

DOCKETED

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**Proposed Changes to
Final 2021 Integrated Energy Policy Report**

**For Consideration at the February 16, 2022
California Energy Commission Business Meeting**

Page numbers refer to the clean version of report posted on February 1, 2022 (docket number 21-IEPR-01, TN# 241361). Added text is shown in underline; deleted text shown in strikeout.

Volume I: Building Decarbonization, Chapter 2, pages 45–46:

- On December 13, 2021, the CPUC issued a proposed decision for proceeding R.20-08-020.^[1] The proposed decision puts forward a new net billing tariff that includes four components, it would:
 - o Pays net billing customers for the electricity they export to the grid based on the value, determined by the avoided cost to the utility of buying clean energy elsewhere.
 - o Charges net billing customers for the electricity they receive from the grid based on high differential time-of-use tariffs, creating more benefit for customers who install storage and offering them incentives to store solar energy and shift exports later in the day.
 - o Creates a grid participation charge based on the size of the solar system to ensure that net-billing customers are paying the same fixed costs of the electric grid as non-net-billing customers.
 - o Provides a market transition credit so that customers can pay back the cost of a new solar plus storage energy system in less than 10 years, ensuring that the solar industry in California continues to grow and rooftop solar remains economical. The credit ~~will~~ would phase out for new customers over four years.

The net billing tariff would offers incentives for storage adoption to support net peak reliability, promotes equity, and supports the sustainable growth of customer-sited renewable energy. ~~The proposed decision may be heard, at the earliest, at the CPUC's January 27, 2022, voting meeting. If adopted as written, the proposed decision would implement a sunset on the NEM 2.0 tariff four months after issuance of the final decision and the next phase of the NEM proceeding will include workshops to consider community project tariffs, which will be coordinated with other related proceedings. The next phase would also include a workshop by April 30, 2022, to solicit stakeholder feedback on the allocation of the Equity Fund, and a ruling to seek stakeholder input on the five-year evaluation of the net billing tariff, with a focus on affordability and equity metrics.~~

On February 3, 2022, the Administrative Law Judge managing that proceeding informed parties that the proposed decision, "will not appear on the [CPUC's] voting meeting agenda until further notice. On January 11, 2022, the [CPUC] reassigned Rulemaking 20-08-020 to President Alice Reynolds. The assigned Commissioner has requested additional time to analyze the record and consider revisions to the proposed decision based on party comments."¹

**Volume I: Building Decarbonization, Chapter 6, page 153:
Infrastructure**

New infrastructure ~~will~~could be required for decarbonization, such as additional electricity generation and delivery infrastructure to support electrification, or construction of pipelines for decarbonization efforts involving green hydrogen or carbon capture and utilization or sequestration, respectively.

Volume I: Building Decarbonization, Chapter 7, page 180:

- Heat pumps are a critical enabling technology for achieving building decarbonization. As such, the California Energy Commission (CEC), recommends a goal of installing at least 6 million heat pumps in new and existing buildings by 2030. Further, the CEC commits to working with stakeholders — including manufacturers, labor, local governments, environmental advocates, and others — to accelerate the market to meet this goal and to push beyond it toward comprehensive migration to heat pumps for space and water heating. The CEC is planning a public workshop to discuss the heat pump deployment target, related impacts, and steps needed to achieve it.

Volume I: Building Decarbonization, Glossary, page 194:

~~*Renewable gas*~~ refers to gas produced from waste and a variety of renewable and sustainable biomass sources.

There are several definitions of *renewable gas* and biomethane in statute and in use by different state agencies. Generally, renewable gas, also known as biomethane, includes, but is not limited to, gas that is produced from anaerobic decomposition or thermochemical conversion of biomass, including RPS-eligible sources.

¹ CPUC. [Net Energy Metering Revisit Rulemaking R.20-08-020](https://www.cpuc.ca.gov/nemrevisit). <https://www.cpuc.ca.gov/nemrevisit>.