

AMENDED IN SENATE JUNE 8, 2016
AMENDED IN ASSEMBLY APRIL 29, 2015
AMENDED IN ASSEMBLY MARCH 26, 2015
CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 197

Introduced by Assembly Member Eduardo Garcia

January 28, 2015

An act to amend Sections 399.13 and 399.15 of, and to add Section 636 to, the Public Utilities Code, relating to public utilities. An act to add Article 7.6 (commencing with Section 9147.10) to Chapter 1.5 of Part 1 of Division 2 of Title 2 of the Government Code, and to amend Section 39510 of, and to add Sections 38562.5 and 38562.7 to, the Health and Safety Code, relating to air resources.

LEGISLATIVE COUNSEL'S DIGEST

AB 197, as amended, Eduardo Garcia. ~~Public utilities; renewable resources.~~ *State Air Resources Board: greenhouse gases.*

(1) Existing law establishes the State Air Resources Board consisting of 14 members and vests the state board with regulatory jurisdiction over air quality issues.

This bill would add 2 Members of the Legislature to the state board as ex-officio, nonvoting members. The bill would provide that the voting members of the state board are appointed for staggered 6-year terms. The bill would require the state board to establish the initial staggered terms. The bill would create the Joint Legislative Committee on Climate Change Policies consisting of 3 Members of the Senate and 3 Members of the Assembly and would require the committee to ascertain facts and make recommendations to the Legislature and to the houses of the

Legislature concerning the state's programs and policies related to climate change

(2) The California Global Warming Solutions Act of 2006 designates the state board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The act requires the board to adopt greenhouse gas emissions limits and emission reduction measures by regulation, and authorizes the state board to include the use of market-based compliance mechanisms to comply with the regulations.

This bill would require the state board to consider adopting measures to meet the greenhouse gas emissions limits based on a specified priority. The bill would require the state board to rank all greenhouse gas emissions reduction measures, as specified. The bill would require the state board to make available to the public all data related to the ranking and to provide annually a presentation of the ranking at one of its regular meeting.

(3) This bill would become operative only if SB 32 of the 2015–16 Regular Session is enacted and becomes effective on or before January 1, 2017.

~~(1) The Public Utilities Act requires the Public Utilities Commission (PUC), in consultation with the Independent System Operator, to establish resource adequacy requirements for all load-serving entities, including electrical corporations, in accordance with specified objectives. The act further requires each load-serving entity to maintain physical generating capacity adequate to meet its load requirements, including peak demand and planning and operating reserves, deliverable to locations and at times as may be necessary to provide reliable electric service.~~

~~The California Renewables Portfolio Standard (RPS) Program, requires a retail seller of electricity and local publicly owned electric utilities to purchase specified minimum quantities of electricity products from eligible renewable energy resources for specified compliance periods, sufficient to ensure that the procurement of electricity products from those resources achieves 25% of retail sales by December 31, 2016 and 33% of retail sales by December 31, 2020, and in all subsequent years. The RPS Program, consistent with the goals of procuring the least-cost and best-fit eligible renewable energy resources that meet project viability principles, requires that all retail sellers procure a balanced portfolio of electricity products from eligible renewable energy resources, as specified, referred to as the portfolio~~

~~content requirements. The RPS Program requires the PUC, by rulemaking, to adopt a process that provides criteria for the rank ordering and selection of the least-cost and best-fit eligible renewable energy resources taking into account specified factors and to require an electrical corporation, in soliciting and procuring eligible renewable energy resources, to take specified actions. The RPS Program authorizes an electrical corporation to refrain from entering into new contracts or constructing facilities beyond the quantity that can be procured within the cost limitation of the electrical corporation unless the eligible renewable energy resources can be procured without exceeding a de minimis increase in rates consistent with the electrical corporation's long-term procurement plan.~~

~~This bill would require the PUC, in adopting the process, to include consideration of any statewide greenhouse gas emissions limit established pursuant to the California Global Warming Solutions Act of 2006 and consideration of capacity and essential reliability services of the eligible renewable energy resource to ensure grid reliability. The bill would require the PUC to require a retail seller of electricity, in soliciting and procuring eligible renewable energy resources, to consider the best-fit attributes of resources types that ensure a balanced resource mix to maintain the reliability of the electrical grid. The bill would revise the authority of an electrical corporation to refrain from entering into new contracts or constructing facilities beyond the quantity that can be procured within the electrical corporation's cost limitation, as specified.~~

~~(2) The Public Utilities Act requires an electrical corporation or a local publicly owned electric utility, in a long-term plan or a procurement plan, respectively, to adopt a strategy applicable both to a newly constructed or repowered generation owned and procured by the electrical corporation or local publicly owned electric utility to achieve efficiency in the use of fossil fuels and to address carbon emissions.~~

~~This bill would require an electrical corporation or local publicly owned electric utility, in adopting a procurement plan, to consider any statewide greenhouse gas emissions limit established pursuant to the California Global Warming Solutions Act of 2006 and consider capacity and essential reliability services to ensure grid reliability.~~

~~(3) Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the Public Utilities Commission is a crime.~~

~~Because the provisions of this bill are within the act, a violation of the requirements would impose a state-mandated local program by expanding the definition of a crime.~~

~~(4) 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.~~

~~(5) This bill would become operative only if AB 645 of the 2015–16 Regular Session is enacted and becomes effective on or before January 1, 2016.~~

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. Article 7.6 (commencing with Section 9147.10)
2 is added to Chapter 1.5 of Part 1 of Division 2 of Title 2 of the
3 Government Code, to read:

4
5 Article 7.6. Joint Legislative Committee on Climate Change
6 Policies
7

8 9147.10. (a) The Joint Legislative Committee on Climate
9 Change Policies is hereby created. The committee shall ascertain
10 facts and make recommendations to the Legislature concerning
11 the state’s programs and policies related to climate change.

12 (b) The committee shall consist of three Members of the Senate
13 and three Members of the Assembly who shall be selected in the
14 manner provided for in the Joint Rules of the Senate and Assembly.
15 The committee shall elect its own chair. A vacancy occurring in
16 the membership of the committee shall be filled in the manner
17 provided for in the Joint Rules of the Senate and Assembly. A
18 vacancy is deemed to exist as to any member of the committee
19 whose term is expiring whenever the member is not reelected at
20 the general election.

21 SEC. 2. Section 38562.5 is added to the Health and Safety
22 Code, to read:

1 38562.5. *The state board shall consider adopting measures to*
2 *achieve the statewide greenhouse gas emissions limits adopted*
3 *pursuant to this division based on the following priority:*

4 (a) *Measures that result in direct reductions in the emissions*
5 *of greenhouse gases from large stationary sources, such as oil*
6 *refineries, and the transportation sector in the most technologically*
7 *feasible and cost effective manner possible that accounts for the*
8 *societal costs of the emissions of greenhouse gases.*

9 (b) *Measures that result in direct reductions in the emissions*
10 *of greenhouse gases from sources other than those specified in*
11 *subdivision (a) in the most technologically feasible and cost*
12 *effective manner possible that accounts for the societal costs of*
13 *the emissions of greenhouse gases.*

14 *SEC. 3. Section 38562.7 is added to the Health and Safety*
15 *Code, to read:*

16 38562.7. (a) *The state board shall rank all emission reduction*
17 *measures adopted pursuant to this part based on both of the*
18 *following:*

19 (1) *The reductions in the emissions of greenhouse gases, criteria*
20 *pollutants, and toxic air contaminants resulting from the*
21 *implementation of the measure.*

22 (2) *The cost-effectiveness of the measure.*

23 (b) *The state board shall make available to the public all data*
24 *related to its ranking pursuant to subdivision (a) and annually*
25 *provide a presentation on the ranking at a regular meeting of the*
26 *state board.*

27 *SEC. 4. Section 39510 of the Health and Safety Code is*
28 *amended to read:*

29 39510. (a) *The State Air Resources Board is continued in*
30 *existence in the California Environmental Protection Agency. The*
31 *state board shall consist of 14 voting members.*

32 (b) *Twelve members shall be appointed by the Governor, with*
33 *the consent of the Senate, on the basis of their demonstrated interest*
34 *and proven ability in the field of air pollution control and their*
35 *understanding of the needs of the general public in connection*
36 *with air pollution problems.*

37 (c) *Of the members appointed pursuant to subdivision (b), six*
38 *members shall have the following qualifications:*

39 (1) *One member shall have training and experience in*
40 *automotive engineering or closely related fields.*

1 (2) One member shall have training and experience in chemistry,
2 meteorology, or related scientific fields, including agriculture or
3 law.

4 (3) One member shall be a physician and surgeon or an authority
5 on health effects of air pollution.

6 (4) Two members shall be public members.

7 (5) One member shall have the qualifications specified in
8 paragraph (1), (2), or (3) or shall have experience in the field of
9 air pollution control.

10 (d) Of the members appointed pursuant to subdivision (b), six
11 members shall be board members from districts who shall reflect
12 the qualitative requirements of subdivision (c) to the extent
13 practicable. Of these members:

14 (1) One shall be a board member from the south coast district.

15 (2) One shall be a board member from the bay district.

16 (3) One shall be a board member from the San Joaquin Valley
17 Unified Air Pollution Control District.

18 (4) One shall be a board member from the San Diego County
19 Air Pollution Control District.

20 (5) One shall be a board member from the Sacramento district,
21 the Placer County Air Pollution Control District, the Yolo-Solano
22 Air Quality Management District, the Feather River Air Quality
23 Management District, or the El Dorado County Air Pollution
24 Control District.

25 (6) One shall be a board member of any other district.

26 (e) The Senate Committee on Rules and the Speaker of the
27 Assembly shall each appoint one member to the state board who
28 shall be a person who works directly with communities in the state
29 that are most significantly burdened by, and vulnerable to, high
30 levels of pollution, including, but not limited to, communities with
31 diverse racial and ethnic populations and communities with
32 low-income populations.

33 (f) Any vacancy shall be filled by the appointing authority within
34 30 days of the date on which it occurs. If the Governor fails to
35 make an appointment for any vacancy within the 30-day period,
36 the Senate Committee on Rules may make the appointment to fill
37 the vacancy in accordance with this section.

38 (g) While serving on the state board, all members shall exercise
39 their independent judgment as officers of the state on behalf of the
40 interests of the entire state in furthering the purposes of this

1 division. A member of the state board shall not be precluded from
2 voting or otherwise acting upon any matter solely because that
3 member has voted or acted upon the matter in his or her capacity
4 as a member of a district board, except that a member of the state
5 board who is also a member of a district board shall not participate
6 in any action regarding his or her district taken by the state board
7 pursuant to Sections 41503 to 41505, inclusive.

8 *(h) (1) Except for initial staggered terms that shall be*
9 *established by the state board, the term of office for the voting*
10 *members shall be six years.*

11 *(2) Notwithstanding paragraph (1), a person who is a member*
12 *of the state board pursuant to subdivision (d) shall not continue*
13 *as a member if he or she ceases to hold the membership that*
14 *qualifies that person to be appointed as a member of the state*
15 *board. The membership on the state board held by that person*
16 *shall terminate immediately upon ceasing to hold that qualifying*
17 *membership.*

18 *(i) In addition to subdivision (a), two Members of the Legislature*
19 *shall serve as ex-officio, nonvoting members of the state board.*
20 *One member shall be appointed by the Senate Committee on Rules.*
21 *One member shall be appointed by the Speaker of the Assembly.*

22 *SEC. 5. This act shall become operative only if Senate Bill 32*
23 *of the 2015–16 Regular Session is enacted and becomes effective*
24 *on or before January 1, 2017.*

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27 **All matter omitted in this version of the bill**
28 **appears in the bill as amended in the**
29 **Assembly, April 29, 2015. (JR11)**
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