

AMENDED IN ASSEMBLY AUGUST 1, 2016

AMENDED IN ASSEMBLY JUNE 14, 2016

AMENDED IN SENATE APRIL 12, 2016

SENATE BILL

No. 1414

Introduced by Senator Wolk

(Principal coauthor: Assembly Member Williams)

February 19, 2016

An act to add Section 25402.12 to the Public Resources Code, and to amend Section 399.4 of the Public Utilities Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

SB 1414, as amended, Wolk. Energy.

Existing law requires the State Energy Resources Conservation and Development Commission (Energy Commission) to prescribe, by regulation, building design and construction standards and energy and water conservation design standards for new residential and nonresidential buildings. Existing law requires the Energy Commission to prescribe, by regulation, standards for minimum levels of operating efficiency to promote the use of energy-efficient and water-efficient appliances whose use requires a significant amount of energy or water on a statewide basis. Existing law requires that the minimum levels of operating efficiency be based on feasible and attainable efficiencies or feasible improved efficiencies that will reduce the energy or water consumption growth rates. Existing law prohibits a new appliance manufactured on or after the effective date of the operating efficiency standards to be sold or offered for sale in the state unless it is certified by the manufacturer to be in compliance with those standards.

This bill would require the Energy Commission, by January 1, 2019, to approve a plan that will promote ~~the installation of central air conditioning and heat pumps~~ in compliance with specified ~~regulations~~. *regulations in the installation of central air conditioning and heat pumps*. The bill would authorize the Energy Commission to adopt regulations to increase compliance with permitting and inspection requirements for central air conditioning and heat ~~pumps~~ *pumps*, and associated sales and installations, consistent with that plan.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations. The Reliable Electric Service Investments Act states the intent of the Legislature that the Public Utilities Commission continue to administer cost-effective energy efficiency programs that produce cost-effective energy savings, reduce customer demand, and contribute to the safe and reliable operation of the electrical distribution grid. Under the act, in order to receive a rebate or incentive offered by a public utility for an energy efficiency improvement or for the installation of energy efficient components, equipment, or appliances in buildings, the recipient is required to certify that the improvement or installation complied with any applicable permitting requirements and, if a contractor performed the installation or improvement, that the contractor holds the appropriate license for the work performed.

This bill would additionally require the recipient of an energy efficiency rebate or incentive to provide proof of permit closure and certify that the improvement or installation complied with any specifications or requirements set forth in the California Building Standards Code. The bill would also more specifically identify the Public Utility Commission's statutory authority for supervising cost-effective energy efficiency programs.

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. Section 25402.12 is added to the Public Resources
2 Code, to read:
3 25402.12. (a) On or before January 1, 2019, the commission,
4 in consultation with the Contractors' State License Board, local
5 building officials, and other stakeholders, shall approve a plan that
6 will promote ~~the installation of central air conditioning and heat~~

1 ~~pumps in~~ compliance with Part 6 of Title 24 of the California Code
2 of ~~Regulations~~. *Regulations in the installation of central air*
3 *conditioning and heat pumps*.

4 (b) Prior to approving the plan described in subdivision (a), the
5 commission shall do all of the following:

6 (1) Evaluate the best available technological and economic
7 information to ensure that data collection and its use is feasible
8 and achievable at a reasonable cost to government, industry, and
9 homeowners.

10 (2) Consider the impact of the plan on all of the following:

11 (A) Property owners.

12 (B) The HVAC industry, including manufacturers, distributors,
13 and contractors.

14 (C) Local governments.

15 (D) Building officials.

16 (E) The Contractors' State License Board.

17 (3) Provide the public with the opportunity to review and
18 comment on the proposed plan.

19 (c) The commission may adopt regulations to increase
20 compliance with permitting and inspection requirements for central
21 air conditioning and heat ~~pumps~~ *pumps*, and associated sales and
22 installations, consistent with the plan approved pursuant to
23 subdivision (a).

24 SEC. 2. Section 399.4 of the Public Utilities Code is amended
25 to read:

26 399.4. (a) (1) In order to ensure that prudent investments in
27 energy efficiency continue to be made that produce cost-effective
28 energy savings, reduce customer demand, and contribute to the
29 safe and reliable operation of the electrical distribution grid, it is
30 the policy of this state and the intent of the Legislature that the
31 commission shall supervise the administration of cost-effective
32 energy efficiency programs authorized pursuant to its statutory
33 authority, including Sections 381, 381.1, 381.2, 381.5, 382, 384.5,
34 400, 454.5, 454.55, 454.56, 589, 701.1, 749, and 769, Article 10
35 (commencing with Section 890) of Chapter 4, and Chapter 6
36 (commencing with Section 2781) of Part 2.

37 (2) As used in this section, the term "energy efficiency" includes,
38 but is not limited to, cost-effective activities to achieve peak load
39 reduction that improve end-use efficiency, lower customers' bills,
40 and reduce system needs.

1 (b) (1) Any rebates or incentives offered by a public utility for
2 an energy efficiency improvement or installation of energy efficient
3 components, equipment, or appliances in buildings shall be
4 provided only if the recipient of the rebate or incentive provides
5 proof of permit closure and certifies that the improvement or
6 installation has complied with any applicable permitting
7 requirements and any specifications or requirements set forth in
8 the California Building Standards Code (Title 24 of the California
9 Code of Regulations), and, if a contractor performed the installation
10 or improvement, that the contractor holds the appropriate license
11 for the work performed.

12 (2) This subdivision does not imply or create authority or
13 responsibility, or expand existing authority or responsibility, of a
14 public utility for the enforcement of the building energy and water
15 efficiency standards adopted pursuant to subdivision (a) or (b) of
16 Section 25402 of the Public Resources Code, or appliance
17 efficiency standards and certification requirements adopted
18 pursuant to subdivision (c) of Section 25402 of the Public
19 Resources Code.

20 (c) The commission, in evaluating energy efficiency investments
21 under its statutory authority, shall also ensure that local and
22 regional interests, multifamily dwellings, and energy service
23 industry capabilities are incorporated into program portfolio design
24 and that local governments, community-based organizations, and
25 energy efficiency service providers are encouraged to participate
26 in program implementation where appropriate.

27 (d) The commission, in a new or existing proceeding, shall
28 review and update its policies governing energy efficiency
29 programs funded by utility customers to facilitate achieving the
30 targets established pursuant to subdivision (c) of Section 25310
31 of the Public Resources Code. In updating its policies, the
32 commission shall, at a minimum, do all of the following:

33 (1) Authorize market transformation programs with appropriate
34 levels of funding to achieve deeper energy efficiency savings.

35 (2) Authorize pay for performance programs that link incentives
36 directly to measured energy savings. As part of pay for performance
37 programs authorized by the commission, customers should be
38 reasonably compensated for developing and implementing an
39 energy efficiency plan, with a portion of their incentive reserved
40 pending post project measurement results.

- 1 (3) Authorize programs to achieve deeper savings through
2 operational, behavioral, and retrocommissioning activities.
- 3 (4) Ensure that customers have certainty in the values and
4 methodology used to determine energy efficiency incentives by
5 basing the amount of any incentives provided by gas and electrical
6 corporations on the values and methodology contained in the
7 executed customer agreement. Incentive payments shall be based
8 on measured results.

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