

Introduced by Senator WigginsFebruary 27, 2009

An act to amend Section 399.4 of the Public Utilities Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

SB 806, as introduced, Wiggins. Electrical corporation energy efficiency programs.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, as defined. Existing law restructuring the electrical service industry states that it is the policy of the state and the intent of the Legislature that the commission continue to administer cost-effective energy efficiency programs. Pursuant to decisions and orders of the commission, the commission supervises energy efficiency programs administered by electrical corporations.

This bill would require the commission to limit the administrative costs, as defined, of energy efficiency programs to not more than 5 percent of the funds expended.

Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because the provisions of this bill would be a part of the act and because a violation of an order or decision of the commission implementing its requirements would be a crime, the bill would impose a state-mandated local program by creating a new crime.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

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

1 SECTION 1. Section 399.4 of the Public Utilities Code is
2 amended to read:

3 399.4. (a) (1) In order to ensure that prudent investments in
4 energy efficiency continue to be made that produce cost-effective
5 energy savings, reduce customer demand, and contribute to the
6 safe and reliable operation of the electric distribution grid, it is the
7 policy of this state and the intent of the Legislature that the
8 commission shall continue to administer cost-effective energy
9 efficiency programs authorized pursuant to existing statutory
10 authority.

11 (2) As used in this section, the term “energy efficiency” includes,
12 but is not limited to, cost-effective activities to achieve peak load
13 reduction that improve end-use efficiency, lower customers’ bills,
14 and reduce system needs.

15 (b) The commission, in evaluating energy efficiency investments
16 under its existing statutory authority, shall also ensure that local
17 and regional interests, multifamily dwellings, and energy service
18 industry capabilities are incorporated into program portfolio design
19 and that local governments, community-based organizations, and
20 energy efficiency service providers are encouraged to participate
21 in program implementation where appropriate.

22 (c) *In order to ensure that energy efficiency programs achieve*
23 *the maximum benefits for each dollar of ratepayer funding*
24 *collected to support those programs, the commission shall limit*
25 *the administrative costs to not more than 5 percent of the funds*
26 *expended. For the purposes of this subdivision, “administrative*
27 *costs” means personnel and overhead costs associated with the*
28 *implementation of each measure and program, but does not include*
29 *costs associated with the marketing or evaluation of a measure or*
30 *a program.*

31 SEC. 2. No reimbursement is required by this act pursuant to
32 Section 6 of Article XIII B of the California Constitution because
33 the only costs that may be incurred by a local agency or school

1 district will be incurred because this act creates a new crime or
2 infraction, eliminates a crime or infraction, or changes the penalty
3 for a crime or infraction, within the meaning of Section 17556 of
4 the Government Code, or changes the definition of a crime within
5 the meaning of Section 6 of Article XIII B of the California
6 Constitution.

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