

AMENDED IN ASSEMBLY MAY 5, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1150

Introduced by Assembly Member Levine

February 27, 2015

An act to add Section 25404.5 to the Public Resources Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1150, as amended, Levine. Energy: University of California *and California State University* partnership.

The Warren-Alquist State Energy Resources Conservation and Development Act establishes the State Energy Resources Conservation and Development Commission. The act requires the State Energy Resources Conservation and Development Commission, beginning November 1, 2003, and by November 1 of every odd year thereafter, to adopt an integrated energy policy report which includes an overview of major energy trends and issues facing the state, an assessment and forecast of system reliability, and the need for resource additions, efficiency, and conservation.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations and gas corporations, as defined, while local publicly owned electric utilities, as defined, and local publicly owned gas utilities are under the direction of their governing board.

Existing law establishes the system of public postsecondary education in the state, which includes the University of California, administered by the Regents of the University of California, and the California State

University, administered by the Trustees of the California State University.

This bill would require the State Energy Resources Conservation and Development Commission, in consultation with the Public Utilities Commission, the California State University, and the University of California, to expand the existing statewide institutional partnership between *the California State University*, the University of California, and investor-owned energy utilities, as defined, to create an integrated and flexible program across all *the California State University and University of California* facilities, that accomplishes specified matter, including extending participation to *the California State University and University of California* facilities served by local publicly owned energy utilities that choose to participate. As a condition for participation in the expanded partnership, the bill would require *the California State University and the University of California* to report to the State Energy Resources Conservation and Development Commission the annual reduction in emissions of greenhouse gases from the expanded partnership at all participating *California State University and University of California* facilities.

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. The Legislature finds and declares all of the
- 2 following:
- 3 (a) The University of California has committed to achieving
- 4 carbon neutrality through aggressive measures to increase energy
- 5 efficiency and develop renewable energy resources.
- 6 (b) Because of its size and subsequent required energy
- 7 consumption, there are significant opportunities for reducing
- 8 emissions of carbon dioxide and other greenhouse gases at
- 9 University of California facilities.
- 10 (c) Collectively the University of California has substantially
- 11 contributed to the state’s energy efficiency goals by saving 373
- 12 million kilowatthours per year and 18,700,000 therms per year
- 13 through 2014 as part of an institutional statewide partnership with
- 14 investor-owned energy utilities established in 2004.
- 15 (d) Additional deep energy efficiency potential exists at
- 16 University of California facilities. The identified potential deep

1 energy efficiency projects could produce savings of 426,000,000
2 kilowatthours per year and 15,700,000 therms per year, equating
3 to \$59 million per year in utility cost savings.

4 (e) There is a need to expand the existing University of
5 California institutional statewide partnership to capture carbon
6 and reduce emissions of greenhouse gases and to ensure meaningful
7 and reliable energy assessments, cost-effective energy efficiency
8 improvements, and the incorporation of projects that are
9 demonstrated to be cost effective on a carbon basis.

10 SEC. 2. Section 25404.5 is added to the Public Resources Code,
11 to read:

12 25404.5. (a) For purposes of this section, the following terms
13 have the following meanings:

14 (1) “Investor-owned energy utilities” means the state’s three
15 largest electrical corporations, as defined in Section 218 of the
16 Public Utilities Code, and each gas corporation, as defined in
17 Section 222 of the Public Utilities Code, of the state.

18 (2) “Local publicly owned energy utility” means a local publicly
19 owned electric utility, as defined in Section 224.3 of the Public
20 Utilities Code, or a local publicly owned gas utility.

21 (3) “Partnership” means the statewide institutional partnership
22 between *the California State University*, the University of
23 ~~California~~ *California*, and investor-owned energy utilities.

24 (b) The commission, in consultation with the Public Utilities
25 ~~Commission~~ *Commission*, *the California State University*, and the
26 University of California, shall expand the statewide institutional
27 partnership between *the California State University*, the University
28 of ~~California~~ *California*, and investor-owned energy utilities to
29 create an integrated and flexible program across all *the California*
30 *State University and* University of California facilities, that
31 accomplishes all of the following:

32 (1) Participation in the partnership is extended to *California*
33 *State University and* University of California facilities served by
34 local publicly owned energy utilities that choose to participate.
35 The commission shall collaborate with those local publicly owned
36 energy utilities serving *the California State University and* the
37 University of California to ensure the participation of *the California*
38 *State University*, the University of ~~California~~ *California*, and local
39 publicly owned energy utilities.

1 (2) A project is evaluated based upon the project's effect in
2 reducing emissions of greenhouse gases and the cost effectiveness
3 in achieving those reductions, including, but not limited to, deep
4 energy efficiency and eligible renewable energy resources, subject
5 to applicable funding.

6 (3) Wherever feasible, the partnership utilizes whole-building,
7 or whole-campus, meter based verification in order to reduce costs
8 associated with traditional field verification and engineering hand
9 calculations.

10 (c) The Public Utilities Commission and the commission shall
11 leverage the existing partnership to allow flexibility and to
12 accommodate the potential for multiple funding sources, and the
13 partnership's existing administrative framework shall, subject to
14 subdivision (e), be utilized to allocate any future funding from the
15 state for energy projects or projects for reducing emissions of
16 greenhouse gases.

17 (d) This section does not affect the eligibility of *the California*
18 *State University and* the University of California to receive
19 resources from federal, state, and local government, or from public
20 utilities or other sources through the partnership, and to leverage
21 those resources.

22 (e) Funds associated with an investor-owned energy utility shall
23 be used only for projects that are in compliance with Public
24 Utilities Commission requirements at *the California State*
25 *University and* University of California facilities within the service
26 territory of the investor-owned energy utility.

27 (f) As a condition to participation in the expanded partnership,
28 *the California State University and* the University of California
29 shall report to the commission the annual reduction in emissions
30 of greenhouse gases from the expanded partnership at all
31 participating *California State University and* University of
32 California facilities, by a mutually agreed upon date. When
33 reporting the results of partnership projects, all savings calculations
34 shall utilize a baseline reflecting the existing conditions prior to
35 the upgrade.

36 (g) The Public Utilities Commission and the commission, to
37 the extent possible, shall utilize existing resources, administrative
38 structures, and expertise in implementing this section.

O