

AMENDED IN SENATE MAY 11, 2016

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 *significant* leak of natural gas from a natural gas storage facility. The bill would require the Office of Emergency Services to coordinate among other state *and local* 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, 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 require the State Air Resources Board to determine the amount of gases emitted by a leak for these purposes.*

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 8585.01 is added to the Government  
2 Code, to read:  
3 8585.01. The Office of Emergency Services shall be the lead  
4 agency for emergency response to a *significant* leak of natural gas  
5 from a natural gas storage facility. The Office of Emergency  
6 Services shall coordinate among other state *and local* agencies the  
7 emergency response, public health and environmental assessment,  
8 monitoring, and long-term management and control of the leak.  
9 SEC. 2. Section 972 is added to the Public Utilities Code, to  
10 read:  
11 972. (a) The commission shall deposit any penalties assessed  
12 against a gas corporation pursuant to this ~~chapter~~ *part* in regards  
13 to a gas storage facility leak into the Gas Storage Facility Leak

1 Mitigation Account, which is hereby established in the State  
2 Treasury.

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

5 (1) Moneys shall be expended solely for direct emissions  
6 reductions in furtherance of the achievement of the greenhouse  
7 gas emissions limit established pursuant to Part 3 (commencing  
8 with Section 38550) of Division 25.5 the Health and Safety Code.  
9 Moneys shall not be used for the purchase of allowances or offsets  
10 otherwise authorized pursuant to Division 25.5 (commencing with  
11 Section 38500) of the Health and Safety Code.

12 (2) Moneys from penalties assessed for a gas storage facility  
13 leak shall be expended in a manner that, at a minimum, achieves  
14 a reduction in greenhouse gases that ~~exceeds~~ *equals* the amount  
15 of those gases emitted by that ~~leak~~ *leak, as determined by the State*  
16 *Air Resources Board.*