance the responsiveness of local decision-makers. State policy should leave local siting and use decisions to the city and not interfere with local prerogative beyond providing a constitutionally valid procedure for adopting local regulations. State agency siting of facilities, including campuses and office buildings, should be subject to local notice and hearing requirements in order to meet concerns of the local community. Cal Cities opposes legislation that seeks to limit local authority over parking requirements.

Housing Element

Housing issues should be addressed in the general plan as other planning issues are. The housing element should be prepared for the benefit of local governments and should have equal status with the other elements of the general plan.

Subdivision Map Act

Cal Cities supports maximizing local control over subdivisions and public improvement financing. Discretion over the conditions and length of subdivision and parcel maps should be retained by cities.

Annexation and Incorporation

Cal Cities supports strengthening city control over urban boundaries. Sphere of Influence law should be modified to ban county development and to allow cities to annex logical growth. The Revenue and Taxation Code should not allow counties to block annexations in exchange for unreasonable property tax sharing agreements. In addition, cities should have expanded authority over adjacent lands outside of their sphere of influence regardless of jurisdictional lines so long as the land is not within another city's sphere. Cities should not be required to incur costs for planning to meet infrastructure needs of unincorporated areas or leveraged to annex areas which would result in unfunded costs. Cal Cities supports facilitating the incorporation of cities that have met procedural requirements and voter approval. Cal Cities opposes efforts by the Legislature to disincorporate a city for any reason, unless requested by the affected city.

California Environmental Quality Act (CEQA)

Cal Cities has extensive existing policy with regard to CEQA. Most of this policy is highly specific to the implementation of the Act. [Click here](#) to review the full policy.

Comments:

ACA 7 is an Assembly Constitutional Amendment that requires a two-thirds vote in both houses in order to be placed on the ballot for the November 2022 statewide general election. If voters approve the measure, by a simple majority vote, the California State Constitution will be amended.

ACA 7 encompasses a broad swath of state law. The State *Planning and Zoning Law* which stretches from Government Code 65000 - 66301 includes the following state "general laws" relating to "zoning" and "use of land:"

- Prohibition on discrimination (65008): An action taken by a city that denies to any individual or group of individuals..." any land use" is unlawful. [This statute is used to challenge city's land use decisions that do not provide sufficient affordable housing, etc.]
- Mandated elements of general plan (65302): Land use element; circulation; housing; conservation; open-space; noise; safety; environmental justice. Mandated reporting to the Department of Housing and Community Development regarding implementation of plan (65400). Housing element requirements such as affirmatively furthering fair housing (65583(c)(10)); promoting and affirmatively further fair housing opportunities throughout the community (65583(c)(5); conserve and improve the condition of the existing affordable housing stock (65593(c)(4); zone for emergency shelters (65583(d)).
- Housing Accountability Act (65589.5).
- Limitation on inclusionary rental housing ordinance (65850.01).
- ADUs/JADUs (65852.2, 65852.22).
- Requirement to allow rebuilding of multifamily dwelling destroyed by fire (65852.25).
- Requirement to zone sufficient land for housing (65913.1); prohibition on subdivision standards that preclude housing for all economic segments of the community (65913.2).
- SB 35 ministerial approval of housing on certain infill sites (65913.4).
- Density bonus (65915).

Another area of law impacted by ACA 7 is the California Environmental Quality Act (CEQA). While CEQA is not in the code sections listed above, compliance with CEQA is an integral part of "regulating the zoning or use of land."

It is important to note that under ACA 7, a city could not simply ignore these state laws. Rather, ACA 7 would allow a city to adopt ordinances that "conflict" with these laws, thus allowing the ordinances to prevail over state law.

Finally, given the broad scope of ACA 7, it is possible that the measure might be a "revision" rather than an "amendment" to the Constitution. Although the voters can amend the Constitution by an initiative, a "revision" of the Constitution may be accomplished only by convening a constitutional convention and then obtaining voter approval of what the convention proposes. The idea is that "comprehensive changes" to the Constitution require more formality, discussion and deliberation than is available in the initiative process [Raven v. Deukmejian (1990) 52 Cal.3d 335].

Support-Opposition: (as of 5/28/2021)

None on file at this time.

Staff Recommendation:

Staff recommends the committee discuss ACA 7 and make a recommendation to the Board.

Committee Recommendation:

Board Action:

Environmental Quality Policy Committee – June 2021
Proposed Addition to the Summary of Existing Policy and Guiding Principles Document

Staff: Derek Dolfie, Legislative Representative, (916)-658-8218
Caroline Cirrincione, Policy Analyst, (916)-658-8250

Microgrids:

In addition to taking a position on SB 533 (Stern), the policy committee should consider adopting the following proposed addition to the Cal Cities [Summary of Existing Policy and Guiding Principles](#) document. This policy would provide clear direction to the Cal Cities advocacy team on legislative and regulatory positions related to microgrids.

Proposed Addition to the Summary of Existing Policy and Guiding Principles Document

Text:

“Microgrids

Cal Cities supports the use and deployment of microgrids in cities, especially as a tool to aid energy resiliency and disaster preparedness.”

Background and Existing Cal Cities Policy:

An in-depth background on microgrids can be found in the SB 533 (Stern) analysis (*Attachment A*) in this agenda packet.

Staff Comments:

The use and deployment of microgrids will continue to be a topic of discussion in the Legislature for the foreseeable future. As the state transitions to a 100 percent clean power grid, there is a desire to deploy microgrids in several applications. For example, some are pushing for microgrids to power all local government critical infrastructure as a form of permanent backup power in case of emergencies. Others imagine that in the future, all households will have solar and solar storage systems that can both power the home and provide electricity if the power grid goes down.

It is anticipated that additional legislation and funding will be introduced to support the broad deployment and use of microgrids and aid cities in becoming more energy resilient. Cal Cities should develop a policy on microgrids to position ourselves to potentially advocate for these funds and direct policy making to fit our energy resiliency needs.

The committee may also wish to consider the impacts of widespread use of microgrids on long-term energy planning and procurement for investor owned utilities, municipal utilities, and community choice aggregators. A targeted use of microgrids on critical city facilities may alleviate some concerns in this regard.

Staff Recommendation:

Staff recommends that the committee support the adoption of the proposed addition to the summary of existing policy and guiding principles document related to microgrids.

Committee Recommendation:

Board Action: