

Introduced by Senators Pavley and RothFebruary 27, 2015

An act to add and repeal Section 454.57 of the Public Utilities Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

SB 723, as introduced, Pavley. Energy efficiency: military bases and facilities.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations and gas corporations, as defined. The Public Utilities Act requires the Public Utilities Commission to review and adopt a procurement plan for each electrical corporation in accordance with specified elements, incentive mechanisms, and objectives. The act requires that an electrical corporation's proposed procurement plan include certain elements, including a showing that the electrical corporation will first meet its unmet needs through all available energy efficiency and demand reduction resources that are cost effective, reliable, and feasible. Existing law requires the Public Utilities Commission, in consultation with the State Energy Resources Conservation and Development 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.

The act requires the Public Utilities Commission, in consultation with the State Energy Resources Conservation and Development 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 Public Utilities Commission to encourage electrical corporations and gas corporations to expedite implementation of energy efficiency measures and enable the achievement of additional energy goals at United States Department of Defense military bases and facilities and United States Coast Guard facilities.

This bill would require the Public Utilities Commission to approve financial incentives for energy efficiency upgrades at military bases and facilities and United States Coast Guard facilities through existing energy efficiency programs administered by electrical corporations and gas corporations. Because a violation of an order or a direction of the commission is a crime, this bill would impose a state-mandated local program.

This bill would repeal the above requirements on January 1, 2020.

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 a specified reason.

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

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 United States Department of Defense and the United
4 States Coast Guard, as the nation's largest energy users, are
5 required to comply with laws enacted by Congress, executive
6 orders, and goals established by military leaders, including
7 requirements for 3 percent annual reductions in facility energy
8 intensity, which is measured by energy used per gross square foot.
9 (b) The United States Department of Defense and the United
10 States Coast Guard are reducing energy demand through
11 conservation and efficiency. The United States Department of
12 Defense and the United States Coast Guard are improving the
13 efficiency of their existing buildings through retrofitting, including
14 the use of advanced lighting, heating, ventilation, and
15 air-conditioning technologies.

1 (c) The United States Department of Defense and United States
2 Coast Guard facilities have leveraged the energy efficiency
3 programs of electrical corporations and gas corporations and have
4 used turnkey contracts to facilitate energy efficiency upgrades
5 while bundling energy and water efficiency, demand response,
6 and distributed generation.

7 (d) Additional energy efficiency incentives to assist the United
8 States Department of Defense and the United States Coast Guard
9 to perform energy efficiency projects will help in meeting the
10 state's greenhouse gas reduction goals.

11 SEC. 2. Section 454.57 is added to the Public Utilities Code,
12 to read:

13 454.57. (a) For the purposes of this section, the following
14 terms have the following meanings:

15 (1) "Military bases and facilities" are those establishments under
16 the jurisdiction of the United States Department of Defense that
17 are classified in Code 928110 of the North American Industry
18 Classification System.

19 (2) "United States Coast Guard facilities" are those facilities
20 under the jurisdiction of the United States Coast Guard that are
21 classified in Code 926120 of the North American Industry
22 Classification System.

23 (b) Military bases and facilities and United States Coast Guard
24 facilities shall be eligible to calculate their energy efficiency
25 savings by comparing the facilities' existing energy usage, as a
26 whole, with the facilities' projected energy usage that would be
27 achieved from the implementation of the energy efficiency
28 measures.

29 (c) Through an existing or new proceeding, the commission, in
30 consultation with the Energy Commission, the United States
31 Department of Defense, and the United States Coast Guard, shall
32 encourage electrical corporations and gas corporations, using
33 existing military contracting procedures or new partnerships with
34 the federal government, to expedite the implementation of energy
35 efficiency measures and shall enable the achievement of additional
36 energy goals, for example, microgrids, demand response,
37 self-generation, and energy storage, at military bases and facilities
38 and United States Coast Guard facilities.

39 (d) The commission shall approve financial incentives for energy
40 efficiency upgrades at military bases and facilities and United

1 States Coast Guard facilities through existing energy efficiency
2 programs administered by electrical corporations and gas
3 corporations.

4 (e) To the extent that the commission finds that funds in addition
5 to funds collected from ratepayers are needed to achieve energy
6 efficiency saving goals in military bases and facilities and United
7 States Coast Guard facilities, the commission, in consultation with
8 the Energy Commission, the United States Department of Defense,
9 and the United States Coast Guard, shall identify other potential
10 sources of funding to supplement funds collected from ratepayers
11 to achieve those savings goals.

12 (f) This section shall remain in effect only until January 1,
13 2020, and as of that date is repealed, unless a later enacted statute,
14 that is enacted before January 1, 2020, deletes or extends that date.

15 SEC. 3. No reimbursement is required by this act pursuant to
16 Section 6 of Article XIII B of the California Constitution because
17 the only costs that may be incurred by a local agency or school
18 district will be incurred because this act creates a new crime or
19 infraction, eliminates a crime or infraction, or changes the penalty
20 for a crime or infraction, within the meaning of Section 17556 of
21 the Government Code, or changes the definition of a crime within
22 the meaning of Section 6 of Article XIII B of the California
23 Constitution.