
**SENATE COMMITTEE ON ENERGY, UTILITIES AND
COMMUNICATIONS**

**Senator Steven Bradford, Chair
2023 - 2024 Regular**

Bill No:	AB 691	Hearing Date:	6/24/2024
Author:	Ting		
Version:	6/10/2024 Amended		
Urgency:	No	Fiscal:	Yes
Consultant:	Sarah Smith		

SUBJECT: Inefficient heating, ventilation, and air conditioning systems at schools: report

DIGEST: This bill requires the California Energy Commission (CEC) to submit a report to the Legislature by January 1, 2026, on impacts from schools' inefficient heating, ventilation, and air conditioning (HVAC) systems.

ANALYSIS:

Existing law:

- 1) Established the School Energy Efficiency Stimulus Program, which is comprised of the following two programs:
 - a) The School Reopening Ventilation and Energy Efficiency Verification and Repair Program, which funds energy efficient upgrades to school HVAC systems.
 - b) The School Noncompliant Plumbing Fixture and Appliance Program, which funds energy efficient upgrades to school plumbing fixtures and appliances. (Public Utilities Code §1600 et. seq.)
- 2) Designates the CEC as the program administrator of the School Energy Efficiency Stimulus Program. (Public Utilities Code §1610)
- 3) Requires the California Public Utilities Commission (CPUC) to direct each investor-owned utility (IOU) to allocate a specified portion of their ratepayer-funded energy efficiency incentives to the School Energy Efficiency Stimulus Program. (Public Utilities Code §1615)
- 4) Requires any unspent funds to be returned to each IOU by December 1, 2026, and authorizes the CEC to set encumbrance deadlines to ensure that unspent funds can be returned by that deadline. (Public Utilities Code §1615)

This bill:

- 1) Defines a school as a school serving kindergarten students or any students in any grade, including grades 1-12.
- 2) Requires the CEC to submit a report to the Legislature by January 1, 2026, regarding the impacts of inefficient HVAC systems at schools. This bill requires the CEC to evaluate policies needed to ensure that schools are energy efficient.

Background

Status of the California Schools, Healthy Air, Plumbing, and Efficiency (CalSHAPE) program. The Legislature passed AB 841 (Ting, Chapter 372, Statutes of 2020) during the Covid-19 pandemic to provide both economic stimulus funding for upgrades that could improve schools' ventilation systems. Pursuant to AB 841, the CEC established the CalSHAPE program to provide ratepayer-funded grants to schools for specified plumbing and HVAC upgrades. The CEC provides an annual report on the status of the CalSHAPE program. The CEC's 2023 program year report notes that the CEC has received 777 applications for HVAC funding and 205 applications for plumbing funding. The program has funded \$421 million in ventilation upgrades and \$66 million in plumbing upgrades. While statute restricts CalSHAPE funding to local education agencies (LEAs), the CEC expanded eligibility for CalSHAPE plumbing upgrades to state entities in 2022. As of December 2023, the CEC received applications for CalSHAPE plumbing funds from three state entities: the California Highway Patrol and two California State University campuses. While many LEAs have made use of the CalSHAPE program, the program continues to reserve a substantial amount of unexpended ratepayer funds. At the end of 2023, the program had awarded approximately 43 percent of the total funds allocated for CalSHAPE. Under existing law, any of these monies unencumbered by December 1, 2026, must be returned to the IOUs.

Need for Bill? This bill requires the CEC to report on the impact of inefficient HVAC systems in schools and make recommendations for policy changes needed to make schools more efficient. However, under existing law, the CEC already has broad authority to assess the energy efficiency of existing buildings, including school facilities. Prior legislation, AB 758 (Skinner, Chapter 470, Statutes of 2009), tasked the CEC with developing a comprehensive program to achieve greater energy savings in California's existing residential and nonresidential building stock. As part of this direction, the CEC publishes an Energy Efficiency Action Plan every three years, assessing energy efficiency policies for existing

buildings. In recent years, this action plan has focused on building decarbonization, which can include energy conservation measures and may also include assessments and strategies regarding self-generation and fuel-switching. In addition to these assessments, the CEC has run multiple programs aimed at improving the energy efficiency of schools and has produced reports on schools' energy efficiency needs as part of these programs. While the assessment required by this bill narrowly focuses on inefficient HVAC systems in schools, this bill requires the CEC to make broader recommendations about the efficiency of school buildings. Given the narrow scope of this bill's required assessment and the amount of reports already produced by the CEC on energy efficiency in existing buildings and K-12 efficiency programs, it is unclear if the report required by this bill is needed.

Prior/Related Legislation

SB 1182 (Gonzalez, 2024) requires the CEC to develop a Master Plan for Healthy, Sustainable, and Climate-Resilient Schools on or before March 31, 2026. The bill specifies items that must be included in this master plan, including an assessment of a representative sample of schools' facilities to analyze the energy and climate-associated features of the building, including, but not limited to, HVAC systems. The bill is pending in the Assembly.

AB 841 (Ting, Chapter 372, Statutes of 2020) established the CalSHAPE program by allocating ratepayer energy efficiency incentives to fund energy efficient plumbing and ventilation upgrades in school facilities.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

SUPPORT:

None received

OPPOSITION:

None received

ARGUMENTS IN SUPPORT: According to the Author:

Public schools throughout California contain outdated, inefficient HVAC systems and plumbing fixtures that waste energy and water. Poorly functioning HVAC systems also impair student performance and increase the risk of chronic illness transmission. California must ensure that

electrifying school HVAC systems are part of our energy transition, especially in our most disadvantaged communities. AB 691 will require the CEC to submit a report to the Legislature on the impacts and effects of inefficient HVAC systems and evaluate the future policies needed to ensure energy efficiency at our schools.

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