

ASSEMBLY BILL

No. 2495

Introduced by Assembly Member Galgiani

February 19, 2010

An act to amend Section 334 of the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

AB 2495, as introduced, Galgiani. Electrical restructuring.

The existing restructuring of the electrical industry within the Public Utilities Act declares that reliable electric service is of paramount importance to the safety, health, and comfort of the people of California and that the Legislature has an interest in ensuring that the transfer of responsibility for ensuring short- and long-term reliability for the operation of the transmission grid does not expose California citizens to undue economic risk.

This bill would make a technical, nonsubstantive change to that declaration.

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

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

- 1 SECTION 1. Section 334 of the Public Utilities Code is
- 2 amended to read:
- 3 334. The Legislature finds and declares that in order to ensure
- 4 the success of electric industry restructuring, in the transition to a
- 5 new market structure it is important to ensure a reliable supply of
- 6 electricity. Reliable electric service is of paramount importance

1 to the safety, health, and comfort of the ~~people~~ *citizens* of
2 California. Transmission connections between electric utilities
3 allow them to share generation resources and reduce the number
4 of powerplants necessary to maintain a reliable system. The
5 connections between utilities also create exposure to events that
6 can cause widespread and extended transmission and service
7 outages that reach far beyond the originating utility service area.
8 California utilities and those in the western United States
9 voluntarily adhere to reliability standards developed by the Western
10 Electricity Coordinating Council. The economic cost of extended
11 electricity outages, such as those that occurred in California and
12 throughout the Western Electricity Coordinating Council on July
13 2, 1996, and August 10, 1996, to California's residential,
14 commercial, agricultural, and industrial customers is significant.
15 The proposed restructuring of the electricity industry would transfer
16 responsibility for ensuring *both* short- and long-term reliability
17 away from electric utilities and regulatory bodies to the
18 Independent System Operator and various market-based
19 mechanisms. The Legislature has an interest in ensuring that the
20 change in the locus of responsibility for reliability does not expose
21 California citizens to undue economic risk in connection with
22 system reliability.