

AMENDED IN SENATE MAY 10, 2011

AMENDED IN SENATE APRIL 25, 2011

SENATE BILL

No. 343

Introduced by Senator De León

February 15, 2011

An act to add Section 25744.5 to the Public Resources Code, to amend Section 382 of, and add Section 385.1 to, the Public Utilities Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

SB 343, as amended, De León. Energy: efficiency.

~~Under existing law, the Public Utilities Commission (PUC) has regulatory authority over public utilities, including electrical corporations and gas corporations, as defined. The Public Utilities Act requires the PUC to review and adopt a procurement plan for each electrical corporation in accordance with specified elements, incentive mechanisms, and objectives. The act requires that an electrical corporation's proposed procurement plan include certain elements, including a showing that the electrical corporation will first meet its unmet needs through all available energy efficiency and demand reduction resources that are cost effective, reliable, and feasible. Existing law requires the PUC, in consultation with the State Energy Resources Conservation and Development Commission (Energy Commission), to identify all potentially achievable cost-effective electricity efficiency savings and to establish efficiency targets for electrical corporations to achieve pursuant to their procurement plan. Existing law requires the PUC, in consultation with the Energy Commission, to identify all potentially achievable cost-effective natural gas efficiency savings and to establish efficiency targets for a gas corporation to achieve.~~

~~This bill would require the PUC to open a new proceeding or expand the scope of an existing proceeding to consider establishment of a program by electrical corporations and gas corporations to provide on-bill financing for energy efficiency retrofits.~~

Existing law requires the PUC *Public Utilities Commission (PUC)* to require the state's 3 largest electrical corporations to identify a separate electrical rate component to fund programs that enhance system reliability and provide in-state benefits. This rate component is a nonbypassable element of local distribution and collected on the basis of usage. Existing PUC resolutions refer to the nonbypassable rate component as a "public goods charge." The public goods charge moneys are collected to support cost-effective energy efficiency and conservation activities, public interest research and development not adequately provided by competitive and regulated markets, and renewable energy resources. Moneys collected through the public goods charge for cost-effective energy efficiency and conservation activities are utilized by electrical corporations for programs subject to supervision by the PUC. Moneys collected through the public goods charge for renewable energy resources are deposited in the Renewable Resources Trust Fund, administered by the *State Energy Resources Conservation and Development Commission (Energy Commission)*. Existing law requires that 79% of the moneys collected pursuant to the renewable energy public goods charge, as defined, be deposited into the Emerging Renewable Resources Account within the fund to be used for a multiyear, consumer-based program to foster the development of emerging renewable technologies in distributed generation applications.

This bill would require that an unspecified amount of the moneys collected through the renewable energy public goods charge and deposited into the Emerging Renewable Resources Account be used by the Energy Commission for a program for energy efficiency retrofits for commercial buildings.

This bill would require electrical corporations to dedicate a portion of the moneys collected pursuant to the public goods charge for energy efficiency programs for low-income electricity customers to a program of grants to be made available on a competitive basis to community-based organizations for purposes of energy efficiency retrofits.

Existing law requires each local publicly owned electric utility, as defined, to establish a nonbypassable, usage based charge on local distribution service to fund cost-effective demand-side management

services to promote energy efficiency and energy conservation, new investment in renewable energy resources and technologies, research, development, and demonstration programs for the public interest, and services provided for low-income electricity customers.

This bill would require each local publicly owned electric utility to dedicate a portion of ~~the that~~ moneys collected ~~for cost-effective demand-side management services to promote energy efficiency and energy conservation~~ to a program for energy efficiency retrofits of commercial buildings.

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

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

1 SECTION 1. Section 25744.5 is added to the Public Resources
2 Code, to read:

3 25744.5. Notwithstanding Section 25744, the commission shall,
4 upon appropriation by the Legislature, expend _____ dollars (\$____)
5 of the funding allocated to the Emerging Renewable Resources
6 Account to a program for energy efficiency retrofits for commercial
7 buildings.

8 SEC. 2. Section 382 of the Public Utilities Code is amended
9 to read:

10 382. (a) Programs provided to low-income electricity
11 customers, including, but not limited to, targeted energy-efficiency
12 services and the California Alternate Rates for Energy program
13 shall be funded at not less than 1996 authorized levels based on
14 an assessment of customer need.

15 (b) In order to meet legitimate needs of electric and gas
16 customers who are unable to pay their electric and gas bills and
17 who satisfy eligibility criteria for assistance, recognizing that
18 electricity is a basic necessity, and that all residents of the state
19 should be able to afford essential electricity and gas supplies, the
20 commission shall ensure that low-income ratepayers are not
21 jeopardized or overburdened by monthly energy expenditures.
22 Energy expenditure may be reduced through the establishment of
23 different rates for low-income ratepayers, different levels of rate
24 assistance, and energy efficiency programs.

25 (c) Nothing in this section shall be construed to prohibit electric
26 and gas providers from offering any special rate or program for

1 low-income ratepayers that is not specifically required in this
2 section.

3 (d) Beginning in 2002, an assessment of the needs of
4 low-income electricity and gas ratepayers shall be conducted
5 periodically by the commission with the assistance of the
6 Low-Income Oversight Board. The assessment shall evaluate
7 low-income program implementation and the effectiveness of
8 weatherization services and energy efficiency measures in
9 low-income households. The assessment shall consider whether
10 existing programs adequately address low-income electricity and
11 gas customers' energy expenditures, hardship, language needs,
12 and economic burdens.

13 (e) The commission shall, by not later than December 31, 2020,
14 ensure that all eligible low-income electricity and gas customers
15 are given the opportunity to participate in low-income energy
16 efficiency programs, including customers occupying apartments
17 or similar multiunit residential structures. The commission and
18 electrical corporations and gas corporations shall make all
19 reasonable efforts to coordinate ratepayer-funded programs with
20 other energy conservation and efficiency programs and to obtain
21 additional federal funding to support actions undertaken pursuant
22 to this subdivision.

23 These programs shall be designed to provide long-term
24 reductions in energy consumption at the dwelling unit based on
25 an audit or assessment of the dwelling unit, and may include
26 improved insulation, energy efficient appliances, measures that
27 utilize solar energy, and other improvements to the physical
28 structure.

29 (f) Each electrical corporation shall dedicate a portion of the
30 moneys collected for purposes of meeting the requirements of this
31 section to a program of grants to be made available on a
32 competitive basis to community-based organizations for purposes
33 of energy efficiency retrofits.

34 (g) The commission shall allocate funds necessary to meet the
35 low-income objectives in this section.

36 SEC. 3. Section 385.1 is added to the Public Utilities Code, to
37 read:

38 385.1. Each local publicly owned electric utility shall dedicate
39 a portion of the moneys collected ~~for cost-effective demand-side~~
40 ~~management services to promote energy efficiency and energy~~

1 conservation pursuant to Section 385 to a program for energy
2 efficiency retrofits of commercial buildings.

3 ~~SEC. 4. The Public Utilities Commission shall open a new~~
4 ~~proceeding or expand the scope of an existing proceeding to~~
5 ~~consider establishment of a program by electrical corporations and~~
6 ~~gas corporations to provide on-bill financing for energy efficiency~~
7 ~~retrofits.~~

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