

Assembly Bill No. 1186

Passed the Assembly August 31, 2012

Chief Clerk of the Assembly

Passed the Senate August 31, 2012

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2012, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to add Article 13 (commencing with Section 16429.40) to Chapter 2 of Part 2 of Division 4 of Title 2 of the Government Code, relating to greenhouse gases.

LEGISLATIVE COUNSEL'S DIGEST

AB 1186, Skinner. School Energy Efficiency and Greenhouse Gas Reduction Act: grants.

Existing law creates the Greenhouse Gas Reduction Fund as a special fund in the State Treasury and requires any moneys collected by the State Air Resources Board under the California Global Warming Solutions Act of 2006 from the auction or sale of allowances pursuant to a market-based compliance mechanism to be deposited into the fund and available for appropriation by the Legislature. Existing law requires a state agency, prior to expending any moneys appropriated to it by the Legislature from the fund, to prepare a record consisting of a description of proposed expenditures and how they will further the regulatory purposes of the California Global Warming Solutions Act of 2006, how they will achieve specified greenhouse gas emissions reductions, how the agency considered other objectives of that act, and how the agency will document expenditure results.

This bill would enact the School Energy Efficiency and Greenhouse Gas Reduction Act. The bill would create the School Energy Efficiency and Greenhouse Gas Reduction Fund as a special fund in the State Treasury. The bill would make moneys in the School Energy Efficiency and Greenhouse Gas Reduction Fund available to the State Energy Resources Conservation and Development Commission, upon appropriation by the Legislature, for the purposes of implementing the program. The bill states the intent of the Legislature that the commission administer the fund and implement the program in coordination with the Superintendent of Public Instruction to provide grants to eligible institutions for building retrofits to reduce emissions of greenhouse gases and reduce the demand for energy. The bill would require the commission to award grants through the Bright Schools Program, as specified, and require the commission, in consultation with the

Superintendent, to establish a system to prioritize eligible institutions for grants.

The people of the State of California do enact as follows:

SECTION 1. (a) Over 70 percent of the state’s K–12 public school classrooms are over 25 years old.

(b) Schools account for approximately 12 percent of all commercial energy consumption, representing not only a significant cost to the state’s public schools, but also demonstrating that schools have a sizeable greenhouse gas emissions footprint.

(c) Many school districts and local governments know there are opportunities to reduce both the economic cost and carbon footprints of schools by having more energy-efficient buildings, operations, and maintenance. These financial savings could provide schools with the flexibility to pay for other upgrades that enhance the learning environment.

(d) It is in the best interest of the state to quickly reduce energy consumption from schools, especially through building retrofits that achieve the deep levels of energy efficiency improvement, such as those called for in the Long Term Energy Efficiency Strategic Plan adopted by the Public Utilities Commission.

SEC. 2. Article 13 (commencing with Section 16429.40) is added to Chapter 2 of Part 2 of Division 4 of Title 2 of the Government Code, to read:

Article 13. School Energy Efficiency and Greenhouse Gas
Reduction

16429.40. This article shall be known and may be cited as the School Energy Efficiency and Greenhouse Gas Reduction Act.

16429.41. As used in this article:

(a) “Commission” means the State Energy Resources Conservation and Development Commission.

(b) “Eligible institution” means a public school providing instruction in kindergarten or grades 1 to 12, inclusive.

(c) “Fund” means the School Energy Efficiency and Greenhouse Gas Reduction Fund established pursuant to Section 16429.42.

(d) “Superintendent” means the Superintendent of Public Instruction.

16429.42. (a) The School Energy Efficiency and Greenhouse Gas Reduction Fund is hereby created as a special fund in the State Treasury.

(b) Moneys in the fund shall be available to the commission, upon appropriation by the Legislature, for the implementation of this article.

16429.43. (a) It is the intent of the Legislature that the commission administer the fund and implement this article in coordination with the Superintendent to provide grants to eligible institutions for building retrofits that reduce emissions of greenhouse gases and reduce the demand for energy.

(b) The commission shall award grants pursuant to this article through the commission's Bright Schools Program, subject to the following:

(1) The grants made pursuant to this article through the Bright Schools Program shall be awarded only to eligible institutions, as defined in subdivision (b) of Section 16429.41.

(2) The commission shall ensure that adequate energy audit, measurement, and verification procedures are employed to ensure that energy savings and greenhouse gas emissions reductions occur as a result of any grants made pursuant to this article.

(3) The commission shall use a net present value analysis or life-cycle cost analysis when determining eligible measures for energy savings and greenhouse gas reductions.

(c) (1) The commission shall adopt any regulations or guidelines necessary to implement this article. Notwithstanding any other law, regulations pursuant to this section may be adopted as emergency regulations pursuant to Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3.

(2) For the purposes of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3, including Section 11349.6, the Office of Administrative Law shall consider the adoption of the regulations pursuant to this subdivision to be necessary for the immediate preservation of the public peace, health and safety, and general welfare.

(d) The commission, to the extent possible, shall utilize existing resources and expertise in implementing this article.

(e) The commission, in consultation with the Superintendent, shall establish a system to prioritize eligible institutions for grants through this article. Prioritization shall take into consideration

circumstances that shall include, but not be limited to, the age of the school facilities, the proportion of students receiving free and reduced-price meals, whether the facilities have been recently modernized, whether the facilities are operated as a year-round school, the potential for demand reduction, and the school's score from an energy rating system such as the United States Environmental Protection Agency's Energy Star system.

(f) The commission shall determine, based on the annual energy savings reported by the institutions pursuant to subdivision (h), the total greenhouse gas reductions achieved pursuant to this article.

(g) This article does not affect the eligibility of schools awarded grants to receive other incentives available from federal, state, and local government, or from public utilities or other sources, and to leverage the grant with those incentives.

(h) (1) Any eligible institution may submit an application to the commission for a grant from the fund for greenhouse gas reductions achieved through energy efficiency improvements.

(2) Each year, on a schedule established by the commission, each eligible institution that receives a grant pursuant to this article shall report the amount of energy saved to the commission. Each eligible institution shall compute the cost of energy saved as a result of implementing projects funded by the grant. The cost shall be calculated in a manner established by the commission.

Approved _____, 2012

Governor