

AMENDED IN ASSEMBLY JUNE 28, 2007

AMENDED IN SENATE MAY 24, 2007

AMENDED IN SENATE APRIL 16, 2007

SENATE BILL

No. 412

Introduced by Senator Simitian

February 21, 2007

An act to amend, repeal, and add Sections 25302 and Section 25303 of, and to add Chapter 6.5 (commencing with Section 25571) 3.5 (commencing with Section 25250) to Division 15 of the Public Resources Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

SB 412, as amended, Simitian. State Energy Resources Conservation and Development Commission: natural gas.

(1) The Warren-Alquist State Energy Resources Conservation and Development Act (*act*) establishes the State Energy Resources Conservation and Development Commission (Energy Commission) and requires the commission to prepare a biennial integrated energy policy report containing specified information related to major energy trends and issues facing the state, as well as a biennial energy policy review. The act requires the commission to certify sufficient sites and related facilities that are required to provide a supply of electricity sufficient to accommodate projected demand for power statewide.

This bill would enact the Liquefied Natural Gas ~~Project Evaluation Market Assessment~~ Act and would require, ~~upon the adoption of the integrated energy policy report on November 1, 2007,~~ the Energy Commission, in consultation with *affected state agencies, including, but not limited to,* the Public Utilities Commission ~~and,~~ the State Air

Resources Board, *the State Lands Commission, the Department of Water Resources, and the California Coastal Commission*, to adopt and submit to the Legislature and the Governor, on or before July 1, 2008, the ~~LNG Needs Evaluation~~ *Liquefied Natural Gas Market Assessment Report* of 2008 that is to be an addendum to that would be incorporated into the integrated energy policy of 2007 and would contain an assessment of natural gas supplies that includes, a greenhouse gas emission evaluation, a finding on whether California's projected natural gas demand through the year 2017 can be met without the importation of liquified natural gas (LNG) from a terminal or facility, the impact of reducing electricity derived from coal, and the impacts of new fossil fuel infrastructures specified information. ~~The commission~~ *Energy Commission* would be required to prepare a draft report, on or before April 1, 2008, to solicit public comments in the preparation of the report, and to hold 2 public hearings, one in Los Angeles and other in the San Francisco Bay area to consider the results of the LNG needs assessment study and to provide an opportunity for public comment. ~~The commission would be required to provide a notice of hearing to the Public Utilities Commission, the State Air Resources Board, and the chairpersons of the specified committees of the Legislature.~~ *The Energy Commission would be required to include a Liquefied Natural Gas Market Assessment Report in every integrated energy policy report adopted after January 1, 2009.*

~~The bill would prohibit the Public Utilities Commission from authorizing an entity under its jurisdiction to enter into a contract with an entity to supply LNG to the state. The~~

~~The Governor and, or a state and or local officials entity would be prohibited from issuing a permit to construct or operate, or both construct and operate, approving a LNG facility within in the state or a pipeline from a LNG facility outside the state to an existing in-state natural gas pipeline until the LNG Needs Evaluation Liquefied Natural Gas Market Assessment Report of 2008 has been adopted issued and becomes final and all appeals have been exhausted, or November 1, 2008, whichever is earlier.~~ By requiring a local official to determine whether the LNG Needs Evaluation Report of 2008 has been adopted, the bill would increase the level of service provided by a local agency, thereby imposing a state-mandated local program.

The bill would prohibit a state or local entity from approving a project to construct or operate a facility to import LNG to the state unless the project applicant files with the Energy Commission a specified memorandum of understanding between the project applicant and the

United States Department of Defense. ~~On or after January 1, 2008, a state or local agency would be prohibited from approving or carrying out~~ For a project involving the construction or operation of an onshore or offshore facility or terminal to import natural gas into the state ~~if either of the~~ *that has not received a permit to operate on or before January 1, 2008, an environmental impact report prepared for that project by a lead agency would be required to contain certain specified conditions is met information.* By requiring a local agency to ~~determine whether a specified condition is met before approving these projects~~ *prepare an environmental impact report to contain specified information,* the bill would increase the level of service provided by a local agency, thereby imposing a state-mandated local program.

The Energy Commission would be ~~required by February 1, 2008, on or before March 31, 2008,~~ to create a matrix on its Internet Web site containing specified information related to the construction and operation of an LNG facility project and would require quarterly updates.

~~This bill would establish, on September 1, 2008, the Renewable Energy and Fossil Fuel Assessment Council consisting of specified members. The council, instead of the Energy Commission, would be required to compile and adopt the biennial integrated energy policy report and biennial energy policy review. The council, in its adoption of the integrated energy policy report, would be required to include an LNG need evaluation report containing specified information. The council would be required to solicit public comments in the preparation of the report and to hold 2 public hearings, one in Los Angeles and the other in the San Francisco Bay area to consider the results of the report and to provide an opportunity for public comment.~~

(2) The act requires the Energy Commission, as a part of the integrated energy policy report, to conduct electricity and natural gas forecasting assessment activities.

This bill would, in addition, require the Energy Commission to include an assessment of California meeting its conservation, energy efficiency, and renewable energy goals and an evaluation of the global energy markets.

~~(2)~~

(3) 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 policy of the state to meet California’s energy growth*
4 *by optimizing energy conservation, and resource efficiency and*
5 *by reducing per capita demand to ensure a clean, safe, and reliable*
6 *supply of energy for California.*

7 *(b) It is the policy of the state to be sensitive to the impact of*
8 *the state’s energy policy on global climate change and to conduct*
9 *life-cycle energy analyses in determining the composition of the*
10 *state’s energy portfolio.*

11 *(c) It is the policy of the state to accelerate the use of renewable*
12 *energy resources wherever feasible and to ensure a diverse and*
13 *affordable portfolio of fuel sources to minimize the opportunity*
14 *for supply interruptions.*

15 *(d) The state has a critical role in decisions regarding the siting*
16 *and design of new onshore and offshore infrastructure for the*
17 *importation of liquefied natural gas that results in impacts to public*
18 *health, safety, and the environment.*

19 *(e) Laws and regulations enacted by the state to address*
20 *consumer, community, public health, safety, and environmental*
21 *impacts of new onshore and offshore imported liquefied natural*
22 *gas infrastructure, where more protective, should not be preempted*
23 *by weaker, less protective federal laws and regulations.*

24 *(f) Decisions regarding the importation of liquefied natural gas*
25 *should be based on a comprehensive review of current and*
26 *projected natural gas supply and demand in California with*
27 *emphasis on current law prioritizing loading orders for demand*
28 *reduction, energy conservation and efficiency, as well as*
29 *developing renewable sources of energy.*

30 *(g) The possible importation of liquefied natural gas should be*
31 *reviewed as part of the state’s integrated energy policy report,*
32 *which contains an overview of major energy trends and issues*
33 *facing the state, including, but not limited to, supply, demand,*

1 pricing, reliability, efficiency, conservation, and renewable energy
2 supplies, and impacts on public health and safety, the economy,
3 resources, and the environment.

4 (h) When determining energy sources to meet California's
5 energy needs, siting decisions for projects with impacts on human
6 health and the environment shall consider disproportionate impacts
7 on environmental justice communities.

8 (i) It is the policy of the state to maximize opportunities for
9 energy independence.

10 SEC. 2. Chapter 3.5 (commencing with Section 25250) is added
11 to Division 15 of the Public Resources Code, to read:

12

13 CHAPTER 3.5. LIQUEFIED NATURAL GAS MARKET ASSESSMENT
14 ACT

15

16 25250. This chapter shall be known and may be cited as the
17 Liquefied Natural Gas Market Assessment Act.

18 25250.5. For purposes of this chapter, the following definitions
19 apply:

20 (a) "Applicant" means a person who files a request for
21 certification, pursuant to Chapter 6 (commencing with Section
22 25500) to build and operate a facility to import natural gas from
23 nondomestic or Canadian sources into this state.

24 (b) "Feasible" means capable of being accomplished in a
25 successful manner within a reasonable period of time, taking into
26 account all of the following:

27 (1) Economic, environmental, social, technological, safety, and
28 reliability factors.

29 (2) Gas supply and demand forecasts.

30 (3) Alternative sources of energy.

31 (c) "Liquefied natural gas" or "LNG" means natural gas cooled
32 to minus 259 degrees Fahrenheit so that it forms a liquid at
33 approximately atmospheric pressure.

34 (d) "Liquefied natural gas terminal," "terminal," or "LNG
35 terminal," means facilities designed to receive liquefied natural
36 gas from oceangoing vessels, including those facilities required
37 for storage and regasification of the liquefied natural gas, marine
38 vessels associated with these facilities, and those pipelines and
39 facilities necessary for the transmission of the regasified natural
40 gas to the point of interconnection with existing pipelines.

1 (e) “Person” means an individual, organization, partnership,
2 or other business association or corporation, the federal
3 government, the state government, any local government, and any
4 agency or instrumentality of any of those entities.

5 (f) “Life-cycle emissions analysis” means assessment of
6 greenhouse gas emissions of energy fuel sources that affect global
7 climate change under regulations adopted pursuant to the
8 California Global Warming Solutions Act of 2006, Division 25.5
9 (commencing with Section 38500) of the Health and Safety Code.

10 25251. (a) As a component of the integrated energy policy
11 report of 2007 adopted pursuant to subdivision (a) of Section
12 25302, the commission shall conduct a study of the need for
13 liquefied natural gas imports to meet the state’s energy demand
14 and shall be known as the Liquefied Natural Gas Market
15 Assessment Report of 2008.

16 (b) On or before July 1, 2008, the commission shall complete
17 and submit to the Governor and the Legislature the Liquefied
18 Natural Gas Market Assessment Report of 2008, and shall
19 incorporate the report into the integrated energy policy report of
20 2007 adopted pursuant to subdivision (a) of Section 25302.

21 (c) In the preparation of the report, the commission shall consult
22 with affected state agencies including, but not limited to, the State
23 Air Resources Board, the Public Utilities Commission, the State
24 Lands Commission, the Department of Water Resources, and the
25 California Coastal Commission.

26 (d) The report shall assess all of the following:

27 (1) The future demand for natural gas in California.

28 (2) The future supply of natural gas in California available from
29 domestic production and imported into California through
30 interstate pipelines, supply available from domestic production
31 within California, and supply available from foreign production
32 and imported into California through international pipelines from
33 Mexico and Canada, including any liquefied natural gas terminal
34 proposed to be built outside the state and the nation that would
35 be the source of natural gas imported into the state.

36 (3) All supplemental sources of natural gas and natural gas
37 alternatives that can be reasonably expected to be available to
38 meet projected energy demand, including but not limited to
39 conservation, energy efficiency programs, and renewable energy
40 resources.

1 (e) *The report shall consider the impact of reducing electricity*
2 *derived from coal pursuant to Chapter 3 (commencing with Section*
3 *8340) of Division 4.1 of the Public Utilities Code, and the potential*
4 *of demand reduction opportunities, including, but not limited to,*
5 *the upgrading and retrofitting of energy infrastructure, the role*
6 *of renewable energy, and greater efficiency in building codes.*

7 (f) *The report shall include an analysis of what impact new*
8 *fossil fuel infrastructure will have on investor owned utilities’*
9 *mandates under any provision of law, including, but not limited*
10 *to, the California Renewables Portfolio Standard Program, Article*
11 *16 (commencing with Section 399.11) of Chapter 2.3 of Part 1 of*
12 *Division 1 of the Public Utilities Code.*

13 (g) (1) *On or before April 1, 2008, the commission shall prepare*
14 *a draft of the report and shall circulate the draft report to the*
15 *public.*

16 (2) *Between April 15 and May 15, 2008, the commission shall*
17 *hold two public hearings, one in southern California and one in*
18 *the San Francisco Bay area. During the public hearings, the*
19 *commission shall accept public comment, testimony, and evidence*
20 *on the draft report for the purpose of creating a public record.*
21 *The public may submit written evidence to the commission on or*
22 *before May 15, 2008.*

23 (h) (1) *The final report shall include a finding based on the*
24 *entirety of the testimony and evidence submitted pursuant to*
25 *paragraph (2) of subdivision (g) as to whether natural gas supplies*
26 *projected as necessary to meet California’s energy requirement*
27 *pursuant to the integrated energy policy report of 2007 can be*
28 *attained without importing natural gas to a terminal or facility*
29 *sited onshore or offshore of the California coast.*

30 (2) *The finding shall include an analysis of market price, market*
31 *transparency, projected suppliers, location of facilities, and quality*
32 *of the natural gas provided, as well as alternative scenarios for*
33 *supplying domestic natural gas through existing and planned*
34 *pipelines, including opportunities for conservation, efficiency, and*
35 *renewable energy.*

36 (3) *In reaching a finding that supplies of natural gas for*
37 *California markets will be sufficient, the commission shall*
38 *conclude, utilizing a substantial evidence standard that energy*
39 *supplies will be adequate to meet California’s energy needs in an*
40 *economically feasible manner.*

1 (i) A party that has submitted evidence or testimony may
2 challenge the findings of the report within 30 days of the issuance
3 of the final report by filing a petition for a writ of mandate for
4 relief pursuant to Section 1085 of the Code of Civil Procedure in
5 the Superior Court of Sacramento County.

6 (2) For purposes of this section, “report” means the Liquified
7 Natural Gass Market Assessment Report of 2008.

8 25252. (a) For an integrated energy policy report adopted
9 pursuant to subdivision (a) of Section 25302 after January 1, 2009,
10 the commission shall include a Liquified Natural Gas Market
11 Assessment Report as a part of the integrated energy policy report
12 that contains all of the following:

13 (1) The assessments specified in subdivision (d) of Section
14 25251.

15 (2) The impacts specified in subdivision (e) of Section 25251.

16 (3) The analysis specified in subdivision (f) of Section 25251.

17 (b) In the preparation of the Natural Gas Market Assessment
18 Report, the commission shall consult with affected state agencies,
19 including, but not limited to, the State Air Resources Board, the
20 Public Utilities Commission, the State Lands Commission, the
21 Department of Water Resources, and the California Coastal
22 Commission.

23 (c) (1) On or before August 1 of the year in which the
24 commission is required to adopted an integrated energy policy
25 report pursuant to subdivision (a) of Section 25302, the commission
26 shall prepare a draft of the Natural Gas Market Assessment Report
27 and shall circulate the draft report to the public.

28 (2) Between August 15 and September 15 of the year in which
29 the commission is required to adopted an integrated energy policy
30 report pursuant to subdivision (a) of Section 25302, the commission
31 shall hold two public hearings, one in southern California and
32 one in the San Francisco Bay area. During the public hearings,
33 the commission shall accept public comment, testimony, and
34 evidence on the draft of the Liquified Natural Gas Market
35 Assessment Report for the purpose of creating a public record.
36 The public may submit written evidence to the commission on or
37 before September 15 of that year.

38 (d) (1) The final Liquified Natural Gass Market Report shall
39 include a finding based on the entirety of the testimony and
40 evidence submitted pursuant to paragraph (2) of subdivision (c)

1 *as to whether natural gas supplies projected as necessary to meet*
2 *California's energy requirement pursuant to the integrated energy*
3 *policy report can be attained without importing natural gas to a*
4 *terminal or facility sited onshore or offshore of the California*
5 *coast.*

6 (2) *The finding shall include an analysis of market price, market*
7 *transparency, projected suppliers, location of facilities, and quality*
8 *of the natural gas provided, as well as alternative scenarios for*
9 *supplying domestic natural gas through existing and planned*
10 *pipelines, including opportunities for conservation, efficiency, and*
11 *renewable energy.*

12 (3) *In reaching a finding that supplies of natural gas for*
13 *California markets will be sufficient, the commission shall*
14 *conclude, utilizing a substantial evidence standard that energy*
15 *supplies will be adequate to meet California's energy needs in an*
16 *economically feasible manner.*

17 (e) *A party that has submitted evidence or testimony may*
18 *challenge the findings of the report within 30 days of the issuance*
19 *of the final report by filing a petition for a writ of mandate for*
20 *relief pursuant to Section 1085 of the Code of Civil Procedure in*
21 *the Superior Court of Sacramento County.*

22 25253. (a) *The Governor, or a state or local entity shall not*
23 *approve the construction or operation of a liquefied natural gas*
24 *facility in the state until the Liquefied Natural Gas Market*
25 *Assessment Report of 2008 is issued and becomes final and all*
26 *appeals have been exhausted, or November 1, 2008, whichever is*
27 *earlier.*

28 (b) *Notwithstanding any other provision of law, nothing in this*
29 *chapter shall be construed as a limitation on the acceptance,*
30 *review, or processing of applications for state and local approvals*
31 *for a liquefied natural gas terminal while the Liquefied Natural*
32 *Gas Market Assessment Report is pending.*

33 25254. *On or before March 31, 2008, the commission shall*
34 *create a matrix on its Internet Web site that meets all of the*
35 *following requirements:*

36 (a) *The matrix shall be in a format that allows the public to*
37 *contrast and compare each LNG terminal either existing or*
38 *proposed that is located onshore or offshore anywhere from Alaska,*
39 *Canada, the west coast of the continental United States and the*

1 west coast of Mexico including Baja California that may provide
2 natural gas to California.

3 (b) It shall include a summary of environmental impacts,
4 mitigation measures, and alternatives discussed in the
5 Environmental Impact Report (EIR) completed for the project,
6 along with an online link to the EIR. For projects outside the state
7 and nation a link to an equivalent environmental review document.

8 (c) For each existing and proposed land-based or offshore
9 liquefied natural gas terminal project, the matrix shall include the
10 following information: project location, project owner, project
11 Web site, project contact, project description, average natural gas
12 production capacity in cubic feet per day, the peak natural gas
13 production capacity in cubic feet per day, LNG and natural gas
14 storage capacity, if any, the approximate project cost, projected
15 online date, and the siting process applicable to the project.

16 (d) It shall include a life-cycle emissions analysis of each project
17 included in the matrix.

18 (e) The matrix shall be updated as information becomes
19 available and no less than quarterly and shall include the major
20 project components and the potential environmental impacts
21 associated with each land-based and offshore natural gas import
22 terminal project proposal that has filed an application or has
23 publicly announced plans to build a land-based or offshore
24 terminal.

25 (f) The commission shall post a new application for approval
26 to build and operate a natural gas import terminal in the state to
27 the matrix within 30 days after the filing of the application.

28 25255. A state or local entity shall not approve a project to
29 construct or operate a facility to import LNG into California unless
30 the applicant files with the commission a memorandum of
31 understanding with the United States Department of Defense
32 indicating that the applicant has consulted with the United States
33 Department of Defense and has reached agreement with the United
34 States Department of Defense on means to mitigate impacts on
35 United States Department of Defense operations with regard to
36 impacts upon national security, including potential impacts on the
37 land, sea, and airspace identified by the Department of Defense,
38 any of its component armed services, or the United States Coast
39 Guard, for conducting operations, training, or for the development
40 and testing of weapons, sensors, and tactics.

1 25256. (a) For a project involving construction or operation
2 of an onshore or offshore facility or terminal to import natural
3 gas into the state that has not received a permit to operate by a
4 local, state, or federal agency on or before January 1, 2008, an
5 environment impact report prepared pursuant to the California
6 Environmental Quality Act, Division 13 (commencing with Section
7 21000), shall contain all of the following:

8 (1) An analysis of feasible alternatives or mitigation measures
9 available that would substantially lessen the significant
10 environmental effects of the project.

11 (2) A liquefied natural gas project technology review.

12 (3) An analysis of alternatives, including, but not limited to,
13 other known LNG technologies and other proposals to provide
14 natural gas to the state.

15 (4) (A) An analysis of potential disproportionate human health
16 or environmental impacts upon a county, city, community, or
17 neighborhood.

18 (B) The lead agency shall consult with the California
19 Environmental Protection Agency in conducting the analysis
20 specified in subparagraph (A).

21 (C) If the lead agency determines that there is a disproportionate
22 human health or environmental impact, a project proponent shall
23 eliminate or fully mitigate that impact or, if elimination or full
24 mitigation of the impact is infeasible, shall mitigate the impact to
25 the greatest extent feasible.

26 (b) This section shall not be construed as a limitation on the
27 power of a public agency to otherwise disapprove the project
28 pursuant to any other provision of law.

29 SEC. 3. Section 25303 of the Public Resources Code is
30 amended to read:

31 25303. (a) The commission shall conduct electricity and natural
32 gas forecasting and assessment activities to meet the requirements
33 of paragraph (1) of subdivision (a) of Section 25302, including,
34 but not limited to, all of the following:

35 (1) Assessment of trends in electricity and natural gas supply
36 and demand, and the outlook for wholesale and retail prices for
37 commodity electricity and natural gas under current market
38 structures and expected market conditions, including an assessment
39 of California meeting its conservation, energy efficiency, and
40 renewable energy goals.

1 (2) Forecasts of statewide and regional electricity and natural
2 gas demand including annual, seasonal, and peak demand, and the
3 factors leading to projected demand growth including, but not
4 limited to, projected population growth, urban development,
5 industrial expansion and energy intensity of industries, energy
6 demand for different building types, energy efficiency, and other
7 factors influencing demand for electricity. With respect to
8 long-range forecasts of the demand for natural gas, the report shall
9 include an evaluation of average conditions, as well as best and
10 worst case scenarios, and an evaluation of the impact of the
11 increasing use of renewable resources on natural gas demand.

12 (3) Evaluation of the adequacy of electricity and natural gas
13 supplies to meet forecasted demand growth. Assessment of the
14 availability, reliability, and efficiency of the electricity and natural
15 gas infrastructure and systems including, but not limited to, natural
16 gas production capability both in and out of state, natural gas
17 interstate and intrastate pipeline capacity, storage and use, and
18 western regional and California electricity and transmission system
19 capacity and use.

20 (4) Evaluation of potential impacts of electricity and natural gas
21 supply, demand, and infrastructure and resource additions on the
22 electricity and natural gas systems, public health and safety, the
23 economy, resources, and the environment.

24 (5) Evaluation of the potential impacts of electricity and natural
25 gas load management efforts, including end-user response to
26 market price signals, as a means to ensure reliable operation of
27 electricity and natural gas systems.

28 (6) Evaluation of whether electricity and natural gas markets
29 are adequately meeting public interest objectives including the
30 provision of all of the following: economic benefits; competitive,
31 low-cost reliable services; customer information and protection;
32 and environmentally sensitive electricity and natural gas supplies.
33 This evaluation may consider the extent to which California is an
34 element within western energy markets, *global energy markets*,
35 the existence of appropriate incentives for market participants to
36 provide supplies and for consumers to respond to energy prices,
37 appropriate identification of responsibilities of various market
38 participants, and an assessment of long-term versus short-term
39 market performance. To the extent this evaluation identifies market

1 shortcomings, the commission shall propose market structure
2 changes to improve performance.

3 (7) Identification of impending or potential problems or
4 uncertainties in the electricity and natural gas markets, potential
5 options and solutions, and recommendations.

6 (8) (A) Compilation and assessment of existing scientific studies
7 that have been performed by persons or entities with expertise and
8 qualifications in the subject of the studies, to determine the
9 potential vulnerability, to a major disruption due to aging or a
10 major seismic event, of large baseload generation facilities, of
11 1,700 megawatts or greater.

12 (B) The assessment specified in subparagraph (A) shall include
13 an analysis of the impact of a major disruption on system reliability,
14 public safety, and the economy.

15 (C) The commission may work with other public entities and
16 public agencies, including, but not limited to, the California
17 Independent System Operator, the Public Utilities Commission,
18 the Department of Conservation, and the Seismic Safety
19 Commission as necessary, to gather and analyze the information
20 required by this paragraph.

21 (D) Upon completion and publication of the initial review of
22 the information required pursuant to this paragraph, the commission
23 shall perform subsequent updates as new data or new understanding
24 of potential seismic hazards emerge.

25 (b) Commencing November 1, 2003, and every two years
26 thereafter, to be included in the integrated energy policy report
27 prepared pursuant to Section 25302, the commission shall assess
28 the current status of the following:

29 (1) The environmental performance of the electric generation
30 facilities of the state, to include all of the following:

31 (A) Generation facility efficiency.

32 (B) Air emission control technologies in use in operating plants.

33 (C) The extent to which recent resource additions have, and
34 expected resource additions are likely to, displace or reduce the
35 operation of existing facilities, including the environmental
36 consequences of these changes.

37 (2) The geographic distribution of statewide environmental,
38 efficiency, and socioeconomic benefits and drawbacks of existing
39 generation facilities, including, but not limited to, the impacts on
40 natural resources including wildlife habitat, air quality, and water

1 resources, and the relationship to demographic factors. The
 2 assessment shall describe the socioeconomic and demographic
 3 factors that existed when the facilities were constructed and the
 4 current status of these factors. In addition, the report shall include
 5 how expected or recent resource additions could change the
 6 assessment through displaced or reduced operation of existing
 7 facilities.

8 (c) In the absence of a long-term nuclear waste storage facility,
 9 the commission shall assess the potential state and local costs and
 10 impacts associated with accumulating waste at California’s nuclear
 11 powerplants. The commission shall further assess other key policy
 12 and planning issues that will affect the future role of nuclear
 13 powerplants in the state. The commission’s assessment shall be
 14 adopted on or before November 1, 2008, and included in the 2008
 15 energy policy review adopted pursuant to subdivision (d) of Section
 16 25302.

17 *SEC. 4. No reimbursement is required by this act pursuant to*
 18 *Section 6 of Article XIII B of the California Constitution because*
 19 *this act provides for offsetting savings to local agencies or school*
 20 *districts that result in no net costs to the local agencies or school*
 21 *districts, within the meaning of Section 17556 of the Government*
 22 *Code.*

23
 24
 25 **All matter omitted in this version of the bill**
 26 **appears in the bill as amended in the**
 27 **Senate, May 24, 2007. (JR11)**
 28