

AMENDED IN SENATE APRIL 6, 2015

SENATE BILL

No. 539

Introduced by Senator Hueso

February 26, 2015

An act to add *and repeal* Section ~~399.35~~ to 25401.1 of the *Public Resources Code*, and to amend Section 782 of the *Public Utilities Code*, relating to renewable energy resources.

LEGISLATIVE COUNSEL'S DIGEST

SB 539, as amended, Hueso. ~~California Renewables Portfolio Standard Program.~~ *Renewable energy resources: geothermal.*

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations. The Public Utilities Act authorizes the Public Utilities Commission, upon a complaint by a geothermal energy producer, to prohibit any electrical corporation from curtailing the generation, production, or transmission of electricity from a geothermal powerplant operated by the corporation, if the commission deems that the curtailment is not in the public interest.

This bill would require the Public Utilities Commission, upon a complaint by a geothermal energy producer, to prohibit any electrical corporation from curtailing the generation, production, or transmission of electricity from a geothermal powerplant operated by the corporation, if the commission determines that the curtailment is not in the public interest, as specified.

The existing Warren-Alquist State Energy Resources Conservation and Development Act establishes the State Energy Resources Conservation and Development Commission. Existing law requires the State Energy Resources Conservation and Development Commission to continuously carry out studies, research projects, data collection,

and other activities required to assess the nature, extent, and distribution of energy resources to meet the needs of the state, including, but not limited to, fossil fuels and solar, nuclear, and geothermal energy resources.

This bill would require the State Energy Resources Conservation and Development Commission, in consultation with the Public Utilities Commission and the Independent System Operator, to study barriers to developing new baseload in-state renewable electrical generation facilities, as defined, including geothermal electrical generating facilities, and barriers to maintaining existing contracts with baseload in-state renewable electrical generation facilities, and potential solutions to those barriers, including how to level the playing field for those baseload in-state renewable electrical generation facilities. The bill would require the State Energy Resources Conservation and Development Commission to report the results of the study and recommendations to the Legislature by January 1, 2017.

~~The California Renewables Portfolio Standard Program requires the Public Utilities Commission to establish a renewables portfolio standard requiring all retail sellers, as defined, to procure a minimum quantity of electricity products from eligible renewable energy resources during specified compliance periods. The program additionally requires each local publicly owned electric utility, as defined, to procure a minimum quantity of electricity products from eligible renewable energy resources to achieve the targets established by the program.~~

~~This bill would state the intent of the Legislature to enact legislation to amend the program.~~

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

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

- 1 SECTION 1. Section 25401.1 is added to the Public Resources
- 2 Code, to read:
- 3 25401.1. (a) The commission, in consultation with the Public
- 4 Utilities Commission and the Independent System Operator, shall
- 5 conduct a study to examine both of the following:
- 6 (1) The barriers to developing new baseload in-state renewable
- 7 electrical generation facilities, as defined in Section 25741,
- 8 including geothermal electrical generating facilities, and

1 *maintaining existing contracts with baseload in-state renewable*
2 *electrical generation facilities.*

3 *(2) Potential solutions to those barriers, including how to level*
4 *the playing field for those baseload in-state renewable electrical*
5 *generation facilities.*

6 *(b) The commission shall report the results of the study and*
7 *recommendations to the Legislature by January 1, 2017.*

8 *(c) (1) A report to be submitted pursuant to subdivision (b)*
9 *shall be submitted in compliance with Section 9795 of the*
10 *Government Code.*

11 *(2) Pursuant to Section 10231.5 of the Government Code, this*
12 *section is repealed on January 1, 2021.*

13 *SEC. 2. Section 782 of the Public Utilities Code is amended*
14 *to read:*

15 *782. In order to encourage the development of geothermal*
16 *resources in the State of California, the commission ~~may~~, shall,*
17 *upon a complaint by a geothermal energy producer, prohibit any*
18 *electrical corporation from curtailing the generation, production,*
19 *or transmission of electricity from a geothermal powerplant*
20 *operated by ~~such~~ the corporation, if the commission ~~deems that~~*
21 *~~such~~ determines that the curtailment is not in the public interest.*
22 *For purposes of this section, “public interest” includes, but is not*
23 *limited to, all of the following:*

24 *(a) Loss of economic output, including jobs and tax revenue.*

25 *(b) An increase in emissions of carbon dioxide and other*
26 *greenhouse gases.*

27 *(c) The loss of production or potential production of lithium*
28 *and other strategic metals.*

29 ~~SECTION 1. Section 399.35 is added to the Public Utilities~~
30 ~~Code, to read:~~

31 ~~399.35. It is the intent of the Legislature to enact legislation to~~
32 ~~amend the California Renewables Portfolio Standard Program.~~