

Introduced by Senator Cannella

February 18, 2016

An act to add Section 784.5 to the Public Utilities Code, relating to biomethane.

LEGISLATIVE COUNSEL'S DIGEST

SB 1153, as introduced, Cannella. Energy: gas: biomethane: California Renewable Natural Gas Act.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including gas corporations. Existing law authorizes the commission to fix the rates and charges for every public utility and requires that those rates and charges be just and reasonable. The California Renewables Portfolio Standard Program requires the commission to adopt policies and programs that promote the in-state production and distribution of biomethane.

This bill would additionally require the commission to consider and adopt policies to increase the production and availability of in-state pipeline biomethane significantly. The bill would require the commission to adopt a biomethane feed-in tariff program and to open a proceeding to consider making recoverable as part of the rate base gas corporation capital investments that facilitate pipeline biomethane development and injection at in-state projects.

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

Because the provisions of this bill would be a part of the act and a violation of an order or decision of the commission implementing its requirements would be a crime, this bill would impose a state-mandated local program by creating a new crime.

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. This act shall be known and may be cited as the
2 California Renewable Natural Gas Act.

3 SEC. 2. Section 784.5 is added to the Public Utilities Code, to
4 read:

5 784.5. In order to meet the state's climate change, low-carbon
6 fuel, and renewable energy goals, the commission shall consider
7 and adopt policies to increase the production and availability of
8 in-state pipeline biomethane significantly, and shall do both of the
9 following:

10 (a) Adopt a biomethane feed-in tariff program requiring the
11 state's gas corporations to procure, through long-term contracts,
12 a specified amount of biomethane that is produced by in-state
13 projects. In determining this amount, the commission shall
14 consider, among other issues, all of the following:

15 (1) The availability of cost-effective in-state biomethane
16 production opportunities.

17 (2) The economic impacts on ratepayers.

18 (3) Existing market conditions, including demand in the
19 distributed, renewable energy, and low-carbon transportation fuel
20 sectors.

21 (b) Open a proceeding to consider making recoverable as part
22 of the rate base gas corporation capital investments that facilitate
23 pipeline biomethane development and injection at in-state projects.
24 The proceeding shall identify and consider all of the following:

25 (1) Obstacles to pipeline biomethane injection projects.

26 (2) Costs and benefits to gas corporation ratepayers.

27 (3) Benefits of meeting the state's renewable energy, greenhouse
28 gas reduction, and petroleum use reduction goals.

29 SEC. 3. No reimbursement is required by this act pursuant to
30 Section 6 of Article XIII B of the California Constitution because

1 the only costs that may be incurred by a local agency or school
2 district will be incurred because this act creates a new crime or
3 infraction, eliminates a crime or infraction, or changes the penalty
4 for a crime or infraction, within the meaning of Section 17556 of
5 the Government Code, or changes the definition of a crime within
6 the meaning of Section 6 of Article XIII B of the California
7 Constitution.

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