

Assembly Bill No. 2304

Passed the Assembly August 25, 2004

Chief Clerk of the Assembly

Passed the Senate August 23, 2004

Secretary of the Senate

This bill was received by the Governor this _____ day of
_____, 2004, at _____ o'clock __M.

Private Secretary of the Governor



CHAPTER _____

An act to repeal Section 43024 of the Health and Safety Code, and to amend Sections 25748 and 25751 of, and to repeal Chapter 7.2 (commencing with Section 25625) of Division 15 of, the Public Resources Code, relating to energy resources, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 2304, Richman. Energy resources.

(1) Existing law requires the State Energy Resources Conservation and Development Commission to submit quarterly reports to the Legislature summarizing the amount of methyl tertiary-butyl ether (MTBE) used in gasoline by each refinery during the preceding quarter and comparing that amount to the amount of MTBE used in gasoline by each refinery during the previous quarter.

This bill would delete this reporting requirement.

(2) Existing law requires the commission, in conjunction with the State Air Resources Board, to carry out a technology development and financial assistance program relating to the use of methanol fuel. Existing law establishes the Clean Fuels Account in the General Fund for the purposes of the program.

This bill would repeal that program.

(3) Existing law establishes the renewable energy resources program to increase the amount of renewable electricity generated per year, so that it equals at least 17% of the total electricity generated for consumption in California per year by 2006. Existing law requires the commission to report to the Legislature on or before May 31, 2000, and on or before May 31 of every second year thereafter, regarding the results of the mechanisms funded under the program, and prescribes the matters to be included in the reports.

This bill would instead require the commission to report to the Legislature on or before November 1, 2005, and annually thereafter. The bill would also revise the matters to be included in the reports to include additional information, as specified.



This bill would state that the above report is in lieu of the annual report required by Item 3360-001-0381 of the Supplemental Budget Report of the Budget Act of 1999.

(4) Existing law establishes the Renewable Resource Trust Fund for purposes of the renewable energy resources program and establishes certain accounts within the trust fund. Existing law authorizes the commission to transfer funds between accounts for cashflow purposes, as provided, and requires the commission to examine the cashflow in the respective accounts on an annual basis and to annually prepare and submit to the Legislature a report that describes the status of account transfers and repayments.

This bill would delete the annual examination and reporting requirements.

(5) Existing law requires the commission to report to the Legislature on a quarterly basis on the implementation of the renewable energy resources program and specifies the information to be included in the reports.

This bill would delete that reporting requirement.

(6) This bill would declare that it is to take effect immediately as an urgency statute.

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

SECTION 1. Section 43024 of the Health and Safety Code is repealed.

SEC. 2. Chapter 7.2 (commencing with Section 25625) of Division 15 of the Public Resources Code is repealed.

SEC. 3. Section 25748 of the Public Resources Code is amended to read:

25748. (a) The commission shall report to the Legislature on or before November 1, 2005, and annually thereafter, regarding the results of the mechanisms funded pursuant to this chapter. The report shall contain all of the following:

(1) A description of the allocation of funds among existing, new, and emerging technologies, the allocation of funds among programs, including consumer-side incentives, and the need for the reallocation of money among those technologies.

(2) The status of account transfers and repayments.



(3) A description of the cumulative commitment of claims by account, the relative demand for funds by account, and a forecast of future awards.

(4) A list identifying the types and quantities of biomass fuels used by facilities receiving funds pursuant to Section 25743 and their impacts on improving air quality.

(5) A discussion of the progress being made toward achieving the targets established under Section 25740 by each funding category authorized pursuant to this chapter.

(6) A description of the allocation of funds from interest on the accounts described in this chapter, and money in the accounts described in subdivision (b) of Section 25751.

(7) An itemized list, including project descriptions, award amounts, and outcomes for projects awarded funding in the prior year.

(8) Other matters the commission determines may be of importance to the Legislature.

(b) Money may be reallocated without further legislative action among existing, new, and emerging technologies and consumer-side programs in a manner consistent with the report and with the latest report provided to the Legislature pursuant to this section, except that reallocations may not reduce the allocation established in Section 25743 nor increase the allocation established in Section 25742.

SEC. 4. Section 25751 of the Public Resources Code is amended to read:

25751. (a) The Renewable Resource Trust Fund is hereby created in the State Treasury.

(b) The following accounts are hereby established within the Renewable Resource Trust Fund:

- (1) The Existing Renewable Resources Account.
- (2) New Renewable Resources Account.
- (3) Emerging Renewable Resources Account.
- (4) Customer-Credit Renewable Resource Purchases Account.
- (5) Renewable Resources Consumer Education Account.

(c) The money in the fund may be expended for the state's administration of this article only upon appropriation by the Legislature in the annual Budget Act.

(d) Notwithstanding Section 383, that portion of revenues collected by electrical corporations for the benefit of in-state



operation and development of existing and new and emerging renewable resource technologies, pursuant to Section 399.8 of the Public Utilities Code, shall be transmitted to the commission at least quarterly for deposit in the Renewable Resource Trust Fund pursuant to Section 399.6 of the Public Utilities Code. After setting aside in the fund money that may be needed for expenditures authorized by the annual Budget Act in accordance with subdivision (c), the Treasurer shall immediately deposit money received pursuant to this section into the accounts created pursuant to subdivision (b) in proportions designated by the commission for the current calendar year. Notwithstanding Section 13340 of the Government Code, the money in the fund and the accounts within the fund are hereby continuously appropriated to the commission without regard to fiscal year for the purposes enumerated in this chapter.

(e) Upon notification by the commission, the Controller shall pay all awards of the money in the accounts created pursuant to subdivision (b) for purposes enumerated in this chapter. The eligibility of each award shall be determined solely by the commission based on the procedures it adopts under this chapter. Based on the eligibility of each award, the commission shall also establish the need for a multiyear commitment to any particular award and so advise the Department of Finance. Eligible awards submitted by the commission to the Controller shall be accompanied by information specifying the account from which payment should be made and the amount of each payment; a summary description of how payment of the award furthers the purposes enumerated in this chapter; and an accounting of future costs associated with any award or group of awards known to the commission to represent a portion of a multiyear funding commitment.

(f) The commission may transfer funds between accounts for cashflow purposes, provided that the balance due each account is restored and the transfer does not adversely affect any of the accounts.

(g) The Department of Finance, commencing March 1, 1999, shall conduct an independent audit of the Renewable Resource Trust Fund and its related accounts annually, and provide an audit report to the Legislature not later than March 1 of each year for which this article is operative. The Department of Finance's report



shall include information regarding revenues, payment of awards, reserves held for future commitments, unencumbered cash balances, and other matters that the Director of Finance determines may be of importance to the Legislature.

SEC. 5. The report required by Section 25748 of the Public Resources Code shall be prepared by the State Energy Resources Conservation and Development Commission in lieu of the annual report required by Item 3360-001-0381 of the Supplemental Budget Report of the Budget Act of 1999.

SEC. 6. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to consolidate reporting requirements and reduce unnecessary expenditures, it is necessary that this act take effect immediately.



Approved _____, 2004

Governor

