

AMENDED IN SENATE JUNE 23, 2015

AMENDED IN ASSEMBLY JUNE 1, 2015

AMENDED IN ASSEMBLY APRIL 6, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 33

Introduced by Assembly Member Quirk

December 1, 2014

An act to add Section 38561.5 to the Health and Safety Code, relating to greenhouse gases.

LEGISLATIVE COUNSEL'S DIGEST

AB 33, as amended, Quirk. California Global Warming Solutions Act of 2006: Energy-Integration Sector Emissions Reduction Advisory Council.

The California Global Warming Solutions Act of 2006 establishes the State Air Resources Board as the state agency responsible for monitoring and regulating sources emitting greenhouse gases. The act requires the state board to prepare and approve a scoping plan for achieving the maximum technologically feasible and cost-effective reductions in greenhouse gas emissions. ~~The California Renewables Portfolio Standard Program requires the Public Utilities Commission to implement annual procurement targets for the procurement of eligible renewable energy resources for all retail sellers to achieve the targets and goals of the program. emissions and to update the scoping plan at least once every 5 years.~~

This bill would establish the Energy-Integration Sector Emissions Reduction Advisory Council in state government and would require the council to ~~develop recommendations~~ *recommend strategies for the*

electricity sector for inclusion in incorporation into the scoping plan prepared by the state board, based on conclusions of specified analyses, including, among others, an analysis of the various strategies necessary for the energy grid to integrate specified annual procurement targets as part of the California Renewables Portfolio Standard Program. that could be implemented to reduce emissions of greenhouse gases from the electricity sector and integrate increasing amounts of renewable energy into the electricity grid. The bill would require the council to first convene by February 1, 2016, and to develop a schedule that ensures the recommendations and analyses are delivered to the state board early enough to be considered during development of the next scoping plan update. The bill would provide that the council shall cease to exist as of the end of the following December 31 after the council delivers its recommendations and analyses to the state board.

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. (a) The Legislature finds and declares all of the
- 2 following:
- 3 (1) Several state agencies, boards, commissions, and other
- 4 entities possess expertise on how to reduce emissions of greenhouse
- 5 gases from the electricity sector, in furtherance of the state's mid-
- 6 and long-term greenhouse gas reduction goals.
- 7 (2) These agencies and entities have completed and are
- 8 performing analyses of the changes that will be needed in how
- 9 electricity is generated, delivered, and consumed throughout the
- 10 state, and the technologies and other strategies that can be used
- 11 to help achieve those goals.
- 12 (3) The State Air Resources Board is charged by the California
- 13 Global Warming Solutions Act of 2006 (Division 25.5 (commencing
- 14 with Section 38500) of the Health and Safety Code) with developing
- 15 and updating a scoping plan to achieve the state's greenhouse gas
- 16 emission reduction goals.
- 17 (4) In developing the next scoping plan update, the State Air
- 18 Resources Board should consider the best information, modeling,
- 19 and analysis produced by the relevant state agencies on available
- 20 strategies that could be implemented to reduce greenhouse gas
- 21 emissions from the state's power supply, while ensuring the

1 *reliability of the electricity grid, and the technical feasibility and*
2 *cost-effectiveness of those strategies.*

3 *(b) The purpose and intent of this act is to complement the*
4 *relevant state agencies' ongoing efforts and ensure that these*
5 *agencies coordinate, through a public process and in furtherance*
6 *of the state's greenhouse gas emission reduction goals, to develop*
7 *and deliver a complete and coherent set of recommendations to*
8 *the State Air Resources Board before the next scoping plan update*
9 *on technically feasible strategies that will achieve the required*
10 *reductions in emissions of greenhouse gases from the electricity*
11 *sector in a manner that is cost-effective and maintains reliability,*
12 *including those strategies that will be needed to integrate*
13 *increasing amounts of renewable energy into the electricity grid*
14 *while minimizing over-generation.*

15 **SECTION 1.**

16 *SEC. 2.* Section 38561.5 is added to the Health and Safety
17 Code, to read:

18 38561.5. (a) The Energy—~~Integration~~ *Sector Emissions*
19 *Reduction Advisory Council* is hereby established in state
20 government, and it shall consist of all of the following members:

21 (1) The chair of the State Energy Resources Conservation and
22 Development Commission, or his or her designee.

23 (2) The president of the Public Utilities Commission, or his or
24 her designee.

25 (3) The president of the California Independent System
26 Operator, or his or her designee.

27 (4) The chair of the State Water Resources Control Board, or
28 his or her designee.

29 (5) The chair of the state board, or his or her designee.

30 ~~(b) The council, as recommendations for inclusion in council~~
31 ~~shall recommend strategies for the electricity sector, other than~~
32 ~~and in addition to any market-based mechanisms established~~
33 ~~pursuant to subdivision (c) of Section 38562 or Section 38570, for~~
34 ~~incorporation into the scoping plan developed pursuant to Section~~
35 ~~38561, shall complete all of the following: 38561, based on the~~
36 ~~conclusions of all of the following analyses that the council shall~~
37 ~~complete:~~

38 (1) ~~Develop an~~ An analysis of the various
39 strategies necessary for the energy grid to integrate a 40-percent,
40 a 50-percent, and a greater than 50-percent standard as part of the

1 ~~California Renewables Portfolio Standard Program (Article 16~~
 2 ~~(commencing with Section 399.11) of Chapter 2.3 of Part 1 of~~
 3 ~~Division 1 of the Public Utilities Code) in order to that could be~~
 4 ~~implemented to reduce emissions of greenhouse gases from the~~
 5 ~~electricity sector and integrate increasing amounts of renewable~~
 6 ~~energy into the electricity grid, which evaluates and compares~~
 7 ~~these strategies based upon their technical feasibility,~~
 8 ~~cost-effectiveness, and the extent to which their implementation~~
 9 ~~would minimize and eliminate over-generation and the need for~~
 10 ~~curtailment, including, but not limited to, all of the following:~~
 11 ~~over-generation, maintain the reliability of the electricity grid,~~
 12 ~~and reduce emissions of greenhouse gases. The analysis shall~~
 13 ~~consider, at a minimum, all of the following strategies in light of~~
 14 ~~the criteria indicated in this paragraph:~~
 15 ~~(A) Increasing the volume of renewable energy generation by~~
 16 ~~the amounts required by state law or otherwise needed to achieve~~
 17 ~~the goals established pursuant to Section 38550.~~
 18 ~~(A)~~
 19 ~~(B) Deepening regional coordination in the—western~~
 20 ~~interconnection: Western Interconnection.~~
 21 ~~(B)~~
 22 ~~(C) Increasing energy—storage: storage, including~~
 23 ~~pumped-hydroelectric storage.~~
 24 ~~(C)~~
 25 ~~(D) Retrofitting existing baseload natural gas-fired electrical~~
 26 ~~generation facilities in order that they may perform as peaking~~
 27 ~~electrical generation facilities: to increase their operational~~
 28 ~~flexibility.~~
 29 ~~(D)~~
 30 ~~(E) Using renewable energy generation facilities as peaking~~
 31 ~~electrical generation facilities: to provide operational flexibility.~~
 32 ~~(E) Allowing for very low-carbon~~
 33 ~~(F) Deploying carbon capture and storage and other greenhouse~~
 34 ~~gas emissions reduction technology at existing fossil-fuel peaking~~
 35 ~~fuel-fired electrical generation facilities by deploying carbon~~
 36 ~~capture and storage facilities.~~
 37 ~~(F) Encouraging~~
 38 ~~(G) Increasing the role of demand response through both all of~~
 39 ~~the following:~~

- 1 (i) Transitioning to time-of-use pricing or real-time pricing, or
2 both, for residential buildings: all customer classes.
- 3 (ii) Increasing market integration of, and opportunities for,
4 supply-side demand response.
- 5 (ii)
- 6 (iii) Increasing customer access to real-time or near-real-time
7 energy usage data, and wholesale price data, enhancing the sharing
8 of these data with third parties, and enabling the market for
9 programmable devices that use these data.
- 10 (H) Increasing energy efficiency.
- 11 (I) Ensuring that adequate generating capacity remains
12 available to meet demand through measures such as multi-year
13 capacity or reliability payments.
- 14 (2) ~~Develop an~~ An economic assessment analysis using the best
15 available economic models and data of the various strategies
16 required to be analyzed pursuant to paragraph (1).
- 17 (3) ~~Develop an~~ An analysis of the benefits to the health, safety,
18 and welfare of state residents, worker safety, the state's
19 environment and quality of life, and any other benefits associated
20 with the various strategies required to be analyzed pursuant to
21 paragraph (1).
- 22 (c) The council shall first convene no later than February 1,
23 2016, and, at that time, develop a schedule in consultation with
24 the chair of the state board for delivery of the recommendations
25 and analyses required by subdivision (b) that shall ensure the
26 recommendations and analyses are delivered to the staff of the
27 state board early enough to be considered during development of
28 the next scoping plan update required by Section 38561. The
29 council's preliminary recommendations and analyses shall be
30 made available for public comment for no less than thirty days.
31 After considering comments received, the council shall finalize
32 and deliver the recommendations and analyses required by
33 subdivision (b) to the state board, at which time the council's duties
34 shall be completed, and the council shall cease to exist as of the
35 end of the following December 31.
- 36 (e)
- 37 (d) ~~The information developed~~ recommendations made and
38 analyses completed pursuant to subdivision (b) ~~is~~ are intended to
39 assist in ~~establishing state policy~~ updating the scoping plan
40 pursuant to Section 38561 and ~~does~~ to inform the regulations and

- 1 *approaches of the represented agencies and do not change any*
- 2 *statute, regulation, or regulatory decision.*

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