

AMENDED IN SENATE APRIL 25, 2016

**SENATE BILL**

**No. 888**

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**Introduced by Senator Allen**  
**(Coauthors: Senators De León and Pavley)**  
(Coauthor: Assembly Member Wilk)

January 20, 2016

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An act to add Section 8585.01 to the Government Code, and to add Section 972 to the Public Utilities Code, relating to gas corporations.

LEGISLATIVE COUNSEL'S DIGEST

SB 888, as amended, Allen. Gas corporations: emergency management.

(1) Existing law creates, within the office of the Governor, the Office of Emergency Services which, under the Director of Emergency Services, coordinates disaster response, emergency planning, emergency preparedness, disaster recovery, disaster mitigation, and homeland security activities.

This bill would establish the Office of Emergency Services as the lead agency for emergency response to a leak of natural gas from a natural gas storage facility. The bill would require the Office of Emergency Services to coordinate among other state agencies the emergency response, public health and environmental assessment, monitoring, and long-term management and control of the leak.

(2) Under existing law, the Public Utilities Commission has regulatory authority over ~~public utilities~~, *utilities, including gas corporations*, as defined. The Public Utilities Act requires the commission to investigate the cause of all accidents occurring upon the property of any public utility, or directly or indirectly arising from or connected with its maintenance or operation, resulting in loss of life or

injury to person or property and requiring, in the judgment of the commission, investigation by it, and authorizes the commission to make any order or recommendation with respect to the investigation that it determines to be just and reasonable. The act provides that any public utility that violates any provision of the California Constitution or the act, or that fails or neglects to comply with any order, decision, decree, rule, direction, demand, or requirement of the commission, where a penalty has not otherwise been provided, is subject to a penalty of not less than \$500 and not more than \$50,000 for each offense. Existing law requires that any fine or penalty imposed by the commission and collected from a public utility be paid to the State Treasury to the credit of the General Fund.

This bill would require the commission to deposit moneys from penalties assessed against a gas corporation in regards to a gas storage facility leak into the Gas Storage Facility Leak Mitigation Account, which the bill would establish in the State Treasury. The bill would provide that moneys in this account shall be expended, upon appropriation by the Legislature, solely for direct emissions reductions in furtherance of the achievement of the greenhouse gas emissions limit, as specified. ~~The bill would prohibit a gas corporation from recovering any moneys paid for fines, penalties, or damages to residents, businesses, and other parties adversely affected by a gas storage facility leak in any rate approved by the commission, and would require that those costs and expenses be paid for by the gas corporation and its shareholders. Because this provision of this bill would be a part of the act and because a violation of an order or decision of the commission implementing its requirements would be a crime, the bill would impose a state-mandated local program by creating a new crime.~~

~~(3) 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~~-no.

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

- 1 SECTION 1. Section 8585.01 is added to the Government
- 2 Code, to read:

1 8585.01. The Office of Emergency Services shall be the lead  
2 agency for emergency response to a leak of natural gas from a  
3 natural gas storage facility. The Office of Emergency Services  
4 shall coordinate among other state agencies the emergency  
5 response, public health and environmental assessment, monitoring,  
6 and long-term management and control of the leak.

7 SEC. 2. Section 972 is added to the Public Utilities Code, to  
8 read:

9 972. (a) The commission shall deposit any penalties assessed  
10 against a gas corporation pursuant to this chapter in regards to a  
11 gas storage facility leak into the Gas Storage Facility Leak  
12 Mitigation Account, which is hereby established in the State  
13 Treasury.

14 (b) Moneys in the account shall be expended, upon appropriation  
15 by the Legislature, subject to both of the following conditions:

16 (1) Moneys shall be expended solely for direct emissions  
17 reductions in furtherance of the achievement of the greenhouse  
18 gas emissions limit established pursuant to Part 3 (commencing  
19 with Section 38550) of Division 25.5 the Health and Safety Code.  
20 Moneys shall not be used for the purchase of allowances or offsets  
21 otherwise authorized pursuant to Division 25.5 (commencing with  
22 Section 38500) of the Health and Safety Code.

23 (2) Moneys from penalties assessed for a gas storage facility  
24 leak shall be expended in a manner that, at a minimum, achieves  
25 a reduction in greenhouse gases that exceeds the amount of those  
26 gases emitted by that leak.

27 ~~(c) A gas corporation shall not recover any moneys paid for~~  
28 ~~finances, penalties, or damages to residents, businesses, and other~~  
29 ~~parties adversely affected by a gas storage facility leak in any rate~~  
30 ~~approved by the commission. Those costs and expenses shall be~~  
31 ~~paid for by the gas corporation and its shareholders.~~

32 ~~SEC. 3. No reimbursement is required by this act pursuant to~~  
33 ~~Section 6 of Article XIII B of the California Constitution because~~  
34 ~~the only costs that may be incurred by a local agency or school~~  
35 ~~district will be incurred because this act creates a new crime or~~  
36 ~~infraction, eliminates a crime or infraction, or changes the penalty~~  
37 ~~for a crime or infraction, within the meaning of Section 17556 of~~  
38 ~~the Government Code, or changes the definition of a crime within~~

- 1 ~~the meaning of Section 6 of Article XIII B of the California~~
- 2 ~~Constitution.~~

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