

Assembly Bill No. 1031

CHAPTER 337

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

[Approved by Governor September 24, 2001. Filed with Secretary of State September 25, 2001.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1031, 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.

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

SECTION 1. (a) The Legislature finds and declares all of the following:

(1) Past predictions regarding demand levels for natural gas in the state have underestimated the actual demand.

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

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

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

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

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

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

25310. (a) Commencing November 1, 1985, and every two years thereafter, the commission shall publish and submit to the Governor and the Legislature a comprehensive report describing emerging trends relating to the use, availability, and pricing of petroleum and petroleum products, natural gas, coal, synthetic and other fuels, and investments in production and refining, and potential alternate fuel technologies. The commission shall include in its report long range forecasts of the anticipated supply and price of these fuels, and the demand for these fuels in the residential, commercial, and industrial sectors, and for electrical generation and transportation. The report shall assess the risk of fuel supply disruption, price shocks, or other events, and shall assess the consequences of these events on the availability and price of fuels and their effects on the state's economy. With respect to long range forecasts of the demand for natural gas, the report shall include 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. The report shall also recommend needed changes in the state's energy shortage contingency plans, and include specific recommendations for legislative or administrative actions to increase production and productivity, improve the efficiency of fuel use, increase conservation, and any other actions needed to maintain sufficient, secure, and affordable fuel supplies for the state. Nothing in this section expands or diminishes the authority contained in Section 25216.

(b) Not less than 60 days prior to publication of the report required by subdivision (a), the commission shall submit a draft copy of the report to the Public Utilities Commission. Not more than 45 days after receiving a copy of the draft report, the Public Utilities Commission shall submit written comments to the commission on any analysis, findings, or recommendations that pertain to the Public Utilities Commission's constitutional, statutory, and other responsibilities. Each final report published and submitted to the Legislature and the Governor pursuant to subdivision (a) shall contain a summary of any written comments adopted and submitted to the commission by the Public Utilities Commission.

