

AMENDED IN SENATE JUNE 14, 2012

AMENDED IN ASSEMBLY MAY 25, 2012

AMENDED IN ASSEMBLY MAY 2, 2012

AMENDED IN ASSEMBLY APRIL 19, 2012

AMENDED IN ASSEMBLY APRIL 11, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 1900

**Introduced by Assembly Members Gatto, Chesbro, and
Roger Hernández
(Coauthor: Assembly Member Members Gordon and Skinner)
(Coauthor: Senator Cannella)**

February 22, 2012

An act to amend Sections 25420 and 25421 of the Health and Safety Code, and to add Sections 399.24 and 769 to the Public Utilities Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1900, as amended, Gatto. Renewable energy resources: biomethane.

Existing law requires the Public Utilities Commission (PUC) to specify the maximum amount of vinyl chloride that may be found in landfill gas. Existing law prohibits a gas producer from knowingly selling, supplying, or transporting to a gas corporation, and a gas corporation from knowingly purchasing, landfill gas containing vinyl chloride in a concentration exceeding the maximum amount determined by the PUC. Existing law requires a person who produces, sells,

supplies, or releases landfill gas for sale offsite to a gas corporation to sample and test, bimonthly, the gas at the point of distribution for chemicals known to the state to cause cancer or reproductive toxicity.

This bill would require the PUC to identify all constituents that may be found in landfill gas that is to be injected into a common carrier pipeline and that could adversely impact the health and safety of the public, and to specify the maximum amount of those constituents that may be found in that landfill gas. This bill would require the PUC to develop reasonable and prudent testing protocols for gas collected from a solid waste landfill that is to be injected into a common carrier pipeline to determine if the gas contains any of the identified constituents at levels that exceed the standards set by the PUC. This bill would prohibit a gas producer from knowingly selling, supplying, transporting, or purchasing gas collected from a hazardous waste landfill.

This bill would require the PUC, on or before January 1, 2014, to consider adopting pilot projects involving the injection of biomethane into common carrier pipelines where a project satisfies certain safety, quality, and efficiency requirements, as specified. *This bill would require the PUC to adopt policies and programs that promote the in-state production and distribution of biomethane.*

Existing law requires the PUC to establish rates for gas which is utilized in cogeneration technology projects, as specified.

This bill would require the PUC to hold public hearings to identify impediments that limit procurement of electricity generated from biomethane in California, including, but not limited to, impediments to interconnection. The bill would require the PUC to offer solutions to those impediments in a quarterly report by the commission on the renewables portfolio standard.

Existing law allows the PUC to set heating and purity requirements for biomethane injected into a gas pipeline. Existing law allows gas corporations to impose tariffs on biomethane injected into their pipelines.

This bill would require the PUC to adopt pipeline access rules that will ensure nondiscriminatory open access to each corporation's gas pipeline system to any party for the purpose of physically interconnecting with the gas pipeline system and effectuating the delivery of gas.

This bill would make other conforming changes.

Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the PUC is a crime.

Because this bill would require action by the PUC to implement certain of its requirements, a violation of which would be a crime, these provisions would impose a state-mandated local program by creating a new crime.

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.

This bill would become operative only if this bill and AB 2196 of the 2011–12 Regular Session are both enacted and become effective on or before January 1, 2013.

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. Section 25420 of the Health and Safety Code is
2 amended to read:
3 25420. For purposes of this chapter, the following definitions
4 apply:
5 (a) “Commission” means the Public Utilities Commission.
6 (b) “Delivery of landfill gas by dedicated pipeline” means gas
7 captured at a solid waste facility and transported from that site to
8 an eligible renewable energy resource, as defined in the California
9 Renewables Portfolio Standard Program (Article 16 (commencing
10 with Section 399.11) of Chapter 2.3 of Part 1 of Division 1 of the
11 Public Utilities Code), that utilizes best available control
12 technology for the control of air pollutants, using a pipeline that
13 is not a common carrier pipeline used to transport natural gas to
14 customers other than the eligible renewable energy resource, or
15 otherwise subject to the jurisdiction of the commission.
16 (c) “Department” means the Department of Toxic Substances
17 Control.
18 (d) “Gas corporation” has the same meaning as defined in
19 Section 222 of the Public Utilities Code and is subject to rate
20 regulation by the commission.
21 (e) “Hazardous waste landfill” means a landfill that is a
22 hazardous waste facility, as defined in Section 25117.1.

1 (f) “Person” means an individual, trust, firm, joint stock
2 company, partnership, association, business concern, limited
3 liability company, or corporation. “Person” also includes any city,
4 county, district, and the state or any department or agency thereof,
5 or the federal government or any department or agency thereof to
6 the extent permitted by law.

7 (g) “Solid waste landfill” means a landfill that is a solid waste
8 facility, as defined in Section 40194 of the Public Resources Code,
9 or at which solid waste, as defined in Section 40191 of the Public
10 Resources Code, is disposed.

11 SEC. 2. Section 25421 of the Health and Safety Code is
12 amended to read:

13 25421. (a) (1) The commission shall, by rule or order, identify
14 all constituents that may be found in landfill gas that is to be
15 injected into a common carrier pipeline and that could adversely
16 impact the health and safety of the public. Potential impacts
17 include, but are not limited to, health and safety hazards to utility
18 employees or to the general public, damage to pipeline facilities,
19 and other impacts that may inhibit the marketability of gas.

20 (2) The commission shall, by rule or order, specify the maximum
21 amount of constituents identified pursuant to paragraph (1) that
22 may be found in landfill gas that is to be injected into a common
23 carrier pipeline. The maximum amount adopted by the commission
24 shall not exceed the equivalent of the no significant risk level set
25 in Section 25705 of Title 27 of the California Code of Regulations
26 for constituents that are specified in that section.

27 (3) This subdivision does not require the commission to revise
28 any standard in effect on the effective date of this paragraph.

29 (b) The commission shall make findings that are sufficient to
30 ensure that the standards adopted pursuant to subdivision (a) do
31 not do either of the following:

32 (1) Expose any customer, employee, or other person to landfill
33 gas if that gas contains any chemical known to the state to cause
34 cancer or reproductive toxicity without first giving clear and
35 reasonable warning to that individual, except as provided by
36 Section 25249.10.

37 (2) Expose a natural gas pipeline to an unreasonable risk of
38 harm to pipeline integrity.

39 (c) The commission shall develop reasonable and prudent testing
40 protocols for gas collected from a solid waste landfill that is to be

1 injected into a common carrier pipeline to determine if the gas
2 contains any of the constituents that the commission has identified
3 pursuant to subdivision (a) at levels that exceed the standards set
4 by the commission.

5 (1) Recognizing the potential environmental benefits of landfill
6 gas that satisfies required standards and specifications, the
7 commission shall ensure that the protocols it adopts pursuant to
8 this section provide for efficient testing procedures that accurately,
9 and, where needed, continuously, identify levels of constituents
10 in landfill gas that is to be injected into a common carrier pipeline.

11 (2) Every person who produces, sells, supplies, or releases gas
12 collected at a solid waste landfill, that is to be injected into a
13 common carrier pipeline for sale offsite to a gas corporation or
14 noncore customer, shall comply with the standards and testing
15 protocols set by the commission.

16 (d) (1) A gas producer shall ensure that landfill gas it seeks to
17 inject into a pipeline satisfies the standards set by the commission
18 pursuant to subdivision (a). A gas corporation shall administer
19 testing protocols consistent with those standards, and shall not
20 knowingly accept landfill gas that does not satisfy those standards.

21 (2) A gas producer shall not knowingly sell, supply, or transport
22 gas collected from a hazardous waste landfill to a gas corporation.
23 A gas corporation shall not knowingly purchase gas collected from
24 a hazardous waste landfill.

25 (e) This section does not prohibit the onsite usage of landfill
26 gas for the generation of electricity or any other onsite productive
27 use by an eligible renewable energy resource, or the delivery of
28 landfill gas by a dedicated pipeline for the generation of electricity,
29 the production of steam, or any other productive use or other
30 industrial applications.

31 SEC. 3. Section 399.24 is added to the Public Utilities Code,
32 to read:

33 399.24. (a) On or before January 1, 2014, the commission
34 shall consider adopting pilot projects that satisfy all of the
35 following requirements:

36 ~~(a)~~

37 (1) Are capable of being safely implemented.

38 ~~(b)~~

1 (2) Demonstrate the accuracy of the commission’s testing
2 protocols established pursuant to subdivision (a) of Section 25421
3 of the Health and Safety Code.

4 (e)

5 (3) Demonstrate the level of consistency of the quality of gas
6 injected into the gas pipeline system.

7 (d)

8 (4) Demonstrate the capacity of biomethane to be procured at
9 the lowest cost and best fit.

10 (b) *To meet the energy and transportation needs of the state,*
11 *the commission shall adopt policies and programs that promote*
12 *the in-state production and distribution of biomethane. The policies*
13 *and programs shall facilitate the development of a variety of*
14 *sources of in-state biomethane.*

15 *SEC. 4. Section 454.4 of the Public Utilities Code is amended*
16 *to read:*

17 454.4. (a) The commission shall establish rates for gas which
18 is utilized in cogeneration technology projects not higher than the
19 rates established for gas utilized as a fuel by an electric plant in
20 the generation of electricity, except that this rate shall apply only
21 to that quantity of gas which an electrical corporation serving the
22 area where a cogeneration technology project is located, or an
23 equivalent area, would require in the generation of an equivalent
24 amount of electricity based on the corporation’s average annual
25 incremental heat rate and reasonable transmission losses or that
26 quantity of gas actually consumed by the cogeneration technology
27 project in the sequential production of electricity and steam, heat,
28 or useful work, whichever is the lower quantity.

29 (b) *The commission shall hold public hearings to identify*
30 *impediments that limit procurement of electricity generated from*
31 *biomethane in California, including, but not limited to,*
32 *impediments to interconnection. The commission shall offer*
33 *solutions to those impediments in the commission’s Renewables*
34 *Portfolio Standard Quarterly Report issued pursuant to the*
35 *Supplemental Report of the 2006 Budget Act, Item 8660-001-0462.*

36 ~~SEC. 4.~~

37 *SEC. 5. Section 769 is added to the Public Utilities Code, to*
38 *read:*

39 769. For each gas corporation, the commission shall adopt
40 pipeline access rules that will ensure nondiscriminatory open access

1 to each corporation's gas pipeline system to any party for the
2 purpose of physically interconnecting with the gas pipeline system
3 and effectuating the delivery of gas.

4 ~~SEC. 5.~~

5 *SEC. 6.* This act shall become operative only if this act and
6 Assembly Bill 2196 of the 2011–12 Regular Session are both
7 enacted and become effective on or before January 1, 2013.

8 ~~SEC. 6.~~

9 *SEC. 7.* No reimbursement is required by this act pursuant to
10 Section 6 of Article XIII B of the California Constitution because
11 the only costs that may be incurred by a local agency or school
12 district will be incurred because this act creates a new crime or
13 infraction, eliminates a crime or infraction, or changes the penalty
14 for a crime or infraction, within the meaning of Section 17556 of
15 the Government Code, or changes the definition of a crime within
16 the meaning of Section 6 of Article XIII B of the California
17 Constitution.