

AMENDED IN ASSEMBLY APRIL 16, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

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 amended, 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, *where the recipient has gross annual revenues exceeding \$25,000,000, or a different threshold determined by the commission*, 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 those~~ 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 those~~ grant or loan ~~recipient recipients~~ 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~~ *consider establishing* 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,

1 Hispanic Americans, Native Americans, and Asian Pacific
2 Americans.

3 (5) To “operate” means to be actively involved in the day-to-day
4 management. It is not enough to merely be an officer or director.

5 (6) “Renewable energy project” means a project for the
6 development and operation of an eligible renewable energy
7 resource meeting the requirements of the California Renewables
8 Portfolio Standard Program (Article 16 (commencing with Section
9 399.11) of Chapter 2.3 of Part 1 of Division 1).

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

16 (b) The commission shall require that each recipient of a grant
17 or loan administered by the ~~commission~~ *commission, where the*
18 *recipient has annual revenues exceeding twenty-five million dollars*
19 *(\$25,000,000), or a different threshold determined to be*
20 *appropriate by the commission, do both of the following as a*
21 *condition for the receipt of that grant or loan:*

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

33 (2) Furnish an annual report to the commission regarding the
34 implementation of programs established pursuant to this section
35 in a form that the commission shall require, and at the time that
36 the commission shall annually designate. Each report shall be a
37 public document and shall be made readily available on an Internet
38 Web site either maintained by the grant or loan recipient or by the
39 commission.

1 (c) The commission shall establish guidelines for all grant or
2 loan-~~recipients~~ *recipients, subject to subdivision (b)*, to utilize in
3 establishing programs pursuant to this section.

4 (d) The commission shall develop, and require every grant or
5 loan-~~recipient~~ *recipient, subject to subdivision (b)*, to implement,
6 an outreach program to inform and recruit women, minority,
7 disabled veteran, and LGBT business enterprises to apply for
8 procurement contracts under this section.

9 ~~The~~ *After receipt of the detailed plans and annual reports,*
10 ~~the~~ *commission shall establish consider establishing a Diversity*
11 *Task Force to consider and make recommendations about diversity*
12 *in the energy industry, including diversity of corporate governing*
13 *boards and procurement from diverse businesses. The Diversity*
14 ~~Task Force shall do all the following:~~ *If the commission establishes*
15 *a Diversity Task Force, the commission shall consider how it can*
16 *address and promote local and targeted hiring.*

17 ~~(1) Identify and promote energy companies that are actively~~
18 ~~engaged in diversity issues.~~

19 ~~(2) Explore the status of diverse representation on energy~~
20 ~~company governing boards.~~

21 ~~(3) Identify actions that the commission can take to encourage~~
22 ~~insurance companies to increase procurement with diverse~~
23 ~~suppliers.~~

24 ~~(4) Provide recommendations regarding current legislation and~~
25 ~~suggest changes to existing law.~~