

AMENDED IN ASSEMBLY APRIL 21, 2021

AMENDED IN ASSEMBLY APRIL 14, 2021

CALIFORNIA LEGISLATURE—2021–22 REGULAR SESSION

ASSEMBLY BILL

No. 1087

Introduced by Assembly Member Chiu
(Coauthor: Senator Becker)

February 18, 2021

An act to amend Section 748.5 of, and to add Chapter 8.5 (commencing with Section 2845) to Part 2 of Division 1 of, the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

AB 1087, as amended, Chiu. Environmental Justice Community Resilience Hubs Program.

The California Global Warming Solutions Act of 2006 establishes the State Air Resources Board as the state agency responsible for monitoring and regulating sources emitting greenhouse gases. The act requires the state board to ensure that statewide greenhouse gas emissions are reduced to at least 40% below the statewide greenhouse gas emissions limit, as defined, no later than December 31, 2030. The act requires the state board to adopt rules and regulations in an open public process to achieve the maximum technologically feasible and cost-effective greenhouse gas emission reductions. The state board is authorized to include market-based compliance mechanisms to comply with the regulations. The implementing regulations adopted by the state board provide for the direct allocation of greenhouse gas allowances to electrical corporations pursuant to a market-based compliance mechanism.

Under existing law, the Public Utilities Commission (PUC) has regulatory authority over electrical corporations. Existing law authorizes the PUC to allocate 15% of the revenues received by the electrical corporations from that allocation of allowances for clean energy and energy efficiency projects established pursuant to statute that are administered by electrical corporations. Existing law requires the PUC to direct the balance of the revenues to be credited directly to the residential, small business, and emissions-intensive trade-exposed retail customers of the electrical corporations, as specified.

Beginning with the fiscal year commencing July 1, 2022, and ending with the fiscal year ending June 30, 2027, except as provided, this bill would require the PUC to annually allocate ~~up to~~ 5% of the revenues received by the electrical corporations from that allocation of greenhouse gas allowances to the Environmental Justice Community Resilience Hubs Program, which would require each electrical corporation to award those allocated revenues *as to a single third-party administrator, selected by the commission, that will award competitive grants to owners of critical community institutions, meeting eligibility criteria established by the PUC, for building upgrade projects that demonstrate community engagement in all phases, demonstrate multistakeholder partnerships, reflect the geographic diversity of the state, and are installed at critical community institutions.* The bill would require the PUC to ~~determine whether each electrical corporation or a third party, including the State Energy Resources Conservation and Development Commission (Energy Commission), will administer those competitive grants, and would require each administrator select a third-party administrator by no later than March 1, 2023, and require that the program be operational and begin processing applications by no later than July 1, 2023. The bill would require that the program be jointly operated among all the participating electrical corporations and be consistent across the utility territories. The bill would require the third-party administrator ensure that program moneys from each utility are used only for projects located in the service territory of that utility from which the moneys are received and to provide technical assistance to customers: program applicants.~~ The bill would prohibit more than 10% of those allocated revenues from being used for administration, technical assistance, and outreach. The bill would require the PUC to establish requirements relating to hiring, wages, apprenticeship programs, and workforce standards for the program. ~~The bill would require the PUC, in consultation with the Energy Commission and the administrators, to ensure for greater~~

~~cross-referral between eligible programs, as specified, share best practices, scale programming, establish a uniform application for multiple eligible programs, and provide comprehensive guidance and technical assistance for applicants to eligible programs.~~

Under existing law, a violation of any order, decision, rule, direction, demand, or requirement of the PUC is a crime.

Because a violation of a PUC action implementing this bill’s requirements would be a crime, the bill would impose a state-mandated local program.

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

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

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

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

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:
- 3 (a) It is the goal of the state to promote activities that eliminate
- 4 climate pollution while ensuring the state’s disadvantaged
- 5 communities and vulnerable populations benefit from the state’s
- 6 transition to a clean energy economy.
- 7 (b) Achieving community resilience in California demands that
- 8 the state’s physical and social infrastructure be strengthened to
- 9 cope with disruptions from wildfires, smoke waves, extreme heat,
- 10 deenergization events, storms, and floods. These disruptions are
- 11 occurring more frequently and with greater severity due to climate
- 12 change and repeated infrastructure failures, which is devastating
- 13 communities across California.
- 14 (c) Disadvantaged communities and vulnerable populations
- 15 disproportionately live and access services in older buildings,
- 16 which contribute to higher energy burdens and poor health
- 17 outcomes. High-performance well-insulated buildings can reduce
- 18 these burdens and support residents’ health, comfort, and safety.
- 19 This is especially important during shelter-in-place orders in a
- 20 pandemic or during climate disasters, including heat waves, fires,
- 21 and storms.

1 (d) Physical infrastructure that can advance community
2 resilience ~~includes~~ *requires integration of multiple technologies*
3 *and* investments in energy efficiency, solar installation and
4 upgrades, energy storage ~~technology, microgrid incentives,~~
5 *technology and backup electrical generation capability,*
6 modernized heating, weatherization, cooling and air filtration
7 equipment, electrical-panel upgrades, water heating and recycling
8 systems, ~~building decarbonization,~~ and demand response strategies.

9 (e) Social infrastructure refers to the network of public and
10 community-based services and facilities that secure the economic,
11 health, cultural, and social well-being of the community, such as
12 those provided through trusted community centers, schools,
13 libraries, parks and recreation centers, places of worship, affordable
14 housing, and mutual aid networks.

15 (f) The creation of community resilience hubs involves the
16 integration of investments in physical and social infrastructure and
17 offers opportunities for community members and residents to
18 access economic and social support in addition to response and
19 recovery services during disasters.

20 (g) It is the goal of the state to make clean, renewable, and
21 resilient energy systems more accessible to disadvantaged
22 communities and vulnerable populations and to install those
23 systems in a manner that represents the geographic diversity of
24 the state.

25 (h) There is a need to ensure that resilient energy systems and
26 clean energy transitions lead to safe and high-quality jobs and
27 improve access to career-track jobs, especially for populations that
28 have been traditionally underrepresented, such as monolingual
29 non-English speakers, formerly incarcerated people, and workers
30 transitioning from the fossil fuel industry. A disorganized and
31 unplanned transition from fossil fuels threatens the livelihoods of
32 utility and skilled craft workers and other unionized workers in
33 the energy industry. Discrete and directed policies should frame
34 a just transition that involves industry-based, worker-focused
35 training partnerships build skills for California's "high road"
36 employers that compete based on quality of product and service
37 achieved through innovation and investment in human capital, and
38 can thus generate family-supporting jobs where workers have
39 agency and voice. A goal of this ~~measure~~ *act* is to provide
40 high-quality jobs and opportunities as an integral part of delivering

1 comprehensive building upgrades towards creating resilient
2 communities.

3 SEC. 2. Section 748.5 of the Public Utilities Code is amended
4 to read:

5 748.5. (a) Except as provided in subdivisions (c) and (d), the
6 commission shall require revenues, including any accrued interest,
7 received by an electrical corporation as a result of the direct
8 allocation of greenhouse gas allowances to electric utilities pursuant
9 to subdivision (b) of Section 95890 of Title 17 of the California
10 Code of Regulations to be credited directly to the residential, small
11 business, and emissions-intensive trade-exposed retail customers
12 of the electrical corporation.

13 (b) Not later than January 1, 2013, the commission shall require
14 the adoption and implementation of a customer outreach plan for
15 each electrical corporation, including, but not limited to, such
16 measures as notices in bills and through media outlets, for purposes
17 of obtaining the maximum feasible public awareness of the
18 crediting of greenhouse gas allowance revenues. Costs associated
19 with the implementation of this plan are subject to recovery in
20 rates pursuant to Section 454.

21 (c) The commission may allocate up to 15 percent of the
22 revenues, including any accrued interest, received by an electrical
23 corporation as a result of the direct allocation of greenhouse gas
24 allowances to electrical distribution utilities pursuant to subdivision
25 (b) of Section 95890 of Title 17 of the California Code of
26 Regulations, for clean energy and energy efficiency projects
27 established pursuant to statute that are administered by the
28 electrical corporation, or a qualified third-party administrator as
29 approved by the commission, and that are not otherwise funded
30 by another funding source.

31 (d) (1) Beginning with the fiscal year commencing July 1, 2022,
32 and ending with the fiscal year ending June 30, 2027, except as
33 specified in paragraph (2), the commission shall annually allocate
34 ~~up to~~ 5 percent of the revenues, including any accrued interest,
35 received by an electrical corporation as a result of the direct
36 allocation of greenhouse gas allowances to electrical distribution
37 utilities pursuant to subdivision (b) of Section 95890 of Title 17
38 of the California Code of Regulations, for eligible resiliency
39 projects as described in Section 2847. The allocation pursuant to
40 this paragraph shall not exceed ~~5 percent~~, *percent of the revenues*,

1 and the total combined allocations pursuant to this paragraph and
2 subdivision (c) shall not exceed 20 percent of the total revenues,
3 including any accrued interest, received by an electrical corporation
4 as a result of the direct allocation of greenhouse gas allowances
5 to electrical distribution utilities pursuant to subdivision (b) of
6 Section 95890 of Title 17 of the California Code of Regulations.

7 (2) The commission shall not include in the allocation pursuant
8 to paragraph (1) ~~any portion of the revenues attributable to those~~
9 ~~portions of the revenues credited directly to small business and~~
10 ~~emissions-intensive trade-exposed retail customers of the electrical~~
11 ~~corporation.~~

12 (3) *The allocation pursuant to paragraph (1) shall not reduce*
13 *the credits available to residential customers pursuant to*
14 *subdivision (a) that are participants in the California Alternate*
15 *Rates for Energy (CARE) program, continued pursuant to Section*
16 *739.1, or the Family Electric Rate Assistance (FERA) program,*
17 *pursuant to Section 739.12.*

18 ~~(3) Those portions of the revenues excluded from the allocation~~
19 ~~pursuant to paragraph (2) shall be available to be credited directly~~
20 ~~to customers pursuant to subdivision (a).~~

21 SEC. 3. Chapter 8.5 (commencing with Section 2845) is added
22 to Part 2 of Division 1 of the Public Utilities Code, to read:

23

24 CHAPTER 8.5. ENVIRONMENTAL JUSTICE COMMUNITY
25 RESILIENCE HUBS PROGRAM

26

27 2845. For purposes of this chapter, the following definitions
28 apply:

29 (a) “Administrator” means ~~an~~ *the* administrator of the
30 competitive grants awarded pursuant to Section 2847.

31 (b) “CARE program” means the California Alternate Rates for
32 Energy program continued pursuant to Section 739.1.

33 (c) “Critical community institutions” mean institutions necessary
34 for providing vital community functions during states of
35 emergency, as defined in Section 8558 of the Government Code,
36 and natural disasters located in disadvantaged or vulnerable
37 communities. The commission shall establish eligibility criteria
38 for meeting the definition of this subdivision.

39 (d) “Disadvantaged community” means a community identified
40 pursuant to Section 39711 of the Health and Safety Code.

1 (e) “Electrical corporation” means an electrical corporation
2 that is subject to Section 748.5.

3 (e)

4 (f) “Program” means the Environmental Justice Community
5 Resilience Hubs Program created pursuant to Section ~~2846~~. 2847.

6 (f)

7 (g) “Vulnerable community” has the same meaning as defined
8 in Section 71340 of the Public Resources Code.

9 ~~2846. The Environmental Justice Community Resilience Hubs~~
10 ~~Program is hereby created, with the features and requirements~~
11 ~~described in this chapter.~~

12 2847. (a) (1) Upon the allocation of revenues pursuant to
13 subdivision (d) of Section 748.5, an electrical corporation shall
14 cause those moneys to be awarded—*as to a third-party*
15 *administrator, selected by the commission, that will award*
16 competitive grants to owners of critical community institutions
17 for building upgrade projects that demonstrate community
18 engagement in all phases, demonstrate multistakeholder
19 partnerships, reflect the geographic diversity of the state, and are
20 installed at critical community institutions.

21 (2) An electrical corporation, or third-party administrator, may
22 accept additional moneys from other sources for the purpose of
23 funding the competitive grants.

24 (b) ~~The~~ *By November 1, 2022, the commission shall establish*
25 *eligibility criteria for comprehensive building upgrades that meet*
26 *the program goals to reduce emissions of greenhouse gases and*
27 *criteria air pollutants, and to enhance community resilience to*
28 *climate change events in disadvantaged or vulnerable communities.*
29 *The commission shall ensure eligible upgrades do not duplicate*
30 *eligible projects and technologies under existing programs. receive*
31 *duplicative funding for the same technology or measure from other*
32 *programs.*

33 (c) (1) ~~The commission shall determine whether each electrical~~
34 ~~corporation or a third party, including the Energy Commission,~~
35 ~~will administer the competitive grants awarded pursuant to this~~
36 ~~section.~~ *establish the Environmental Justice Community Resilience*
37 *Hubs Program. The program shall be jointly operated among all*
38 *the participating electrical corporations and shall be consistent*
39 *across the utility territories and designed, administered, and*
40 *implemented by a single third-party administrator selected through*

1 *a process determined by the commission. The third-party*
 2 *administrator shall administer the competitive grants awarded*
 3 *pursuant to this subdivision. The third-party administrator shall*
 4 *ensure that program moneys from each utility are used only for*
 5 *projects located in the service territory of that utility from which*
 6 *the moneys are received. The commission shall select a third-party*
 7 *administrator by no later than March 1, 2023, and the program*
 8 *shall be operational and begin processing applications by no later*
 9 *than July 1, 2023.*

10 (2) Not more than 10 percent of the funds allocated pursuant to
 11 this section shall be used for administration, technical assistance,
 12 and outreach.

13 (3) The administrator shall provide technical assistance to
 14 ~~customers applying for the competitive grants and, to the extent~~
 15 ~~possible, to customers applying for other public benefit programs~~
 16 ~~relating to energy, including those specified in Section 2848.~~
 17 *program applicants for the competitive grants.*

18 (4) ~~The administrator shall consult with the commission pursuant~~
 19 ~~to Section 2848 and implement, to the extent possible, the~~
 20 ~~guidance, technical assistance, and streamlined processes made~~
 21 ~~available through Section 2848.~~ *assess the landscape of other*
 22 *public benefit programs that program applicants may be eligible*
 23 *to access. To the extent possible, the administrator shall support*
 24 *program applicants in accessing other public benefit programs*
 25 *relating to energy in order to coordinate any available*
 26 *complementary funding sources.*

27 (5) The administrator shall ensure that the competitive grants
 28 are only awarded throughout the applicable electrical corporation's
 29 service territory.

30 (d) The commission shall establish local hiring requirements,
 31 wage requirements, requirements to partner with state-sanctioned
 32 apprenticeships programs, and strong workforce standards for the
 33 program in order to provide economic development benefits to
 34 disadvantaged communities.

35 ~~2848. (a) The commission, in consultation with the Energy~~
 36 ~~Commission and administrators, shall ensure greater cross-referral~~
 37 ~~between eligible programs, share best practices, scale~~
 38 ~~programming, establish a uniform application for multiple eligible~~
 39 ~~programs, and provide comprehensive guidance and technical~~
 40 ~~assistance for applicants to eligible programs.~~

1 ~~(b) Eligible programs include, but are not limited to, all of the~~
2 ~~following:~~

3 ~~(1) Home weatherization services pursuant to Section 2790.~~

4 ~~(2) The Multifamily Affordable Housing Solar Roofs Program~~
5 ~~established pursuant to Chapter 9.5 (commencing with Section~~
6 ~~2870).~~

7 ~~(3) The self-generation incentive program described in Section~~
8 ~~379.6.~~

9 ~~(4) The Disadvantaged Communities Single-Family Solar~~
10 ~~Homes Program, Disadvantaged Communities Green Tariff~~
11 ~~Program, and Community Solar Green Tariff Program adopted by~~
12 ~~the commission in Decision 18-06-027 (June 21, 2018), Alternate~~
13 ~~Decision Adopting Alternatives to Promote Solar Distributed~~
14 ~~Generation in Disadvantaged Communities.~~

15 ~~(5) The microgrid incentive program adopted by the commission~~
16 ~~pursuant to Chapter 4.5 (commencing with Section 8370) of~~
17 ~~Division 4.1.~~

18 ~~(6) The Energy Savings Assistance Program established pursuant~~
19 ~~to Section 382.~~

20 ~~(7) Other programs identified by the commission that contribute~~
21 ~~to community resilience.~~

22 SEC. 4. No reimbursement is required by this act pursuant to
23 Section 6 of Article XIII B of the California Constitution because
24 the only costs that may be incurred by a local agency or school
25 district will be incurred because this act creates a new crime or
26 infraction, eliminates a crime or infraction, or changes the penalty
27 for a crime or infraction, within the meaning of Section 17556 of
28 the Government Code, or changes the definition of a crime within
29 the meaning of Section 6 of Article XIII B of the California
30 Constitution.