

AMENDED IN ASSEMBLY APRIL 29, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1953

**Introduced by Assembly Member Skinner
(Principal coauthor: Assembly Member Williams)**

February 19, 2014

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 energy efficiency.

LEGISLATIVE COUNSEL'S DIGEST

AB 1953, as amended, Skinner. Higher Education Energy Efficiency Act: ~~grants~~ *financial assistance*.

The Warren-Alquist State Energy Resources Conservation and Development Act establishes the State Energy Resources Conservation and Development Commission. Under existing law, the commission may apply for and accept grants, contributions, and appropriations, and award grants consistent with the goals and objectives of a program or activity the commission is authorized to implement or administer.

This bill would enact the Higher Education Energy Efficiency Act. The bill would create the Higher Education Energy Efficiency Fund in the State Treasury and would make moneys in the fund available to the State Energy Resources Conservation and Development Commission, upon appropriation, to ~~make grants~~ *provide financial assistance, including grants, no-interest or low-interest loans, and loan loss reserves*, to University of California and California State University campuses for building retrofits to reduce the demand for energy. The bill would require the commission, in consultation with the President of the University of California and the Chancellor of the California

State University to establish a system to prioritize eligible campuses for ~~grants~~ *this financial assistance*, as specified. The bill would require ~~grant~~ *the recipients of this financial assistance* to report to the commission the annual energy savings achieved from ~~grant-funded~~ *projects supported by the financial assistance*, as specified.

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. (a) The University of California has committed
2 to achieving carbon neutrality through aggressive measures to
3 increase energy efficiency and develop renewable energy. The
4 University of California’s model should produce substantial
5 environmental and economic benefits, leverage current and planned
6 investments by the University of California and others, and include
7 projects that are immediately ready to commence.

8 (b) The California State University has similarly committed to
9 lowering annual energy consumption, reducing greenhouse gas
10 emissions, and lowering energy-related operating costs. Over a
11 five-year period, the California State University expects to decrease
12 demand by 5 percent and decrease electrical consumption across
13 the California State University system by 10 percent. The
14 California State University has committed to incorporate workforce
15 development strategies into its energy efficiency model.

16 (c) There are opportunities to reduce both the economic cost
17 and carbon footprints of campus facilities at the University of
18 California and the California State University by having more
19 energy-efficient buildings, operations, and maintenance. These
20 financial savings could provide flexibility to pay for other upgrades
21 to enhance the learning environment and access to higher
22 education.

23 (d) It is in the best interest of the state to quickly reduce energy
24 consumption at university facilities, especially through building
25 retrofits that achieve the highest levels of energy efficiency
26 improvement.

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

1 Article 13. Energy Efficiency for Higher Education Facilities

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3 16429.40. This article shall be known, and may be cited, as
4 the Higher Education Energy Efficiency Act.

5 16429.41. As used in this article:

6 (a) “Chancellor” means the Chancellor of the California State
7 University.

8 (b) “Commission” means the State Energy Resources
9 Conservation and Development Commission.

10 (c) “Eligible institution” means a campus of the University of
11 California or a campus of the California State University.

12 (d) “*Financial assistance*” includes, but is not necessarily
13 limited to, all of the following:

14 (1) *Grants*.

15 (2) *No-interest or low-interest loans*.

16 (3) *Loan loss reserves*.

17 ~~(4)~~

18 (e) “Fund” means the Higher Education Energy Efficiency Fund
19 established pursuant to Section 16429.42.

20 ~~(e)~~

21 (f) “President” means the President of the University of
22 California.

23 16429.42. (a) The Higher Education Energy Efficiency Fund
24 is hereby created as a special fund in the State Treasury.

25 (b) Moneys in the fund shall be available to the commission,
26 upon appropriation by the Legislature, for the implementation of
27 this article.

28 16429.43. (a) It is the intent of the Legislature that the
29 commission administer the fund and implement this article in
30 coordination with the chancellor and the president to provide ~~grants~~
31 *financial assistance* to eligible institutions for building retrofits
32 that reduce the demand for energy.

33 (b) The commission shall award ~~grants~~ *financial assistance*
34 pursuant to this article, subject to the following:

35 (1) The ~~grants~~ *financial assistance* shall be awarded only to
36 eligible institutions.

37 (2) The commission shall ensure that adequate energy audit,
38 measurement, and verification procedures are employed to ensure
39 that energy savings occur as a result of the ~~grants~~ *financial*
40 *assistance*.

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

6 (2) For the purposes of Chapter 3.5 (commencing with Section
7 11340) of Part 1 of Division 3, including Section 11349.6, the
8 Office of Administrative Law shall consider the adoption of the
9 regulations pursuant to this subdivision to be necessary for the
10 immediate preservation of the public peace, health and safety, and
11 general welfare.

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

14 (e) (1) Any eligible institution may submit an application to
15 the commission for a ~~grant~~ *financial assistance* from the fund for
16 energy efficiency improvements. The form of the application shall
17 be established by the commission.

18 (2) The commission, in consultation with the chancellor and
19 the president, shall establish a system to prioritize eligible
20 institutions for ~~grants~~ *financial assistance* through this article.
21 Prioritization shall take into consideration circumstances that shall
22 include, but not be limited to, the age of the campus facilities, the
23 proportion of students at the campus receiving Cal Grant awards,
24 whether the facilities have been recently modernized, the potential
25 for demand reduction, and the campus's score from a recognized
26 energy rating system or systems.

27 (f) This article shall not affect the eligibility of universities
28 awarded ~~grants~~ *financial assistance* pursuant to this article to
29 receive other incentives available from federal, state, and local
30 government, or from public utilities or other sources, and to
31 leverage the ~~grant~~ *financial assistance* with those incentives.

32 (g) Each year, on a schedule established by the commission,
33 each eligible institution that receives a ~~grant~~ *financial assistance*
34 pursuant to this article shall report to the commission the amount
35 of energy saved. Each eligible institution shall compute the cost
36 of energy saved as a result of implementing projects ~~funded~~
37 *supported* by the ~~grant~~ *financial assistance*. The cost shall be
38 calculated in a manner established by the commission.

- 1 (h) The commission shall determine, based on the annual energy
- 2 savings reported by the eligible institutions pursuant to subdivision
- 3 (g), the energy savings achieved pursuant to this article.

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