

AMENDED IN SENATE MAY 29, 2012  
AMENDED IN SENATE APRIL 16, 2012

**SENATE BILL**

**No. 1122**

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**Introduced by Senator Rubio**

February 17, 2012

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An act to amend, renumber, and add Section 701.3 of the Public Utilities Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

SB 1122, as amended, Rubio. Energy: renewable biomass and biogas projects.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities. Existing law, *adopted prior to the enactment of the California Renewables Portfolio Standard Program*, provides that until the commission completes an electric generation procurement methodology that values the environmental and diversity costs and benefits associated with various generation technologies, the commission shall direct that a specific portion of future electrical generating capacity needed for California be reserved or set aside for renewable resources.

This bill would ~~provide that unless and until the commission adopts require the commission to adopt~~ a methodology, *by June 1, 2014*, that accounts for the benefits to ratepayers and the environment from reducing air pollution and global warming emissions by generating electricity from specified sources of biogas and biomass, ~~the commission shall, by June 1, 2013, direct electrical corporations, as defined, to collectively procure at least 250 megawatts of electrical generating capacity from small renewable biomass and biogas electrical generating projects, as specified.~~

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 701.3 of the Public Utilities Code is  
2 amended and renumbered to read:

3 701.2. Until the commission completes an electric generation  
4 procurement methodology that values the environmental and  
5 diversity costs and benefits associated with various generation  
6 technologies, the commission shall direct that a specific portion  
7 of future electrical generating capacity needed for California be  
8 reserved or set aside for renewable resources.

9 SEC. 2. Section 701.3 is added to the Public Utilities Code, to  
10 read:

11 701.3. (a) The Legislature finds and declares the following:

12 (1) New and emerging distributed renewable generation  
13 technologies can greatly reduce methane pollution in California  
14 while providing quantifiable benefits to California ratepayers and  
15 the environment, contributing to the state's local renewable energy  
16 and climate goals, and providing increased electric system  
17 reliability.

18 (2) The commission has refused to account for the benefits of  
19 methane and other emissions reductions that result from the  
20 utilization of low-emission biomass and biogas technologies from  
21 landfills and organic waste diversion, waste water treatment plants,  
22 food and agricultural processing, animal waste facilities, and farms,  
23 and has failed to promote resource diversity in the renewable  
24 distributed generation programs it administers.

25 (b) For the purposes of this section, the following terms have  
26 the following meanings:

27 (1) "Electrical corporation" means an electrical corporation, as  
28 defined in Section 218, that furnishes electricity to more than  
29 100,000 customers.

30 (2) "Small biogas or biomass projects" means electrical  
31 generation projects that are no larger than five megawatts, and that  
32 comply with all applicable requirements of the State Air Resources  
33 Board and the air quality management or air pollution control  
34 district.

1     (c) ~~Unless and until the commission adopts~~ *By June 1, 2014,*  
2 ~~the commission shall adopt~~ a methodology that accounts for the  
3 benefits to ratepayers and the environment from reducing air  
4 pollution and global warming emissions by generating electricity  
5 from landfills and organic waste diversion, waste water treatment  
6 plants, food and agricultural processing, animal waste facilities,  
7 and farms; ~~the commission shall, by June 1, 2013, direct the~~  
8 ~~electrical corporations to collectively procure at least 250~~  
9 ~~megawatts of electrical generating capacity from small renewable~~  
10 ~~biomass or biogas projects.~~

11     (d) ~~In implementing this section, the commission shall do all~~  
12 ~~of the following:~~

13     (1) ~~Allocate the 250 megawatts identified in subdivision (c)~~  
14 ~~among the electrical corporations.~~

15     (2) ~~Direct each electrical corporation to, at least once a year,~~  
16 ~~solicit electricity from small biomass or biogas electrical generating~~  
17 ~~projects.~~

18     (3) ~~Direct each electrical corporation, as part of the solicitation~~  
19 ~~in paragraph (2), to issue a standard unilateral offer to small~~  
20 ~~renewable biomass or biogas electrical generating projects that~~  
21 ~~includes terms that are consistent with the operational~~  
22 ~~characteristics of the projects, and provides a streamlined~~  
23 ~~interconnection process.~~

24     (4) ~~Select the offers that represent the least-cost, best-fit~~  
25 ~~resources for the electrical corporation.~~