

**AGENDA  
LEGISLATIVE POLICY COMMITTEE  
MARCH 27, 2013**

**MEMBERS**

Bill Bogaard, Mayor  
Jacque Robinson, District 1  
Steve Madison, District 6

**STAFF**

Julie A. Gutierrez, Assistant City Manager  
Sandra Robles, Recording Secretary

**MISSION STATEMENT**

The City of Pasadena is dedicated to delivering exemplary municipal services, responsive to our entire community and consistent with our history, culture and unique character.

*In compliance with the Americans with Disabilities Act of 1990, listening assistive devices are available from the City Clerk's Office with a 24-hour advance notice. Please call (626) 744-4124 to request use of a listening device.*

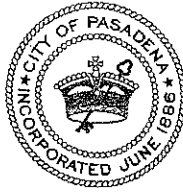
*Language translation services are available for this meeting by calling (626) 744-4124 at least 24 hours in advance.*

*Habr  servicio de interpretaci n disponible para  stas juntas llamando al (626) 744-4124 por lo menos con 24 horas de anticipaci n.*

*Public meeting begins at 5:30 p.m.  
Items on the agenda may not be called in order listed.*

*Agendas and supporting documents are available on the Internet at  
<http://www.cityofpasadena.net/commissions>*

*Materials related to an item on this Agenda submitted to the Legislative Policy Committee **after** distribution of the agenda packet are available for public inspection in the City Clerk's Office at 100 N. Garfield Avenue, Room S-228, during normal business hours.*



OFFICE OF THE MAYOR

**CITY OF PASADENA  
LEGISLATIVE POLICY COMMITTEE  
MEETING**

**Wednesday, March 27, 2013 – 5:30 p.m.  
100 N. Garfield Ave. – Fair Oaks Conference Room S039**

**NOTICE IS HEREBY GIVEN** that a regular meeting of the Legislative Policy Committee will be held on Wednesday, March 27, 2013, at 5:30 p.m. at 100 N. Garfield Ave., Fair Oaks Conference Room S039.

The agenda for the meeting is as follows:

**1. CALL TO ORDER/ROLL CALL**

**2. PUBLIC COMMENTS ON MATTERS NOT ON THE AGENDA** – Please limit comments to 3 minutes each.

**3. NEW BUSINESS**

**A. Update on Post Redevelopment Economic Development Legislation\***

It is recommended that the City Council: Support AB 564; Continue to watch SB 1; Support SB 33; Support AB 294; Support AB 690; and Support AB 243

**4. INFORMATION ITEMS**

**A. Briefing by David Jones on State Legislative Matters (Oral)**

**B. Briefing by Carolyn Chaney on Federal Legislative Matters (Oral)**

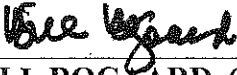
**C. Discussion on the Local Government Sustainable Energy Coalition's (LGSEC) white paper supporting the allocation of Prop 39 funds to local government (Oral)\***

**D. Discussion on SB 135 (Padilla): Earthquake Early Warning System (Oral)\***


**5. ADJOURNMENT**

\* Attachment

**NEXT REGULAR MEETING**  
April 24, 2013 –5:30pm

  
\_\_\_\_\_  
**BILL BOGAARD**, Chair  
Legislative Policy Committee

I HEREBY CERTIFY that this notice, in its entirety, was posted on the City of Pasadena Council Chamber Building bulletin boards located outside of Room S249 and at the Information Kiosk, the City Clerk's Office and a copy was distributed to Central Library for posting this 21st day of March 2013, by 5:30 p.m.

  
\_\_\_\_\_  
**DEBBIE CAMPOS**  
City Manager's Office

**DISTRIBUTION:**

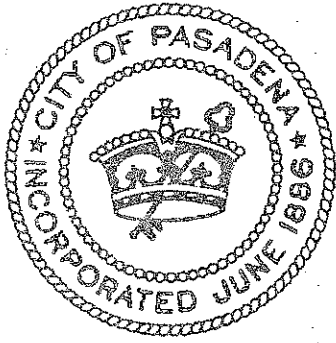
Bill Bogaard, Mayor  
Jacque Robinson, Councilmember  
Steve Madison, Councilmember  
Michael J. Beck, City Manager  
Julie A. Gutierrez, Assistant City Manager  
Steve Mermell, Assistant City Manager  
Mark Jomsky, City Clerk  
Michele Bagneris, City Attorney  
William Boyer, Public Information Officer  
Jana Stewart, Management Analyst III to Mayor/Council  
Carolyn Chaney, Legislative Advocate  
David Jones, Legislative Advocate  
Sandra Robles, Recording Secretary  
City Hall Information Kiosk  
Website: <http://www.ci.pasadena.ca.us>  
Pasadena Central Library

Barbara Boxer, U.S. Senator  
Dianne Feinstein, U.S. Senator  
Adam Schiff, U.S. Congressman  
Judy Chu, U.S. Congresswoman  
Carol Liu, State Senator  
Chris Holden, State Assemblymember  
La Opinion  
Los Angeles Times  
Neighborhood Connections  
Pasadena Independent  
Pasadena Journal  
Pasadena NOW  
Pasadena Star-News  
Pasadena Sun  
Pasadena Weekly

## **NEW BUSINESS**

### **3. A Update on Post Redevelopment Economic Development Legislation\***

**It is recommended that the City Council: Support AB 564; Continue to watch SB 1; Support SB 33; Support AB 294; Support AB 690; and Support AB 243**



# Agenda Report

April 8, 2013

**TO:** Honorable Mayor and City Council

**THROUGH:** Legislative Committee (March 27, 2013)

**FROM:** City Manager's Office Economic Development Division

**SUBJECT: UPDATE ON POST REDEVELOPMENT-ECONOMIC DEVELOPMENT LEGISLATION**

## **RECOMMENDATION:**

It is recommended that the City Council:

- A) Support AB 564
- B) Continue to watch SB 1
- C) Support SB 33
- D) Support AB 294
- E) Support AB 690
- F) Support AB 243

## **BACKGROUND/SUMMARY:**

Since the elimination of redevelopment this past February, a number of bills have been introduced in the state legislature intended to clarify/modify the regulations governing redevelopment successor agencies and create some form of economic development tool.

While the legislative intent seems to be one that is attempting to give cities back some form of redevelopment authority, none of the bills go so far as restoring redevelopment to what it had been before dissolution. Moreover, it is highly likely that these bills, as written today, will be amended in the coming weeks of the legislative session. The following is a summary of legislation of interest to the City of Pasadena.

### **AB 564 (Mullin) Community Redevelopment: Successor Agencies.**

This piece of legislation is intended to modify regulations governing redevelopment successor agencies. The existing statute provides, after approval by the oversight board, that the repayment of city-agency loans and the expenditure of unspent bond proceeds become "enforceable obligations." Yet, the statute is silent on the role of the Department of Finance (DOF). This is an issue that should be clarified. Since all actions

of oversight boards can be reviewed and rejected by DOF every six months as part of the ROPS process, there is no confidence that a community can rely on accessing even these benefits without future disruption or reversal.

**Staff Recommendation: Support.**

**League of California Cities Recommendation: Support**

**SB 1 (Steinberg) Sustainable Communities Investment Authority.** This measure allows local governments to form a Sustainable Communities Investment Authority according to the Community Redevelopment Law. Senate Bill 1 deems:

- An Authority to be an "agency," as defined in the Community Re-development Law.
- Specifies that an Authority has all of the rights, responsibilities, and obligations of a redevelopment agency.
- States that the terms "Sustainable Communities Investment Area" and "Sustainable Communities Investment Plan," as used in the bill, are equivalent to a redevelopment project area and a redevelopment plan.
- Requires an Authority to comply with most provisions of the Community Redevelopment Law, excluding specified statutes authorizing pass-through payments to local taxing entities.
- Exempts an Authority from specified statutes that suspend redevelopment agencies' activities, prohibit redevelopment agencies' issuance of debt, and govern redevelopment agencies' dissolution.
- This measure authorizes tax increment and former redevelopment authority to be used in areas adjacent to commuter rail and high volume transit corridors. Prohibits a school district's property tax increment revenues from being pledged or allocated to an Authority.

Last year the League of California Cities had various technical and implementation concerns with the drafting of SB 1 and is working on a proposed set of amendments which would address these concerns.

**Recommendation: Watch.**

**League of California Cities Recommendation: Continue to Watch.**

**SB 33 (Wolk) Infrastructure Financing Districts: Voter Approval: Repeal.** Existing law authorizes a legislative body to create an infrastructure financing district, adopt an infrastructure financing plan, and issue bonds, for which only the district is liable, to finance specified public facilities, upon voter approval. Existing law authorizes an infrastructure financing district to fund infrastructure projects through tax increment financing, pursuant to the infrastructure financing plan and agreement of affected taxing entities. This bill would revise the provisions governing infrastructure financing districts. The bill would eliminate the requirement of voter approval for creation of the district and for bond issuance, and would authorize the legislative body to create the district subject to specified procedures. The bill would instead authorize a newly created public financing authority, consisting of 5 members, 3 of whom are members of the city council or board of supervisors that established the district, and 2 of whom are members of the public, to adopt the infrastructure financing plan, subject to approval by the legislative

body, and issue bonds by majority vote of the authority by resolution. The bill would authorize a public financing authority to enter into joint powers agreements with affected taxing entities but not including any county office of education, school district, or community college district. The bill would authorize a district to finance specified actions and projects, and prohibit the district from providing financial assistance to a vehicle dealer or big box retailer, as defined. The bill would create a public accountability committee, as specified, to review the actions of the public financing authority

**Recommendation: Support**

**League of California Cities Recommendation: Support**

**AB 294 (Holden) Infrastructure Financing Districts: Use of Incremental Property Tax Revenue.**

This bill would authorize the California Infrastructure and Economic Development Bank to augment local investments in infrastructure by approving the use of the Educational Revenue Augmentation Fund (ERAF) share of property tax for specific Infrastructure Financing Districts to fund the following types of projects:

(b) The district shall finance only public capital facilities of communitywide significance, which provide significant benefits to an area larger than the area of the district, including, but not limited to, all of the following:

(1) Highways, interchanges, ramps and bridges, arterial streets, parking facilities, and transit facilities.

(2) Sewage treatment and water reclamation plants and interceptor pipes.

(3) Facilities for the collection and treatment of water for urban uses.

(4) Flood control levees and dams, retention basins, and drainage channels.

(5) Child care facilities.

(6) Libraries.

(7) Parks, recreational facilities, and open space.

(8) Facilities for the transfer and disposal of solid waste, including transfer stations and vehicles. Maintains 2/3 voter approval.

**Recommendation: Support.**

**League of California Cities Recommendation: Watch**

**AB 690 (Campos) Jobs and Infrastructure Financing Districts: Voter Approval.**

With 55 percent voter approval, this bill would provide for the creation of jobs and infrastructure financing districts (JIDs) in areas of high unemployment. JIDs would be a legally constituted governmental entity established for the sole purpose of financing public facilities such as:

(1) Highways, interchanges, ramps and bridges, arterial streets, parking facilities, and transit facilities.

(2) Sewage treatment and water reclamation plants and interceptor pipes.

(3) Facilities for the collection and treatment of water for urban uses.

(4) Flood control levees and dams, retention basins, and drainage channels.

(5) Child care facilities.

(6) Libraries.

(7) Parks, recreational facilities, and open space.

(8) Facilities for the transfer and disposal of solid waste, including transfer stations and vehicles. It would authorize a public financing authority to enter into a joint powers agreement with the affected taxing entities but not including any county office of education, school district, or community college district. The bill requires creation of 10 prevailing wage jobs for every \$1 million invested.

**Recommendation: Support.**

**League of California Cities Recommendation: Support**

**AB 243 (Dickinson) Local Government: Infrastructure and Revitalization**

**Financing Districts.** This bill would remove the current requirement that a two-thirds voter approval to create or initiate debt for an infrastructure financing district and reduce the requirement from 2/3 voter approval to 55 percent. The district shall finance only facilities or projects of communitywide significance similar to AB 690, but includes an expanded list of the types of projects such as the following:

- Brownfields restoration and other environmental mitigation.
- Purchase of land and property for development purposes and related site improvements.
- Acquisition, construction, or repair of housing for rental or purchase, including multipurpose facilities.
- Acquisition, construction, or repair of commercial or industrial structures for private use.
- The repayment of the transfer of funds to a military base reuse authority pursuant to Section 67851.

**Recommendation: Support.**

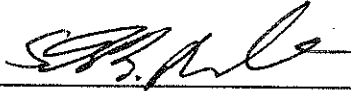
**League of California Cities Recommendation: Watch**



**FISCAL IMPACT:**

There is no direct fiscal impact as a result of this report. The ultimate fiscal impact will be a function of which, if any, legislation is ultimately adopted.

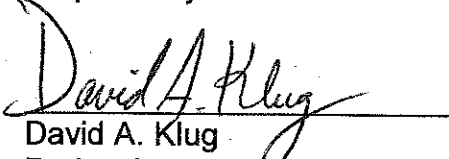
Respectfully submitted,



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STEVE MERMELL  
Assistant City Manager

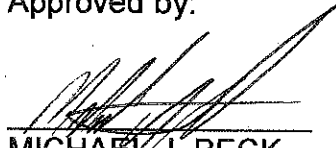
Prepared by:



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David A. Klug  
Redevelopment Manager

Approved by:



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MICHAEL J. BECK  
City Manager

## **INFORMATION ITEMS**

4. C Discussion on the Local Government Sustainable Energy Coalition's (LGSEC) white paper supporting the allocation of Prop 39 funds to local government (Oral)\*



# San Gabriel Valley Council of Governments

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DATE: February 21, 2013  
TO: Governing Board Delegates and Alternates  
FROM: Fran Delach, Interim Executive Director  
RE: **Proposition 39**

## **Recommended Action**

Adopt a position of support for the Local Government Sustainable Energy Coalition's (LGSEC) white paper supporting the allocation of Proposition 39 funds to local governments

## **Background:**

Proposition 39 – the California Clean Energy Jobs Act – was passed by voters in November 2012. The proposition closed corporate tax loopholes, and out-of-state businesses are now required to calculate their tax liability based on their percentage of sales in California. This will raise an estimated \$1 billion annually, \$550 million of which will be dedicated to funding energy efficiency projects for schools, colleges and universities, and other public facilities.

In his 2013-2014 budget proposal, Governor Brown allocated \$500 million of the \$550 million specifically to schools to fund energy efficiency projects. Several legislative bills that develop a structure for administering grants and/or low-interest loans, and providing other financial assistance, including AB 39 (Skinner) and SB 39 (De Leon), are currently moving through the California Assembly.

The remaining \$50 million has not yet been allocated. There are several alternatives that have been put forward to provide at least a portion of these remaining funds to local governments. Based on preliminary conversations that local governments have had with the Governor's Office, the Governor's Office does not favor a formula allocation, as it would be cumbersome to administer and, with just \$50 million to allocate, each jurisdiction would receive a small amount of funding. The three investor-owned utilities have also submitted a proposal for the funding; however, it provides few details about how the funding would be used.

The Local Government Sustainable Energy Coalition (LGSEC), of which the SGVCOG is a member, has developed a proposal that recommends allocating the funding through the local governments themselves, through the Regional Energy Networks (RENs). In its November 2012 decision, the California Public Utilities Commission (CPUC) approved funding and a program design for two Regional Energy Networks (RENs), including \$46 million for a REN in the Southern California region (SoCalREN). More specific details about that proposal can be found in the attached white paper (Attachment 1).

The City Managers' Steering Committee reviewed the proposed white paper at their February meeting and recommend approval to the Governing Board.



# CLIMATE CORPS CALIFORNIA



## PAST PROJECT SCOPES AND SECTORS

### Businesses

Developing and implementing community's organic waste disposal program

Conducting energy efficiency outreach & education programs targeting local green businesses

Conducting energy efficiency analysis and providing recommendations for reducing energy use

### Governments

Developing and implementing alternative/clean transportation initiatives

Accelerating community solid waste reduction programs

Operating energy management programs targeting municipal operations

Implementing climate action plans for reducing overall GHG emissions

### Homes

Implementing Energy Update California

Conducting home energy and water conservation audits

Educating residents on home energy efficiency, solar installation, and conservation practices

Developing and implementing public efficiency/renewable energy financing programs-

### Schools

Implementing Safe Routes To School Programs in multiple schools

Developing sustainability/climate protection curriculum-

Leading K-12 Green Teams to implement "green" practices

Assisting in procuring and developing solar plans for schools

## PAST AND CURRENT COMMUNITY PARTNERS

Acterra

Alameda County General Services Agency

Alameda County Community Development Agency

Alameda Municipal Power

Bay Area Climate Collaborative

Bay Area Joint Policy Committee

Build It Green

City of Albany

City of Benicia

City of Cupertino

City of Dublin

City of Pleasanton

City of Redwood City

City of Richmond

City of San Jose-Environmental Services

City of San Jose-Transportation

City of San Pablo

City of San Rafael

Community Energy Services Corporation

Contra Costa County

Grid Alternatives

ICLEI - Local Governments for Sustainability Inc.

Joint Venture Silicon Valley

Kasier Permanente

Marin Community Foundation

Marin Energy Authority

Oakland Unified School District

Redwood 2020

Richardson Bay Audubon Center

San Mateo County

Skyline College of San Mateo County

Solar Richmond

Sonoma County Energy Independence Program

Sonoma County General Services Agency

Sonoma County Regional Climate Protection Authority

StopWaste.Org

## WHO IS IMPLEMENTING CLIMATE CORPS?

### Bay Area Community Resources

<http://www.bacr.org>

Founded in 1976, BACR promotes the healthy development of individuals, families and communities through direct services, volunteerism and partnerships in the San Francisco Bay Area.

### Strategic Energy Innovations

<http://www.seiinc.org>

Founded in 1999, SEI helps empower schools and universities, small businesses, local governments, affordable housing agencies, and agricultural communities to reduce pollution and save money through clean energy and resource efficiency.



## EXPANDING CLEAN ENERGY AND CLIMATE CHANGE EFFORTS FOR LOCAL GOVERNMENTS THROUGH REGIONAL ENERGY NETWORKS

### IMPORTANCE OF LOCAL GOVERNANCE AND THEIR HISTORY WITH ENERGY EFFICIENCY PROGRAMS

Local governments have been at the forefront of providing energy efficiency programs to their communities, have the most direct connection to residential and business constituencies, and have the most experience with implementing programs and policies at the grass-roots level. In addition, energy programs managed by local governments are designed for maximum efficiency and energy conservation, and the potential to create jobs by leveraging local and regional jobs programs.

Local governments, represented by Regional Energy Networks (RENs) and existing energy partnership infrastructures, are now well positioned to utilize State energy resources more effectively and comprehensively. We recommend that the State:

- 1) Fund existing and new RENs to administer and coordinate other regional, local government energy programs created under California Public Utilities Commission (CPUC), California Energy Commission (CEC), and American Recovery and Reinvestment Act (ARRA) funded programs to provide an efficient vehicle for widespread support of all local governments under Proposition 39 and Cap & Trade revenue funding.
- 2) Utilize the RENs to expand the scope and reach, complement existing resources, and fill technical gaps in existing programs that support local governments.
- 3) Provide up to \$50 million annually to RENs which will ensure State-ordered clean energy program benefits reach all local governments.

### FUNDING FOR PROPOSED REGIONAL ENERGY NETWORKS\*

STATEWIDE COVERAGE BY RENs	Annual Amount	Status
SoCalREN	\$22 MM	Existing REN under CPUC
BayREN	\$8.5 MM	Existing REN under CPUC
Association of Monterey Bay Area Governments	\$2 MM	Operates existing program and meets CPUC criteria
Redwood Coast Energy Authority and surrounding North Coast region	\$2 MM	Operates existing program and meets CPUC criteria
Sierra Business Council and surrounding areas	\$2 MM	Operates existing program and meets CPUC criteria
San Diego County and surrounding areas;	\$4 MM	Proposed as new REN
Tri-County Central Coast region (Ventura, Santa Barbara, San Luis Obispo)	\$2MM	Proposed as a new REN
San Joaquin Valley areas	\$5 MM	Proposed as a new REN
Sacramento County and surrounding areas;	\$2 MM	Proposed as a new REN

\*Consistent with the existing CPUC definition, proposed RENs may need the following adjustments to cover all jurisdictions

- Regions and budgets are intended to serve as an example only and were calculated on a purely per capita basis; actual budgets would be determined by area served on a per capita basis with \$2 MM base level of funding, and will be adjusted to the benefit of smaller regions based upon regional needs.
- Statewide Coordination through LGSEC: \$500,000
- Additional funding could be made available to investor-owned and municipal utilities to serve jurisdictions not covered through a proposed Regional Energy Network



**WHY REGIONAL ENERGY NETWORKS**

RENS optimally serve the direction of Governor Brown to return more control to the local government level, and allow programs to be developed, managed, and administered by established, functional local government coalitions. The concept of RENs is a well-proven model throughout the country and is now gaining traction in California. REN benefits include:

- Regional programs are a more cost effective model for reaching more jurisdictions (especially smaller cities) because they provide: shared technical resources and staff, as opposed to individual resources; aggregation benefits in pricing and financing; shared technical systems which support widespread public building benchmarking and analysis.
- RENs, utilizing Prop 39 and Cap & Trade funding, will complement existing energy efficiency programs and create a foundation to implement future, additional programs to which the State is committed, including integrated demand side management, zero net energy, green building certification and ratings, comprehensive energy financing products, alternative vehicle infrastructure.
- The CPUC has adopted and funded the REN model in northern and southern California.
- The REN concept has already proven to be effective in serving hard-to-reach regions, such as the Redwood Coast and Sierra Nevada.
- RENs can utilize local government jobs development and training and placement programs to emphasize local job creation. RENs can help mitigate loss of jobs through elimination of Community Redevelopment funds.
- Funds directed to local governments will allow all funds to be placed in the public sector, unlike funds designated for investor-owned utilities, which require the inclusion of profit for these corporations in the form of a return on investment.
- Legislative priorities, such as maximum energy conservation, emissions reductions targets, and economic stimulus, are embedded in the programs of local government networks

**BENEFITS AND FUNCTIONS OF A REGIONAL ENERGY NETWORK**

Administration and Regional Coordination	<ul style="list-style-type: none"> <li>• Single source of funding administration and management for a broad region</li> <li>• Regional energy network coordinates with all local entities</li> </ul>
Regional Strategic Energy Planning	<ul style="list-style-type: none"> <li>• Overall strategic energy planning for region</li> <li>• Linkage to individual jurisdiction climate action plans (greenhouse gas inventories, target reductions, and strategy development)</li> <li>• Progress towards regional ordinance, code, reach code adoption, and enforcement</li> </ul>
Financing	<ul style="list-style-type: none"> <li>• Regional financing programs for public and private sector buildings</li> <li>• Leverage multiple financing credit enhancements and benefits (Energy Upgrade California, CAEATFA, Property Assessed Clean Energy, On-Bill)</li> </ul>
Building Energy Efficiency Projects Managed at the Regional Level	<ul style="list-style-type: none"> <li>• Municipal building energy retrofits</li> <li>• Centralized procurement and financing</li> <li>• Whole home retrofit program activities</li> <li>• Audits and other project technical support</li> <li>• Project identification and assessment of best available technologies</li> <li>• Behavioral and co-benefits pilots</li> </ul>



	<ul style="list-style-type: none"> <li>• Green building programs</li> <li>• Linking energy efficiency to safety/security for large facilities/dense populations</li> <li>• Project pipeline to utility incentives</li> </ul>
Marketing and Outreach	<ul style="list-style-type: none"> <li>• Integrated marketing</li> <li>• Broader, consistent marketing reach and messaging</li> </ul>
Workforce development	<ul style="list-style-type: none"> <li>• Contractor coordination and training</li> <li>• Leverage city, county, state, other workforce training resources (WIBs, WIAs, apprenticeship programs, and community colleges)</li> </ul>

**CPUC APPROVES REGIONAL ENERGY NETWORKS**

On November 15, 2012, the CPUC in Decision 12-11-015 approved 2013-2014 energy efficiency programs, and approved and funded the Bay Area Regional Network (BayREN) and the Southern California Regional Energy Network (SoCalREN). The BayREN serves the nine-County Association of Bay Area Governments region and the SoCalREN serves the joint, Southern California Edison/Gas Company region, including those municipal utility service territories that are also served by an investor owned utility. Program details for the SoCalREN and BayREN are described later in this paper.

**CPUC Definition of a Regional Energy Network**

The CPUC provides this description of Regional Energy Networks, which can be adopted for State funding:

- RENs were evaluated and selected by the CPUC instead of by the utilities;
- RENs design and administer their own programs;
- RENs represent several local government entities and not just one or two (cities and/or counties);
- "Similar, common-sense identification of regions could include the Central Valley, the Sierra, the San Joaquin Valley, etc.;"
- A REN should "be able to represent a large group of customers with similar characteristics by geography or demography, at a minimum. A proposal by one or two cities or counties would not necessarily constitute a REN."
- A single local government (or appropriate non-profit organization, joint powers authority, or council of government<sup>1</sup>) within the REN contracts with an IOU to receive the funds and administer the programs throughout the region.

Additional investment using Prop 39 an Cap & Trade funds will fill gaps created by restrictions on the application of funding to current RENs (e.g., current CPUC funding is restricted only to energy efficiency and may not include renewable measures, demand response, energy/water nexus, and zero-net-energy strategies) which support greater integration of all energy measures and increased energy conservation gains and decreased emissions. It will facilitate greater energy efficiency and functionality among public buildings at a lower cost to taxpayers. REN portfolios may further develop to include areas in which local governments have proved particularly effective, e.g., behavioral/cultural transformation and research and trade pilots that expand the menu of energy efficiency co-benefits, both essential to deeper, broader public engagement of energy efficiency retrofits. They could also address stranded projects (Title 24 baselines end up stranding old chillers) and market failures (like small government facilities <10,000 SF). Enhanced funding will support expansion of the model pioneered by the BayREN and the SoCalREN, to create a statewide network and promote uniformity and capacity among local governments in the realm of energy expertise and accomplishment.

<sup>1</sup> Suggested modification to CPUC definition.



## RECENT ENERGY ACTIVITIES—THE NEED FOR REGIONAL PROGRAM ACTIVITIES

Local governments have utilized Federal Stimulus funds from the American Recovery and Reinvestment Act (ARRA), Public Goods Charge funds, and their own local resources to implement cutting-edge and community-scale energy and climate action plans. They have also spearheaded the formation of regional and statewide partnerships (such as Energy Upgrade California) that bring together individual cities and counties, Councils of Government, regional government associations, State agencies, investor-owned utilities, municipal utilities, non-profit organizations, and others. The RENs were created to leverage these existing programs and provide a broader framework for supporting the current, local government program infrastructure. Resources from the CPUC, CEC, DOE, Strategic Growth Council, and other sources can be effectively leveraged through these regional energy networks and can assure the most widespread benefit to all local governments. This can be accomplished through a direction of funds by the State to these RENs.

## NEWLY APPROVED CPUC REGIONAL ENERGY NETWORKS SCOPE OF WORK

### Southern California Regional Energy Network

The Southern California Regional Energy Network (SoCalREN) is a local government regional energy network (REN) pilot project serving public agencies and their constituents in the Southern California Edison (SCE) and Southern California Gas Company (SCG) service territories. Los Angeles County, will act as fiscal agent and contractor, and will lead a governance committee of representatives from the cities and counties served by the SoCalREN (including cities, counties and other selected public agencies in the SCE/SCG service territories). SoCalREN will reach nearly half of the cities in California within all or portions of the following counties: Los Angeles, Orange, Ventura, Santa Barbara, Riverside, San Bernardino, Kern, Tulare, Inyo, Mono (and very small portions of Kings and Fresno).

#### 1. Energy Upgrade California

- Builds on pilot programs launched through ARRA funds
- Expands to entire SCE/SCG territory
- Leverages ratepayer funds with outside grant funds
- Services:
  - Marketing and outreach
  - Green building rating and real estate training
  - Flex Path
  - Contractor training and outreach
  - Multifamily retrofits
  - Smart Tech Path behavior change pilot
  - Community Development/Public Housing upgrades

#### 2. Financing for Energy Project

- Develops and launches regional public agency-led financing for energy projects
- Builds on programs started with ARRA funds
- Loan programs:
  - Regional public building LLR
  - Residential LLR
  - Multifamily LLR
  - Public agency revolving loan fund
  - Non-residential PACE LLR

#### 3. Southern California Regional Energy Center

- Builds on Flight 5.6 funded project





- Offers comprehensive technical support to local governments to achieve deeper and more cost effective energy management practices
- Services:
  - Aggregated regional procurement and contracting
  - Integrated comprehensive retrofits
  - Building energy/resource database - EEMIS software
  - Regional benchmarking and EM&V
  - Supporting local climate action and energy plan implementation
  - Creation of a water/energy nexus energy pilot with water utilities
  - Developing regional energy project tracking and permitting system
  - Developing regional training

## **Bay Area Regional Energy Network**

The BayREN is led by the Association of Bay Area Governments (ABAG) and is comprised of public agencies representing the nine-county Bay Area region<sup>2</sup>. This coalition of governments previously aligned under the launch of Energy Upgrade California™ (funded by the American Reinvestment and Recovery Act, or ARRA) to pilot and refine whole-home upgrade and other programs (e.g., multi-family, financing, PACE, and incentive mechanisms) that are the subject of the CPUC objectives under the Energy Efficiency 2013–2014 Program Cycle. The BayREN will design and implement effective energy savings programs, and draws on the expertise, experience, and proven track record of Bay Area local governments to develop and administer successful regional and local climate, resource, and sustainability programs. As a regional entity capable of uniform, accessible, accountable, and effective programs, BayREN represents 20 percent of the state's population and half of the population of Pacific Gas & Electric Company's (PG&E) service territory. The BayREN will deliver four pilot subprograms under a structure that encourages leveraging of elements across subprograms to increase the uptake of upgrades.

### **1. Single Family Subprogram**

- Builds upon pilot programs launched through ARRA funds
- Focuses pilot programs to increase Energy Upgrade California™ uptake and attract moderate income residents
- Offers outreach to overcome consumer awareness barriers and incentives to reduce cost barriers
- Launches an alternative upgrade package incentive to reduce costs to consumers and align program design with traditional contractor business models
- Integrates referrals to PG&E and other whole-building, green building, and water efficiency programs
- Leverages ratepayer funds with outside grant and alternative funding
- Services:
  - Marketing and outreach (regional and local)
  - Targeted Audit Incentives for completed PG&E Advanced Energy Upgrades
  - Home Upgrade Advisor Program
  - Flex Package Rebate Program
  - Real Estate partnerships and Green Labeling
  - Contractor training, mentoring, and outreach
  - Cross-support in outreach and education from local government programs (e.g., climate action, emissions reductions and air quality, water and resource conservation, sustainable communities, and resiliency)

### **2. Multi-Family Subprogram**

- Targets outreach to multi-family property owners to promote Energy Upgrades

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<sup>2</sup> ABAG's membership includes the Counties of: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma.



- Offers comprehensive technical assistance to building owners addressing the multiple benefits of an upgrade and lowering barriers for participation
  - Integrates referrals to PG&E and other whole-building, green building, and water efficiency programs
  - Leverages ratepayer funds with outside grant and alternative funding
  - Services:
    - Bundled Measure Incentive
      - Technical assistance
      - Upgrade approach and measure recommendation
      - Program referral
- 3. Codes and Standards Subprogram**
- Promotes an integrated, measurement-driven management process for enhancing energy code compliance
  - Establishes code compliance baselines for jurisdictions in the nine-county Bay Area
  - Offers targeted training based upon baselines to institutionalize regular, actionable feedback to local officials
  - Services:
    - Compliance baseline and tracking
    - Education and training
    - Policy support and advocacy
- 4. Financing Portfolio Subprogram**
- Develops and launches regional public agency-led financing portfolio
  - Offers multiple financing options to assist diverse consumers undertake energy projects
  - Loan programs offered<sup>3</sup>:
    - Single Family Loan Loss Reserve
    - Multi-Family Capital Advance Program
    - Pay-as-You-Save® On-Bill Energy/Water Efficiency Pilots
  - Loan programs supported:
    - Commercial PACE (building upon current San Francisco and Sonoma County programs, and eight-county enrollment in CaliforniaFIRST; 5 participating in the First Phase Pilot)

#### **FOR MORE INFORMATION**

For more information about this proposal, contact:

Howard Choy, Chair, LGSEC  
[HChoy@isd.lacounty.gov](mailto:HChoy@isd.lacounty.gov)  
 323/204-6134

Jody London, Regulatory Consultant, LGSEC  
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 510-459-0667

<sup>3</sup> The Single Family Loan Loss Reserve and Multi-Family Capital Advance Program are reserved until further Commission authorization, following completion of the statewide financing consultant proposals.

## **INFORMATION ITEMS**

4. D Discussion of SB 135 (Padilla): Earthquake Early Warning System (Oral)\*

# California State Senate

ALEX PADILLA  
SENATOR, 20TH DISTRICT

March 1, 2013

Dear Colleague:

I am writing to request your support for Senate Bill 135, legislation I have authored to create a statewide earthquake early warning system in California.

Most Californians have experienced firsthand the effects of an earthquake. We remember the Loma Prieta, Northridge, Whittier Narrows, and Sylmar quakes. And, we all know that another major earthquake in California is not a matter of if, but when.

The stakes got higher when in January, the California Institute of Technology and the Japan Agency for Marine-Earth Science and Technology published a study which concluded for the first time that a statewide earthquake involving both the Los Angeles and San Francisco metropolitan areas may be possible.

While we cannot prevent an earthquake, we should do more to prepare ourselves. Earthquake early warning systems are in place, or in the works, in a number of earthquake prone nations including Japan, Taiwan, Mexico, Turkey, Italy, China and Romania. They not only save lives, they help mitigate damage.

Here in California, the California Institute of Technology, U.C. Berkeley, U.S. Geological Survey, California Geological Survey and others operate a demonstration earthquake early warning system called the California Integrated Seismic Network. SB 135 would build upon that progress and calls for a fully developed statewide system that would detect seismic activity, determine the progression and alert people in advance of an approaching earthquake to save lives and mitigate damage. It would provide Californians critical seconds and up to 60 seconds to assist loved ones, pull to the side of the road or exit a building. It would allow time to safely stop trains, power down critical infrastructure, and turn off industrial machines. Such a system would not only alert the public via television, radio and smartphones, it would speed the response of police and fire personnel by quickly identifying areas hardest hit by the quake.

Attached, please find a sample resolution in support of SB 135, a copy of the bill, and a fact sheet with more information. I look forward to working with you so that an earthquake early warning system becomes a reality in our state sooner, rather than later.

If I can be of any assistance, please contact me or my staff at (916) 651-4020.

Sincerely,



Senator Alex Padilla



## RESOLUTION

WHEREAS, according to the United States Geological Survey, California is one of the most seismically active states, second only to Alaska; and

WHEREAS, California has experienced dozens of disastrous earthquakes that have caused fatalities, serious injuries, and significant economic loss; and

WHEREAS, ninety percent of the world's earthquakes and over eighty percent of the world's largest earthquakes occur along the Circum-Pacific Belt, also known as the Pacific Ring of Fire. The Pacific Ring of Fire includes the very active San Andreas Fault Zone in California; and

WHEREAS, the Uniform California Earthquake Rupture Forecast (UCERF) released in 2008 predicted a 99.7 percent likelihood of a magnitude 6.7 or larger earthquake in California in the next 30 years; and

WHEREAS, a 2013 study published by the Caltech and the Japan Agency for Marine-Earth Science and Technology discovered that a statewide California earthquake involving both the Los Angeles and San Francisco metropolitan areas may be possible; and

WHEREAS, Japan, Taiwan, Mexico, Turkey, Romania, Italy, and China either have or are working on earthquake early warning systems that are capable of saving lives and helping to mitigate loss; and

WHEREAS, California Emergency Management Agency, Caltech, California Geological Survey, University of California at Berkeley, United States Geological Survey, and others have been conducting earthquake early warning research and development in California and together they operate the California Integrated Seismic Network, which has a demonstration earthquake early warning capability; and

WHEREAS, by building upon the California Integrated Seismic Network and processing data from an array of sensors throughout the state, a fully developed earthquake early warning system would effectively detect the strength and progression of earthquakes and alert the public within seconds, up to 60 seconds, before potentially damaging ground shaking is felt; and

WHEREAS, the City/County of \_\_\_\_\_ must do all it can to better prepare for future earthquakes and that an earthquake early warning system should disseminate earthquake information in support of public safety, emergency response, and loss mitigation;

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the \_\_\_\_\_ hereby SUPPORTS Senate Bill 1525 (Padilla) that would create an earthquake early warning system in California.

PRESENTED BY \_\_\_\_\_

SECONDED BY \_\_\_\_\_

# Senator Alex Padilla

## Fact Sheet

### SB 135 – PADILLA

### Earthquake Early Warning System

#### Summary

SB 135 would require the development of a comprehensive statewide earthquake early warning system in California.

#### Background

Ninety percent of the world's earthquakes and over eighty percent of the world's largest earthquakes occur along the Circum-Pacific Belt, also known as the Pacific Ring of Fire. The Pacific Ring of Fire includes the very active San Andreas fault zone here in California. The San Andreas is the "master" fault of an intricate fault network that cuts through rocks of the California coastal region. The entire San Andreas fault system is more than 800 miles long and extends to depths of at least 10 miles within the Earth.

Predictions from the Uniform California Earthquake Rupture Forecast released in 2008 states there is a 99.7% likelihood of a magnitude 6.7 earthquake and a 94% chance of a 7.0 magnitude earthquake in California within the next 30 years. In other words, a major earthquake in California is not a matter of *if*, but *when*.

In January, 2013, the California Institute of Technology and the Japan Agency for Marine-Earth Science and Technology published a study concluding for the first time that a *statewide* California earthquake involving both the

Los Angeles and San Francisco metropolitan areas may be possible.

While earthquakes cannot be predicted or prevented, using advanced science and technology we can detect seismic activity to provide an advanced warning, save lives and help mitigate damage.

The objective of earthquake early warning is to rapidly detect the initiation of an earthquake, estimate the level of ground shaking to be expected, and issue a warning before significant ground shaking begins. This can be done by detecting the first energy to radiate from an earthquake, the P-wave energy, which rarely causes damage. Using P-wave information, we can first estimate the location and the magnitude of the earthquake. We then use this to estimate the anticipated ground shaking across the region to be affected. The method can provide warning before the S-wave, which brings the strong shaking that usually causes most of the damage, arrives.

California currently has the California Integrated Seismic Network (CISN), which is a demonstration earthquake early warning system. A fully developed system would process data from an array of sensors throughout the state. The system would effectively detect the strength and the progression of earthquakes, alert the public within seconds and provide up to 60 seconds advanced warning before potentially damaging ground shaking is felt.

Early warning systems are in place, or in the works, in a number of earthquake prone nations including Japan, Taiwan, Mexico, Turkey, Italy, China and Romania. Their success has been demonstrated in recent earthquakes.

Japan's earthquake early warning system provided the public with critical advanced warning of the 9.0 magnitude earthquake in March 2011. Earthquake warnings were automatically broadcast on television and radio, and 52 million people received the warning on their smartphones. Millions more downloaded the early warning app after the quake to receive warnings in advance of large aftershocks.

The warnings allowed people to take cover, assist loved ones, pull to the side of the road or exit a building. The system brought bullet trains to a stop, and triggered the automatic shutdown of operations at critical companies. A professor at the University of Sendai received a text message of the warning and was able to warn his students to duck for cover before the shaking began and the light fixtures fell from the ceiling.

Earthquake early warning systems not only alert the public, they also speed the response of police, fire and other safety personnel by quickly identifying areas hardest hit by the quake.

### **Existing Law**

Current California law is silent on the development of an earthquake early warning system.

### **This Bill**

This bill would designate The Office of Emergency Services, in collaboration with the California Institute of Technology (Caltech), the California Geological Survey, the University of California Berkeley, the United States Geological Survey, and others, to develop a comprehensive statewide earthquake early warning system in California.

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Introduced by Senator Padilla

January 28, 2013

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An act to add Section 8587.8 to the Government Code, relating to earthquake safety.

LEGISLATIVE COUNSEL'S DIGEST

SB 135, as introduced, Padilla. Earthquake early warning system.

There is in state government, pursuant to the Governor's Reorganization Plan No. 2, operative July 1, 2013, the Office of Emergency Services. Existing law requires the office to develop and distribute an educational pamphlet for use by kindergarten, any of grades 1 to 12, inclusive, and community college personnel to identify and mitigate the risks posed by nonstructural earthquake hazards.

This bill would require the office, in collaboration with various entities, including the United States Geological Survey, to develop a comprehensive statewide earthquake early warning system in California.

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. The Legislature finds and declares the following:
- 2 (a) According to the United States Geological Survey, California
- 3 is one of the most seismically active states, second only to Alaska.
- 4 (b) California has experienced dozens of disastrous earthquakes,
- 5 which have caused loss of life, injury, and economic loss. Some
- 6 of the most significant earthquakes in California's history include:



1 (1) The 1906 San Francisco earthquake, which, at a magnitude  
2 of 7.8, resulted in an estimated 3,000 deaths and over \$500 million  
3 in property losses.

4 (2) The 1971 San Fernando earthquake, which, at a magnitude  
5 of 6.7, resulted in at least 65 deaths and caused property damage  
6 of over \$500 million.

7 (3) The 1989 Loma Prieta earthquake, which, at a magnitude  
8 of 6.9, rocked the bay area and caused 63 fatalities and over \$6  
9 billion in property damage.

10 (4) The 1994 Northridge earthquake, which, at a magnitude of  
11 6.7, claimed the lives of 60 people and caused estimated property  
12 damage of between \$13 and \$32 billion.

13 (c) About 90 percent of the world's earthquakes and over 80  
14 percent of the world's largest earthquakes occur along the  
15 Circum-Pacific Belt, also known as the Pacific Ring of Fire. The  
16 Pacific Ring of Fire includes the very active San Andreas Fault  
17 Zone in California.

18 (d) The Uniform California Earthquake Rupture Forecast  
19 (UCERF) released in 2008 predicted a 99.7 percent likelihood of  
20 a magnitude 6.7 or larger earthquake in California in the next 30  
21 years.

22 (e) A 2013 study published by the Caltech and the Japan Agency  
23 for Marine-Earth Science and Technology discovered that a  
24 statewide California earthquake involving both the Los Angeles  
25 and San Francisco metropolitan areas may be possible.

26 (f) Japan, Taiwan, Mexico, Turkey, Romania, Italy, and China  
27 either have or are working on earthquake early warning systems  
28 that are capable of saving lives and helping to mitigate loss.

29 (g) The Office of Emergency Services, Caltech, California  
30 Geological Survey, University of California at Berkeley, United  
31 States Geological Survey, and others have been conducting  
32 earthquake early warning research and development in California.  
33 They operate the California Integrated Seismic Network, which  
34 has a demonstration earthquake early warning capability.

35 (h) By building upon the California Integrated Seismic Network  
36 and processing data from an array of sensors throughout the state,  
37 a fully developed earthquake early warning system would  
38 effectively detect some strength and progression of earthquakes  
39 and alert the public within seconds, sometimes up to 60 seconds,  
40 before potentially damaging ground shaking is felt.

1 (i) An earthquake early warning system should disseminate  
2 earthquake information in support of public safety, emergency  
3 response, and loss mitigation.

4 SEC. 2. Section 8587.8 is added to the Government Code, to  
5 read:

6 8587.8. The Office of Emergency Services, in collaboration  
7 with the California Institute of Technology (Caltech), the California  
8 Geological Survey, the University of California Berkeley, the  
9 United States Geological Survey, and others, shall develop a  
10 comprehensive statewide earthquake early warning system in  
11 California.