STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
DF-46 (REV 07/23)

Fiscal Year	Business Unit Number	Department
2025-26	3360	California Energy Commission

Hyperion Budget Request Name	Relevant Program or Subprogram
3360-077-BCP-2025-GB	2380010 – Power Plant Site Certification and Transmission Line Corridor Designation

Budget Request Title
Grid Resilience and Innovation Partnership 2 (GRIP 2) Federal Authority.

Budget Request Summary
The California Energy Commission (CEC) requests up to $600,562,000 in budget authority from the Federal Trust Fund (0890) to receive federal funds awarded through the Grid Resilience and Innovation Partnership program authorized by the Bipartisan Infrastructure Law of 2021(formally the Infrastructure Investment and Jobs Act). The CEC is the "prime" recipient for the transmission, interconnection and community benefit programs that will be implemented through the California Harnessing Advanced Reliable Grid Enhancing Technologies for Transmission (CHARGE 2T) program. Additionally, the CEC requests the following provisional language for the CEC to have budget authority for the full term of the CHARGE 2T program: "Funds appropriated under this item shall be available for encumbrance or expenditure until June 30, 2034."

Requires Legislation (submit required legislation with the BCP)	Code Section(s) to be Added/Amended/Repealed
☐ Trailer Bill Language ☒ Budget Bill Language ☐ N/A	N/A

Does this BCP contain information technology (IT) components? ☐ Yes ☐ No *If yes, departmental Chief Information Officer must sign.*	Department CIO	Date
	Click or tap here to enter text.	Click or tap to enter a date.

For IT requests, specify the project number, the most recent project approval document (FSR, SPR, S1BA, S2AA, S3SD, S4PRA), the approval date, and the total project cost.

Project No. N/A / Project Approval Document: N/A

Approval Date: Click or tap to enter a date. **Total Project Cost:**

If proposal affects another department, does other department concur with proposal? ☐ Yes ☐ No
Attach comments of affected department, signed and dated by the department director or designee.

Prepared By	Date	Reviewed By	Date
Sean Simon	Click or tap to enter a date.	Click or tap here to enter text.	Click or tap to enter a date.
Department Director	**Date**	**Agency Secretary**	**Date**
Click or tap here to enter text.	Click or tap to enter a date.	Click or tap here to enter text.	Click or tap to enter a date.

Department of Finance Use Only

Additional Review: ☐ Capital Outlay ☐ ITCU ☐ FSCU ☐ OSAE ☐ Dept. of Technology

Principal Program Budget Analyst	Date submitted to the Legislature
Steve Wells	1/10/2025

A. Problem Statement

The CEC requires budget authorization to receive federal funds awarded through the Federal Department of Energy's (DOE) competitive Grid Resilience and Innovation Partnerships Program process. This authority will allow the CEC to disburse federal funds to support the CEC's administration of the federal grant. Additionally, the CEC requests the following provisional language for the CEC to have budget authority for the full 8-year term of the CHARGE 2T program, "Funds appropriated under this item shall be available for encumbrance or expenditure until June 30, 2033."

B. Justification

The CEC was awarded $600,561,319 to fund the roughly $1.5 billion CHARGE 2T budget throughout the 8-year program period. The CEC is the "prime" recipient and will be administering the program. The CEC's direct administration costs are estimated to total $45 million. CEC continues to pursue additional funding, and the total award amount may ultimately exceed the $600,561,319 amount already awarded.

The federal award, when combined with more than $900 million in mostly utility revenue requirement cost-share will encompass more than $1.5 billion in improvements to California's electric grid that will increase reliability, resilience and access to clean energy. The vast majority of deployment will occur at existing infrastructure and rights of way, maximizing efficiency and the value of prior investments. The project will also fund interconnection system enhancements and community benefits such as workforce development programs to help speed the deployment of the new energy resources needed for California's climate and reliability goals.

Transmission projects are complicated and can take years to complete, even when they concern existing transmission lines and rights of ways.

A *conditional* award agreement with the DOE was acknowledged and signed by the CEC on December 19, 2024. The DOE stipulated that a final agreement will not be executed until the conditions of the agreement are met, which must occur no later than April 30, 2025. The CEC intends to satisfy all conditions required to execute the final agreement.

C. Departmentwide and Statewide Considerations

This funding supports priority state policy initiatives. The CEC is implementing an array of programs to support the state's progress towards achieving 100% clean electricity and carbon neutrality by 2045. Investments in California's interconnection process and transmission infrastructure and workforce are critical to ensure the electric grid is dynamic, resilient, and affordable for all Californians. While California has invested significantly in the clean energy transition over the past 25 years, successfully deploying 15 GW of clean energy in the past 4 years alone, it must accelerate the pace of clean energy deployment to meet future grid needs to power California's economy. To meet the ambitious 100% clean electricity goal the California Public Utilities Commission's February 2023 Integrated Resource Planning decision identified the need for 86 gigawatts (GW) nameplate of new clean energy resources by 2035.[1]

[1] See Decision 23-02-040, Decision Ordering Supplemental Mid-Term Reliability Procurement (2026-2027) and Transmitting Electric Resource Portfolios to California Independent System Operator for 2023-2024 Transmission Planning Process. This was included in the CEC's application for the federal grant. https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M502/K956/502956567.PDF

Recognizing transmission investment as a nationwide priority, the federal government authorized the Grid Resilience and Innovation Partnerships Program (GRIP) through the Bipartisan Infrastructure Law of 2021(formally the Infrastructure Investment and Jobs Act). The California Harnessing Advanced Reliable Grid Enhancing Technologies for Transmission program (CHARGE 2T), is a public-private partnership that will allocate a total of more than $1.5 billion to accelerate large-scale transmission capacity expansion and interconnection process improvements that will accelerate equitable, reliable access to renewable energy across the state. Of the $1.5 billion, the federal government will provide over $600 million in federal funding and the roughly $900 million in required "match-funding" will be provided from authorized utility revenue requirements and other sources. In addition to the CEC, the CHARGE 2T program members are Pacific Gas and Electric Company, Southern California Edison Company, the California Public Utilities Commission, the California Independent System Operator, and the University of California at Berkeley. The federal award accelerates the deployment of clean energy and lowers costs for Californians.

D. Outcomes and Accountability

The CEC will be responsible for meeting all federal compliance requirements associated with the over $600 million federal award. The participating utilities will be responsible for transmission development projects and the majority of the community benefit agreements. A project task force comprised of the CHARGE 2T program members will assure program objectives are achieved.

Overall, the CHARGE 2T project is expected to:

- Upgrade more than 100 miles of transmission lines, increasing transmission capacity by nearly 1,000 MW
- Install sensors on 10 major transmission lines which could increase line capability by more than 40%
- Install censors at more than 10 substations to improve reliability
- Implement a new generator interconnection portal that will increase the transparency and efficiency of the CAISO interconnection process
- Create more than 300 direct jobs and workforce development opportunities that will train the next generation of energy and utility workers through new energy and engineering curriculum at California colleges and universities
- Provide direct benefits to disadvantaged communities from approximately 70% of the investments

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E. Implementation Plan

During the first half of 2025, the CEC, along with the CHARGE 2T program partners will develop a detailed Project Management Plan covering the 8-year program period once the project budgets and contractual terms and conditions are finalized and approved with the DOE.

BCP Fiscal Detail Sheet

BCP Title: GRIP 2 Federal Authority

BR Name: 3360-077-BCP-2025-GB

Budget Request Summary

Personal Services

Personal Services	FY25 Current Year	FY25 Budget Year	FY25 BY+1	FY25 BY+2	FY25 BY+3	FY25 BY+4
Salaries and Wages Earnings - Temporary Help	0	44,961	0	0	0	0
Total Salaries and Wages	**$0**	**$44,961**	**$0**	**$0**	**$0**	**$0**
Total Personal Services	**$0**	**$44,961**	**$0**	**$0**	**$0**	**$0**

Operating Expenses and Equipment

Operating Expenses and Equipment	FY25 Current Year	FY25 Budget Year	FY25 BY+1	FY25 BY+2	FY25 BY+3	FY25 BY+4
54XX - Special Items of Expense	0	555,601	0	0	0	0
Total Operating Expenses and Equipment	**$0**	**$555,601**	**$0**	**$0**	**$0**	**$0**

Total Budget Request

Total Budget Request	FY25 Current Year	FY25 Budget Year	FY25 BY+1	FY25 BY+2	FY25 BY+3	FY25 BY+4
Total Budget Request	**$0**	**$600,562**	**$0**	**$0**	**$0**	**$0**

Fund Summary

Fund Source

Fund Source	FY25 Current Year	FY25 Budget Year	FY25 BY+1	FY25 BY+2	FY25 BY+3	FY25 BY+4
State Operations - 0890 - Federal Trust Fund	0	44,961	0	0	0	0
Total State Operations Expenditures	**$0**	**$44,961**	**$0**	**$0**	**$0**	**$0**
Local Assistance - 0890 - Federal Trust Fund	0	555,601	0	0	0	0
Total Local Assistance Expenditures	**$0**	**$555,601**	**$0**	**$0**	**$0**	**$0**
Total All Funds	**$0**	**$600,562**	**$0**	**$0**	**$0**	**$0**

Program Summary

Program Funding

Program Funding	FY25	FY25	FY25	FY25	FY25	FY25

	Current Year	Budget Year	BY+1	BY+2	BY+3	BY+4
2380010 - Power Plant Site Certification and Transmission Line Corridor Designation Program	0	600,562	0	0	0	0
Total All Programs	**$0**	**$600,562**	**$0**	**$0**	**$0**	**$0**