

ASSEMBLY BILL

No. 865

Introduced by Assembly Member Alejo

February 26, 2015

An act to add Section 25230 to the Public Resources Code, relating to the State Energy Resources Conservation and Development Commission.

LEGISLATIVE COUNSEL'S DIGEST

AB 865, as introduced, Alejo. State Energy Resources Conservation and Development Commission: grants and loans: diversity.

The Warren-Alquist State Energy Resources Conservation and Development Act establishes the State Energy Resources Conservation and Development Commission. Existing law requires the State Energy Resources Conservation and Development Commission to administer various grant and loan programs.

This bill would require the State Energy Resources Conservation and Development Commission to require that each recipient of a grant or loan, as a condition for the receipt of that grant or loan, annually submit a detailed and verifiable plan for increasing procurement from women, minority, disabled veteran, and LGBT business enterprises, as defined, in all categories, including, but not limited to, renewable energy, advanced technologies, and demonstration projects, and furnish an annual report regarding the implementation of programs established pursuant to this requirement. The bill would require the State Energy Resources Conservation and Development Commission to establish guidelines for all grant or loan recipients to utilize in establishing programs pursuant to these requirements. The bill would require the State Energy Resources Conservation and Development Commission

to develop, and would require every grant or loan recipient to implement, an outreach program to inform and recruit women, minority, disabled veteran, and LGBT business enterprises to apply for procurement contracts. The bill would require the State Energy Resources Conservation and Development Commission to establish a Diversity Task Force to consider and make recommendations about diversity in the energy industry, including diversity of corporate governing boards and procurement from diverse businesses.

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. Section 25230 is added to the Public Resources
2 Code, to read:
3 25230. (a) For purposes of this section, the following terms
4 have the following meanings:
5 (1) “Control” means exercising the power to make policy
6 decisions.
7 (2) “Disabled veteran business enterprise” has the same meaning
8 as defined in Section 999 of the Military and Veterans Code.
9 (3) “LGBT business enterprise” means a business enterprise
10 that is at least 51 percent owned by a lesbian, gay, bisexual, or
11 transgender person or persons, or, in the case of any publicly owned
12 business, at least 51 percent of the stock of which is owned by one
13 or more lesbian, gay, bisexual, or transgender persons, and whose
14 management and daily business operations are controlled by one
15 or more of those individuals.
16 (4) “Minority business enterprise” means a business enterprise
17 that is at least 51 percent owned by a minority group or groups,
18 or, in the case of any publicly owned business, at least 51 percent
19 of the stock of which is owned by one or more minority groups,
20 and whose management and daily business operations are
21 controlled by one or more of those individuals. The contracting
22 utility shall presume that minority includes African Americans,
23 Hispanic Americans, Native Americans, and Asian Pacific
24 Americans.
25 (5) To “operate” means to be actively involved in the day-to-day
26 management. It is not enough to merely be an officer or director.

1 (6) “Renewable energy project” means a project for the
2 development and operation of an eligible renewable energy
3 resource meeting the requirements of the California Renewables
4 Portfolio Standard Program (Article 16 (commencing with Section
5 399.11) of Chapter 2.3 of Part 1 of Division 1).

6 (7) “Women business enterprise” means a business enterprise
7 that is at least 51 percent owned by a woman or women, or, in the
8 case of any publicly owned business, at least 51 percent of the
9 stock of which is owned by one or more women, and whose
10 management and daily business operations are controlled by one
11 or more of those individuals.

12 (b) The commission shall require that each recipient of a grant
13 or loan administered by the commission do both of the following
14 as a condition for the receipt of that grant or loan:

15 (1) Annually submit a detailed and verifiable plan for increasing
16 procurement from women, minority, disabled veteran, and LGBT
17 business enterprises in all categories, including, but not limited to,
18 renewable energy, advanced technologies, and demonstration
19 projects. These annual plans shall include short- and long-term
20 goals and timetables, but not quotas, and shall include methods
21 for encouraging both prime contractors and grantees to engage
22 women, minority, disabled veteran, and LGBT business enterprises
23 in subcontracts in all categories that provide subcontracting
24 opportunities, including, but not limited to, renewable energy,
25 advanced technologies, and demonstration projects.

26 (2) Furnish an annual report to the commission regarding the
27 implementation of programs established pursuant to this section
28 in a form that the commission shall require, and at the time that
29 the commission shall annually designate. Each report shall be a
30 public document and shall be made readily available on an Internet
31 Web site either maintained by the grant or loan recipient or by the
32 commission.

33 (c) The commission shall establish guidelines for all grant or
34 loan recipients to utilize in establishing programs pursuant to this
35 section.

36 (d) The commission shall develop, and require every grant or
37 loan recipient to implement, an outreach program to inform and
38 recruit women, minority, disabled veteran, and LGBT business
39 enterprises to apply for procurement contracts under this section.

- 1 (e) The commission shall establish a Diversity Task Force to
2 consider and make recommendations about diversity in the energy
3 industry, including diversity of corporate governing boards and
4 procurement from diverse businesses. The Diversity Task Force
5 shall do all the following:
- 6 (1) Identify and promote energy companies that are actively
7 engaged in diversity issues.
 - 8 (2) Explore the status of diverse representation on energy
9 company governing boards.
 - 10 (3) Identify actions that the commission can take to encourage
11 insurance companies to increase procurement with diverse
12 suppliers.
 - 13 (4) Provide recommendations regarding current legislation and
14 suggest changes to existing law.