

AMENDED IN SENATE AUGUST 31, 2012
AMENDED IN SENATE AUGUST 24, 2012
AMENDED IN SENATE AUGUST 6, 2012
AMENDED IN SENATE JUNE 6, 2012
AMENDED IN SENATE MAY 22, 2012
AMENDED IN ASSEMBLY MARCH 25, 2011
CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 1186

Introduced by Assembly Member Skinner
(Principal coauthor: Senator Pavley)

February 18, 2011

An act to add Article 13 (commencing with Section 16429.40) to Chapter 2 of Part 2 of Division 4 of Title 2 of the Government Code, relating to greenhouse gases, ~~and making an appropriation therefor.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 1186, as amended, Skinner. ~~School energy efficiency.~~ *Energy Efficiency and Greenhouse Gas Reduction Act*: grants.

Existing law creates the Greenhouse Gas Reduction Fund as a special fund in the State Treasury and requires any moneys collected by the State Air Resources Board under the California Global Warming Solutions Act of 2006 from the auction or sale of allowances pursuant to a market-based compliance mechanism to be deposited into the fund and available for appropriation by the Legislature. Existing law requires a state agency, prior to expending any moneys appropriated to it by the Legislature from the fund, to prepare a record consisting of a description

of proposed expenditures and how they will further the regulatory purposes of the California Global Warming Solutions Act of 2006, how they will achieve specified greenhouse gas emissions reductions, how the agency considered other objectives of that act, and how the agency will document expenditure results.

This bill would enact the School Energy Efficiency and Greenhouse Gas Reduction Act. The bill would create the School Energy Efficiency and Greenhouse Gas Reduction Fund as a special fund in the State Treasury. The bill would ~~require that 20% of specified revenues deposited during the 2012-13 fiscal year in the Greenhouse Gas Reduction Fund be transferred into the School Energy Efficiency and Greenhouse Gas Reduction Fund. This bill would continuously appropriate the funds~~ *make moneys* in the School Energy Efficiency and Greenhouse Gas Reduction Fund *available* to the State Energy Resources Conservation and Development Commission, *upon appropriation by the Legislature*, for the purposes of ~~a grant program for eligible K-12 schools for energy efficiency improvements that achieve greenhouse gas reductions implementing the program.~~ *The bill states the intent of the Legislature that the commission administer the fund and implement the program in coordination with the Superintendent of Public Instruction to provide grants to eligible institutions for building retrofits to reduce emissions of greenhouse gases and reduce the demand for energy. The bill would require the commission to award grants through the Bright Schools Program, as specified, and require the commission, in consultation with the Superintendent, to establish a system to prioritize eligible institutions for grants.*

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

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

- 1 SECTION 1. (a) Over 70 percent of the state’s K–12 public
- 2 school classrooms are over 25 years old.
- 3 (b) Schools account for approximately 12 percent of all
- 4 commercial energy consumption, representing not only a significant
- 5 cost to the state’s public schools, but also demonstrating that
- 6 schools have a sizeable greenhouse gas emissions footprint.
- 7 (c) Many school districts and local governments know there are
- 8 opportunities to reduce both the economic cost and carbon
- 9 footprints of schools by having more energy-efficient buildings,

1 operations, and maintenance. These financial savings could provide
2 schools with the flexibility to pay for other upgrades that enhance
3 the learning environment.

4 (d) It is in the best interest of the state to quickly reduce energy
5 consumption from schools, especially through building retrofits
6 that achieve the deep levels of energy efficiency improvement,
7 such as those called for in the Long Term Energy Efficiency
8 Strategic Plan adopted by the Public Utilities Commission.

9 SEC. 2. Article 13 (commencing with Section 16429.40) is
10 added to Chapter 2 of Part 2 of Division 4 of Title 2 of the
11 Government Code, to read:

12

13 Article 13. School Energy Efficiency and Greenhouse Gas
14 Reduction

15

16 16429.40. This article shall be known and may be cited as the
17 School Energy Efficiency and Greenhouse Gas Reduction Act.

18 16429.41. As used in this article:

19 (a) "Commission" means the State Energy Resources
20 Conservation and Development Commission.

21 (b) "Eligible institution" means a public school providing
22 instruction in kindergarten or grades 1 to 12, inclusive.

23 (c) "Fund" means the School Energy Efficiency and Greenhouse
24 Gas Reduction Fund established pursuant to Section 16429.42.

25 (d) "Superintendent" means the Superintendent of Public
26 Instruction.

27 16429.42. (a) The School Energy Efficiency and Greenhouse
28 Gas Reduction Fund is hereby created as a special fund in the State
29 Treasury. ~~Notwithstanding Section 13340, moneys in the fund are~~
30 ~~continuously appropriated, without regard to fiscal years, to the~~
31 ~~commission for the purposes of this article.~~

32 ~~(b) Of the revenues deposited during the 2012-13 fiscal year~~
33 ~~in the Greenhouse Gas Reduction Fund, created by Section~~
34 ~~16428.8, which are not used or allocated by the Director of Finance~~
35 ~~to make commensurate reductions to General Fund expenditure~~
36 ~~authority pursuant to Section 15.11 of the Budget Act of 2012, 20~~
37 ~~percent of that amount shall be transferred into the fund.~~

38 ~~(c) Of the moneys deposited into the fund pursuant to~~
39 ~~subdivision (b), the commission may expend up to 5 percent of~~
40 ~~those moneys for administrative costs in implementing this article.~~

1 ~~(d) The commission shall award the remainder of the moneys~~
2 ~~in the fund as grants to eligible institutions for greenhouse gas~~
3 ~~reductions achieved through energy efficiency improvements.~~

4 ~~(e) The commission shall comply with Section 16428.9 in the~~
5 ~~award of funds.~~

6 *(b) Moneys in the fund shall be available to the commission,*
7 *upon appropriation by the Legislature, for the implementation of*
8 *this article.*

9 16429.43. (a) It is the intent of the Legislature that the
10 commission administer the fund and implement this article in
11 coordination with the Superintendent to provide grants to eligible
12 institutions for building retrofits that ~~maximize energy savings and~~
13 ~~greenhouse gas reductions~~ *reduce emissions of greenhouse gases*
14 *and reduce the demand for energy.*

15 (b) The commission shall award ~~the moneys described in~~
16 ~~subdivision (d) of Section 16429.42 as grants through grants~~
17 *pursuant to this article through the commission’s Bright Schools*
18 *Program, subject to the following:*

19 (1) The grants made pursuant to this article through the Bright
20 Schools Program shall be awarded only to eligible institutions, as
21 defined in *subdivision (b) of Section 16429.41.*

22 (2) The commission shall ensure that adequate energy audit,
23 measurement, and verification procedures are employed to ensure
24 that energy savings and greenhouse gas emissions reductions occur
25 as a result of any grants made pursuant to this article.

26 (3) The commission shall use a net present value analysis or
27 life-cycle cost analysis when determining eligible measures for
28 energy savings and greenhouse gas reductions.

29 (c) (1) The commission shall adopt any regulations or guidelines
30 necessary to implement this article. Notwithstanding any other
31 law, regulations pursuant to this section may be adopted as
32 emergency regulations pursuant to Chapter 3.5 (commencing with
33 Section 11340) of Part 1 of Division 3.

34 (2) For the purposes of Chapter 3.5 (commencing with Section
35 11340) of Part 1 of Division 3, including Section 11349.6, the
36 Office of Administrative Law shall consider the adoption of the
37 regulations pursuant to this subdivision to be necessary for the
38 immediate preservation of the public peace, health and safety, and
39 general welfare.

1 (d) The commission, to the extent possible, shall utilize existing
2 resources and expertise in implementing this article.

3 (e) The commission, in consultation with the Superintendent,
4 shall establish a system to prioritize ~~schools~~ *eligible institutions*
5 for grants through this article. Prioritization shall take into
6 consideration circumstances that shall include, but not be limited
7 to, the age of the school facilities, the proportion of students
8 receiving free and reduced-price meals, whether the facilities have
9 been recently modernized, whether the facilities are operated as a
10 year-round school, the potential for demand reduction, and the
11 school's score from an energy rating system such as the United
12 States Environmental Protection Agency's Energy Star system.

13 (f) The commission shall determine, based on the annual energy
14 savings reported by the institutions pursuant to subdivision (h),
15 the total greenhouse gas reductions achieved pursuant to this article.

16 (g) This article does not affect the eligibility of schools awarded
17 grants to receive other incentives available from federal, state, and
18 local government, or from public utilities or other sources, and to
19 leverage the grant with those incentives.

20 (h) (1) Any eligible institution may submit an application to
21 the commission for a grant from the fund for greenhouse gas
22 reductions achieved through energy efficiency improvements.

23 (2) Each year, on a schedule established by the commission,
24 each eligible institution that receives a grant pursuant to this article
25 shall report the amount of energy saved to the commission. Each
26 eligible institution shall compute the cost of energy saved as a
27 result of implementing projects funded by the grant. The cost shall
28 be calculated in a manner established by the commission.