

AMENDED IN SENATE JULY 3, 2001  
AMENDED IN ASSEMBLY MAY 14, 2001  
AMENDED IN ASSEMBLY MAY 1, 2001

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1031**

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**Introduced by Assembly Member Canciamilla**

February 23, 2001

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~~An act to add Section 776 to the Public Utilities Code, relating to An act to amend Section 25310 of the Public Resources Code, relating to public utilities.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 1031, as amended, Canciamilla. Natural gas supplies.

*Existing law requires the State Energy Resources and Conservation Commission to publish and submit to the Governor and the Legislature, every 2 years, a comprehensive report describing emerging trends relating to the use, availability, and pricing of various fuels, including natural gas.*

*This bill would require the report to include, with respect to long range forecasts of the demand for natural gas, an evaluation of average conditions, as well as best and worst case scenarios, and an evaluation of the impact of increasing renewable resources on natural gas demand.*

~~Existing law establishes the Public Utilities Commission and authorizes the commission to supervise and regulate every public utility in the state, including every gas corporation, that provides a service or a commodity to the public.~~

~~This bill would require the commission to report to the Legislature by January 1, 2004, and every 2 years thereafter, the 10-year forecast of the demand for natural gas in the state. The bill would require that forecast to analyze long-term trends in natural gas demand in the state, to evaluate a wide variety of natural gas demand scenarios, including, but not limited to, average conditions, and best and worst-case scenarios, and to evaluate the impact of increasing renewable resources on natural gas demand.~~

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. (a) The Legislature finds and declares all of the  
2 following:

3 (1) Past predictions by the Public Utilities Commission  
4 regarding demand levels for natural gas in the state have  
5 underestimated the actual demand.

6 (2) The incorrect estimates of the actual demand for natural gas  
7 may have led to a failure to adequately plan for peak demands in  
8 the state, by assuring that the existing natural gas infrastructure in  
9 the state could meet those peak demands.

10 (3) The incorrect estimates may lead to higher natural gas  
11 prices, as infrastructure limitations may lead to an imbalance  
12 between the demand and supply of natural gas.

13 (b) It is the intent of the Legislature in enacting this act to do  
14 both of the following:

15 (1) Promote more reliable projections of the demand for  
16 natural gas in the state.

17 (2) Encourage any agency in the state that forecasts natural gas  
18 demand in the future to make those projections based on a wide  
19 variety of potential scenarios and conditions in the state.

20 ~~SEC. 2. Section 776 is added to the Public Utilities Code, to~~  
21 ~~read:~~

22 ~~776. By January 1, 2004, and every two years thereafter, the~~  
23 ~~commission shall report to the Legislature the 10-year forecast of~~  
24 ~~the demand for natural gas in the state. The forecast shall do both~~  
25 ~~of the following:~~

26 ~~(a) Analyze long-term trends in natural gas demand in the state.~~

1 ~~(b) Evaluate a wide variety of natural gas demand scenarios,~~  
2 ~~including, but not limited to, average conditions, and best and~~  
3 ~~worst case scenarios.~~

4 ~~(c) Evaluate the impact of increasing renewable resources on~~  
5 ~~natural gas demand.~~

6 SEC. 2. *Section 25310 of the Public Resources Code is*  
7 *amended to read:*

8 25310. (a) Commencing November 1, 1985, and every two  
9 years thereafter, the commission shall publish and submit to the  
10 Governor and the Legislature a comprehensive report describing  
11 emerging trends relating to the use, availability, and pricing of  
12 petroleum and petroleum products, natural gas, coal, synthetic and  
13 other fuels, and investments in production and refining, and  
14 potential alternate fuel technologies. The commission shall  
15 include in its report long range forecasts of the anticipated supply  
16 and price of these fuels, and the demand for these fuels in the  
17 residential, commercial, and industrial sectors, and for electrical  
18 generation and transportation. The report shall assess the risk of  
19 fuel supply disruption, price shocks, or other events, and shall  
20 assess the consequences of these events on the availability and  
21 price of fuels and the effects on the state's economy. *With respect*  
22 *to long range forecasts of the demand for natural gas, the report*  
23 *shall include an evaluation of average conditions, as well as best*  
24 *and worst case scenarios, and an evaluation of the impact of*  
25 *increasing renewable resources on natural gas demand.* The  
26 report shall also recommend needed changes in the state's energy  
27 shortage contingency plans, and include specific  
28 recommendations for legislative or administrative actions to  
29 increase production and productivity, improve the efficiency of  
30 fuel use, increase conservation, and any other actions needed to  
31 maintain sufficient, secure, and affordable fuel supplies for the  
32 state. Nothing in this section expands or diminishes the authority  
33 contained in Section 25216.

34 (b) Not less than 60 days prior to publication of the report  
35 required by subdivision (a), the commission shall submit a draft  
36 copy of the report to the Public Utilities Commission. Not more  
37 than 45 days after receiving a copy of the draft report, the Public  
38 Utilities Commission shall submit written comments to the  
39 commission on any analysis, findings, or recommendations which  
40 pertain to the Public Utilities Commission's constitutional,

1 statutory, and other responsibilities. Each final report published  
2 and submitted to the Legislature and the Governor pursuant to  
3 subdivision (a) shall contain a summary of any written comments  
4 adopted and submitted to the commission by the Public Utilities  
5 Commission.

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