

**Introduced by Senator Hurtado**

February 20, 2025

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An act to amend Sections 381.5 and 382 of the Public Utilities Code, relating to energy.

**LEGISLATIVE COUNSEL'S DIGEST**

SB 647, as introduced, Hurtado. Low-income energy assistance programs: health and safety.

Existing law vests the Public Utilities Commission with regulatory authority over public utilities, including electrical corporations and gas corporations. Under existing law, the commission supervises certain rate assistance and energy efficiency programs administered by electrical corporations and gas corporations, or administered by third-party administrators on their behalf. Existing law states the intent of the Legislature to protect and strengthen the current network of community service providers by, among other things, directing that any evaluation of the effectiveness of the low-income energy efficiency programs be based not solely on cost criteria, but also on the degree to which the provision of services allows maximum program accessibility to quality programs to low-income communities by entities that have demonstrated performance in effectively delivering services to the communities.

This bill would instead state that it is intent of the Legislature to protect and strengthen the current network of community service providers by directing that any evaluation of the effectiveness of the low-income energy efficiency programs be based not solely on cost criteria, but also on specified factors, including, among other things, whether the program combines energy upgrades, electrification, and health improvements or coordinates with other initiatives, the delivery of measurable cost reductions, improved health and safety outcomes,

and equitable access for underserved communities, and the degree to which the provision of services allows maximum program accessibility to quality programs to low-income communities by entities that have demonstrated performance in effectively delivering services to the communities, as specified.

Existing law requires the commission to ensure that all eligible low-income electricity and gas customers are given the opportunity to participate in low-income energy efficiency programs that are designed to provide long-term reductions in energy consumption at the dwelling unit, including customers occupying apartments or similar multiunit residential structures, as specified. Existing law requires these programs be designed to provide long-term reductions in energy consumption at the dwelling unit, as specified.

This bill would also require the above-mentioned programs to increase the health and safety of individuals. The bill would require the commission to ensure that these programs prioritize advanced upgrades including heat pumps, efficient heating, ventilation, and air conditioning systems, and deep weatherization measures to achieve increased savings on energy costs per household.

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

Because the provisions of this bill would be part of the act and a violation of a commission action implementing the bill's requirements would be a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: yes.

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

- 1 SECTION 1. Section 381.5 of the Public Utilities Code is
- 2 amended to read:
- 3 381.5. It is the intent of the Legislature to protect and strengthen
- 4 the current network of community service providers by doing *both*
- 5 of the following:

(a) Directing that any evaluation of the effectiveness of the low-income energy efficiency programs shall be based not solely on cost criteria, but also on ~~the degree to which the provision of services allows maximum program accessibility to quality programs to low-income communities by entities that have demonstrated performance in effectively delivering services to the communities.~~ all of the following factors:

(1) *The clarity of the objectives.*

(2) *The delivery of measurable cost reductions, improved health and safety outcomes, and equitable access for underserved communities.*

(3) *Whether the program combines energy upgrades, electrification, and health improvements or coordinates with other initiatives.*

(4) *The strength of stakeholder engagement.*

(5) *Whether the outreach of the program is effective, the enrollment simple, how the program eliminates barriers, and how the program uses data to target underserved populations.*

(6) *The clarity of the metrics used by the program, including whether the program tracks and shares meaningful outcomes, including energy savings, health improvement outcomes, or cost reductions.*

(7) *The quality of workforce development, including whether the program creates local jobs or results in investments in a trained, diverse workforce.*

(8) *The degree to which the provision of services allows maximum program accessibility to quality programs to low-income communities by entities that have demonstrated performance in effectively delivering services to the communities.*

(b) Ensuring that high quality, low-income energy efficiency programs are delivered to the maximum number of eligible participants at a reasonable cost.

SEC. 2. Section 382 of the Public Utilities Code is amended to read:

382. (a) Programs provided to low-income electricity customers, including, but not limited to, targeted energy-efficiency services and the California Alternate Rates for Energy program shall be funded at not less than 1996 authorized levels based on an assessment of customer need.

(b) In order to meet legitimate needs of electric and gas customers who are unable to pay their electric and gas bills and who satisfy eligibility criteria for assistance, recognizing that electricity is a basic necessity, and that all residents of the state should be able to afford essential electricity and gas supplies, the commission shall ensure that low-income ratepayers are not jeopardized or overburdened by monthly energy expenditures. Energy expenditure may be reduced through the establishment of different rates for low-income ratepayers, different levels of rate assistance, and energy efficiency programs.

(c) Nothing in this section shall be construed to prohibit electric and gas providers from offering any special rate or program for low-income ratepayers that is not specifically required in this section.

(d) Beginning in 2002, an assessment of the needs of low-income electricity and gas ratepayers shall be conducted periodically by the commission with the assistance of the Low-Income Oversight Board. A periodic assessment shall be made not less often than every third year. The assessment shall evaluate low-income program implementation and the effectiveness of weatherization services and energy efficiency measures in low-income households. The assessment shall consider whether existing programs adequately address low-income electricity and gas customers' energy expenditures, hardship, language needs, and economic burdens.

(e) ~~(1) The commission shall, by not later than December 31, 2020, shall ensure that all eligible low-income electricity and gas customers are given the opportunity to participate in low-income energy efficiency programs, including customers occupying apartments or similar multiunit residential structures. The commission and electrical corporations and gas corporations shall make all reasonable efforts to coordinate ratepayer-funded programs with other energy conservation and efficiency programs and to obtain additional federal funding to support actions undertaken pursuant to this subdivision.~~

~~These~~  
(2) ~~The programs described in paragraph (1) shall be designed to do both of the following: provide~~

(A) ~~Provide long-term reductions in energy consumption at the dwelling-unit unit, based on an audit or assessment of the dwelling~~

1 ~~unit, and~~ unit, that may include improved insulation, energy  
2 efficient appliances, measures that utilize solar energy, and other  
3 improvements to the physical structure.

4 (B) *Increase the health and safety of individuals.*

5 (3) *The commission shall ensure that the programs described*  
6 *in paragraph (1) prioritize advanced upgrades, including heat*  
7 *pumps, efficient heating, ventilation, and air-conditioning systems,*  
8 *and deep weatherization measures to achieve increased savings*  
9 *on energy costs per household.*

10 (f) The commission shall allocate funds necessary to meet the  
11 low-income objectives in this section.

12 SEC. 3. No reimbursement is required by this act pursuant to  
13 Section 6 of Article XIII B of the California Constitution because  
14 the only costs that may be incurred by a local agency or school  
15 district will be incurred because this act creates a new crime or  
16 infraction, eliminates a crime or infraction, or changes the penalty  
17 for a crime or infraction, within the meaning of Section 17556 of  
18 the Government Code, or changes the definition of a crime within  
19 the meaning of Section 6 of Article XIII B of the California  
20 Constitution.