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AB-1533 Electricity. (2023-2024)

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Assembly Bill No. 1533

CHAPTER 353

An act to amend Section 38592.1 of the Health and Safety Code, to amend Sections 25106, 25207, 25213, 25217.1, 25217.5, 25222, 25224, 25305.5, 25320, 25402, 25402.1, 25402.7, 25402.11, 25403.8, 25405.5, 25519, 25555, 25601, 25605, 25806, 25901, 25953, and 25991.1 of, to repeal Sections 25227, 25228, 25302.2, 25401.6, 25402.6, 25486, 25603.5, and 25805 of, and to repeal Chapter 5.1 (commencing with Section 25406) of, Chapter 7.7 (commencing with Section 25678) of, and Chapter 7.9 (commencing with Section 25695) of, Division 15 of, the Public Resources Code, to amend Sections 454.53 and 910.4 of, and to add Sections 913.11 and 913.17 to, the Public Utilities Code, and to amend Section 80730 of the Water Code, relating to electricity.

[Approved by Governor September 22, 2024. Filed with Secretary of State September 22, 2024.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1533, Committee on Utilities and Energy. Electricity.

(1) Existing law establishes the State Energy Resources Conservation and Development Commission (Energy Commission) and prescribes the authorities, duties, and responsibilities of the commission pertaining to energy matters. Existing law establishes an adviser position in the Energy Commission who is nominated by the Energy Commission and appointed by the Governor to ensure the full and adequate participation of interested groups and the public in the proceedings of the Energy Commission. Existing law requires the Energy Commission and other state agencies to exchange records, reports, materials, and other information related to energy resources and conservation and power facilities siting, or other areas of mutual concern, to avoid unnecessary duplication of effort.

This bill would rename the adviser position to be the public advisor and would make conforming changes. The bill would authorize the Energy Commission to take official notice in any proceeding of any document, record, report, material, fact, or other information submitted to, or resulting from a proceeding of, the Public Utilities Commission (PUC), as provided. The bill would repeal various obsolete provisions and would make other technical changes.

Existing law authorizes a local government to develop and administer a program to encourage the construction of buildings that use solar thermal and photovoltaic systems by recognizing owners and builders participating in the program by awarding them a "Sunny Homes Seal." Existing law encourages the Department of Transportation to establish preferential lanes for the use of buses and 3-passenger carpool vehicles on certain state highways. Existing law requires the Energy Commission to conduct the State Solar Medallion Passive Design Competition to select outstanding designs for new single-family and multifamily residential units that incorporate passive solar and other energy-conserving design features, as provided. Existing law requires the Energy Commission to establish a grant program to provide a \$0.40 per gallon production incentive for liquid fuels fermented in the state from biomass and biomass-derived resources produced in the state. Existing law authorizes the Energy Commission to assist

California-based energy technology and energy conservation firms to export their technologies, products, and services to international markets.

This bill would repeal those provisions.

(2) Existing law requires the Energy Commission to biennially adopt an integrated energy policy report. Existing law requires the Energy Commission to timely incorporate firm zero-carbon resources into that report, and, for purposes of that requirement, defines “firm zero-carbon resources” as electrical resources that can individually, or in combination, deliver electricity with high availability for the expected duration of multiday extreme or atypical weather events and facilitate integration of eligible renewable energy resources into the electrical grid and the transition to a zero-carbon electrical grid.

This bill would clarify that, for purposes of that requirement, “firm zero-carbon resources” are those electrical resources described above that deliver zero-carbon electricity.

(3) Under existing law it is the policy of the state that eligible renewable energy resources and zero-carbon resources supply 90% of all retail sales of electricity to California end-use customers by December 31, 2035, 95% of all retail sales of electricity to California end-use customers by December 31, 2040, 100% of all retail sales of electricity to California end-use customers by December 31, 2045, and 100% of electricity procured to serve all state agencies by December 31, 2035, as specified. Existing law requires the PUC, the Energy Commission, and the State Air Resources Board to issue a joint report to the Legislature by January 1, 2021, and every 4 years thereafter, that includes specified information relating to the implementation of that state policy, and, on or before December 1, 2023, and annually thereafter, to issue a joint reliability progress report that reviews system and local reliability within the context of that state policy, as specified.

This bill would recodify and reorganize the above reporting requirement.

(4) Existing law requires the PUC, by February 1 of each year, to report to the Joint Legislative Budget Committee and appropriate fiscal and policy committees of the Legislature on all sources and amounts of funding and actual and proposed expenditures related to entities or programs established by the PUC, as specified.

This bill would require the PUC, upon an entity described above ceasing operations, or a program described above ending, because its activities have concluded, to continue reporting on the entity or program for the subsequent 2 fiscal years, and, following those subsequent 2 fiscal years, would require the PUC to note in the report described above which entity ceased operations or which program ended and would relieve the commission of future reporting obligations related to the entity or program.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 38592.1 of the Health and Safety Code is amended to read:

38592.1. (a) Every three years, the California Council on Science and Technology (CCST), in its mission to increase collaboration among agencies and scientists and convene stakeholders across institutions, is requested, at its discretion, to assess the infrastructure project types, scale, and pace necessary to achieve the state’s energy, climate change, and air quality goals, including, but not limited to, the goals established pursuant to Sections 38561.5, 38562.2, 38566, 39730.5, and 39730.6 of this code, and the goals established pursuant to Section 454.53 of the Public Utilities Code. In preparing the assessment, the materials CCST reviews shall include, but not be limited to, the most current versions of all of the following reports and plans:

(1) The integrated energy policy report prepared pursuant to Section 25302 of the Public Resources Code.

(2) The integrated resource plans filed pursuant to Section 454.52 of the Public Utilities Code.

(3) The joint reliability progress report issued pursuant to Section 913.11 of the Public Utilities Code.

(4) The report produced by the Independent System Operator on the 20-year transmission outlook.

(5) The reports prepared by the state board pursuant to Section 38561.8 and paragraph (1) of subdivision (d) of Section 44274.

(6) The scoping plan prepared pursuant to Section 38561.

(7) The report prepared by the State Energy Resources Conservation and Development Commission pursuant to Section 25307 of the Public Resources Code.

(b) The list of infrastructure projects the CCST shall assess pursuant to subdivision (a) may include, but are not limited to, all of the following project types:

- (1) Deployment of, or upgrades to, utility-scale and distributed renewable and carbon-free energy capacity, substations, transformers, transmission and distribution lines, and biomethane and renewable hydrogen production and distribution.
- (2) Deployment of, or upgrades to, electric vehicle charging stations, hydrogen refueling stations, petroleum refinery conversions, sustainable aviation fuels, and other low-carbon and carbon-free transportation fuels projects.
- (3) Deployment and retrofitting of buildings to reduce greenhouse gas emissions.
- (4) Deployment of, or upgrades to, industrial processes to reduce greenhouse gas emissions.
- (5) Projects for the reduction and mitigation of short-lived climate pollutants, including, but not limited to, methane, hydrofluorocarbon gases, and anthropogenic black carbon.
- (6) Natural carbon sequestration and nature-based climate solutions.
- (7) Carbon capture, utilization, and sequestration projects.
- (8) Projects for the reduction and mitigation of criteria air pollutants.
- (9) Any other project types necessary to achieve the state's energy, climate change, and air quality goals, including, but not limited to, the goals established pursuant to Sections 38561.5, 38562.2, 38566, 39730.5, and 39730.6 of this code, and the goals established pursuant to Section 454.53 of the Public Utilities Code.

(c) CCST is requested, at its discretion, to commit to regular updates of the assessment and to rapidly incorporate new research into the assessment.

SEC. 2. Section 25106 of the Public Resources Code is amended to read:

25106. "Public advisor" means the public advisor employed by the commission pursuant to Section 25217.1.

SEC. 3. Section 25207 of the Public Resources Code is amended to read:

25207. (a) The members of the commission shall receive the salary provided for by Chapter 6 (commencing with Section 11550) of Part 1 of Division 3 of Title 2 of the Government Code.

(b) Each member of the commission shall receive the necessary traveling and other expenses incurred in the performance of their official duties. When necessary, the members of the commission and its employees may travel within or outside the state.

SEC. 4. Section 25213 of the Public Resources Code is amended to read:

25213. The commission shall adopt rules and regulations, as necessary, to carry out this division in conformity with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code. The commission shall make available to a person upon request copies of proposed regulations, together with summaries of reasons supporting their adoption.

SEC. 5. Section 25217.1 of the Public Resources Code is amended to read:

25217.1. The commission shall nominate and the Governor shall appoint for a term of three years a public advisor to the commission who shall be an attorney admitted to the practice of law in this state and who shall carry out Section 25222 and other duties prescribed by this division or by the commission. The public advisor may be removed from office only upon the joint concurrence of four commissioners and the Governor.

SEC. 6. Section 25217.5 of the Public Resources Code is amended to read:

25217.5. The chair of the commission shall direct the public advisor, the executive director, and other staff in the performance of their duties in conformance with the policies and guidelines established by the commission.

SEC. 7. Section 25222 of the Public Resources Code is amended to read:

25222. The public advisor shall ensure that full and adequate participation by all interested groups and the public at large is secured in the planning, site and facility certification, energy conservation, and emergency allocation procedures provided in this division. The public advisor shall ensure that timely and complete notice of commission meetings and public hearings is disseminated to all interested groups and to the public at large. The public advisor shall also advise interested groups and the public as to effective ways of participating in the commission's proceedings. The public advisor shall recommend to the

commission additional measures to ensure open consideration and public participation in energy planning, site and facility certification, energy conservation, and emergency allocation proceedings.

SEC. 8. Section 25224 of the Public Resources Code is amended to read:

25224. (a) The commission and other state agencies shall, to the fullest extent possible, exchange records, reports, material, and other information relating to energy resources and conservation and power facilities siting, or any areas of mutual concern, to the end that unnecessary duplication of effort may be avoided.

(b) The commission may take official notice in a proceeding of any document, record, report, material, fact, or other information submitted to, or resulting from, a proceeding of the Public Utilities Commission if all parties to the proceeding in which official notice is being taken are given a reasonable opportunity, upon request, to refute the officially noticed matters, by evidence, or by written or oral presentation of authority, in a manner determined appropriate by the commission.

SEC. 9. Section 25227 of the Public Resources Code is repealed.

SEC. 10. Section 25228 of the Public Resources Code is repealed.

SEC. 11. Section 25302.2 of the Public Resources Code is repealed.

SEC. 12. Section 25305.5 of the Public Resources Code is amended to read:

25305.5. (a) The commission shall timely incorporate firm zero-carbon resources into the integrated energy policy report prepared pursuant to Section 25302.

(b) For purposes of this section, "firm zero-carbon resources" are electrical resources that can individually, or in combination, deliver zero-carbon electricity with high availability for the expected duration of multiday extreme or atypical weather events, including periods of low renewable energy generation, and facilitate integration of eligible renewable energy resources into the electrical grid and the transition to a zero-carbon electrical grid.

SEC. 13. Section 25320 of the Public Resources Code is amended to read:

25320. (a) The commission shall manage a data collection system for obtaining information necessary to develop the policy reports and analyses required by Sections 25301 to 25307, inclusive, the energy shortage contingency planning efforts in Chapter 8 (commencing with Section 25700), and to support other duties of the commission.

(1) It is the intent of the Legislature to ensure that information needed to support the energy policy analysis developed by the commission is obtained from stakeholders in the most cost-effective and efficient manner.

(2) The commission is encouraged to do all of the following with respect to its data collection:

(A) Align the collection of data to be consistent with the schedule of the integrated energy policy report, to the extent practical.

(B) Eliminate unneeded and duplicative data submittals from stakeholders.

(C) Give full consideration to the potential burdens these data requests impose on the resources of the stakeholders whose information is being requested.

(b) The data collection system, adopted by regulation under Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, and managed by the commission shall:

(1) Include a timetable for the submission of this information, so that the integrated energy policy report required by Section 25302 can be completed in an accurate and timely manner. The commission is encouraged to align its timetable with the schedule of the integrated energy policy report, to the extent practical.

(2) Require a person to submit only information that is necessary to the development of the integrated energy policy report and analyses, and that the person can either be expected to acquire through their market activities, or possesses or controls. Information collected pursuant to this section shall relate to the functional role of each category of market participant in that industry and the consumers within that industry.

(3) To the extent it satisfies the information needs of the commission, rely on the use of estimates and proxies, to the maximum extent practicable, for some data elements using survey and research techniques, while for other information it shall obtain data from market participants using submissions consistent with their accounting records. In determining whether to rely on

estimates or participant-provided data, the commission shall weigh the burden of compliance on industry participants and energy consumers against the benefit of participant-provided data for the public interest.

(4) To the extent it satisfies the information needs of the commission, rely on data, to the maximum extent practicable, that is reported to other government agencies or is otherwise available to the commission.

(c) Pursuant to the requirements of subdivision (b), the data collection system for electricity and natural gas shall enumerate specific requirements for each category of market participants, including, but not limited to, private market participants, energy service providers, energy service companies, natural gas marketers, electric utility and natural gas utility companies, independent generators, electric transmission entities, natural gas producers, natural gas pipeline operators, importers and exporters of electricity and natural gas, and specialized electric or natural gas system operators. The commission may also collect information about consumers' natural gas and electricity use from their voluntary participation in surveys and other research techniques.

(d) Pursuant to the requirements of subdivision (b), the data collection system for nonpetroleum fuels and transportation technologies shall enumerate specific requirements for each category of market participant, including, but not limited to, fuel importers and exporters, fuel distributors and retailers, fuel pipeline operators, natural gas liquid producers, and transportation technology providers. The commission may also collect information about consumers' nonpetroleum fuel and transportation technology use from their voluntary participation in surveys and other research techniques.

(e) The commission shall collect data for petroleum fuel pursuant to Chapter 4.5 (commencing with Section 25350). The commission may also collect information about consumers' petroleum fuel use from consumers' participation in surveys and other research techniques.

SEC. 14. Section 25401.6 of the Public Resources Code is repealed.

SEC. 15. Section 25402 of the Public Resources Code is amended to read:

25402. The commission shall, after one or more public hearings, do all of the following to reduce the wasteful, uneconomic, inefficient, or unnecessary consumption of energy, including the energy associated with the use of water, and to manage energy loads to help maintain electrical grid reliability:

(a) (1) Prescribe, by regulation, lighting, insulation, climate control system, and other building design and construction standards that increase efficiency in the use of energy and water for new residential and new nonresidential buildings. The commission shall periodically update the standards and adopt any revision that, in its judgment, it deems necessary. Six months after the commission certifies an energy conservation manual pursuant to subdivision (c) of Section 25402.1, a city, county, city and county, or state agency shall not issue a permit for a building unless the building satisfies the standards prescribed by the commission pursuant to this subdivision or subdivision (b) that are in effect on the date an application for a building permit is filed. Water efficiency standards adopted pursuant to this subdivision shall be demonstrated by the commission to be necessary to save energy.

(2) Before adopting a water efficiency standard for residential buildings, the Department of Housing and Community Development and the commission shall issue a joint finding whether the standard (A) is equivalent or superior in performance, in safety, and for the protection of life, health, and general welfare to standards in Title 24 of the California Code of Regulations and (B) does not unreasonably or unnecessarily impact the ability of Californians to purchase or rent affordable housing, as determined by taking account of the overall benefit derived from water efficiency standards. This subdivision does not in any way reduce the authority of the Department of Housing and Community Development to adopt standards and regulations pursuant to the State Housing Law (Part 1.5 (commencing with Section 17910) of Division 13 of the Health and Safety Code).

(3) Water efficiency standards and water conservation design standards adopted pursuant to this subdivision and subdivision (b) shall be consistent with the legislative findings of this division to ensure and maintain a reliable supply of electrical energy and be equivalent to or superior to the performance, safety, and protection of life, health, and general welfare standards contained in Title 24 of the California Code of Regulations. The commission shall consult with the members of the coordinating council as established in Section 18926 of the Health and Safety Code in the development of these standards.

(b) (1) Prescribe, by regulation, energy and water conservation design standards for new residential and new nonresidential buildings. The standards shall be performance standards and shall be promulgated in terms of energy consumption per gross square foot of floorspace, but may also include devices, systems, and techniques required to conserve energy and water. The commission shall periodically review the standards and adopt any revision that, in its judgment, it deems necessary. A building that satisfies the standards prescribed pursuant to this subdivision need not comply with the standards prescribed pursuant to subdivision (a). Water conservation design standards adopted pursuant to this subdivision shall be demonstrated by the commission to be necessary to save energy. Before adopting a water conservation design standard for residential buildings, the Department of Housing and Community Development and the commission shall issue a joint finding whether the standard (A) is equivalent or superior in performance, in safety, and for the protection of life, health, and general welfare to standards in Title 24

of the California Code of Regulations, and (B) does not unreasonably or unnecessarily impact the ability of Californians to purchase or rent affordable housing, as determined by taking account of the overall benefit derived from the water conservation design standards. This subdivision does not in any way reduce the authority of the Department of Housing and Community Development to adopt standards and regulations pursuant to the State Housing Law (Part 1.5 (commencing with Section 17910) of Division 13 of the Health and Safety Code).

(2) To increase public participation and improve the efficacy of the standards adopted pursuant to subdivision (a) and this subdivision, the commission shall, before publication of the notice of proposed action required by Section 18935 of the Health and Safety Code, involve parties who would be subject to the proposed regulations in public meetings regarding the proposed regulations. All potential affected parties shall be provided advance notice of these meetings and given an opportunity to provide written or oral comments. During these public meetings, the commission shall receive and take into consideration input from all parties concerning the parties' design recommendations, cost considerations, and other factors that would affect consumers and California businesses of the proposed standard. The commission shall take into consideration before the start of the notice of proposed action any input provided during these public meetings.

(3) The standards adopted or revised pursuant to subdivision (a) and this subdivision shall be cost effective when taken in their entirety and when amortized over the economic life of the structure compared with historic practice. When determining cost-effectiveness, the commission shall consider the value of the water or energy saved, the impact on product efficacy for the consumer, and the life-cycle cost of complying with the standard. The commission shall consider other relevant factors, as required by Sections 18930 and 18935 of the Health and Safety Code, including, but not limited to, the impact on housing costs, the total statewide costs and benefits of the standard over its lifetime, the economic impact on California businesses, and any alternative approaches and their associated costs.

(c) (1) (A) (i) Prescribe, by regulation, standards for minimum levels of operating efficiency, based on a reasonable use pattern, and may prescribe other cost-effective measures, including incentive programs, fleet averaging, energy and water consumption labeling not preempted by federal labeling law, and consumer education programs, to promote the use of energy- and water-efficient appliances whose use, as determined by the commission, requires a significant amount of energy or water on a statewide basis. The minimum levels of operating efficiency shall be based on feasible and attainable efficiencies or feasible improved efficiencies that will reduce the energy or water consumption growth rates. The standards for minimum levels of operating efficiency shall become effective no sooner than one year after the date of adoption or revision, unless the commission adopts a finding of good cause in which case the standards may become effective sooner than one year after the date of adoption or revision. A new appliance manufactured on or after the effective date of the standards or other cost-effective measures shall not be sold or offered for sale in the state, unless it is certified by the manufacturer of the appliance to be in compliance with the standards or other cost-effective measures. The standards or other cost-effective measures shall be drawn so that they do not result in any added total costs for consumers over the designed life of the appliances concerned. "Sold or offered for sale in the state" means any sale of or offer to sell an appliance for end use in the state, regardless of the seller's physical location, and includes, without limitation, internet, telephone, and mail order transactions. For purposes of this section, the Uniform Commercial Code—Sales (Division 2 (commencing with Section 2101) of the Commercial Code) does not define "sold or offered for sale" or determine where sales or offers for sale occur.

(ii) In making a finding of good cause for purposes of a standard becoming effective sooner than one year after the date of adoption or revision pursuant to clause (i), the commission shall consider, among other things, the following factors:

(I) The availability of products on the market that meet the proposed standard.

(II) The impact of an earlier effective date on manufacturers.

(III) The health and safety benefits of an earlier effective date.

(IV) The impact on innovation resulting from a one-year delay between the date of adoption or revision and the effective date of the standard.

(V) The concerns raised by comments, provided to the commission pursuant to subparagraph (B), for an earlier effective date.

(B) To increase public participation and improve the efficacy of the standards adopted pursuant to this subdivision, the commission shall, before publication of the notice of proposed action required by Section 18935 of the Health and Safety Code, involve parties who would be subject to the proposed regulations in public meetings regarding the proposed regulations. All potential affected parties shall be provided advance notice of these meetings and given an opportunity to provide written or oral comments. During these public meetings, the commission shall receive and take into consideration input from all parties concerning the parties' design recommendations, cost considerations, and other factors that would

affect consumers and California businesses of the proposed standard. The commission shall take into consideration before the start of the notice of proposed action any input provided during these public meetings.

(C) The standards adopted or revised pursuant to this subdivision shall not result in any added total costs for consumers over the designed life of the appliances concerned. When determining cost-effectiveness, the commission shall consider the value of the water or energy saved, the impact on product efficacy for the consumer, and the life-cycle cost to the consumer of complying with the standard. The commission shall consider other relevant factors, as required by Sections 11346.5 and 11357 of the Government Code, including, but not limited to, the impact on housing costs, the total statewide costs and benefits of the standard over its lifetime, the economic impact on California businesses, and any alternative approaches and their associated costs.

(2) A new appliance, except for a plumbing fitting, regulated under paragraph (1), that is manufactured on or after July 1, 1984, shall not be sold, or offered for sale, in the state, unless the date of the manufacture is permanently displayed in an accessible place on that appliance.

(3) During the period of five years after the commission has adopted a standard for a particular appliance under paragraph (1), an increase or decrease in the minimum level of operating efficiency required by the standard for that appliance shall not become effective, unless the commission adopts other cost-effective measures for that appliance.

(4) Neither the commission nor any other state agency shall take any action to decrease any standard adopted under this subdivision on or before June 30, 1985, prescribing minimum levels of operating efficiency or other energy conservation measures for any appliance, unless the commission finds by a four-fifths vote that a decrease is of benefit to ratepayers, and that there is significant evidence of changed circumstances. At least one year before the adoption or amendment of a standard for an appliance, the commission shall notify the Legislature of its intent, and the justification to adopt or amend a standard for the appliance. Notwithstanding paragraph (3) and this paragraph, the commission may do any of the following:

(A) Increase the minimum level of operating efficiency in an existing standard up to the level of the National Voluntary Consensus Standards 90, adopted by the American Society of Heating, Refrigerating and Air-Conditioning Engineers or, for appliances not covered by that standard, up to the level established in a similar nationwide consensus standard.

(B) Change the measure or rating of efficiency of any standard, if the minimum level of operating efficiency remains substantially the same.

(C) Adjust the minimum level of operating efficiency in an existing standard to reflect changes in test procedures that the standards require manufacturers to use in certifying compliance, if the minimum level of operating efficiency remains substantially the same.

(D) Readopt a standard preempted, enjoined, or otherwise found legally defective by an administrative agency or a lower court, if final legal action determines that the standard is valid and if the standard that is readopted is not more stringent than the standard that was found to be defective or preempted.

(E) Adopt or amend any existing or new standard at any level of operating efficiency, if the Governor has declared an energy emergency as described in Section 8558 of the Government Code.

(d) Recommend minimum standards of efficiency for the operation of a new facility at a particular site that are technically and economically feasible. A site and related facility shall not be certified pursuant to Chapter 6 (commencing with Section 25500), unless the applicant certifies that standards recommended by the commission have been considered, which certification shall include a statement specifying the extent to which conformance with the recommended standards will be achieved.

(e) (1) Adopt, by regulation, and periodically update, standards for appliances to facilitate the deployment of flexible demand technologies. These regulations may include labeling provisions to promote the use of appliances with flexible demand capabilities. The flexible demand appliance standards shall be based on feasible and attainable efficiencies or feasible improvements that will enable appliance operations to be scheduled, shifted, or curtailed to enhance grid reliability, reduce emissions of greenhouse gases associated with electricity generation, or both enhancement and reduction. The standards shall become effective no sooner than one year after the date of their adoption or updating.

(2) In adopting the flexible demand appliance standards, the commission shall consider the National Institute of Standards and Technology's reliability and cybersecurity protocols, or other cybersecurity protocols that are equally or more protective, and shall adopt, at a minimum, the North American Electric Reliability Corporation's Critical Infrastructure Protection standards.

(3) The flexible demand appliance standards shall be cost effective. When determining cost-effectiveness, solely for purposes of this subdivision, the commission may consider, as appropriate, the cost of flexible demand appliances compared to nonflexible demand appliances, the value of increased or decreased emissions of greenhouse gases associated with the timing

of an appliance's use, the life-cycle cost to the consumer from using a product that complies with the standard, and the life-cycle costs and benefits to consumers, including the ability to conserve energy and better align consumer and electric system demand. The commission shall consider other relevant factors, as required by Sections 11346.5 and 11357 of the Government Code, including, but not limited to, the impact on housing costs, the total statewide costs and benefits of the standard over its lifetime, the economic impact on California businesses, and alternative approaches and their associated costs.

(4) The commission shall consult with the Public Utilities Commission, load-serving entities, and local publicly owned electric utilities to better align the flexible demand appliance standards with demand response programs administered by the state and load-serving entities and local publicly owned electric utilities and to incentivize the deployment of flexible demand appliances.

(5) The flexible demand appliance standards shall prioritize all of the following:

(A) Appliances that can more conveniently have their electrical demand controlled by load-management technology and third-party load-management programs.

(B) Appliances with load-management technology options that are readily available.

(C) Appliances that have a user-friendly interface and follow a straightforward setup and connection process, such as remote setup by means of an internet website or application.

(D) Appliances with load-management technology options that follow simple standards for third-party direct operation of the appliances.

(E) Appliances that are interoperable or open source.

(6) On or before January 1, 2021, and as necessary thereafter, the commission shall include as part of each integrated energy policy report adopted pursuant to Chapter 4 (commencing with Section 25300) a description of any actions it has taken pursuant to this subdivision and the flexible demand appliance standards' cost to consumers.

(7) For purposes of this subdivision, all of the following definitions apply:

(A) "Flexible demand" means the capability to schedule, shift, or curtail the electrical demand of a load-serving entity's customer or a local publicly owned electric utility's customer through direct action by the customer or through action by a third party, the load-serving entity, or a grid balancing authority, with the customer's consent.

(B) "Load-serving entity" has the same meaning as defined in Section 380 of the Public Utilities Code.

(C) "Local publicly owned electric utility" has the same meaning as defined in Section 224.3 of the Public Utilities Code.

SEC. 16. Section 25402.1 of the Public Resources Code is amended to read:

25402.1. To implement the requirements of subdivisions (a) and (b) of Section 25402, the commission shall do all of the following:

(a) Develop a public domain computer program that will enable contractors, builders, architects, engineers, and government officials to estimate the energy consumed by residential and nonresidential buildings. The commission may charge a fee for the use of the program, which fee shall be based on the actual cost of the program, including any computer costs.

(b) Establish a formal process for certification of compliance options for new products, materials, and calculation methods that provides for adequate technical and public review to ensure accurate, equitable, and timely evaluation of certification applications. Proponents filing applications for new products, materials, and calculation methods shall provide all information needed to evaluate the application that is required by the commission. The commission shall publish annually the results of its certification decisions and instructions to users and local building officials concerning requirements for showing compliance with the building standards for new products, materials, or calculation methods. The commission may charge and collect a reasonable fee from applicants to cover the costs under this subdivision. Any funds received by the commission for purposes of this subdivision shall be deposited into the Energy Resources Programs Account and, notwithstanding Section 13340 of the Government Code, are continuously appropriated to the commission for the purposes of this subdivision. Any unencumbered portion of funds collected as a fee for an application remaining in the Energy Resources Programs Account after completion of the certification process for that application shall be returned to the applicant within a reasonable period of time.

(c) Include a prescriptive method of complying with the standards, including design aids such as a manual, sample calculations, and model structural designs.

(d) Conduct a pilot project of field testing of actual residential buildings to calibrate and identify potential needed changes in the modeling assumptions to increase the accuracy of the public domain computer program specified in subdivision (a) and to evaluate the impacts of the standards, including, but not limited to, the energy savings, cost-effectiveness, and the effects on

indoor air quality. The pilot project shall be conducted pursuant to a contract entered into by the commission. The commission shall consult with the participants designated pursuant to Section 9202 of the Public Utilities Code to seek funding and support for field monitoring in each public utility service territory, with the University of California to take advantage of its extensive building monitoring expertise, and with the California Building Industry Association to coordinate the involvement of builders and developers throughout the state. The pilot project shall include periodic public workshops to develop plans and review progress.

(e) Certify, not later than 180 days after approval of the standards by the California Building Standards Commission, an energy conservation manual for use by designers, builders, and contractors of residential and nonresidential buildings. The manual shall be furnished upon request at a price sufficient to cover the costs of production and shall be distributed at no cost to all affected local agencies. The manual shall contain, but not be limited to, the following:

- (1) The standards for energy conservation established by the commission.
- (2) Forms, charts, tables, and other data to assist designers and builders in meeting the standards.
- (3) Design suggestions for meeting or exceeding the standards.
- (4) Any other information that the commission finds will assist persons in conforming to the standards.
- (5) Instructions for use of the computer program for calculating energy consumption in residential and nonresidential buildings.
- (6) The prescriptive method for use as an alternative to the computer program.

(f) The commission shall establish a continuing program of technical assistance to local building departments in the enforcement of subdivisions (a) and (b) of Section 25402 and this section. The program shall include the training of local officials in building technology and enforcement procedures related to energy conservation, and the development of complementary training programs conducted by local governments, educational institutions, and other public or private entities. The technical assistance program shall include the preparation and publication of forms and procedures for local building departments in performing the review of building plans and specifications. The commission shall provide, on a contract basis, a review of building plans and specifications submitted by a local building department, and shall adopt a schedule of fees sufficient to repay the cost of those services.

(g) Subdivisions (a) and (b) of Section 25402 and this section, and the rules and regulations of the commission adopted pursuant thereto, shall be enforced by the building department of every city, county, or city and county.

(1) A building permit for any residential or nonresidential building shall not be issued by a local building department, unless a review by the building department of the plans for the proposed residential or nonresidential building contains detailed energy system specifications and confirms that the building satisfies the minimum standards established pursuant to subdivision (a) or (b) of Section 25402 and this section applicable to the building.

(2) Where there is no local building department, the commission shall enforce subdivisions (a) and (b) of Section 25402 and this section.

(3) If a local building department fails to enforce subdivisions (a) and (b) of Section 25402, this section, or any other provision of this chapter or standard adopted pursuant thereto, the commission may provide enforcement after furnishing 10 days' written notice to the local building department.

(4) A city, county, or city and county may, by ordinance or resolution, prescribe a schedule of fees sufficient to pay the costs incurred in the enforcement of subdivisions (a) and (b) of Section 25402 and this section. The commission may establish a schedule of fees sufficient to pay the costs incurred by that enforcement.

(5) The construction of any state building shall not commence until the Department of General Services or the state agency that otherwise has jurisdiction over the property reviews the plans for the proposed building and certifies that the plans satisfy the minimum standards established pursuant to subdivision (a) or (b) of Chapter 2.8 (commencing with Section 15814.30) of Part 10b of Division 3 of Title 2 of the Government Code, Section 25402, and this section that are applicable to the building.

(h) Subdivisions (a) and (b) of Section 25402 and this section shall apply only to new residential and nonresidential buildings on which actual site preparation and construction have not commenced before the effective date of rules and regulations adopted pursuant to those sections that are applicable to those buildings. Those sections do not prohibit either of the following:

- (1) The enforcement of state or local energy conservation or energy insulation standards, adopted before the effective date of rules and regulations adopted pursuant to subdivisions (a) and (b) of Section 25402 and this section with regard to residential and nonresidential buildings on which actual site preparation and construction have commenced before that date.

(2) The enforcement of city or county energy conservation or energy insulation standards, whenever adopted, with regard to residential and nonresidential buildings on which actual site preparation and construction have not commenced before the effective date of rules and regulations adopted pursuant to subdivisions (a) and (b) of Section 25402 and this section, if the city or county files the basis of its determination that the standards are cost effective with the commission and the commission finds that the standards will require the diminution of energy consumption levels permitted by the rules and regulations adopted pursuant to those sections. If, after two or more years after the filing with the commission of the determination that those standards are cost effective, there has been a substantial change in the factual circumstances affecting the determination, upon application by any interested party, the city or county shall update and file a new basis of its determination that the standards are cost effective. The determination that the standards are cost effective shall be adopted by the governing body of the city or county at a public meeting. If, at the meeting on the matter, the governing body determines that the standards are no longer cost effective, the standards shall, as of that date, be unenforceable and a building permit or other entitlement shall not be denied based on the noncompliance with the standards.

(i) The commission may exempt from the requirements of this section and of any regulations adopted pursuant thereto any proposed building for which compliance would be impossible without substantial delays and increases in cost of construction, if the commission finds that substantial funds have been expended in good faith on planning, designing, architecture, or engineering before the date of adoption of the regulations.

(j) If a dispute arises between an applicant for a building permit, or the state pursuant to paragraph (5) of subdivision (g), and the building department regarding interpretation of Section 25402 or the regulations adopted pursuant thereto, either party may submit the dispute to the commission for resolution. The commission's determination of the matter shall be binding on the parties.

(k) Sections 25130, 25131, and 25402, and this section, do not prevent enforcement of any regulation adopted pursuant to this chapter, or Chapter 11.5 (commencing with Section 19878) of Part 3 of Division 13 of the Health and Safety Code as they existed before September 16, 1977.

SEC. 17. Section 25402.6 of the Public Resources Code is repealed.

SEC. 18. Section 25402.7 of the Public Resources Code is amended to read:

25402.7. (a) In consultation with the commission, electric and gas utilities shall provide support for building standards and other regulations pursuant to Section 25402, including appropriate research, development, and training to implement those standards and other regulations.

(b) The electric and gas utilities shall provide support pursuant to subdivision (a) only to the extent that funds are made available to the utilities for that purpose.

SEC. 19. Section 25402.11 of the Public Resources Code is amended to read:

25402.11. (a) (1) The commission may adopt regulations establishing an administrative enforcement process for a violation of a regulation adopted pursuant to subdivisions (c) and (e) of Section 25402 and for the assessment of an administrative civil penalty not to exceed two thousand five hundred dollars (\$2,500) for each violation. The process shall comply with the requirements of Chapter 4 (commencing with Section 11370) and Chapter 4.5 (commencing with Section 11400) of Part 1 of Division 3 of Title 2 of the Government Code.

(2) In assessing the amount of an administrative penalty, the commission shall consider all of the following factors:

(A) The nature and seriousness of the violation.

(B) The number of violations.

(C) The persistence of the violation.

(D) The length of time over which the violation occurred.

(E) The willfulness of the violation.

(F) The violator's assets, liabilities, and net worth.

(G) The harm to consumers and to the state that resulted from the amount of energy wasted due to the violation.

(b) If the commission finds that a violation of the regulations adopted pursuant to subdivisions (c) and (e) of Section 25402 has occurred or is threatening to occur, the commission may refer the matter to the Attorney General to petition a court to enjoin the violation. The court may grant prohibitory or mandatory injunctive relief as warranted by issuing a temporary restraining order,

preliminary injunction, or permanent injunction, and may assess a civil penalty not to exceed two thousand five hundred dollars (\$2,500) for each violation, considering the factors specified in paragraph (2) of subdivision (a).

(c) Penalties collected pursuant to this section shall be deposited into the Appliance Efficiency Enforcement Subaccount, which is hereby established in the Energy Resources Programs Account. The moneys in the Appliance Efficiency Enforcement Subaccount may be expended by the commission, upon appropriation by the Legislature, for the education of the public regarding appliance energy efficiency and for the enforcement of the regulations adopted pursuant to subdivisions (c) and (e) of Section 25402.

(d) An order imposing an administrative civil penalty shall be subject to judicial review pursuant to subdivisions (a) and (b) of Section 25534.2.

(e) A person shall not be liable for a civil penalty pursuant to subdivision (b) if that person is subject to an administrative civil penalty pursuant to subdivision (a).

(f) In a civil action brought on behalf of the commission pursuant to this section, upon granting relief, the court shall award to the commission the reasonable costs incurred by the commission in investigating and prosecuting the action.

(g) The commission shall not initiate an administrative enforcement process pursuant to the regulations adopted pursuant to this section against an entity for the unlawful sale or the unlawful offer for sale of an appliance if both of the following apply:

(1) The appliance fully complies with all of the requirements of the regulations adopted pursuant to subdivisions (c) and (e) of Section 25402.

(2) The only basis for the commission's potential enforcement action is that the appliance is not considered to be in compliance because of the commission's delay in reviewing and processing information submitted to it that demonstrates full compliance.

(h) In addition to the prohibitions specified in subdivision (g), the commission shall not initiate an administrative enforcement process pursuant to the regulations adopted pursuant to this section for a violation of a standard adopted pursuant to subdivisions (c) and (e) of Section 25402 until both of the following occur:

(1) No fewer than 60 days have elapsed since the date when the standard was published in the California Register.

(2) No fewer than 30 days have elapsed since the date when the alleged violator received written notice of the alleged violation and date when the commission provided public notice of the standard.

SEC. 20. Section 25403.8 of the Public Resources Code is amended to read:

25403.8. (a) The commission shall develop and implement a program to provide battery backup power for those official traffic control signals, operated by a city, county, or city and county, that the commission, in consultation with cities, counties, or cities and counties, determines to be high priority traffic control signals.

(b) Based on traffic factors considered by cities, counties, or cities and counties, including, but not limited to, traffic volume, number of accidents, and presence of children, the commission shall determine a priority schedule for the installation of battery backup power for traffic control systems. The commission shall give priority to a city, county, or city and county that did not receive a grant from the State of California for the installation of light-emitting diode traffic control signals.

(c) The commission shall also develop or adopt the necessary technical criteria as to wiring, circuitry, and recharging units for traffic control signals. Only light-emitting diodes (LED) traffic control signals are eligible for battery backup power for the full operation of the traffic control signal or a flashing red mode. A city, county, or city and county may apply for a matching grant for battery backup power for traffic control signals retrofitted with light-emitting diodes.

(d) Based on the criteria described in subdivision (c), the commission shall provide matching grants to cities, counties, and cities and counties for backup battery systems described in this section in accordance with the priority schedule established by the commission pursuant to subdivision (b). The commission shall provide 70 percent of the funds for a battery backup system, and the city, county, or city and county shall provide 30 percent.

SEC. 21. Section 25405.5 of the Public Resources Code is amended to read:

25405.5. (a) As used in this section, the following terms have the following meanings:

(1) "kW" means kilowatts or 1,000 watts, as measured from the alternating current side of the solar energy system inverter.

(2) "Production home" means a single-family residence constructed as part of a development of at least 50 homes per project that is intended or offered for sale.

(3) "Solar energy system" means a solar energy device that has the primary purpose of providing for the collection and distribution of solar energy for the generation of electricity, that produces at least one kW, and not more than five megawatts, alternating current rated peak electricity, and that meets or exceeds the eligibility criteria established pursuant to Section 25782.

(b) A seller of production homes shall offer a solar energy system option to all customers that enter into negotiations to purchase a new production home constructed on land for which an application for a tentative subdivision map has been deemed complete on or after January 1, 2011, and disclose the following:

(1) The total installed cost of the solar energy system option.

(2) The estimated cost savings associated with the solar energy system option, as determined by the commission pursuant to Chapter 8.8 (commencing with Section 25780) of Division 15.

(c) The commission shall develop an offset program that allows a developer or seller of production homes to forgo the offer requirement of this section on a project, by installing solar energy systems generating specified amounts of electricity on other projects, including, but not limited to, low-income housing, multifamily, commercial, industrial, and institutional developments. The amount of electricity required to be generated from solar energy systems used as an offset pursuant to this subdivision shall be equal to the amount of electricity generated by solar energy systems installed on a similarly sized project within that climate zone, assuming 20 percent of the prospective buyers would have installed solar energy systems.

(d) The requirements of this section shall not operate as a substitute for the implementation of existing energy efficiency measures, and the requirements of this section shall not result in lower energy savings or lower energy efficiency levels than would otherwise be achieved by the full implementation of energy savings and energy efficiency standards established pursuant to Section 25402.

SEC. 22. Chapter 5.1 (commencing with Section 25406) of Division 15 of the Public Resources Code is repealed.

SEC. 23. Section 25486 of the Public Resources Code is repealed.

SEC. 24. Section 25519 of the Public Resources Code is amended to read:

25519. (a) To obtain certification for a site and related facility, an application for certification of the site and related facility shall be filed with the commission. The application shall be in a form prescribed by the commission and shall be for a site and related facility that has been found to be acceptable by the commission pursuant to Section 25516, or for an additional facility at a site that has been designated a potential multiple-facility site pursuant to Section 25514.5 and found to be acceptable pursuant to Sections 25516 and 25516.5. An application for an additional facility at a potential multiple-facility site shall be subject to the conditions and review specified in Section 25520.5. An application may not be filed for a site and related facility, if there is no suitable alternative for the site and related facility that was previously found to be acceptable by the commission, unless the commission has approved the notice based on the one site as specified in Section 25516.

(b) Notwithstanding any other provision of this section, the commission, upon its own motion or in response to the request of any party, may require the applicant to submit any information, document, or data that it determines is reasonably necessary to make any decision on the application.

(c) The commission shall be the lead agency as provided in Section 21165 for all projects that require certification pursuant to this chapter and for projects that are exempted from such certification pursuant to Section 25541. Unless the commission's regulatory program governing site and facility certification and related proceedings are certified by the Natural Resources Agency pursuant to Section 21080.5, an environmental impact report shall be completed within one year after receipt of the application. If the commission prepares a document or documents in the place of an environmental impact report or negative declaration under a regulatory program certified pursuant to Section 21080.5, any other public agency that must make a decision that is subject to the California Environmental Quality Act, Division 13 (commencing with Section 21000), on a site or related facility, shall use the document or documents prepared by the commission in the same manner as they would use an environmental impact report or negative declaration prepared by a lead agency.

(d) If the site and related facility specified in the application is proposed to be located in the coastal zone, the commission shall transmit a copy of the application to the California Coastal Commission for its review and comments.

(e) If the site and related facility specified in the application is proposed to be located in the Suisun Marsh or the jurisdiction of the San Francisco Bay Conservation and Development Commission, the commission shall transmit a copy of the application to the San Francisco Bay Conservation and Development Commission for its review and comments.

(f) Upon receipt of an application, the commission shall forward the application to local governmental agencies having land use and related jurisdiction in the area of the proposed site and related facility. Those local agencies shall review the application and

submit comments on, among other things, the design of the facility, architectural and aesthetic features of the facility, access to highways, landscaping and grading, public use of lands in the area of the facility, and other appropriate aspects of the design, construction, or operation of the proposed site and related facility.

(g) Upon receipt of an application, the commission shall cause a summary of the application to be published in a newspaper of general circulation in the county in which the site and related facilities, or any part thereof, designated in the application, is proposed to be located. The commission shall transmit a copy of the application to each federal and state agency having jurisdiction or special interest in matters pertinent to the proposed site and related facilities and to the Attorney General.

(h) Local and state agencies having jurisdiction or special interest in matters pertinent to the proposed site and related facilities shall provide their comments and recommendations on the project within 180 days of the date of filing of an application.

(i) The public advisor shall require that adequate notice is given to the public and that the procedures specified by this division are complied with.

(j) For any proposed site and related facility requiring a certificate of public convenience and necessity, the commission shall transmit a copy of the application to the Public Utilities Commission and request the comments and recommendations of the Public Utilities Commission on the economic, financial, rate, system reliability, and service implications of the proposed site and related facility. If the commission requires modification of the proposed facility, the commission shall consult with the Public Utilities Commission regarding the economic, financial, rate, system reliability, and service implications of those modifications.

(k) The commission shall transmit a copy of the application to any governmental agency not specifically mentioned in this act, but which it finds has any information or interest in the proposed site and related facilities, and shall invite the comments and recommendations of each agency. The commission shall request any relevant laws, ordinances, or regulations that an agency has promulgated or administered.

(l) An application for certification of any site and related facilities shall contain a listing of every federal agency from which any approval or authorization concerning the proposed site is required, specifying the approvals or authorizations obtained at the time of the application and the schedule for obtaining any approvals or authorizations pending.

SEC. 25. Section 25555 of the Public Resources Code is amended to read:

25555. The State Air Resources Board, in consultation with the commission, shall develop a model of fugitive and vented emissions of methane from natural gas infrastructure. The model shall do all of the following:

(a) Quantify emissions from specific natural gas infrastructure.

(b) Incorporate the current condition and current management practices of specific natural gas infrastructure.

(c) Incorporate natural gas industry best management practices established by the Public Utilities Commission pursuant to Section 975 of the Public Utilities Code for gas corporations, by the United States Environmental Protection Agency, by the division, and by other relevant entities.

SEC. 26. Section 25601 of the Public Resources Code is amended to read:

25601. The commission shall develop and coordinate a program of research and development in energy supply, consumption, and conservation and the technology of siting facilities and shall give priority to those forms of research and development that are of particular importance to the state, including, but not limited to, all of the following:

(a) Methods of energy conservation specified in Chapter 5 (commencing with Section 25400).

(b) Increased energy use efficiencies of existing thermal electric and hydroelectric powerplants and increased energy efficiencies in designs of thermal electric and hydroelectric powerplants.

(c) Expansion and accelerated development of alternative sources of energy, including geothermal and solar resources, including, but not limited to, participation in large-scale demonstrations of alternative energy systems sited in California in cooperation with federal agencies, regional compacts, other state governments, and other participants. For purposes of this subdivision, "participation" shall be defined as any of the following: (1) direct interest in a project; (2) research and development to ensure acceptable resolution of environmental and other impacts of alternative energy systems; (3) research and development to improve siting and permitting methodology for alternative energy systems; (4) experiments using the alternative energy systems; and (5) research and development of appropriate methods to ensure the widespread use of economically useful alternative energy systems. Large-scale demonstrations of alternative energy systems are exemplified by the 100KWe to 100MWe range demonstrations of solar, wind, and geothermal systems contemplated by federal agencies, regional compacts, other state governments, and other participants.

(d) Improved methods of construction, design, and operation of facilities to protect against seismic hazards.

(e) Improved methods of energy-demand forecasting.

SEC. 27. Section 25603.5 of the Public Resources Code is repealed.

SEC. 28. Section 25605 of the Public Resources Code is amended to read:

25605. On or before November 1, 1978, the commission shall develop and adopt, in cooperation with affected industry and consumer representatives, and after one or more public hearings, regulations governing solar devices. The regulations shall be designed to encourage the development and use of solar energy and to provide maximum information to the public concerning solar devices. The regulations may include, but need not be limited to, any or all of the following:

(a) Standards for testing, inspection, certification, sizing, and installation of solar devices.

(b) Provisions for the enforcement of the standards. Such provisions may include any or all of the following:

(1) Procedures for the accreditation by the commission of laboratories to test and certify solar devices.

(2) Requirements for onsite inspection of solar devices, including specifying methods for inspection, to determine compliance or noncompliance with the standards.

(3) Requirements for submission to the commission of any data resulting from the testing and inspection of solar devices.

(4) Prohibitions on the sale of solar devices that do not meet minimum requirements for safety and durability as established by the commission.

(5) Dissemination of the results of the testing, inspection, and certification program to the public.

(c) In adopting the regulations, the commission shall give due consideration to their effect on the cost of purchasing, installing, operating, and maintaining solar devices. The commission shall reassess the regulations as often as it deems necessary, based on the value of the regulations in terms of benefits and disadvantages to the widespread adoption of solar energy systems and the need to encourage creativity and innovative adaptations of solar energy. The commission may amend or repeal these regulations based on such reassessment.

(d) The commission shall not preclude a person from developing, installing, or operating a solar device on their own property.

(e) A violation of a regulation adopted by the commission pursuant to this section may be enjoined in the same manner as is prescribed in Chapter 10 (commencing with Section 25900) for enjoining a violation of this division.

SEC. 29. Chapter 7.7 (commencing with Section 25678) of Division 15 of the Public Resources Code is repealed.

SEC. 30. Chapter 7.9 (commencing with Section 25695) of Division 15 of the Public Resources Code is repealed.

SEC. 31. Section 25805 of the Public Resources Code is repealed.

SEC. 32. Section 25806 of the Public Resources Code is amended to read:

25806. (a) A person who submits to the commission an application for certification under Chapter 6 (commencing with Section 25500) or Chapter 6.2 (commencing with Section 25545) shall submit with the application a fee of two hundred fifty thousand dollars (\$250,000) plus five hundred dollars (\$500) per megawatt of gross generating capacity or per megawatthour of gross energy storage capacity, as applicable, or seventy cents (\$0.70) per square foot for a facility described in paragraph (4) of subdivision (b) of Section 25545, of the proposed facility. The total fee accompanying an application shall not exceed seven hundred fifty thousand dollars (\$750,000).

(b) A person who receives certification of a site and related facility pursuant to Chapter 6 (commencing with Section 25500) or Chapter 6.2 (commencing with Section 25545) shall pay an annual fee of twenty-five thousand dollars (\$25,000). For a facility certified on or after January 1, 2004, the first payment of the annual fee is due on the date the commission adopts the final decision. All subsequent payments are due by July 1 of each year that the facility retains its certification. The fiscal year for the annual fee is July 1 to June 30, inclusive.

(c) The fees in subdivisions (a), (b), and (e) shall be adjusted annually to reflect the percentage change in the Implicit Price Deflator for State and Local Government Purchases of Goods and Services, as published by the United States Department of Commerce.

(d) The Energy Facility License and Compliance Fund is hereby created in the State Treasury. All fees received by the commission pursuant to this section shall be remitted to the Treasurer for deposit into the fund. The money in the fund shall be expended, upon appropriation by the Legislature, for processing applications for certification and for compliance monitoring.

(e) A person who submits to the commission a petition to amend an existing project that previously received certification shall submit with the petition a fee of five thousand dollars (\$5,000). The commission shall conduct a full accounting of the actual cost of processing the petition to amend, for which the project owner shall reimburse the commission if the costs exceed five thousand dollars (\$5,000). The total reimbursement and fees owed by a project owner for each petition to amend shall not exceed the amount of the maximum total filing fee for an application for certification as specified in subdivision (a) of seven hundred fifty thousand dollars (\$750,000), adjusted annually pursuant to subdivision (c). Any reimbursement and fees received by the commission pursuant to this subdivision shall be deposited into the Energy Facility License and Compliance Fund. This subdivision does not apply to a change in ownership or operational control of a project.

SEC. 33. Section 25901 of the Public Resources Code is amended to read:

25901. (a) Within 30 days after the commission issues its determination on any matter specified in this division, except as provided in Section 25531, any aggrieved person may file with the superior court a petition for a writ of mandate for review thereof. Failure to file such an action does not preclude a person from challenging the reasonableness and validity of a decision in any judicial proceedings brought to enforce the decision or to obtain other civil remedies.

(b) The decision of the commission shall be sustained by the court unless the court finds (1) that the commission proceeded without, or in excess of its jurisdiction, (2) that, based exclusively upon a review of the record before the commission, the decision is not supported by substantial evidence in light of the whole record, or (3) that the commission failed to proceed in the manner required by law.

(c) Except as otherwise provided in this section, subdivisions (f) and (g) of Section 1094.5 of the Code of Civil Procedure govern proceedings pursuant to this section.

SEC. 34. Section 25953 of the Public Resources Code is amended to read:

25953. As used in this chapter, the following terms have the following meanings:

(a) "Person" means any individual, partnership, corporation, limited liability company, association, manufacturer, distributor, retailer, contractor or builder as defined in Section 7026 of the Business and Professions Code, or other groups, however organized, who sell or cause to be distributed or installed, any new gas appliance as defined in Section 25950.

(b) "Manufacturer" means any individual, partnership, corporation, association, or other legal relationship that manufactures, assembles, produces, or gathers consumer goods.

(c) "Distributor" means any individual, partnership, corporation, association, or other legal relationship that stands between the manufacturer and the retail seller in purchases, consignments, or contracts for sale of consumer goods.

(d) "Retail seller," "retail outlets," "seller," or "retailer" means any individual, partnership, corporation, association, or other legal relationship that engages in the business of selling new goods to retail buyers.

(e) "Contractor" for the purpose of this chapter is synonymous with the term "builder" and, within the meaning of this chapter, a contractor is any person who undertakes to or offers to undertake to or purports to have the capacity to undertake to or submits a bid to, or does themselves or by or through others, construct, alter, repair, add to, subtract from, improve, move, wreck, or demolish any building, highway, road, parking facility, railroad, excavation, or other structure, project, development, or improvement, or to do any part thereof, including the erection of scaffolding or other structures or works in connection therewith. The term "contractor" includes subcontractor and specialty contractor.

SEC. 35. Section 25991.1 of the Public Resources Code is amended to read:

25991.1. (a) On or before June 1, 2022, the commission shall evaluate and quantify the maximum feasible capacity of offshore wind to achieve reliability, ratepayer, employment, and decarbonization benefits and shall establish megawatt offshore wind planning goals for 2030 and 2045.

(b) In establishing the goals pursuant to subdivision (a), the commission shall consider all of the following:

(1) The findings of the 2021 joint report issued pursuant to the former Section 454.53 of the Public Utilities Code.

(2) The need to develop a skilled and trained offshore wind workforce.

- (3) The potential to attract supply-chain manufacturing for offshore wind components throughout the Pacific region.
- (4) The need for reliable renewable energy that accommodates California's shifting peak load.
- (5) The generation profile of offshore wind off the coast of California.
- (6) The need for economies of scale to reduce the costs of floating offshore wind.
- (7) The need to initiate long-term transmission and infrastructure planning to facilitate delivery of offshore wind energy to Californians.
- (8) The availability of federal tax incentives for offshore wind investments.
- (9) The National Renewable Energy Laboratory report finding that California has 200 gigawatts of offshore wind technical power potential.
- (10) The opportunity for California to participate in the federal government's intention to deploy 30,000 megawatts of offshore wind by 2030 and to create a pathway to unlocking 110,000 megawatts by 2050.
- (11) Any executive action from the Governor regarding offshore wind.
- (12) Potential impacts on coastal resources, fisheries, Native American and Indigenous peoples, and national defense, and strategies for addressing those potential impacts.

SEC. 36. Section 454.53 of the Public Utilities Code is amended to read:

454.53. (a) It is the policy of the state that eligible renewable energy resources and zero-carbon resources supply 90 percent of all retail sales of electricity to California end-use customers by December 31, 2035, 95 percent of all retail sales of electricity to California end-use customers by December 31, 2040, 100 percent of all retail sales of electricity to California end-use customers by December 31, 2045, and 100 percent of electricity procured to serve all state agencies by December 31, 2035. The achievement of this policy for California shall not increase carbon emissions elsewhere in the western grid and shall not allow resource shuffling. The commission and Energy Commission, in consultation with the State Air Resources Board, shall take steps to ensure that a transition to a zero-carbon electric system for the State of California does not cause or contribute to greenhouse gas emissions increases elsewhere in the western grid, and is undertaken in a manner consistent with clause 3 of Section 8 of Article I of the United States Constitution. The commission, the Energy Commission, the State Air Resources Board, and all other state agencies shall incorporate this policy into all relevant planning.

(b) The commission, Energy Commission, State Air Resources Board, and all other state agencies shall ensure that actions taken in furtherance of subdivision (a) do all of the following:

- (1) Maintain and protect the safety, reliable operation, and balancing of the electric system.
- (2) Prevent unreasonable impacts to electricity, gas, and water customer rates and bills resulting from implementation of this section, taking into full consideration the economic and environmental costs and benefits of renewable energy and zero-carbon resources.
- (3) To the extent feasible and authorized under law, lead to the adoption of policies and taking of actions in other sectors to obtain greenhouse gas emission reductions that ensure equity between other sectors and the electricity sector.
- (4) Not affect in any manner the rules and requirements for the oversight of, and enforcement against, retail sellers and local publicly owned utilities pursuant to the California Renewables Portfolio Standard Program (Article 16 (commencing with Section 399.11) of Chapter 2.3) and Sections 454.51, 454.52, 9621, and 9622.
- (5) Not consider the energy, capacity, or any attribute from the Diablo Canyon Unit 1 or Unit 2 powerplant after August 26, 2025, in achieving the policy described in subdivision (a).

(c) This section does not affect a retail seller's obligation to comply with the federal Public Utility Regulatory Policies Act of 1978 (16 U.S.C. Sec. 2601 et seq.).

(d) The commission, Energy Commission, and State Air Resources Board shall use programs authorized under existing statutes to achieve the policy described in subdivision (a).

(e) This section does not authorize the commission to establish any requirements on a nonmobile self-cogeneration or cogeneration facility that served onsite load, or that served load pursuant to an over-the-fence arrangement if that arrangement existed on or before December 20, 1995.

(f) This section does not limit any entity, including local governments, from accelerating their achievement of the state's electric sector decarbonization targets.

SEC. 37. Section 910.4 of the Public Utilities Code is amended to read:

910.4. By February 1 of each year, the commission shall report to the Joint Legislative Budget Committee and appropriate fiscal and policy committees of the Legislature, on all sources and amounts of funding and actual and proposed expenditures, both in the two prior fiscal years and for the proposed fiscal year, including any costs to ratepayers, related to all of the following:

(a) Entities or programs established by the commission by order, decision, motion, settlement, or other action, including, but not limited to, the California Clean Energy Fund, the California Emerging Technology Fund, and the Pacific Forest and Watershed Lands Stewardship Council. The report shall contain descriptions of relevant issues, including, but not limited to, all of the following:

- (1) Any governance structure established for an entity or program.
- (2) Any staff or employees hired by or for the entity or program and their salaries and expenses.
- (3) Any staff or employees transferred or loaned internally or interdepartmentally for the entity or program and their salaries and expenses.
- (4) Any contracts entered into by the entity or program, the funding sources for those contracts, and the legislative authority under which the commission entered into the contract.
- (5) The public process and oversight governing the entity or program's activities.

(b) Entities or programs established by the commission, other than those expressly authorized by statute, under the following sections:

- (1) Section 379.6.
- (2) Section 399.8.
- (3) Section 739.1.
- (4) Section 2790.
- (5) Section 2851.
- (6) Section 921.1.
- (7) Section 922.

(c) Upon an entity ceasing operations, or a program ending, because its activities, including receiving revenue or making expenditures, have concluded, commission reporting on the entity or program pursuant to this section shall continue for the subsequent two fiscal years following the entity ceasing operations or the program ending. Following those subsequent two fiscal years, the commission shall note in the report submitted pursuant to this section which entity ceased operations or program ended, and the commission shall not be subject to any other reporting obligations related to the entity or program pursuant to this section.

SEC. 38. Section 913.11 is added to the Public Utilities Code, to read:

913.11. (a) Notwithstanding Section 10231.5 of the Government Code, the commission, Energy Commission, and State Air Resources Board shall, in consultation with all California balancing authorities, as defined in subdivision (d) of Section 399.12, as part of a public process, issue a joint report to the Legislature by January 1, 2021, and at least every four years thereafter.

(b) The joint report shall include all of the following:

- (1) A review of the policy described in subdivision (a) of Section 454.53, focused on technologies, forecasts, then-existing transmission, and maintaining safety, environmental and public safety protection, affordability, and system and local reliability.
- (2) An evaluation identifying the potential benefits and impacts on system and local reliability associated with achieving the policy described in subdivision (a) of Section 454.53.
- (3) An evaluation identifying the nature of any anticipated financial costs and benefits to electrical, gas, and water utilities, including customer rate impacts and benefits.

(4) The barriers to, and benefits of, achieving the policy described in subdivision (a) of Section 454.53.

(5) Alternative scenarios in which the policy described in subdivision (a) of Section 454.53 can be achieved and the estimated costs and benefits of each scenario.

SEC. 39. Section 913.17 is added to the Public Utilities Code, to read:

913.17. Notwithstanding Section 10231.5 of the Government Code, on or before December 1, 2023, and annually thereafter, the commission, Energy Commission, and State Air Resources Board, in consultation with California balancing authorities, as defined in subdivision (d) of Section 399.12, and as part of, or an interim addendum to, the quadrennial joint report required pursuant to Section 913.11, as applicable, shall issue a joint reliability progress report that reviews system and local reliability within the context of the policy described in subdivision (a) of Section 454.53, with a particular focus on summer reliability. The joint reliability progress report shall identify challenges and gaps, if any, to achieving system and local reliability and identify the amount and cause of any delays to achieving compliance with all energy and capacity procurement requirements set by the commission.

SEC. 40. Section 80730 of the Water Code is amended to read:

80730. (a) Beginning on January 31, 2023, and every May 1, August 1, and December 1 annually thereafter, the department shall issue a written report to the Joint Legislative Budget Committee, detailing the actions undertaken by the department in the period since the previous report was submitted pursuant to this division and up until that date, including, but not limited to, all of the following:

(1) Amount of funds expended.

(2) Purpose of funds expended.

(3) Status of actions funded.

(4) For new and expanded resources, the amount by megawatt, resource type, operational date, and expected lifetime of that capacity.

(5) The frequency at which resources funded by the department have been used and the extent to which they complied with the requirements of this chapter.

(6) In consultation with the state board, estimate or provide the best available information on the emissions of greenhouse gases, criteria air pollutants, and toxic air contaminants emitted by the resources funded by the department over the period since the previous report.

(7) Summary of contracts, grants, and loans issued pursuant to this division.

(b) Each report submitted pursuant to this section shall be submitted to the Joint Legislative Budget Committee at the same time and in the same manner as reports submitted pursuant to Section 25795 of the Public Resources Code.