

AMENDED IN SENATE APRIL 22, 2013

AMENDED IN SENATE APRIL 8, 2013

AMENDED IN SENATE APRIL 1, 2013

SENATE BILL

No. 418

Introduced by Senator Jackson
(Principal coauthor: ~~Senator Block~~)
(Principal coauthor: Assembly Member Atkins)

February 20, 2013

An act to ~~add Section 1091.5 to~~ *repeal Section 350 of the Public Utilities Code, and to repeal Section 1 of Chapter 677 of the Statutes of 2012*, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

SB 418, as amended, Jackson. Energy: ~~nuclear fission powerplants reports.~~

(1) Existing law requires the Independent System Operator, in consultation with the California Energy Resources Conservation and Development Commission, the Public Utilities Commission, the Western Electricity Coordinating Council, and concerned regulatory agencies in other western states, to provide a specified report to the Legislature and to the Oversight Board within 6 months after the Federal Energy Regulatory Commission approved the Independent System Operator.

This bill would repeal this provision.

(2) Existing law requires the Governor's Office of Business and Economic Development to consult with the Legislative Analyst's Office, among others, to review and identify efficient and cost-effective methods for the state to create jobs in advanced manufacturing and report its findings to the Legislature by January 1, 2017.

This bill would repeal this provision.

~~(1) Under existing law, the Public Utilities Commission, commonly known as the PUC, has regulatory authority over public utilities, including electrical corporations, as defined. The Public Utilities Act prohibits any electrical corporation from beginning the construction of, among other things, a line, plant, or system, or of any extension thereof, without having first obtained from the PUC a certificate that the present or future public convenience and necessity require or will require that construction. A violation of the act, or an order, decision, rule, direction, demand, or requirement of the PUC is a crime.~~

~~Existing federal law requires an operator of a nuclear fission thermal powerplant to obtain from the federal Nuclear Regulatory Commission a license for the operation of the powerplant.~~

~~This bill would enact the Nuclear Energy Planning and Responsibility Act and would require the PUC to require an applicant electrical corporation applying for ratepayer funding, or reopening an existing application for ratepayer funding, for the relicensing of a nuclear fission thermal powerplant with a generation capacity of 50 megawatts or greater by the federal Nuclear Regulatory Commission, to submit a detailed study of the project needs and costs in order to assess the cost-effectiveness of the continued operation of the nuclear fission thermal powerplant. The bill would require the PUC to make the study available on its Internet Web site and to independently review the study to assess the cost-effectiveness of the continued operation of the nuclear fission thermal powerplant. Because a violation of this provision is a crime, this bill would impose a state-mandated local program.~~

~~(2) 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-no*.~~

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

- 1 ~~SECTION 1. Section 350 of the Public Utilities Code is~~
- 2 ~~repealed.~~
- 3 ~~350. The Independent System Operator, in consultation with~~
- 4 ~~the California Energy Resources Conservation and Development~~

1 ~~Commission, the Public Utilities Commission, the Western~~
2 ~~Electricity Coordinating Council, and concerned regulatory~~
3 ~~agencies in other western states, shall within six months after the~~
4 ~~Federal Energy Regulatory Commission approval of the~~
5 ~~Independent System Operator, provide a report to the Legislature~~
6 ~~and to the Oversight Board that does the following:~~

7 ~~(a) Conducts an independent review and assessment of Western~~
8 ~~Electricity Coordinating Council operating reliability criteria.~~

9 ~~(b) Quantifies the economic cost of major transmission outages~~
10 ~~relating to the Pacific Intertie, Southwest Power Link, DC link,~~
11 ~~and other important high voltage lines that carry power both into~~
12 ~~and from California.~~

13 ~~(c) Identifies the range of cost-effective options that would~~
14 ~~prevent or mitigate the consequences of major transmission~~
15 ~~outages.~~

16 ~~(d) Identifies communication protocols that may be needed to~~
17 ~~be established to provide advance warning of incipient problems.~~

18 ~~(e) Identifies the need for additional generation reserves and~~
19 ~~other voltage support equipment, if any, or other resources that~~
20 ~~may be necessary to carry out its functions.~~

21 ~~(f) Identifies transmission capacity additions that may be~~
22 ~~necessary at certain times of the year or under certain conditions.~~

23 ~~(g) Assesses the adequacy of current and prospective~~
24 ~~institutional provisions for the maintenance of reliability.~~

25 ~~(h) Identifies mechanisms to enforce transmission right-of-way~~
26 ~~maintenance.~~

27 ~~(i) Contains recommendations regarding cost-beneficial~~
28 ~~improvements to electric system reliability for the citizens of~~
29 ~~California.~~

30 ~~SEC. 2. Section 1 of Chapter 677 of the Statutes of 2012 is~~
31 ~~repealed.~~

32 ~~SECTION 1. (a) The Governor's Office of Business and~~
33 ~~Economic Development, established pursuant to Section 12096.2~~
34 ~~of the Government Code, shall review and identify efficient and~~
35 ~~cost-effective methods for the state to create jobs in advanced~~
36 ~~manufacturing. In undertaking this review, the office shall consult~~
37 ~~with the Legislative Analyst's Office and engage other government~~
38 ~~and private sector stakeholders who have expertise in~~
39 ~~manufacturing, workforce development, education, and economic~~
40 ~~development. The Governor's Office of Business and Economic~~

1 Development shall report its findings to the Legislature on or before
2 January 1, 2017.

3 ~~(b) A report submitted pursuant to subdivision (a) shall be~~
4 ~~submitted in compliance with Section 9795 of the Government~~
5 ~~Code.~~

6 ~~SECTION 1. This act shall be known, and may be cited, as the~~
7 ~~Nuclear Energy Planning and Responsibility Act.~~

8 ~~SEC. 2. Section 1091.5 is added to the Public Utilities Code,~~
9 ~~to read:~~

10 ~~1091.5. (a) Upon application to the commission for ratepayer~~
11 ~~funding, or reopening of an existing application for ratepayer~~
12 ~~funding, for the relicensing of a nuclear fission thermal powerplant~~
13 ~~with a generation capacity of 50 megawatts or greater by the federal~~
14 ~~Nuclear Regulatory Commission, the commission shall require~~
15 ~~the applicant electrical corporation operating the nuclear fission~~
16 ~~thermal powerplant to submit a detailed study of the project needs~~
17 ~~and costs in order to assess the cost-effectiveness of the continued~~
18 ~~operation of the nuclear fission thermal powerplant.~~

19 ~~(b) The study shall include, but is not limited to, all of the~~
20 ~~following areas of concern:~~

21 ~~(1) The effect of the nuclear fission thermal powerplant on~~
22 ~~system reliability and the affordable supply of electricity, including~~
23 ~~planned provisions for emergency operations and unplanned~~
24 ~~shutdowns as well as the costs of replacement power.~~

25 ~~(2) The costs attributable to major disruptions in electrical~~
26 ~~generation due to aging or major seismic events that may require~~
27 ~~repair, replacement, or retrofit in excess of fifty million dollars~~
28 ~~(\$50,000,000) at the nuclear fission thermal powerplant.~~

29 ~~(3) The costs of responding to, or mitigating for, any new federal~~
30 ~~requirements that have arisen or are anticipated to become~~
31 ~~enforceable during the period of the license extension.~~

32 ~~(4) Potential state and local costs and impacts associated with~~
33 ~~current and accumulating high-level radioactive waste and its~~
34 ~~ongoing storage at the nuclear fission thermal powerplant.~~

35 ~~(5) Potential state and local costs associated with mitigation or~~
36 ~~alternatives to the use of once-through cooling at the nuclear fission~~
37 ~~thermal powerplant as required by state or federal law.~~

38 ~~(6) Potential state and local costs associated with expanding~~
39 ~~and maintaining emergency planning zones.~~

1 ~~(7) Costs associated with achieving compliance with~~
2 ~~requirements for a federal consistency certification granted by the~~
3 ~~California Coastal Commission to the electrical corporation,~~
4 ~~required for the relicensing of the nuclear fission thermal~~
5 ~~powerplant by the federal Nuclear Regulatory Commission.~~

6 ~~(e) The commission shall make the study publicly available on~~
7 ~~its Internet Web site and shall independently review the study to~~
8 ~~assess the cost-effectiveness of the continued operation of the~~
9 ~~nuclear fission thermal powerplant.~~

10 ~~SEC. 3. No reimbursement is required by this act pursuant to~~
11 ~~Section 6 of Article XIII B of the California Constitution because~~
12 ~~the only costs that may be incurred by a local agency or school~~
13 ~~district will be incurred because this act creates a new crime or~~
14 ~~infraction, eliminates a crime or infraction, or changes the penalty~~
15 ~~for a crime or infraction, within the meaning of Section 17556 of~~
16 ~~the Government Code, or changes the definition of a crime within~~
17 ~~the meaning of Section 6 of Article XIII B of the California~~
18 ~~Constitution.~~