

AMENDED IN SENATE APRIL 1, 2009

SENATE BILL

No. 363

Introduced by Senator Hancock

February 25, 2009

An act relating to utility rates to amend Sections 25410.6, 25411, and 25416 of the Public Resources Code, relating to energy, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 363, as amended, Hancock. ~~Utility rates.~~ *Energy conservation: schools.*

Existing law establishes the Ratepayer Relief Fund in the State Treasury to benefit electricity and natural gas ratepayers and to fund investigation and litigation costs of the state in pursuing allegations of overcharges and unfair business practices against generators, suppliers, or marketers of electricity or natural gas. Existing law requires that any energy settlement agreement, as defined, entered into by the Attorney General, after reimbursing the Attorney General's litigation and investigation expenses, direct settlement funds to the following purposes in priority order: (1) to reduce ratepayer costs of those utility ratepayers harmed by the actions of the settling parties, and (2) for deposit in the Ratepayer Relief Fund. Existing law authorizes the moneys deposited in the Ratepayer Relief Fund to be appropriated for certain purposes for the benefit of ratepayers.

The Energy Conservation Assistance Act of 1979 establishes, until January 1, 2011, the State Energy Conservation Assistance Account, a continuously appropriated account, that is administered by the State Energy Resources Conservation and Development Commission to

provide grants and loans to local government and public institutions, including, among others, schools, to maximize energy use savings.

~~This bill would state the intent of the Legislature to direct require moneys and interest generated by an energy settlement agreement with The Williams Companies, Inc. and Williams Energy Marketing & Trading Company, received for energy efficiency retrofit of schools and public buildings, to supplement existing electrical utility rebates available to school districts to make the effective rebate \$5 per watt to be deposited into the State Energy Conservation Assistance Account for the purposes of providing grants and loans to schools for the installation of solar energy systems. By depositing moneys into a continuously appropriated account, this bill would make an appropriation.~~

Vote: ~~majority~~^{2/3}. Appropriation: ~~no~~ yes. Fiscal committee: ~~no~~ yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 *SECTION 1. Section 25410.6 of the Public Resources Code is*
2 *amended to read:*

3 25410.6. (a) It is the intent of the Legislature that the
4 commission shall administer the State Energy Conservation
5 Assistance Account to provide grants and loans to local
6 governments and public institutions to maximize energy use
7 savings, including, but not limited to, technical assistance,
8 demonstrations, and identification and implementation of
9 cost-effective energy efficiency measures and programs in existing
10 and planned buildings or facilities.

11 (b) It is further the intent of the Legislature that the commission
12 seek the assistance of utility companies in providing energy audits
13 for local governments and public institutions and in publicizing
14 the availability of State Energy Conservation Assistance Account
15 funds to qualified entities.

16 (c) *It is further the intent of the Legislature that the commission*
17 *utilizes the Williams Settlement Funds to provide grants and loans*
18 *at a lower interest rate to schools.*

19 *SEC. 2. Section 25411 of the Public Resources Code is*
20 *amended to read:*

21 25411. As used in this chapter:

1 (a) “Allocation” means a loan of funds by the commission
2 pursuant to the procedures specified in this chapter.

3 (b) “Building” means any existing or planned structure that
4 includes a heating or cooling system, or both. Additions to an
5 original building shall be considered part of that building rather
6 than a separate building.

7 (c) “Eligible institution” means a school, hospital, public care
8 institution, or a unit of local government.

9 (d) “Energy audit” means a determination of the energy
10 consumption characteristics of a building or facility that does all
11 of the following:

12 (1) Identifies the type, size, and energy use level of the building
13 or facility and the major energy using systems of the building or
14 facility.

15 (2) Determines appropriate energy conservation maintenance
16 and operating procedures.

17 (3) Indicates the need, if any, for the acquisition and installation
18 of energy conservation measures.

19 (e) “Energy conservation maintenance and operating procedure”
20 means a modification or modifications in the maintenance and
21 operations of a building or facility, and any installations therein
22 (based on the use time schedule of the building or facility), which
23 are designed to reduce energy consumption in the building or
24 facility and that require no significant expenditure of funds.

25 (f) “Energy conservation measure” means an installation or
26 modification of an installation in a building or facility that is
27 primarily intended to reduce energy consumption or allow the use
28 of a more desirable energy source.

29 (g) “Energy conservation project” means an undertaking to
30 acquire and to install one or more energy conservation measures
31 in a building or facility, and technical assistance in connection
32 with that undertaking.

33 (h) “Facility” means any major energy using system of an
34 eligible institution whether or not housed in a building.

35 (i) “Hospital” means a public or nonprofit institution that is both
36 of the following:

37 (1) A general hospital, tuberculosis hospital, or any other type
38 of hospital, other than a hospital furnishing primarily domiciliary
39 care.

(2) Duly authorized to provide hospital services under the laws of this state.

(j) “Hospital building” means a building housing a hospital and related operations, including laboratories, laundries, outpatient departments, nurses’ home and training activities, and central service operations in connection with a hospital, and also includes a building housing education or training activities for health professions personnel operated as an integral part of a hospital.

(k) “Local government building” means a building that is primarily occupied by offices or agencies of a unit of local government or by a public care institution.

(l) “Project” means a purpose for which an allocation may be requested and made under this chapter. Those purposes shall include energy audits, energy conservation and operating procedures, and energy conservation measures in existing and planned buildings and facilities, energy conservation projects, and technical assistance programs.

(m) “Public care institution” means a public or nonprofit institution that owns:

(1) A long-term care institution.

(2) A rehabilitation institution.

(3) An institution for the provision of public health services, including related publicly owned services such as laboratories, clinics, and administrative offices operated in connection with the institution.

(4) A residential child care center.

(n) “Public or nonprofit institution” means an institution owned and operated by:

(1) The state, a political subdivision of the state, or an agency or instrumentality of either.

(2) An organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code of 1954.

(3) In the case of public care institutions, an organization also exempt from income tax under Section 501(c)(4) of the Internal Revenue Code of 1954.

(o) “School” means a public or nonprofit institution, including a local educational agency, which:

(1) Provides, and is legally authorized to provide, elementary education or secondary education, or both, on a day or residential basis.

(2) Provides, and is legally authorized to provide, a program of education beyond secondary education, on a day or residential basis and meets all of the following requirements:

(A) Admits as students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of that certificate.

(B) Is accredited by a nationally recognized accrediting agency or association.

(C) Provides an education program for which it awards a bachelor's degree or higher degree or provides not less than a two-year program that is acceptable for full credit toward a degree at any institution that meets the requirements of subparagraphs (A) and (B) and provides that program.

(3) Provides not less than a one-year program of training to prepare students for gainful employment in a recognized occupation and that meets the provisions of (2).

(p) "School building" means a building housing classrooms, laboratories, dormitories, athletic facilities, or related facilities operated in connection with a school.

(q) "Technical assistance costs" means costs incurred for the use of existing personnel or the temporary employment of other qualified personnel, or both, necessary for providing technical assistance.

(r) "Technical assistance program" means assistance to schools, hospitals, local government, and public care institutions and includes, but is not limited to:

(1) Conducting specialized studies identifying and specifying energy savings and related cost savings that are likely to be realized as a result of:

(A) Modification of maintenance and operating procedures in a building or facility, in addition to those modifications implemented after the preliminary energy audit, or

(B) Acquisition and installation of one or more specified energy conservation measures in the building or facility, or as a result of both.

(C) New construction activities.

(2) Planning of specific remodeling, renovation, repair, replacement, or insulation projects related to the installation of energy conservation measures in the building or facility.

1 (3) Developing and evaluating alternative project
2 implementation methods and proposals.

3 (s) “Unit of local government” means a unit of general purpose
4 government below the state or a special district.

5 (t) *“Williams Settlement Funds” means any moneys obtained,*
6 *and any interest generated by the moneys, through the settlement*
7 *of litigation with The Williams Companies, Inc. and Williams*
8 *Energy Marketing & Trading Company, made and entered into*
9 *as of November 11, 2002, and received for energy efficiency retrofit*
10 *of schools and public buildings.*

11 SEC. 3. Section 25416 of the Public Resources Code is
12 amended to read:

13 25416. (a) The State Energy Conservation Assistance Account
14 is hereby created in the General Fund. Notwithstanding Section
15 13340 of the Government Code, the account is continuously
16 appropriated to the commission without regard to fiscal year.

17 (b) The money in the account shall consist of all money
18 authorized or required to be deposited in the account by the
19 Legislature and all money received by the commission pursuant
20 to Sections 25414 and 25415.

21 (c) The money in the account shall be disbursed by the
22 Controller for the purposes of this chapter as authorized by the
23 commission.

24 (d) The commission may contract and provide grants for services
25 to be performed for eligible institutions. Services may include, but
26 are not limited to, feasibility analysis, project design, field
27 assistance, and operation and training. The amount expended for
28 those services may not exceed 10 percent of the balance of the
29 account as determined by the commission on July 1 of each year.

30 (e) The commission may make grants for innovative projects
31 and programs. The amount expended for grants may not exceed 5
32 percent of the annual appropriation from the account.

33 (f) The commission may charge a fee for the services provided
34 under subdivision (d).

35 (g) Notwithstanding any other provision of law, the Controller
36 may use the State Energy Conservation Assistance Account for
37 loans to the General Fund as provided in Sections 16310 and 16381
38 of the Government Code.

39 (h) *Notwithstanding Section 16428.3 of the Government Code,*
40 *the Williams Settlement Funds shall be deposited in the account*

1 *for grants and loans at an interest rate no higher than 1.5 percent*
2 *to schools to utilize for the installation of solar energy systems.*

3 ~~SECTION 1. (a) “Williams Settlement Funds” means any~~
4 ~~moneys obtained, and any interest generated by the moneys,~~
5 ~~through the settlement of litigation with The Williams Companies,~~
6 ~~Inc. and Williams Energy Marketing & Trading Company, made~~
7 ~~and entered into as of November 11, 2002, and received for energy~~
8 ~~efficiency retrofit of schools and public buildings.~~

9 ~~(b) Notwithstanding Section 16428.3 of the Government Code,~~
10 ~~it is the intent of the Legislature to enact legislation to direct~~
11 ~~Williams Settlement Funds to supplement existing electrical utility~~
12 ~~rebates available to school districts to make the effective rebate~~
13 ~~five dollars (\$5) per watt.~~