

AMENDED IN ASSEMBLY JUNE 13, 2002

AMENDED IN SENATE MAY 2, 2002

**SENATE BILL**

**No. 1753**

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**Introduced by Senator Bowen  
(Coauthors: Senators Burton, Dunn, Sher, and Speier)**

February 21, 2002

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An act to add Section 345.5 to the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

SB 1753, as amended, Bowen. Independent System Operator: duties.

(1) Existing law provides for the establishment of an Independent System Operator, a nonprofit, public benefit corporation, to ensure efficient use and reliable operation of the electrical transmission grid.

This bill would require the Independent System Operator to conduct its operations consistent with applicable state *and federal* laws and consistent with the interests of the people of the state. The bill would also require the Independent System Operator to manage the transmission grid and related energy markets in a manner that makes the most efficient use of available energy resources, ~~assures the least~~ *reduces* overall economic cost to the state's consumers, is consistent with ~~state policies~~ *applicable state law* intended to protect the public's health and the environment, and ~~assures the maximum~~ *maximizes the* availability of electric generation resources necessary to meet the needs of the state's electricity consumers. The bill would also require the Independent System Operator to ensure that its purposes and functions are consistent with those of a nonprofit public benefit corporation,

maintain open meetings consistent with the *general policies of the* Bagley-Keene Open Meetings Act, and provide public access to corporate records consistent with the *general policies of the* California Public Records Act. ~~The bill would authorize the Independent System Operator's governing board to adopt exceptions to the requirement to maintain open meetings and provide public access to corporate records if it finds the exceptions further the purposes of the governing acts.~~ Since under existing law a violation of the bill's requirements would be a crime, this bill would impose a state-mandated local program by changing the definition of a crime.

(2) 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. Section 345.5 is added to the Public Utilities
- 2 Code, to read:
- 3 345.5. (a) The Independent System Operator, as a nonprofit,
- 4 public benefit corporation, shall conduct its operations consistent
- 5 with applicable state *and federal* laws and consistent with the
- 6 interests of the people of the state.
- 7 (b) To ensure the reliability of ~~retail~~ electric service and the
- 8 health and safety of the public, the Independent System Operator
- 9 shall manage the transmission grid and related energy markets in
- 10 a manner that is consistent with all of the following:
- 11 (1) ~~Makes~~ *Making* the most efficient use of available energy
- 12 resources. For purposes of this section, "available energy
- 13 resources" include energy, capacity, ancillary services, and
- 14 demand bid into markets administered by the Independent System
- 15 Operator. "Available energy resources" do not include a schedule
- 16 of bilateral energy contracts or generation submitted to the
- 17 Independent System Operator by an electrical corporation or a
- 18 local publicly owned electric utility to meet its own customer load.

1 (2) ~~Assures the least~~ *Reducing, to the extent possible,* overall  
2 economic cost to the state's consumers.

3 (3) ~~Is consistent with state policies~~ *Applicable state law*  
4 intended to protect the public's health and the environment.

5 (4) ~~Assures maximum availability of~~ *Maximizing availability*  
6 *of existing* electric generation resources necessary to meet the  
7 needs of the state's electricity consumers.

8 (c) The Independent System Operator shall do all of the  
9 following:

10 (1) Consult and coordinate with appropriate state and local  
11 agencies to ensure that the Independent System Operator operates  
12 in furtherance of state ~~policies~~ *law* regarding consumer and  
13 environmental protection.

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

19 (3) Maintain open meeting standards and meeting notice  
20 requirements consistent with the *general policies of the*  
21 Bagley-Keene Open Meetings Act (Article 9 (commencing with  
22 Section 11120) of Chapter 1 of Part 1 of the Government Code)  
23 and affording the public the greatest possible access, consistent  
24 with other duties of the ~~corporation. The Independent System~~  
25 ~~Operator governing board may adopt exceptions to the strict~~  
26 ~~requirements of the act, including, but not limited to, decreasing~~  
27 ~~the notice requirement for public meetings, if it finds that the~~  
28 ~~exceptions further the purposes of the act.~~ *corporation. The*  
29 *Independent System Operator's Open Meeting Policy, as adopted*  
30 *on April 23, 1998, and in effect as of May 1, 2002, meets the*  
31 *requirements of this paragraph. The Independent System Operator*  
32 *shall maintain a policy that is no less consistent with the*  
33 *Bagley-Keene Open Meetings Act than its policy in effect as of*  
34 *May 1, 2002.*

35 (4) Provide public access to corporate records consistent with  
36 the *general policies of the California Public Records Act* (Chapter  
37 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the  
38 Government Code) and affording the public the greatest possible  
39 access, consistent with the other duties of the corporation. ~~The~~  
40 ~~Independent System Operator governing board may adopt~~

~~1 exceptions to the strict requirements of the act if it finds that the~~  
~~2 exceptions further the purposes of the act. The Independent System~~  
~~3 Operator's Information Availability Policy, as adopted on October~~  
~~4 22, 1998, and in effect as of May 1, 2002, meets the requirements~~  
~~5 of this paragraph. The Independent System Operator shall~~  
~~6 maintain a policy that is no less consistent with the California~~  
~~7 Public Records Act than its policy in effect as of May 1, 2002.~~

8 SEC. 2. No reimbursement is required by this act pursuant to  
9 Section 6 of Article XIII B of the California Constitution because  
10 the only costs that may be incurred by a local agency or school  
11 district will be incurred because this act creates a new crime or  
12 infraction, eliminates a crime or infraction, or changes the penalty  
13 for a crime or infraction, within the meaning of Section 17556 of  
14 the Government Code, or changes the definition of a crime within  
15 the meaning of Section 6 of Article XIII B of the California  
16 Constitution.

