

AMENDED IN ASSEMBLY APRIL 19, 2016

AMENDED IN ASSEMBLY MARCH 29, 2016

AMENDED IN ASSEMBLY MARCH 17, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2323**

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**Introduced by Assembly Member Ridley-Thomas**

February 18, 2016

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An act to add Section 740.13 to the Public Utilities Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 2323, as amended, Ridley-Thomas. Electricity: rates: low-carbon fuel production facilities.

Under existing law, the Public Utilities Commission (PUC) has regulatory authority over public utilities, including electrical corporations. Existing law authorizes the PUC to fix the rates and charges for every public utility, and requires that those rates and charges be just and reasonable. Existing law, with certain exceptions, prohibits a public utility from changing any rate, except upon a showing before the PUC and a finding by the PUC that the new rate is justified.

Existing law, enacted as part of the Clean Energy and Pollution Reduction Act of 2015, requires the PUC, in consultation with the State Energy Resources Conservation and Development Commission (*Energy Commission*) and the State Air Resources Board, to direct electrical corporations to file applications for programs and investments to accelerate widespread transportation electrification to reduce dependence on petroleum, meet air quality standards, achieve the goals set forth in the Charge Ahead California Initiative, and reduce emissions of

greenhouse gases to 40% below 1990 levels by 2030 and to 80% below 1990 levels by 2050. That law requires that the programs proposed by electrical corporations seek to minimize overall costs and maximize overall benefits. The PUC is required to approve, or modify and approve, programs and investments in transportation electrification, including those that deploy charging infrastructure, through a reasonable cost recovery mechanism, if they are consistent with the above-described purposes, do not unfairly compete with nonutility enterprises, include performance accountability measures, and are in the interests of ratepayers, as specified.

This bill would require an electrical corporation that offers time-of-use rates, critical peak pricing, real-time pricing, or peak time rebates for the charging of electric vehicles, as part of a program to encourage transportation electrification, to offer similar rates to low-carbon transportation fuel production facilities and public and private fueling stations dedicated to providing low-carbon fuels for transportation purposes. *The bill would require the PUC, in consultation with the state board and the Energy Commission, to establish performance accountability measures for production facilities that elect to use the rates established pursuant to the bill’s requirements and would require the PUC to ensure that those rates are in the interests of ratepayers.*

Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the ~~commission~~ PUC is a crime.

Because the provisions of this bill are within the act, and because a violation of an order of the commission under these provisions would be a crime, 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.

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

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

- 1 SECTION 1. Section 740.13 is added to the Public Utilities
- 2 Code, to read:

1 740.13. (a) An electrical corporation that offers time-of-use  
2 rates, critical peak pricing, real-time pricing, or peak time rebates  
3 for the charging of electric vehicles, as part of a program to  
4 encourage transportation electrification, shall offer similar rates  
5 to low-carbon transportation fuel production facilities and public  
6 and private fueling stations dedicated to providing low-carbon  
7 fuels for transportation purposes. Nothing in this section requires  
8 an electrical corporation to offer time-of-use rates, critical peak  
9 pricing, real-time pricing, or peak time rebates to low-carbon  
10 transportation fuel production facilities or low-carbon  
11 transportation fueling stations that do not offer special electric  
12 service rates designed to encourage the use of electric vehicles.  
13 For purposes of this section, “low-carbon transportation fuel”  
14 means a liquid or gaseous transportation fuel that meets the  
15 low-carbon fuel standard regulation (Subarticle 7 (commencing  
16 with Section 95480) of Article 4 of Subchapter 10 of Chapter 1 of  
17 Division 3 of Title 17 of the California Code of Regulations)  
18 requirements for reduced carbon intensity compared to the closest  
19 comparable petroleum fuel.

20 (b) *The commission, in consultation with the State Air Resources*  
21 *Board and the Energy Commission, shall establish performance*  
22 *accountability measures for production facilities that elect to use*  
23 *the rates established pursuant to this section.*

24 (c) *The commission shall ensure that the rates established*  
25 *pursuant to this section are in the interests of ratepayers as defined*  
26 *in Section 740.8.*

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