

AMENDED IN ASSEMBLY APRIL 7, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 802

Introduced by Assembly Member Williams

February 26, 2015

~~An act to amend Section 25943 of the Public Resources Code, relating to energy resources. An act to amend Sections 454.55 and 454.56 of the Public Utilities Code, relating to energy efficiency.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 802, as amended, Williams. ~~Residential and nonresidential buildings: energy savings program. Public utilities: energy efficiency savings.~~

Existing law requires the Public Utilities Commission (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 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.

This bill would require the PUC, in evaluating the cost-effectiveness of those efficiency savings, to consider the total energy savings to be the difference between the energy usage after the installation of the

energy efficiency measure funded by ratepayer-funded incentives or rebates and the energy usage without that energy efficiency measure.

~~Existing law requires the State Energy Resources Conservation and Development Commission, by March 1, 2010, to establish a regulatory proceeding to develop and implement a comprehensive program to achieve greater energy savings in California’s existing residential and nonresidential building stock, and permits the program to include, but not be limited to, a broad range of energy assessments, building benchmarking, energy rating, cost-effective energy efficiency improvements, public and private sector energy efficiency financing options, public outreach and education efforts, and green workforce training.~~

~~This bill would delete the requirement that the commission develop and implement the program through a regulatory proceeding.~~

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) *It is the intent of the Legislature to enact*
2 *legislation to require electrical and gas corporations to satisfy the*
3 *state’s energy requirements with energy efficiency measures when*
4 *procuring those measures is less expensive to the corporation than*
5 *procuring alternative electric or gas resources.*

6 (b) *It is the intent of the Legislature to enact legislation to*
7 *require that all applicable state and federal contractor*
8 *qualifications, licensing, certifications, and wages appropriate*
9 *for the work to be performed are followed for any energy efficiency*
10 *retrofit and installation project funded by ratepayers, and to*
11 *require that the Public Utilities Commission not create additional*
12 *qualification, license, certification, or wage requirements.*

13 SEC. 2. *Section 454.55 of the Public Utilities Code is amended*
14 *to read:*

15 454.55. (a) *The commission, in consultation with the State*
16 *Energy Resources Conservation and Development Commission,*
17 *shall identify all potentially achievable cost-effective electricity*
18 *efficiency savings and establish efficiency targets for an electrical*
19 *corporation to achieve pursuant to Section 454.5.*

20 (b) *In evaluating the cost-effectiveness of electricity efficiency*
21 *savings, the commission shall consider the total electricity*

1 *efficiency savings to be the difference between the electrical usage*
2 *resulting after the installation of the energy efficiency measure*
3 *funded by ratepayer-funded incentives or rebates, and the electrical*
4 *usage without that energy efficiency measure, without regard to*
5 *standards prescribed pursuant to subdivision (a) or (b) of Section*
6 *25402 of the Public Resources Code.*

7 *SEC. 3. Section 454.56 of the Public Utilities Code is amended*
8 *to read:*

9 454.56. (a) The commission, in consultation with the State
10 Energy Resources Conservation and Development Commission,
11 shall identify all potentially achievable cost-effective natural gas
12 efficiency savings and establish efficiency targets for the gas
13 corporation to achieve.

14 (b) A gas corporation shall first meet its unmet resource needs
15 through all available natural gas efficiency and demand reduction
16 resources that are cost effective, reliable, and feasible.

17 (c) *In evaluating the cost-effectiveness of natural gas efficiency*
18 *savings, the commission shall consider the total natural gas*
19 *efficiency savings to be the difference between the natural gas*
20 *usage resulting after the installation of the energy efficiency*
21 *measure funded by ratepayer-funded incentives or rebates, and*
22 *the natural gas usage without that energy efficiency measure,*
23 *without regard to standards prescribed pursuant to subdivision*
24 *(a) or (b) of Section 25402 of the Public Resources Code.*

25 ~~SECTION 1. Section 25943 of the Public Resources Code is~~
26 ~~amended to read:~~

27 ~~25943. (a) (1) The commission shall develop and implement~~
28 ~~a comprehensive program to achieve greater energy savings in~~
29 ~~California's existing residential and nonresidential building stock.~~
30 ~~This program shall comprise a complementary portfolio of~~
31 ~~techniques, applications, and practices that will achieve greater~~
32 ~~energy efficiency in existing residential and nonresidential~~
33 ~~structures that fall significantly below the current standards in Title~~
34 ~~24 of the California Code of Regulations, as determined by the~~
35 ~~commission.~~

36 ~~(2) The comprehensive program may include, but is not limited~~
37 ~~to, a broad range of energy assessments, building benchmarking,~~
38 ~~energy rating, cost-effective energy efficiency improvements,~~
39 ~~public and private sector energy efficiency financing options,~~
40 ~~public outreach and education efforts, and green workforce training.~~

- 1 ~~(b) To develop and implement the program specified in~~
2 ~~subdivision (a), the commission shall do both of the following:~~
- 3 ~~(1) Coordinate with the Public Utilities Commission and consult~~
4 ~~with representatives from the Bureau of Real Estate, the~~
5 ~~Department of Housing and Community Development,~~
6 ~~investor-owned and publicly owned utilities, local governments,~~
7 ~~real estate licensees, commercial and homebuilders, commercial~~
8 ~~property owners, small businesses, mortgage lenders, financial~~
9 ~~institutions, home appraisers, inspectors, energy rating~~
10 ~~organizations, consumer groups, environmental and environmental~~
11 ~~justice groups, and other entities the commission deems~~
12 ~~appropriate.~~
- 13 ~~(2) Hold at least three public hearings in geographically diverse~~
14 ~~locations throughout the state.~~
- 15 ~~(c) In developing the requirements for the program specified in~~
16 ~~subdivision (a), the commission shall consider all of the following:~~
- 17 ~~(1) The amount of annual and peak energy savings, greenhouse~~
18 ~~gas emission reductions, and projected customer utility bill savings~~
19 ~~that will accrue from the program.~~
- 20 ~~(2) The most cost-effective means and reasonable timeframes~~
21 ~~to achieve the goals of the program.~~
- 22 ~~(3) The various climatic zones within the state.~~
- 23 ~~(4) An appropriate method to inform and educate the public~~
24 ~~about the need for, benefits of, and environmental impacts of, the~~
25 ~~comprehensive energy efficiency program.~~
- 26 ~~(5) The most effective way to report the energy assessment~~
27 ~~results and the corresponding energy efficiency improvements to~~
28 ~~the owner of the residential or nonresidential building, including,~~
29 ~~among other things, the following:~~
- 30 ~~(A) Prioritizing the identified energy efficiency improvements.~~
- 31 ~~(B) The payback period or cost-effectiveness of each~~
32 ~~improvement identified.~~
- 33 ~~(C) The various incentives, loans, grants, and rebates offered~~
34 ~~to finance the improvements.~~
- 35 ~~(D) Available financing options including all of the following:~~
- 36 ~~(i) Mortgages or sales agreement components.~~
- 37 ~~(ii) On-bill financing.~~
- 38 ~~(iii) Contractual property tax assessments.~~
- 39 ~~(iv) Home warranties.~~

1 ~~(6) Existing statutory and regulatory requirements to achieve~~
2 ~~energy efficiency savings and greenhouse gas emission reductions.~~

3 ~~(7) A broad range of implementation approaches, including both~~
4 ~~utility and nonutility administration of energy efficiency programs.~~

5 ~~(8) Any other considerations deemed appropriate by the~~
6 ~~commission.~~

7 ~~(d) The program developed pursuant to this section shall do all~~
8 ~~of the following:~~

9 ~~(1) Minimize the overall costs of establishing and implementing~~
10 ~~the comprehensive energy efficiency program requirements.~~

11 ~~(2) Ensure, for residential buildings, that the energy efficiency~~
12 ~~assessments, ratings, or improvements do not unreasonably or~~
13 ~~unnecessarily affect the home purchasing process or the ability of~~
14 ~~individuals to rent housing. A transfer of property subject to the~~
15 ~~program implemented pursuant to this section shall not be~~
16 ~~invalidated solely because of the failure of a person to comply~~
17 ~~with a provision of the program.~~

18 ~~(3) Ensure, for nonresidential buildings, that the energy~~
19 ~~improvements do not have an undue economic impact on California~~
20 ~~businesses.~~

21 ~~(4) Determine, for residential buildings, the appropriateness of~~
22 ~~the Home Energy Rating System (HERS) program to support the~~
23 ~~goals of this section and whether there are a sufficient number of~~
24 ~~HERS-certified raters available to meet the program requirements.~~

25 ~~(5) Determine, for nonresidential structures, the availability of~~
26 ~~an appropriate cost-effective energy efficiency assessment system~~
27 ~~and whether there are a sufficient number of certified raters or~~
28 ~~auditors available to meet the program requirements.~~

29 ~~(6) Coordinate with the California Workforce Investment Board,~~
30 ~~the Employment Training Panel, the California Community~~
31 ~~Colleges, and other entities to ensure a qualified, well-trained~~
32 ~~workforce is available to implement the program requirements.~~

33 ~~(7) Coordinate with, and avoid duplication of, existing~~
34 ~~proceedings of the Public Utilities Commission and programs~~
35 ~~administered by utilities.~~

36 ~~(e) A home energy rating or energy assessment service does not~~
37 ~~meet the requirements of this section unless the service has been~~
38 ~~certified by the commission to be in compliance with the program~~
39 ~~criteria developed pursuant to this section and is in conformity~~
40 ~~with other applicable elements of the program.~~

- 1 ~~(f) The commission shall periodically update the criteria and~~
2 ~~adopt any revision that, in its judgment, is necessary to improve~~
3 ~~or refine program requirements after receiving public input.~~
- 4 ~~(g) Before implementing an element of the program developed~~
5 ~~pursuant to subdivision (a) that requires the expansion of statutory~~
6 ~~authority of the commission or the Public Utilities Commission,~~
7 ~~the commission and the Public Utilities Commission shall obtain~~
8 ~~legislative approval for the expansion of their authorities.~~
- 9 ~~(h) The commission shall report on the status of the program in~~
10 ~~the integrated energy policy report pursuant to Section 25302.~~
- 11 ~~(i) The commission shall fund activities undertaken pursuant~~
12 ~~to this section from the Federal Trust Fund consistent with the~~
13 ~~federal American Recovery and Reinvestment Act of 2009 (Public~~
14 ~~Law 111-5) or other sources of nonstate funds available to the~~
15 ~~commission for the purposes of this section.~~
- 16 ~~(j) For purposes of this section, “energy assessment” means a~~
17 ~~determination of an energy user’s energy consumption level,~~
18 ~~relative efficiency compared to other users, and opportunities to~~
19 ~~achieve greater efficiency or improve energy resource utilization.~~