

AMENDED IN SENATE MARCH 7, 2021

SENATE BILL

No. 68

Introduced by Senator Becker

December 7, 2020

~~An act relating to energy.~~ *An act to amend Section 25711.5 of, and to add Section 25233 to, the Public Resources Code, and to add Chapter 8 (commencing with Section 8400) to Division 4.1 of the Public Utilities Code, relating to electricity.*

LEGISLATIVE COUNSEL'S DIGEST

SB 68, as amended, Becker. Building decarbonization.

Existing law requires the State Energy Resources Conservation and Development Commission (*Energy Commission*) to assess the potential for the state to reduce the emissions of greenhouse gases from the state's residential and commercial building stock by at least 40% below 1990 levels by January 1, 2030.

~~This bill would state the intent of the Legislature to enact subsequent legislation that will help the state achieve its climate and air pollution reduction goals in the building sector through actions such as reducing barriers to upgrading electrical service panels or accommodating additional electrical appliances within existing service panels.~~

This bill would require the Energy Commission to develop and publish on its internet website a guide for electrification of buildings and to submit to the Legislature a report on barriers to electrifying existing buildings and to adding energy storage or vehicle charging equipment to existing buildings.

Existing law requires the Energy Commission to develop and implement the Electric Program Investment Charge (EPIC) program to award moneys for projects that will benefit electricity ratepayers,

lead to technological advancement and breakthroughs, and result in a portfolio of projects that is strategically focused and sufficiently narrow to make advancement on the most significant technological challenges, as specified.

This bill would authorize the award of moneys under the EPIC program for projects that will benefit electricity ratepayers and lead to technologies that reduce the costs of building electrification.

Existing requires the Public Utilities Commission (PUC) to enforce rules governing the extension of service by electrical corporations.

This bill would require the PUC to establish a timeframe within which an electrical corporation would be required to respond to requests from building owners for routine electrical service upgrades and a timeframe to respond to requests for extensions of electrical service or nonroutine electrical service upgrades. The bill would, beginning January 1, 2023, require each electrical corporation to report annually to the commission the number of requests for routine electrical service upgrades, extensions of electrical service, and nonroutine electrical service upgrades in the prior calendar year and all cases in which the electrical corporation fails meet the timeframes established by the commission. The bill would, except as provided, require the PUC to assess certain penalties on electrical corporations for failures to meet the timeframes.

Under the Public Utilities Act, a violation of an order, decision, rule, direction, demand or requirements of the PUC is a crime.

Because the bill would require the PUC to establish timeframes in which electrical corporations are required to respond to specified requests, a violation of which would be a crime, this 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: ~~no~~-yes.
State-mandated local program: ~~no~~-yes.

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

- 1 SECTION 1. Section 25233 is added to the Public Resources
- 2 Code, to read:

1 25233. To help building owners to decarbonize buildings and
2 add energy storage or electric vehicle charging capacity to
3 buildings, the commission, in coordination with the Department
4 of Housing and Community Development, the California Building
5 Standards Commission, and other relevant state agencies, shall
6 do both of the following:

7 (a) (1) Develop, and publish on the commission internet website,
8 a guide for electrification of buildings, including all of the
9 following topics:

10 (A) Electrical equipment for replacement of the common
11 fossil-fuel-powered appliances within buildings, including
12 high-efficiency options that can minimize electrical service capacity
13 requirements.

14 (B) Approaches for power budgeting to fit electrical
15 replacements and vehicle-charging equipment within the existing
16 electrical service capacity of the building whenever possible,
17 including guidance on how to maximize the use of the
18 nonconcurrent electrical load that is allowed under the California
19 Electrical Code (Part 3 (commencing with Section 89.101.1) of
20 Title 24 of the California Code of Regulations).

21 (C) Technologies that allow the noncoincidental sharing of
22 electrical circuits.

23 (D) The development of whole building electrification plans in
24 order to plan for cost-effective electrical panel upgrades and
25 wiring changes, even if only a portion of appliances will be
26 replaced, or energy storage or vehicle charging added, during an
27 initial project.

28 (E) Guidance on the availability of rebates, tax credits, and
29 financing options, such as Property Assessed Clean Energy (PACE)
30 financing, utility provided on-bill financing, or home equity loans.

31 (2) This guide shall include model permit applications, an
32 eligibility checklist for expedited permitting, and a concise
33 inspection list for the most common building electrification or
34 energy storage or vehicle charging installation projects. These
35 materials shall be suitable for adoption by local governments
36 seeking to streamline and standardize permitting and inspections.

37 (b) (1) Submit a report to the Legislature no later than
38 December 31, 2022, on barriers to electrifying existing buildings
39 and to adding energy storage or vehicle charging equipment to
40 existing buildings, including consideration of all of the following:

1 (A) *The availability of a sufficiently large workforce skilled and*
2 *trained in building electrification to achieve the state’s goals for*
3 *building decarbonization.*

4 (B) *Gaps in available technology for cost-effective replacement*
5 *of certain existing fossil-fuel powered equipment for certain types*
6 *of buildings.*

7 (C) *Inefficiencies and inconsistencies in permitting requirements*
8 *and fees and inspection processes that unnecessarily cause delays*
9 *or increase costs, including providing a survey of permitting fees*
10 *from local governments across the state for common building*
11 *electrification projects and for the installation of vehicle charging*
12 *equipment and energy storage.*

13 (D) *The availability of low-cost financing options for building*
14 *owners.*

15 (E) *The need for additional financial assistance for low-income*
16 *building owners or owners of affordable housing.*

17 (2) *The report required pursuant to paragraph (1) shall be*
18 *submitted in accordance with Section 9795 of the Government*
19 *Code.*

20 (3) *Pursuant to Section 10231.5 of the Government Code, this*
21 *subdivision shall become inoperative on December 31, 2026.*

22 SEC. 2. *Section 25711.5 of the Public Resources Code is*
23 *amended to read:*

24 25711.5. In administering moneys in the fund for research,
25 development, and demonstration programs under this chapter, the
26 commission shall develop and implement the Electric Program
27 Investment Charge (EPIC) program to do all of the following:

28 (a) Award funds for projects that will benefit electricity
29 ratepayers and lead to ~~technological~~ *either of the following:*

30 (1) *Technological* advancement and breakthroughs to overcome
31 the barriers that prevent the achievement of the state’s statutory
32 energy goals and that result in a portfolio of projects that is
33 strategically focused and sufficiently narrow to make advancement
34 on the most significant technological challenges that shall include,
35 but not be limited to, energy storage, renewable energy and its
36 integration into the electrical grid, energy efficiency, integration
37 of electric vehicles into the electrical grid, and accurately
38 forecasting the availability of renewable energy for integration
39 into the grid.

1 (2) *Technologies that reduce the costs of building electrification,*
2 *including by reducing or avoiding the costs of expanding electrical*
3 *service and electrical panel upgrades for existing buildings.*

4 (b) In consultation with the Treasurer, establish terms that shall
5 be imposed as a condition to receipt of funding for the state to
6 accrue any intellectual property interest or royalties that may derive
7 from projects funded by the EPIC program. The commission, when
8 determining if imposition of the proposed terms is appropriate,
9 shall balance the potential benefit to the state from those terms
10 and the effect those terms may have on the state achieving its
11 statutory energy goals. The commission shall require each reward
12 recipient, as a condition of receiving moneys pursuant to this
13 chapter, to agree to any terms the commission determines are
14 appropriate for the state to accrue any intellectual property interest
15 or royalties that may derive from projects funded by the EPIC
16 program.

17 (c) Require each applicant to report how the proposed project
18 may lead to technological advancement and potential breakthroughs
19 to overcome barriers to achieving the state's statutory energy goals.

20 (d) Take into account, when applicable, the adverse localized
21 health impacts of proposed projects to the greatest extent possible.

22 (e) Establish a process for tracking the progress and outcomes
23 of each funded project, including an accounting of the amount of
24 funds spent by program administrators and individual grant
25 recipients on administrative and overhead costs and whether the
26 project resulted in any technological advancement or breakthrough
27 to overcome barriers to achieving the state's statutory energy goals.

28 (f) Notwithstanding Section 10231.5 of the Government Code,
29 prepare and submit to the Legislature no later than April 30 of
30 each year an annual report in compliance with Section 9795 of the
31 Government Code that shall include all of the following:

32 (1) A brief description of each project for which funding was
33 awarded in the immediately prior calendar year, including the
34 name of the recipient and the amount of the award, a description
35 of how the project is thought to lead to technological advancement
36 or breakthroughs to overcome barriers to achieving the state's
37 statutory energy goals, and a description of why the project was
38 selected.

39 (2) A brief description of each project funded by the EPIC
40 program that was completed in the immediately prior calendar

1 year, including the name of the recipient, the amount of the award,
2 and the outcomes of the funded project.

3 (3) A brief description of each project funded by the EPIC
4 program for which an award was made in the previous years but
5 that is not completed, including the name of the recipient and the
6 amount of the award, and a description of how the project will
7 lead to technological advancement or breakthroughs to overcome
8 barriers to achieving the state's statutory energy goals.

9 (4) Identification of the award recipients that are
10 California-based entities, small businesses, or businesses owned
11 by women, minorities, or disabled veterans.

12 (5) Identification of which awards were made through a
13 competitive bid, interagency agreement, or sole source method,
14 and the action of the Joint Legislative Budget Committee pursuant
15 to paragraph (2) of subdivision ~~(g)~~ (h) for each award made through
16 an interagency agreement or sole source method.

17 (6) Identification of the total amount of administrative and
18 overhead costs incurred for each project.

19 (7) A brief description of the impact on program administration
20 from the allocations required to be made pursuant to Section
21 25711.6, including any information that would help the Legislature
22 determine whether to reauthorize those allocations beyond June
23 30, 2023.

24 (g) Establish requirements to minimize program administration
25 and overhead costs, including costs incurred by program
26 administrators and individual grant recipients. Each program
27 administrator and grant recipient, including a public entity, shall
28 be required to justify actual administration and overhead costs
29 incurred, even if the total costs incurred do not exceed a cap on
30 those costs that the commission may adopt.

31 (h) (1) Use a sealed competitive bid as the preferred method
32 to solicit project applications and award funds pursuant to the EPIC
33 program.

34 (2) (A) The commission may use a sole source or interagency
35 agreement method if the project cannot be described with sufficient
36 specificity so that bids can be evaluated against specifications and
37 criteria set forth in a solicitation for bid and if both of the following
38 conditions are met:

39 (i) The commission, at least 60 days prior to making an award
40 pursuant to this subdivision, notifies the Joint Legislative Budget

1 Committee and the relevant policy committees in both houses of
2 the Legislature, in writing, of its intent to take the proposed action.

3 (ii) The Joint Legislative Budget Committee either approves or
4 does not disapprove the proposed action within 60 days from the
5 date of notification required by clause (i).

6 (B) It is the intent of the Legislature to enact this paragraph to
7 ensure legislative oversight for awards made on a sole source basis,
8 or through an interagency agreement.

9 (3) Notwithstanding any other law, standard terms and
10 conditions that generally apply to contracts between the
11 commission and any entities, including state entities, do not
12 automatically preclude the award of moneys from the fund through
13 the sealed competitive bid method.

14 *SEC. 3. Chapter 8 (commencing with Section 8400) is added*
15 *to Division 4.1 of the Public Utilities Code, to read:*

16
17 *CHAPTER 8. ELECTRICAL SERVICE RESPONSE TIME STANDARDS*

18
19 *8400. (a) For purposes of this chapter, the following definitions*
20 *apply:*

21 *(1) A request for a “nonroutine electrical service upgrade”*
22 *means a request for an electrical corporation to provide additional*
23 *electrical capacity to an existing building that is not a routine*
24 *electrical service upgrade. Notwithstanding paragraph (2), any*
25 *provision of additional electrical capacity that requires the*
26 *underground installation of any physical component is a nonroutine*
27 *electrical service upgrade.*

28 *(2) A request for a “routine electrical service upgrade” means*
29 *a request for an electrical corporation to provide additional*
30 *electrical capacity to an existing building at or within 25 feet of*
31 *the existing meter location that does not require a change in the*
32 *location where the electrical service connects to the distribution*
33 *system.*

34 *(b) An electrical service upgrade or extension of electrical*
35 *service includes all aspects of the work of the electrical corporation*
36 *or its agents necessary to complete the required project, including,*
37 *as applicable, all of the following:*

38 *(1) A virtual or in-person inspection of the current meter*
39 *location.*

40 *(2) Upgrades of service conductors.*

1 (3) *Transformer upgrades.*

2 (4) *On-pole upgrades.*

3 (5) *Virtual or in-person inspections of the electrical panel for*
4 *the building.*

5 (6) *Service reconnection.*

6 8401. (a) *The commission shall establish the shortest feasible*
7 *timeframe, not to exceed 10 business days, for an electrical*
8 *corporation to complete its portion of the work associated with a*
9 *request for a routine electrical service upgrade from the time the*
10 *request is received until all work is completed and upgraded*
11 *service is reconnected.*

12 (b) *If an electrical corporation determines, during its response*
13 *to a request for a routine electrical service upgrade, that the*
14 *location of the electrical meter is required to be moved to a new*
15 *location on the building to comply with safety or other*
16 *requirements, then the time from when the electrical corporation*
17 *notifies the building owner's representative of the need for this*
18 *relocation until the utility is notified that a new electrical panel is*
19 *ready for connection at the new location shall not be counted*
20 *toward the time permitted pursuant to subdivision (a).*

21 (c) *The commission shall require each electrical corporation*
22 *to perform capacity planning to maintain an amount of additional*
23 *capacity on its distribution system to meet the additional*
24 *foreseeable demands for electrical services for existing buildings*
25 *to meet the timeframe established under subdivision (a).*

26 (d) *The commission shall allow costs incurred as a result of*
27 *this section that exceed the electrical corporation's Electric Tariff*
28 *Rule 15 (distribution line extensions) and Rule 16 (service line*
29 *extension) to be treated as a common facility costs to be recovered*
30 *from all ratepayers.*

31 8402. *For extensions of electrical service or nonroutine*
32 *electrical service upgrades, the commission shall, except as*
33 *provided in Section 8403, require each electrical corporation to*
34 *meet all of the following requirements:*

35 (a) *Have a representative of the electrical corporation available*
36 *for a meeting, either onsite or remotely, with the representative of*
37 *the building owner within five business days of a request for*
38 *extension or upgrade of service.*

39 (b) (1) *Prepare, or review and approve, construction drawings*
40 *for the provision of electrical service within 10 business days of*

1 receiving the required information from the building owner or the
2 owner's representative.

3 (2) If the electrical corporation notifies the building owner's
4 representative of deficiencies in the submitted documents, then the
5 time from the notification until the deficiency is cured shall not be
6 counted toward the time permitted by paragraph (1).

7 (c) Complete all work, if performed by the electrical
8 corporation, necessary for the provision of electrical service within
9 15 business days of the approval from a local agency authorizing
10 the work.

11 8403. The commission shall determine special circumstances
12 under which a failure to meet the requirements of Section 8401 or
13 8402 is excused. Special circumstances may include, but are not
14 limited to, unusual right-of-way or access issues, tree removal
15 requirements, the location of the building relative to the
16 distribution feeder line, an increase in service capacity significantly
17 exceeding the building's prior total energy consumption plus
18 anticipated energy requirements for occupants' vehicle charging,
19 and a force majeure event occurring in the area in which the
20 building is located.

21 8404. Each electrical corporation shall publish a notice on
22 the relevant portion of its internet website describing the
23 requirements and timeframes established by this chapter with
24 content intended to make building owners aware of their rights
25 pursuant to this chapter.

26 8405. (a) Beginning January 1, 2023, each electrical
27 corporation shall report annually to the commission the number
28 of requests for routine electrical service upgrades and for
29 extensions of electrical service or nonroutine electrical service
30 upgrades in the prior calendar year and all cases in which the
31 electrical corporation fails to complete requests in compliance
32 with Section 8401 or 8402. For requests for which the electrical
33 corporation failed to meet the time period specified in Section
34 8401 or 8402, the electrical corporation shall specify special
35 circumstances, if any, as determined pursuant to Section 8403,
36 that would excuse the failure.

37 (b) The commission may assess a civil penalty not to exceed ten
38 thousand dollars (\$10,000) for each violation of Section 8401 or
39 8402 that is not excused due special circumstances.

1 *SEC. 4. No reimbursement is required by this act pursuant to*
2 *Section 6 of Article XIII B of the California Constitution because*
3 *the only costs that may be incurred by a local agency or school*
4 *district will be incurred because this act creates a new crime or*
5 *infraction, eliminates a crime or infraction, or changes the penalty*
6 *for a crime or infraction, within the meaning of Section 17556 of*
7 *the Government Code, or changes the definition of a crime within*
8 *the meaning of Section 6 of Article XIII B of the California*
9 *Constitution.*

10 ~~SECTION 1. It is the intent of the Legislature to enact~~
11 ~~subsequent legislation that will help the state achieve its climate~~
12 ~~and air pollution reduction goals in the building sector through~~
13 ~~actions such as reducing barriers to upgrading electrical service~~
14 ~~panels or accommodating additional electrical appliances within~~
15 ~~existing service panels.~~