

ASSEMBLY BILL

No. 832

Introduced by Assembly Member Muratsuchi

February 19, 2025

An act to add Chapter 7.5 (commencing with Section 17655) to Part 10.5 of Division 1 of Title 1 of the Education Code, to amend Section 25208 of the Public Resources Code, and to amend Sections 1615, 1616, 1630, 1633, and 1640 of the Public Utilities Code, relating to school facilities, and making an appropriation therefor.

LEGISLATIVE COUNSEL’S DIGEST

AB 832, as introduced, Muratsuchi. School Energy Efficiency Stimulus Program: indoor air quality.

(1) Existing law declares that it is the policy of the state that school facilities provide healthy indoor air quality, including adequate ventilation, to pupils, teachers, and other occupants in order to protect occupant health, reduce sick days, and improve student productivity and performance.

Existing law requires a covered school, defined as a school district, a county office of education, a charter school, a private school, the California Community Colleges, or the California State University, and requests the University of California, to ensure that facilities have heating, ventilation, and air conditioning (HVAC) systems that meet specified minimum ventilation rate requirements, unless the existing HVAC system is not capable of safely and efficiently providing the minimum ventilation rate, in which case existing law requires a covered school, and request the University of California, to ensure that its HVAC system meets the minimum ventilation rates in effect at the time the building permit for installation of that HVAC system was issued.

This bill, on or before July 1, 2027, would require the State Department of Education, in consultation with the State Department of Public Health and the State Air Resources Board, to develop indoor air quality standards, guidelines, and recommendations for school districts, county offices of education, and charter schools. To the extent the bill would impose additional duties on local educational agencies, the bill would impose a state-mandated local program.

(2) Existing law requires the Public Utilities Commission (PUC) to require those electrical corporations with 250,000 or more customer accounts in the state, and those gas corporations with 400,000 or more customer accounts in the state, to fund as part of their energy efficiency portfolios the joint School Energy Efficiency Stimulus Program, which consists of: (A) the School Reopening Ventilation and Energy Efficiency Verification and Repair Program (SRVEVR Program) to award grants to local educational agencies to reopen schools with functional ventilation systems that are tested, adjusted, and, if necessary or cost effective, repaired, upgraded, or replaced to increase efficiency and performance; and (B) the School Noncompliant Plumbing Fixture and Appliance Program (SNPFA Program) to provide grants to state agencies and local educational agencies to replace noncompliant plumbing fixtures, as defined, and noncompliant appliances, as defined, that fail to meet water efficiency standards and waste potable water and the energy used to convey that water with water-conserving plumbing fixtures and appliances.

Existing law requires the PUC to require those utilities to fund the School Energy Efficiency Stimulus Program by allocating their energy efficiency budgets for program years 2021, 2022, and 2023 in specified amounts and requires all funds allocated to be spent or returned to each utility by December 1, 2026. Existing law requires, for each program year, that 75% of these moneys are allocated to the SRVEVR Program and that 25% of these moneys are allocated to the SNPFA Program. Existing law requires the State Energy Resources Conservation and Development Commission (Energy Commission) to ensure that moneys from each utility for the School Energy Efficiency Stimulus Program are used for projects located in the service territory of that utility from which the moneys are received and authorizes the Energy Commission to set application and encumbrance deadlines to ensure that the reversion of funds to each utility occurs by December 1, 2026. Existing law repeals the School Energy Efficiency Stimulus Program on January 1, 2027.

This bill would revise and recast various definitions for purposes of the School Energy Efficiency Stimulus Program, including, among others, by defining “noncompliant appliance” to additionally include a commercial propane, natural gas, or oil water heater. The bill would extend the date by which all funds allocated pursuant to the program are required to be spent or returned to each utility by December 1, 2030, as specified. The bill would authorize the Energy Commission to set application and encumbrance deadlines to ensure that the reversion of these funds occurs instead by December 1, 2030. The bill would additionally authorize the Energy Commission to establish the timing of grant funding, as specified. The bill would require, for the first 2 program years, that 75% of these moneys are allocated to the SRVEVR Program and that 25% of these moneys are allocated to the SNPFA Program. The bill would, after the first 2 program years, instead authorize the Energy Commission to reallocate remaining moneys between the SRVEVR and SNPFA programs based on need. The bill would instead repeal these provisions on January 1, 2031.

Under existing law, the moneys in the School Energy Efficiency Stimulus Program Fund are continuously appropriated. By extending the term of a continuous appropriation, the bill would make an appropriation.

(3) Existing law requires the Energy Commission, until March 1, 2027, to annually submit a report to the relevant policy committees of the Legislature and the Joint Legislative Budget Committee describing programmatic activities and spending pursuant to the School Energy Efficiency Stimulus Program, as specified.

This bill would extend the above-described annual reporting requirement to require that report until March 1, 2031.

(4) Under existing law, a violation of the Public Utilities Act is a crime.

Because certain provisions of this bill would be part of the act, the violation of which 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 with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs

so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: yes.

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

1 SECTION 1. Chapter 7.5 (commencing with Section 17655)
2 is added to Part 10.5 of Division 1 of Title 1 of the Education Code,
3 to read:

4
5 CHAPTER 7.5. INDOOR AIR QUALITY
6

7 17655. On or before July 1, 2027, the department, in
8 consultation with the State Department of Public Health and the
9 State Air Resources Board, shall develop indoor air quality
10 standards, guidelines, and recommendations for school districts,
11 county offices of education, and charter schools.

12 SEC. 2. Section 25208 of the Public Resources Code is
13 amended to read:

14 25208. (a) By March 1, 2022, and by each March 1 thereafter,
15 until March 1, ~~2027, 2031~~, the commission shall submit a report
16 to the relevant policy committees of the Legislature and the Joint
17 Legislative Budget Committee describing programmatic activities
18 and spending pursuant to the School Energy Efficiency Stimulus
19 Program. *The report shall be submitted in compliance with Section*
20 *9795 of the Government Code.*

21 (b) The report shall include both of the following:

22 (1) A description of any changes to guidelines and budget.

23 (2) A summary of past spending, activities funded, and expected
24 changes in funding and activities for the next year.

25 (c) As part of the report, the commission may include
26 information that is already provided in reports submitted to and
27 approved by the Public Utilities Commission, as applicable.

28 (d) Pursuant to Section 10231.5 of the Government Code, this
29 section is repealed on January 1, ~~2032, 2036~~.

30 SEC. 3. Section 1615 of the Public Utilities Code is amended
31 to read:

32 1615. (a) (1) The commission shall require each utility to
33 fund the School Energy Efficiency Stimulus Program by allocating

1 their energy efficiency budgets for program years 2021, 2022, and
2 2023, in both of the following amounts:

3 (A) An amount equal to the applicable percentage of the
4 difference between the budget contained in each utility's 2020
5 annual budget advice letter approved as of July 1, 2020, and the
6 annual portfolio funding limitation for program year 2020 as set
7 forth in the 2018–2025 business plan of each utility as approved
8 and modified in ordering paragraph 45 of the commission's
9 Decision 18-05-041 (May 31, ~~2019~~) 2019), Decision Addressing
10 Energy Efficiency Business Plans, as modified by Decision
11 20-02-029 (February 6, ~~2020~~) 2020), Order Modifying Decision
12 (D.) 18-05-041 and Denying Rehearing of Decision, as Modified.
13 The applicable percentage is 80 percent for program year 2021,
14 70 percent for program year 2022, and 60 percent for program
15 year 2023.

16 (B) Any carryover amount from unspent and uncommitted
17 energy efficiency funds for program year 2020, 2021, or 2022 to
18 the School Energy Efficiency Stimulus Program for the following
19 year's budget.

20 (2) Funding allocations required by this subdivision shall only
21 apply to program years 2021, 2022, and 2023.

22 (3) Any funds allocated towards the School Energy Efficiency
23 Stimulus Program pursuant to this section that remain unspent by
24 the end of each program year may be carried over and contribute
25 to the next year's budget for the School Energy Efficiency Stimulus
26 Program until the end of the 2023 energy efficiency program year.

27 (b) (1) This section does not authorize the levy of a charge or
28 any increase in the amount collected pursuant to an existing charge
29 beyond the amounts authorized by the commission in Decision
30 18-05-041, or as modified by Decision 20-02-029, nor does it add
31 to, or detract from, any existing authority of the commission to
32 levy or increase charges.

33 (2) This subdivision does not change the commission's authority
34 to determine revenue allocation and rate design, including its ability
35 to prioritize customers participating in the California Alternative
36 Rates for Energy or Family Electric Rate Assistance programs
37 when considering appropriate revenue allocation for energy
38 efficiency programs.

39 (c) The Energy Commission shall ensure that moneys from each
40 utility for the School Energy Efficiency Stimulus Program are used

1 for projects located in the service territory of that utility from which
2 the moneys are received.

3 (d) The Energy Commission may use no more than 5 percent,
4 not to exceed five million dollars (\$5,000,000) per year, of the
5 SRVEVR Program and the SNPFA Program funds for
6 administrating the programs, including providing technical support
7 to program participants. The commission shall ensure that funds
8 allocated to the Energy Commission pursuant to this section are
9 transferred to an account specified by the Energy Commission
10 within 60 days after the completion of the prior energy efficiency
11 program year.

12 (e) (1) The School Energy Efficiency Stimulus Program Fund
13 was administratively established for the Energy Commission to
14 receive funds allocated pursuant to this chapter.

15 (2) Notwithstanding Section 13340 of the Government Code,
16 the moneys in the School Energy Efficiency Stimulus Program
17 Fund are hereby continuously appropriated to the Energy
18 Commission without regard to fiscal years for the purposes of the
19 School Energy Efficiency Stimulus Program established pursuant
20 to this chapter, including, but not limited to, paying the costs of
21 program administration.

22 (f) All funds allocated in subdivision (a) shall be spent or
23 returned to each utility by December 1, ~~2026~~: 2030.

24 (g) The Energy Commission may set application and
25 encumbrance deadlines to ensure that the reversion of funds as
26 required by subdivision (f) occurs by December 1, ~~2026~~: 2030.

27 (h) The Energy Commission shall take steps, consistent with
28 Section 25230 of the Public Resources Code, to ensure that a
29 diverse group of contractors are aware of funding opportunities
30 available through the School Energy Efficiency Stimulus Program.

31 SEC. 4. Section 1616 of the Public Utilities Code is amended
32 to read:

33 1616. (a) Moneys for the School Energy Efficiency Stimulus
34 Program for each program year shall be allocated as ~~follows~~:
35 *follows for the first two program years*:

36 ~~(a)~~

37 (1) Seventy-five percent to the SRVEVR Program.

38 ~~(b)~~

39 (2) Twenty-five percent to the SNPFA Program.

1 (b) *After the first two program years, the Energy Commission*
2 *may reallocate remaining moneys between the SRVEVR Program*
3 *and SNPFA Program based on need.*

4 SEC. 5. Section 1630 of the Public Utilities Code is amended
5 to read:

6 1630. For purposes of this article, the following terms have
7 the following meanings:

8 (a) “Noncompliant appliance” means ~~all~~ *any* of the following:

9 (1) ~~Any~~ *A commercial dishwasher that was manufactured prior*
10 ~~to before~~ *January 1, 2010, that does not meet the efficiency*
11 *requirement of the Energy Star Product Specification for*
12 *Commercial Dishwashers, Version 1.1.*

13 (2) ~~Any~~ *A automatic commercial ice maker that was*
14 ~~manufactured prior to before~~ *January 1, 2010, that does not meet*
15 *the efficiency requirement of the Energy Star Product Specification*
16 *for Automatic Commercial Ice Makers, Version 1.0.*

17 (3) ~~Any~~ *A commercial clothes washer that was manufactured*
18 ~~prior to before~~ *January 1, 2010, that does not meet the efficiency*
19 *requirement of the Energy Star Product Specification for Clothes*
20 *Washers, Version 5.0.*

21 ~~(b) “Noncompliant plumbing fixtures” and “water-conserving~~
22 ~~plumbing fixtures” have~~

23 (4) *A commercial propane, natural gas, or oil water heater.*

24 (b) “Noncompliant plumbing fixtures” means either of the
25 following:

26 (1) *A toilet, urinal, showerhead, or interior faucet that meets*
27 ~~the same meanings set forth~~ *definition of “noncompliant plumbing*
28 *fixture” in Section 1101.3 of the Civil Code.*

29 (2) *A toilet, urinal, showerhead, or interior faucet installed*
30 ~~before August 1, 2020, that uses a handle or button to control the~~
31 ~~flow of water.~~

32 (c) “Water-conserving appliance” means any of the following:

33 (1) *A commercial dishwasher that meets the criteria of the*
34 *Energy Star Product Specification for Commercial Dishwashers,*
35 *Version 2.0, or any revision to those criteria published by the*
36 *United States Environmental Protection Agency that is adopted*
37 *by the Energy Commission for the program.*

38 (2) *An automatic commercial ice maker that meets the criteria*
39 *of the Energy Star Product Specification for Automatic Commercial*
40 *Ice Makers, Version 3.0, or any revision to those criteria published*

1 by the United States Environmental Protection Agency that is
2 adopted by the Energy Commission for the program.

3 (3) ~~Any~~ A commercial clothes washer that meets the criteria of
4 the Energy Star Product Specification for Clothes Washers, Version
5 8.0, or any revision to those criteria published by the United States
6 Environmental Protection Agency that is adopted by the Energy
7 Commission for the program.

8 (4) *An electric water heater that meets either of the following*
9 *criteria:*

10 (A) *Subsection (d) of Section 430.32 of Title 10 of the Code of*
11 *Federal Regulations.*

12 (B) *Paragraph (1) of subsection (e) of Section 6295 of Title 42*
13 *of the United States Code.*

14 (d) *“Water-conserving plumbing fixture” means either of the*
15 *following:*

16 (1) *A fixture that meets the definition of “water-conserving*
17 *plumbing fixture” in Section 1101.3 of the Civil Code.*

18 (2) *A toilet, urinal, showerhead, or interior faucet that uses a*
19 *motion sensor to control the flow of water instead of a handle or*
20 *button.*

21 SEC. 6. Section 1633 of the Public Utilities Code is amended
22 to read:

23 1633. (a) The Energy Commission shall award a grant pursuant
24 to this article if an applicant submits documents showing the
25 existence of noncompliant plumbing fixtures or appliances in the
26 buildings for which the grant funding will be used and a cost
27 estimate that is verified by a contractor for the replacement of the
28 noncompliant plumbing fixtures and appliances with
29 water-conserving plumbing fixtures and water-conserving
30 appliances, and the applicant meets other requirements determined
31 by the Energy Commission to be appropriate to achieve the
32 purposes of this article.

33 (b) *The Energy Commission may establish the timing of grant*
34 *funding, including, but not limited to, by providing some or all*
35 *funding in advance of the performance of work where requirements*
36 *to ensure performance are established.*

37 ~~(b)~~

38 (c) As a condition of the grant, an applicant receiving a grant
39 shall ensure that all construction work funded, in whole or in part,
40 by the grants are performed by a skilled and trained workforce.

1 ~~(e)~~

2 ~~(d)~~ The Energy Commission is authorized to provide technical
3 assistance or award grants pursuant to the School Noncompliant
4 Plumbing Fixture and Appliance Program to assist local educational
5 agencies in identifying noncompliant plumbing fixtures and
6 noncompliant appliances eligible for replacement pursuant to this
7 article.

8 SEC. 7. Section 1640 of the Public Utilities Code is amended
9 to read:

10 1640. This chapter shall remain in effect only until January 1,
11 2027, 2031, and as of that date is repealed.

12 SEC. 8. No reimbursement is required by this act pursuant to
13 Section 6 of Article XIII B of the California Constitution for certain
14 costs that may be incurred by a local agency or school district
15 because, in that regard, this act creates a new crime or infraction,
16 eliminates a crime or infraction, or changes the penalty for a crime
17 or infraction, within the meaning of Section 17556 of the
18 Government Code, or changes the definition of a crime within the
19 meaning of Section 6 of Article XIII B of the California
20 Constitution.

21 However, if the Commission on State Mandates determines that
22 this act contains other costs mandated by the state, reimbursement
23 to local agencies and school districts for those costs shall be made
24 pursuant to Part 7 (commencing with Section 17500) of Division
25 4 of Title 2 of the Government Code.