

AMENDED IN SENATE JULY 16, 2009

AMENDED IN SENATE JUNE 9, 2009

AMENDED IN ASSEMBLY MAY 18, 2009

AMENDED IN ASSEMBLY MAY 6, 2009

AMENDED IN ASSEMBLY APRIL 23, 2009

AMENDED IN ASSEMBLY APRIL 14, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 234

Introduced by Assembly Member Huffman

February 5, 2009

~~An act to add Chapter 5.6 (commencing with Section 25460) to Division 15 of the Public Resources Code, relating to energy, and declaring the urgency thereof, to take effect immediately. An act to amend Sections 25450 and 25450.1 of the Public Resources Code, relating to energy.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 234, as amended, Huffman. Energy: water use and energy efficiency projects: federal stimulus funds.

Existing law requires the Public Utilities Commission, State Energy Resources Conservation and Development Commission (Energy Commission), and the Department of Water Resources to undertake various programs related to energy and water conservation.

This bill would require that any moneys received by the state pursuant to the federal American Recovery and Reinvestment Act of 2009 that are directed for energy-related activities, programs, or projects, be

administered by the state’s energy and water agencies, and provide that those activities, programs, or projects should adhere to the principle of accountability while also adhering to existing state policies to promote energy efficiency, promote water conservation, promote the development and use of renewable energy resources, protect the environment, and provide green job training.

Existing law requires the Energy Commission to administer funds allocated to and received by the state pursuant to the federal Energy Independence and Security Act of 2007.

This bill would additionally require the Energy Commission to administer funds allocated and received by the state pursuant to the American Recovery and Reinvestment Act of 2009.

~~Existing law establishes various programs to provide financial assistance to public and private entities to improve their energy efficiency.~~

~~This bill would require the State Energy Resources Conservation and Development Commission, as a part of the implementation of funding received under the federal American Recovery and Reinvestment Act of 2009, pursuant to the federal State Energy Program and the federal Energy Efficiency and Conservation Block Grant Program, to coordinate with the Department of Water Resources and the State Water Resources Control Board to identify opportunities to fund energy efficiency actions that may also result in reduced water use. The bill would impose requirements for the commission’s guidelines for disbursement of the federal stimulus funds. The bill would require that water and energy efficiency programs and projects proceed only to the extent they do not impair the commission’s ability to meet the federal deadlines for expenditure of federal stimulus funds provided by the act pursuant to the 2 specified federal programs.~~

~~This bill would declare that it is to take effect immediately as an urgency statute.~~

~~Vote: $\frac{2}{3}$ -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. Any moneys received pursuant to the federal*
- 2 *American Recovery and Reinvestment Act of 2009 (Public Law*
- 3 *111-5) that are directed for energy-related activities, programs,*
- 4 *or projects, including energy efficiency and renewable energy*

1 *programs, projects for the building of electrical transmission lines,*
2 *and activities to create conservation or “green-collar” jobs, shall*
3 *be administered by the appropriate state energy and water agencies*
4 *and should adhere to the principle of accountability while also*
5 *adhering to existing state policies to promote energy efficiency,*
6 *including green building practices, promote water conservation,*
7 *promote the development and use of renewable energy resources,*
8 *protect the environment, and provide green job training.*

9 *SEC. 2. Section 25450 of the Public Resources Code is*
10 *amended to read:*

11 25450. (a) The Legislature finds and declares all of the
12 following:

13 ~~(1) The cost of energy in California is increasing and creating~~
14 ~~greater demands on local governments’ operating budgets.~~

15 ~~(2)~~

16 (1) The ~~100th~~ 110th Congress enacted the Energy Independence
17 and Security Act of 2007 (42 U.S.C. Sec. 17001 et seq.) ~~that~~
18 ~~provides that establishes an energy efficiency and conservation~~
19 ~~block grant program to provide grants to eligible entities, including~~
20 ~~states and local governments, to help them reduce fossil fuel~~
21 ~~emissions, improve energy efficiency, and reduce overall energy~~
22 ~~use consumption.~~

23 ~~(3)~~

24 (2) Section 545(c)(1)(A) of the Energy Independence and
25 Security Act of 2007 (42 U.S.C. Sec. 17155(c)(1)(A)) mandates
26 that states receiving block grants under the act use not less than
27 60 percent of the grant amount to provide subgrants to local
28 governments that are not eligible entities for the purposes of the
29 act.

30 (3) *The 111th Congress enacted the American Recovery and*
31 *Reinvestment Act of 2009 (Public Law 111-5) that appropriates*
32 *funds for energy efficiency and conservation, water conservation,*
33 *home weatherization, green workforce development, and renewable*
34 *energy.*

35 (b) It is the intent of the Legislature ~~to fully~~ *that the state achieve*
36 *the purposes and implement the requirements for these energy and*
37 *conservation block grants provided pursuant to the Energy*
38 *Independence and Security Act of 2007 and that the funds allocated*
39 *to the state pursuant to that act be administered by the commission*
40 *grant programs in the most expedient manner possible. Moreover,*

1 to the extent possible without causing undue delay, the commission
2 shall look to the Energy Independence and Security Act of 2007
3 and the American Recovery and Reinvestment Act of 2009
4 programs and make policy decisions that leverage and maximize
5 the use of these dollars, including, but not limited to, the areas of
6 energy efficiency, renewable energy, water efficiency,
7 weatherization, and green workforce development.

8 (e) ~~It is the intent of the Legislature to strive to maximize the~~
9 ~~opportunity to allocate funds toward the most cost-effective energy~~
10 ~~efficiency projects, and when allocating funds toward~~
11 ~~administration, the commission should use the 5-percent allowable~~
12 ~~administrative expenses as a ceiling and improve efficiencies to~~
13 ~~allocate less than the allowable amount.~~

14 SEC. 3. Section 25450.1 of the Public Resources Code is
15 amended to read:

16 25450.1. ~~Funds~~ (a) The commission shall administer funds
17 allocated to and received by the state pursuant to the Energy
18 Independence and Security Act of 2007 (42 U.S.C. Sec. 17001 et
19 seq.) ~~shall be administered by the commission and the American~~
20 ~~Recovery and Reinvestment Act of 2009 (Public Law 111-5).~~

21 (b) The commission may award grants from funds received
22 pursuant to the Energy Independence and Security Act of 2007
23 and the American Recovery and Reinvestment Act of 2009, as well
24 as enter into contracts to perform functions required to promptly
25 award energy efficiency and conservation block grants.

26 SECTION 1. ~~Chapter 5.6 (commencing with Section 25460)~~
27 ~~is added to Division 15 of the Public Resources Code, to read:~~

28

29 CHAPTER 5.6. WATER USE AND ENERGY EFFICIENCY
30 ASSISTANCE

31

32 25460. The Legislature finds and declares all of the following:

33 (a) ~~The commission is expected to receive hundreds of millions~~
34 ~~of dollars from the federal American Recovery and Reinvestment~~
35 ~~Act of 2009 (Public Law 111-5) for energy-related activities~~
36 ~~including energy efficiency programs and projects.~~

37 (b) ~~Water use requires significant amounts of energy.~~
38 ~~Approximately one-fifth of the electricity and one-third of the~~
39 ~~nonpowerplant natural gas consumed in the state are associated~~
40 ~~with water delivery, treatment, and use.~~

1 ~~(e) Greenhouse gas emissions can be reduced if we move, treat,~~
2 ~~and use water more efficiently.~~

3 ~~(d) The Public Utilities Commission and the commission have~~
4 ~~researched the energy saving potential associated with water use~~
5 ~~efficiency programs.~~

6 ~~25460.5. For the purposes of this chapter, the following terms~~
7 ~~have the following meaning:~~

8 ~~(a) “Federal stimulus funds” means moneys received by the~~
9 ~~state under the federal American Recovery and Reinvestment Act~~
10 ~~of 2009 (Public Law 111-5), pursuant to the federal State Energy~~
11 ~~Program and the federal Energy Efficiency and Conservation Block~~
12 ~~Grant Program.~~

13 ~~(b) “Local water entity” means a city, county, special district,~~
14 ~~water corporation, or a mutual water company that has as its~~
15 ~~primary function the treatment or distribution of water or~~
16 ~~groundwater replenishment of water for municipal, industrial, or~~
17 ~~agricultural purposes.~~

18 ~~25461. (a) The Legislature, by enacting this chapter, intends~~
19 ~~to establish guidance for implementation of federal stimulus funds,~~
20 ~~in order to maximize the benefits and encourage the integration~~
21 ~~of water and energy efficiency programs.~~

22 ~~(b) As part of the administration of the federal stimulus funds~~
23 ~~received by the commission, the commission shall coordinate with~~
24 ~~the Department of Water Resources and the State Water Resources~~
25 ~~Control Board to identify opportunities to fund energy efficiency~~
26 ~~actions that may also result in reduced water use. Coordination~~
27 ~~may include, but is not limited to, sharing information on areas to~~
28 ~~target, prioritizing actions, and advising on implementation.~~

29 ~~(c) To the extent authorized by federal law, the commission’s~~
30 ~~guidelines for disbursement of the federal stimulus funds shall do~~
31 ~~all of the following:~~

32 ~~(1) Include both of the following as eligible projects:~~

33 ~~(A) Water use efficiency and water recycling projects that also~~
34 ~~provide energy savings. These projects may include, but shall not~~
35 ~~be limited to, implementation of water conservation measures,~~
36 ~~including building and landscape retrofits, diversion or collection~~
37 ~~of stormwater for groundwater recharge, or the installation,~~
38 ~~expansion, or improvement of recycled water systems for~~
39 ~~agricultural, municipal, or industrial purposes.~~

1 ~~(B) Job training programs, including, but not limited to, water~~
2 ~~and energy efficiency training for plumbers, landscape~~
3 ~~professionals, and agricultural irrigation managers.~~

4 ~~(2) Include in the calculation of energy savings for water use~~
5 ~~efficiency and recycling projects, the energy savings associated~~
6 ~~with the reduced treatment, reduced distribution and pumping, and~~
7 ~~reduced urban or agricultural use of water.~~

8 ~~(3) Provide opportunities for water and energy efficiency~~
9 ~~projects to be cost-shared with local water entities.~~

10 ~~(4) Include local water entities as eligible applicants.~~

11 ~~(5) Allocate at least one-half of the federal energy efficiency~~
12 ~~stimulus funds received as grants.~~

13 ~~(d) Water and energy efficiency programs and projects shall~~
14 ~~proceed only to the extent they do not impair the commission's~~
15 ~~ability to meet the federal deadlines for expenditure of federal~~
16 ~~stimulus funds.~~

17 ~~(e) This section applies only to federal stimulus funds received~~
18 ~~under the federal American Recovery and Reinvestment Act of~~
19 ~~2009 (Public Law 111-5), pursuant to the federal State Energy~~
20 ~~Program and the federal Energy Efficiency and Conservation Block~~
21 ~~Grant Program.~~

22 ~~25462. This chapter does not imply that spending energy~~
23 ~~efficiency funds on water efficiency programs should be done with~~
24 ~~nonstimulus, ratepayer funds.~~

25 ~~SEC. 2. This act is an urgency statute necessary for the~~
26 ~~immediate preservation of the public peace, health, or safety within~~
27 ~~the meaning of Article IV of the Constitution and shall go into~~
28 ~~immediate effect. The facts constituting the necessity are:~~

29 ~~To expedite the use of federal stimulus funds received under the~~
30 ~~American Recovery and Reinvestment Act of 2009 (Public Law~~
31 ~~111-5) pursuant to the federal State Energy Program and the federal~~
32 ~~Energy Efficiency and Conservation Block Grant Program for~~
33 ~~energy efficiency actions that also may result in reduced water~~
34 ~~use, and to maximize the benefits and encourage the integration~~
35 ~~of water and energy efficiency programs for the protection of the~~
36 ~~public health, safety, and the environment, it is necessary for this~~
37 ~~measure to take effect immediately.~~