SENATE BILL No. 564

Introduced by Senator Evans

February 17, 2011

An act to amend Section 399.4 of the Public Utilities Code, relating to energy efficiency.

LEGISLATIVE COUNSEL'S DIGEST

SB 564, as introduced, Evans. Energy efficiency.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, as defined. The Public Utilities Act requires the 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. The act additionally requires the 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. Existing law relative to the restructuring of the electrical services industry requires the commission, in evaluating energy efficiency investments, to ensure that local and regional interests, multifamily dwellings, and energy service industry capabilities are incorporated into an electrical corporation's energy efficiency program portfolio design and that local governments, community-based organizations, and energy efficiency service providers are encouraged to participate in program implementation, where appropriate.

This bill would require the commission, in evaluating energy efficiency investments, to ensure that local and regional interests, multifamily dwellings, and energy service industry capabilities are incorporated into an electrical corporation's energy efficiency program portfolio design, and to encourage participation from local governments, community-based organizations, and energy efficiency service providers in program design, revision, and implementation, where appropriate. The bill would require an electrical corporation, when developing or revising its energy efficiency program portfolio design, to collaborate with, and seek comments from, county climate protection authorities or other public agencies that are directly authorized to implement regional or countywide climate protection and energy efficiency programs.

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

Because the provisions of this bill would be a part of the act and place additional duties upon electrical corporations, the bill would impose a state-mandated local program by creating a new crime.

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:

SECTION 1. Section 399.4 of the Public Utilities Code is amended to read:

399.4. (a) (1) In order to ensure that prudent investments in energy efficiency continue to be made that produce cost-effective energy savings, reduce customer demand, and contribute to the safe and reliable operation of the electric distribution grid, it is the policy of this state and the intent of the Legislature that the commission shall continue to administer cost-effective energy efficiency programs authorized pursuant to existing statutory authority.

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

(b) The commission, in evaluating energy efficiency investments under its existing statutory authority, shall ~~also~~ ensure that local and regional interests, *including, but not limited to, those interests described in Division 19.1 (commencing with Section 181000),* multifamily dwellings, and energy service industry capabilities are incorporated into program portfolio ~~design~~ *design,* and ~~that~~ *encourage participation from* local governments, community-based organizations, and energy efficiency service providers ~~are encouraged to participate in program~~ *in program design, revision, and* implementation where appropriate.

(c) When developing or revising its energy efficiency program portfolio design, an electrical corporation shall collaborate with, and seek comments from, county climate protection authorities or other public agencies that are directly authorized to implement regional or countywide climate protection and energy efficiency programs.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

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