

AMENDED IN SENATE SEPTEMBER 4, 2015

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

ASSEMBLY BILL

No. 33

Introduced by Assembly Member Quirk
(Coauthors: Assembly Members Chávez, Jones, and Weber)
(Coauthors: Senators Anderson and Hueso)

December 1, 2014

~~An act to add Section 38561.5 to the Health and Safety Code, relating to greenhouse gases.~~ *An act to add Section 454.53 to the Public Utilities Code, relating to electricity.*

LEGISLATIVE COUNSEL'S DIGEST

AB 33, as amended, Quirk. ~~California Global Warming Solutions Act of 2006: Energy Sector Emissions Reduction Advisory Council. Electrical corporations: procurement plans.~~

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, as defined. The Public Utilities Act requires the commission to review and adopt an overall procurement plan for each electrical corporation to meet electricity demand for its customers in accordance with specified elements, incentive mechanisms, and objectives. The act requires the commission to review and accept, modify, or reject each electrical

corporation's procurement plan and requires that each approved procurement plan accomplish specified objectives.

This bill would require the commission, as part of a new or existing proceeding, to determine what role large scale energy storage could play as part of the state's overall strategy for procuring a diverse portfolio of resources and to consider specified factors in making that determination.

~~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. Section 454.53 is added to the Public Utilities*
- 2 *Code, to read:*
- 3 *454.53. The commission shall, as part of a new or existing*
- 4 *proceeding, determine what role, if any, large scale energy storage*
- 5 *could play as part of the state's overall strategy for procuring a*
- 6 *diverse portfolio of resources and, in making that determination,*
- 7 *shall consider factors including, but not limited to,*

1 *cost-effectiveness, the projected value of renewable integration*
2 *services, and indirect greenhouse gas emissions reductions over*
3 *the anticipated life of the large scale energy storage resource.*

4 SECTION 1. (a) The Legislature finds and declares all of the
5 following:

6 (1) Several state agencies, boards, commissions, and other
7 entities possess expertise on how to reduce emissions of greenhouse
8 gases from the electricity sector, in furtherance of the state's mid-
9 and long-term greenhouse gas reduction goals:

10 (2) These agencies and entities have completed and are
11 performing analyses of the changes that will be needed in how
12 electricity is generated, delivered, and consumed throughout the
13 state, and the technologies and other strategies that can be used to
14 help achieve those goals:

15 (3) The State Air Resources Board is charged by the California
16 Global Warming Solutions Act of 2006 (Division 25.5
17 (commencing with Section 38500) of the Health and Safety Code)
18 with developing and updating a scoping plan to achieve the state's
19 greenhouse gas emission reduction goals:

20 (4) In developing the next scoping plan update, the State Air
21 Resources Board should consider the best information, modeling,
22 and analysis produced by the relevant state agencies on available
23 strategies that could be implemented to reduce greenhouse gas
24 emissions from the state's power supply, while ensuring the
25 reliability of the electricity grid, and the technical feasibility and
26 cost-effectiveness of those strategies:

27 (b) The purpose and intent of this act is to complement the
28 relevant state agencies' ongoing efforts and ensure that these
29 agencies coordinate, through a public process and in furtherance
30 of the state's greenhouse gas emission reduction goals, to develop
31 and deliver a complete and coherent set of recommendations to
32 the State Air Resources Board before the next scoping plan update
33 on technically feasible strategies that will achieve the required
34 reductions in emissions of greenhouse gases from the electricity
35 sector in a manner that is cost-effective and maintains reliability,
36 including those strategies that will be needed to integrate increasing
37 amounts of renewable energy into the electricity grid while
38 minimizing over-generation:

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

1 ~~38561.5. (a) The Energy Sector Emissions Reduction Advisory~~
2 ~~Council is hereby established in state government, and it shall~~
3 ~~consist of all of the following members:~~
4 ~~(1) The chair of the State Energy Resources Conservation and~~
5 ~~Development Commission, or his or her designee.~~
6 ~~(2) The president of the Public Utilities Commission, or his or~~
7 ~~her designee.~~
8 ~~(3) The president of the California Independent System~~
9 ~~Operator, or his or her designee.~~
10 ~~(4) The chair of the State Water Resources Control Board, or~~
11 ~~his or her designee.~~
12 ~~(5) The chair of the state board, or his or her designee.~~
13 ~~(b) The council shall recommend strategies for the electricity~~
14 ~~sector, other than and in addition to any market-based mechanisms~~
15 ~~established pursuant to subdivision (c) of Section 38562 or Section~~
16 ~~38570, for incorporation into the scoping plan developed pursuant~~
17 ~~to Section 38561, based on the conclusions of all of the following~~
18 ~~analyses that the council shall complete:~~
19 ~~(1) An analysis of the various~~
20 ~~strategies that could be implemented to reduce emissions of~~
21 ~~greenhouse gases from the electricity sector and integrate~~
22 ~~increasing amounts of renewable energy into the electricity grid,~~
23 ~~which evaluates and compares these strategies based upon their~~
24 ~~technical feasibility, cost-effectiveness, and the extent to which~~
25 ~~their implementation would minimize over-generation, maintain~~
26 ~~the reliability of the electricity grid, and reduce emissions of~~
27 ~~greenhouse gases. The analysis shall consider, at a minimum, all~~
28 ~~of the following strategies in light of the criteria indicated in this~~
29 ~~paragraph:~~
30 ~~(A) Increasing the volume of renewable energy generation by~~
31 ~~the amounts required by state law or otherwise needed to achieve~~
32 ~~statewide greenhouse gas emissions limits.~~
33 ~~(B) Deepening regional coordination in the Western~~
34 ~~Intereconnection.~~
35 ~~(C) Increasing energy storage, including pumped-hydroelectric~~
36 ~~storage.~~
37 ~~(D) Retrofitting existing natural gas-fired electrical generation~~
38 ~~facilities to increase their operational flexibility.~~
39 ~~(E) Using renewable energy generation facilities to provide~~
40 ~~operational flexibility.~~

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

- 1 ~~seoping plan pursuant to Section 38561 and to inform the~~
- 2 ~~regulations and approaches of the represented agencies and do not~~
- 3 ~~change any statute, regulation, or regulatory decision.~~

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