

AMENDED IN SENATE APRIL 13, 2015

SENATE BILL

No. 723

Introduced by Senators Pavley and Roth
(Coauthors: Assembly Members Mullin and Williams)

February 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 amended, Pavley. Energy efficiency: ~~military~~ *United States Armed Forces* 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 Armed Forces bases and facilities.~~

This bill would require the Public Utilities Commission to approve financial incentives for energy efficiency upgrades at ~~military Armed Forces 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, Armed Forces,~~ as the nation's largest energy
- 5 users, are required to comply with laws enacted by Congress,
- 6 executive orders, and goals established by military leaders,
- 7 including requirements for 3 percent annual reductions in facility
- 8 energy intensity, which is measured by energy used per gross
- 9 square foot.
- 10 (b) ~~The United States Department of Defense and the United~~
- 11 ~~States Coast Guard Armed Forces~~ are reducing energy demand
- 12 through conservation and efficiency. ~~The United States Department~~

1 of Defense and the United States Coast Guard *Armed Forces* are
2 improving the efficiency of their existing buildings through
3 retrofitting, including the use of advanced lighting, heating,
4 ventilation, and air-conditioning technologies.

5 (c) The United States Department of Defense and United States
6 Coast Guard *Armed Forces* facilities have leveraged the energy
7 efficiency programs of electrical corporations and gas corporations
8 and have used turnkey contracts to facilitate energy efficiency
9 upgrades while bundling energy and water efficiency, demand
10 response, and distributed generation.

11 (d) Additional energy efficiency incentives to assist the United
12 States Department of Defense and the United States Coast Guard
13 *Armed Forces* to perform energy efficiency projects will help in
14 meeting the state's greenhouse gas reduction goals.

15 SEC. 2. Section 454.57 is added to the Public Utilities Code,
16 to read:

17 454.57. (a) For the purposes of this section, ~~the following~~
18 ~~terms have the following meanings:~~ "*Armed Forces bases and*
19 *facilities*" are those establishments under the jurisdiction of the
20 United States Armed Forces that are classified in Code 928110 of
21 the North American Industry System and paragraph (4) of
22 subsection (a) of Section 101 of Title 10 of the United States Code.

23 (1) ~~"Military bases and facilities"~~ are those establishments under
24 ~~the jurisdiction of the United States Department of Defense that~~
25 ~~are classified in Code 928110 of the North American Industry~~
26 ~~Classification System.~~

27 (2) ~~"United States Coast Guard facilities"~~ are those facilities
28 ~~under the jurisdiction of the United States Coast Guard that are~~
29 ~~classified in Code 926120 of the North American Industry~~
30 ~~Classification System.~~

31 (b) ~~Military Armed Forces bases and facilities and United States~~
32 ~~Coast Guard facilities~~ shall be eligible to calculate their energy
33 efficiency savings by comparing the facilities' existing energy
34 usage, as a whole, with the facilities' projected energy usage that
35 would be achieved from the implementation of the energy
36 efficiency measures.

37 (c) Through an existing or new proceeding, the commission, in
38 consultation with the Energy Commission, ~~the United States~~
39 ~~Department of Defense, Commission~~ and the United States Coast
40 ~~Guard, Armed Forces~~, shall encourage electrical corporations and

1 gas corporations, using existing military contracting procedures
 2 or new partnerships with the federal government, to expedite the
 3 implementation of energy efficiency measures and shall enable
 4 the achievement of additional energy goals, for example,
 5 microgrids, demand response, self-generation, and energy storage,
 6 at ~~military Armed Forces bases and facilities and United States~~
 7 ~~Coast Guard~~ facilities.

8 (d) The commission shall approve financial incentives for energy
 9 efficiency upgrades at ~~military Armed Forces bases and facilities~~
 10 ~~and United States Coast Guard facilities~~ through existing energy
 11 efficiency programs administered by electrical corporations and
 12 gas corporations.

13 (e) To the extent that the commission finds that funds in addition
 14 to funds collected from ratepayers are needed to achieve energy
 15 efficiency saving goals in ~~military bases and facilities and United~~
 16 ~~States Coast Guard facilities, Armed Forces bases and facilities,~~
 17 the commission, in consultation with the Energy ~~Commission, the~~
 18 ~~United States Department of Defense, and the United States Coast~~
 19 ~~Guard, Commission and the United States Armed Forces,~~ shall
 20 identify other potential sources of funding to supplement funds
 21 collected from ratepayers to achieve those savings goals.

22 (f) This section shall remain in effect only until January 1,
 23 2020, and as of that date is repealed, unless a later enacted statute,
 24 that is enacted before January 1, 2020, deletes or extends that date.

25 SEC. 3. No reimbursement is required by this act pursuant to
 26 Section 6 of Article XIII B of the California Constitution because
 27 the only costs that may be incurred by a local agency or school
 28 district will be incurred because this act creates a new crime or
 29 infraction, eliminates a crime or infraction, or changes the penalty
 30 for a crime or infraction, within the meaning of Section 17556 of
 31 the Government Code, or changes the definition of a crime within
 32 the meaning of Section 6 of Article XIII B of the California
 33 Constitution.