

AMENDED IN SENATE JUNE 9, 2014
AMENDED IN ASSEMBLY APRIL 24, 2014
AMENDED IN ASSEMBLY MARCH 26, 2014
CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1918

Introduced by Assembly Member Williams

February 19, 2014

An act to add Section 25402.12 to the Public Resources Code, and to add Section 381.3 to the Public Utilities Code, relating to ~~central heating and air cooling equipment~~ *energy*.

LEGISLATIVE COUNSEL'S DIGEST

AB 1918, as amended, Williams. Energy: design and construction standards.

Existing law requires the State Energy Resources Conservation and Development Commission to prescribe, by regulation, building design and construction standards and energy and water conservation design standards for new residential and nonresidential buildings.

This bill would require the State Energy Resources Conservation and Development Commission to identify and implement methods to simplify processes and procedures related to compliance with the above described standards.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, *including electrical corporations and gas corporations*, as defined. *The Public Utilities Act requires the Public Utilities Commission to review and accept, modify, or reject a procurement plan for each electrical corporation. 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 Public Utilities Commission, in consultation with the State Energy Resources Conservation and Development 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. The Public Utilities Act additionally requires the Public Utilities Commission, in consultation with the State Energy Resources Conservation and Development Commission, to identify all potentially achievable cost-effective natural gas efficiency savings and to establish efficiency targets for gas corporations to achieve and requires that a gas corporation first meet its unmet resource needs through all available gas efficiency and demand reduction resources that are cost effective, reliable, and feasible. Pursuant to its existing authority, the Public Utilities Commission has approved energy efficiency programs for electrical corporations and gas corporations, with 3rd parties administering a portion of those programs.

This bill would require the Public Utilities Commission, in an existing proceeding, to establish, by January 1, 2016, an incentive program for contractors and local governments to improve the verification of building code compliance and acceptance of central heating and air cooling equipment following installation. to authorize a program to improve compliance with the State Building Standards Code requirements, and any applicable local ordinances, for heating and air conditioning equipment through existing energy efficiency programs administered by electrical corporations and gas corporations, or administered by 3rd parties on behalf of electrical corporations and gas corporations.

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

Because certain of the provisions of this bill are within the act and require action by the Public Utilities Commission to implement, a violation of the program provisions adopted by the Public Utilities Commission pursuant to the bill's requirements would impose a state-mandated local program by expanding the current definition of a 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: ~~no~~yes.

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) California’s building energy efficiency standards are
4 recognized as leading the nation in energy savings. They are an
5 important component of the state’s programs to manage its energy
6 consumption, conserve natural resources, and improve the quality
7 of life for all its citizens.

8 (b) Heating and cooling buildings is one of the largest electricity
9 end uses in the state and is also the single largest contributor to
10 peak electricity demand, comprising up to 30 percent of total
11 demand in the hot summer months.

12 (c) In the 2008 Strategic Plan to Reduce the Energy Impact of
13 Air Conditioners, the State Energy Resources Conservation and
14 Development Commission identified that a heating, ventilation,
15 and air conditioning system (HVAC) can increase energy use by
16 20 or 30 percent if it is poorly installed regardless of its efficiency
17 rating.

18 (d) Permits are required for the replacement of heating and
19 cooling equipment and a code official must verify installation in
20 compliance with the building energy efficiency standards. The
21 effectiveness of the building energy efficiency standards is
22 dependent upon the conscientious efforts of licensed-~~contractors~~
23 *contractors, local building officials, property owners, builders,*
24 *and others* in California to follow these permitting requirements
25 to build buildings and install components and equipment in
26 compliance with the standards which deliver cost-effective energy
27 savings to consumers.

28 ~~(e) California building codes are updated regularly, necessitating~~
29 ~~more training and education for building officials performing~~
30 ~~permitting, plan checking, and inspections. Providing this education~~
31 ~~in tandem with incentives for beyond-code performance will~~

1 ~~motivate both local building departments and contractors to~~
 2 ~~prioritize energy efficiency performance in their day-to-day~~
 3 ~~operations.~~

4 *(e) Local governments issue required permits for heating and*
 5 *cooling equipment and are in an unique role to help address low*
 6 *energy code compliance. As the agencies responsible for*
 7 *enforcement, local governments are in a distinct position to*
 8 *understand and identify some of the critical factors limiting full*
 9 *compliance with the building energy efficiency standards. By*
 10 *continuing to strategically identify and target these factors, energy*
 11 *efficiency programs can capitalize on this local government role*
 12 *to further support increased compliance and capture cost-effective*
 13 *energy savings to consumers.*

14 *(f) In an effort to increase permitted activity, some local*
 15 *jurisdictions have adopted practices that make it easier to obtain*
 16 *permits or have implemented pilot programs to educate and train*
 17 *local building staff. It is in California’s best interest to facilitate*
 18 *the adoption of demonstrated best practices for local building*
 19 *departments across the state to undertake to maximize compliance*
 20 *with building codes.*

21 SEC. 2. Section 25402.12 is added to the Public Resources
 22 Code, to read:

23 25402.12. The commission, in consultation with the
 24 Contractors’ State License Board, local building officials, and
 25 other stakeholders, shall identify and implement methods to
 26 simplify processes and procedures related to compliance with
 27 standards established pursuant to subdivision (a) or (b) of Section
 28 25402.

29 SEC. 3. Section 381.3 is added to the Public Utilities Code, to
 30 read:

31 381.3. *(a) By January 1, 2016, the commission, in an existing*
 32 *proceeding, shall ~~establish an incentive program for contractors~~*
 33 *and local governments to improve the verification of building code*
 34 *compliance and acceptance of central heating and air cooling*
 35 *equipment following installation. The incentives may include, but*
 36 *are not limited to, all of the following: ~~authorize a program to~~*
 37 *improve compliance with the State Building Standards Code*
 38 *requirements, and any applicable local ordinances, for heating*
 39 *and air conditioning equipment through existing energy efficiency*
 40 *programs administered by electrical corporations and gas*

1 corporations, or administered by third parties on behalf of
2 electrical corporations and gas corporations. The program design
3 may include, but is not limited to, both of the following:

4 (1) Assisting local governments employing innovative
5 approaches to reduce barriers to, and increase compliance with,
6 the permitting process for heating and cooling equipment. Program
7 elements may include:

8 (A) Public outreach campaigns.

9 (B) Computer-based permitting tools.

10 (C) Improvements to streamline the permitting process.

11 (D) Measures to address the market constraints resulting in low
12 permit compliance.

13 (E) Establishing programs, such as partnerships with local
14 governments, to specifically target improving compliance for
15 installation of heating and air conditioning equipment.

16 (F) Other measures to achieve greater compliance with State
17 Building Standards Code requirements, and any applicable local
18 ordinances, for heating and air conditioning equipment. Measures
19 may include performance protocols necessary to verify
20 performance compliance of central heating and cooling equipment.

21 (2) Technical or financial support, including those methods
22 identified by local governments to assist local governments with
23 ensuring compliance with State Building Standards Code
24 requirements, and any applicable local ordinances, for heating
25 and air conditioning equipment.

26 (b) The commission shall evaluate the program's design and
27 quantify increased permit compliance and energy savings as a
28 result of permit compliance.

29 ~~(a) Additional funding, as necessary, for training and
30 certification programs for central heating and air cooling equipment
31 installers, local government building officials, contractors, builders,
32 and school building inspectors licensed through the Division of
33 the State Architect.~~

34 ~~(b) Technical and financial support to establish performance
35 protocols necessary to verify performance compliance of central
36 heating and air cooling equipment.~~

37 ~~(c) Financial or other support to assist local agencies in offsetting
38 costs associated with employing innovative approaches to reduce
39 barriers in the permitting process for heating and cooling
40 equipment, for example, expediting the permitting process and~~

1 ~~measures to achieve greater compliance with state and local~~
2 ~~building permit requirements.~~

3 *SEC. 4. No reimbursement is required by this act pursuant to*
4 *Section 6 of Article XIII B of the California Constitution because*
5 *the only costs that may be incurred by a local agency or school*
6 *district will be incurred because this act creates a new crime or*
7 *infraction, eliminates a crime or infraction, or changes the penalty*
8 *for a crime or infraction, within the meaning of Section 17556 of*
9 *the Government Code, or changes the definition of a crime within*
10 *the meaning of Section 6 of Article XIII B of the California*
11 *Constitution.*