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An act to add Section 707 to the Public Utilities Code, relating to energy.



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THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

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

(a) The California Alternative Rates for Energy (CARE) program provides low-income households with a percentage reduction in their electricity and gas service billings.

(b) While the goals of the CARE program are laudable, an unintended effect can be to subsidize inefficient and environmentally damaging practices because low-income households tend to rely on older, less efficient appliances that use excess amounts of electricity and natural gas.

(c) The superior strategy for keeping energy charges paid by low-income households affordable is to reduce energy usage by those low-income households.

SEC. 2. Section 707 is added to the Public Utilities Code, to read:

707. The commission shall open a rulemaking or other appropriate proceeding to revise the existing California Alternative Rates for Energy (CARE) program to accomplish the following:

(a) Implement a CARE-Plus Pilot Program not later than January 1, 2012, that will redirect not less than six million dollars (\$6,000,000), that would otherwise be used by the participating electrical corporations and gas corporations to market, administer, and implement CARE program bill assistance to low-income electric and gas customers, into energy efficiency measures directed by customers participating in the CARE program, with the goal that those energy efficiency measures result in bills equal to, or lower than, those the customers would experience if they did not participate in the CARE-Plus Pilot Program.



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(b) Require that the CARE-Plus Pilot Program be undertaken in not less than three different utility climate zones.

(c) Require that existing customers within the CARE-Plus Pilot Program have the option to participate in the pilot program on a first-come-first-served basis, with overall participation limited by available funds.

(d) Authorize CARE-Plus Pilot Program participants to monetize the rate support they would otherwise receive through the CARE program to obtain financing for energy efficiency investments that provide net positive benefits within five years. For those CARE program participants that do not utilize their entire CARE rate support for energy efficiency investments because further investments will not achieve the goals stated in subdivision (a), the pilot program participant will continue to receive the remaining rate support through monthly utility bill reductions.

(e) Authorize one or more community-based third parties to market the CARE-Plus Pilot Program and to manage associated paperwork and delivery of the associated services, including benefits available through other available programs and rate supports.

(f) Achieve price concessions from manufactures participating in the CARE-Plus Pilot Program as approved providers by limiting, to two, the number of available qualifying devices or appliances of a particular type. For example, only two highly efficient refrigerators shall be offered to pilot program participants.

(g) Require that CARE-Plus Pilot Program participants be periodically provided with information showing the results of their energy efficiency investments.



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(h) Require the completion of an independent comprehensive evaluation of the CARE-Plus Pilot Program by not later than December 31, 2014, that includes an analysis of the costs and benefits to pilot program participants, participating utilities, and society at-large.

SEC. 3. 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.

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LEGISLATIVE COUNSEL'S DIGEST

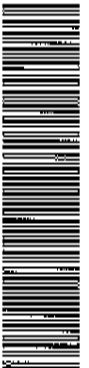
Bill No.

as introduced, Price.

General Subject: California Alternative Rates for Energy program: energy efficiency pilot program.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, and gas corporations, as defined. Existing law requires the commission to establish a program of assistance to low-income electric and gas customers, referred to as the California Alternative Rates for Energy (CARE) program.

This bill would require the commission to open a ratemaking or other appropriate proceeding to revise the CARE program and implement, by January 1, 2012, a CARE-Plus Pilot Program, that will redirect not less than \$6,000,000 into energy efficiency measures directed by customers participating in the CARE program, with the goal that those energy efficiency measures result in bills equal to, or lower than,



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those the customers would experience if they did not participate in the CARE-Plus Pilot Program.

Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because the bill would require action by the commission to implement its requirements, a violation of these provisions would impose a state-mandated local program by creating a new crime.

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.



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