



**Bay Area
Regional
Collaborative**

Joseph P. Bort MetroCenter • 101 8th Street • Oakland, California 94607-4756
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BAY AREA REGIONAL COLLABORATIVE

GOVERNING BOARD

Friday, September 18, 2015
10:00 a.m. to 12:00 p.m.

MetroCenter, 101 8th Street, Auditorium
Oakland, California

MEETING NOTICE AND AGENDA

- 1. Call to Order**
- 2. Governing Board Members Comment**
Information
- 3. Public Comment**
Information
- 4. Approval of the Governing Board Meeting Minutes of July 17, 2015**
Action
Attachment: Draft Meeting Summary from July 17, 2015
(Meeting audio recording can be found at www.mtc.ca.gov/meetings/archive)
- 5. Brief Updates from BARC Member Agency Executive Directors**
Information
 - A. Jack Broadbent, Bay Area Air Quality Management District
 - B. Steve Heminger, Metropolitan Transportation Commission
 - C. Larry Goldzband, San Francisco Bay Conservation and Development Commission
 - D. Ezra Rapport, Association of Bay Area Governments
- 6. Presentation on Sonoma County's Climate Protection Efforts—A Model for the Bay Area and Beyond**
Information
 - Introduction by BARC Governing Board member Jake Mackenzie, Councilmember, City of Rohnert Park (MTC Vice Chair, ABAG Executive Board representative, Sonoma County Transportation Authority/Regional Climate Protection Authority Director)
 - Grant Davis, General Manager, Sonoma County Water Agency

- Suzanne Smith, Executive Director, Sonoma County Transportation Authority/Regional Climate Protection Authority (SCTA/RCPA)
- Lauren Casey, Deputy Director, RCPA

7. State Legislative Round-Up

Information/Discussion

- A. Transportation—Randy Rentschler, Director Legislation and Public Affairs, MTC
- B. Climate Mitigation—Tom Addison, Senior Policy Advisor, BAAQMD
- C. Climate Adaptation and Brief Presentation on Alliance of Regional Collaboratives for Climate Adaptation (ARCCA)—Kif Scheuer, Climate Change Program Director, Local Government Commission

Attachments: Legislation; Description of Alliance of Regional Collaboratives for Climate Adaptation (ARCCA)

8. Update on BARC Activities (Allison Brooks, BARC Executive Director)

Decision/Discussion

- A. Climate Change Technical Assistance Task Force
- B. Program Assistant Position Posting

Attachment:

9. Adjournment

Next BARC Governing Board Meeting: November 20, 2015

The Governing Board may take action on any item listed in the agenda.

This meeting is scheduled to end promptly at 12:00 p.m. Agenda items not considered by that time may be deferred.

The public is encouraged to comment on agenda items by completing a request-to-speak card and giving it to BARC staff or the chairperson.

Although a quorum of the Metropolitan Transportation Commission may be in attendance at this meeting, the BARC Governing Board may take action only on those matters delegated to it. The BARC Governing Board may not take any action as the Metropolitan Transportation Commission unless this meeting has been previously noticed as a Metropolitan Transportation Commission meeting.

For additional information, please contact Allison Brooks, BARC Executive Director, at (510) 464-7942 or abrooks@mtc.ca.gov.

Posted: September 11, 2015



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GOVERNING BOARD

Friday, September 18, 2015
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SUMMARY OF MEETING OF JULY 17, 2015

(Meeting audio recording can be found at www.mtc.ca.gov/meetings/archive)

ABAG	BAAQMD	BCDC	MTC
Scott Haggerty	Tom Bates	Brad Wagenknecht	Dave Cortese
Mark Luce	Cindy Chavez		Jim Spering
Julie Pierce	Eric Mar		
Pradeep Gupta	Nate Miley		
David Rabbitt	Mark Ross		

CBTH Agency

Dan McElhinney

Meeting in Brief

Ms. Abby Young, Climate Protection Manager at the Bay Area Air Quality Management District (BAAQMD's) provided an overview of the Gap Analysis BAAQMD is conducting as part of the development of a Regional Climate Protection Strategy.

- The Gap Analysis is focused on identifying areas where the BAAQMD can enhance and focus efforts to meet Air District Board Resolution 2013-11 that aims to reduce Bay Area greenhouse gas emissions (GHG) 80% below 1990 levels by 2050.
- The Gap Analysis involves an Economic Sector Analysis that is consistent with the California Air Resources Board (ARB) 2014 Scoping Plan looking at nine economic sectors – transportation, energy, agriculture, water, waste, buildings, stationary sources, short-lived climate pollutants and natural and working lands.
- The BAAQMD will use a variety of tools to increase energy efficiency, reduce demand for fossil fuels and decarbonize the energy supply for remaining demand.
- The BARC Governing Board will continue to follow this important work, which can inform the efforts of the other BARC member agencies.

The BARC Executive Director introduced the idea of forming a BARC Climate Change Technical Assistance Task Force that will focus on further identifying and enhancing the best roles and responsibilities of the regional agencies in supporting climate change mitigation and adaptation, working closely with cities and counties, other key stakeholders, and state partners. The Executive Director will bring forward further details on the effort at future BARC Governing Board meetings.

Ms. Diana Sokolove from the City of San Francisco and Margo O'Driscoll presented the idea of conducting a Bay Area Resiliency Design Challenge that is modeled somewhat after the Rebuild By Design effort that occurred after the devastation of Hurricane Sandy in New York, New Jersey and Connecticut on the east coast. The project is in the conceptual phase and is intended to be regional in focus. Additional information will be brought before the BARC Governing Board, as the effort gets further underway.

Agenda and Action Items

1. Call to Order

Chair Haggerty called the meeting to order

2. Committee Comment

None

3. Public Comment

Mr. Ken Bukowski and Ms. Jane Kramer spoke.

4. Approval of Minutes

Motion to Approve: Mr. Jim Spering, Second: Mr. Mark Luce; Motion approved

5. Brief Updates from BARC Member Agency Executive Directors

6. Presentation on Bay Area Air Quality Management District Gap Analysis, Climate Protection Strategy by Ms. Abby Young, Climate Protection Manager, Bay Area Air Quality Management District.

7. Presentation on Proposed BARC Climate Change Technical Assistance Task Force by Ms. Allison Brooks, BARC Executive Director.

8. Presentation on Bay Area Resiliency Design Challenge Call for Interest and Participation by Diana Sokolove, Senior Planner City of San Francisco, and Margie O'Driscoll, Bay Area Representative, Rebuild by Design.

9. Adjournment

Chair Haggerty adjourned the meeting at 12:00 p.m.

Date Submitted: September 11, 2015

Date Approved:

Bringing a Voice to Regional Adaptation

The Alliance of Regional Collaboratives for Climate Adaptation (ARCCA) is a **network comprised of five existing regional collaboratives** from across California that in total encompass 80% of the state's population.

ARCCA's members represent leading regional collaboratives that are already coordinating and supporting climate adaptation efforts in their own regions in order **to enhance public health, protect natural systems, build economies, and improve quality of life**. ARCCA's key initiatives and outcomes include:

- Fostering regional development through sharing of best practices and development of case studies and resources,
- Coordinating with the State on the Safeguarding California Plan, the State Climate Research Plan, the Affordable Housing and Sustainable Communities, and the President's Taskforce on Climate Resilience and Preparedness,
- Defining the "space" for adaptation in regional and state dialogues that helps to create a conceptual framework and role for practitioners to coordinate activities,
- And supporting new California collaboratives through ARCCA's Regional Collaboration Toolkit.

Principles of Adaptation

- 1 Focus on the Regional Level** - Communities are already bound together at a regional scale and are more likely to have common goals.
- 2 Consider Health, Safety, and Equity of All Californians** - Adapting to climate change is fundamentally about protecting people and resources we rely upon.
- 3 Empower Collaboration Across All Sectors and Levels of Leadership** - Empower action by establishing and expanding alliances and networks.
- 4 Provide Consistency at the State Level** - The State should provide access to the best-available climate science and sophisticated risk assessment tools.
- 5 Utilize Existing Policy Mechanisms** - To minimize disruptions and maximize existing capacities, adaptation should be integrated throughout existing plans, policies and decision-making.
- 6 Prioritize Multiple Benefits** - It is important to prioritize those actions that yield the greatest collective benefits.
- 7 Employ Forward-Looking, Adaptive Management Approaches** - Effective responses to continual climate change employ an adaptive management framework with regular monitoring and reassessments.
- 8 Invest in Resiliency** - Public dollars, as well as private, should be prioritized to invest in developing policies and projects that increase our resiliency.

Principles of Collaboration

- 1** Composed of collaboratives organized to address climate in particular regions of California, ARCCA is dedicated to helping the state prepare for impacts of climate change.
- 2** Through collaboration, each state will accomplish more than by working alone and can better help the State succeed in protecting Californians.
- 3** ARCCA will generally operate by democratic principles and seek to reach consensus as much as possible through dialogue and negotiation.
- 4** Recognizing that regions have different climate adaptation priorities, ARCCA will focus efforts where there is common ground.
- 5** Each collaborative will share information that it believes will be valuable to other regions, including pilot projects and case studies, best practices, funding models and partnerships.
- 6** We will seek to be inclusive of other regions in the state interested in participating and be a resource to those outside California where appropriate.
- 7** We will strive to find common objectives to develop joint funding opportunities.
- 8** Our common voice will increase the credibility and effectiveness of our efforts to inform state and federal policy, guidance and resource allocation.

Advancing Climate Adaptation in California and Beyond



CAPITAL REGION
CLIMATE READINESS
COLLABORATIVE

CRC Projects, Initiatives, and Accomplishments

- Helping to reduce the risk and economic impacts of weather-related disasters to small businesses in the region through the Business Resiliency Initiative (BRI)
- Through CivicSpark, developed a transportation-focused Climate Adaptation Plan, that the Sacramento Area Council of Governments formally adopted into the 2016 Metropolitan Transportation Plan Update
- Increasing regional understanding through quarterly meetings and additional workshops



Bay Area
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BARC Projects, Initiatives, and Accomplishments

- Developing an integrated regional climate technical assistance program to support mitigation & adaptation efforts at local and regional scale
- BCDC's Adapting to Rising Tides project is helping Bay Area communities adapt to sea level rise and storm events
- Helped form Alliance of Climate Resilience to ensure vulnerabilities of disadvantaged communities to climate impacts are at forefront
- CRI is developing academic-practitioner joint projects on sea-level rise, carbon sequestration, water/drought, and public health



**SIERRA
CAMP**

Sierra CAMP Projects, Initiatives, and Accomplishments

- Developing a Climate Adaptation Plan, a climate assessment of the Sierra Nevada and the connections to downstream urban communities
- Serving on the Department of Fish and Wildlife's State Wildlife Action Plan Energy Development committee, providing guidance on balancing energy development and working landscapes
- Working to advance rural climate policy and to address rural issues in the Cap and Trade Investment Plan Update process



**Climate
Collaborative**
SAN DIEGO REGION

SDRCC Projects, Initiatives, and Accomplishments

- Building local capacity by hosting quarterly meetings and other workshops for local government staff to build and leverage local expertise in addressing climate impacts
- Providing technical and grant assistance to several local jurisdictions
- Recipient of 2015 Climate Leadership Award for Innovative Partnerships from U.S. EPA, recognizing SDRCC as a model partnership that could be replicated in other regions of the country

LARC

Los Angeles Regional Collaborative
for Climate Action and Sustainability

LARC Projects, Initiatives, and Accomplishments

- Released, in collaboration with LA County, region-wide GHG inventories for LA County and individual inventories for 88 cities
- Connected local decision-makers to work of UCLA, including downscaled climate models to better anticipate climate impacts
- Working with USC/Sea Grant to develop a regional sea-level rise and storm model
- Outreach Partner of UCLA Center for Sustainable Communities "Energy Atlas" project

Executive Department
State of California

**A PROCLAMATION
BY THE GOVERNOR OF THE STATE OF CALIFORNIA**

WHEREAS maintaining infrastructure is a critical function of state government and vital to California's continued economic growth; and

WHEREAS California faces considerable challenges in its ability to fund crucial maintenance and repair of its core transportation infrastructure—state highways, local streets, roads, and bridges—and current resources do not adequately support the maintenance of this vast system; and

WHEREAS the current fuel excise tax revenues are only sufficient to fund \$2.3 billion in annual highway repairs, leaving \$5.7 billion in unfunded repairs each year based on the latest estimate of the state's deferred maintenance; and

WHEREAS these extraordinary circumstances require the Legislature of the State of California to be convened in a special session.

NOW, THEREFORE, I, EDMUND G. BROWN JR., Governor of the State of California, in accordance with Section 3(b) of Article IV of the Constitution of the State of California, hereby convene the Legislature of the State of California to assemble in extraordinary session in Sacramento, California, on the 19th day of June, 2015, at a time to be determined, for the following purposes:

To consider and act upon legislation necessary to enact pay-as-you-go, permanent and sustainable funding to:

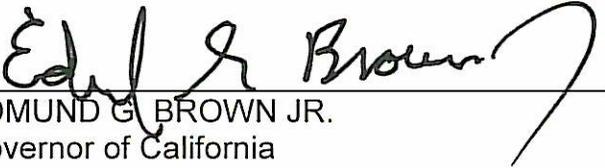
- a. Adequately and responsibly maintain and repair the state's transportation and other critical infrastructure; and
- b. Improve the state's key trade corridors; and
- c. Complement local efforts for repair and improvements of local transportation infrastructure.

To consider and act upon legislation necessary to:

- a. Establish clear performance objectives measured by the percentage of pavement, bridges, and culverts in good condition; and
- b. Incorporate project development efficiencies to expedite project delivery or reduce project costs.

I **FURTHER DIRECT** that as soon as hereafter possible, this Proclamation be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Proclamation.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 16th day of June 2015.


EDMUND G. BROWN JR.
Governor of California

ATTEST:

ALEX PADILLA
Secretary of State

Assembly Bill No. 1482

Passed the Assembly September 9, 2015

Chief Clerk of the Assembly

Passed the Senate September 8, 2015

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2015, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Section 75125 of, and to add Part 3.7 (commencing with Section 71150) to Division 34 of, the Public Resources Code, relating to climate change.

LEGISLATIVE COUNSEL’S DIGEST

AB 1482, Gordon. Climate adaptation.

Existing law establishes the Natural Resources Agency, comprised of departments, boards, conservancies, and commissions responsible for the restoration, protection, and management of the state’s natural and cultural resources.

Existing law establishes the Strategic Growth Council in state government and assigns to the council certain duties, including providing, funding, and distributing data and information to local governments and regional agencies that will assist in the development and planning of sustainable communities.

This bill would require the agency, by July 1, 2017, and every 3 years thereafter, to update the state’s climate adaptation strategy, as provided. The bill would require the agency, by January 1, 2017, and every 3 years thereafter, to release a draft climate adaptation strategy, as provided. The bill would require state agencies to maximize specified objectives, including, among others, promoting the use of the climate adaptation strategy to inform planning decisions and ensure that state investments consider climate change impacts, as well as promote the use of natural systems and natural infrastructure, as defined, when developing physical infrastructure to address adaptation.

This bill also would expand the duties of the council to include identifying and reviewing the activities and funding programs of all state agencies, instead of only the state agencies that are members of the council, to coordinate specified state objectives, including, among others, meeting the goals of the state’s climate adaptation strategy.

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

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

(a) California’s climate is changing, posing an escalated threat to public health, the environment, the economy, and public and private property in the state. The increasing frequency of extreme weather events, including floods and heat waves, fires, rising sea levels, and changes in hydrology, including diminishing snowpacks and more frequent droughts, among other climate change impacts, will affect every part of residents’ lives in the next century and beyond. Planning appropriately for these impacts will help us be better prepared for the future.

(b) The impacts of climate change, including longer droughts, extended floods, prolonged fire seasons with larger and more intense fires, heat waves, and sea level rise, are already creating challenges for public health and safety and causing destructive property damage.

(c) Climate change poses a threat not just to the lives and health of residents but also to the state’s economy and to the financial health of our local governments.

(d) According to the Natural Resources Agency’s report, “Safeguarding California: Reducing Climate Risk,” state-of-the-art modeling shows that a single extreme winter storm in California could cost on the order of \$725,000,000,000, including total direct property losses of nearly \$400,000,000,000 and devastating impacts to residents, the economy, and natural resources.

(e) Adapting to climate change, in addition to reducing the impacts of climate change on California’s natural resources and infrastructure, is essential to protecting the state’s environment and economy over time and will require coordination across all state departments and agencies.

(f) Given the potential impacts and the long-term nature of effective planning, California needs to take action now.

SEC. 2. Part 3.7 (commencing with Section 71150) is added to Division 34 of the Public Resources Code, to read:

PART 3.7. CLIMATE CHANGE AND CLIMATE
ADAPTATION

71150. For purposes of this part, the following terms have the following meanings:

- (a) “Agency” means the Natural Resources Agency.
- (b) “Council” means the Strategic Growth Council.
- (c) “Plan” means the Safeguarding California Plan.

71152. It is the intent of the Legislature to prioritize the state’s response to the impacts resulting from climate change by ensuring all state departments and agencies prepare for and are ready to respond to the impacts of climate change, such as extreme weather events, the urban heat island effect, habitat loss, wildfire, sea-level rise, and drought. It also is the intent of the Legislature that the agency consider developing policies to address the impacts of climate change and climate adaptation with a focus on people, places, and water and that actions taken to address climate adaptation should be consistent with the plan.

71153. (a) By July 1, 2017, and every three years thereafter, the agency shall update the state’s climate adaptation strategy, known as the plan. As part of the update, the agency shall coordinate with other state agencies to identify a lead agency or group of agencies to lead adaptation efforts in each sector. The updates to the plan shall include all of the following:

(1) Vulnerabilities to climate change by sector, as identified by the lead agency or group of agencies, and regions, including, at a minimum, the following sectors:

- (A) Water.
- (B) Energy.
- (C) Transportation.
- (D) Public health.
- (E) Agriculture.
- (F) Emergency services.
- (G) Forestry.
- (H) Biodiversity and habitat.
- (I) Ocean and coastal resources.

(2) Priority actions needed to reduce risks in those sectors, as identified by the lead agency or group of agencies.

(b) By January 1, 2017, and every three years thereafter, the agency shall release a draft plan. Between the release of the draft

plan and the publication of the final update of the plan, the agency shall hold at least three public hearings for the purpose of providing an opportunity for the public to review and provide written and oral comments on the draft plan. The public hearings shall be held in northern California, the central valley of California, and southern California.

(c) The agency shall annually report to the Legislature, consistent with Section 9795 of the Government Code, on actions taken by each applicable agency to implement the plan.

71154. To address the vulnerabilities identified in the plan, state agencies shall work to maximize, where applicable and feasible, the following objectives:

(a) Educating the public about the consequences of climate change, such as sea-level rise, extreme weather events, the urban heat island effect, habitat loss, wildfire, drought, threats to infrastructure and agriculture, worsening air and water quality, and public health impacts.

(b) Ensuring there is a continued repository for scientific data on climate change and climate adaptation in the state in order to facilitate educated state and local policy decisions and to help identify primary risks from climate change to residents, property, communities, and natural systems across the state.

(c) (1) Promoting the use of the plan to inform planning decisions and ensure that state investments consider climate change impacts, as well as promote the use of natural systems and natural infrastructure, when developing physical infrastructure to address adaptation.

(2) When developing infrastructure to address adaptation, where feasible, a project alternative should be developed that utilizes existing natural features and ecosystem processes or the restoration of natural features and ecosystem processes to meet the project's goals.

(3) For purposes of this subdivision, "natural infrastructure" means the preservation or restoration of ecological systems or the utilization of engineered systems that use ecological processes to increase resiliency to climate change, manage other environmental hazards, or both. This may include, but need not be limited to, flood plain and wetlands restoration or preservation, combining levees with restored natural systems to reduce flood risk, and urban tree planting to mitigate high heat days.

(d) Encouraging regional collaborative planning efforts to address regional climate change impacts and adaptation strategies.

(e) Promoting drought resiliency through an integrated water supply, delivery, and capture system that is coordinated and that can be resilient to a multiyear drought scenario while protecting water quality and the public health. Establishing both drought preparation programs, which will help create sustainable water systems in the future, and immediate drought response programs, which will reduce water demand or increase supply within one to five years of any declared drought.

(f) Building resilient communities by developing urban greening projects that reduce air pollution and heat reflection in urban areas and create livable, sustainable communities in urban cores to promote infill development and reduce greenhouse gas emissions.

(g) Protecting and enhancing habitat, species strongholds, and wildlife corridors that are critical to the preservation of species that are at risk from the consequences of climate change.

(h) Promoting actions to ensure healthy soils and sustainable agriculture; inform reliable transportation planning; improve emergency management response across sectors; ensure sufficient, reliable, and safe energy; improve capacity to reduce and respond to public health threats; address the impacts of climate change on disadvantaged communities; and protect cultural resources from the impacts of climate change.

SEC. 3. Section 75125 of the Public Resources Code is amended to read:

75125. The council shall do all of the following:

(a) Identify and review activities and funding programs of state agencies that may be coordinated to improve air and water quality, improve natural resource protection, increase the availability of affordable housing, improve transportation, meet the goals of the California Global Warming Solutions Act of 2006 (Division 25.5 (commencing with Section 38500) of the Health and Safety Code) and the strategies and priorities developed in the state's climate adaptation strategy known as the Safeguarding California Plan adopted pursuant to Section 71152, encourage sustainable land use planning, and revitalize urban and community centers in a sustainable manner. At a minimum, the council shall review and comment on the five-year infrastructure plan developed pursuant to Article 2 (commencing with Section 13100) of Chapter 2 of

Part 3 of Division 3 of Title 2 of the Government Code and the State Environmental Goals and Policy Report developed pursuant to Section 65041 of the Government Code.

(b) Recommend policies and investment strategies and priorities to the Governor, the Legislature, and to appropriate state agencies to encourage the development of sustainable communities, such as those communities that promote equity, strengthen the economy, protect the environment, and promote public health and safety, consistent with subdivisions (a) and (c) of Section 75065.

(c) Provide, fund, and distribute data and information to local governments and regional agencies that will assist in developing and planning sustainable communities.

(d) Manage and award grants and loans to support the planning and development of sustainable communities, pursuant to Sections 75127, 75128, and 75129. To implement this subdivision, the council may do all of the following:

(1) Develop guidelines for awarding financial assistance, including criteria for eligibility and additional consideration.

(2) Develop criteria for determining the amount of financial assistance to be awarded. The council shall award a revolving loan to an applicant for a planning project, unless the council determines that the applicant lacks the fiscal capacity to carry out the project without a grant. The council may establish criteria that would allow the applicant to illustrate an ongoing commitment of financial resources to ensure the completion of the proposed plan or project.

(3) Provide for payments of interest on loans made pursuant to this article. The rate of interest shall not exceed the rate earned by the Pooled Money Investment Board.

(4) Provide for the time period for repaying a loan made pursuant to this article.

(5) Provide for the recovery of funds from an applicant that fails to complete the project for which financial assistance was awarded. The council shall direct the Controller to recover funds by any available means.

(6) Provide technical assistance for application preparation.

(7) Designate a state agency or department to administer technical and financial assistance programs for the disbursing of grants and loans to support the planning and development of sustainable communities, pursuant to Sections 75127, 75128, and 75129.

(e) Provide an annual report to the Legislature that shall include, but need not be limited to, all of the following:

- (1) A list of applicants for financial assistance.
- (2) Identification of which applications were approved.
- (3) The amounts awarded for each approved application.
- (4) The remaining balance of available funds.
- (5) A report on the proposed or ongoing management of each funded project.
- (6) Any additional minimum requirements and priorities for a project or plan proposed in a grant or loan application developed and adopted by the council pursuant to subdivision (c) of Section 75126.

Approved _____, 2015

Governor

AMENDED IN ASSEMBLY SEPTEMBER 10, 2015

AMENDED IN ASSEMBLY SEPTEMBER 4, 2015

AMENDED IN ASSEMBLY AUGUST 31, 2015

AMENDED IN SENATE JUNE 1, 2015

AMENDED IN SENATE MAY 5, 2015

AMENDED IN SENATE MARCH 16, 2015

SENATE BILL

No. 32

Introduced by Senator Pavley

(Coauthors: Senators Allen, Beall, Block, De León, Hancock, Hill, Jackson, Leno, Liu, McGuire, Mitchell, Monning, Wieckowski, and Wolk)

(Coauthors: Assembly Members Bloom, *Chau*, Chiu, Chu, Cristina Garcia, McCarty, Quirk, Rendon, Mark Stone, Thurmond, Ting, Williams, and Wood)

December 1, 2014

An act to add Chapter 6 (commencing with Section 12897) to Part 2.5 of Division 3 of Title 2 of the Government Code, and to amend Sections 38505, 38550, 38551, and 38561 ~~of, and to add Section 38566 to, of~~ the Health and Safety Code, relating to greenhouse gases.

LEGISLATIVE COUNSEL'S DIGEST

SB 32, as amended, Pavley. California Global Warming Solutions Act of 2006.

(1) The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases.

The state board is required to adopt a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020 and to adopt rules and regulations in an open public process to achieve the maximum, technologically feasible, and cost-effective greenhouse gas emissions reductions.

This bill would require the state board to approve *a* statewide greenhouse gas emissions ~~limits that are the~~ *limit that is* equivalent to 40% below the 1990 level to be achieved by ~~2030 and 80% below the 1990 level to be achieved by 2050, as specified. The bill would authorize the state board to approve an interim greenhouse gas emissions level target to be achieved by 2040.~~ 2030. The bill also would state the intent of the Legislature for the Legislature and appropriate agencies to adopt complementary policies that ensure the long-term emissions reductions advance specified criteria.

(2) The California Global Warming Solutions Act of 2006 requires the State Air Resources Board to prepare and approve a scoping plan for achieving the maximum technologically feasible and cost-effective reductions in greenhouse gas emissions and to update the scoping plan at least once every 5 years.

This bill would prohibit the state board from taking any action to implement the next update of the scoping plan until a draft of, and the final version of, the next update to the scoping plan have been submitted to the Joint Legislative Budget Committee and the appropriate policy committees of the Legislature, as specified, before adoption of the updated scoping plan and until the state board has conducted specified evaluations relating to reducing greenhouse gas emissions. The bill would require the Legislature to hold at least one oversight hearing to review that draft and one oversight hearing to review the final version. The bill would require the state board, on or before January 1, 2017, and each year thereafter, to prepare and submit to the Joint Legislative Budget Committee and appropriate policy committees a report relating to achieving the greenhouse gas emissions limits required by the California Global Warming Solutions Act of 2006. The bill would require the Office of Environmental Health Hazard Assessment, on or before July 1, 2017, to prepare and make available to the public and the Legislature a report analyzing the impacts of the greenhouse gas emissions limits adopted by the state board on disadvantaged communities, as specified.

(3) This bill would also make conforming changes and would provide that its provisions are severable.

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

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

1 SECTION 1. It is the intent of the Legislature that all relevant
2 provisions of Division 25.5 (commencing with Section 38500) of
3 the Health and Safety Code apply to the sections of this act
4 amending sections within Division 25.5 (commencing with Section
5 38500) of the Health and Safety Code.

6 SEC. 2. Chapter 6 (commencing with Section 12897) is added
7 to Part 2.5 of Division 3 of Title 2 of the Government Code, to
8 read:

9

10 CHAPTER 6. LEGISLATIVE ACCOUNTABILITY AND OVERSIGHT
11 OF CALIFORNIA GREENHOUSE GAS EMISSIONS REDUCTION POLICIES

12

13 12897. (a) The Legislature finds and declares that developing
14 regulations and policies by the State Air Resources Board or other
15 state agencies for purposes of implementing Division 25.5
16 (commencing with Section 38500) of the Health and Safety Code
17 should be conducted transparently and in a timely manner to afford
18 the Legislature the opportunity to shape and oversee the
19 implementation of that division on an ongoing basis.

20 (b) The purpose of this chapter is to establish new legislative
21 oversight and accountability over any regulations and policies
22 undertaken to implement Division 25.5 (commencing with Section
23 38500) of the Health and Safety Code.

24 12898. (a) The State Air Resources Board shall not take any
25 action to implement the next update of the scoping plan described
26 in Section 38561 of the Health and Safety Code unless all of the
27 following have occurred:

28 (1) The State Air Resources Board has conducted, with input
29 from an independent advisory committee, an evaluation of both
30 of the following:

31 (A) The current and projected actions other jurisdictions within
32 the United States and around the world are taking to reduce
33 greenhouse gas emissions and how those actions compare to and
34 complement California's efforts.

1 (B) The cost-effectiveness of the various emissions reduction
2 strategies the State Air Resources Board has undertaken to achieve
3 the 2020 statewide greenhouse gas emissions limit pursuant to
4 Section 38550 of the Health and Safety Code, which shall consider
5 the marginal costs of the strategies and associated benefits to the
6 health, safety, and welfare of state residents, worker safety, quality
7 of life in the state, and the state's environment.

8 (2) A draft of the next update to the scoping plan has been
9 submitted to the Joint Legislative Budget Committee and the
10 appropriate policy committees of the Legislature.

11 (3) The final version of the update to the scoping plan has been
12 submitted to the Joint Legislative Budget Committee and the
13 appropriate policy committees of the Legislature at least 60 days
14 before approval of the updated scoping plan.

15 (b) The Legislature shall hold at least one oversight hearing to
16 review the draft of the next update to the scoping plan and at least
17 one oversight hearing to review the final version of the update to
18 the scoping plan before approval.

19 (c) After holding the oversight hearings required pursuant to
20 subdivision (b), the Legislature may act to modify, reject, or delay
21 some or all of the scoping plan before its approval.

22 (d) On or before January 1, 2017, and each year thereafter, the
23 State Air Resources Board shall prepare and submit to the Joint
24 Legislative Budget Committee and appropriate policy committees
25 a report that contains both of the following:

26 (1) A detailed list of regulatory policies that have been adopted
27 and implemented by a state agency in furtherance of achieving the
28 greenhouse gas emissions limits adopted by the State Air Resources
29 Board pursuant to Division 25.5 (commencing with Section 38500)
30 of the Health and Safety Code.

31 (2) The amounts, sources, and locations of greenhouse gas
32 emissions reductions achieved toward the statewide emissions
33 limit, as defined in Section 38505 of the Health and Safety Code.

34 (e) On or before July 1, 2017, the Office of Environmental
35 Health Hazard Assessment shall prepare a report analyzing the
36 impacts of the greenhouse gas emissions limits adopted by the
37 State Air Resources Board pursuant to Division 25.5 (commencing
38 with Section 38500) of the Health and Safety Code on
39 disadvantaged communities and make the report available to the

1 public and the Legislature. The report shall include, but shall not
2 be limited to, all of the following:

3 (1) Tracking and analysis of greenhouse gas emissions, criteria
4 air pollutants, and other pollutant emission levels in disadvantaged
5 communities.

6 (2) California Global Warming Solutions Act of 2006 (Division
7 25.5 (commencing with Section 38500) of the Health and Safety
8 Code) compliance strategies used for greenhouse gas emissions
9 sources in disadvantaged communities.

10 (3) Analysis of public health and other relevant environmental
11 health exposure indicators related to air pollutants in disadvantaged
12 communities.

13 (f) The State Air Resources Board may include relevant reports
14 required pursuant to Section 12894 within the report required
15 pursuant to subdivision (d).

16 (g) Nothing in this section affects in any manner the authority
17 or responsibility of the State Air Resources Board or a district, as
18 defined in Section 39025 of the Health and Safety Code, under the
19 federal Clean Air Act (42 U.S.C. Sec. 7401 et seq.), under Division
20 26 (commencing with Section 39000) of the Health and Safety
21 Code, or to implement regulations or other measures adopted prior
22 to the approval of the next update to the scoping plan.

23 (h) It is the intent of the Legislature that this chapter be
24 interpreted in a manner that does not violate ~~Section 8 of~~ Article
25 IV of the California Constitution.

26 (i) The provisions of this chapter are severable. If any provision
27 of this chapter or its application is held invalid, that invalidity shall
28 not affect other provisions or applications that can be given effect
29 without the invalid provision or application.

30 SEC. 3. Section 38505 of the Health and Safety Code is
31 amended to read:

32 38505. For purposes of this division, the following terms have
33 the following meanings:

34 (a) "Allowance" means an authorization to emit, during a
35 specified year, up to one ton of carbon dioxide equivalent.

36 (b) "Alternative compliance mechanism" means an action
37 undertaken by a greenhouse gas emission source that achieves the
38 equivalent reduction of greenhouse gas emissions over the same
39 time period as a direct emission reduction, and that is approved
40 by the state board. "Alternative compliance mechanism" includes,

1 but is not limited to, a flexible compliance schedule, alternative
2 control technology, a process change, or a product substitution.

3 (c) “Carbon dioxide equivalent” means the amount of carbon
4 dioxide by weight that would produce the same global warming
5 impact as a given weight of another greenhouse gas, based on the
6 best available science, including from the Intergovernmental Panel
7 on Climate Change.

8 (d) “Cost-effective” or “cost-effectiveness” means the cost per
9 unit of reduced emissions of greenhouse gases adjusted for its
10 global warming potential.

11 (e) “Direct emission reduction” means a greenhouse gas
12 emission reduction action made by a greenhouse gas emission
13 source at that source.

14 (f) “Emissions reduction measure” means programs, measures,
15 standards, and alternative compliance mechanisms authorized
16 pursuant to this division, applicable to sources or categories of
17 sources, that are designed to reduce emissions of greenhouse gases.

18 (g) “Greenhouse gas” or “greenhouse gases” includes all of the
19 following gases:

20 (1) Carbon dioxide.

21 (2) Methane.

22 (3) Nitrous oxide.

23 (4) Hydrofluorocarbons.

24 (5) Perfluorocarbons.

25 (6) Sulfur hexafluoride.

26 (7) Nitrogen trifluoride.

27 (h) “Greenhouse gas emissions limit” means an authorization,
28 during a specified year, to emit up to a level of greenhouse gases
29 specified by the state board, expressed in tons of carbon dioxide
30 equivalents.

31 (i) “Greenhouse gas emission source” or “source” means any
32 source, or category of sources, of greenhouse gas emissions whose
33 emissions are at a level of significance, as determined by the state
34 board, that its participation in the program established under this
35 division will enable the state board to effectively reduce greenhouse
36 gas emissions and monitor compliance with the statewide
37 greenhouse gas emissions limit.

38 (j) “Leakage” means a reduction in emissions of greenhouse
39 gases within the state that is offset by an increase in emissions of
40 greenhouse gases outside the state.

1 (k) “Market-based compliance mechanism” means either of the
2 following:

3 (1) A system of market-based declining annual aggregate
4 emissions limitations for sources or categories of sources that emit
5 greenhouse gases.

6 (2) Greenhouse gas emissions exchanges, banking, credits, and
7 other transactions, governed by rules and protocols established by
8 the state board, that result in the same greenhouse gas emission
9 reduction, over the same time period, as direct compliance with a
10 greenhouse gas emission limit or emissions reduction measure
11 adopted by the state board pursuant to this division.

12 (l) “State board” means the State Air Resources Board.

13 (m) “Statewide greenhouse gas emissions” means the total
14 annual emissions of greenhouse gases in the state, including all
15 emissions of greenhouse gases from the generation of electricity
16 delivered to and consumed in California, accounting for
17 transmission and distribution line losses, whether the electricity
18 is generated in state or imported. Statewide emissions shall be
19 expressed in tons of carbon dioxide equivalents.

20 (n) “Statewide greenhouse gas emissions limit” or “statewide
21 emissions limit” means the maximum allowable level of statewide
22 greenhouse gas emissions, as determined by the state board
23 pursuant to Part 3 (commencing with Section 38550).

24 SEC. 4. Section 38550 of the Health and Safety Code is
25 amended to read:

26 38550. (a) By January 1, 2008, the state board shall, after one
27 or more public workshops, with public notice, and an opportunity
28 for all interested parties to comment, determine what the statewide
29 greenhouse gas emissions level was in 1990, and approve in a
30 public hearing, a statewide greenhouse gas emissions limit that is
31 equivalent to that level, to be achieved by 2020. In order to ensure
32 the most accurate determination feasible, the state board shall
33 evaluate the best available scientific, technological, and economic
34 information on greenhouse gas emissions to determine the 1990
35 level of greenhouse gas emissions.

36 (b) (1) ~~(A)~~ Notwithstanding subdivision (a), the state board
37 shall approve in a public hearing, based on the best available
38 scientific, technological, and economic ~~assessments, all of the~~
39 ~~following~~ *assessments, a statewide greenhouse gas emissions*
40 *limit that is equivalent to 40 percent below the 1990 level, as*

1 *determined pursuant to subdivision (a) or Section 39730, to be*
2 *achieved by 2030.*

3 ~~(i) A statewide greenhouse gas emissions limit that is equivalent~~
4 ~~to 40 percent below the 1990 level, as determined pursuant to~~
5 ~~subdivision (a) or Section 39730, to be achieved by 2030.~~

6 ~~(ii) A statewide greenhouse gas emissions limit that is equivalent~~
7 ~~to 80 percent below the 1990 level, as determined pursuant to~~
8 ~~subdivision (a) or Section 39730, to be achieved by 2050.~~

9 ~~(B)~~

10 (2) For the purposes of this ~~paragraph, subdivision~~, a greenhouse
11 gas emissions limit shall include short-lived climate pollutants, as
12 defined in Chapter 4.2 (commencing with Section 39730) of Part
13 2 of Division 26.

14 ~~(2) The state board also may approve an interim greenhouse~~
15 ~~gas emissions level target to be achieved by 2040 consistent with~~
16 ~~paragraph (1).~~

17 (c) In furtherance of subdivision (b), the state board shall
18 consider historic efforts to reduce greenhouse gas emissions and
19 objectively seek, and account for, cost-effective actions to reduce
20 greenhouse gas emissions across all sectors.

21 SEC. 5. Section 38551 of the Health and Safety Code is
22 amended to read:

23 38551. (a) Each of the statewide greenhouse gas emissions
24 limits shall remain in effect unless otherwise amended or repealed.

25 (b) It is the intent of the Legislature that the statewide
26 greenhouse gas emissions limits established pursuant to Section
27 38550 continue in existence and be used to maintain and continue
28 reductions in emissions of greenhouse gases.

29 (c) The state board shall make recommendations to the Governor
30 and the Legislature on how to continue reductions of greenhouse
31 gas emissions beyond ~~2050. 2030.~~

32 (d) In implementing subdivision (b) of Section 38550, it is the
33 intent of the Legislature for the Legislature and appropriate
34 agencies to adopt complementary policies that ensure the long-term
35 emissions reductions adopted pursuant to subdivision (b) of Section
36 38550 advance all of the following:

37 (1) Job growth and local economic benefits in California.

38 (2) Public health benefits for California residents, particularly
39 in disadvantaged communities, that result from direct onsite
40 reductions of greenhouse gas emissions.

1 (3) Innovation in technology and energy, water, and resource
2 management practices.

3 (4) Regional and international collaboration to adopt similar
4 greenhouse gas emissions reduction policies.

5 SEC. 6. Section 38561 of the Health and Safety Code is
6 amended to read:

7 38561. (a) (1) On or before January 1, 2009, the state board
8 shall prepare and approve a scoping plan, as that term is understood
9 by the state board, for achieving the maximum technologically
10 feasible and cost-effective reductions in greenhouse gas emissions
11 from sources or categories of sources of greenhouse gases under
12 this division.

13 (2) The state board shall consult with all state agencies with
14 jurisdiction over sources of greenhouse gases, including the Public
15 Utilities Commission and the State Energy Resources Conservation
16 and Development Commission, on all elements of its plan that
17 pertain to energy-related matters including, but not limited to,
18 electrical generation, load-based standards or requirements, the
19 provision of reliable and affordable electrical service, petroleum
20 refining, and statewide fuel supplies to ensure the greenhouse gas
21 emissions reduction activities to be adopted and implemented by
22 the state board are complementary, nonduplicative, and can be
23 implemented in an efficient and cost-effective manner.

24 (b) The plan shall identify and make recommendations on direct
25 emissions reduction measures, alternative compliance mechanisms,
26 market-based compliance mechanisms, and potential monetary
27 and nonmonetary incentives for sources and categories of sources
28 that the state board finds are necessary or desirable to facilitate
29 the achievement of the maximum feasible and cost-effective
30 reductions of greenhouse gas emissions under this division.

31 (c) In making the determinations required by subdivision (b),
32 the state board shall consider all relevant information pertaining
33 to greenhouse gas emissions reduction programs in other states,
34 localities, and nations, including the northeastern states of the
35 United States, Canada, and the European Union.

36 (d) The state board shall evaluate the total potential costs and
37 total potential economic and noneconomic benefits of the plan for
38 reducing greenhouse gases to California's economy, environment,
39 and public health, using the best available economic models,
40 emission estimation techniques, and other scientific methods.

1 (e) In developing its plan, the state board shall take into account
2 the relative contribution of each source or source category to
3 statewide greenhouse gas emissions, and the potential for adverse
4 effects on small businesses, and shall recommend a de minimis
5 threshold of greenhouse gas emissions below which emissions
6 reduction requirements will not apply.

7 (f) In developing its plan, the state board shall identify
8 opportunities for emissions reduction measures from all verifiable
9 and enforceable voluntary actions, including, but not limited to,
10 carbon sequestration projects and best management practices.

11 (g) The state board shall conduct a series of public workshops
12 to give interested parties an opportunity to comment on the plan.
13 The state board shall conduct a portion of these workshops in
14 regions of the state that have the most significant exposure to air
15 pollutants, including, but not limited to, communities with minority
16 populations, communities with low-income populations, or both.

17 (h) The state board shall update its plan for achieving the
18 maximum technologically feasible and cost-effective reductions
19 of greenhouse gas emissions at least once every five years in
20 accordance with Chapter 6 (commencing with Section 12897) of
21 Part 2.5 of Division 3 of Title 2 of the Government Code.

22 ~~SEC. 7. Section 38566 is added to the Health and Safety Code,~~
23 ~~to read:~~

24 ~~38566. (a) For purposes of this section, “appropriate public~~
25 ~~entities” includes metropolitan planning organizations, districts,~~
26 ~~as defined in Section 39025, the League of California Cities, the~~
27 ~~California State Association of Counties, local transportation~~
28 ~~agencies, and members of the public, including homebuilders,~~
29 ~~environmental organizations, including environmental justice~~
30 ~~organizations, planning organizations, affordable housing~~
31 ~~organizations, and others.~~

32 ~~(b) The state board, in consultation with appropriate public~~
33 ~~entities, shall ensure that the 2050 greenhouse gas emissions limit~~
34 ~~required pursuant to clause (ii) of subparagraph (A) of paragraph~~
35 ~~(1) of subdivision (b) of Section 38550 is achieved without~~
36 ~~imposing disproportionate greenhouse gas emissions reduction~~
37 ~~requirements on land use and permitting decisions made by lead~~
38 ~~agencies, as defined in Section 21067 of the Public Resources~~
39 ~~Code.~~

1 ~~SEC. 8.~~

2 *SEC. 7.* The provisions of this act are severable. If any
3 provision of this act or its application is held invalid, that invalidity
4 shall not affect other provisions or applications that can be given
5 effect without the invalid provision or application.

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Senate Bill No. 246

Passed the Senate September 10, 2015

Secretary of the Senate

Passed the Assembly September 8, 2015

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day
of _____, 2015, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Section 75123 of, and to add Part 4.5 (commencing with Section 71350) to Division 34 of, the Public Resources Code, relating to environmental protection.

LEGISLATIVE COUNSEL'S DIGEST

SB 246, Wieckowski. Climate change adaptation.

(1) The Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The state board is required to adopt a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020 and to adopt rules and regulations in an open public process to achieve the maximum, technologically feasible, and cost-effective greenhouse gas emissions reductions. The act requires all state agencies to consider and implement strategies to reduce their greenhouse gas emissions. An executive order establishes a climate action team consisting of specified ex officio members and requires the team to make a specified biannual report to the Legislature and Governor.

This bill would establish the Integrated Climate Adaptation and Resiliency Program to be administered by the Office of Planning and Research to coordinate regional and local efforts with state climate adaptation strategies to adapt to the impacts of climate change, as specified. The bill also would require, within one year of an update to the Safeguarding California Plan, the Office of Emergency Services, in coordination with the Natural Resources Agency, the Office of Planning and Research, and relevant public and private entities, to review and update, as necessary, the Adaptation Planning Guide, as specified. The bill would establish an advisory council, as specified, to support the goals of the Office of Planning and Research as identified by the bill. The bill would require the Office of Planning and Research to establish a clearinghouse for climate adaptation information, as specified.

(2) The Bagley-Keene Open Meeting Act, with specified exceptions, requires that meetings of a state body be open and public and that all persons be permitted to attend.

Existing law establishes the Strategic Growth Council and requires the council, among other things, to identify and review the activities and funding programs of member state agencies that may be coordinated to improve air and water quality. Existing law also requires the council’s meetings be open to the public and subject to the Bagley-Keene Open Meeting Act.

This bill would specify certain council meetings that are not subject to the Bagley-Keene Open Meeting Act.

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

SECTION 1. Part 4.5 (commencing with Section 71350) is added to Division 34 of the Public Resources Code, to read:

PART 4.5. INTEGRATED CLIMATE ADAPTATION AND
RESILIENCY PROGRAM

71350. For purposes of this part, “office” means the Office of Planning and Research.

71352. The Legislature finds and declares:

(a) The state has been a leader in climate mitigation efforts to reduce greenhouse gas emissions. Now, and in the coming years, it is critical for California and the global community to continue and intensify those efforts in order to avoid the most severe impacts from a changing climate. However, because the global climate system changes slowly, impacts are ongoing and will inevitably worsen. In order to address the challenges posed by a changing climate, the state must invest in building resiliency and strengthening adaptation efforts at the state, regional, and local levels using the best-available science.

(b) A principle of the state’s adaptation strategy document, Safeguarding California, is to prioritize actions that not only reduce greenhouse gas emissions, but also help the state prepare for climate change impacts. Improved coordination, implementation, and integration of adaptation planning efforts and funding in the state’s climate policies can directly protect the state’s infrastructure, communities, environmental quality, public health, safety and security, natural resources, and economy from the unavoidable impacts of climate change for decades to come.

(c) In order to have a cohesive and comprehensive response to climate change impacts, the state must have integrated planning with coordinated strategies across state, regional, and local governments and agencies.

(d) The office is established as the comprehensive state planning agency that shall engage in the formulation, evaluation, and updating of long-range goals for factors that shape statewide development patterns and significantly influence the quality of the state's environment, in addition to assisting state, regional, and local agencies in a variety of research and planning efforts, pursuant to Section 65040 of the Government Code. Therefore, the office is well-positioned to work with regional and local entities across the state, coordinating with state climate adaptation strategies.

(e) It is the intent of the Legislature, therefore, that adaptation strategies to build resiliency to the risks and impacts from climate change be integrated in state policies, projects, and permitting processes, and that the office serve as a coordinating body for adaptation projects and goals across California.

71354. The Integrated Climate Adaptation and Resiliency Program is hereby established to be administered by the office. No later than January 1, 2017, the Director of State Planning and Research shall establish the program to coordinate regional and local efforts with state climate adaptation strategies to adapt to the impacts of climate change with, to the extent feasible, an emphasis on climate equity considerations across sectors and regions and strategies that benefit both greenhouse gas emissions reductions and adaptation efforts, in order to facilitate the development of holistic, complimentary strategies for adapting to climate change impacts. In order to achieve these goals, the program shall include, but not be limited to, all of the following:

(a) Working with and coordinating local and regional efforts for climate adaptation and resilience, including, but not limited to, the following:

(1) Developing tools and guidance.

(2) Promoting and coordinating state agency support for local and regional efforts.

(3) Informing state-led programs, including state planning processes, grant programs, and guideline development, to better reflect the goals, efforts, and challenges faced by local and regional entities pursuing adaptation, preparedness, and resilience. This

should occur through regular coordination between the office, the Climate Action Team, which was established by Executive Order S-3-05, the Strategic Growth Council, and other state agencies, including, but not limited to, the Office of Emergency Services, the California Environmental Protection Agency, the Natural Resources Agency, the Transportation Agency, the State Department of Public Health, and the Department of Food and Agriculture.

(b) Assisting the Office of Emergency Services and other relevant state agencies with coordinating regular reviews and updates, as needed, to the Adaptation Planning Guide, pursuant to Section 71356, and maintaining a copy of the guide, or an electronic link to a copy of the guide posted, at a minimum, on the state's Climate Change Portal and the office's Internet Web site.

(c) Coordinating and maintaining the state's clearinghouse for climate adaptation information, pursuant to Section 71360.

(d) Conducting regular meetings with the advisory council established pursuant to Section 71358 in order to have technical support, as well as expertise and advice from regional and local experts working in climate adaptation throughout the research and planning processes, as described in this section.

71356. (a) Within one year of an update to the Safeguarding California Plan, the Office of Emergency Services, in coordination with the Natural Resources Agency, the office, and relevant public and private entities, shall review and update, as necessary, the Adaptation Planning Guide to provide tools and guidance to regional and local governments and agencies in creating and implementing climate adaptation and community resiliency plans and projects. An Adaptation Planning Guide update shall be informed by the climate adaptation clearinghouse established pursuant to Section 71360 and the scientific assessments and recommendations in the most recent update of the Safeguarding California Plan. An Adaptation Planning Guide update shall consider the nexus between climate adaptation, community resiliency, public safety, and security, provide information and planning support for assessing climate vulnerabilities across impact sectors and regions and developing adaptation strategies that can be tailored to meet local needs, and include, at a minimum, all of the following:

(1) Guidance for coordinating adaptation planning activities among state and local governments and regional collaboratives.

(2) Adaptation planning guidance and strategies for natural hazards exacerbated by climate change.

(3) Guidance for conducting vulnerability assessments and identifying risk reduction strategies for communities.

(4) Identification of climate impact regions and descriptions of climate impacts to be considered for each region.

(5) Assistance with the interpretation of climate science as it relates to local and regional impacts.

(b) As part of updating the Adaptation Planning Guide, the Office of Emergency Services, in consultation with the office and, as needed, with the advisory council created pursuant to Section 71358, shall hold public meetings in the northern, southern, and central regions of the state to obtain input from the public and leaders in local and regional climate preparedness.

71358. (a) An advisory council to the office is hereby established. The advisory council shall be comprised of members from a range of disciplines, in order to provide scientific and technical support, and from regional and local governments and entities. The advisory council shall support the office's goals, as identified in this part, to facilitate coordination among state, regional, and local agency efforts to adapt to the impacts of climate change.

(b) Members of the advisory council shall have expertise in the intersection of climate change and areas that include, but need not be limited to, any of the following:

- (1) Public health.
- (2) Environmental quality.
- (3) Environmental justice.
- (4) Agriculture.
- (5) Transportation and housing.
- (6) Energy.
- (7) Natural resources and water.
- (8) Planning.
- (9) Recycling and waste management.
- (10) Local or regional government.
- (11) Tribal issues.
- (12) Emergency services and public safety.

(c) The advisory council shall meet with the office as needed, but not less than three times a year.

71360. (a) (1) The office shall coordinate with appropriate entities, including state, regional, or local agencies, to establish a clearinghouse for climate adaptation information for use by state, regional, and local entities.

(2) The clearinghouse shall be a centralized source of information that provides available climate data to guide decisionmakers at state, regional, and local levels when planning for and implementing climate adaptation projects to promote resiliency to climate change. The clearinghouse may include, but is not limited to, any of the following:

(A) A collection of the best-available resources that may include projections and models, vulnerability assessments, and downscaled data for climate change impacts throughout the state, when available, at statewide, regional, and local levels for both near-term and longer term timescales, including year 2050 and year 2100 projections. Climate change impacts may include, but are not limited to, impacts to public health, natural resources, environmental quality, and infrastructure.

(B) Tools that allow for the visualization or identification of regional and local impacts across the state and that integrate best-available data on vulnerable populations and infrastructure.

(C) A library of relevant white papers, case studies, research articles, and climate adaptation best practices that are searchable by relevance to region, locality, and sector.

(D) Information concerning funding opportunities for adaptation research, planning, and projects.

(E) Regionally prioritized best-practice adaptation projects that, as appropriate, integrate efforts to reduce greenhouse gas emissions across the state.

(b) The clearinghouse shall be regularly updated.

SEC. 2. The Legislature finds that because the Strategic Growth Council consists primarily of the Governor's cabinet members and because the council is designed to facilitate communication, coordinate policy outcomes, and improve efficiencies among member agencies and departments, informal discussion and interaction between and among agency secretaries and their staff should be encouraged and is a normal function of government.

SEC. 3. Section 75123 of the Public Resources Code is amended to read:

75123. (a) A meeting of the council, including a meeting related to the development of grant guidelines and policies and the approval of grants, shall be subject to the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code), except that, for purposes of this section, “meeting” shall not include a meeting at which:

(1) Council members are meeting as members of the Governor’s cabinet.

(2) Council staff and member agency staff are meeting to discuss, but not take final action on, any of the following:

(A) State agency coordination to improve air and water quality, improve natural resource protection, increase the availability of affordable housing, improve transportation, revitalize urban and community centers in a sustainable manner, and other priorities specified in subdivision (a) of Section 75125.

(B) Preliminary policy recommendations and investment strategies to the Governor, the Legislature, and appropriate state agencies to encourage the development of sustainable communities, as set forth in subdivision (b) of Section 75125.

(C) Developing grant guidelines, such as those specified in Section 75125, that are otherwise subject to public participation process requirements.

(b) The council may sponsor conferences, symposia, and other public forums, to seek a broad range of public advice regarding local, regional, and natural resource planning, sustainable development, and strategies to reduce and mitigate climate change.

Approved _____, 2015

Governor

AMENDED IN SENATE MAY 5, 2015
AMENDED IN SENATE APRIL 23, 2015
AMENDED IN SENATE APRIL 6, 2015

SENATE BILL

No. 317

Introduced by Senator De León
(Principal coauthor: Senator Pavley)
(Coauthors: Senators Allen, Hertzberg, Hill, Hueso, Jackson, Monning, and Wieckowski)

February 23, 2015

An act to add Chapter 14 (commencing with Section 5880) to Division 5 of the Public Resources Code, relating to financing a safe neighborhood parks, rivers, and coastal protection program, by providing the funds necessary therefor through an election for the issuance and sale of bonds of the State of California and for the handling and disposition of those funds, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 317, as amended, De León. The Safe Neighborhood Parks, Rivers, and Coastal Protection Bond Act of 2016.

Under existing law, various measures have been approved by the voters to provide funds for park, river, and coastal protections and programs.

This bill would enact the Safe Neighborhood Parks, Rivers, and Coastal Protection Bond Act of 2016, which, if adopted by the voters at the November 8, 2016, statewide general election, would authorize the issuance of bonds in the total amount of \$2,450,000,000 pursuant

to the State General Obligation Bond Law to finance a safe neighborhood parks, rivers, and coastal protection program.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: 2/3. Appropriation: no. Fiscal committee: yes.

State-mandated local program: no.

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

1 SECTION 1. The Legislature finds and declares as follows:

2 (a) Californians value parks and the natural lands of the state.

3 (b) Demand for local parks has exceeded available funding by
4 a factor of eight to one, with particularly high demand in urban,
5 disadvantaged communities.

6 (c) Many Californians across the state lack access to safe parks
7 and recreation areas, which limits their ability to experience the
8 outdoors, improve their physical and emotional health, exercise,
9 and connect with their communities. Investments to create and
10 improve parks and recreation areas will help ensure all Californians
11 have access to safe places to exercise and recreate.

12 (d) Continued investment in the state’s parks, natural resources,
13 and in greening urban areas will mitigate the effects of climate
14 change, making cities more livable, and protecting California’s
15 natural resources for future generations.

16 (e) Investments to protect and restore the state’s rivers, lakes,
17 streams, and coastal waters and their related watersheds will
18 improve water quality and reliability, enhance fish and wildlife
19 habitats, and provide recreational, economic, and public health
20 benefits to Californians.

21 SEC. 2. Chapter 14 (commencing with Section 5880) is added
22 to Division 5 of the Public Resources Code, to read:

23

24 CHAPTER 14. THE SAFE NEIGHBORHOOD PARKS, RIVERS, AND
25 COASTAL PROTECTION BOND ACT OF 2016

26

27 Article 1. Title

28

29 5880. This chapter shall be known, and may be cited, as the
30 Safe Neighborhood Parks, Rivers, and Coastal Protection Bond
31 Act of 2016.

Article 2. Definitions

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5880.5. As used in this chapter, the following terms have the following meanings:

(a) “Acquisition” means the acquisition of a fee interest or any other interest in real property including easements, leases, and development rights.

(b) “Board” means the Wildlife Conservation Board.

(c) “Department” means the Department of Parks and Recreation.

(d) “Development” includes, but is not limited to, the physical improvement of real property, including the construction of facilities or structures.

(e) “Disadvantaged community” means a community with a median household income less than 80 percent of the statewide average.

(f) “Greenprint” means a plan for providing parks, greenspace, and urban forestry within an urbanized area to enhance climate resilience, improve public health and living conditions, ~~and~~ *or* protect open-space lands around a developed area to support an adopted sustainable communities strategy.

(g) “Interpretation” includes, but is not limited to, a visitor serving amenity that enhances the ability to understand and appreciate the significance and value of natural, historical, and cultural resources and that may utilize educational materials in multiple languages, digital information, and the expertise of a naturalist or other specialist skilled at educational interpretation.

(h) “Nonprofit organization” means an organization qualified to do business in California and qualified under Section 501(c)(3) of the Internal Revenue Code.

(i) “Preservation” means rehabilitation, stabilization, restoration, development, and reconstruction, or any combination of those activities.

(j) “Protection” means those actions necessary to prevent harm or damage to persons, property, or ~~natural resources~~ *natural, cultural, and historic resources, actions to improve access to public open-space areas, or actions to allow the continued use and enjoyment of property or* ~~natural~~ *natural, cultural, and historic resources, and includes acquisition, development, restoration, preservation, and interpretation.*

1 (k) “Restoration” means the improvement of physical structures
 2 or facilities and, in the case of natural systems and landscape
 3 features, includes, but is not limited to, projects for the control of
 4 erosion, the control and elimination of exotic species, *removal of*
 5 *waste and debris*, prescribed burning, fuel hazard reduction,
 6 fencing out threats to existing or restored natural resources, road
 7 elimination, and other plant and wildlife habitat improvements to
 8 increase the natural system value of the property.

9

10 Article 3. General Provisions

11

12 5881. The proceeds of bonds issued and sold pursuant to this
 13 chapter shall be deposited in the Safe Neighborhood Parks, Rivers,
 14 and Coastal Protection Fund of 2016, which is hereby created in
 15 the State Treasury. Except as specifically provided in this chapter,
 16 moneys in the fund shall be available for appropriation by the
 17 Legislature in the manner and for the purposes set forth in this
 18 chapter in accordance with the following schedule:

19 (a) The sum of one billion four hundred fifty million dollars
 20 (\$1,450,000,000) for parks in accordance with Article 4
 21 (commencing with Section 5882).

22 (b) The sum of three hundred seventy million dollars
 23 (\$370,000,000) for rivers, lakes, and streams in accordance with
 24 Article 5 (commencing with Section 5883).

25 (c) The sum of three hundred fifty million dollars
 26 (\$350,000,000) for coast and ocean protection in accordance with
 27 Article 6 (commencing with Section 5884).

28 (d) The sum of two hundred eighty million dollars
 29 (\$280,000,000) for climate resilience in accordance with Article
 30 7 (commencing with Section 5885).

31 5881.5. (a) Projects funded with proceeds of bonds issued and
 32 sold pursuant to this chapter shall promote state planning priorities
 33 consistent with Section 65041.1 of the Government Code and
 34 sustainable communities strategies consistent with subparagraph
 35 (B) of paragraph (2) of subdivision (b) of Section 65080 of the
 36 Government Code.

37 (b) To the extent feasible in implementing this chapter, state
 38 agencies shall seek to achieve wildlife conservation objectives
 39 through projects on public lands or voluntary projects on private
 40 lands. Funds may be used, in consultation with the Department of

1 Fish and Wildlife, for payments for the creation of measurable
2 habitat improvements or other improvements to the condition of
3 endangered or threatened species including through the
4 development and implementation of habitat credit exchanges.

5 (c) In evaluating projects for protection of natural resources and
6 wildlife, priority shall be given to projects that implement adopted
7 natural community conservation plans or endangered species
8 recovery plans.

9 (d) Restoration projects shall include the planning, monitoring,
10 and reporting necessary to ensure successful implementation of
11 the project objectives.

12 5881.6. *An amount that equals not more than 5 percent of the*
13 *funds allocated for a grant program pursuant to this chapter may*
14 *be used to pay the administrative costs of that program.*

15 5881.7. *Unless otherwise specified, up to 10 percent of funds*
16 *allocated for each program funded by this chapter may be*
17 *expended for planning and monitoring necessary for the successful*
18 *design, selection, and implementation of the projects authorized*
19 *under that program. This section shall not otherwise restrict funds*
20 *ordinarily used by an agency for “preliminary plans,” “working*
21 *drawings,” and “construction” as defined in the annual Budget*
22 *Act for a capital outlay project or grant project.*

23

24 Article 4. Parks

25

26 5882. The sum of eight hundred million dollars (\$800,000,000)
27 from the fund shall be available to the department for the creation
28 and expansion of safe neighborhood parks in park-poor
29 neighborhoods in accordance with Chapter 3.3 (commencing with
30 Section 5640).

31 5882.5. The sum of two hundred million dollars (\$200,000,000)
32 from the fund shall be available to the department for grants for
33 local park rehabilitation and improvement to local governments
34 on a per capita basis.

35 5882.6. The sum of two hundred million dollars (\$200,000,000)
36 from the fund shall be available to the department for grants for
37 the restoration, ~~preservation~~ *preservation*, and protection of
38 regional parks and parklands, including state parks whose operation
39 and management have been taken over by local or regional
40 agencies, and other parks *and parklands operated by regional park*

1 *districts, counties, open-space districts, and open-space authorities,*
2 *and parks and parklands operated through cooperative agreements*
3 *or pursuant to joint power authorities that include state and local*
4 *agencies.*

5 5882.7. The sum of two hundred million dollars (\$200,000,000)
6 from the fund shall be available to the department for restoration
7 and preservation of existing state park facilities and units to
8 preserve and increase public access and to protect ~~natural~~ *natural,*
9 *cultural, and historic* resources.

10 5882.8. The sum of fifty million dollars (\$50,000,000) from
11 the fund shall be available to the department for enterprise activities
12 that increase revenue generation to support operations of the
13 department.

14

15 Article 5. Rivers, Lakes, and Streams

16

17 5883. Funds allocated in this article shall be available for the
18 protection and restoration of rivers, lakes, streams and associated
19 watersheds of the state to safeguard sources of safe drinking water,
20 to protect the fish and wildlife resources of the state, and to provide
21 access to these resources to the people of California.

22 5883.5. The sum of one hundred million dollars (\$100,000,000)
23 from the fund shall be available to the Natural Resources Agency
24 for the restoration, protection, expansion and development of river
25 parkways in accordance with Chapter 3.8 (commencing with
26 Section 5750).

27 5883.6. The sum of one hundred million dollars (\$100,000,000)
28 from the fund shall be available to the California Tahoe
29 ~~Conservancy~~ *Conservancy, established pursuant to ~~Article 6~~*
30 ~~(commencing with Section 5096.351) of Chapter 1.692 Title 7.42~~
31 ~~(commencing with Section 66905) of the Government Code, for~~
32 ~~the implementation~~ *implementation, and to further the goals and*
33 *purposes, of the Lake Tahoe Environmental Improvement Program.*
34 *Program, pursuant to Article 6 (commencing with Section*
35 *5096.351) of Chapter 1.692.*

36 5883.7. The sum of one hundred million dollars (\$100,000,000)
37 from the fund shall be available for protection and restoration
38 projects, and for the development of river parkway projects on the
39 Los Angeles River and its tributaries, pursuant to Division 22.8

1 (commencing with Section 32600) and Division 23 (commencing
2 with Section 33000).

3 5883.8. The sum of fifty million dollars (\$50,000,000) from
4 the fund shall be available for deposit into the Salton Sea
5 Restoration Fund, pursuant to Section 2932 of the Fish and Game
6 Code, and for expenditures consistent with the requirements of
7 that fund.

8 5883.9. The sum of twenty million dollars (\$20,000,000) from
9 the fund shall be available for urban stream restoration pursuant
10 to Section 7048 of the Water Code.

11
12 Article 6. Coast and Ocean Protection

13
14 5884. Funds allocated in this article shall be available for
15 projects to protect and restore coastal watersheds, bays, marine
16 estuaries, and nearshore ecosystems.

17 5884.1. The sum of three hundred million dollars
18 (\$300,000,000) from the fund shall be available to the State Coastal
19 Conservancy for the protection of beaches, bays, and coastal
20 watershed resources including the protection of coastal agricultural
21 resources pursuant to Section 31150 and projects to complete the
22 California Coastal Trail pursuant to Section 31408.

23 5884.2. The sum of fifty million dollars (\$50,000,000) from
24 the fund shall be available to the Santa Monica Mountains
25 Conservancy for the protection of coastal watersheds of the Santa
26 Monica Mountains.

27
28 Article 7. Climate Resilience

29
30 5885. Funds allocated in this article shall be available for
31 projects that improve the climate resilience of urban areas and
32 natural resources, provide for climate adaptation and reduce
33 vulnerability to climate impacts of the state’s water, forest, and
34 agricultural resources, and improve the ability of natural systems
35 to buffer the impacts of climate change.

36 5885.1. The sum of one hundred million dollars (\$100,000,000)
37 from the fund shall be available to the Strategic Growth Council
38 for grants to develop or implement a regional or local greenprint
39 or climate adaptation plan, or update ~~or develop a climate~~
40 ~~adaptation element for a general plan, or add climate adaption to~~

1 *a general plan*, and for the protection of agricultural and
2 open-space resources that support adopted sustainable communities
3 strategies.

4 5885.2. The sum of one hundred fifty million dollars
5 (\$150,000,000) from the fund shall be available to the Wildlife
6 Conservation Board for grants for the protection and expansion of
7 wildlife corridors including projects to improve connectivity
8 between habitat areas, for projects to improve climate adaptation
9 and resilience of natural systems, and for projects to protect and
10 improve existing open space corridors and trail linkages related
11 to utility or transportation infrastructure that provide habitat
12 connectivity and public access or trails.

13 5885.3. The sum of thirty million dollars (\$30,000,000) from
14 the fund shall be available to the Department of Forestry and Fire
15 Protection for grants pursuant to Chapter 2 (commencing with
16 Section 4799.06) of Part 2.5 of Division 4. These grants shall
17 complement existing urban forestry expenditures by covering areas
18 not included for funding from the Greenhouse Gas Reduction
19 Fund, established pursuant to Section 16428.8 of the Government
20 Code.

21

22 Article 8. Fiscal Provisions

23

24 5889. (a) Bonds in the total amount of two billion four hundred
25 and fifty million dollars (\$2,450,000,000), or so much thereof as
26 is necessary, not including the amount of any refunding bonds
27 issued in accordance with Section 5895 may be issued and sold to
28 provide a fund to be used for carrying out the purposes expressed
29 in this chapter and to reimburse the General Obligation Bond
30 Expense Revolving Fund pursuant to Section 16724.5 of the
31 Government Code. The bonds, when sold, shall be and constitute
32 a valid and binding obligation of the State of California, and the
33 full faith and credit of the State of California is hereby pledged
34 for the punctual payment of both principal of, and interest on, the
35 bonds as the principal and interest become due and payable.

36 (b) The Treasurer shall sell the bonds authorized by the
37 committee pursuant to this section. The bonds shall be sold upon
38 the terms and conditions specified in a resolution to be adopted
39 by the committee pursuant to Section 16731 of the Government
40 Code.

1 5889.5. The bonds authorized by this chapter shall be prepared,
2 executed, issued, sold, paid, and redeemed as provided in the State
3 General Obligation Bond Law (Chapter 4 (commencing with
4 Section 16720) of Part 3 of Division 4 of Title 2 of the Government
5 Code), and all of the provisions of that law apply to the bonds and
6 to this chapter and are hereby incorporated in this chapter as though
7 set forth in full in this chapter, except subdivisions (a) and (b) of
8 Section 16727 of the Government Code.

9 5890. (a) Solely for the purpose of authorizing the issuance
10 and sale pursuant to the State General Obligation Bond Law
11 (Chapter 4 (commencing with Section 16720) of Part 3 of Division
12 4 of Title 2 of the Government Code) of the bonds authorized by
13 this chapter, the Safe Neighborhood Parks, Rivers, and Coastal
14 Protection Finance Committee is hereby created. For purposes of
15 this chapter, the Safe Neighborhood Parks, Rivers, and Coastal
16 Protection Finance Committee is “the committee” as that term is
17 used in the State General Obligation Bond Law.

18 (b) The committee consists of the _____, _____, _____, _____, and
19 _____. Notwithstanding any other provision of law, any member
20 may designate a representative to act as that member in his or her
21 place for all purposes, as though the member were personally
22 present.

23 (c) The _____ shall serve as chairperson of the committee.

24 (d) A majority of the committee may act for the committee.

25 5890.5. The committee shall determine whether or not it is
26 necessary or desirable to issue bonds authorized pursuant to this
27 chapter in order to carry out the actions specified in this chapter
28 and, if so, the amount of bonds to be issued and sold. Successive
29 issues of bonds may be authorized and sold to carry out those
30 actions progressively, and it is not necessary that all of the bonds
31 authorized to be issued be sold at any one time.

32 5891. For purposes of the State General Obligation Bond Law,
33 “board,” as defined in Section 16722 of the Government Code,
34 means the _____.

35 5891.5. There shall be collected each year and in the same
36 manner and at the same time as other state revenue is collected,
37 in addition to the ordinary revenues of the state, a sum in an amount
38 required to pay the principal of, and interest on, the bonds each
39 year. It is the duty of all officers charged by law with any duty in

1 regard to the collection of the revenue to do and perform each and
2 every act that is necessary to collect that additional sum.

3 5892. Notwithstanding Section 13340 of the Government Code,
4 there is hereby appropriated from the General Fund in the State
5 Treasury, for the purposes of this chapter, an amount that will
6 equal the total of the following:

7 (a) The sum annually necessary to pay the principal of, and
8 interest on, bonds issued and sold pursuant to this chapter, as the
9 principal and interest become due and payable.

10 (b) The sum that is necessary to carry out the provisions of
11 Section 5893.5, appropriated without regard to fiscal years.

12 5892.5. The board may request the Pooled Money Investment
13 Board to make a loan from the Pooled Money Investment Account
14 in accordance with Section 16312 of the Government Code for the
15 purpose of carrying out this chapter less any amount withdrawn
16 pursuant to Section 5893.5. The amount of the request shall not
17 exceed the amount of the unsold bonds that the committee has, by
18 resolution, authorized to be sold for the purpose of carrying out
19 this chapter. The board shall execute those documents required by
20 the Pooled Money Investment Board to obtain and repay the loan.
21 Any amounts loaned shall be deposited in the fund to be allocated
22 in accordance with this chapter.

23 5893. Notwithstanding any other provision of this chapter, or
24 of the State General Obligation Bond Law, if the Treasurer sells
25 bonds that include a bond counsel opinion to the effect that the
26 interest on the bonds is excluded from gross income for federal
27 tax purposes under designated conditions or is otherwise entitled
28 to any federal tax advantage, the Treasurer may maintain separate
29 accounts for the bond proceeds invested and for the investment
30 earnings on those proceeds, and may use or direct the use of those
31 proceeds or earnings to pay any rebate, penalty, or other payment
32 required under federal law or take any other action with respect
33 to the investment and use of those bond proceeds, as may be
34 required or desirable under federal law in order to maintain the
35 tax-exempt status of those bonds and to obtain any other advantage
36 under federal law on behalf of the funds of this state.

37 5893.5. For the purposes of carrying out this chapter, the
38 Director of Finance may authorize the withdrawal from the General
39 Fund of an amount or amounts not to exceed the amount of the
40 unsold bonds that have been authorized by the committee to be

1 sold for the purpose of carrying out this chapter less any amount
2 borrowed pursuant to Section 5892.5. Any amounts withdrawn
3 shall be deposited in the fund. Any money made available under
4 this section shall be returned to the General Fund, with interest at
5 the rate earned by the money in the Pooled Money Investment
6 Account, from proceeds received from the sale of bonds for the
7 purpose of carrying out this chapter.

8 5894. All money deposited in the fund that is derived from
9 premium and accrued interest on bonds sold pursuant to this chapter
10 shall be reserved in the fund and shall be available for transfer to
11 the General Fund as a credit to expenditures for bond interest,
12 except that amounts derived from premium may be reserved and
13 used to pay the cost of bond issuance prior to any transfer to the
14 General Fund.

15 5894.5. Pursuant to Chapter 4 (commencing with Section
16 16720) of Part 3 of Division 4 of Title 2 of the Government Code,
17 the cost of bond issuance shall be paid out of the bond proceeds,
18 including premium, if any. To the extent the cost of bond issuance
19 is not paid from premiums received from the sale of bonds, these
20 costs shall be shared proportionately by each program funded
21 through this chapter by the applicable bond sale.

22 5895. The bonds issued and sold pursuant to this chapter may
23 be refunded in accordance with Article 6 (commencing with
24 Section 16780) of Chapter 4 of Part 3 of Division 4 of Title 2 of
25 the Government Code, which is a part of the State General
26 Obligation Bond Law. Approval by the voters of the state for the
27 issuance of the bonds under this chapter shall include approval of
28 the issuance of any bonds issued to refund any bonds originally
29 issued under this chapter or any previously issued refunding bonds.

30 5895.5. The proceeds from the sale of bonds authorized by this
31 chapter are not “proceeds of taxes” as that term is used in Article
32 XIII B of the California Constitution, and the disbursement of
33 these proceeds is not subject to the limitations imposed by that
34 article.

35 SEC. 3. Section 2 of this act shall take effect upon the approval
36 by the voters of the Safe Neighborhood Parks, Rivers, and Coastal
37 Protection Bond Act of 2016, as set forth in that section, which
38 shall be submitted to the voters at the November 8, 2016, statewide
39 general election.

1 SEC. 4. This act is an urgency statute necessary for the
2 immediate preservation of the public peace, health, or safety within
3 the meaning of Article IV of the Constitution and shall go into
4 immediate effect. The facts constituting the necessity are:

5 In order to ensure that the Safe Neighborhood Parks, Rivers, and
6 Coastal Protection Bond Act of 2016 appears on the November 8,
7 2016 statewide general election ballot, it is necessary that this act
8 take effect immediately.

O

Senate Bill No. 350

Passed the Senate September 11, 2015

Secretary of the Senate

Passed the Assembly September 11, 2015

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day
of _____, 2015, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to add Section 44258.5 to the Health and Safety Code, to amend Section 1720 of the Labor Code, to amend Sections 25310 and 25943 of, and to add Sections 25302.2 and 25327 to, the Public Resources Code, and to amend Sections 359, 399.4, 399.11, 399.12, 399.13, 399.15, 399.16, 399.18, 399.21, 399.30, 454.55, 454.56, 701.1, 740.8, 9505, and 9620 of, to amend and repeal Sections 337 and 352 of, to add Sections 237.5, 365.2, 366.3, 454.51, 454.52, 740.12, 9621, and 9622 to, to add Article 17 (commencing with Section 400) to Chapter 2.3 of Part 1 of Division 1 of, to add and repeal Article 5.5 (commencing with Section 359.5) of Chapter 2.3 of Part 1 of Division 1 of, and to repeal Article 5 (commencing with Section 359) of Chapter 2.3 of Part 1 of Division 1 of, the Public Utilities Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

SB 350, De León. Clean Energy and Pollution Reduction Act of 2015.

(1) Under existing law, the Public Utilities Commission (PUC) has regulatory jurisdiction over public utilities, including electrical corporations, community choice aggregators, and electric service providers, while local publicly owned electric utilities are under the direction of their governing boards. Existing law imposes various regulations on public utilities and local publicly owned electric utilities. Existing law establishes the California Renewables Portfolio Standards (RPS) Program, which is codified in the Public Utilities Act, with the target to increase the amount of electricity generated per year from eligible renewable energy resources to an amount that equals at least 33% of the total electricity sold to retail customers per year by December 31, 2020. Under existing law, a violation of the Public Utilities Act is a crime.

This bill would require that the amount of electricity generated and sold to retail customers per year from eligible renewable energy resources be increased to 50% by December 31, 2030, as provided. The bill would make other revisions to the RPS Program and to certain other requirements on public utilities and publicly owned electric utilities.

Because certain of the above provisions are codified in the Public Utilities Act, this bill would impose a state-mandated local program by expanding the definition of a crime or establishing a new crime.

(2) Existing law requires the PUC to identify cost-effective electricity efficiency savings and establish efficiency targets for an electrical corporation to achieve, and to identify cost-effective natural gas efficiency savings and establish efficiency targets for a gas corporation to achieve. Existing law requires a local publicly owned electric utility to identify all potential achievable cost-effective electricity efficiency savings and to establish annual targets for energy efficiency savings and demand reduction for the next 10-year period.

This bill would require the State Energy Resources Conservation and Development Commission to establish annual targets for statewide energy efficiency savings and demand reduction that will achieve a cumulative doubling of statewide energy efficiency savings in electricity and natural gas final end uses of retail customers by January 1, 2030. The bill would require the PUC to establish efficiency targets for electrical and gas corporations consistent with this goal. The bill would require local publicly owned electric utilities to establish annual targets for energy efficiency savings and demand reduction consistent with this goal.

(3) The existing restructuring of the electrical industry within the Public Utilities Act provides for the establishment of the Independent System Operator (ISO) and requires the ISO to ensure efficient and reliable operation of the electrical transmission grid. Existing law prohibits the ISO from entering into a multistate entity or regional organization unless the ISO receives approval from the Electricity Oversight Board. Existing law states the intent of the Legislature to provide for the evolution of the ISO into a regional organization to promote the development of regional electricity transmission markets in the western states.

This bill would provide for the transformation of the ISO into a regional organization, with the approval of the Legislature, pursuant to a specified process.

(4) 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.

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

SECTION 1. This act shall be known and may be cited as the Clean Energy and Pollution Reduction Act of 2015.

SEC. 2. (a) The Legislature finds and declares that the Governor has called for a new set of objectives in clean energy, clean air, and pollution reduction for 2030 and beyond. Those objectives include the following:

(1) To increase from 33 percent to 50 percent, the procurement of our electricity from renewable sources.

(2) To double the energy efficiency savings in electricity and natural gas final end uses of retail customers through energy efficiency and conservation.

(b) It is the intent of the Legislature in enacting this act to codify the targets described under subdivision (a) to ensure they are permanent, enforceable, and quantifiable.

SEC. 3. Section 44258.5 is added to the Health and Safety Code, to read:

44258.5. (a) For the purposes of this section, the following terms mean the following:

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

(2) “Retail seller” has the same meaning as set forth in Section 399.12 of the Public Utilities Code.

(3) “Transportation electrification” has the same meaning as set forth in Section 237.5 of the Public Utilities Code.

(b) The state board shall identify and adopt appropriate policies, rules, or regulations to remove regulatory disincentives preventing retail sellers and local publicly owned electric utilities from facilitating the achievement of greenhouse gas emission reductions in other sectors through increased investments in transportation electrification. Policies to be considered shall include, but are not limited to, an allocation of greenhouse gas emissions allowances to retail sellers and local publicly owned electric utilities, or other regulatory mechanisms, to account for increased greenhouse gas emissions in the electric sector from transportation electrification.

SEC. 4. Section 1720 of the Labor Code is amended to read:

1720. (a) As used in this chapter, “public works” means:

(1) Construction, alteration, demolition, installation, or repair work done under contract and paid for in whole or in part out of public funds, except work done directly by any public utility company pursuant to order of the Public Utilities Commission or other public authority. For purposes of this paragraph, “construction” includes work performed during the design and preconstruction phases of construction, including, but not limited to, inspection and land surveying work, and work performed during the postconstruction phases of construction, including, but not limited to, all cleanup work at the jobsite. For purposes of this paragraph, “installation” includes, but is not limited to, the assembly and disassembly of freestanding and affixed modular office systems.

(2) Work done for irrigation, utility, reclamation, and improvement districts, and other districts of this type. “Public work” does not include the operation of the irrigation or drainage system of any irrigation or reclamation district, except as used in Section 1778 relating to retaining wages.

(3) Street, sewer, or other improvement work done under the direction and supervision or by the authority of any officer or public body of the state, or of any political subdivision or district thereof, whether the political subdivision or district operates under a freeholder’s charter or not.

(4) The laying of carpet done under a building lease-maintenance contract and paid for out of public funds.

(5) The laying of carpet in a public building done under contract and paid for in whole or in part out of public funds.

(6) Public transportation demonstration projects authorized pursuant to Section 143 of the Streets and Highways Code.

(7) (A) Infrastructure project grants from the California Advanced Services Fund pursuant to Section 281 of the Public Utilities Code.

(B) For purposes of this paragraph, the Public Utilities Commission is not the awarding body or the body awarding the contract, as defined in Section 1722.

(b) For purposes of this section, “paid for in whole or in part out of public funds” means all of the following:

(1) The payment of money or the equivalent of money by the state or political subdivision directly to or on behalf of the public works contractor, subcontractor, or developer.

(2) Performance of construction work by the state or political subdivision in execution of the project.

(3) Transfer by the state or political subdivision of an asset of value for less than fair market price.

(4) Fees, costs, rents, insurance or bond premiums, loans, interest rates, or other obligations that would normally be required in the execution of the contract, that are paid, reduced, charged at less than fair market value, waived, or forgiven by the state or political subdivision.

(5) Money loaned by the state or political subdivision that is to be repaid on a contingent basis.

(6) Credits that are applied by the state or political subdivision against repayment obligations to the state or political subdivision.

(c) Notwithstanding subdivision (b):

(1) Private residential projects built on private property are not subject to the requirements of this chapter unless the projects are built pursuant to an agreement with a state agency, redevelopment agency, or local public housing authority.

(2) If the state or a political subdivision requires a private developer to perform construction, alteration, demolition, installation, or repair work on a public work of improvement as a condition of regulatory approval of an otherwise private development project, and the state or political subdivision contributes no more money, or the equivalent of money, to the overall project than is required to perform this public improvement work, and the state or political subdivision maintains no proprietary interest in the overall project, then only the public improvement work shall thereby become subject to this chapter.

(3) If the state or a political subdivision reimburses a private developer for costs that would normally be borne by the public, or provides directly or indirectly a public subsidy to a private development project that is de minimis in the context of the project, an otherwise private development project shall not thereby become subject to the requirements of this chapter.

(4) The construction or rehabilitation of affordable housing units for low- or moderate-income persons pursuant to paragraph (5) or (7) of subdivision (e) of Section 33334.2 of the Health and Safety

Code that are paid for solely with moneys from the Low and Moderate Income Housing Fund established pursuant to Section 33334.3 of the Health and Safety Code or that are paid for by a combination of private funds and funds available pursuant to Section 33334.2 or 33334.3 of the Health and Safety Code do not constitute a project that is paid for in whole or in part out of public funds.

(5) Unless otherwise required by a public funding program, the construction or rehabilitation of privately owned residential projects is not subject to the requirements of this chapter if one or more of the following conditions are met:

(A) The project is a self-help housing project in which no fewer than 500 hours of construction work associated with the homes are to be performed by the home buyers.

(B) The project consists of rehabilitation or expansion work associated with a facility operated on a not-for-profit basis as temporary or transitional housing for homeless persons with a total project cost of less than twenty-five thousand dollars (\$25,000).

(C) Assistance is provided to a household as either mortgage assistance, downpayment assistance, or for the rehabilitation of a single-family home.

(D) The project consists of new construction, expansion, or rehabilitation work associated with a facility developed by a nonprofit organization to be operated on a not-for-profit basis to provide emergency or transitional shelter and ancillary services and assistance to homeless adults and children. The nonprofit organization operating the project shall provide, at no profit, not less than 50 percent of the total project cost from nonpublic sources, excluding real property that is transferred or leased. Total project cost includes the value of donated labor, materials, architectural, and engineering services.

(E) The public participation in the project that would otherwise meet the criteria of subdivision (b) is public funding in the form of below-market interest rate loans for a project in which occupancy of at least 40 percent of the units is restricted for at least 20 years, by deed or regulatory agreement, to individuals or families earning no more than 80 percent of the area median income.

(d) Notwithstanding any provision of this section to the contrary, the following projects shall not, solely by reason of this section, be subject to the requirements of this chapter:

(1) Qualified residential rental projects, as defined by Section 142(d) of the Internal Revenue Code, financed in whole or in part through the issuance of bonds that receive allocation of a portion of the state ceiling pursuant to Chapter 11.8 (commencing with Section 8869.80) of Division 1 of Title 2 of the Government Code on or before December 31, 2003.

(2) Single-family residential projects financed in whole or in part through the issuance of qualified mortgage revenue bonds or qualified veterans' mortgage bonds, as defined by Section 143 of the Internal Revenue Code, or with mortgage credit certificates under a Qualified Mortgage Credit Certificate Program, as defined by Section 25 of the Internal Revenue Code, that receive allocation of a portion of the state ceiling pursuant to Chapter 11.8 (commencing with Section 8869.80) of Division 1 of Title 2 of the Government Code on or before December 31, 2003.

(3) Low-income housing projects that are allocated federal or state low-income housing tax credits pursuant to Section 42 of the Internal Revenue Code, Chapter 3.6 (commencing with Section 50199.4) of Part 1 of Division 31 of the Health and Safety Code, or Section 12206, 17058, or 23610.5 of the Revenue and Taxation Code, on or before December 31, 2003.

(e) Notwithstanding paragraph (1) of subdivision (a), construction, alteration, demolition, installation, or repair work on the electric transmission system located in California constitutes a public works project for the purposes of this chapter.

(f) If a statute, other than this section, or a regulation, other than a regulation adopted pursuant to this section, or an ordinance or a contract applies this chapter to a project, the exclusions set forth in subdivision (d) do not apply to that project.

(g) For purposes of this section, references to the Internal Revenue Code mean the Internal Revenue Code of 1986, as amended, and include the corresponding predecessor sections of the Internal Revenue Code of 1954, as amended.

(h) The amendments made to this section by either Chapter 938 of the Statutes of 2001 or the act adding this subdivision shall not be construed to preempt local ordinances requiring the payment of prevailing wages on housing projects.

SEC. 5. Section 25302.2 is added to the Public Resources Code, to read:

25302.2. As part of the 2019 edition of the integrated energy policy report, the commission shall evaluate the actual energy efficiency savings, as defined in Section 25310, from negative therm interactive effects generated as a result of electricity efficiency improvements.

SEC. 6. Section 25310 of the Public Resources Code is amended to read:

25310. (a) For purposes of this section, the following terms have the following meanings:

(1) “End use” means the purpose for which energy is used, including, but not limited to, heating, cooling, or lighting, or class of energy uses upon which an energy efficiency program is focused, typically categorized by equipment purpose, equipment energy use intensity, or building type.

(2) “Energy efficiency savings” means reduced electricity or natural gas usage produced either by the installation of an energy efficiency measure or the adoption of an energy efficiency practice that maintains at least the same level of end-use service or by conservation actions that reduce energy use by reducing the quantity of baseline energy services demanded.

(b) On or before November 1, 2007, and by November 1 of every third year thereafter, the commission in consultation with the Public Utilities Commission and local publicly owned electric utilities, in a public process that allows input from other stakeholders, shall develop a statewide estimate of all potentially achievable cost-effective electricity and natural gas efficiency savings and establish targets for statewide annual energy efficiency savings and demand reduction for the next 10-year period. The commission shall base its estimate at least in part on information developed pursuant to Sections 454.55, 454.56, 715, 9505, 9615, and 9615.5 of the Public Utilities Code. The commission shall, for each electrical corporation and each gas corporation, include in the integrated energy policy report, a comparison of the public utility’s annual targets established pursuant to Sections 454.55 and 454.56, and the public utility’s actual energy efficiency savings and demand reductions.

(c) (1) On or before November 1, 2017, the commission, in collaboration with the Public Utilities Commission and local

publicly owned electric utilities, in a public process that allows input from other stakeholders, shall establish annual targets for statewide energy efficiency savings and demand reduction that will achieve a cumulative doubling of statewide energy efficiency savings in electricity and natural gas final end uses of retail customers by January 1, 2030. The commission shall base the targets on a doubling of the midcase estimate of additional achievable energy efficiency savings, as contained in the California Energy Demand Updated Forecast, 2015-2025, adopted by the commission, extended to 2030 using an average annual growth rate, and the targets adopted by local publicly owned electric utilities pursuant to Section 9505 of the Public Utilities Code, extended to 2030 using an average annual growth rate, to the extent doing so is cost effective, feasible, and will not adversely impact public health and safety.

(2) The commission may establish targets for the purposes of paragraph (1) that aggregate energy efficiency savings from both electricity and natural gas final end uses. Before establishing aggregate targets, the commission shall, in a public process that allows input from other stakeholders, adopt a methodology for aggregating electricity and natural gas final end-use energy efficiency savings in a consistent manner based on source of energy reduction and other relevant factors.

(3) In establishing the targets pursuant to paragraph (1), the commission shall assess the hourly and seasonal impact on statewide and local electricity demand.

(4) In assessing the feasibility and cost-effectiveness of energy efficiency savings for the purposes of paragraph (1), the commission and the Public Utilities Commission shall consider the results of energy efficiency potential studies that are not restricted by previous levels of utility energy efficiency savings.

(5) The energy efficiency savings and demand reduction reported for the purposes of achieving the targets established pursuant to paragraph (1) shall be measured taking into consideration the overall reduction in normalized metered electricity and natural gas consumption where these measurement techniques are feasible and cost effective.

(d) The targets established in subdivision (c) may be achieved through energy efficiency savings and demand reduction resulting

from a variety of programs that include, but are not limited to, the following:

(1) Appliance and building energy efficiency standards developed and adopted pursuant to Section 25402.

(2) A comprehensive program to achieve greater energy efficiency savings in California's existing residential and nonresidential building stock pursuant to Section 25943.

(3) Programs funded and authorized pursuant to the California Clean Energy Job Creation Act (Division 16.3 (commencing with Section 26200)).

(4) Programs funded by the Greenhouse Gas Reduction Fund established pursuant to Section 16428.8 of the Government Code.

(5) Programs funded and authorized pursuant to this division.

(6) Programs of electrical or gas corporations, or community choice aggregators, that provide financial incentives, rebates, technical assistance, and support to their customers to increase energy efficiency, authorized by the Public Utilities Commission.

(7) Programs of local publicly owned electric utilities that provide financial incentives, rebates, technical assistance, and support to their customers to increase energy efficiency pursuant to Section 385 of the Public Utilities Code.

(8) Programs of electrical or gas corporations, local publicly owned electric utilities, or community choice aggregators, that achieve energy efficiency savings through operational, behavioral, and retrocommissioning activities.

(9) Programs that save energy in final end uses by reducing distribution feeder service voltage, known as conservation voltage reduction.

(10) Programs that save energy in final end uses by using cleaner fuels to reduce greenhouse gas emissions as measured on a lifecycle basis from the provision of energy services.

(11) Property Assessed Clean Energy (PACE) programs.

(e) Beginning with the 2019 edition of the integrated energy policy report and every two years thereafter, the commission shall provide recommendations and an update on progress toward achieving a doubling of energy efficiency savings in electricity and natural gas final end uses of retail customers by January 1, 2030, pursuant to paragraph (1) of subdivision (c). The commission shall also include with the recommendations and update both of the following:

(1) An assessment of the effect of energy efficiency savings on electricity demand statewide, in local service territories, and on an hourly and seasonal basis.

(2) Specific strategies for, and an update on, progress toward maximizing the contribution of energy efficiency savings in disadvantaged communities identified pursuant to Section 39711 of the Health and Safety Code.

SEC. 7. Section 25327 is added to the Public Resources Code, to read:

25327. (a) The Legislature finds and declares all of the following:

(1) There is insufficient information available to fully realize the potential of solar photovoltaic energy generation to serve low-income customers, including those in disadvantaged communities.

(2) There is insufficient understanding of the barriers to access for low-income customers to all forms of renewable energy being generated in the state.

(3) There is insufficient understanding of the barriers to access for low-income customers to energy efficiency investments.

(4) There is insufficient understanding of the barriers to access for low-income customers to zero-emission and near-zero-emission transportation options.

(b) On or before January 1, 2017, the commission, with input from relevant state agencies and the public, shall conduct and complete a study on both of the following:

(1) Barriers to, and opportunities for, solar photovoltaic energy generation as well as barriers to, and opportunities for, access to other renewable energy by low-income customers.

(2) Barriers to contracting opportunities for local small businesses in disadvantaged communities.

(c) On or before January 1, 2017, the commission, with input from relevant state agencies and the public, shall develop and publish a study on barriers for low-income customers to energy efficiency and weatherization investments, including those in disadvantaged communities, as well as recommendations on how to increase access to energy efficiency and weatherization investments to low-income customers.

(d) On or before January 1, 2017, the State Air Resources Board, in consultation with the commission and with input from relevant

state agencies and the public, shall develop and publish a study on barriers for low-income customers to zero-emission and near-zero-emission transportation options, including those in disadvantaged communities, as well as recommendations on how to increase access to zero-emission and near-zero-emission transportation options to low-income customers, including those in disadvantaged communities.

SEC. 8. Section 25943 of the Public Resources Code is amended to read:

25943. (a) (1) By March 1, 2010, the commission shall establish a regulatory proceeding to develop and implement a comprehensive program to achieve greater energy savings in California's existing residential and nonresidential building stock. This program shall comprise a complementary portfolio of techniques, applications, and practices that will achieve greater energy efficiency in existing residential and nonresidential structures that fall significantly below the current standards in Title 24 of the California Code of Regulations, as determined by the commission.

(2) The comprehensive program may include, but need not be limited to, a broad range of energy assessments, building benchmarking, energy rating, cost-effective energy efficiency improvements, public and private sector energy efficiency financing options, public outreach and education efforts, and green workforce training.

(3) The commission shall adopt, implement, and enforce a responsible contractor policy for use across all ratepayer-funded energy efficiency programs that involve installation or maintenance, or both installation and maintenance, by building contractors to ensure that retrofits meet high-quality performance standards and reduce energy savings lost or foregone due to poor-quality workmanship.

(4) The commission, in consultation with the Public Utilities Commission, shall establish consumer protection guidelines for energy efficiency products and services.

(b) To develop and implement the program specified in subdivision (a), the commission shall do both of the following:

(1) Coordinate with the Public Utilities Commission and consult with representatives from the Bureau of Real Estate, the Department of Housing and Community Development,

investor-owned and publicly owned utilities, local governments, real estate licensees, commercial and homebuilders, commercial property owners, small businesses, mortgage lenders, financial institutions, home appraisers, inspectors, energy rating organizations, consumer groups, environmental and environmental justice groups, and other entities the commission deems appropriate.

(2) Hold at least three public hearings in geographically diverse locations throughout the state.

(c) In developing the requirements for the program specified in subdivision (a), the commission shall consider all of the following:

(1) The amount of annual and peak energy savings, greenhouse gas emission reductions, and projected customer utility bill savings that will accrue from the program.

(2) The most cost-effective means and reasonable timeframes to achieve the goals of the program.

(3) The various climatic zones within the state.

(4) An appropriate method to inform and educate the public about the need for, benefits of, and environmental impacts of, the comprehensive energy efficiency program.

(5) The most effective way to report the energy assessment results and the corresponding energy efficiency improvements to the owner of the residential or nonresidential building, including, among other things, the following:

(A) Prioritizing the identified energy efficiency improvements.

(B) The payback period or cost-effectiveness of each improvement identified.

(C) The various incentives, loans, grants, and rebates offered to finance the improvements.

(D) Available financing options including all of the following:

(i) Mortgages or sales agreement components.

(ii) On-bill financing.

(iii) Contractual property tax assessments.

(iv) Home warranties.

(6) Existing statutory and regulatory requirements to achieve energy efficiency savings and greenhouse gas emission reductions.

(7) A broad range of implementation approaches, including both utility and nonutility administration of energy efficiency programs, especially the use of not-for-profit and community-based organizations that assist with deployment in disadvantaged

communities identified pursuant to Section 39711 of the Health and Safety Code.

(8) Workforce development and job training for residents in disadvantaged communities, including veterans, at-risk youth, and members of the state and local community conservation corps.

(9) Any other considerations deemed appropriate by the commission.

(d) The program developed pursuant to this section shall do all of the following:

(1) Minimize the overall costs of establishing and implementing the comprehensive energy efficiency program requirements.

(2) Ensure, for residential buildings, that the energy efficiency assessments, ratings, or improvements do not unreasonably or unnecessarily affect the home purchasing process or the ability of individuals to rent housing. A transfer of property subject to the program implemented pursuant to this section shall not be invalidated solely because of the failure of a person to comply with a provision of the program.

(3) Ensure, for nonresidential buildings, that the energy improvements do not have an undue economic impact on California businesses.

(4) Determine, for residential buildings, the appropriateness of the Home Energy Rating System (HERS) program to support the goals of this section and whether there are a sufficient number of HERS-certified raters available to meet the program requirements.

(5) Determine, for nonresidential structures, the availability of an appropriate cost-effective energy efficiency assessment system and whether there are a sufficient number of certified raters or auditors available to meet the program requirements.

(6) Coordinate with the California Workforce Investment Board, the Employment Training Panel, the California Community Colleges, and other entities to ensure a qualified, well-trained workforce is available to implement the program requirements.

(7) Promote greater project penetration in disadvantaged communities identified pursuant to Section 39711 of the Health and Safety Code, including the deployment of energy efficiency surveys and audits, energy efficiency retrofits and upgrades, weatherization, and followup project inspections by state-certified community conservation corps and other community-based workforce development organizations that serve residents of

disadvantaged communities, including veterans and disadvantaged youth.

(8) Coordinate with, and avoid duplication of, existing proceedings of the Public Utilities Commission and programs administered by utilities.

(e) A home energy rating or energy assessment service does not meet the requirements of this section unless the service has been certified by the commission to be in compliance with the program criteria developed pursuant to this section and is in conformity with other applicable elements of the program.

(f) (1) The commission shall periodically update the criteria and adopt any revision that, in its judgment, is necessary to improve or refine program requirements after receiving public input.

(2) On or before January 1, 2017, and at least once every three years thereafter, the commission shall adopt an update to the program in furtherance of achieving a cumulative doubling of statewide energy efficiency savings in electricity and natural gas final end uses of retail customers by January 1, 2030.

(g) Before implementing an element of the program developed pursuant to subdivision (a) that requires the expansion of statutory authority of the commission or the Public Utilities Commission, the commission and the Public Utilities Commission shall obtain legislative approval for the expansion of their authorities.

(h) The commission shall report on the status of the program in the integrated energy policy report pursuant to Section 25302.

(i) The commission shall fund activities undertaken pursuant to this section from the Federal Trust Fund consistent with the federal American Recovery and Reinvestment Act of 2009 (Public Law 111-5) or other sources of nonstate funds available to the commission for the purposes of this section.

(j) For purposes of this section, the following terms mean the following:

(1) “Energy assessment” means a determination of an energy user’s energy consumption level, relative efficiency compared to other users, and opportunities to achieve greater efficiency or improve energy resource utilization.

(2) “Energy efficiency” means delivering equal or more services with less energy input from an energy source.

SEC. 9. Section 237.5 is added to the Public Utilities Code, to read:

237.5. “Transportation electrification” means the use of electricity from external sources of electrical power, including the electrical grid, for all or part of vehicles, vessels, trains, boats, or other equipment that are mobile sources of air pollution and greenhouse gases and the related programs and charging and propulsion infrastructure investments to enable and encourage this use of electricity.

SEC. 10. Section 337 of the Public Utilities Code is amended to read:

337. (a) The Independent System Operator governing board shall be composed of a five-member independent governing board of directors appointed by the Governor and subject to confirmation by the Senate. Any reference in this chapter or in any other provision of law to the Independent System Operator governing board means the independent governing board appointed under this subdivision.

(b) A member of the independent governing board appointed under subdivision (a) may not be affiliated with any actual or potential participant in any market administered by the Independent System Operator.

(c) (1) All appointments shall be for three-year terms.

(2) There is no limit on the number of terms that may be served by any member.

(d) The Oversight Board shall require the articles of incorporation and bylaws of the Independent System Operator to be revised in accordance with this section, and shall make filings with the Federal Energy Regulatory Commission as the Oversight Board determines to be necessary.

(e) For the purposes of the initial appointments to the Independent System Operator governing board, as provided in subdivision (a), the Governor shall appoint one member to a one-year term, two members to a two-year term, and two members to a three-year term.

(f) This section becomes inoperative on the date on which the governance modifications set forth in Section 359.5 become effective and is repealed on January 1 of the following year.

SEC. 11. Section 352 of the Public Utilities Code is amended to read:

352. (a) The Independent System Operator may not enter into a multistate entity or a regional organization as authorized in Section 359 unless that entry is approved by the Oversight Board.

(b) This section becomes inoperative on the date on which the governance modifications set forth in Section 359.5 become effective and is repealed on January 1 of the following year.

SEC. 12. Section 359 of the Public Utilities Code is amended to read:

359. (a) It is the intent of the Legislature to provide for the evolution of the Independent System Operator into a regional organization to promote the development of regional electricity transmission markets in the western states and to improve the access of consumers served by the Independent System Operator to those markets.

(b) The preferred means by which the voluntary evolution described in subdivision (a) should occur is through the adoption of a regional compact or other comparable agreement among cooperating party states, the retail customers of which states would reside within the geographic territories served by the Independent System Operator.

(c) The agreement described in subdivision (b) should provide for all of the following:

(1) An equitable process for the appointment or confirmation by party states of members of the governing boards of the Independent System Operator.

(2) A respecification of the size, structure, representation, eligible membership, nominating procedures, and member terms of service of the governing boards of the Independent System Operator.

(3) Mechanisms by which each party state, jointly or separately, can oversee effectively the actions of the Independent System Operator as those actions relate to the assurance of electricity system reliability within the party state and to matters that affect electricity sales to the retail customers of the party state or otherwise affect the general welfare of the electricity consumers and the general public of the party state.

(4) The adherence by publicly owned and investor-owned utilities located in party states to enforceable standards and protocols to protect the reliability of the interconnected regional transmission and distribution systems.

(d) (1) Except for paragraphs (2) and (3), this section becomes inoperative on January 1, 2016.

(2) This section becomes operative on January 1, 2019, if Article 5.5 (commencing with Section 359.5) becomes inoperative on that date.

(3) If the governance modifications set forth in Section 359.5 become effective, this article is repealed on January 1 of the year following the effective date of the governance modifications.

SEC. 13. Article 5.5 (commencing with Section 359.5) is added to Chapter 2.3 of Part 1 of Division 1 of the Public Utilities Code, to read:

Article 5.5. Transformation of the Independent System Operator

359.5. (a) It is the intent of the Legislature to provide for the transformation of the Independent System Operator into a regional organization to promote the development of regional electricity transmission markets in the western states and to improve the access of consumers served by the Independent System Operator to those markets, and that the transformation should only occur where it is in the best interests of California and its ratepayers.

(b) The transformation of the Independent System Operator into a regional organization shall not alter its obligations to the state or to electricity consumers within the state or its obligations to comply with state laws. The Independent System Operator shall retain its obligations set forth in Section 345.5, shall maintain the standards for open meetings and public access to corporate records as set forth in Section 345.5, and shall facilitate effective tracking and reporting mechanisms in support of state enforcement of Division 25.5 (commencing with Section 38500) of the Health and Safety Code.

(c) The voluntary transformation described in subdivision (a) shall occur through additional transmission owners joining the Independent System Operator with approval from their own state or local regulatory authorities, as applicable.

(d) Modifications to the Independent System Operator governance structure, through changes to its bylaws or other corporate governance documents, would be needed to allow this transformation.

(e) The Independent System Operator shall prepare the governance modifications needed as described in subdivision (d), but they shall not become effective until all of the following occur:

(1) The Independent System Operator conducts one or more studies of the impacts of a regional market enabled by the proposed governance modifications, including overall benefits to ratepayers, including the creation or retention of jobs and other benefits to the California economy, environmental impacts in California and elsewhere, impacts in disadvantaged communities, emissions of greenhouse gases and other air pollutants, and reliability and integration of renewable energy resources. The modeling, including all assumptions underlying the modeling, shall be made available for public review.

(2) The commission, Energy Commission, and State Air Resources Board jointly hold at least one public workshop where the Independent System Operator presents the proposed governance modifications and the results of the studies described in paragraph (1). The related Independent System Operator documents shall be made public before the workshop.

(3) The Independent System Operator submits to the Governor the studies described in paragraph (1) and revised bylaws or other corporate governance documents setting forth the proposed modifications to its governance structure.

(4) The Governor transmits to the Legislature the studies described in paragraph (1) and revised bylaws or other corporate governance documents setting forth the proposed modifications to its governance structure, no later than December 31, 2017.

(5) The Legislature enacts a statute implementing the revised governance changes.

(f) The Independent System Operator shall expeditiously adopt the modifications to its governance structure enacted by the Legislature pursuant to paragraph (5) of subdivision (e) so that the modifications become effective before new transmission owners from outside California complete the process of joining the Independent System Operator.

(g) The revised governance structure shall not alter or abridge the contractual rights of a transmission owner to withdraw from participation in the Independent System Operator.

(h) One year after the seating of the new, revised governing board of the Independent System Operator pursuant to the

modifications of its governance structure, and every two years thereafter, the Independent System Operator shall prepare a report to the states within the areas it serves documenting its furtherance of applicable state and federal laws and regulations affecting the electric industry.

(i) This article is repealed on January 1, 2019, if a statute implementing the governance modifications has not become effective on or before January 1, 2019.

SEC. 14. Section 365.2 is added to the Public Utilities Code, to read:

365.2. The commission shall ensure that bundled retail customers of an electrical corporation do not experience any cost increases as a result of retail customers of an electrical corporation electing to receive service from other providers. The commission shall also ensure that departing load does not experience any cost increases as a result of an allocation of costs that were not incurred on behalf of the departing load.

SEC. 15. Section 366.3 is added to the Public Utilities Code, to read:

366.3. Bundled retail customers of an electrical corporation shall not experience any cost increase as a result of the implementation of a community choice aggregator program. The commission shall also ensure that departing load does not experience any cost increases as a result of an allocation of costs that were not incurred on behalf of the departing load.

SEC. 16. Section 399.4 of the Public Utilities Code is amended to read:

399.4. (a) (1) In order to ensure that prudent investments in energy efficiency continue to be made that produce cost-effective energy savings, reduce customer demand, and contribute to the safe and reliable operation of the electric distribution grid, it is the policy of this state and the intent of the Legislature that the commission shall continue to administer cost-effective energy efficiency programs authorized pursuant to existing statutory authority.

(2) As used in this section, the term “energy efficiency” includes, but is not limited to, cost-effective activities to achieve peak load reduction that improve end-use efficiency, lower customers’ bills, and reduce system needs.

(b) (1) Any rebates or incentives offered by a public utility for an energy efficiency improvement or installation of energy efficient components, equipment, or appliances in buildings shall be provided only if the recipient of the rebate or incentive certifies that the improvement or installation has complied with any applicable permitting requirements and, if a contractor performed the installation or improvement, that the contractor holds the appropriate license for the work performed.

(2) This subdivision does not imply or create authority or responsibility, or expand existing authority or responsibility, of a public utility for the enforcement of the building energy and water efficiency standards adopted pursuant to subdivision (a) or (b) of Section 25402 of the Public Resources Code, or appliance efficiency standards and certification requirements adopted pursuant to subdivision (c) of Section 25402 of the Public Resources Code.

(c) The commission, in evaluating energy efficiency investments under its existing statutory authority, shall also ensure that local and regional interests, multifamily dwellings, and energy service industry capabilities are incorporated into program portfolio design and that local governments, community-based organizations, and energy efficiency service providers are encouraged to participate in program implementation where appropriate.

(d) The commission, in a new or existing proceeding, shall review and update its policies governing energy efficiency programs funded by utility customers to facilitate achieving the targets established pursuant to subdivision (c) of Section 25310 of the Public Resources Code. In updating its policies, the commission shall, at a minimum, do all of the following:

(1) Authorize market transformation programs with appropriate levels of funding to achieve deeper energy efficiency savings.

(2) Authorize pay for performance programs that link incentives directly to measured energy savings. As part of pay for performance programs authorized by the commission, customers should be reasonably compensated for developing and implementing an energy efficiency plan, with a portion of their incentive reserved pending post project measurement results.

(3) Authorize programs to achieve deeper savings through operational, behavioral, and retrocommissioning activities.

(4) Ensure that customers have certainty in the values and methodology used to determine energy efficiency incentives by basing the amount of any incentives provided by gas and electrical corporations on the values and methodology contained in the executed customer agreement. Incentive payments shall be based on measured results.

SEC. 17. Section 399.11 of the Public Utilities Code is amended to read:

399.11. The Legislature finds and declares all of the following:

(a) In order to attain a target of generating 20 percent of total retail sales of electricity in California from eligible renewable energy resources by December 31, 2013, 33 percent by December 31, 2020, and 50 percent by December 31, 2030, it is the intent of the Legislature that the commission and the Energy Commission implement the California Renewables Portfolio Standard Program described in this article.

(b) Achieving the renewables portfolio standard through the procurement of various electricity products from eligible renewable energy resources is intended to provide unique benefits to California, including all of the following, each of which independently justifies the program:

(1) Displacing fossil fuel consumption within the state.

(2) Adding new electrical generating facilities in the transmission network within the Western Electricity Coordinating Council service area.

(3) Reducing air pollution in the state.

(4) Meeting the state's climate change goals by reducing emissions of greenhouse gases associated with electrical generation.

(5) Promoting stable retail rates for electric service.

(6) Meeting the state's need for a diversified and balanced energy generation portfolio.

(7) Assistance with meeting the state's resource adequacy requirements.

(8) Contributing to the safe and reliable operation of the electrical grid, including providing predictable electrical supply, voltage support, lower line losses, and congestion relief.

(9) Implementing the state's transmission and land use planning activities related to development of eligible renewable energy resources.

(c) The California Renewables Portfolio Standard Program is intended to complement the Renewable Energy Resources Program administered by the Energy Commission and established pursuant to Chapter 8.6 (commencing with Section 25740) of Division 15 of the Public Resources Code.

(d) New and modified electric transmission facilities may be necessary to facilitate the state achieving its renewables portfolio standard targets.

(e) (1) Supplying electricity to California end-use customers that is generated by eligible renewable energy resources is necessary to improve California's air quality and public health, and the commission shall ensure rates are just and reasonable, and are not significantly affected by the procurement requirements of this article. This electricity may be generated anywhere in the interconnected grid that includes many states, and areas of both Canada and Mexico.

(2) This article requires generating resources located outside of California that are able to supply that electricity to California end-use customers to be treated identically to generating resources located within the state, without discrimination.

(3) California electrical corporations have already executed, and the commission has approved, power purchase agreements with eligible renewable energy resources located outside of California that will supply electricity to California end-use customers. These resources will fully count toward meeting the renewables portfolio standard procurement requirements.

SEC. 18. Section 399.12 of the Public Utilities Code is amended to read:

399.12. For purposes of this article, the following terms have the following meanings:

(a) "Conduit hydroelectric facility" means a facility for the generation of electricity that uses only the hydroelectric potential of an existing pipe, ditch, flume, siphon, tunnel, canal, or other manmade conduit that is operated to distribute water for a beneficial use.

(b) "Balancing authority" means the responsible entity that integrates resource plans ahead of time, maintains load-interchange generation balance within a balancing authority area, and supports interconnection frequency in real time.

(c) “Balancing authority area” means the collection of generation, transmission, and loads within the metered boundaries of the area within which the balancing authority maintains the electrical load-resource balance.

(d) “California balancing authority” is a balancing authority with control over a balancing authority area primarily located in this state and operating for retail sellers and local publicly owned electric utilities subject to the requirements of this article and includes the Independent System Operator (ISO) and a local publicly owned electric utility operating a transmission grid that is not under the operational control of the ISO. A California balancing authority is responsible for the operation of the transmission grid within its metered boundaries which is not limited by the political boundaries of the State of California.

(e) “Eligible renewable energy resource” means an electrical generating facility that meets the definition of a “renewable electrical generation facility” in Section 25741 of the Public Resources Code, subject to the following:

(1) (A) An existing small hydroelectric generation facility of 30 megawatts or less shall be eligible only if a retail seller or local publicly owned electric utility procured the electricity from the facility as of December 31, 2005. A new hydroelectric facility that commences generation of electricity after December 31, 2005, is not an eligible renewable energy resource if it will cause an adverse impact on instream beneficial uses or cause a change in the volume or timing of streamflow.

(B) Notwithstanding subparagraph (A), a conduit hydroelectric facility of 30 megawatts or less that commenced operation before January 1, 2006, is an eligible renewable energy resource. A conduit hydroelectric facility of 30 megawatts or less that commences operation after December 31, 2005, is an eligible renewable energy resource so long as it does not cause an adverse impact on instream beneficial uses or cause a change in the volume or timing of streamflow.

(C) A facility approved by the governing board of a local publicly owned electric utility prior to June 1, 2010, for procurement to satisfy renewable energy procurement obligations adopted pursuant to former Section 387, shall be certified as an eligible renewable energy resource by the Energy Commission pursuant to this article, if the facility is a “renewable electrical

generation facility” as defined in Section 25741 of the Public Resources Code.

(D) (i) A small hydroelectric generation unit with a nameplate capacity not exceeding 40 megawatts that is operated as part of a water supply or conveyance system is an eligible renewable energy resource only for the retail seller or local publicly owned electric utility that procured the electricity from the unit as of December 31, 2005. No unit shall be eligible pursuant to this subparagraph if an application for certification is submitted to the Energy Commission after January 1, 2013. Only one retail seller or local publicly owned electric utility shall be deemed to have procured electricity from a given unit as of December 31, 2005.

(ii) Notwithstanding clause (i), a local publicly owned electric utility that meets the criteria of subdivision (j) of Section 399.30 may sell to another local publicly owned electric utility electricity from small hydroelectric generation units that qualify as eligible renewable energy resources under clause (i), and that electricity may be used by the local publicly owned electric utility that purchased the electricity to meet its renewables portfolio standard procurement requirements. The total of all those sales from the utility shall be no greater than 100,000 megawatthours of electricity.

(iii) The amendments made to this subdivision by the act adding this subparagraph are intended to clarify existing law and apply from December 10, 2011.

(2) (A) A facility engaged in the combustion of municipal solid waste shall not be considered an eligible renewable energy resource.

(B) Subparagraph (A) does not apply to contracts entered into before January 1, 2017, for the procurement of renewable energy resources from a facility located in Stanislaus County that was operational prior to September 26, 1996.

(f) “Procure” means to acquire through ownership or contract.

(g) “Procurement entity” means any person or corporation authorized by the commission to enter into contracts to procure eligible renewable energy resources on behalf of customers of a retail seller pursuant to subdivision (f) of Section 399.13.

(h) (1) “Renewable energy credit” means a certificate of proof associated with the generation of electricity from an eligible renewable energy resource, issued through the accounting system

established by the Energy Commission pursuant to Section 399.25, that one unit of electricity was generated and delivered by an eligible renewable energy resource.

(2) “Renewable energy credit” includes all renewable and environmental attributes associated with the production of electricity from the eligible renewable energy resource, except for an emissions reduction credit issued pursuant to Section 40709 of the Health and Safety Code and any credits or payments associated with the reduction of solid waste and treatment benefits created by the utilization of biomass or biogas fuels.

(3) (A) Electricity generated by an eligible renewable energy resource attributable to the use of nonrenewable fuels, beyond a de minimis quantity used to generate electricity in the same process through which the facility converts renewable fuel to electricity, shall not result in the creation of a renewable energy credit. The Energy Commission shall set the de minimis quantity of nonrenewable fuels for each renewable energy technology at a level of no more than 2 percent of the total quantity of fuel used by the technology to generate electricity. The Energy Commission may adjust the de minimis quantity for an individual facility, up to a maximum of 5 percent, if it finds that all of the following conditions are met:

(i) The facility demonstrates that the higher quantity of nonrenewable fuel will lead to an increase in generation from the eligible renewable energy facility that is significantly greater than generation from the nonrenewable fuel alone.

(ii) The facility demonstrates that the higher quantity of nonrenewable fuels will reduce the variability of its electrical output in a manner that results in net environmental benefits to the state.

(iii) The higher quantity of nonrenewable fuel is limited to either natural gas or hydrogen derived by reformation of a fossil fuel.

(B) Electricity generated by a small hydroelectric generation facility shall not result in the creation of a renewable energy credit unless the facility meets the requirements of subparagraph (A) or (D) of paragraph (1) of subdivision (e).

(C) Electricity generated by a conduit hydroelectric generation facility shall not result in the creation of a renewable energy credit unless the facility meets the requirements of subparagraph (B) of paragraph (1) of subdivision (e).

(D) Electricity generated by a facility engaged in the combustion of municipal solid waste shall not result in the creation of a renewable energy credit. This subparagraph does not apply to renewable energy credits that were generated before January 1, 2017, by a facility engaged in the combustion of municipal solid waste located in Stanislaus County that was operational prior to September 26, 1996, and sold pursuant to contacts entered into before January 1, 2017.

(i) “Renewables portfolio standard” means the specified percentage of electricity generated by eligible renewable energy resources that a retail seller or a local publicly owned electric utility is required to procure pursuant to this article.

(j) “Retail seller” means an entity engaged in the retail sale of electricity to end-use customers located within the state, including any of the following:

(1) An electrical corporation, as defined in Section 218.

(2) A community choice aggregator. A community choice aggregator shall participate in the renewables portfolio standard program subject to the same terms and conditions applicable to an electrical corporation.

(3) An electric service provider, as defined in Section 218.3. The electric service provider shall be subject to the same terms and conditions applicable to an electrical corporation pursuant to this article. This paragraph does not impair a contract entered into between an electric service provider and a retail customer prior to the suspension of direct access by the commission pursuant to Section 80110 of the Water Code.

(4) “Retail seller” does not include any of the following:

(A) A corporation or person employing cogeneration technology or producing electricity consistent with subdivision (b) of Section 218.

(B) The Department of Water Resources acting in its capacity pursuant to Division 27 (commencing with Section 80000) of the Water Code.

(C) A local publicly owned electric utility.

(k) “WECC” means the Western Electricity Coordinating Council of the North American Electric Reliability Corporation, or a successor to the corporation.

SEC. 19. Section 399.13 of the Public Utilities Code is amended to read:

399.13. (a) (1) The commission shall direct each electrical corporation to annually prepare a renewable energy procurement plan that includes the matter in paragraph (5), to satisfy its obligations under the renewables portfolio standard. To the extent feasible, this procurement plan shall be proposed, reviewed, and adopted by the commission as part of, and pursuant to, a general procurement plan process. The commission shall require each electrical corporation to review and update its renewable energy procurement plan as it determines to be necessary. The commission shall require all other retail sellers to prepare and submit renewable energy procurement plans that address the requirements identified in paragraph (5).

(2) Every electrical corporation that owns electrical transmission facilities shall annually prepare, as part of the Federal Energy Regulatory Commission Order 890 process, and submit to the commission, a report identifying any electrical transmission facility, upgrade, or enhancement that is reasonably necessary to achieve the renewables portfolio standard procurement requirements of this article. Each report shall look forward at least five years and, to ensure that adequate investments are made in a timely manner, shall include a preliminary schedule when an application for a certificate of public convenience and necessity will be made, pursuant to Chapter 5 (commencing with Section 1001), for any electrical transmission facility identified as being reasonably necessary to achieve the renewable energy resources procurement requirements of this article. Each electrical corporation that owns electrical transmission facilities shall ensure that project-specific interconnection studies are completed in a timely manner.

(3) The commission shall direct each retail seller to prepare and submit an annual compliance report that includes all of the following:

(A) The current status and progress made during the prior year toward procurement of eligible renewable energy resources as a percentage of retail sales, including, if applicable, the status of any necessary siting and permitting approvals from federal, state, and local agencies for those eligible renewable energy resources procured by the retail seller, and the current status of compliance with the portfolio content requirements of subdivision (c) of Section 399.16, including procurement of eligible renewable energy

resources located outside the state and within the WECC and unbundled renewable energy credits.

(B) If the retail seller is an electrical corporation, the current status and progress made during the prior year toward construction of, and upgrades to, transmission and distribution facilities and other electrical system components it owns to interconnect eligible renewable energy resources and to supply the electricity generated by those resources to load, including the status of planning, siting, and permitting transmission facilities by federal, state, and local agencies.

(C) Recommendations to remove impediments to making progress toward achieving the renewable energy resources procurement requirements established pursuant to this article.

(4) The commission shall adopt, by rulemaking, all of the following:

(A) A process that provides criteria for the rank ordering and selection of least-cost and best-fit eligible renewable energy resources to comply with the California Renewables Portfolio Standard Program obligations on a total cost and best-fit basis. This process shall take into account all of the following:

(i) Estimates of indirect costs associated with needed transmission investments.

(ii) The cost impact of procuring the eligible renewable energy resources on the electrical corporation's electricity portfolio.

(iii) The viability of the project to construct and reliably operate the eligible renewable energy resource, including the developer's experience, the feasibility of the technology used to generate electricity, and the risk that the facility will not be built, or that construction will be delayed, with the result that electricity will not be supplied as required by the contract.

(iv) Workforce recruitment, training, and retention efforts, including the employment growth associated with the construction and operation of eligible renewable energy resources and goals for recruitment and training of women, minorities, and disabled veterans.

(v) (I) Estimates of electrical corporation expenses resulting from integrating and operating eligible renewable energy resources, including, but not limited to, any additional wholesale energy and capacity costs associated with integrating each eligible renewable resource.

(II) No later than December 31, 2015, the commission shall approve a methodology for determining the integration costs described in subclause (I).

(vi) Consideration of any statewide greenhouse gas emissions limit established pursuant to the California Global Warming Solutions Act of 2006 (Division 25.5 (commencing with Section 38500) of the Health and Safety Code).

(vii) Consideration of capacity and system reliability of the eligible renewable energy resource to ensure grid reliability.

(B) Rules permitting retail sellers to accumulate, beginning January 1, 2011, excess procurement in one compliance period to be applied to any subsequent compliance period. The rules shall apply equally to all retail sellers. In determining the quantity of excess procurement for the applicable compliance period, the commission shall retain the rules adopted by the commission and in effect as of January 1, 2015, for the compliance period specified in subparagraphs (A) to (C), inclusive, of paragraph (1) of subdivision (b) of Section 399.15. For any subsequent compliance period, the rules shall allow the following:

(i) For electricity products meeting the portfolio content requirements of paragraph (1) of subdivision (b) of Section 399.16, contracts of any duration may count as excess procurement.

(ii) Electricity products meeting the portfolio content requirements of paragraph (2) or (3) of subdivision (b) of Section 399.16 shall not be counted as excess procurement. Contracts of any duration for electricity products meeting the portfolio content requirements of paragraph (2) or (3) of subdivision (b) of Section 399.16 that are credited towards a compliance period shall not be deducted from a retail seller's procurement for purposes of calculating excess procurement.

(iii) If a retail seller notifies the commission that it will comply with the provisions of subdivision (b) for the compliance period beginning January 1, 2017, the provisions of clauses (i) and (ii) shall take effect for that retail seller for that compliance period.

(C) Standard terms and conditions to be used by all electrical corporations in contracting for eligible renewable energy resources, including performance requirements for renewable generators. A contract for the purchase of electricity generated by an eligible renewable energy resource, at a minimum, shall include the renewable energy credits associated with all electricity generation

specified under the contract. The standard terms and conditions shall include the requirement that, no later than six months after the commission's approval of an electricity purchase agreement entered into pursuant to this article, the following information about the agreement shall be disclosed by the commission: party names, resource type, project location, and project capacity.

(D) An appropriate minimum margin of procurement above the minimum procurement level necessary to comply with the renewables portfolio standard to mitigate the risk that renewable projects planned or under contract are delayed or canceled. This paragraph does not preclude an electrical corporation from voluntarily proposing a margin of procurement above the appropriate minimum margin established by the commission.

(5) Consistent with the goal of increasing California's reliance on eligible renewable energy resources, the renewable energy procurement plan shall include all of the following:

(A) An assessment of annual or multiyear portfolio supplies and demand to determine the optimal mix of eligible renewable energy resources with deliverability characteristics that may include peaking, dispatchable, baseload, firm, and as-available capacity.

(B) Potential compliance delays related to the conditions described in paragraph (5) of subdivision (b) of Section 399.15.

(C) A bid solicitation setting forth the need for eligible renewable energy resources of each deliverability characteristic, required online dates, and locational preferences, if any.

(D) A status update on the development schedule of all eligible renewable energy resources currently under contract.

(E) Consideration of mechanisms for price adjustments associated with the costs of key components for eligible renewable energy resource projects with online dates more than 24 months after the date of contract execution.

(F) An assessment of the risk that an eligible renewable energy resource will not be built, or that construction will be delayed, with the result that electricity will not be delivered as required by the contract.

(6) In soliciting and procuring eligible renewable energy resources, each electrical corporation shall offer contracts of no less than 10 years duration, unless the commission approves of a contract of shorter duration.

(7) In soliciting and procuring eligible renewable energy resources for California-based projects, each electrical corporation shall give preference to renewable energy projects that provide environmental and economic benefits to communities afflicted with poverty or high unemployment, or that suffer from high emission levels of toxic air contaminants, criteria air pollutants, and greenhouse gases.

(8) In soliciting and procuring eligible renewable energy resources, each retail seller shall consider the best-fit attributes of resource types that ensure a balanced resource mix to maintain the reliability of the electrical grid.

(b) A retail seller may enter into a combination of long- and short-term contracts for electricity and associated renewable energy credits. Beginning January 1, 2021, at least 65 percent of the procurement a retail seller counts toward the renewables portfolio standard requirement of each compliance period shall be from its contracts of 10 years or more in duration or in its ownership or ownership agreements for eligible renewable energy resources.

(c) The commission shall review and accept, modify, or reject each electrical corporation's renewable energy resource procurement plan prior to the commencement of renewable energy procurement pursuant to this article by an electrical corporation. The commission shall assess adherence to the approved renewable energy resource procurement plans in determining compliance with the obligations of this article.

(d) Unless previously preapproved by the commission, an electrical corporation shall submit a contract for the generation of an eligible renewable energy resource to the commission for review and approval consistent with an approved renewable energy resource procurement plan. If the commission determines that the bid prices are elevated due to a lack of effective competition among the bidders, the commission shall direct the electrical corporation to renegotiate the contracts or conduct a new solicitation.

(e) If an electrical corporation fails to comply with a commission order adopting a renewable energy resource procurement plan, the commission shall exercise its authority to require compliance.

(f) (1) The commission may authorize a procurement entity to enter into contracts on behalf of customers of a retail seller for electricity products from eligible renewable energy resources to satisfy the retail seller's renewables portfolio standard procurement

requirements. The commission shall not require any person or corporation to act as a procurement entity or require any party to purchase eligible renewable energy resources from a procurement entity.

(2) Subject to review and approval by the commission, the procurement entity shall be permitted to recover reasonable administrative and procurement costs through the retail rates of end-use customers that are served by the procurement entity and are directly benefiting from the procurement of eligible renewable energy resources.

(g) Procurement and administrative costs associated with contracts entered into by an electrical corporation for eligible renewable energy resources pursuant to this article and approved by the commission are reasonable and prudent and shall be recoverable in rates.

(h) Construction, alteration, demolition, installation, and repair work on an eligible renewable energy resource that receives production incentives pursuant to Section 25742 of the Public Resources Code, including work performed to qualify, receive, or maintain production incentives, are “public works” for the purposes of Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code.

SEC. 20. Section 399.15 of the Public Utilities Code is amended to read:

399.15. (a) In order to fulfill unmet long-term resource needs, the commission shall establish a renewables portfolio standard requiring all retail sellers to procure a minimum quantity of electricity products from eligible renewable energy resources as a specified percentage of total kilowatthours sold to their retail end-use customers each compliance period to achieve the targets established under this article. For any retail seller procuring at least 14 percent of retail sales from eligible renewable energy resources in 2010, the deficits associated with any previous renewables portfolio standard shall not be added to any procurement requirement pursuant to this article.

(b) The commission shall implement renewables portfolio standard procurement requirements only as follows:

(1) Each retail seller shall procure a minimum quantity of eligible renewable energy resources for each of the following compliance periods:

- (A) January 1, 2011, to December 31, 2013, inclusive.
- (B) January 1, 2014, to December 31, 2016, inclusive.
- (C) January 1, 2017, to December 31, 2020, inclusive.
- (D) January 1, 2021, to December 31, 2024, inclusive.
- (E) January 1, 2025, to December 31, 2027, inclusive.
- (F) January 1, 2028, to December 31, 2030, inclusive.

(2) (A) No later than January 1, 2017, the commission shall establish the quantity of electricity products from eligible renewable energy resources to be procured by the retail seller for each compliance period. These quantities shall be established in the same manner for all retail sellers and result in the same percentages used to establish compliance period quantities for all retail sellers.

(B) In establishing quantities for the compliance period from January 1, 2011, to December 31, 2013, inclusive, the commission shall require procurement for each retail seller equal to an average of 20 percent of retail sales. For the following compliance periods, the quantities shall reflect reasonable progress in each of the intervening years sufficient to ensure that the procurement of electricity products from eligible renewable energy resources achieves 25 percent of retail sales by December 31, 2016, 33 percent by December 31, 2020, 40 percent by December 31, 2024, 45 percent by December 31, 2027, and 50 percent by December 31, 2030. The commission shall establish appropriate three-year compliance periods for all subsequent years that require retail sellers to procure not less than 50 percent of retail sales of electricity products from eligible renewable energy resources.

(C) Retail sellers shall be obligated to procure no less than the quantities associated with all intervening years by the end of each compliance period. Retail sellers shall not be required to demonstrate a specific quantity of procurement for any individual intervening year.

(3) The commission may require the procurement of eligible renewable energy resources in excess of the quantities specified in paragraph (2).

(4) Only for purposes of establishing the renewables portfolio standard procurement requirements of paragraph (1) and determining the quantities pursuant to paragraph (2), the commission shall include all electricity sold to retail customers by the Department of Water Resources pursuant to Division 27

(commencing with Section 80000) of the Water Code in the calculation of retail sales by an electrical corporation.

(5) The commission shall waive enforcement of this section if it finds that the retail seller has demonstrated any of the following conditions are beyond the control of the retail seller and will prevent compliance:

(A) There is inadequate transmission capacity to allow for sufficient electricity to be delivered from proposed eligible renewable energy resource projects using the current operational protocols of the Independent System Operator. In making its findings relative to the existence of this condition with respect to a retail seller that owns transmission lines, the commission shall consider both of the following:

(i) Whether the retail seller has undertaken, in a timely fashion, reasonable measures under its control and consistent with its obligations under local, state, and federal laws and regulations, to develop and construct new transmission lines or upgrades to existing lines intended to transmit electricity generated by eligible renewable energy resources. In determining the reasonableness of a retail seller's actions, the commission shall consider the retail seller's expectations for full-cost recovery for these transmission lines and upgrades.

(ii) Whether the retail seller has taken all reasonable operational measures to maximize cost-effective deliveries of electricity from eligible renewable energy resources in advance of transmission availability.

(B) Permitting, interconnection, or other circumstances that delay procured eligible renewable energy resource projects, or there is an insufficient supply of eligible renewable energy resources available to the retail seller. In making a finding that this condition prevents timely compliance, the commission shall consider whether the retail seller has done all of the following:

(i) Prudently managed portfolio risks, including relying on a sufficient number of viable projects.

(ii) Sought to develop one of the following: its own eligible renewable energy resources, transmission to interconnect to eligible renewable energy resources, or energy storage used to integrate eligible renewable energy resources. This clause shall not require an electrical corporation to pursue development of eligible renewable energy resources pursuant to Section 399.14.

(iii) Procured an appropriate minimum margin of procurement above the minimum procurement level necessary to comply with the renewables portfolio standard to compensate for foreseeable delays or insufficient supply.

(iv) Taken reasonable measures, under the control of the retail seller, to procure cost-effective distributed generation and allowable unbundled renewable energy credits.

(C) Unanticipated curtailment of eligible renewable energy resources if the waiver would not result in an increase in greenhouse gas emissions.

(D) Unanticipated increase in retail sales due to transportation electrification. In making a finding that this condition prevents timely compliance, the commission shall consider all of the following:

(i) Whether transportation electrification significantly exceeded forecasts in that retail seller's service territory based on the best and most recently available information filed with the State Air Resources Board, the Energy Commission, or other state agency.

(ii) Whether the retail seller has taken reasonable measures to procure sufficient resources to account for unanticipated increases in retail sales due to transportation electrification.

(6) If the commission waives the compliance requirements of this section, the commission shall establish additional reporting requirements on the retail seller to demonstrate that all reasonable actions under the control of the retail seller are taken in each of the intervening years sufficient to satisfy future procurement requirements.

(7) The commission shall not waive enforcement pursuant to this section, unless the retail seller demonstrates that it has taken all reasonable actions under its control, as set forth in paragraph (5), to achieve full compliance.

(8) If a retail seller fails to procure sufficient eligible renewable energy resources to comply with a procurement requirement pursuant to paragraphs (1) and (2) and fails to obtain an order from the commission waiving enforcement pursuant to paragraph (5), the commission shall assess penalties for noncompliance. A schedule of penalties shall be adopted by the commission that shall be comparable for electrical corporations and other retail sellers. For electrical corporations, the cost of any penalties shall not be collected in rates. Any penalties collected under this article shall

be deposited into the Electric Program Investment Charge Fund and used for the purposes described in Chapter 8.1 (commencing with Section 25710) of Division 15 of the Public Resources Code.

(9) Deficits associated with the compliance period shall not be added to a future compliance period.

(c) The commission shall establish a limitation for each electrical corporation on the procurement expenditures for all eligible renewable energy resources used to comply with the renewables portfolio standard. This limitation shall be set at a level that prevents disproportionate rate impacts.

(d) If the cost limitation for an electrical corporation is insufficient to support the projected costs of meeting the renewables portfolio standard procurement requirements, the electrical corporation may refrain from entering into new contracts or constructing facilities beyond the quantity that can be procured within the limitation, unless eligible renewable energy resources can be procured without exceeding a de minimis increase in rates, consistent with the long-term procurement plan established for the electrical corporation pursuant to Section 454.5.

(e) (1) The commission shall monitor the status of the cost limitation for each electrical corporation in order to ensure compliance with this article.

(2) If the commission determines that an electrical corporation may exceed its cost limitation prior to achieving the renewables portfolio standard procurement requirements, the commission shall do both of the following within 60 days of making that determination:

(A) Investigate and identify the reasons why the electrical corporation may exceed its annual cost limitation.

(B) Notify the appropriate policy and fiscal committees of the Legislature that the electrical corporation may exceed its cost limitation, and include the reasons why the electrical corporation may exceed its cost limitation.

(f) The establishment of a renewables portfolio standard shall not constitute implementation by the commission of the federal Public Utility Regulatory Policies Act of 1978 (Public Law 95-617).

SEC. 21. Section 399.16 of the Public Utilities Code is amended to read:

399.16. (a) Various electricity products from eligible renewable energy resources located within the WECC transmission network service area shall be eligible to comply with the renewables portfolio standard procurement requirements in Section 399.15. These electricity products may be differentiated by their impacts on the operation of the grid in supplying electricity, as well as meeting the requirements of this article.

(b) Consistent with the goals of procuring the least-cost and best-fit electricity products from eligible renewable energy resources that meet project viability principles adopted by the commission pursuant to paragraph (4) of subdivision (a) of Section 399.13 and that provide the benefits set forth in Section 399.11, a balanced portfolio of eligible renewable energy resources shall be procured consisting of the following portfolio content categories:

(1) Eligible renewable energy resource electricity products that meet either of the following criteria:

(A) Have a first point of interconnection with a California balancing authority, have a first point of interconnection with distribution facilities used to serve end users within a California balancing authority area, or are scheduled from the eligible renewable energy resource into a California balancing authority without substituting electricity from another source. The use of another source to provide real-time ancillary services required to maintain an hourly or subhourly import schedule into a California balancing authority shall be permitted, but only the fraction of the schedule actually generated by the eligible renewable energy resource shall count toward this portfolio content category.

(B) Have an agreement to dynamically transfer electricity to a California balancing authority.

(2) Firmed and shaped eligible renewable energy resource electricity products providing incremental electricity and scheduled into a California balancing authority.

(3) Eligible renewable energy resource electricity products, or any fraction of the electricity generated, including unbundled renewable energy credits, that do not qualify under the criteria of paragraph (1) or (2).

(c) In order to achieve a balanced portfolio, all retail sellers shall meet the following requirements for all procurement credited toward each compliance period:

(1) Not less than 50 percent for the compliance period ending December 31, 2013, 65 percent for the compliance period ending December 31, 2016, and 75 percent for each compliance period thereafter, of the eligible renewable energy resource electricity products associated with contracts executed after June 1, 2010, shall meet the product content requirements of paragraph (1) of subdivision (b).

(2) Not more than 25 percent for the compliance period ending December 31, 2013, 15 percent for the compliance period ending December 31, 2016, and 10 percent for each compliance period thereafter, of the eligible renewable energy resource electricity products associated with contracts executed after June 1, 2010, shall meet the product content requirements of paragraph (3) of subdivision (b).

(3) Any renewable energy resources contracts executed on or after June 1, 2010, not subject to the limitations of paragraph (1) or (2), shall meet the product content requirements of paragraph (2) of subdivision (b).

(4) For purposes of electric service providers only, the restrictions in this subdivision on crediting eligible renewable energy resource electricity products to each compliance period shall apply to contracts executed after January 13, 2011.

(d) Any contract or ownership agreement originally executed prior to June 1, 2010, shall count in full toward the procurement requirements established pursuant to this article, if all of the following conditions are met:

(1) The renewable energy resource was eligible under the rules in place as of the date when the contract was executed.

(2) For an electrical corporation, the contract has been approved by the commission, even if that approval occurs after June 1, 2010.

(3) Any contract amendments or modifications occurring after June 1, 2010, do not increase the nameplate capacity or expected quantities of annual generation, or substitute a different renewable energy resource. The duration of the contract may be extended if the original contract specified a procurement commitment of 15 or more years.

(e) A retail seller may apply to the commission for a reduction of a procurement content requirement of subdivision (c). The commission may reduce a procurement content requirement of subdivision (c) to the extent the retail seller demonstrates that it

cannot comply with that subdivision because of conditions beyond the control of the retail seller as provided in paragraph (5) of subdivision (b) of Section 399.15. The commission shall not, under any circumstance, reduce the obligation specified in paragraph (1) of subdivision (c) below 65 percent for any compliance period obligation after December 31, 2016.

SEC. 22. Section 399.18 of the Public Utilities Code is amended to read:

399.18. (a) This section applies to an electrical corporation that as of January 1, 2010, met either of the following conditions:

(1) Served 30,000 or fewer customer accounts in California and had issued at least four solicitations for eligible renewable energy resources prior to June 1, 2010.

(2) Had 1,000 or fewer customer accounts in California and was not connected to any transmission system or to the Independent System Operator.

(b) For an electrical corporation or its successor, electricity products from eligible renewable energy resources may be used for compliance with this article, notwithstanding any procurement content limitation in Section 399.16, provided that all of the following conditions are met:

(1) The electrical corporation or its successor participates in, and complies with, the accounting system administered by the Energy Commission pursuant to subdivision (b) of Section 399.25.

(2) The Energy Commission verifies that the electricity generated by the facility is eligible to meet the requirements of Section 399.15.

(3) The electrical corporation continues to satisfy either of the conditions described in subdivision (a).

SEC. 23. Section 399.21 of the Public Utilities Code is amended to read:

399.21. (a) The commission, by rule, shall authorize the use of renewable energy credits to satisfy the renewables portfolio standard procurement requirements established pursuant to this article, subject to the following conditions:

(1) The commission and the Energy Commission shall ensure that the tracking system established pursuant to subdivision (c) of Section 399.25, is operational, is capable of independently verifying that electricity earning the credit is generated by an eligible renewable energy resource, and can ensure that renewable

energy credits shall not be double counted by any seller of electricity within the service territory of the WECC.

(2) Each renewable energy credit shall be counted only once for compliance with the renewables portfolio standard of this state or any other state, or for verifying retail product claims in this state or any other state.

(3) All revenues received by an electrical corporation for the sale of a renewable energy credit shall be credited to the benefit of ratepayers.

(4) Renewable energy credits shall not be created for electricity generated pursuant to any electricity purchase contract with a retail seller or a local publicly owned electric utility executed before January 1, 2005, unless the contract contains explicit terms and conditions specifying the ownership or disposition of those credits. Procurement under those contracts shall be tracked through the accounting system described in subdivision (b) of Section 399.25 and included in the quantity of eligible renewable energy resources of the purchasing retail seller pursuant to Section 399.15.

(5) Renewable energy credits shall not be created for electricity generated under any electricity purchase contract executed after January 1, 2005, pursuant to the federal Public Utility Regulatory Policies Act of 1978 (16 U.S.C. Sec. 2601 et seq.). Procurement under the electricity purchase contracts shall be tracked through the accounting system implemented by the Energy Commission pursuant to subdivision (b) of Section 399.25 and count toward the renewables portfolio standard procurement requirements of the purchasing retail seller.

(6) Nothing in the amendments to this article made by the Clean Energy and Pollution Reduction Act of 2015 (Senate Bill 350 of the 2015–16 Regular Session) is intended to change commission Decision 11-12-052 regarding the classification of renewable energy credits from generation on the customer side of the meter.

(7) A renewable energy credit shall not be eligible for compliance with a renewables portfolio standard procurement requirement unless it is retired in the tracking system established pursuant to subdivision (c) of Section 399.25 by the retail seller or local publicly owned electric utility within 36 months from the initial date of generation of the associated electricity.

(b) The commission shall allow an electrical corporation to recover the reasonable costs of purchasing, selling, and administering renewable energy credit contracts in rates.

SEC. 24. Section 399.30 of the Public Utilities Code is amended to read:

399.30. (a) (1) To fulfill unmet long-term generation resource needs, each local publicly owned electric utility shall adopt and implement a renewable energy resources procurement plan that requires the utility to procure a minimum quantity of electricity products from eligible renewable energy resources, including renewable energy credits, as a specified percentage of total kilowatthours sold to the utility's retail end-use customers, each compliance period, to achieve the targets of subdivision (c).

(2) Beginning January 1, 2019, a local publicly owned electric utility subject to Section 9621 shall incorporate the renewable energy resources procurement plan required by this section as part of a broader integrated resource plan developed and adopted pursuant to Section 9621.

(b) The governing board shall implement procurement targets for a local publicly owned electric utility that require the utility to procure a minimum quantity of eligible renewable energy resources for each of the following compliance periods:

- (1) January 1, 2011, to December 31, 2013, inclusive.
- (2) January 1, 2014, to December 31, 2016, inclusive.
- (3) January 1, 2017, to December 31, 2020, inclusive.
- (4) January 1, 2021, to December 31, 2024, inclusive.
- (5) January 1, 2025, to December 31, 2027, inclusive.
- (6) January 1, 2028, to December 31, 2030, inclusive.

(c) The governing board of a local publicly owned electric utility shall ensure all of the following:

(1) The quantities of eligible renewable energy resources to be procured for the compliance period from January 1, 2011, to December 31, 2013, inclusive, are equal to an average of 20 percent of retail sales.

(2) The quantities of eligible renewable energy resources to be procured for all other compliance periods reflect reasonable progress in each of the intervening years sufficient to ensure that the procurement of electricity products from eligible renewable energy resources achieves 25 percent of retail sales by December 31, 2016, 33 percent by December 31, 2020, 40 percent by

December 31, 2024, 45 percent by December 31, 2027, and 50 percent by December 31, 2030. The Energy Commission shall establish appropriate multiyear compliance periods for all subsequent years that require the local publicly owned electric utility to procure not less than 50 percent of retail sales of electricity products from eligible renewable energy resources.

(3) A local publicly owned electric utility shall adopt procurement requirements consistent with Section 399.16.

(4) Beginning January 1, 2014, in calculating the procurement requirements under this article, a local publicly owned electric utility may exclude from its total retail sales the kilowatthours generated by an eligible renewable energy resource that is credited to a participating customer pursuant to a voluntary green pricing or shared renewable generation program. Any exclusion shall be limited to electricity products that do not meet the portfolio content criteria set forth in paragraph (2) or (3) of subdivision (b) of Section 399.16. Any renewable energy credits associated with electricity credited to a participating customer shall not be used for compliance with procurement requirements under this article, shall be retired on behalf of the participating customer, and shall not be further sold, transferred, or otherwise monetized for any purpose. To the extent possible for generation that is excluded from retail sales under this subdivision, a local publicly owned electric utility shall seek to procure those eligible renewable energy resources that are located in reasonable proximity to program participants.

(d) (1) The governing board of a local publicly owned electric utility shall adopt procurement requirements consistent with subparagraph (B) of paragraph (4) of subdivision (a) of, and subdivision (b) of, Section 399.13.

(2) The governing board of a local publicly owned electric utility may adopt the following measures:

(A) Conditions that allow for delaying timely compliance consistent with subdivision (b) of Section 399.15.

(B) Cost limitations for procurement expenditures consistent with subdivision (c) of Section 399.15.

(e) The governing board of the local publicly owned electric utility shall adopt a program for the enforcement of this article. The program shall be adopted at a publicly noticed meeting offering all interested parties an opportunity to comment. Not less than 30 days' notice shall be given to the public of any meeting held for

purposes of adopting the program. Not less than 10 days' notice shall be given to the public before any meeting is held to make a substantive change to the program.

(f) (1) Each local publicly owned electric utility shall annually post notice, in accordance with Chapter 9 (commencing with Section 54950) of Part 1 of Division 2 of Title 5 of the Government Code, whenever its governing body will deliberate in public on its renewable energy resources procurement plan.

(2) Contemporaneous with the posting of the notice of a public meeting to consider the renewable energy resources procurement plan, the local publicly owned electric utility shall notify the Energy Commission of the date, time, and location of the meeting in order to enable the Energy Commission to post the information on its Internet Web site. This requirement is satisfied if the local publicly owned electric utility provides the uniform resource locator (URL) that links to this information.

(3) Upon distribution to its governing body of information related to its renewable energy resources procurement status and future plans, for its consideration at a noticed public meeting, the local publicly owned electric utility shall make that information available to the public and shall provide the Energy Commission with an electronic copy of the documents for posting on the Energy Commission's Internet Web site. This requirement is satisfied if the local publicly owned electric utility provides the uniform resource locator (URL) that links to the documents or information regarding other manners of access to the documents.

(g) A public utility district that receives all of its electricity pursuant to a preference right adopted and authorized by the United States Congress pursuant to Section 4 of the Trinity River Division Act of August 12, 1955 (Public Law 84-386) shall be in compliance with the renewable energy procurement requirements of this article.

(h) For a local publicly owned electric utility that was in existence on or before January 1, 2009, that provides retail electric service to 15,000 or fewer customer accounts in California, and is interconnected to a balancing authority located outside this state but within the WECC, an eligible renewable energy resource includes a facility that is located outside California that is connected to the WECC transmission system, if all of the following conditions are met:

(1) The electricity generated by the facility is procured by the local publicly owned electric utility, is delivered to the balancing authority area in which the local publicly owned electric utility is located, and is not used to fulfill renewable energy procurement requirements of other states.

(2) The local publicly owned electric utility participates in, and complies with, the accounting system administered by the Energy Commission pursuant to this article.

(3) The Energy Commission verifies that the electricity generated by the facility is eligible to meet the renewables portfolio standard procurement requirements.

(i) Notwithstanding subdivision (a), for a local publicly owned electric utility that is a joint powers authority of districts established pursuant to state law on or before January 1, 2005, that furnish electric services other than to residential customers, and is formed pursuant to the Irrigation District Law (Division 11 (commencing with Section 20500) of the Water Code), the percentage of total kilowatthours sold to the district's retail end-use customers, upon which the renewables portfolio standard procurement requirements in subdivision (b) are calculated, shall be based on the authority's average retail sales over the previous seven years. If the authority has not furnished electric service for seven years, then the calculation shall be based on average retail sales over the number of completed years during which the authority has provided electric service.

(j) A local publicly owned electric utility in a city and county that only receives greater than 67 percent of its electricity sources from hydroelectric generation located within the state that it owns and operates, and that does not meet the definition of a "renewable electrical generation facility" pursuant to Section 25741 of the Public Resources Code, shall be required to procure eligible renewable energy resources, including renewable energy credits, to meet only the electricity demands unsatisfied by its hydroelectric generation in any given year, in order to satisfy its renewable energy procurement requirements.

(k) (1) A local publicly owned electric utility that receives greater than 50 percent of its annual retail sales from its own hydroelectric generation that is not an eligible renewable energy resource shall not be required to procure additional eligible renewable energy resources in excess of either of the following:

(A) The portion of its retail sales not supplied by its own hydroelectric generation. For these purposes, retail sales supplied by an increase in hydroelectric generation resulting from an increase in the amount of water stored by a dam because the dam is enlarged or otherwise modified after December 31, 2012, shall not count as being retail sales supplied by the utility's own hydroelectric generation.

(B) The cost limitation adopted pursuant to this section.

(2) For the purposes of this subdivision, "hydroelectric generation" means electricity generated from a hydroelectric facility that satisfies all of the following:

(A) Is owned solely and operated by the local publicly owned electric utility as of 1967.

(B) Serves a local publicly owned electric utility with a distribution system demand of less than 150 megawatts.

(C) Involves a contract in which an electrical corporation receives the benefit of the electric generation through June of 2014, at which time the benefit reverts back to the ownership and control of the local publicly owned electric utility.

(D) Has a maximum penstock flow capacity of no more than 3,200 cubic feet per second and includes a regulating reservoir with a small hydroelectric generation facility producing fewer than 20 megawatts with a maximum penstock flow capacity of no more than 3,000 cubic feet per second.

(3) This subdivision does not reduce or eliminate any renewable procurement requirement for any compliance period ending prior to January 1, 2014.

(4) This subdivision does not require a local publicly owned electric utility to purchase additional eligible renewable energy resources in excess of the procurement requirements of subdivision (c).

(l) (1) (A) For purposes of this subdivision, "large hydroelectric generation" means electricity generated from a hydroelectric facility that is not an eligible renewable energy resource and provides electricity to a local publicly owned electric utility from facilities owned by the federal government as a part of the federal Central Valley Project or a joint powers agency formed and created pursuant to Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code.

(B) Large hydroelectric generation does not include any resource that meets the definition of hydroelectric generation set forth in subdivision (k).

(2) If, during a year within a compliance period set forth in subdivision (b), a local publicly owned electric utility receives greater than 50 percent of its retail sales from large hydroelectric generation, it is not required to procure eligible renewable energy resources that exceed the lesser of the following for that year:

(A) The portion of the local publicly owned electric utility retail sales unsatisfied by the local publicly owned electric utility's large hydroelectric generation.

(B) The soft target adopted by the Energy Commission for the intervening year of the relevant compliance period.

(3) Except for an existing agreement effective as of January 1, 2015, or extension or renewal of that agreement, any new procurement commitment shall not be eligible to count towards the determination that the local publicly owned electric utility receives more than 50 percent of its retail sales from large hydroelectric generation in any year.

(4) The Energy Commission shall adjust the total quantities of eligible renewable energy resources to be procured by a local publicly owned electric utility for a compliance period to reflect any reductions required pursuant to paragraph (2).

(5) This subdivision does not modify the compliance obligation of a local publicly owned electric utility to satisfy the requirements of subdivision (c) of Section 399.16.

(m) (1) (A) For purposes of this subdivision, "unavoidable long-term contracts and ownership agreements" means commitments for electricity from a coal-fired powerplant, located outside the state, originally entered into by a local publicly owned electric utility before June 1, 2010, that is not subsequently modified to result in an extension of the duration of the agreement or result in an increase in total quantities of energy delivered during any compliance period set forth in subdivision (b).

(B) The governing board of a local publicly owned electric utility shall demonstrate in its renewable energy resources procurement plan required pursuant to subdivision (f) that any cancellation or divestment of the commitment would result in significant economic harm to its retail customers that cannot be

substantially mitigated through resale, transfer to another entity, early closure of the facility, or other feasible measures.

(2) For the compliance period set forth in paragraph (4) of subdivision (b), a local publicly owned electric utility meeting the requirement of subparagraph (B) of paragraph (1) may adjust its renewable energy procurement targets to ensure that the procurement of additional electricity from eligible renewable energy resources, in combination with the procurement of electricity from unavoidable long-term contracts and ownership agreements, does not exceed the total retail sales of the local publicly owned electric utility during that compliance period. The local publicly owned electric utility may limit its procurement of eligible renewable energy resources for that compliance period to no less than an average of 33 percent of its retail sales.

(3) The Energy Commission shall approve any reductions in procurement targets proposed by a local publicly owned electric utility if it determines that the requirements of this subdivision are satisfied.

(n) A local publicly owned electric utility shall retain discretion over both of the following:

(1) The mix of eligible renewable energy resources procured by the utility and those additional generation resources procured by the utility for purposes of ensuring resource adequacy and reliability.

(2) The reasonable costs incurred by the utility for eligible renewable energy resources owned by the utility.

(o) The Energy Commission shall adopt regulations specifying procedures for enforcement of this article. The regulations shall include a public process under which the Energy Commission may issue a notice of violation and correction against a local publicly owned electric utility for failure to comply with this article, and for referral of violations to the State Air Resources Board for penalties pursuant to subdivision (n).

(p) (1) Upon a determination by the Energy Commission that a local publicly owned electric utility has failed to comply with this article, the Energy Commission shall refer the failure to comply with this article to the State Air Resources Board, which may impose penalties to enforce this article consistent with Part 6 (commencing with Section 38580) of Division 25.5 of the Health and Safety Code. Any penalties imposed shall be comparable to

those adopted by the commission for noncompliance by retail sellers.

(2) Any penalties collected by the State Air Resources Board pursuant to this article shall be deposited in the Air Pollution Control Fund and, upon appropriation by the Legislature, shall be expended for reducing emissions of air pollution or greenhouse gases within the same geographic area as the local publicly owned electric utility.

SEC. 25. Article 17 (commencing with Section 400) is added to Chapter 2.3 of Part 1 of Division 1 of the Public Utilities Code, to read:

Article 17. Clean Energy and Pollution Reduction

400. The commission and the Energy Commission shall do all of the following in furtherance of meeting the state's clean energy and pollution reduction objectives:

(a) Take into account the use of distributed generation to the extent that it provides economic and environmental benefits in disadvantaged communities as identified pursuant to Section 39711 of the Health and Safety Code.

(b) Take into account the opportunities to decrease costs and increase benefits, including pollution reduction and grid integration, using renewable and nonrenewable technologies with zero or lowest feasible emissions of greenhouse gases, criteria pollutants, and toxic air contaminants onsite in proceedings associated with meeting the objectives.

(c) Where feasible, authorize procurement of resources to provide grid reliability services that minimize reliance on system power and fossil fuel resources and, where feasible, cost effective, and consistent with other state policy objectives, increase the use of large- and small-scale energy storage with a variety of technologies, targeted energy efficiency, demand response, including, but not limited to, automated demand response, eligible renewable energy resources, or other renewable and nonrenewable technologies with zero or lowest feasible emissions of greenhouse gases, criteria pollutants, and toxic air contaminants onsite to protect system reliability.

(d) Review technology incentive, research, development, deployment, and market facilitation programs overseen by the

commission and the Energy Commission and make recommendations to advance state clean energy and pollution reduction objectives and provide benefits to disadvantaged communities as identified pursuant to Section 39711 of the Health and Safety Code.

(e) To the extent feasible, give first priority to the manufacture and deployment of clean energy and pollution reduction technologies that create employment opportunities, including high wage, highly skilled employment opportunities, and increased investment in the state.

(f) Establish a publicly available tracking system to provide up-to-date information on progress toward meeting the clean energy and pollution reduction goals of the Clean Energy and Pollution Reduction Act of 2015.

(g) Establish an advisory group consisting of representatives from disadvantaged communities identified in Section 39711 of the Health and Safety Code. The advisory group shall review and provide advice on programs proposed to achieve clean energy and pollution reduction and determine whether those proposed programs will be effective and useful in disadvantaged communities.

SEC. 26. Section 454.51 is added to the Public Utilities Code, to read:

454.51. The commission shall do all of the following:

(a) Identify a diverse and balanced portfolio of resources needed to ensure a reliable electricity supply that provides optimal integration of renewable energy in a cost-effective manner. The portfolio shall rely upon zero carbon-emitting resources to the maximum extent reasonable and be designed to achieve any statewide greenhouse gas emissions limit established pursuant to the California Global Warming Solutions Act of 2006 (Division 25.5 (commencing with Section 38500) of the Health and Safety Code) or any successor legislation.

(b) Direct each electrical corporation to include, as part of its proposed procurement plan, a strategy for procuring best-fit and least-cost resources to satisfy the portfolio needs identified by the commission pursuant to subdivision (a).

(c) Ensure that the net costs of any incremental renewable energy integration resources procured by an electrical corporation to satisfy the need identified in subdivision (a) are allocated on a fully

nonbypassable basis consistent with the treatment of costs identified in paragraph (2) of subdivision (c) of Section 365.1.

(d) Permit community choice aggregators to submit proposals for satisfying their portion of the renewable integration need identified in subdivision (a). If the commission finds this need is best met through long-term procurement commitments for resources, community choice aggregators shall also be required to make long-term commitments for resources. The commission shall approve proposals pursuant to this subdivision if it finds all of the following:

(1) The resources proposed by a community choice aggregator will provide equivalent integration of renewable energy.

(2) The resources proposed by a community choice aggregator will promote the efficient achievement of state energy policy objectives, including reductions in greenhouse gas emissions.

(3) Bundled customers of an electrical corporation will be indifferent from the approval of the community choice aggregator proposals.

(4) All costs resulting from nonperformance will be borne by the electrical corporation or community choice aggregator responsible for them.

SEC. 27. Section 454.52 is added to the Public Utilities Code, to read:

454.52. (a) (1) Commencing in 2017, and to be updated regularly thereafter, the commission shall adopt a process for each load-serving entity, as defined in Section 380, to file an integrated resource plan, and a schedule for periodic updates to the plan, to ensure that load-serving entities do the following:

(A) Meet the greenhouse gas emissions reduction targets established by the State Air Resources Board, in coordination with the commission and the Energy Commission, for the electricity sector and each load-serving entity that reflect the electricity sector's percentage in achieving the economywide greenhouse gas emissions reductions of 40 percent from 1990 levels by 2030.

(B) Procure at least 50 percent eligible renewable energy resources by December 31, 2030, consistent with Article 16 (commencing with Section 399.11) of Chapter 2.3.

(C) Enable each electrical corporation to fulfill its obligation to serve its customers at just and reasonable rates.

(D) Minimize impacts on ratepayers' bills.

(E) Ensure system and local reliability.

(F) Strengthen the diversity, sustainability, and resilience of the bulk transmission and distribution systems, and local communities.

(G) Enhance distribution systems and demand-side energy management.

(H) Minimize localized air pollutants and other greenhouse gas emissions, with early priority on disadvantaged communities identified pursuant to Section 39711 of the Health and Safety Code.

(2) (A) The commission may authorize all source procurement for electrical corporations that includes various resource types including demand-side resources, supply side resources, and resources that may be either demand-side resources or supply side resources, taking into account the differing electrical corporations' geographic service areas, to ensure that each load-serving entity meets the goals set forth in paragraph (1).

(B) The commission may approve procurement of resource types that will reduce overall greenhouse gas emissions from the electricity sector and meet the other goals specified in paragraph (1), but due to the nature of the technology or fuel source may not compete favorably in price against other resources over the time period of the integrated resource plan.

(b) (1) Each load-serving entity shall prepare and file an integrated resource plan consistent with paragraph (2) of subdivision (a) on a time schedule directed by the commission and subject to commission review.

(2) Each electrical corporation's plan shall follow the provisions of Section 454.5.

(3) The plan of a community choice aggregator shall be submitted to its governing board for approval and provided to the commission for certification, consistent with paragraph (5) of subdivision (a) of Section 366.2, and shall achieve the following:

(A) Economic, reliability, environmental, security, and other benefits and performance characteristics that are consistent with the goals set forth in paragraph (1) of subdivision (a).

(B) A diversified procurement portfolio consisting of both short-term and long-term electricity and electricity-related and demand reduction products.

(C) The resource adequacy requirements established pursuant to Section 380.

(4) The plan of an electric service provider shall achieve the goals set forth in paragraph (1) of subdivision (a) through a diversified portfolio consisting of both short-term and long-term electricity, electricity-related, and demand reduction products.

(c) To the extent that additional procurement is authorized for the electrical corporation in the integrated resource plan or the procurement process authorized pursuant to Section 454.5, the commission shall ensure that the costs are allocated in a fair and equitable manner to all customers consistent with 454.51, that there is no cost-shifting among customers of load-serving entities, and that community choice aggregators may self-provide renewable integration resources consistent with Section 454.51.

(d) In order to eliminate redundancy and increase efficiency, the process adopted pursuant to subdivision (a) shall incorporate, and not duplicate, any other planning processes of the commission.

SEC. 28. Section 454.55 of the Public Utilities Code is amended to read:

454.55. (a) The commission, in consultation with the Energy Commission, shall identify all potentially achievable cost-effective electricity efficiency savings and establish efficiency targets for an electrical corporation to achieve, pursuant to Section 454.5, consistent with the targets established pursuant to subdivision (c) of Section 25310 of the Public Resources Code.

(1) By July 1, 2018, and every four years thereafter, each electrical corporation shall report on its progress toward achieving the targets established pursuant to subdivision (a).

(2) By July 1, 2019, and every four years thereafter, the commission shall, pursuant to Section 9795 of the Government Code, report to the Legislature on the progress toward achieving the targets established pursuant to subdivision (a). The commission shall include specific strategies for, and an update on, progress toward maximizing the contribution of electricity efficiency savings in disadvantaged communities identified pursuant to Section 39711 of the Health and Safety Code.

(b) (1) By December 31, 2023, the commission shall, in a new or existing proceeding, undertake a comprehensive review of the feasibility, costs, barriers, and benefits of achieving a cumulative doubling of energy efficiency savings and demand reduction by 2030 pursuant to subdivision (c) of Section 25310 of the Public Resources Code.

(2) Notwithstanding subdivision (c) of Section 25310 of the Public Resources Code, if the commission concludes the targets established for electrical corporations to achieve pursuant to subdivision (a) are not cost effective, feasible, or pose potential adverse impacts to public health and safety, the commission shall revise the targets to the level that optimizes the amount of energy efficiency savings and demand reduction and shall modify, revise, or update its policies as needed to address barriers preventing achievement of those targets.

SEC. 29. Section 454.56 of the Public Utilities Code is amended to read:

454.56. (a) The commission, in consultation with the Energy Commission, shall identify all potentially achievable cost-effective natural gas efficiency savings and establish efficiency targets for the gas corporation to achieve, consistent with the targets established pursuant to subdivision (c) of Section 25310 of the Public Resources Code.

(b) A gas corporation shall first meet its unmet resource needs through all available natural gas efficiency and demand reduction resources that are cost effective, reliable, and feasible.

(c) By July 1, 2018, and every four years thereafter, each gas corporation shall report on its progress toward achieving the targets established pursuant to subdivision (a).

(d) By July 1, 2019, and every four years thereafter, the commission shall, pursuant to Section 9795 of the Government Code, report to the Legislature on the progress toward achieving the targets establish pursuant to subdivision (a). The commission shall include specific strategies for, and an update on, progress toward maximizing the contribution of energy efficiency savings in disadvantaged communities identified pursuant to Section 39711 of the Health and Safety Code.

(e) Notwithstanding subdivision (c) of Section 25310 of the Public Resources Code, if the commission concludes in its review pursuant to paragraph (1) of subdivision (b) of Section 454.55 that the targets established for gas corporations to achieve pursuant to subdivision (a) are not cost effective, feasible, or pose potential adverse impacts to public health and safety, the commission shall revise the targets to the level that maximizes the amount of energy efficiency savings and demand reduction and shall modify, revise,

or update its policies as needed to address barriers preventing achievement of those targets.

SEC. 30. Section 701.1 of the Public Utilities Code is amended to read:

701.1. (a) (1) The Legislature finds and declares that, in addition to other ratepayer protection objectives, a principal goal of electric and natural gas utilities' resource planning and investment shall be to minimize the cost to society of the reliable energy services that are provided by natural gas and electricity, and to improve the environment and to encourage the diversity of energy sources through improvements in energy efficiency, development of renewable energy resources, such as wind, solar, biomass, and geothermal energy, and widespread transportation electrification.

(2) The amendment made to this subdivision by the Clean Energy and Pollution Reduction Act of 2015 does not expand the authority of the commission beyond that provided by other law.

(b) The Legislature further finds and declares that, in addition to any appropriate investments in energy production, electrical and natural gas utilities should seek to exploit all practicable and cost-effective conservation and improvements in the efficiency of energy use and distribution that offer equivalent or better system reliability, and which are not being exploited by any other entity.

(c) In calculating the cost-effectiveness of energy resources, including conservation and load management options, the commission shall include, in addition to other ratepayer protection objectives, a value for any costs and benefits to the environment, including air quality. The commission shall ensure that any values it develops pursuant to this section are consistent with values developed by the State Energy Resources Conservation and Development Commission pursuant to Section 25000.1 of the Public Resources Code. However, if the commission determines that a value developed pursuant to this subdivision is not consistent with a value developed by the State Energy Resources Conservation and Development Commission pursuant to subdivision (c) of Section 25000.1 of the Public Resources Code, the commission may nonetheless use this value if, in the appropriate record of its proceedings, it states its reasons for using the value it has selected.

(d) In determining the emission values associated with the current operating capacity of existing electric powerplants pursuant to subdivision (c), the commission shall adhere to the following protocol in determining values for air quality costs and benefits to the environment. If the commission finds that an air pollutant that is subject to regulation is a component of residual emissions from an electric powerplant and that the owner of that powerplant is either of the following:

(1) Using a tradable emission allowance, right, or offset for that pollutant, which (A) has been approved by the air quality district regulating the powerplant, (B) is consistent with federal and state law, and (C) has been obtained, authorized, or acquired in a market-based system.

(2) Paying a tax per measured unit of that pollutant.

The commission shall not assign a value or cost to that residual pollutant for the current operating capacity of that powerplant because the alternative protocol for dealing with the pollutant operates to internalize its cost for the purpose of planning for and acquiring new generating resources.

(e) (1) The values determined pursuant to subdivision (c) to represent costs and benefits to the environment shall not be used by the commission, in and of themselves, to require early decommissioning or retirement of an electric utility powerplant that complies with applicable prevailing environmental regulations.

(2) Further, the environmental values determined pursuant to subdivision (c) shall not be used by the commission in a manner which, when those values are aggregated, will result in advancing an electric utility's need for new powerplant capacity by more than 15 months.

(f) This subdivision shall apply whenever a powerplant bid solicitation is required by the commission for an electric utility and a portion of the amount of new powerplant capacity, which is the subject of the bid solicitation, is the result of the commission's use of environmental values to advance that electric utility's need for new powerplant capacity in the manner authorized by paragraph (2) of subdivision (e). The affected electric utility may propose to the commission any combination of alternatives to that portion of the new powerplant capacity that is the result of the commission's use of environmental values as authorized by paragraph (2) of

subdivision (c). The commission shall approve an alternative in place of the new powerplant capacity if it finds all of the following:

(1) The alternative has been approved by the relevant air quality district.

(2) The alternative is consistent with federal and state law.

(3) The alternative will result in needed system reliability for the electric utility at least equivalent to that which would result from bidding for new powerplant capacity.

(4) The alternative will result in reducing system operating costs for the electric utility over those which would result from the process of bidding for new powerplant capacity.

(5) The alternative will result in equivalent or better environmental improvements at a lower cost than would result from bidding for new powerplant capacity.

(g) This section does not require an electric utility to alter the dispatch of its powerplants for environmental purposes.

(h) This section does not preclude an electric utility from submitting to the commission any combination of alternatives to meet a commission-identified need for new capacity, if the submission is otherwise authorized by the commission.

(i) This section does not change or alter any provision of commission decision 92-04-045, dated April 22, 1992.

SEC. 31. Section 740.8 of the Public Utilities Code is amended to read:

740.8. As used in Section 740.3 or 740.12, “interests” of ratepayers, short- or long-term, mean direct benefits that are specific to ratepayers, consistent with both of the following:

(a) Safer, more reliable, or less costly gas or electrical service, consistent with Section 451, including electrical service that is safer, more reliable, or less costly due to either improved use of the electric system or improved integration of renewable energy generation.

(b) Any one of the following:

(1) Improvement in energy efficiency of travel.

(2) Reduction of health and environmental impacts from air pollution.

(3) Reduction of greenhouse gas emissions related to electricity and natural gas production and use.

(4) Increased use of alternative fuels.

(5) Creating high-quality jobs or other economic benefits, including in disadvantaged communities identified pursuant to Section 39711 of the Health and Safety Code.

SEC. 32. Section 740.12 is added to the Public Utilities Code, to read:

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

(A) Advanced clean vehicles and fuels are needed to reduce petroleum use, to meet air quality standards, to improve public health, and to achieve greenhouse gas emissions reduction goals.

(B) Widespread transportation electrification is needed to achieve the goals of the Charge Ahead California Initiative (Chapter 8.5 (commencing with Section 44258) of Part 5 of Division 26 of the Health and Safety Code).

(C) Widespread transportation electrification requires increased access for disadvantaged communities, low- and moderate-income communities, and other consumers of zero-emission and near-zero-emission vehicles, and increased use of those vehicles in those communities and by other consumers to enhance air quality, lower greenhouse gases emissions, and promote overall benefits to those communities and other consumers.

(D) Reducing emissions of greenhouse gases to 40 percent below 1990 levels by 2030 and to 80 percent below 1990 levels by 2050 will require widespread transportation electrification.

(E) Widespread transportation electrification requires electrical corporations to increase access to the use of electricity as a transportation fuel.

(F) Widespread transportation electrification should stimulate innovation and competition, enable consumer options in charging equipment and services, attract private capital investments, and create high-quality jobs for Californians, where technologically feasible.

(G) Deploying electric vehicles should assist in grid management, integrating generation from eligible renewable energy resources, and reducing fuel costs for vehicle drivers who charge in a manner consistent with electrical grid conditions.

(H) Deploying electric vehicle charging infrastructure should facilitate increased sales of electric vehicles by making charging easily accessible and should provide the opportunity to access

electricity as a fuel that is cleaner and less costly than gasoline or other fossil fuels in public and private locations.

(I) According to the State Alternative Fuels Plan analysis by the Energy Commission and the State Air Resources Board, light-, medium-, and heavy-duty vehicle electrification results in approximately 70 percent fewer greenhouse gases emitted, over 85 percent fewer ozone-forming air pollutants emitted, and 100 percent fewer petroleum used. These reductions will become larger as renewable generation increases.

(2) It is the policy of the state and the intent of the Legislature to encourage transportation electrification as a means to achieve ambient air quality standards and the state's climate goals. Agencies designing and implementing regulations, guidelines, plans, and funding programs to reduce greenhouse gas emissions shall take the findings described in paragraph (1) into account.

(b) The commission, in consultation with the State Air Resources Board and the Energy Commission, shall direct electrical corporations to file applications for programs and investments to accelerate widespread transportation electrification to reduce dependence on petroleum, meet air quality standards, achieve the goals set forth in the Charge Ahead California Initiative (Chapter 8.5 (commencing with Section 44258) of Part 5 of Division 26 of the Health and Safety Code), and reduce emissions of greenhouse gases to 40 percent below 1990 levels by 2030 and to 80 percent below 1990 levels by 2050. Programs proposed by electrical corporations shall seek to minimize overall costs and maximize overall benefits. The commission shall approve, or modify and approve, programs and investments in transportation electrification, including those that deploy charging infrastructure, via a reasonable cost recovery mechanism, if they are consistent with this section, do not unfairly compete with nonutility enterprises as required under Section 740.3, include performance accountability measures, and are in the interests of ratepayers as defined in Section 740.8.

(c) The commission shall review data concerning current and future electric transportation adoption and charging infrastructure utilization prior to authorizing an electrical corporation to collect new program costs related to transportation electrification in customer rates. If market barriers unrelated to the investment made by an electric corporation prevent electric transportation from adequately utilizing available charging infrastructure, the

commission shall not permit additional investments in transportation electrification without a reasonable showing that the investments would not result in long-term stranded costs recoverable from ratepayers.

(d) This section applies to an application to the commission for transportation electrification programs and investments if one of the following conditions is met:

(1) The application is filed on or after January 1, 2016.

(2) The application is filed before January 1, 2016, but has an evidentiary hearing scheduled on or after July 1, 2016.

SEC. 33. Section 9505 of the Public Utilities Code is amended to read:

9505. (a) By March 15, 2013, and by March 15 of each year thereafter, each local publicly owned electric utility shall report to the Energy Commission and to its customers all of the following:

(1) Its investments in energy efficiency and demand reduction programs.

(2) A description of each energy efficiency and demand reduction program, program expenditures, the cost-effectiveness of each program, and expected and actual energy efficiency savings and demand reduction results that reflect the intent of the Legislature to encourage energy savings and reductions in emissions of greenhouse gases resulting from providing service to existing residential and nonresidential buildings, while taking into consideration the effect of the program on rates, reliability, and financial resources.

(3) The sources for funding of its energy efficiency and demand reduction programs.

(4) The methodologies and input assumptions used to determine the cost-effectiveness of its energy efficiency and demand reduction programs.

(5) A comparison of the local publicly owned electric utility's annual targets established pursuant to subdivision (b) and the local publicly owned electric utility's reported electricity efficiency savings and demand reductions.

(b) By March 15, 2013, and by March 15 of every fourth year thereafter, each local publicly owned electric utility shall identify all potentially achievable cost-effective electricity efficiency savings and shall establish annual targets for energy efficiency savings and demand reduction for the next 10-year period,

consistent with the annual targets established by the Energy Commission pursuant to subdivision (c) of Section 25310 of the Public Resources Code. A local publicly owned electric utility's determination of potentially achievable cost-effective electricity efficiency savings shall be made without regard to previous minimum investments undertaken pursuant to Section 385. A local publicly owned electric utility shall treat investments made to achieve energy efficiency savings and demand reduction targets as procurement investments.

(c) Within 60 days of establishing annual targets pursuant to subdivision (b), each local publicly owned electric utility shall report those targets to the Energy Commission, and the basis for establishing those targets.

(d) Each local publicly owned electric utility shall make available to its customers and to the Energy Commission the results of any independent evaluation that measures and verifies the energy efficiency savings and the reduction in energy demand achieved by its energy efficiency and demand reduction programs.

SEC. 34. Section 9620 of the Public Utilities Code is amended to read:

9620. (a) Each local publicly owned electric utility serving end-use customers, shall prudently plan for and procure resources that are adequate to meet its planning reserve margin and peak demand and operating reserves, sufficient to provide reliable electric service to its customers. Customer generation located on the customer's site or providing electric service through arrangements authorized by Section 218, shall not be subject to these requirements if the customer generation, or the load it serves, meets one of the following criteria:

(1) It takes standby service from the local publicly owned electric utility on a rate schedule that provides for adequate backup planning and operating reserves for the standby customer class.

(2) It is not physically interconnected to the electric transmission or distribution grid, so that, if the customer generation fails, backup power is not supplied from the electricity grid.

(3) There is physical assurance that the load served by the customer generation will be curtailed concurrently and commensurately with an outage of the customer generation.

(b) Each local publicly owned electric utility serving end-use customers shall, at a minimum, meet the most recent minimum

planning reserve and reliability criteria approved by the Board of Trustees of the Western Systems Coordinating Council or the Western Electricity Coordinating Council.

(c) Each local publicly owned electric utility shall prudently plan for and procure energy storage systems that are adequate to meet the requirements of Section 2836.

(d) A local publicly owned electric utility serving end-use customers shall, upon request, provide the Energy Commission with any information the Energy Commission determines is necessary to evaluate the progress made by the local publicly owned electric utility in meeting the requirements of this section, consistent with the annual targets established pursuant to subdivision (c) of Section 25310 of the Public Resources Code.

(e) The Energy Commission shall report to the Legislature, to be included in each integrated energy policy report prepared pursuant to Section 25302 of the Public Resources Code, regarding the progress made by each local publicly owned electric utility serving end-use customers in meeting the requirements of this section.

SEC. 35. Section 9621 is added to the Public Utilities Code, to read:

9621. (a) This section shall apply to a local publicly owned electric utility with an annual electrical demand exceeding 700 gigawatthours, as determined on a three-year average commencing January 1, 2013.

(b) On or before January 1, 2019, the governing board of a local publicly owned electric utility shall adopt an integrated resource plan and a process for updating the plan at least once every five years to ensure the utility achieves all of the following:

(1) Meets the greenhouse gas emissions reduction targets established by the State Air Resources Board, in coordination with the commission and the Energy Commission, for the electricity sector and each local publicly-owned electric utility that reflect the electricity sector's percentage in achieving the economywide greenhouse gas emissions reductions of 40 percent from 1990 levels by 2030.

(2) Ensures procurement of at least 50 percent eligible renewable energy resources by 2030 consistent with Article 16 (commencing with Section 399.11) of Chapter 2.3.

(3) Meets the goals specified in subparagraphs (C) to (H), inclusive, of paragraph (1) of subdivision (a) of Section 454.52.

(c) (1) The integrated resource plan shall address procurement for the following:

(A) Energy efficiency and demand response resources pursuant to Section 9615.

(B) Energy storage requirements pursuant to Chapter 7.7 (commencing with Section 2835) of Part 2 of Division 1.

(C) Transportation electrification.

(D) A diversified procurement portfolio consisting of both short-term and long-term electricity, electricity-related, and demand response products.

(E) The resource adequacy requirements established pursuant to Section 9620.

(2) (A) The governing board of the local publicly owned electric utility may authorize all source procurement that includes various resource types, including demand-side resources, supply side resources, and resources that may be either demand-side resources or supply side resources, to ensure that the local publicly owned electric utility procures the optimum resource mix that meets the objectives of subdivision (b).

(B) The governing board may authorize procurement of resource types that will reduce overall greenhouse gas emissions from the electricity sector and meet the other goals specified in subdivision (b), but due to the nature of the technology or fuel source may not compete favorably in price against other resources over the time period of the integrated resource plan.

(d) A local publicly owned electric utility shall satisfy the notice and public disclosure requirements of subdivision (f) of Section 399.30 with respect to any integrated resource plan or plan update it considers.

SEC. 36. Section 9622 is added to the Public Utilities Code, to read:

9622. (a) Integrated resource plans and plan updates adopted pursuant to Section 9621 shall be submitted to the Energy Commission.

(b) The Energy Commission shall review the integrated resource plans and plan updates. If the Energy Commission determines an integrated resource plan or plan update is inconsistent with the

requirements of Section 9621, the Energy Commission shall provide recommendations to correct the deficiencies.

(c) The Energy Commission may adopt guidelines to govern the submission of information and data and reports needed to support the Energy Commission's review of the utility's integrated resource plan pursuant to this section at a publicly noticed meeting offering all interested parties an opportunity to comment. The Energy Commission shall provide written public notice of not less than 30 days for the initial adoption of guidelines and not less than 10 days for the subsequent adoption of substantive changes. Notwithstanding any other law, any guidelines adopted pursuant to this section shall be exempt from the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.

SEC. 37. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

SEC. 38. The provisions of this act are severable. If any provision of this act or its application is held invalid, that invalidity shall not affect other provisions or applications that can be given effect without the invalid provision or application.

Approved _____, 2015

Governor

Senate Bill No. 379

Passed the Senate September 1, 2015

Secretary of the Senate

Passed the Assembly August 31, 2015

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day
of _____, 2015, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Section 65302 of the Government Code, relating to land use.

LEGISLATIVE COUNSEL'S DIGEST

SB 379, Jackson. Land use: general plan: safety element.

The Planning and Zoning Law requires the legislative body of a city or county to adopt a comprehensive, long-term general plan that includes various elements, including, among others, a safety element for the protection of the community from unreasonable risks associated with the effects of various geologic hazards, flooding, and wildland and urban fires.

This bill would, upon the next revision of a local hazard mitigation plan on or after January 1, 2017, or, if the local jurisdiction has not adopted a local hazard mitigation plan, beginning on or before January 1, 2022, require the safety element to be reviewed and updated as necessary to address climate adaptation and resiliency strategies applicable to that city or county. The bill would require the update to include a set of goals, policies, and objectives based on a vulnerability assessment, identifying the risks that climate change poses to the local jurisdiction and the geographic areas at risk from climate change impacts, and specified information from federal, state, regional, and local agencies. By imposing new duties on cities and counties, 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.

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

SECTION 1. Section 65302 of the Government Code is amended to read:

65302. The general plan shall consist of a statement of development policies and shall include a diagram or diagrams and text setting forth objectives, principles, standards, and plan proposals. The plan shall include the following elements:

(a) A land use element that designates the proposed general distribution and general location and extent of the uses of the land for housing, business, industry, open space, including agriculture, natural resources, recreation, and enjoyment of scenic beauty, education, public buildings and grounds, solid and liquid waste disposal facilities, and other categories of public and private uses of land. The location and designation of the extent of the uses of the land for public and private uses shall consider the identification of land and natural resources pursuant to paragraph (3) of subdivision (d). The land use element shall include a statement of the standards of population density and building intensity recommended for the various districts and other territory covered by the plan. The land use element shall identify and annually review those areas covered by the plan that are subject to flooding identified by flood plain mapping prepared by the Federal Emergency Management Agency (FEMA) or the Department of Water Resources. The land use element shall also do both of the following:

(1) Designate in a land use category that provides for timber production those parcels of real property zoned for timberland production pursuant to the California Timberland Productivity Act of 1982 (Chapter 6.7 (commencing with Section 51100) of Part 1 of Division 1 of Title 5).

(2) Consider the impact of new growth on military readiness activities carried out on military bases, installations, and operating and training areas, when proposing zoning ordinances or designating land uses covered by the general plan for land, or other territory adjacent to military facilities, or underlying designated military aviation routes and airspace.

(A) In determining the impact of new growth on military readiness activities, information provided by military facilities shall be considered. Cities and counties shall address military impacts based on information from the military and other sources.

(B) The following definitions govern this paragraph:

(i) “Military readiness activities” mean all of the following:

(I) Training, support, and operations that prepare the men and women of the military for combat.

(II) Operation, maintenance, and security of any military installation.

(III) Testing of military equipment, vehicles, weapons, and sensors for proper operation or suitability for combat use.

(ii) “Military installation” means a base, camp, post, station, yard, center, homeport facility for any ship, or other activity under the jurisdiction of the United States Department of Defense as defined in paragraph (1) of subsection (g) of Section 2687 of Title 10 of the United States Code.

(b) (1) A circulation element consisting of the general location and extent of existing and proposed major thoroughfares, transportation routes, terminals, any military airports and ports, and other local public utilities and facilities, all correlated with the land use element of the plan.

(2) (A) Commencing January 1, 2011, upon any substantive revision of the circulation element, the legislative body shall modify the circulation element to plan for a balanced, multimodal transportation network that meets the needs of all users of streets, roads, and highways for safe and convenient travel in a manner that is suitable to the rural, suburban, or urban context of the general plan.

(B) For purposes of this paragraph, “users of streets, roads, and highways” mean bicyclists, children, persons with disabilities, motorists, movers of commercial goods, pedestrians, users of public transportation, and seniors.

(c) A housing element as provided in Article 10.6 (commencing with Section 65580).

(d) (1) A conservation element for the conservation, development, and utilization of natural resources including water and its hydraulic force, forests, soils, rivers and other waters, harbors, fisheries, wildlife, minerals, and other natural resources. The conservation element shall consider the effect of development within the jurisdiction, as described in the land use element, on natural resources located on public lands, including military installations. That portion of the conservation element including waters shall be developed in coordination with any countywide water agency and with all district and city agencies, including flood management, water conservation, or groundwater agencies

that have developed, served, controlled, managed, or conserved water of any type for any purpose in the county or city for which the plan is prepared. Coordination shall include the discussion and evaluation of any water supply and demand information described in Section 65352.5, if that information has been submitted by the water agency to the city or county.

(2) The conservation element may also cover all of the following:

(A) The reclamation of land and waters.

(B) Prevention and control of the pollution of streams and other waters.

(C) Regulation of the use of land in stream channels and other areas required for the accomplishment of the conservation plan.

(D) Prevention, control, and correction of the erosion of soils, beaches, and shores.

(E) Protection of watersheds.

(F) The location, quantity and quality of the rock, sand, and gravel resources.

(3) Upon the next revision of the housing element on or after January 1, 2009, the conservation element shall identify rivers, creeks, streams, flood corridors, riparian habitats, and land that may accommodate floodwater for purposes of groundwater recharge and stormwater management.

(e) An open-space element as provided in Article 10.5 (commencing with Section 65560).

(f) (1) A noise element that shall identify and appraise noise problems in the community. The noise element shall analyze and quantify, to the extent practicable, as determined by the legislative body, current and projected noise levels for all of the following sources:

(A) Highways and freeways.

(B) Primary arterials and major local streets.

(C) Passenger and freight online railroad operations and ground rapid transit systems.

(D) Commercial, general aviation, heliport, helistop, and military airport operations, aircraft overflights, jet engine test stands, and all other ground facilities and maintenance functions related to airport operation.

(E) Local industrial plants, including, but not limited to, railroad classification yards.

(F) Other ground stationary noise sources, including, but not limited to, military installations, identified by local agencies as contributing to the community noise environment.

(2) Noise contours shall be shown for all of these sources and stated in terms of community noise equivalent level (CNEL) or day-night average sound level (L_{dn}). The noise contours shall be prepared on the basis of noise monitoring or following generally accepted noise modeling techniques for the various sources identified in paragraphs (1) to (6), inclusive.

(3) The noise contours shall be used as a guide for establishing a pattern of land uses in the land use element that minimizes the exposure of community residents to excessive noise.

(4) The noise element shall include implementation measures and possible solutions that address existing and foreseeable noise problems, if any. The adopted noise element shall serve as a guideline for compliance with the state's noise insulation standards.

(g) (1) A safety element for the protection of the community from any unreasonable risks associated with the effects of seismically induced surface rupture, ground shaking, ground failure, tsunami, seiche, and dam failure; slope instability leading to mudslides and landslides; subsidence; liquefaction; and other seismic hazards identified pursuant to Chapter 7.8 (commencing with Section 2690) of Division 2 of the Public Resources Code, and other geologic hazards known to the legislative body; flooding; and wildland and urban fires. The safety element shall include mapping of known seismic and other geologic hazards. It shall also address evacuation routes, military installations, peakload water supply requirements, and minimum road widths and clearances around structures, as those items relate to identified fire and geologic hazards.

(2) The safety element, upon the next revision of the housing element on or after January 1, 2009, shall also do the following:

(A) Identify information regarding flood hazards, including, but not limited to, the following:

(i) Flood hazard zones. As used in this subdivision, "flood hazard zone" means an area subject to flooding that is delineated as either a special hazard area or an area of moderate or minimal hazard on an official flood insurance rate map issued by the Federal Emergency Management Agency (FEMA). The identification of a flood hazard zone does not imply that areas outside the flood

hazard zones or uses permitted within flood hazard zones will be free from flooding or flood damage.

(ii) National Flood Insurance Program maps published by FEMA.

(iii) Information about flood hazards that is available from the United States Army Corps of Engineers.

(iv) Designated floodway maps that are available from the Central Valley Flood Protection Board.

(v) Dam failure inundation maps prepared pursuant to Section 8589.5 that are available from the Office of Emergency Services.

(vi) Awareness Floodplain Mapping Program maps and 200-year flood plain maps that are or may be available from, or accepted by, the Department of Water Resources.

(vii) Maps of levee protection zones.

(viii) Areas subject to inundation in the event of the failure of project or nonproject levees or floodwalls.

(ix) Historical data on flooding, including locally prepared maps of areas that are subject to flooding, areas that are vulnerable to flooding after wildfires, and sites that have been repeatedly damaged by flooding.

(x) Existing and planned development in flood hazard zones, including structures, roads, utilities, and essential public facilities.

(xi) Local, state, and federal agencies with responsibility for flood protection, including special districts and local offices of emergency services.

(B) Establish a set of comprehensive goals, policies, and objectives based on the information identified pursuant to subparagraph (A), for the protection of the community from the unreasonable risks of flooding, including, but not limited to:

(i) Avoiding or minimizing the risks of flooding to new development.

(ii) Evaluating whether new development should be located in flood hazard zones, and identifying construction methods or other methods to minimize damage if new development is located in flood hazard zones.

(iii) Maintaining the structural and operational integrity of essential public facilities during flooding.

(iv) Locating, when feasible, new essential public facilities outside of flood hazard zones, including hospitals and health care facilities, emergency shelters, fire stations, emergency command

centers, and emergency communications facilities or identifying construction methods or other methods to minimize damage if these facilities are located in flood hazard zones.

(v) Establishing cooperative working relationships among public agencies with responsibility for flood protection.

(C) Establish a set of feasible implementation measures designed to carry out the goals, policies, and objectives established pursuant to subparagraph (B).

(3) Upon the next revision of the housing element on or after January 1, 2014, the safety element shall be reviewed and updated as necessary to address the risk of fire for land classified as state responsibility areas, as defined in Section 4102 of the Public Resources Code, and land classified as very high fire hazard severity zones, as defined in Section 51177. This review shall consider the advice included in the Office of Planning and Research's most recent publication of "Fire Hazard Planning, General Plan Technical Advice Series" and shall also include all of the following:

(A) Information regarding fire hazards, including, but not limited to, all of the following:

(i) Fire hazard severity zone maps available from the Department of Forestry and Fire Protection.

(ii) Any historical data on wildfires available from local agencies or a reference to where the data can be found.

(iii) Information about wildfire hazard areas that may be available from the United States Geological Survey.

(iv) General location and distribution of existing and planned uses of land in very high fire hazard severity zones and in state responsibility areas, including structures, roads, utilities, and essential public facilities. The location and distribution of planned uses of land shall not require defensible space compliance measures required by state law or local ordinance to occur on publicly owned lands or open space designations of homeowner associations.

(v) Local, state, and federal agencies with responsibility for fire protection, including special districts and local offices of emergency services.

(B) A set of goals, policies, and objectives based on the information identified pursuant to subparagraph (A) for the protection of the community from the unreasonable risk of wildfire.

(C) A set of feasible implementation measures designed to carry out the goals, policies, and objectives based on the information identified pursuant to subparagraph (B) including, but not limited to, all of the following:

(i) Avoiding or minimizing the wildfire hazards associated with new uses of land.

(ii) Locating, when feasible, new essential public facilities outside of high fire risk areas, including, but not limited to, hospitals and health care facilities, emergency shelters, emergency command centers, and emergency communications facilities, or identifying construction methods or other methods to minimize damage if these facilities are located in a state responsibility area or very high fire hazard severity zone.

(iii) Designing adequate infrastructure if a new development is located in a state responsibility area or in a very high fire hazard severity zone, including safe access for emergency response vehicles, visible street signs, and water supplies for structural fire suppression.

(iv) Working cooperatively with public agencies with responsibility for fire protection.

(D) If a city or county has adopted a fire safety plan or document separate from the general plan, an attachment of, or reference to, a city or county's adopted fire safety plan or document that fulfills commensurate goals and objectives and contains information required pursuant to this paragraph.

(4) Upon the next revision of a local hazard mitigation plan, adopted in accordance with the federal Disaster Mitigation Act of 2000 (Public Law 106-390), on or after January 1, 2017, or, if a local jurisdiction has not adopted a local hazard mitigation plan, beginning on or before January 1, 2022, the safety element shall be reviewed and updated as necessary to address climate adaptation and resiliency strategies applicable to the city or county. This review shall consider advice provided in the Office of Planning and Research's General Plan Guidelines and shall include all of the following:

(A) (i) A vulnerability assessment that identifies the risks that climate change poses to the local jurisdiction and the geographic areas at risk from climate change impacts, including, but not limited to, an assessment of how climate change may affect the risks addressed pursuant to paragraphs (2) and (3).

(ii) Information that may be available from federal, state, regional, and local agencies that will assist in developing the vulnerability assessment and the adaptation policies and strategies required pursuant to subparagraph (B), including, but not limited to, all of the following:

(I) Information from the Internet-based Cal-Adapt tool.

(II) Information from the most recent version of the California Adaptation Planning Guide.

(III) Information from local agencies on the types of assets, resources, and populations that will be sensitive to various climate change exposures.

(IV) Information from local agencies on their current ability to deal with the impacts of climate change.

(V) Historical data on natural events and hazards, including locally prepared maps of areas subject to previous risk, areas that are vulnerable, and sites that have been repeatedly damaged.

(VI) Existing and planned development in identified at-risk areas, including structures, roads, utilities, and essential public facilities.

(VII) Federal, state, regional, and local agencies with responsibility for the protection of public health and safety and the environment, including special districts and local offices of emergency services.

(B) A set of adaptation and resilience goals, policies, and objectives based on the information specified in subparagraph (A) for the protection of the community.

(C) A set of feasible implementation measures designed to carry out the goals, policies, and objectives identified pursuant to subparagraph (B) including, but not limited to, all of the following:

(i) Feasible methods to avoid or minimize climate change impacts associated with new uses of land.

(ii) The location, when feasible, of new essential public facilities outside of at-risk areas, including, but not limited to, hospitals and health care facilities, emergency shelters, emergency command centers, and emergency communications facilities, or identifying construction methods or other methods to minimize damage if these facilities are located in at-risk areas.

(iii) The designation of adequate and feasible infrastructure located in an at-risk area.

(iv) Guidelines for working cooperatively with relevant local, regional, state, and federal agencies.

(v) The identification of natural infrastructure that may be used in adaptation projects, where feasible. Where feasible, the plan shall use existing natural features and ecosystem processes, or the restoration of natural features and ecosystem processes, when developing alternatives for consideration. For the purposes of this clause, “natural infrastructure” means the preservation or restoration of ecological systems, or utilization of engineered systems that use ecological processes, to increase resiliency to climate change, manage other environmental hazards, or both. This may include, but is not limited to, floodplain and wetlands restoration or preservation, combining levees with restored natural systems to reduce flood risk, and urban tree planting to mitigate high heat days.

(D) (i) If a city or county has adopted the local hazard mitigation plan, or other climate adaptation plan or document that fulfills commensurate goals and objectives and contains the information required pursuant to this paragraph, separate from the general plan, an attachment of, or reference to, the local hazard mitigation plan or other climate adaptation plan or document.

(ii) Cities or counties that have an adopted hazard mitigation plan, or other climate adaptation plan or document that substantially complies with this section, or have substantially equivalent provisions to this subdivision in their general plans, may use that information in the safety element to comply with this subdivision, and shall summarize and incorporate by reference into the safety element the other general plan provisions, climate adaptation plan or document, specifically showing how each requirement of this subdivision has been met.

(5) After the initial revision of the safety element pursuant to paragraphs (2), (3), and (4) upon each revision of the housing element, the planning agency shall review and, if necessary, revise the safety element to identify new information that was not available during the previous revision of the safety element.

(6) Cities and counties that have flood plain management ordinances that have been approved by FEMA that substantially comply with this section, or have substantially equivalent provisions to this subdivision in their general plans, may use that information in the safety element to comply with this subdivision,

and shall summarize and incorporate by reference into the safety element the other general plan provisions or the flood plain ordinance, specifically showing how each requirement of this subdivision has been met.

(7) Prior to the periodic review of its general plan and prior to preparing or revising its safety element, each city and county shall consult the California Geological Survey of the Department of Conservation, the Central Valley Flood Protection Board, if the city or county is located within the boundaries of the Sacramento and San Joaquin Drainage District, as set forth in Section 8501 of the Water Code, and the Office of Emergency Services for the purpose of including information known by and available to the department, the agency, and the board required by this subdivision.

(8) To the extent that a county's safety element is sufficiently detailed and contains appropriate policies and programs for adoption by a city, a city may adopt that portion of the county's safety element that pertains to the city's planning area in satisfaction of the requirement imposed by this subdivision.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.

Approved _____, 2015

Governor