

AMENDED IN SENATE APRIL 29, 2009

SENATE BILL

No. 655

Introduced by Senator Padilla

February 27, 2009

An act to amend ~~Section 345.5~~ *Sections 345.5 and 348* of the Public Utilities Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

SB 655, as amended, Padilla. Independent System Operator: ~~California Renewables Portfolio Standard Program: greenhouse gas emissions: transmission facilities.~~

~~Existing law~~

(1) The Public Utilities Act requires the Independent System Operator, a nonprofit public benefit corporation created pursuant to law, to ensure efficient use and reliable operation of the state's electricity transmission grid. The operator is required to manage the transmission grid and related energy markets in a manner consistent with applicable state laws intended to protect the public's health and the environment.

This bill would require the Independent System Operator to support and assist in implementing the California Renewables Portfolio Standard Program and greenhouse gas emission reduction laws and regulations.

(2) The act also requires the operator to adopt various standards for the transmission facilities under its control.

This bill would additionally require the operator to adopt security standards for those facilities by July 1, 2010.

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. The Legislature finds and declares the following:*

2 *(a) The deployment of smart grid technology creates additional*
3 *opportunities for unauthorized persons or entities to impact the*
4 *transmission grid.*

5 *(b) Because uninterrupted and reliable electric service is a*
6 *matter of public health and safety, and is necessary for the conduct*
7 *of commerce, it is the intent of the Legislature that the Independent*
8 *System Operator take all necessary steps to ensure that the*
9 *transmission grid is secure from intrusion by unauthorized persons*
10 *or entities.*

11 ~~SECTION 1.~~

12 *SEC. 2. Section 345.5 of the Public Utilities Code is amended*
13 *to read:*

14 345.5. (a) The Independent System Operator, as a nonprofit,
15 public benefit corporation, shall conduct its operations consistent
16 with applicable state and federal laws and consistent with the
17 interests of the people of the state.

18 ~~(b) The~~ *To ensure the reliability of electric service and the*
19 *health and safety of the public, the Independent System Operator*
20 *shall manage the transmission grid and related energy markets in*
21 *a manner that is consistent with all of the following:*

22 ~~(1) Ensuring the reliability of electric service and the health and~~
23 ~~safety of the public.~~

24 ~~(2)~~

25 (1) Making the most efficient use of available energy resources.
26 For purposes of this section, “available energy resources” include
27 energy, capacity, ancillary services, and demand bid into markets
28 administered by the Independent System Operator. “Available
29 energy resources” do not include a schedule submitted to the
30 Independent System Operator by an electrical corporation or a
31 local publicly owned electric utility to meet its own customer load.

32 ~~(3)~~

33 (2) Reducing, to the extent possible, overall economic cost to
34 the state’s consumers.

35 ~~(4)~~

36 (3) Supporting and assisting in implementation and compliance
37 with the California Renewables Portfolio Standard Program
38 (Article 16 (commencing with Section 399.11)).

1 ~~(5)~~

2 (4) Supporting and assisting in implementation and compliance
3 with greenhouse gas emission reduction laws and regulations,
4 including, but not limited to, the California Global Warming
5 Solutions Act of 2006 (Division 25.5 (commencing with Section
6 38500) of the Health and Safety Code).

7 ~~(6)~~

8 (5) Maximizing availability of existing electric generation
9 resources necessary to meet the needs of the state's electricity
10 consumers.

11 (c) The Independent System Operator shall do all of the
12 following:

13 (1) Consult and coordinate with appropriate state and local
14 agencies to ensure that the Independent System Operator operates
15 in furtherance of state law regarding consumer and environmental
16 protection.

17 (2) Ensure that the purposes and functions of the Independent
18 System Operator are consistent with the purposes and functions
19 of nonprofit, public benefit corporations in the state, including
20 duties of care and conflict-of-interest standards for officers and
21 directors of a corporation.

22 (3) Maintain open meeting standards and meeting notice
23 requirements consistent with the general policies of the
24 Bagley-Keene Open Meetings Act (Article 9 (commencing with
25 Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of
26 the Government Code) and affording the public the greatest
27 possible access, consistent with other duties of the corporation.
28 The Independent System Operator's Open Meeting Policy, as
29 adopted on April 23, 1998, and in effect as of May 1, 2002, meets
30 the requirements of this paragraph. The Independent System
31 Operator shall maintain a policy that is no less consistent with the
32 Bagley-Keene Open Meetings Act than its policy in effect as of
33 May 1, 2002.

34 (4) Provide public access to corporate records consistent with
35 the general policies of the California Public Records Act (Chapter
36 3.5 (commencing with Section 6250) of Division 7 of Title 1 of
37 the Government Code) and affording the public the greatest
38 possible access, consistent with the other duties of the corporation.
39 The Independent System Operator's Information Availability
40 Policy, as adopted on October 22, 1998, and in effect as of May

1 1, 2002, meets the requirements of this paragraph. The Independent
2 System Operator shall maintain a policy that is no less consistent
3 with the California Public Records Act than its policy in effect as
4 of May 1, 2002.

5 *SEC. 3. Section 348 of the Public Utilities Code is amended*
6 *to read:*

7 348. (a) (1) The Independent System Operator shall adopt
8 inspection, maintenance, repair, and replacement standards for the
9 transmission facilities under its control no later than September
10 30, 1997. *The Independent System Operator shall adopt security*
11 *standards for the transmission facilities under its control on or*
12 *before July 1, 2010.* ~~The~~

13 (2) The standards, which shall be performance or prescriptive
14 standards, or both, as appropriate, for each substantial type of
15 transmission equipment or facility, shall provide for high quality,
16 safe, and reliable service. ~~In~~

17 (b) In adopting its standards, the Independent System Operator
18 shall consider: cost, local geography and weather, applicable codes,
19 national electric industry practices, sound engineering judgment,
20 and experience. ~~The~~

21 (c) The Independent System Operator shall also adopt standards
22 for reliability, and safety during periods of emergency and disaster.
23 ~~The~~

24 (d) The Independent System Operator shall report to the
25 Oversight Board, at such times as the Oversight Board may specify,
26 on the development and implementation of the standards in relation
27 to facilities under the operational control of the Independent System
28 Operator. ~~The~~

29 (e) The Independent System Operator shall require each
30 transmission facility owner or operator to report annually on its
31 compliance with the standards. That report shall be made available
32 to the public.