

AMENDED IN SENATE JUNE 22, 2011

AMENDED IN ASSEMBLY APRIL 27, 2011

AMENDED IN ASSEMBLY MARCH 31, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 642

Introduced by Assembly Member Charles Calderon

February 16, 2011

~~An act to add Chapter 6 (commencing with Section 7100) to Part 2 of Division 6 of the Public Resources Code, relating to renewable energy. An act relating to renewable energy.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 642, as amended, Charles Calderon. Renewable energy: biomass: algae.

~~(1) Existing law authorizes the State Lands Commission to negotiate various types of leases for public lands, including grazing leases, recreational leases, oil and gas leases, and mineral leases.~~

~~This bill would authorize the commission to enter into a lease for the development of algae-producing energy and agricultural products. The bill would require the lease to include specified provisions.~~

~~(2) Existing~~

~~Existing law requires the State Energy Resources Conservation and Development Commission to administer the Renewable Energy Resources Program, which provides financial assistance for the development of renewable electricity generation facilities, including facilities that use biomass.~~

~~Existing law requires the California Alternative Energy and Advanced Transportation Financing Authority to establish a renewable energy~~

program to provide financial assistance to specified entities to generate new and renewable energy sources. Existing law defines “renewable energy” to mean a device or technology that, among other things, uses biomass for electrical generation.

The California Renewables Portfolio Standard Program requires a retail seller of electricity to purchase a specified minimum percentage of electricity generated by eligible renewable energy resources, including electricity generated through the use of, among other things, biomass, in any given year as a specified percentage of total kilowatthours sold to retail end-use customers each calendar year.

This bill would expressly provide that “biomass” for the above provisions includes algae.

Vote: majority. Appropriation: no. Fiscal committee: *yes-no*. State-mandated local program: no.

The people of the State of California do enact as follows:

1 ~~SECTION 1. Chapter 6 (commencing with Section 7100) is~~
2 ~~added to Part 2 of Division 6 of the Public Resources Code, to~~
3 ~~read:~~

4
5 ~~CHAPTER 6. LEASES FOR ALGAE PRODUCTION FOR ENERGY AND~~
6 ~~AGRICULTURAL USES~~
7

8 ~~7100. The commission may, when it appears to be in the public~~
9 ~~interest, negotiate and enter into a lease for the development of~~
10 ~~algae-producing energy and agricultural products. The lease shall~~
11 ~~include all of the following:~~

12 ~~(a) Terms, conditions, and provisions that will protect the~~
13 ~~interests of the state with reference to securing payment to the state~~
14 ~~of the proper amount or the value of production.~~

15 ~~(b) Provisions specifying the methods of operation and standard~~
16 ~~requirements for carrying on operations in a proper and~~
17 ~~workmanlike manner, the prevention of waste, the protection of~~
18 ~~the safety and health of workers, and the liability of the lessee for~~
19 ~~personal injury and property damage.~~

20 ~~(c) Security for faithful performance of the lessee, including~~
21 ~~provisions for the forfeiture of the lease as set forth in Section~~
22 ~~6805, and the requirement that the lessee shall, at the time of~~
23 ~~execution of the lease, furnish and thereafter maintain a good and~~

1 sufficient bond in an amount specified by the commission, in favor
2 of the state, guaranteeing faithful performance by the lessee of the
3 terms, covenants, and conditions of the lease and compliance with
4 this chapter.

5 ~~(d) Other covenants, conditions, requirements, and reservations~~
6 ~~as may be deemed advisable by the commission in effecting the~~
7 ~~purpose of this chapter and not inconsistent with any of its~~
8 ~~provisions:~~

9 ~~(e) A provision providing that any provision of the lease~~
10 ~~executed under this chapter that purports to deprive the state or a~~
11 ~~lessee of a right or benefit secured by law, or that is otherwise~~
12 ~~inconsistent with this chapter, is void, and shall be deemed~~
13 ~~separable from and without effect upon the valid provision of the~~
14 ~~lease:~~

15 ~~7101. The commission, in issuing a lease under this chapter,~~
16 ~~shall reserve to the state the right to lease, sell, or otherwise dispose~~
17 ~~of the subsurface rights in the land.~~

18 ~~SEC. 2.~~

19 *SECTION 1.* For the purposes of Sections 25741 and 26003
20 of the Public Resources Code, biomass includes algae.