

AMENDED IN SENATE APRIL 2, 2014

**SENATE BILL**

**No. 1139**

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**Introduced by Senator Hueso**

*(Principal coauthor: Assembly Member V. Manuel Pérez)*

February 20, 2014

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An act to ~~amend~~ ~~add~~ Section ~~3822.2~~ of 399.35 to the Public Resources Utilities Code, relating to ~~geothermal resources~~: *energy*.

LEGISLATIVE COUNSEL'S DIGEST

SB 1139, as amended, Hueso. ~~Geothermal resources~~. *California Renewables Portfolio Standard Program*.

*Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, as defined, while local publicly owned electric utilities, as defined, are under the direction of their governing board. The Public Utilities Act imposes various duties and responsibilities on the commission with respect to the purchase of electricity and requires the commission to review and adopt a renewable energy procurement plan for each electrical corporation pursuant to the California Renewables Portfolio Standard Program. The California Renewables Portfolio Standard Program requires a retail seller, as defined, and local publicly owned electric utilities to purchase specified minimum quantities of electricity products from eligible renewable energy resources, as defined, for specified compliance periods. Existing law requires the State Energy Resources Conservation and Development Commission (Energy Commission) to certify eligible renewable energy resources that it determines meet specified statutory criteria. A violation of the Public Utilities Act is a crime.*

*This bill would require, no later than December 24, 2024, each retail seller and local publicly owned electric utility to procure a proportionate share, as determined by the Energy Commission, of a statewide total of 500 megawatts of electricity generated by specified baseload geothermal powerplants. The bill would require, no later than January 1, 2016, each retail seller to file with the Public Utilities Commission, and each local publicly owned electric utility to file with the Energy Commission, a plan for complying with this procurement requirement. The bill would provide that the electricity procured by retail sellers and local publicly owned electric utilities from these baseload geothermal powerplants does not count towards meeting their requirements under the California Renewables Portfolio Standard Program to purchase specified minimum quantities of electricity products from eligible renewable energy resources. Because a violation of these provisions would be a crime under the Public Utilities Act, the bill would impose a state-mandated local program.*

*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.*

~~Existing law authorizes the State Energy Resources Conservation and Development Commission to expend certain funds, used for grants and loans from the Geothermal Resources Development Account, to provide direct technical assistance to local jurisdictions, as specified.~~

~~This bill would make a technical, nonsubstantive change to that provision.~~

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

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

1     SECTION 1. Section 399.35 is added to the Public Utilities  
2     Code, to read:  
3     399.35. (a) No later than December 31, 2024, each retail seller  
4     and local publicly owned electric utility shall procure a  
5     proportionate share of a statewide total of 500 megawatts of  
6     electricity generated by baseload geothermal powerplants that

1 *began being constructed after January 1, 2015, and that meet the*  
2 *requirements of paragraph (1) of subdivision (b) of Section 399.16.*

3 *(b) No later than June 30, 2015, the Energy Commission shall*  
4 *determine the proportionate share of the 500 megawatts of*  
5 *electricity that each retail seller and local publicly owned electric*  
6 *utility is required to procure pursuant to subdivision (a). For*  
7 *purposes of this section, “proportionate share” shall be based on*  
8 *the forecast retail sales for the year 2018.*

9 *(c) No later than January 1, 2016, each retail seller shall file*  
10 *with the commission, and each local publicly owned electric utility*  
11 *shall file with the Energy Commission, a plan for complying with*  
12 *subdivision (a). Those plans shall require each retail seller and*  
13 *local publicly owned electric utility to procure at least one-half of*  
14 *its proportionate share by December 31, 2019. The commission*  
15 *shall review and approve, modify, or reject plans filed by retail*  
16 *sellers. The Energy Commission shall review and approve, modify,*  
17 *or reject plans filed by local publicly owned electric utilities.*

18 *(d) The electricity procured pursuant to this section shall not*  
19 *count towards meeting the requirements specified in subparagraph*  
20 *(B) of paragraph (2) of subdivision (b) of Section 399.15 or*  
21 *paragraph (2) of subdivision (c) of Section 399.30.*

22 *(e) The electricity procured pursuant to this section shall be*  
23 *procured to reasonably minimize costs. Subdivision (c) of Section*  
24 *399.15 shall not apply to electricity procured pursuant to this*  
25 *section.*

26 *SEC. 2. No reimbursement is required by this act pursuant to*  
27 *Section 6 of Article XIII B of the California Constitution because*  
28 *the only costs that may be incurred by a local agency or school*  
29 *district will be incurred because this act creates a new crime or*  
30 *infraction, eliminates a crime or infraction, or changes the penalty*  
31 *for a crime or infraction, within the meaning of Section 17556 of*  
32 *the Government Code, or changes the definition of a crime within*  
33 *the meaning of Section 6 of Article XIII B of the California*  
34 *Constitution.*

35 ~~SECTION 1. Section 3822.2 of the Public Resources Code is~~  
36 ~~amended to read:~~

37 ~~3822.2. (a) Notwithstanding any provision of law, the State~~  
38 ~~Energy Resources Conservation and Development Commission~~  
39 ~~may expend funds, from that portion of the Geothermal Resources~~  
40 ~~Development Account used by the commission for grants and~~

1 ~~loans, to provide direct technical assistance to local jurisdictions~~  
2 ~~that are eligible for grants and loans pursuant to Section 3822.~~

3 ~~(b) The total of all amounts expended pursuant to this section~~  
4 ~~shall not exceed 5 percent of all funds available under Section~~  
5 ~~3822 or one hundred thousand dollars (\$100,000), whichever~~  
6 ~~amount is less.~~

7 ~~(c) In making expenditures under this section, the commission~~  
8 ~~shall consider, but not be limited to a consideration of, all of the~~  
9 ~~following:~~

10 ~~(1) The availability of energy resource and technology~~  
11 ~~opportunities.~~

12 ~~(2) The project definition and likelihood of success.~~

13 ~~(3) Local needs and potential project benefits.~~