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CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 628

**Introduced by Assembly Members Gorell and Hall
(Coauthors: Assembly Members Brown and V. Manuel Pérez)**

February 20, 2013

An act to add Section 63045.2 to the Government Code, and to add Chapter 13 (commencing with Section 25990) to Division 15 of the Public Resources Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 628, as amended, Gorell. Energy management plans for harbor and port districts.

(1) Existing law requires the California Infrastructure Development Bank, following consultation with appropriate state and local agencies, to establish criteria, priorities, and guidelines for the selection of projects to receive assistance from the bank, including those based on, among other things, the State Environmental Goals and Policy Report, or its successor, relating to implementation of state environmental goals and policies. Existing law further requires that projects that receive assistance from the bank, among other things, facilitate effective and efficient use

of existing and future public resources so as to promote both economic development and conservation of natural resources.

This bill would authorize the bank to fund projects to promote economic development in harbor and port districts that are implemented pursuant to an energy management plan, and would require the bank to consider appropriate actions that it may take to facilitate the financing of those projects.

(2) Existing law requires the State Energy Resources Conservation and Development Commission to adopt energy conservation standards to reduce the wasteful, uneconomic, inefficient, or unnecessary consumption of energy, and to implement various programs to provide financial assistance to specified entities for energy efficient improvements.

This bill would authorize *the Humboldt Bay Harbor, Recreation ports and Conservation District and* specified harbor and port districts, as defined, in collaboration with an electrical corporation, gas corporation, or publicly owned electric *or gas* utility serving the district, *or an independent energy provider, as defined*, to prepare one or more energy management plans to reduce air emissions and promote economic development through the addition of new businesses and the retention of existing businesses in the district. The bill would require, if a district prepares an energy management plan pursuant to these provisions, that the plan include specified provisions.

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. The Legislature finds and declares all of the
- 2 following:
- 3 (a) The state promotes the efficient use of low-cost,
- 4 low-emissions energy sources in the operations of its ports and
- 5 harbors.
- 6 (b) There is an opportunity in port and harbor district operations,
- 7 including the movement of commercial goods, to reduce vehicular
- 8 emissions of greenhouse gases and criteria pollutants.
- 9 (c) The state encourages the development of new businesses
- 10 and the retention of existing businesses within port and harbor
- 11 district boundaries.

1 (d) Energy utility customers located within the state’s port and
2 harbor districts may benefit from the addition of new businesses
3 and the retention of existing businesses through increased energy
4 cost certainty.

5 (e) Businesses located within the state’s port and harbor districts
6 may benefit through greater stability and certainty in the cost of
7 energy services.

8 (f) Investor-owned and publicly owned utilities are in an optimal
9 position, and are encouraged to engage in joint projects with port
10 and harbor districts to provide and administer energy-related
11 service alternatives and programs that may promote economic
12 development and retention in those districts.

13 SEC. 2. Section 63045.2 is added to the Government Code, to
14 read:

15 63045.2. Projects to promote economic development in harbor
16 and port districts implemented pursuant to an energy management
17 plan developed in accordance with Chapter 13 (commencing with
18 Section 25990) of Division 15 of the Public Resources Code shall
19 be eligible for funding under this division. The bank shall consider
20 appropriate actions that it may take to facilitate the financing of
21 those projects.

22 SEC. 3. Chapter 13 (commencing with Section 25990) is added
23 to Division 15 of the Public Resources Code, to read:

24
25 CHAPTER 13. ENERGY MANAGEMENT PLANS FOR HARBOR AND
26 PORT DISTRICTS
27

28 25990. (a) For purposes of this chapter, the term “district”
29 shall mean ~~a harbor or port district formed pursuant to Division 8
30 (commencing with Section 5000) of the Harbors and Navigation
31 Code, the Humboldt Bay Harbor, Recreation, and Conservation
32 District, the Ports of Hueneme, Oakland, Long Beach, Los Angeles,
33 Redwood City, Richmond, San Diego, San Francisco, Stockton,
34 and West Sacramento, and any other harbor, recreation, and
35 conservation district that operates a harbor or port in the state. A
36 district may prepare one or more energy management plans,
37 developed jointly with an electric corporation, as defined in
38 subdivision (a) of Section 218 of the Public Utilities Code, a gas
39 corporation, as defined in Section 222 of the Public Utilities Code,
40 or a public utility, as defined in subdivision (a) of Section 216 of~~

1 the Public Utilities Code, that produces, generates, or supplies
2 electricity to the public and that serves the district in order to reduce
3 air emissions, promote economic development, and encourage the
4 development of new businesses and retain existing businesses in
5 that district.

6 (b) *For purposes of this chapter, the term “independent energy*
7 *provider” means a third party, individual, or business that provides*
8 *electricity and that is not an investor-owned utility or publicly*
9 *owned utility. “Independent energy provider” includes, but is not*
10 *limited to, an onsite generator or energy service provider.*

11 (c) If a district prepares an energy management plan pursuant
12 to this chapter, it shall include, at a minimum, all of the following:

13 (1) An assessment of current energy consumption within the
14 district by energy source and type of users. Examples of users may
15 include commercial, industrial, governmental, ships, individual
16 transport, and product transport.

17 (2) An assessment of other energy efficiency and management
18 issues the district determines to evaluate in order to inform the
19 development of specific goals and actions that reduce air emissions
20 and promote economic development, including all of the following:

21 (A) An electric or natural gas load forecast, developed in
22 coordination with the serving electrical corporation, gas
23 corporation, or local publicly owned electric *or gas utility, and or*
24 *an independent energy provider* that reflects anticipated load
25 growth within the district.

26 (B) An assessment of the role that distributed generation,
27 combined with accurately priced utility services, could play in
28 providing greater rate stability and energy cost certainty to aid in
29 economic development, and proposed actions with respect to that
30 role. This assessment shall be developed jointly with the serving
31 electrical corporation, gas corporation, or local publicly owned
32 electric *or gas utility or an independent energy provider.*

33 (C) An assessment, in consultation with business and industry,
34 that identifies current and emerging processes and technologies to
35 reduce energy consumption and improve energy efficiency.

36 (D) An assessment, in consultation with business and industry,
37 that identifies domestic and international shipping requirements
38 and operations related to energy use and consumption.

39 (3) A set of measurable energy performance and management
40 goals that reduce air emissions and promote economic

1 development, and a prioritized list of infrastructure projects, public
2 education initiatives, and other actions that the district will
3 undertake to achieve those goals.

4 (4) A list of recommendations, developed jointly with the
5 serving electrical corporation, gas corporation, or local publicly
6 owned electric *or gas utility, or an independent energy provider*
7 for the enhanced use of cost-effective energy efficiency and
8 demand-side management in existing buildings and the inclusion
9 of energy efficiency measures as part of the development of new
10 buildings.

11 (5) A description of measures to be taken to reduce air emissions
12 for vehicle use within district boundaries, including vehicles used
13 for movement of commercial products. Proposed actions,
14 developed jointly with the serving electrical corporation, gas
15 corporation, or local publicly owned electric utility, may include
16 replacement of vehicles with lower emitting alternatives and
17 development of infrastructure, in appropriate areas, to aid in the
18 refueling of alternative fuel vehicles.

19 (6) A summary identifying governmental and nongovernmental
20 impediments to implementation of the plan that includes
21 recommendations on how these impediments may be overcome.

22 (7) A description of one-year, 3-year, 5-year, 10-year, and
23 15-year objectives for implementation of the plan. These objectives
24 shall be in sufficient detail to allow the district to undertake a
25 meaningful annual review of the plan's progress.

26 (8) Proposed methods to fund the activities included in the plan,
27 including funding through utility ratepayer-funded programs and
28 financing through the California Infrastructure and Economic
29 Developmental Bank established pursuant to Division 1
30 (commencing with Section 63000) of Title 6.7 of the Government
31 Code, the California Alternative Energy and Advanced
32 Transportation Financing Authority Act (Division 16 (commencing
33 with Section 26000)), *or the California Maritime Infrastructure*
34 *Bank and Authority funded pursuant to Part 1 (commencing with*
35 *Section 1690) of Division 6 of the Harbors and Navigation Code,*
36 *bond measures offered by a port, or other appropriate sources.*

37 (9) Other related energy plans, mandates, and requirements,
38 and, to the extent possible, leverage opportunities for achieving
39 energy efficiency and sustainable energy production, while not
40 overburdening impacted businesses.

1 (e)

2 (d) A district that prepares a plan shall engage with small
3 business technical assistance providers to assist in the identification
4 of joint or collaborative energy efficiency project opportunities,
5 public education activities, and financing opportunities that
6 implement the actions and projects in the plan.

7 (f)

8 (e) The Public Utilities Commission shall encourage electric or
9 gas corporations to participate jointly with local agencies in
10 developing, implementing, and administering viable energy
11 management plans for districts. The governing boards of local
12 publicly owned utilities and rural electric cooperatives shall
13 encourage joint participation with local agencies and gas
14 corporations in developing, implementing, and administering viable
15 energy management plans for districts.

16 (g)

17 (f) If an energy management plan is prepared pursuant to this
18 chapter, it shall also address the development of projects that
19 provide greater certainty of energy costs over a period of up to 15
20 years for businesses developing in the district and shall consider
21 applying to the California Infrastructure and Economic
22 Development Bank for financial support of these projects.

23 (h)

24 (g) The Public Utilities Commission may offer technical
25 assistance in the preparation of the energy management plans
26 developed and implemented pursuant to this chapter, including,
27 but not limited to, identifying best practices, innovations in
28 technology, and potential funding sources.