

**ASSEMBLY BILL**

**No. 2918**

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**Introduced by Assembly Member Laird**

February 20, 2004

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An act to add Section 366.3 to the Public Utilities Code, and to amend Section 12948.1 of the Water Code, relating to desalination facilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 2918, as introduced, Laird. Desalination facilities: direct transactions.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, and authorizes the commission to establish rules for all public utilities, subject to control by the Legislature. The existing Public Utilities Act requires the commission, pursuant to electrical restructuring, to authorize and facilitate direct transactions between electricity suppliers and retail end-use customers. However, other existing law suspends the right of retail end-use customers other than community aggregators, as defined, to acquire service from certain electricity suppliers after a period of time to be determined by the commission, until the Department of Water Resources no longer supplies electricity under that law.

This bill would, notwithstanding any other law, require the commission to authorize a desalination facility that commences operation after January 1, 2005, to acquire electricity through a direct transaction.

The existing Cobey-Porter Saline Water Conversion Law authorizes the Department of Water Resources, either independently or in cooperation with public or private entities, to conduct a program of

investigation, study, and evaluation in the field of saline water conversion, to provide assistance to persons or entities seeking to construct desalination facilities, and after submission of a written report and upon appropriation from the Legislature, to finance, construct, and operate saline water conversion facilities.

This bill would authorize the department to cooperate, to the extent existing resources allow, with the commission in determining whether to authorize a desalination facility to enter into direct transactions.

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. Section 366.3 is added to the Public Utilities  
2 Code, to read:

3 366.3. Notwithstanding any other provision of law, the  
4 commission shall authorize a desalination facility that commences  
5 operation after January 1, 2005, to acquire electricity through  
6 direct transactions.

7 SEC. 2. Section 12948.1 of the Water Code is amended to  
8 read:

9 12948.1. The department shall provide assistance to persons  
10 or entities with state and local desalination facility permit  
11 applications seeking to construct desalination facilities for  
12 reducing the concentration of dissolved solids in brackish  
13 groundwater or seawater in the state *and shall cooperate, to the*  
14 *extent existing resources allow, with the Public Utilities*  
15 *Commission in determining whether to authorize a desalination*  
16 *facility to enter into direct transactions.*

