
OLR Bill Analysis

sSB 301

AN ACT CONCERNING ENERGY EFFICIENCY STANDARDS AND GRANTS FOR RETROFITTING PROJECTS.

SUMMARY

This bill changes the types of products subject to energy efficiency standards by adding 18 products, taking away 13 other products, and changing standards for certain other products. As under current law, these standards apply to new products sold or leased, offered for sale or lease, or installed in the state.

The bill allows, rather than requires, the Department of Energy and Environmental Protection (DEEP) commissioner to adopt regulations to designate efficiency standards for additional products and also allows her to establish greenhouse gas (GHG) emissions standards if the department makes certain findings. The bill also allows the commissioner to adopt standards for additional products if certain federal standards would have applied to the products had they not been voided after publication.

The bill requires product manufacturers to certify compliance with DEEP by submitting documentation on their products' certification by certain state and federal entities.

The bill also expands DEEP's multi-housing retrofit pilot program by allowing it to offer grants in addition to loans. It limits the amount of bond funding DEEP may use for the grants and extends certain program-related deadlines.

Finally, the bill makes minor, technical, and conforming changes.

EFFECTIVE DATE: October 1, 2024, except the provisions on the multi-housing retrofit pilot program are effective upon passage.

APPLIANCE STANDARDS

Applicability

Under the bill, as under current law, these standards apply to new products, but they do not apply to the following:

1. new products manufactured in the state and sold outside the state,
2. new products manufactured outside the state and sold at wholesale inside the state for final retail sale and installation outside the state,
3. products installed in mobile manufactured homes at the time of construction, or
4. products designed expressly for installation and use in recreational vehicles.

New Standards for Newly Regulated Products

Starting January 1, 2026, the bill sets new standards for 18 products, newly defined and regulated under the bill, as shown in the table below. These requirements apply to new products sold or leased, offered for sale or lease, or installed in the state.

Table: Newly Regulated Products and Standards, Effective 1/1/26

Product	Definition	Standard or Testing Requirement
Commercial Dishwasher	Machine designed to clean and sanitize plates, pots, pans, glasses, cups, bowls, utensils, and trays by spraying detergent solution and a sanitizing rinse	Qualification criteria in the federal Environmental Protection Agency's (EPA) "Energy Star Program Requirements for Commercial Dishwashers" if products are in the scope of the version 2.0 product specification
Commercial Fryer	Appliance, including a cooking vessel, in which food is cooked in oil rather than on the vessel's bottom, including electric and gas fryers	Qualification criteria in EPA's "Energy Star Program Requirements for Commercial Fryers" if products are in the scope of the version 2.0 product specification
Commercial Ovens	Chamber designed to heat, roast, or bake food by conduction, convection, radiation, or	Qualification criteria in EPA's "Energy Star Program Requirements for Commercial Ovens" if products

Product	Definition	Standard or Testing Requirement
	electromagnetic energy	are in the scope of the version 2.2 product specification
Commercial Steam Cookers	Device with one or more food-steaming compartments where energy from the steam is transferred to the food by direct contact	Version 1.2 product specification of EPA's "Energy Star Program Requirements for Commercial Steam Cookers"
Faucets	Lavatory faucets, kitchen faucets, public lavatory faucets, or replacement aerators for these faucets	Tested according to the "Uniform Test Method for Measuring the Water Consumption of Faucets and Showerheads" (10 C.F.R. § 430, Subpart B, Appendix S)
Public Lavatory Faucet and Replacement Aerators	Fitting intended to be installed in nonresidential bathrooms that have walk-in traffic	Not exceed a maximum flow rate of 0.5 gallons per minute at 60 pounds per square inch
Lavatory Faucets and Replacement Aerators	Not defined	Not exceed a maximum flow rate of 1.5 gallons per minute at 60 pounds per square inch
Residential Kitchen Faucets and Replacement Aerators	Not defined	Not exceed a maximum flow rate of 1.8 gallons per minute at 60 pounds per square inch, with optional temporary flow of 2.2 gallons per minute, if they default back to the other flow rate after each use
Gas Fireplaces	Not defined	Automatically extinguish any pilot flame when the main gas burner flame is put out, or prevent the main gas burner flame's ignition source from continuously burning for more than seven days since the burner's last use
Heating Gas Fireplaces	Not defined	In addition to the above standard, a fireplace efficiency of at least 50% when tested according to the Canadian Standards Association P.4.1-15, "Testing Method for Measuring Annual Fireplace Efficiency"
High Color Rendering Index Fluorescent Lamps	Fluorescent lamp with a color rendering index of at least 87 that is not a compact fluorescent lamp	Minimum standards under federal regulations (10 C.F.R. § 430.32(n)(4)) in effect January 1, 2021, as measured according to the "Uniform Test Method for Measuring Average Lamp Efficiency, Color Rendering Index, and Correlated

Product	Definition	Standard or Testing Requirement
		Color Temperature” in 10 C.F.R. § 430, Subpart B, Appendix R, as in effect January 1, 2022
Residential Ventilating Fans	Ceiling, wall-mounted, or remotely mounted in-line fan designed for use in a bathroom or utility room to move air out of the building	In-line residential ventilating fans: fan motor efficiency of at least 2.8 cubic feet per minute (CFM) per watt All other fans: fan motor efficiency of at least 1.4 CFM per watt for airflows under 90 CFM and at least 2.8 CFM per watt for all other airflows when tested according to the Home Ventilation Institute Publication 916, “HVI Airflow Test Procedure”
Showerheads	Device through which water is discharged for a shower bath, including a hand-held showerhead but not a safety shower showerhead	Not exceed a maximum flow rate of 2.0 gallons per minute at 80 pounds per square inch when tested according to the “Uniform Test Method for Measuring the Water Consumption of Faucets and Showerheads” under 10 C.F.R. § 430, Subpart B, Appendix S
Water Coolers	Freestanding device that consumes energy to cool or heat potable water	If covered by EPA’s “Energy Star Program Requirements for Water Coolers” version 2.0 product specification: an “on mode” with no water draw and meet energy consumption standards that vary by cooler type, as explained below, tested according to the Energy Star test requirements
Storage-type Hot and Cold Unit Water Coolers	Water cooler (1) that dispenses both hot and cold water and may dispense room temperature water and (2) where thermally conditioned water is stored in a tank in the water cooler and available instantaneously, including point-of-use, dry storage compartment, and bottled water coolers	0.87 of one kilowatt-hour per day (it is unclear whether this standard is 0.87 or one kilowatt-hour per day)
On-demand Hot and Cold Unit Water Coolers	Water cooler that (1) dispenses both hot and cold water and may dispense room temperature water and (2) heats water as requested and typically takes a few minutes to deliver	0.18 of one kilowatt-hour per day (it is unclear whether this standard is 0.18 or one kilowatt-hour per day)
Cook and Cold Unit	Water cooler that dispenses both cold and room temperature water	0.16 kilowatt-hour per day

Product	Definition	Standard or Testing Requirement
Water Coolers		
Cold-only Water Coolers	Not defined	0.16 kilowatt-hour per day
Computers and Computer Monitors	Same as defined in California Code of Regulations, Title 30, Division 2, Chapter 4, Article 4, § 1602	Requirements under California Code of Regulations, Title 20, Division 2, Chapter 4, Article 4, § 1605.3(v), using the test methods that regulation prescribes

Under the bill, faucet efficiency standards do not apply to a metering faucet, which is a fitting that, when turned on, will gradually shut itself off over a period of several seconds.

Products With Changed Standards Under the Bill

The bill changes statutory efficiency standards for several products, as shown in the table below. The standards apply to new products sold or leased, offered for sale or lease, or installed in the state.

Table: Products With Changed Standards Under the Bill

Product	Standard Under Current Law	Standard Under the Bill
Commercial Hot Food Holding Cabinets	Requirements under January 2006 California Code of Regulations, Title 20, Division 2, Chapter 4, Article 4,	EPA's "Energy Star Program Requirements for Commercial Hot Food Holding Cabinets," version 2.0
Portable Electric Spas	Appliance Efficiency Regulations, § 1605.3	ANSI/APSP/ICC-14-2019, "American National Standard for Portable Electric Spa Energy Efficiency"

Under current law, a portable electric spa is a factory-built electric spa or hot tub, supplied with equipment to heat and circulate water. The bill expands this product to include spas with equipment at the time of sale or sold separately for subsequent attachment. A commercial hot food holding cabinet is a heated, fully-enclosed compartment with at least one solid or transparent door designed to maintain the temperature of hot food that was cooked in a separate appliance.

For these products, the bill eliminates the current standard on

October 1, 2024, and makes the new standard effective January 1, 2026.

Products With Standards the Bill Retains

Under current law, DEEP must adopt regulations to set minimum efficiency standards that are also described in statute. The bill eliminates this requirement and instead sets standards in statute for products with standards unchanged under the bill, including:

1. torchiere lighting fixtures,
2. metal halide lamp fixtures,
3. state regulated incandescent reflector lamps,
4. walk-in refrigerators and freezers,
5. residential pool pumps, and
6. televisions.

Products No Longer Subject to Statutory Efficiency Standards Under the Bill

Under the bill, the following appliances are no longer subject to statutory minimum efficiency requirements:

1. commercial clothes washers,
2. commercial refrigerators and freezers,
3. illuminated exit signs,
4. large packaged air-conditioning equipment,
5. low voltage dry-type distribution transformers,
6. traffic signal modules,
7. unit heaters,
8. residential furnaces and boilers,

9. single-voltage external AC to DC power supplies,
10. bottle-type water dispensers,
11. pool heaters,
12. compact audio players, and
13. DVD players and recorders.

Efficiency and GHG Emissions Standards for Additional Products

Under current law, the DEEP commissioner must adopt regulations to designate additional products to include in its regulation of appliance efficiency standards if doing so would (1) be cost effective for consumers, (2) not impose an unreasonable burden on businesses in the state, and (3) promote energy conservation in the state.

The bill authorizes, rather than requires, the DEEP commissioner to designate standards for additional products this way, and also allows her to establish GHG emission standards for additional products. Under the bill, the DEEP commissioner may set these standards if doing so would be cost effective for consumers, not impose unreasonable burden on business in the state, and either (1) promote energy conservation or (2) make reasonable further progress towards the state's required GHG reduction levels. The bill also authorizes these standards to include requirements on the product's ability to interface with an electric utility's demand response program.

Standards in Federal Regulations for Additional Products

The bill allows the DEEP commissioner to adopt regulations to designate additional products to include in its regulation of appliance efficiency standards if the products were in energy standards issued or approved for publication by the U.S. Department of Energy by January 1, 2018, but then withdrawn, repealed, or voided. For these products, the bill requires the previously applicable federal energy conservation standard as it existed on January 1, 2018. Under the bill, this provision does not apply to standards a court sets aside upon the petition of someone adversely affected.

Eliminated Provision on the Multi-State Appliance Standards Commission

The bill eliminates the requirement for the DEEP commissioner to (1) consult with the Multi-State Appliance Standards Collaborative to identify additional efficiency standards; (2) review all California standards and those from other states in the collaborative if she so chooses; and (3) adopt these standards if she makes the findings described above on cost efficacy, business burden, and energy conservation.

Biennial Review and Standards Increase

Current law requires DEEP to biennially review and increase, through regulations, the efficiency standards if DEEP determines that they would (1) promote energy conservation in the state and (2) be cost-effective for consumers. The bill keeps this requirement and makes the next review due October 1, 2026.

Compliance and Enforcement

Under current law, product manufacturers must certify compliance with efficiency standards to DEEP if (1) no efficiency standards exist for their products in California and (2) DEEP adopts efficiency standards for their product. The bill instead requires the manufacturers to submit documentation on a DEEP-prescribed form, about their products' certification by:

1. the California Energy Commission;
2. the EPA's Water Sense Program, or successor water efficiency program;
3. the federal Energy Star Program, or successor energy efficiency program; or
4. a third-party certification body designated by the DEEP commissioner.

Under the bill, as under current law, DEEP must annually publish a list of certified products.

The bill allows the DEEP commissioner to (1) periodically inspect new product distributors and retailers, or have them inspected, either in person or online, and (2) establish a process to anonymously report potential violations through DEEP's website.

Under existing law and the bill, the attorney general may enforce state appliance standards. Violators are subject to a civil penalty of up to \$250 and each violation is a separate offense, as is each day the violation continues.

HOUSING REVOLVING LOAN FUND

Current law requires DEEP, in collaboration with the Department of Housing, to start one or more pilot programs that gives financing for qualifying retrofit projects in multi-family homes located in environmental justice communities or alliance districts (e.g., energy efficiency projects or projects to address health concerns). This financing is currently funded through the Housing Environmental Improvement Revolving Loan Fund, with \$125 million in GO bonds authorized to capitalize the fund.

The bill allows DEEP to provide grants under the program, but caps the amount of bond funds that may be used for the grants at \$20 million. The bill correspondingly renames the fund as the "Housing Environmental Improvement Revolving Loan and Grant Fund." It also delays the following deadlines by one year:

1. when DEEP must start accepting applications (from July 1, 2024, to July 1, 2025);
2. when DEEP must report to the Housing Committee (from October 1, 2027, to October 1, 2028);
3. the pilot program's termination date (from September 30, 2028, to September 30, 2029); and
4. for when \$75 million of the \$125 million bond authorization is effective (FY 24 to FY 25).

COMMITTEE ACTION

Energy and Technology Committee

Joint Favorable Substitute

Yea 14 Nay 5 (03/21/2024)