

AMENDED IN SENATE JUNE 15, 2016
AMENDED IN SENATE SEPTEMBER 4, 2015
AMENDED IN SENATE SEPTEMBER 1, 2015
AMENDED IN SENATE AUGUST 18, 2015
AMENDED IN SENATE JUNE 30, 2015
AMENDED IN ASSEMBLY JUNE 2, 2015
AMENDED IN ASSEMBLY APRIL 27, 2015
CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1330

Introduced by Assembly Member Bloom

February 27, 2015

~~An act to add Chapter 7 (commencing with Section 8400) to Division 4.1 of the Public Utilities Code, relating to energy. An act to amend Sections 454.55 and 454.56 of the Public Utilities Code, relating to energy.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 1330, as amended, Bloom. ~~Demand response. Energy efficiency.~~
Under existing law, the Public Utilities Commission (PUC) has regulatory authority over public utilities, including electrical and gas corporations. Existing law requires the State Energy Resources Conservation and Development Commission, on or before November 1, 2017, and every third year thereafter, in collaboration with the PUC and local publicly owned electric utilities, to establish annual targets for statewide energy efficiency savings and demand reduction that will

achieve a cumulative doubling of statewide energy efficiency savings in electricity and natural gas final end uses of retail customers by January 1, 2030. Existing law requires the PUC to identify all potentially achievable cost-effective electricity and natural gas efficiency savings and to establish efficiency targets for electrical and gas corporations to achieve.

This bill would require the PUC to ensure that there are sufficient moneys available for electrical and gas corporations to meet those efficiency targets, and, if the PUC finds that additional moneys are necessary to meet those targets, to increase available moneys up to 20% per year until the moneys available for energy efficiency savings and demand reduction doubles from the amount authorized on January 1, 2016.

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

~~The existing Warren-Alquist State Energy Resources Conservation and Development Act requires the State Energy Resources Conservation and Development Commission (Energy Commission), on or before November 1, 2007, and every 3 years thereafter, in consultation with the PUC and local publicly owned electric utilities, in a public process that allows input from other stakeholders, to develop a statewide estimate of all potentially achievable cost-effective electricity and natural gas efficiency savings and establish statewide annual targets for energy efficiency savings and demand reduction over 10 years.~~

~~This bill would require the PUC, in consultation with the Energy Commission, electrical corporations, local publicly owned electric utilities, and community choice aggregators, by June 30, 2018, to establish an annual goal for demand response, with a timetable for achieving that percentage. The bill would require the PUC to require electrical corporations to achieve the annual goal. The bill would specify that the governing boards of local publicly owned electric utilities and certain community choice aggregators are responsible for achieving the annual goal.~~

~~Under existing law, a violation of any order, decision, rule, direction, demand, or requirement of the Public Utilities Commission is a crime.~~

~~Because a violation of an order or decision of the Public Utilities Commission implementing the bill's requirements with respect to an~~

~~electrical corporation would be a crime, the bill would impose a state-mandated local program by creating a new crime. By placing additional requirements upon local publicly owned electric utilities, the bill would impose a state-mandated local program.~~

~~The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that no reimbursement is required by this act for specified reasons:~~

~~Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: *yes-no*.~~

The people of the State of California do enact as follows:

1 SECTION 1. Section 454.55 of the Public Utilities Code is
2 amended to read:

3 454.55. (a) The commission, in consultation with the Energy
4 Commission, shall identify all potentially achievable cost-effective
5 electricity efficiency savings and establish efficiency targets for
6 an electrical corporation to achieve, pursuant to Section 454.5,
7 consistent with the targets established pursuant to subdivision (c)
8 of Section 25310 of the Public Resources Code.

9 (1) By July 1, 2018, and every four years thereafter, each
10 electrical corporation shall report on its progress toward achieving
11 the targets established pursuant to subdivision (a).

12 (2) By July 1, 2019, and every four years thereafter, the
13 commission shall, pursuant to Section 9795 of the Government
14 Code, report to the Legislature on the progress toward achieving
15 the targets established pursuant to subdivision (a). The commission
16 shall include specific strategies for, and an update on, progress
17 toward maximizing the contribution of electricity efficiency savings
18 in disadvantaged communities identified pursuant to Section 39711
19 of the Health and Safety Code.

20 (b) (1) By December 31, 2023, the commission shall, in a new
21 or existing proceeding, undertake a comprehensive review of the
22 feasibility, costs, barriers, and benefits of achieving a cumulative
23 doubling of energy efficiency savings and demand reduction by
24 2030 pursuant to subdivision (c) of Section 25310 of the Public
25 Resources Code.

1 (2) Notwithstanding subdivision (c) of Section 25310 of the
2 Public Resources Code, if the commission concludes the targets
3 established for electrical corporations to achieve pursuant to
4 subdivision (a) are not cost effective, feasible, or pose potential
5 adverse impacts to public health and safety, the commission shall
6 revise the targets to the level that optimizes the amount of energy
7 efficiency savings and demand reduction and shall modify, revise,
8 or update its policies as needed to address barriers preventing
9 achievement of those targets.

10 (c) *The commission shall ensure that there are sufficient moneys*
11 *available to electrical corporations to meet the efficiency targets*
12 *established pursuant to subdivision (a). If the commission finds*
13 *that additional moneys are necessary to meet those targets, the*
14 *commission shall increase available moneys up to 20 percent per*
15 *year until the moneys available for energy efficiency savings and*
16 *demand reduction doubles from the amount authorized on January*
17 *1, 2016. This subdivision shall not be construed to authorize the*
18 *commission to impose or increase any tax.*

19 *SEC. 2. Section 454.56 of the Public Utilities Code is amended*
20 *to read:*

21 454.56. (a) The commission, in consultation with the Energy
22 Commission, shall identify all potentially achievable cost-effective
23 natural gas efficiency savings and establish efficiency targets for
24 the gas corporation to achieve, consistent with the targets
25 established pursuant to subdivision (c) of Section 25310 of the
26 Public Resources Code.

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

30 (c) By July 1, 2018, and every four years thereafter, each gas
31 corporation shall report on its progress toward achieving the targets
32 established pursuant to subdivision (a).

33 (d) By July 1, 2019, and every four years thereafter, the
34 commission shall, pursuant to Section 9795 of the Government
35 Code, report to the Legislature on the progress toward achieving
36 the targets establish pursuant to subdivision (a). The commission
37 shall include specific strategies for, and an update on, progress
38 toward maximizing the contribution of energy efficiency savings
39 in disadvantaged communities identified pursuant to Section 39711
40 of the Health and Safety Code.

1 (e) Notwithstanding subdivision (c) of Section 25310 of the
 2 Public Resources Code, if the commission concludes in its review
 3 pursuant to paragraph (1) of subdivision (b) of Section 454.55 that
 4 the targets established for gas corporations to achieve pursuant to
 5 subdivision (a) are not cost effective, feasible, or pose potential
 6 adverse impacts to public health and safety, the commission shall
 7 revise the targets to the level that maximizes the amount of energy
 8 efficiency savings and demand reduction and shall modify, revise,
 9 or update its policies as needed to address barriers preventing
 10 achievement of those targets.

11 (f) *The commission shall ensure that there are sufficient moneys*
 12 *available to gas corporations to meet the efficiency targets*
 13 *established pursuant to subdivision (a). If the commission finds*
 14 *that additional moneys are necessary to meet those targets, the*
 15 *commission shall increase available moneys up to 20 percent per*
 16 *year until the moneys available for energy efficiency savings and*
 17 *demand reduction doubles from the amount authorized on January*
 18 *1, 2016. This subdivision shall not be construed to authorize the*
 19 *commission to impose or increase any tax.*

20 ~~SECTION 1. Chapter 7 (commencing with Section 8400) is~~
 21 ~~added to Division 4.1 of the Public Utilities Code, to read:~~

22
 23 ~~CHAPTER 7. DEMAND RESPONSE~~
 24

25 ~~8400. (a) By June 30, 2018, the commission, in consultation~~
 26 ~~with the Energy Commission, electrical corporations, local publicly~~
 27 ~~owned electric utilities, and community choice aggregators, in a~~
 28 ~~public process that allows input from other stakeholders, shall~~
 29 ~~establish an annual goal for demand response, with a timetable for~~
 30 ~~achieving that goal, that advances renewable energy resources~~
 31 ~~integration, greenhouse gas reductions, and grid reliability and~~
 32 ~~that shall be achieved by each electrical utility through supply-side~~
 33 ~~demand response and types of load-modifying demand response.~~
 34 ~~In doing so, the commission shall consider the role of clean~~
 35 ~~technologies, such as consumer-sited energy storage, electric~~
 36 ~~vehicle charging, and distributed generation resources.~~

37 ~~(b) The commission shall require electrical corporations to~~
 38 ~~achieve the goal established pursuant to subdivision (a).~~

39 ~~(c) The governing board of each local publicly owned electric~~
 40 ~~utility and each community choice aggregator that elects to~~

1 administer energy efficiency programs for its customers pursuant
2 to Section 381.1 shall be responsible for achieving the goal
3 established pursuant to subdivision (a).
4 SEC. 2. No reimbursement is required by this act pursuant to
5 Section 6 of Article XIII B of the California Constitution because
6 a local agency or school district has the authority to levy service
7 charges, fees, or assessments sufficient to pay for the program or
8 level of service mandated by this act or because costs that may be
9 incurred by a local agency or school district will be incurred
10 because this act creates a new crime or infraction, eliminates a
11 crime or infraction, or changes the penalty for a crime or infraction,
12 within the meaning of Section 17556 of the Government Code, or
13 changes the definition of a crime within the meaning of Section 6
14 of Article XIII B of the California Constitution.