

AMENDED IN SENATE AUGUST 18, 2015

AMENDED IN SENATE JUNE 23, 2015

AMENDED IN ASSEMBLY JUNE 1, 2015

AMENDED IN ASSEMBLY APRIL 6, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

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**ASSEMBLY BILL**

**No. 33**

**Introduced by Assembly Member Quirk**

December 1, 2014

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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 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 and to update the scoping plan at least once every 5 years.

This bill would establish the Energy Sector Emissions Reduction Advisory Council in state government and would require the council to recommend strategies for the electricity sector for 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 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 to  
 11 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  
 14 (commencing with Section 38500) of the Health and Safety Code)  
 15 with developing and updating a scoping plan to achieve the state’s  
 16 greenhouse gas 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  
 22 reliability of the electricity grid, and the technical feasibility and  
 23 cost-effectiveness of those strategies.  
 24 (b) The purpose and intent of this act is to complement the  
 25 relevant state agencies’ ongoing efforts and ensure that these  
 26 agencies coordinate, through a public process and in furtherance  
 27 of the state’s greenhouse gas emission reduction goals, to develop

1 and deliver a complete and coherent set of recommendations to  
2 the State Air Resources Board before the next scoping plan update  
3 on technically feasible strategies that will achieve the required  
4 reductions in emissions of greenhouse gases from the electricity  
5 sector in a manner that is cost-effective and maintains reliability,  
6 including those strategies that will be needed to integrate increasing  
7 amounts of renewable energy into the electricity grid while  
8 minimizing over-generation.

9 SEC. 2. Section 38561.5 is added to the Health and Safety  
10 Code, to read:

11 38561.5. (a) The Energy Sector Emissions Reduction Advisory  
12 Council is hereby established in state government, and it shall  
13 consist of all of the following members:

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

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

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

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

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

23 (b) The council shall recommend strategies for the electricity  
24 sector, other than and in addition to any market-based mechanisms  
25 established pursuant to subdivision (c) of Section 38562 or Section  
26 38570, for incorporation into the scoping plan developed pursuant  
27 to Section 38561, based on the conclusions of all of the following  
28 analyses that the council shall complete:

29 (1) An analysis of the various  
30 strategies that could be implemented to reduce emissions of  
31 greenhouse gases from the electricity sector and integrate  
32 increasing amounts of renewable energy into the electricity grid,  
33 which evaluates and compares these strategies based upon their  
34 technical feasibility, cost-effectiveness, and the extent to which  
35 their implementation would minimize over-generation, maintain  
36 the reliability of the electricity grid, and reduce emissions of  
37 greenhouse gases. The analysis shall consider, at a minimum, all  
38 of the following strategies in light of the criteria indicated in this  
39 paragraph:

- 1 (A) Increasing the volume of renewable energy generation by  
2 the amounts required by state law or otherwise needed to achieve  
3 ~~the goals established pursuant to Section 38550. statewide~~  
4 ~~greenhouse gas emissions limits.~~
- 5 (B) Deepening regional coordination in the Western  
6 Interconnection.
- 7 (C) Increasing energy storage, including pumped-hydroelectric  
8 storage.
- 9 (D) Retrofitting existing natural gas-fired electrical generation  
10 facilities to increase their operational flexibility.
- 11 (E) Using renewable energy generation facilities to provide  
12 operational flexibility.
- 13 (F) Deploying carbon capture and storage and other greenhouse  
14 gas emissions reduction technology at existing fossil fuel-fired  
15 electrical generation facilities.
- 16 (G) Increasing the role of demand response through all of the  
17 following:
- 18 (i) Transitioning to time-of-use or real-time pricing, or both,  
19 for all customer classes.
- 20 (ii) Increasing market integration of, and opportunities for,  
21 supply-side demand response.
- 22 (iii) Increasing customer access to real-time or near-real-time  
23 energy usage and wholesale price data, enhancing the sharing of  
24 these data with third parties, and enabling the market for  
25 programmable devices that use these data.
- 26 (H) Increasing energy efficiency.
- 27 (I) Ensuring that adequate generating capacity remains available  
28 to meet demand through measures such as multi-year capacity or  
29 reliability payments.
- 30 (2) An economic analysis using the best available economic  
31 models and data of the various strategies required to be analyzed  
32 pursuant to paragraph (1).
- 33 (3) An analysis of the benefits to the health, safety, and welfare  
34 of state residents, worker safety, the state's environment and quality  
35 of life, and any other benefits associated with the various strategies  
36 required to be analyzed pursuant to paragraph (1).
- 37 (c) The council shall first convene no later than February 1,  
38 2016, and, at that time, develop a schedule in consultation with  
39 the chair of the state board for delivery of the recommendations  
40 and analyses required by subdivision (b) that shall ensure the

1 recommendations and analyses are delivered to the staff of the  
2 state board early enough to be considered during development of  
3 the next scoping plan update required by Section 38561. The  
4 council's preliminary recommendations and analyses shall be made  
5 available for public comment for no less than thirty days. After  
6 considering comments received, the council shall finalize and  
7 deliver the recommendations and analyses required by subdivision  
8 (b) to the state board, at which time the council's duties shall be  
9 completed, and the council shall cease to exist as of the end of the  
10 following December 31.

11 (d) The recommendations made and analyses completed  
12 pursuant to subdivision (b) are intended to assist in updating the  
13 scoping plan pursuant to Section 38561 and to inform the  
14 regulations and approaches of the represented agencies and do not  
15 change any statute, regulation, or regulatory decision.