

AMENDED IN SENATE AUGUST 21, 2014

AMENDED IN SENATE JUNE 30, 2014

AMENDED IN ASSEMBLY MAY 23, 2014

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 11.5 (commencing with Section 16429.6) 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: financial assistance.

The Warren-Alquist State Energy Resources Conservation and Development Act establishes the State Energy Resources Conservation and Development Commission, *also known as the Energy 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,~~

commission, upon appropriation, to provide financial assistance, including 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 Energy Commission to consult with the Public Utilities Commission, the President of the University of California, and the Chancellor of the California State University to expand existing partnerships in order to prioritize projects based on greenhouse gas reductions and allow specified facilities to receive funds under this act.* The bill would require the ~~commission~~, *Energy 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 this financial assistance, as specified. The bill would require the recipients of this financial assistance to report to the ~~commission~~ *Energy Commission* the annual energy savings achieved from 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

1 energy-efficient buildings, operations, and maintenance. These
2 financial savings could provide flexibility to pay for other upgrades
3 to enhance the learning environment and access to higher
4 education.

5 (d) It is in the best interest of the state to quickly reduce energy
6 consumption at university facilities, especially through building
7 retrofits that achieve the highest levels of energy efficiency
8 improvement.

9 SEC. 2. Article 11.5 (commencing with Section 16429.6) 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 11.5. Energy Efficiency for Higher Education Facilities

14
15 16429.6. This article shall be known, and may be cited, as the
16 Higher Education Energy Efficiency Act.

17 16429.62. As used in this article:

18 (a) "Chancellor" means the Chancellor of the California State
19 University.

20 (b) "Commission" means the State Energy Resources
21 Conservation and Development Commission.

22 (c) "Eligible institution" means a campus of the University of
23 California or a campus of the California State University.

24 (d) "Financial assistance" includes, but is not necessarily limited
25 to, both of the following:

26 (1) No-interest or low-interest loans.

27 (2) Loan loss reserves.

28 (e) "Fund" means the Higher Education Energy Efficiency Fund
29 established pursuant to Section 16429.64.

30 (f) "President" means the President of the University of
31 California.

32 16429.64. (a) The Higher Education Energy Efficiency Fund
33 is hereby created as a special fund in the State Treasury.

34 (b) Moneys in the fund shall be available to the commission,
35 upon appropriation by the Legislature, for the implementation of
36 this article.

37 16429.66. (a) It is the intent of the Legislature that the
38 commission administer the fund and implement this article in
39 coordination with the chancellor and the president to provide

1 financial assistance to eligible institutions for building retrofits
2 that reduce the demand for energy.

3 (b) The commission shall award financial assistance pursuant
4 to this article, subject to the following:

5 (1) The financial assistance shall be awarded only to eligible
6 institutions.

7 (2) The commission shall ensure that adequate energy audit,
8 measurement, and verification procedures are employed to ensure
9 that energy savings occur as a result of the financial assistance.

10 (c) (1) *The commission shall consult with the Public Utilities
11 Commission, the president, and the chancellor to expand existing
12 partnerships to accomplish both of the following:*

13 (A) *Prioritize projects based on greenhouse gas reductions.*

14 (B) *Allow facilities not served by investor-owned utilities to
15 receive funds under this article.*

16 (2) *The commission, in consultation with the Public Utilities
17 Commission, shall align reporting requirements for eligible
18 institutions pursuant to subdivision (i) to minimize administrative
19 costs.*

20 (d) *All projects undertaken pursuant to this article shall be
21 documented to ensure funds from investor-owned utilities'
22 ratepayers shall only be spent for projects in compliance with the
23 Public Utilities Commission requirements and ratepayer
24 protections.*

25 (e)

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

31 (2) For the purposes of Chapter 3.5 (commencing with Section
32 11340) of Part 1 of Division 3, including Section 11349.6, the
33 Office of Administrative Law shall consider the adoption of the
34 regulations pursuant to this subdivision to be necessary for the
35 immediate preservation of the public peace, health and safety, and
36 general welfare.

37 (f)

38 (f) The commission, to the extent possible, shall utilize existing
39 resources and expertise in implementing this article.

40 (e)

1 (g) (1) Any eligible institution may submit an application to
2 the commission for financial assistance from the fund for energy
3 efficiency improvements. The form of the application shall be
4 established by the commission.

5 (2) The commission, in consultation with the chancellor and
6 the president, shall establish a system to prioritize eligible
7 institutions for financial assistance through this article.
8 Prioritization shall take into consideration circumstances that shall
9 include, but not be limited to, the age of the campus facilities, the
10 proportion of students at the campus receiving Cal Grant awards,
11 whether the facilities have been recently modernized, the potential
12 for demand reduction, and the campus's score from a recognized
13 energy rating system or systems.

14 ~~(f)~~

15 (h) This article shall not affect the eligibility of universities
16 awarded financial assistance pursuant to this article to receive other
17 incentives available from federal, state, and local government, or
18 from public utilities or other sources, and to leverage the financial
19 assistance with those incentives.

20 ~~(g)~~

21 (i) Each year, on a schedule established by the commission,
22 each eligible institution that receives financial assistance pursuant
23 to this article shall report to the commission the amount of energy
24 saved. Each eligible institution shall compute the cost of energy
25 saved as a result of implementing projects supported by the
26 financial assistance. The cost shall be calculated in a manner
27 established by the commission. To satisfy the requirements of this
28 subdivision in regard to a project, an eligible institution may submit
29 to the commission a copy of an energy savings calculation that is
30 required by any other funding source for the project.

31 ~~(h)~~

32 (j) The commission shall determine, based on the annual energy
33 savings reported by the eligible institutions pursuant to subdivision
34 ~~(g)~~, (i), the energy savings achieved pursuant to this article.