

AMENDED IN ASSEMBLY SEPTEMBER 9, 2011

AMENDED IN ASSEMBLY SEPTEMBER 6, 2011

AMENDED IN ASSEMBLY AUGUST 29, 2011

AMENDED IN ASSEMBLY JULY 12, 2011

SENATE BILL

No. 870

Introduced by Senators Padilla and Steinberg

February 18, 2011

An act to add Section 25620.16 to, and to add Article 2 (commencing with Section 25621.10) to Chapter 7.2 of Division 15 of, the Public Resources Code, and to amend Sections 384, 890, 892, 892.2, 893, 894, and 895 of, and to repeal Section 892.1 of, the Public Utilities Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

SB 870, as amended, Padilla. Energy: Clean Energy Innovation Program: natural gas surcharge.

(1) Under the Public Utilities Act, the Public Utilities Commission (PUC) has regulatory authority over public utilities, including electrical corporations. The act requires the PUC to require, until January 1, 2012, an electrical corporation to identify a separate electrical rate component to fund energy efficiency, renewable energy, and research, development, and demonstration programs that enhance system reliability and provide in-state benefits. Existing law requires the rate component collected for the purposes of funding the research, development, and demonstration programs be transferred to the Public Interest Research, Development, and Demonstration Fund.

Existing law requires that the moneys collected between January 1, 2007, and January 1, 2012, from the electrical corporations for public

interest research, development, and demonstration projects be transferred to the Public Interest Research, Development, and Demonstration Fund and be used for the purposes of the Public Interest Research, Demonstration, and Development Program.

This bill would expressly provide that expenditure of moneys collected for public interest research, development, and demonstration before January 1, 2012, would be expended for the Public Interest Research, Demonstration, and Development Program.

The bill would require the Energy Commission to establish and administer the California Energy Innovation Program (CEIP) to fund research, development, and demonstration projects that may lead to technological advancement and breakthroughs to overcome those barriers that prevent the achievement of the state's energy policy goals. The bill would require the Energy Commission to convene, no less than twice a year, meetings of the CEIP Coordinating Council consisting of members representing specified entities and would require the council to identify the technological challenges that most warrant funding under the CEIP and opportunities to leverage funding of projects and to make recommendations to avoid funding duplicative projects. The bill would require the Energy Commission to adopt regulations or modify existing regulations to implement the CEIP. The bill would require the Energy Commission to consult with the CEIP Coordinating Council to establish a process for tracking the progress and outcome of funded projects. The bill would require the Energy Commission to consult with the CEIP Coordinating Council and the Treasurer to establish terms that may be imposed as conditions for the receipt of CEIP funding. The bill would require the Energy Commission, no later than March 31 of each year, to prepare and submit to the Legislature an annual report regarding projects funded by the CEIP. The bill would require the PUC to fund mechanisms to finance comprehensive energy efficiency retrofits of specified building sectors.

This bill would declare the intent of the Legislature in enacting this act that the public goods charge collected on or before December 31, 2011, to fund research, development, and demonstration shall be expended pursuant to the law in effect January 1, 2012 and the public goods charge collected for this purpose on and after January 1, 2012, shall be expended pursuant to the law in effect on and after the effective date of this act.

(2) Existing law requires the Public Utilities Commission to require, until January 1, 2012, an electrical corporation to identify a separate

electrical rate component (public goods charge) to fund energy efficiency, renewable energy, and research, development, and demonstration programs that enhance system reliability and provide in-state benefits. Existing law requires that the moneys collected between January 1, 2007, and January 1, 2012, from the electrical corporations for public interest research, development, and demonstration projects be deposited in the Public Interest Research, Development, and Demonstration Fund and be used for the purposes of the Public Interest Research, Development, and Demonstration Program.

This bill would expressly provide that public goods charge for public interest research, development, and demonstration projects collected before January 1, 2012, be deposited into the Public Interest Research, Development, and Demonstration Fund and expended for the purposes of the Public Interest Research, Development, and Demonstration Program. The bill would establish the Clean Energy Innovation Program Fund (CEIP Fund) in the State Treasury and would require public goods charge collected on and after January 1, 2012, be deposited into the CEIP Fund and expended by the State Energy Resources Conservation and Development Commission (Energy Commission), upon appropriation, for specified purposes. The bill would require the Energy Commission, in making awards from the CEIP Fund to minimize overhead expenditures on the award recipients' contracts. The bill would prohibit the Energy Commission from using sole source method or interagency agreement in making awards unless specified conditions are met.

(2)

(3) Existing law requires the Public Utilities Commission to establish a surcharge on all natural gas consumed in the state to fund certain low-income assistance programs, cost-effective energy efficiency and conservation activities, and public interest research and development. Existing law requires a public utility gas corporation, as defined, to collect the surcharge from natural gas consumers, as specified, and to remit the moneys collected to the State Board of Equalization (state board) on a quarterly basis. Existing law requires persons consuming natural gas delivered by an interstate pipeline to pay the surcharge to the state board. Existing law requires every public utility gas corporation and every person consuming natural gas transported by a provider other than the public utility gas corporation to file a quarterly return with the state board in the form prescribed by the state board. The money from the surcharge is transmitted by the state board to the Treasurer for

deposit in the Gas Consumption Surcharge Fund and is continuously appropriated to specified entities, including to the commission, or to an entity designated by the commission, to fund low-income assistance programs, cost-effective energy efficiency and conservation activities, and public interest research and development not adequately provided by the competitive and regulated markets.

This bill would require the commission to establish rates that are sufficient to fund the specified low-income assistance programs, cost-effective energy efficiency and conservation activities, and public interest research and development, and would require the surcharges imposed on natural gas customers of an interstate gas pipeline to be equal to the rate component imposed upon the customers of a public utility gas corporation to fund those programs. The bill would require only persons consuming natural gas delivered by an interstate pipeline to pay the surcharge quarterly to the state board and require only those persons consuming natural gas transported by a provider other than the public utility gas corporation to file a quarterly return with the state board. A public utility gas corporation would continue to collect the surcharge to fund the specified programs, but would not remit the moneys collected to the state board. The bill would repeal existing provisions relieving public utility gas corporations from liability to collect the surcharges for specified uncollected and worthless accounts. The bill would make other conforming changes.

(3)

(4) This bill would not become operative unless AB 724 of the 2011–12 Regular Session of the Legislature is enacted on or before January 1, 2012.

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. Section 25620.16 is added to the Public Resources
- 2 Code, to read:
- 3 25620.16. This chapter applies to the expenditure of funds for
- 4 research, development, and demonstration collected pursuant to
- 5 Section 399.8 of the Public Utilities Code before January 1, 2012.
- 6 SEC. 2. Article 2 (commencing with Section 25621.10) is
- 7 added to Chapter 7.2 of Division 15 of the Public Resources Code,
- 8 to read:

1 Article 2. Clean Energy Innovation Program

2
3 25621.10. This article shall be known and may be cited as the
4 Clean Energy Innovation Program.

5 25621.11. The Legislature finds and declares all of the
6 following:

7 (a) California has been a national leader in clean energy by
8 establishing ambitious goals, policies, and programs to increase
9 energy efficiency and generation from renewable energy sources.

10 (b) Achieving the state's energy goals will benefit the public
11 and energy utility ratepayers through reduced system costs and
12 reduced end-user charges for service.

13 (c) Barriers to achieving these energy goals and ratepayer
14 benefits include significant technological and other challenges
15 relating to energy storage, renewable energy and its integration
16 into the electrical grid, energy efficiency, integration of electric
17 vehicles into the electrical grid, accurately forecasting the
18 availability of renewable energy for integration into the grid,
19 impacts of energy generation, and additional areas identified by
20 the CEIP Coordinating Council.

21 (d) Breakthroughs to overcome these technological challenges
22 and to enable the state to achieve its energy policy goals require
23 strategically focused research, development, and demonstration
24 projects.

25 (e) It is appropriate and necessary for the state to administer a
26 program of research, development, and demonstration to accelerate
27 technological advancement and breakthroughs that may enable
28 the state to achieve its energy policy goals.

29 25621.12. (a) The Clean Energy Innovation Program (CEIP)
30 is hereby established for the purpose of funding research,
31 development, and demonstration projects that may lead to
32 technological advancement and breakthroughs to overcome the
33 barriers that prevent the achievement of the state's energy policy
34 goals.

35 (b) The commission shall develop and administer the program
36 consistent with this article.

37 25621.13. (a) The commission shall, no less than twice a year,
38 convene a meeting of the CEIP Coordinating Council, which shall
39 consist of the following members:

- 1 (1) The chair of the commission, who shall serve as the chair
2 of the council.
- 3 (2) One representative from Pacific Gas and Electric Company.
- 4 (3) One representative from Southern California Edison
5 Company.
- 6 (4) One representative from San Diego Gas and Electric
7 Company.
- 8 (5) One representative from Southern California Gas Company.
- 9 (6) One representative from any participating publicly owned
10 utility.
- 11 (7) One representative from the Public Utilities Commission.
- 12 (8) One representative from the Independent System Operator.
- 13 (9) One representative from the State Air Resources Board.
- 14 (10) One representative from the Division of Ratepayer
15 Advocates within the Public Utilities Commission.
- 16 (11) Two representatives from the building industry, with one
17 appointed by the Senate Committee on Rules and one appointed
18 by the Speaker of the Assembly.
- 19 (12) Two representatives from consumer organizations, with
20 one appointed by the Senate Committee on Rules and one
21 appointed by the Speaker of the Assembly.
- 22 (13) Two representatives from environmental organizations,
23 with one appointed by the Senate Committee on Rules and one
24 appointed by the Speaker of the Assembly.
- 25 (14) Two representatives of environmental justice groups, with
26 one appointed by the Senate Committee on Rules and one
27 appointed by the Speaker of the Assembly.
- 28 (15) Two representatives from a university, college, or other
29 research institution, with one appointed by the Senate Committee
30 on Rules and one appointed by the Speaker of the Assembly.
- 31 (16) Two representatives of clean energy businesses,
32 associations, or investors appointed by the Governor.
- 33 (17) Two representatives of labor organizations appointed by
34 the Governor.
- 35 (18) Two at-large members appointed by the Governor.
- 36 (19) (A) Two nonvoting members from the Legislature, with
37 one Senator appointed by the Senate Committee on Rules and one
38 Assembly Member appointed by the Speaker of the Assembly.
- 39 (B) The Members of the Legislature shall participate in the
40 activities of the council to the extent that the participation is not

1 incompatible with their respective positions as Members of the
2 Legislature.

3 (b) Each nongovernmental member of the council shall serve a
4 term of three years.

5 (c) The council shall annually identify the technological and
6 other challenges that are the most significant barriers to achieving
7 the state’s energy policy goals for which CEIP funding is most
8 warranted.

9 (d) The council shall identify opportunities for leveraged funding
10 of research, development, and demonstration projects, and make
11 recommendations to help the agencies represented on the council
12 avoid funding projects that would duplicate projects already being
13 funded by the commission, the Public Utilities Commission, the
14 State Air Resources Board, or any other public agency or private
15 organization.

16 25621.14. (a) The commission shall expend CEIP funds for
17 projects and program implementation that results in a portfolio of
18 project awards that does all of the following:

19 (1) Is strategically focused and sufficiently narrow to make
20 advancement on the most significant barriers to achieving the
21 state’s energy policy goals, including energy storage, renewable
22 energy and its integration into the electrical grid, energy efficiency,
23 integration of electric vehicles into the electrical grid, accurately
24 forecasting the availability of renewable energy for integration
25 into the grid, impacts of energy generation, and other significant
26 technological barriers identified by the CEIP Coordinating Council
27 pursuant to Section 25621.13.

28 (2) Ensures that prior, current, and future research, development,
29 and demonstration projects are not unnecessarily duplicated.

30 (3) Invests in projects of California-based entities unless there
31 is a unique need that can be met only by an entity based outside
32 of California.

33 (4) Results in a reasonably equitable distribution of awards to
34 various geographic regions of California to the extent possible and
35 consistent with the provisions of this article.

36 (5) Maximizes expenditure of funds for research, development,
37 and demonstration projects and minimizes expenditure of funds
38 for administration and overhead costs.

39 (b) Utilities may receive CEIP funds only if they participate in
40 the program.

1 (c) The commission shall not award or expend CEIP funds for
2 any purposes except as provided in this article.

3 ~~(d) The commission should seek to minimize overhead~~
4 ~~expenditures on the University of California's and all other award~~
5 ~~recipients' contracts pursuant to Chapter 14.27 (commencing with~~
6 ~~Section 67325) of Part 40 of Division 5 of Title 3 of the Education~~
7 ~~Code.~~

8 *(d) The commission should seek to minimize overhead*
9 *expenditures on the award recipients' contracts.*

10 25621.15. (a) The commission shall adopt regulations, or
11 modify existing regulations, for the solicitation of award
12 applications, evaluation of applications, and the award of funds
13 consistent with this article.

14 (b) The regulations shall require each applicant to demonstrate
15 how the proposed project may lead to technological advancement
16 and potential breakthroughs to overcome barriers to achieving the
17 state's energy policy goals.

18 (c) The regulations shall require each award recipient, as a
19 condition of receiving CEIP funds, to agree to any terms the
20 commission determines are appropriate for the state to accrue
21 royalties that may derive from CEIP funding.

22 (d) The regulations shall prohibit any person from participating
23 in the evaluation or disposition of any application if that person
24 has a conflict of interest regarding that application, within the
25 meaning of Section 87100 of the Government Code.

26 25621.16. The commission, prior to awarding any CEIP funds,
27 and in consultation with the CEIP Coordinating Council, shall
28 establish a process for tracking the progress and outcomes of each
29 funded project, including an accounting of the amount of funds
30 spent on administrative and overhead costs and whether the project
31 resulted in any technological advancement or breakthrough to
32 overcome barriers to achieving the state's energy policy goals.
33 The commission may require CEIP awardees to report progress
34 and outcomes of each funded project up to five years past the
35 agreement end term.

36 25621.17. The commission, prior to awarding any CEIP funds,
37 and in consultation with the CEIP Coordinating Council and the
38 Treasurer, shall establish terms that may be imposed as a condition
39 to receipt of funding, as the commission determines appropriate,
40 for the state to accrue any intellectual property interest or royalties

1 that may derive from CEIP funding. The commission, when
2 determining if imposition of these terms is appropriate, shall
3 balance the potential benefit to the state from those terms and the
4 effect those terms may have on the state achieving its energy policy
5 goals.

6 25621.18. (a) The commission may solicit applications and
7 award CEIP funds using a sealed competitive bid, interagency
8 agreement, or sole source method.

9 (b) A sealed competitive bid method shall be used in all cases
10 in which a research project can be described with sufficient
11 specificity so that bids can be evaluated against specifications and
12 criteria set forth in the solicitation for bids.

13 (c) ~~The commission shall not award CEIP funds to the~~
14 ~~University of California through the sole source or interagency~~
15 ~~agreement method for a research project for which funds could be~~
16 ~~awarded through a sealed competitive bid method. Notwithstanding~~
17 ~~any other law, standard terms and conditions that generally apply~~
18 ~~to contracts between any state agency and the University of~~
19 ~~California do not automatically preclude the award of CEIP funds~~
20 ~~to the University of California through the sealed competitive bid~~
21 ~~method. Notwithstanding any other law, standard terms and~~
22 ~~conditions that generally apply to contracts between the~~
23 ~~commission and any entities, including state entities, do not~~
24 ~~automatically preclude the award of CEIP funds through the sealed~~
25 ~~competitive bid method.~~

26 (d) If an award cannot be made using the competitive bid method
27 pursuant to subdivision (b), the commission, in accordance with
28 subdivision (e) and in consultation with the Department of General
29 Services, may provide awards on a sole source basis when the cost
30 to the state is reasonable and any of the following apply:

31 (1) The proposal was unsolicited and meets the evaluation
32 criteria of this article.

33 (2) The expertise, service, or product is unique.

34 (3) The award funds the next phase of a multiphased proposal
35 and the existing agreement is being satisfactorily performed.

36 (e) ~~(1) The commission shall not use a sole source basis for an~~
37 ~~award pursuant to subdivision (d), or a sole source or interagency~~
38 ~~agreement for an award to the University of California, unless both~~
39 ~~of the following conditions are met:~~

1 (e) (1) *The commission shall not use a sole source or*
2 *interagency agreement for an award, unless both of the following*
3 *conditions are met:*

4 (A) The commission, at least 60 days prior to making an award
5 pursuant to this subdivision, notifies the Joint Legislative Budget
6 Committee and the relevant policy committees in both houses of
7 the Legislature, in writing, of its intent to take the proposed action.

8 (B) The Joint Legislative Budget Committee either approves or
9 does not disapprove the proposed action within 60 days from the
10 date of notification required by subparagraph (A).

11 ~~(2) It is the intent of the Legislature to enact this subdivision to~~
12 ~~ensure legislative oversight for awards made on a sole source basis,~~
13 ~~or awards to the University of California through a sole source or~~
14 ~~interagency agreement.~~

15 *(2) It is the intent of the Legislature to enact this subdivision to*
16 *ensure legislative oversight for awards made on a sole source*
17 *basis, or through an interagency agreement.*

18 (f) The commission shall give priority to California-based
19 entities in making awards pursuant to this article.

20 (g) The provisions of this section are severable. If any provision
21 of this section or its application is held to be invalid, that invalidity
22 does not affect other provisions or applications that can be given
23 effect without the invalid provision or application.

24 25621.19. (a) On or before March 31 of each year, the
25 commission shall prepare and submit to the Legislature an annual
26 report in compliance with Section 9795 of the Government Code
27 that shall include all of the following:

28 (1) A brief description of each project for which funding was
29 awarded in the immediately prior calendar year, including the
30 name of the recipient and amount of the award, and a description
31 of how the project may lead to technological advancement or
32 breakthroughs to overcome barriers to achieving the state's energy
33 policy goals.

34 (2) A brief description of each CEIP-funded project that was
35 completed in the immediately prior calendar year, including the
36 name of the recipient, the amount of the award, and the outcomes
37 of the funded project, in accordance with the process described in
38 Section 25621.16.

39 (3) A brief description of each CEIP-funded project for which
40 an award was made in previous years but that is not completed,

1 including the name of the recipient and amount of the award, and
2 a description of how the project may lead to technological
3 advancement or breakthroughs to overcome barriers to achieving
4 the state's energy policy goals.

5 (4) A list and description of the technological challenges that
6 the CEIP Coordinating Council identifies as the most significant
7 barriers to achieving the state's energy policy goals, as identified
8 by the council pursuant to Section 25621.13 for the current year
9 and all prior years.

10 (b) The commission shall post on its Internet Web site each
11 annual report, and a searchable database containing information
12 in the annual report, and shall also include information on awards
13 made under the former Public Interest Research, Development,
14 and Demonstration Program.

15 (c) The commission shall establish procedures for protecting
16 confidential or proprietary information in public reports about
17 CEIP-funded projects.

18 *SEC. 3. Section 384 of the Public Utilities Code is amended*
19 *to read:*

20 384. (a) Funds transferred to the ~~State Energy Resources~~
21 ~~Conservation and Development~~ Commission pursuant to this article
22 for purposes of public interest research, development, and
23 demonstration *that are collected prior to January 1, 2012*, shall
24 be transferred to the Public Interest Research, Development, and
25 Demonstration Fund, which is hereby created in the State Treasury,
26 *to be available for expenditure pursuant to Chapter 7.1*
27 *(commencing with Section 25620) of Division 15 of the Public*
28 *Resources Code. Funds collected, on and after January 1, 2012,*
29 *for those purposes shall be transferred to the Clean Energy*
30 *Innovation Program Fund, which is hereby created in the State*
31 *Treasury to be available, upon appropriation, for expenditure*
32 *pursuant to Article 2 (commencing with Section 25621.10) of*
33 *Chapter 7.2 of Division 15 of the Public Resources Code. The fund*
34 *is a trust fund and shall contain money from all interest,*
35 *repayments, disencumbrances, royalties, and any other proceeds*
36 *appropriated, transferred, or otherwise received for purposes*
37 *pertaining to public interest research, development, and*
38 *demonstration. Any appropriations that are made from the fund*
39 *shall have an encumbrance period of not longer than two years,*
40 *and a liquidation period of not longer than four years.*

1 ~~(b) Funds deposited in the Public Interest Research,~~
 2 ~~Development, and Demonstration Fund may be expended for~~
 3 ~~projects that serve the energy needs of both stationary and~~
 4 ~~transportation purposes if the research provides an electricity~~
 5 ~~ratepayer benefit.~~

6 ~~(e)~~
 7 ~~(b) The State Energy Resources Conservation and Development~~
 8 ~~Commission shall report annually to the appropriate budget~~
 9 ~~committees of the Legislature on any encumbrances or liquidations~~
 10 ~~that are outstanding at the time the commission's Energy~~
 11 ~~Commission's budget is submitted to the Legislature for review.~~

12 ~~SEC. 3.~~
 13 *SEC. 4.* Section 890 of the Public Utilities Code is amended
 14 to read:

15 890. (a) The commission shall establish rates that are sufficient
 16 to fund low-income assistance programs required by Sections
 17 739.1, 739.2, and 2790 and cost-effective energy efficiency and
 18 conservation activities and public interest research and
 19 development authorized by Section 740 and not adequately
 20 provided by the competitive and regulated markets.

21 (b) Except as specified in Section 898, a public utility gas
 22 corporation, as defined in subdivision (b) of Section 891, shall
 23 collect the rates imposed pursuant to subdivision (a) from any
 24 person consuming natural gas in this state who receives gas service
 25 from the public utility gas corporation.

26 (c) Except as specified in Section 898, all persons consuming
 27 natural gas in this state that has been transported by an interstate
 28 pipeline, as defined in subdivision (c) of Section 891, shall be
 29 liable for a surcharge equal to the rate component imposed to fund
 30 low-income assistance programs, cost-effective energy efficiency
 31 and conservation activities, and public interest research and
 32 development pursuant to subdivision (a).

33 (d) The commission shall annually determine the amount of
 34 money required for the following year to administer this chapter
 35 and fund the natural gas related programs described in subdivision
 36 (a) for the service territory of each public utility gas corporation.

37 (e) The commission shall annually establish a rate for each class
 38 of customer for the service territory of each public utility gas
 39 corporation. A customer of an interstate gas pipeline, as defined
 40 in subdivision (c) of Section 891, shall pay a surcharge that is equal

1 to the same rate as the customer would pay if the customer received
2 service from the public utility gas corporation in whose service
3 territory the customer is located or, if the customer is not located
4 within the service territory of a public utility gas corporation, the
5 applicable surcharge of the public utility gas corporation with the
6 service territory nearest the customer. The commission shall
7 determine the total volume of retail natural gas transported within
8 the service territory of a utility gas provider, that is not subject to
9 exemption pursuant to Section 896, for the purpose of establishing
10 the surcharge rate.

11 (f) The commission shall allocate the appropriate rate adjustment
12 and surcharge for gas used by all customers, including those
13 customers who were not subject to the surcharge prior to January
14 1, 2012.

15 (g) The commission shall notify the State Board of Equalization
16 of the surcharge for each class of customer served by an interstate
17 pipeline in the service territory of a public utility gas corporation.

18 (h) The State Board of Equalization shall notify each person
19 who consumes natural gas delivered by an interstate pipeline of
20 the surcharge for each class of customer within the service territory
21 of a public utility gas corporation.

22 (i) Public utility gas corporations shall continue to collect in
23 rates those costs of programs described in subdivision (a) that are
24 uncollected prior to the operative date of this article.

25 ~~SEC. 4.~~

26 *SEC. 5.* Section 892 of the Public Utilities Code is amended
27 to read:

28 892. Persons consuming natural gas delivered by an interstate
29 pipeline shall pay the surcharge quarterly to the State Board of
30 Equalization in the form of remittances. The board shall transmit
31 the payments to the Treasurer who shall deposit the payments in
32 the Gas Consumption Surcharge Fund, which is hereby created in
33 the State Treasury.

34 ~~SEC. 5.~~

35 *SEC. 6.* Section 892.1 of the Public Utilities Code is repealed.

36 ~~SEC. 6.~~

37 *SEC. 7.* Section 892.2 of the Public Utilities Code is amended
38 to read:

39 892.2. On or before the last day of the month following each
40 calendar quarter, a return for the preceding quarterly period shall

1 be filed with the State Board of Equalization, in such form as the
2 board may prescribe. A return shall be filed by every person
3 consuming, as defined in this article, natural gas transported by a
4 provider other than the public utility gas corporation. The return
5 shall be signed by the person required to file the return or by his
6 or her duly authorized agent.

7 ~~SEC. 7.~~

8 *SEC. 8.* Section 893 of the Public Utilities Code is amended
9 to read:

10 893. The State Board of Equalization shall administer the
11 surcharge imposed pursuant to this article that is remitted to it in
12 accordance with the Fee Collection Procedures Law (Part 30
13 (commencing with Section 55001) of Division 2 of the Revenue
14 and Taxation Code.

15 ~~SEC. 8.~~

16 *SEC. 9.* Section 894 of the Public Utilities Code is amended
17 to read:

18 894. The State Board of Equalization may collect any unpaid
19 surcharge imposed pursuant to this article that is to be remitted to
20 it pursuant to Section 892.2.

21 ~~SEC. 9.~~

22 *SEC. 10.* Section 895 of the Public Utilities Code is amended
23 to read:

24 895. Notwithstanding Section 13340 of the Government Code,
25 moneys in the Gas Consumption Surcharge Fund are continuously
26 appropriated, without regard to fiscal years, as follows:

27 (a) To the commission or an entity designated by the commission
28 to fund programs described in subdivision (a) of Section 890. If
29 the commission designates the Energy Commission to receive
30 funds for public interest research and development, the Energy
31 Commission may administer the program pursuant to Article 2
32 (commencing with Section 25621.10) of Chapter 7.2 of Division
33 15 of the Public Resources Code.

34 (b) To pay the commission for its costs in carrying out its duties
35 and responsibilities under this article.

36 (c) To pay the State Board of Equalization for its costs in
37 administering this article.

38 ~~SEC. 10.~~

39 *SEC. 11.* It is the intent of the Legislature in enacting this act
40 that the public goods charge collected on or before December 31,

1 2011, pursuant to Section 399.8 of the Public Utilities Code to
2 fund research, development, and demonstration, shall be expended
3 pursuant to the provisions of law that are in effect January 1, 2012.
4 The public goods charge collected for this purpose on and after
5 January 1, 2012, shall be expended pursuant to Article 2
6 (commencing with Section 25621.10) of Chapter 7.2 of Division
7 15 of the Public Resources Code.

8 ~~SEC. 11.~~

9 *SEC. 12.* This act shall not become operative unless Assembly
10 Bill 724 of the 2011–2012 Regular Session of the Legislature is
11 enacted on or before January 1, 2012.

12 *SEC. 13.* *Section 384 of the Public Utilities Code as amended*
13 *by this act shall prevail over that section as amended by Assembly*
14 *Bill 724 of the 2011–12 Regular Session.*

15 *SEC. 14.* *It is the intent of the Legislature, in enacting Section*
16 *3 of this act, to ensure the continued funding for the implementation*
17 *of Chapter 7.1 (commencing with Section 25600) of Division 15*
18 *of the Public Resources Code from funds collected prior to January*
19 *1, 2012, through the existing appropriation enacted by the Budget*
20 *Act of 2011, and to supersede Section 384 of the Public Utilities*
21 *Code, as amended by Assembly Bill 724 of the 2011–12 Regular*
22 *Session.*

O