

AMENDED IN SENATE APRIL 27, 2015

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: 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~~ *Commission, in consultation with the State Energy Resources Conservation and Development Commission and the United States Armed Forces, to authorize a pilot program designed to evaluate the effects of using an alternative baseline energy efficiency methodology at United States Armed Forces bases and facilities. The bill would require electrical and gas corporations, using existing military contracting procedures, to the extent feasible, or new partnership with the federal government, to accomplish the goals of the pilot program.*

This bill would require the Public Utilities Commission to approve financial incentives for energy efficiency—~~upgrades~~ *measures implemented at Armed Forces bases and facilities pursuant to the pilot program* 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~~ *pilot program* 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 Armed Forces, as the nation's largest
- 4 energy users, are required to comply with laws enacted by
- 5 Congress, executive orders, and goals established by military

1 leaders, including requirements for 3 percent annual reductions in
2 facility energy intensity, which is measured by energy used per
3 gross square foot.

4 (b) The United States Armed Forces are reducing energy demand
5 through conservation and efficiency. The United States Armed
6 Forces are improving the efficiency of their existing buildings
7 through retrofitting, including the use of advanced lighting, heating,
8 ventilation, and air-conditioning technologies.

9 (c) The United States Armed Forces facilities have leveraged
10 the energy efficiency programs of electrical corporations and gas
11 corporations and have used turnkey contracts to facilitate energy
12 efficiency upgrades while bundling energy and water efficiency,
13 demand response, and distributed generation.

14 (d) Additional energy efficiency incentives to assist the United
15 States Armed Forces to perform energy efficiency projects will
16 help in meeting the state’s greenhouse gas reduction goals.

17 (e) *The United States Armed Forces bases and facilities are*
18 *very similar to small cities in terms of size, variety, and mix of*
19 *land uses and energy use.*

20 (f) *Because of their unique command structure, United States*
21 *Armed Forces bases and facilities are able to achieve much greater*
22 *control of their energy reporting and use, and have already*
23 *submetered most of their buildings. Therefore, those bases and*
24 *facilities are the perfect testing ground for pilot energy programs.*

25 SEC. 2. Section 454.57 is added to the Public Utilities Code,
26 to read:

27 454.57. (a) For the purposes of this section, “Armed Forces
28 bases and facilities” are those establishments under the jurisdiction
29 of the United States Armed Forces that are classified in Code
30 928110 of the North American Industry System and paragraph (4)
31 of subsection (a) of Section 101 of Title 10 of the United States
32 Code.

33 (b) (1) *Through an existing or new proceeding, the commission,*
34 *in consultation with the Energy Commission and the United States*
35 *Armed Forces, shall authorize a pilot program designed to evaluate*
36 *the effects of using an alternative baseline energy efficiency*
37 *methodology at Armed Forces bases and facilities.*

38 (2) *Electrical and gas corporations shall, using existing military*
39 *contracting procedures, to the extent feasible, or new partnerships*

1 *with the federal government, accomplish the purposes of the pilot*
2 *program.*

3 ~~(b) Armed~~

4 *(c) For purposes of the pilot program, Armed Forces bases and*
5 *facilities shall be eligible to calculate their energy efficiency*
6 *savings by comparing the facilities' existing energy usage, as a*
7 *whole, with the facilities' projected energy usage that would be*
8 *achieved from the implementation of the energy efficiency*
9 *measures.*

10 ~~(e) Through an existing or new proceeding, the commission, in~~
11 ~~consultation with the Energy Commission and the United States~~
12 ~~Armed Forces, shall encourage electrical corporations and gas~~
13 ~~corporations, using existing military contracting procedures or~~
14 ~~new partnerships with the federal government, to expedite the~~
15 ~~implementation of energy efficiency measures and shall enable~~
16 ~~the achievement of additional energy goals, for example,~~
17 ~~microgrids, demand response, self-generation, and energy storage,~~
18 ~~at Armed Forces bases and facilities.~~

19 (d) The commission shall approve financial incentives for energy
20 efficiency upgrades *measures implemented pursuant to the pilot*
21 *program* at Armed Forces bases and facilities through existing
22 energy efficiency programs administered by electrical corporations
23 and gas corporations.

24 ~~(e) To the extent that the commission finds that funds in addition~~
25 ~~to funds collected from ratepayers are needed to achieve energy~~
26 ~~efficiency saving goals in Armed Forces bases and facilities, the~~
27 ~~commission, in consultation with the Energy Commission and the~~
28 ~~United States Armed Forces, shall identify other potential sources~~
29 ~~of funding to supplement funds collected from ratepayers to~~
30 ~~achieve those savings goals.~~

31 *(e) This section does not require the commission to allow*
32 *projects not located on Armed Forces bases and facilities to be*
33 *eligible to calculate their energy efficiency savings in a*
34 *substantially similar manner as projects located on Armed Forces*
35 *bases and facilities.*

36 (f) This section shall remain in effect only until January 1,
37 2020, and as of that date is repealed, unless a later enacted statute,
38 that is enacted before January 1, 2020, deletes or extends that date.

39 SEC. 3. No reimbursement is required by this act pursuant to
40 Section 6 of Article XIII B of the California Constitution because

1 the only costs that may be incurred by a local agency or school
2 district will be incurred because this act creates a new crime or
3 infraction, eliminates a crime or infraction, or changes the penalty
4 for a crime or infraction, within the meaning of Section 17556 of
5 the Government Code, or changes the definition of a crime within
6 the meaning of Section 6 of Article XIII B of the California
7 Constitution.

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