DOCKETED	
Docket Number:	22-DECARB-02
Project Title:	Building Decarbonization and Electric Vehicle Charging Equipment Web Guide
TN #:	243847
Document Title:	Senate Bill 68, Becker, Approved 2021
Description:	This bill would require the Energy Commission to gather or develop, and publish on its internet website, guidance and best practices to help building owners, the construction industry, and local governments overcome barriers to electrification of buildings and installation of electric vehicle charging equipment.
Filer:	Heriberto Rosales
Organization:	California Energy Commission
Submitter Role:	Commission Staff
Submission Date:	7/6/2022 11:23:35 AM
Docketed Date:	7/6/2022

Senate Bill No. 68

CHAPTER 720

An act to amend Section 25711.5 of, and to add Section 25233.5 to, the Public Resources Code, relating to electricity.

[Approved by Governor October 8, 2021. Filed with Secretary of State October 8, 2021.]

LEGISLATIVE COUNSEL'S DIGEST

SB 68, Becker. Building electrification and electric vehicle charging.

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 require the Energy Commission to gather or develop, and publish on its internet website, guidance and best practices to help building owners, the construction industry, and local governments overcome barriers to electrification of buildings and installation of electric vehicle charging equipment.

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 Energy Commission to also award those moneys for projects that will benefit electricity ratepayers and lead to technological advancements to reduce the costs of building electrification.

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

SECTION 1. (a) The Legislature finds and declares all of the following:

(1) Climate change is an urgent threat to the health and well-being of California's residents and economy.

(2) Emissions of greenhouse gases from the combustion of fossil fuels in commercial and residential buildings make up a significant share of the state's total emissions and can result in negative health consequences for building occupants.

(3) Switching from the use of fossil fuels to electricity for heating and other building energy uses is an important pathway for reducing onsite emissions of greenhouse gases from buildings while improving public health.

(4) Emissions of greenhouse gases from the use of fossil fuels for transportation makes up the largest share of the state's total emissions.

(5) Switching from fossil fuel-powered vehicles to electric vehicles (EVs) is an important pathway for reducing emissions of greenhouse gases from the transportation sector.

(6) The availability of EV charging at residential and commercial buildings is an important factor in the adoption of EVs.

(7) Encouraging building owners to adopt these technologies will also support local jobs retrofitting buildings in every city around the state.

(8) Therefore, it is a priority for the state's climate policy to make it as easy as possible for building owners who choose to switch from fossil fuel-powered equipment to electrical equipment for heating, cooking, and other energy needs and to install EV charging equipment or energy storage systems for their buildings.

(b) It is the intent of the Legislature to reduce the barriers that impede building owners from electrifying their buildings or adding EV charging equipment as a means of accelerating the reduction of emissions of greenhouse gases from the building and transportation sectors.

SEC. 2. Section 25233.5 is added to the Public Resources Code, to read:

25233.5. To help building owners to decarbonize buildings and add energy storage or electric vehicle charging capacity to buildings, the commission, in coordination with the Public Utilities Commission, the Department of Housing and Community Development, the California Building Standards Commission, and other relevant state agencies, shall gather or develop, and publish on the commission's internet website, guidance and best practices to help building owners, the construction industry, and local governments overcome barriers to electrification of buildings and installation of electric vehicle charging equipment that include any of the following topics:

(a) Availability of electrical equipment for replacement of the common fossil-fuel-powered equipment within buildings, including high-efficiency options that can minimize electrical service capacity requirements.

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

(c) Technologies that allow the noncoincidental sharing of electrical circuits.

(d) The development of whole building electrification plans to help building owners prepare for future additions of electrical equipment, even if only a portion of equipment will be replaced, or energy storage or vehicle charging added, during an initial project. The plan may include wiring changes and energy planning to reduce the need for rework and help correctly size distributed energy and energy storage systems to anticipated future needs.

(e) Model permit applications, an eligibility checklist for expedited permitting, and a concise inspection list for the most common building electrification, energy storage, or vehicle charging installation projects that would be suitable for adoption by local governments seeking to streamline and standardize permitting and inspections.

SEC. 3. Section 25711.5 of the Public Resources Code is amended to read:

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

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

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

(2) Technological advancements to reduce the costs of building electrification, including by reducing or avoiding costs of expanding electrical service and electrical panel upgrades for existing buildings.

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

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

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

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

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

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

(2) A brief description of each project funded by the EPIC program that was completed in the immediately prior calendar year, including the name of the recipient, the amount of the award, and the outcomes of the funded project.

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

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

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

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

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

(8) A brief description of each project for which follow-on funding was awarded in the immediately prior calendar year, including the amount of follow-on funding awarded for the project and the method and criteria used to select that project.

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

(h) (1) Use a competitive bid as the preferred method to solicit project applications and award funds pursuant to the EPIC program, except as specified in paragraphs (2) and (4).

(2) (A) The commission may use a sole source or interagency agreement method to noncompetitively award funding for a project if the project has a reasonable cost, the project satisfies one or more of the criteria described in subdivision (f) of Section 25620.5, and both of the following conditions are met:

(i) The commission, at least 60 days before making an award pursuant to this subdivision, notifies the Joint Legislative Budget Committee and the relevant policy committees in both houses of the Legislature, in writing, of its intent to take the proposed action.

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

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

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

(4) (A) Notwithstanding any other law, the commission may award, through a noncompetitive method, follow-on funding for projects that meet all of the following requirements:

(i) The project is eligible to receive an award of funds from the EPIC program.

(ii) The project has been funded, at least in part, through the EPIC program.

(iii) The project has a prime recipient that is located in California.

(iv) The project will spend a minimum of 80 percent of its funding from the program in California.

(v) The project has received funding for the original project or technology through a competitive bid process from a state or federal agency.

(vi) The project has demonstrated significant results under its previous award.

(vii) The project has technology breakthrough potential that can enable the state to achieve its statutory energy policy goals on or ahead of schedule.

(viii) The project can address near-term priorities impacting the electricity sector and its ratepayers, such as mitigating wildfires and reducing the occurrence of deenergization events.

(ix) Absent follow-on funding, the project would experience a gap in funding that would likely prevent the technology from achieving significant advancement, negatively impact the ability of the project to attract sufficient private investment, or prevent the project's commercialization and associated sales revenue.

(x) The project has not previously received follow-on funding through a noncompetitive method.

(B) The commission shall approve any award of follow-on funding at a business meeting.

(C) follow-on funding is not subject to the requirements of paragraph (2).

(D) A project's follow-on funding shall not exceed the project's most recent competitively bid award through the EPIC program.

(E) The commission may adopt guidelines for follow-on funding awards. The Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code) does not apply to the adoption of these guidelines.

(F) This paragraph shall become inoperative on July 1, 2025.

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