

AMENDED IN ASSEMBLY JANUARY 6, 2014

AMENDED IN ASSEMBLY JUNE 5, 2013

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CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 177

Introduced by Assembly Member V. Manuel Pérez

January 24, 2013

An act to amend Section 38550 of the Health and Safety Code, and to amend ~~Sections~~ Section 345.5 and 454.55 of, and to add ~~Sections 399.23~~ Sections 399.23 and 636 to, and to repeal and add Section 454.55 of the Public Utilities Code, relating to ~~renewable energy resources~~: *public utilities*.

LEGISLATIVE COUNSEL'S DIGEST

AB 177, as amended, V. Manuel Pérez. ~~Renewable resources~~: *Public utilities: greenhouse gas emissions reduction: renewable resources*.

~~Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, as defined. The~~

The Public Utilities Act requires the Public Utilities Commission, in consultation with the Independent System Operator, to establish resource adequacy requirements for all load-serving entities, as defined, including electrical corporations, in accordance with specified objectives. The definition of a "load-serving entity" includes an electrical corporation. That law further requires each load-serving entity to maintain physical generating capacity adequate to meet its load requirements, including

peak demand and planning and operating reserves, deliverable to locations and at times as may be necessary to provide reliable electric service.

The California Renewables Portfolio Standard Program, also known as the RPS program, requires a retail seller of electricity, as defined, and local publicly owned electric utilities to purchase specified minimum quantities of electricity products from eligible renewable energy resources, as defined, for specified compliance periods, sufficient to ensure that the procurement of electricity products from eligible renewable energy resources achieves ~~20% of retail sales for the period January 1, 2011, to December 31, 2013, inclusive,~~ 25% of retail sales by December 31, 2016, and 33% of retail sales by December 31, 2020, and in all subsequent years. The RPS program, consistent with the goals of procuring the least-cost and best-fit eligible renewable energy resources that meet project viability principles, requires that all retail sellers procure a balanced portfolio of electricity products from eligible renewable energy resources, as specified, referred to as the portfolio content requirements. The RPS program requires the Public Utilities Commission to direct each electrical corporation, which are included within the definition of a retail seller, to annually prepare a renewable energy procurement plan containing specified matter and an annual compliance report. The RPS program requires the Public Utilities Commission to adopt, by rulemaking, a process that provides criteria for the rank ordering and selection of least-cost and best-fit eligible renewable energy resources by electrical corporations to comply with the RPS program procurement obligations, on a total cost basis, that take specified ~~matter~~ *matters* into account.

This bill would state the policy of the state to require all retail sellers of electricity, including investor-owned electrical corporations and local publicly owned electric utilities, to procure all available cost-effective energy efficiency, demand response, and renewable resources, so as to achieve ~~renewable, reliability, grid reliability~~ and greenhouse gases emission ~~reduction~~ *reductions* simultaneously, in the most cost-effective and affordable manner practicable. The bill would require that procurement not be limited by any targets established for these resources by statute or regulatory decision.

~~The existing restructuring of the electrical industry within the Public Utilities Act provides for the establishment of an Independent System Operator as a nonprofit public benefit corporation. Existing law requires the Independent System Operator to manage the transmission grid and~~

related energy markets in a manner that is consistent with (1) making the most efficient use of available energy resources, (2) reducing, to the extent possible, overall economic cost to the state's consumers, (3) applicable state law intended to protect the public's health and the environment, and (4) maximizing the availability of existing electric generation resources necessary to meet the needs of the state's electricity consumers.

This bill would add a requirement that in managing the transmission grid and related energy markets, the Independent System Operator do so consistent with achieving a continuous reduction in emissions of greenhouse gases associated with California's electrical system sufficient to achieve the state policy goal for ~~2050 adopted by the State Air Resources Board~~ *greenhouse gas emissions reductions*. The bill would revise the 4th requirement described above to require that in managing the transmission grid and related energy markets, the Independent System Operator do so consistent with maximizing utilization of existing electrical resources, including all cost-effective demand-side and ~~clean~~ renewable energy resources, that are connected to the distribution or transmission grid, as are necessary for reliable operation of the grid and sufficient to meet the needs of the state's electricity consumers. ~~The bill would require the Independent System Operator, in its annual transmission planning process, to identify the maximum amount of preferred resources capable, in conjunction with installation of nongenerating electrical equipment, of meeting local resource adequacy and system operating needs.~~

The Public Utilities Act requires the Public Utilities Commission to review and adopt a procurement plan for each electrical corporation in accordance with specified elements, incentive mechanisms, and objectives. The act requires that an electrical corporation's proposed procurement plan include certain elements, including a showing that the electrical corporation will first meet its unmet needs through all available energy efficiency and demand reduction resources that are cost effective, reliable, and feasible. The act requires the Public Utilities Commission, in consultation with the State Energy Resources Conservation and Development Commission, to identify all potentially achievable cost-effective electricity efficiency savings and to establish efficiency targets for electrical corporations to achieve pursuant to their procurement plan.

Existing law requires that each local publicly owned electric utility, as defined, serving end-use customers prudently plan for and procure

resources that are adequate to meet its planning reserve margin and peak demand and operating reserves, sufficient to provide reliable electric service to its customers. Existing law additionally requires the local publicly owned electric utility, upon request, to provide the State Energy Resources Conservation and Development Commission with any information the State Energy Resources Conservation and Development Commission determines is necessary to evaluate the progress made by the local publicly owned electric utility in meeting those planning requirements, and requires the State Energy Resources Conservation and Development Commission to report the progress made by each local publicly owned electric utility to the Legislature, to be included in an integrated energy policy report, as specified. Existing law requires an electrical corporation or local publicly owned electric utility, as defined, to adopt certain strategies in a long-term plan or a procurement plan, as applicable, to achieve efficiency in the use of fossil fuels and to address carbon emissions, as specified.

This bill would require electrical corporations to procure all available cost-effective energy efficiency, demand response, and renewable energy resources ~~so as to simultaneously achieve the goals of renewable resource development, reductions in emissions of greenhouse gases, and sustain system reliability in the most cost-effective and affordable manner and would provide that this procurement is not limited by any targets established for these resources by statute or regulatory decision. resources, and to consider procuring available cost-effective energy storage technologies.~~ The bill would require the Public Utilities Commission to continue to establish efficiency targets for an electrical corporation pursuant to the utility's procurement plan. The bill would require an electrical corporation, in a long-term plan, or local publicly owned electric utility, in a procurement plan, to adopt a long-term procurement strategy ~~to achieve a target of procuring 51% of its electricity products from eligible renewable energy resources by December 31, 2030, and to achieve the 2050 2030 goal for reducing emissions of greenhouse gases adopted by the State Air Resources Board, consistent with the potentially achievable cost-effective electricity efficiency savings and efficiency targets established for an electrical corporation by the Public Utilities Commission. gases to be adopted by the State Air Resources Board.~~ The bill would require that each long-term plan adopted by an electrical corporation or procurement plan implemented by a local publicly owned electric utility be updated not less than every 3 years and released to the public, the Governor,

and the Legislature and would require that each plan update include estimated emissions of greenhouse gases that are expected to result from implementation of the procurement plan for each 5-year period through December 31, 2050.

Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the Public Utilities Commission is a crime.

Because the provisions of this bill are within the act, a violation of above requirement would impose a state-mandated local program by expanding the definition of a crime.

The California Global Warming Solutions Act of 2006 requires the State Air Resources Board to adopt a statewide greenhouse gas emissions limit to be achieved by 2020.

This bill would require the state board, by January 1, 2016, to adopt a statewide greenhouse gas emissions limit for electrical corporations and local publicly owned electric utilities to be achieved by 2030.

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 38550 of the Health and Safety Code is
2 amended to read:

3 38550. (a) By January 1, 2008, the state board shall, after one
4 or more public workshops, with public notice, and an opportunity
5 for all interested parties to comment, determine what the statewide
6 greenhouse gas emissions level was in 1990, and approve in a
7 public hearing, a statewide greenhouse gas emissions limit that is
8 equivalent to that level, to be achieved by 2020. In order to ensure
9 the most accurate determination feasible, the state board shall
10 evaluate the best available scientific, technological, and economic
11 information on greenhouse gas emissions to determine the 1990
12 level of greenhouse gas emissions.

13 (b) By January 1, 2016, the state board, after conducting one
14 or more public workshops with public notice and an opportunity

1 for all interested parties to comment, and performing an analysis
 2 of the progress being made to achieve the 2020 statewide
 3 greenhouse gas emissions limit, shall adopt in a public hearing a
 4 statewide greenhouse gas emissions limit for electrical
 5 corporations, as defined in Section 218 of the Public Utilities Code,
 6 and local publicly owned electric utilities, as defined in Section
 7 224.3 of the Public Utilities Code, to be achieved by 2030.

8 SEC. 2. Section 345.5 of the Public Utilities Code is amended
 9 to read:

10 345.5. (a) The Independent System Operator, as a nonprofit,
 11 public benefit corporation, shall conduct its operations consistent
 12 with applicable state and federal laws and consistent with the
 13 interests of the people of the state.

14 (b) To ensure the reliability of electric service and the health
 15 and safety of the public, the Independent System Operator shall
 16 manage the transmission grid and related energy markets in a
 17 manner that is consistent with all of the following:

18 (1) *Achieving a continuous reduction in emissions of greenhouse*
 19 *gases associated with California’s electrical system sufficient to*
 20 *achieve the state policy goal for greenhouse gas emissions*
 21 *reductions.*

22 ~~(1)~~

23 (2) Making the most efficient use of available energy resources.
 24 For purposes of this section, “available energy resources” include
 25 energy *efficiency savings*, capacity, ancillary services, and demand
 26 bid into markets administered by the Independent System Operator.
 27 “Available energy resources” do not include a schedule submitted
 28 to the Independent System Operator by an electrical corporation
 29 or a local publicly owned electric utility to meet its own customer
 30 load.

31 ~~(2)~~

32 (3) Reducing, to the extent possible, overall economic cost to
 33 the state’s consumers.

34 ~~(3)~~

35 (4) Applicable state law intended to protect the public’s health
 36 and the environment.

37 ~~(4)~~

38 ~~(5) Maximizing availability of existing electric generation~~
 39 ~~resources necessary~~ *utilization of existing electrical resources,*
 40 *including all cost-effective demand-side and renewable energy*

1 *resources that are connected to the distribution or transmission*
2 *grid, as are necessary for reliable operation of the grid and*
3 *sufficient to meet the needs of the state's electricity consumers.*

4 ~~(5)~~

5 (6) Conducting internal operations in a manner that minimizes
6 cost impact on ratepayers to the extent practicable and consistent
7 with the provisions of this chapter.

8 ~~(6) Communicating with~~

9 (7) *Coordinating operations and sharing operating data and*
10 *resources with all balancing area authorities in California in a*
11 *manner that supports reduces the cost of maintaining or improving*
12 *electrical reliability.*

13 (c) The Independent System Operator shall do all of the
14 following:

15 (1) Consult and coordinate with appropriate state and local
16 agencies to ensure that the Independent System Operator operates
17 in furtherance of state law regarding consumer and environmental
18 protection.

19 (2) Ensure that the purposes and functions of the Independent
20 System Operator are consistent with the purposes and functions
21 of nonprofit, public benefit corporations in the state, including
22 duties of care and conflict-of-interest standards for officers and
23 directors of a corporation.

24 (3) Maintain open meeting standards and meeting notice
25 requirements consistent with the general policies of the
26 Bagley-Keene Open Meeting Act (Article 9 (commencing with
27 Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of
28 the Government Code) and affording the public the greatest
29 possible access, consistent with other duties of the corporation.
30 The Independent System Operator's Open Meeting Policy, as
31 adopted on April 23, 1998, and in effect as of May 1, 2002, meets
32 the requirements of this paragraph. The Independent System
33 Operator shall maintain a policy that is no less consistent with the
34 Bagley-Keene Open Meeting Act than its policy in effect as of
35 May 1, 2002.

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

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

7 *SEC. 3. Section 399.23 is added to the Public Utilities Code,*
8 *to read:*

9 *399.23. (a) The Legislature finds and declares all of the*
10 *following:*

11 *(1) There is increasing uncertainty with regard to the*
12 *availability of California's fleet of older powerplants, as well as*
13 *the state's ability to reduce greenhouse gas emissions beyond the*
14 *target established for 2020, creating the need for both increased*
15 *electrical generation from renewable energy resources and reduced*
16 *demand through energy efficiency and demand response.*

17 *(2) It is in the best interest of the electricity consumers of this*
18 *state that sufficient renewable energy generation supply and*
19 *demand-side resources are procured to meet electricity demand,*
20 *and that this supply and these resources provide the highest value,*
21 *including providing safe, reliable, and affordable electricity*
22 *supplies and minimizing air quality impacts to consumers in the*
23 *most cost-effective manner practicable.*

24 *(3) Renewable energy generation from renewable energy*
25 *resources that qualify as local capacity resources are essential to*
26 *maintaining reliable electricity deliveries.*

27 *(4) There are substantial high-quality renewable energy*
28 *resources in the County of Imperial near the Salton Sea with the*
29 *ability to reduce greenhouse gas emissions that can generate*
30 *electricity in a manner that will simultaneously meet local capacity*
31 *requirements, maintain grid reliability, and provide significant*
32 *local and regional environmental and economic development*
33 *benefits.*

34 *(5) The commitment to a loading order of preferred resources*
35 *in the manner prescribed in Section 454.55 is necessary to the*
36 *continued health and safety of California electric consumers.*

37 *(b) Consistent with the loading order adopted by the Energy*
38 *Commission and the commission that sets forth state policy for*
39 *preferred resources to meet electrical load needs, it is the intent*
40 *of the Legislature, and the policy of the state, that all retail sellers*

1 of electricity, including investor-owned electrical corporations
2 and local publicly owned electric utilities, shall procure all
3 available cost-effective energy efficiency, demand response, and
4 renewable energy resources, so as to achieve grid reliability and
5 greenhouse gases emission reductions simultaneously, in the most
6 cost-effective and affordable manner practicable. Procurement
7 shall not be limited by any targets established for these resources
8 by statute or regulatory decision.

9 SEC. 4. Section 454.55 of the Public Utilities Code is repealed.

10 ~~454.55. The commission, in consultation with the State Energy~~
11 ~~Resources Conservation and Development Commission, shall~~
12 ~~identify all potentially achievable cost-effective electricity~~
13 ~~efficiency savings and establish efficiency targets for an electrical~~
14 ~~corporation to achieve pursuant to Section 454.5.~~

15 SEC. 5. Section 454.55 is added to the Public Utilities Code,
16 to read:

17 454.55. Pursuant to a loading order of preferred resources to
18 meet electricity demand in a manner that improves the state's air
19 quality, reduces greenhouse gas emissions, and preserves electric
20 grid reliability, electrical corporations shall procure all available
21 cost-effective energy efficiency, demand response, and renewable
22 energy resources, and shall consider procuring available
23 cost-effective energy storage technologies. In measuring the
24 cost-effectiveness of the procurement of preferred resources, the
25 commission shall determine and include the value of grid
26 reliability, including the value of grid reliability of diversity in
27 renewable electric generation by resource type, size and location,
28 both alone and in combination with nontransmission alternatives,
29 and local environmental benefits provided by each renewable
30 energy resource type technology. This procurement shall not be
31 limited by any targets established for these resources by statute
32 or regulatory decision. However, the commission shall continue
33 to establish efficiency targets for an electrical corporation to
34 achieve pursuant to Section 454.5.

35 SEC. 6. Section 636 is added to the Public Utilities Code, to
36 read:

37 636. (a) In a long-term plan adopted by an electrical
38 corporation or in a procurement plan implemented by a local
39 publicly owned electric utility, the electrical corporation or local
40 publicly owned electric utility shall adopt a long-term procurement

1 strategy to achieve the 2030 goal for reducing emissions of
2 greenhouse gases adopted pursuant to subdivision (b) of Section
3 38550 of the Health and Safety Code.

4 (b) Each long-term plan adopted by an electrical corporation
5 or procurement plan implemented by a local publicly owned
6 electric utility shall be updated not less than every three years and
7 released to the public, the Governor, and the Legislature. Each
8 procurement plan update shall include estimated emissions of
9 greenhouse gases that are expected to result from implementation
10 of the procurement plan for each five-year period through
11 December 31, 2050.

12 SEC. 7. No reimbursement is required by this act pursuant to
13 Section 6 of Article XIII B of the California Constitution because
14 the only costs that may be incurred by a local agency or school
15 district will be incurred because this act creates a new crime or
16 infraction, eliminates a crime or infraction, or changes the penalty
17 for a crime or infraction, within the meaning of Section 17556 of
18 the Government Code, or changes the definition of a crime within
19 the meaning of Section 6 of Article XIII B of the California
20 Constitution.

21 SECTION 1. ~~Section 345.5 of the Public Utilities Code is~~
22 ~~amended to read:~~

23 ~~345.5. (a) The Independent System Operator, as a nonprofit,~~
24 ~~public benefit corporation, shall conduct its operations consistent~~
25 ~~with applicable state and federal laws and consistent with the~~
26 ~~interests of the people of the state.~~

27 ~~(b) To ensure the reliability of electric service and the health~~
28 ~~and safety of the public, the Independent System Operator shall~~
29 ~~manage the transmission grid and related energy markets in a~~
30 ~~manner that is consistent with all of the following:~~

31 ~~(1) Achieving a continuous reduction in emissions of greenhouse~~
32 ~~gases associated with California's electrical system sufficient to~~
33 ~~achieve the state policy goal for 2050 adopted by the State Air~~
34 ~~Resources Board.~~

35 ~~(2) Making the most efficient use of available energy resources.~~
36 ~~For purposes of this section, "available energy resources" include~~
37 ~~energy efficiency savings, capacity, ancillary services, and demand~~
38 ~~response and flexibility services bid into markets administered by~~
39 ~~the Independent System Operator. "Available energy resources"~~
40 ~~do not include a schedule submitted to the Independent System~~

1 ~~Operator by an electrical corporation or a local publicly owned~~
2 ~~electric utility to meet its own customer load.~~

3 ~~(3) Reducing, to the extent possible, overall economic cost to~~
4 ~~the state's consumers.~~

5 ~~(4) Applicable state law intended to protect the public's health~~
6 ~~and the environment.~~

7 ~~(5) Maximizing utilization of existing electrical resources,~~
8 ~~including all cost-effective demand-side and clean renewable~~
9 ~~energy resources, that are connected to the distribution or~~
10 ~~transmission grid, as are necessary for reliable operation of the~~
11 ~~grid and sufficient to meet the needs of the state's electricity~~
12 ~~consumers.~~

13 ~~(6) Conducting internal operations in a manner that minimizes~~
14 ~~cost impact on ratepayers to the extent practicable and consistent~~
15 ~~with the provisions of this chapter.~~

16 ~~(7) Coordinating operations and sharing operating data and~~
17 ~~resources with all balancing area authorities in California in a~~
18 ~~manner that reduces the cost of maintaining or improving electrical~~
19 ~~reliability.~~

20 ~~(e) The Independent System Operator shall do all of the~~
21 ~~following:~~

22 ~~(1) In its annual transmission planning process, identify the~~
23 ~~maximum amount of preferred resources capable, in conjunction~~
24 ~~with installation of nongenerating electrical equipment, of meeting~~
25 ~~local resource adequacy and system operating needs. For these~~
26 ~~purposes, "nongenerating electrical equipment" includes, but is~~
27 ~~not limited to, synchronous condensers or similar devices and~~
28 ~~transmission grid additions or upgrades, and "referred resources"~~
29 ~~include, but are not limited to, location-specific energy efficiency,~~
30 ~~demand resources, location-specific renewable generation, and~~
31 ~~geographically dispersed generation. The Independent System~~
32 ~~Operator shall publish and communicate these estimates to the~~
33 ~~commission, the Energy Commission, and the State Air Resources~~
34 ~~Board to facilitate joint consideration of amounts of preferred~~
35 ~~resources available to be included in the commission's~~
36 ~~establishment of procurement targets.~~

37 ~~(2) Ensure that the purposes and functions of the Independent~~
38 ~~System Operator are consistent with the purposes and functions~~
39 ~~of nonprofit, public benefit corporations in the state, including~~

1 ~~duties of care and conflict-of-interest standards for officers and~~
2 ~~directors of a corporation.~~

3 ~~(3) Maintain open meeting standards and meeting notice~~
4 ~~requirements consistent with the general policies of the~~
5 ~~Bagley-Keene Open Meeting Act (Article 9 (commencing with~~
6 ~~Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of~~
7 ~~the Government Code) and affording the public the greatest~~
8 ~~possible access, consistent with other duties of the corporation.~~
9 ~~The Independent System Operator's Open Meeting Policy, as~~
10 ~~adopted on April 23, 1998, and in effect as of May 1, 2002, meets~~
11 ~~the requirements of this paragraph. The Independent System~~
12 ~~Operator shall maintain a policy that is no less consistent with the~~
13 ~~Bagley-Keene Open Meeting Act than its policy in effect as of~~
14 ~~May 1, 2002.~~

15 ~~(4) Provide public access to corporate records consistent with~~
16 ~~the general policies of the California Public Records Act (Chapter~~
17 ~~3.5 (commencing with Section 6250) of Division 7 of Title 1 of~~
18 ~~the Government Code) and affording the public the greatest~~
19 ~~possible access, consistent with the other duties of the corporation.~~
20 ~~The Independent System Operator's Information Availability~~
21 ~~Policy, as adopted on October 22, 1998, and in effect as of May~~
22 ~~1, 2002, meets the requirements of this paragraph. The Independent~~
23 ~~System Operator shall maintain a policy that is no less consistent~~
24 ~~with the California Public Records Act than its policy in effect as~~
25 ~~of May 1, 2002.~~

26 ~~SEC. 2.— Section 399.23 is added to the Public Utilities Code,~~
27 ~~to read:~~

28 ~~399.23.— (a) The Legislature finds and declares all of the~~
29 ~~following:~~

30 ~~(1) There is increasing uncertainty with regard to the availability~~
31 ~~of California's fleet of older powerplants, creating the need for~~
32 ~~increased reduction in demand for electricity through energy~~
33 ~~efficiency, demand response, and adding new sources of clean~~
34 ~~energy generation.~~

35 ~~(2) It is in the best interest of the electricity consumers of this~~
36 ~~state that sufficient clean energy generation supply and~~
37 ~~demand-side resources are procured to meet electricity demand~~
38 ~~that provide the highest value, including providing safe, reliable,~~
39 ~~and affordable electricity supplies and minimizing air quality~~
40 ~~impacts to consumers in the most cost-effective manner practicable.~~

1 ~~(3) Clean energy generation with flexible delivery characteristics~~
2 ~~are essential to maintaining reliable electricity deliveries.~~

3 ~~(4) There are substantial high-quality renewable resources in~~
4 ~~the County of Imperial near the Salton Sea, which can help provide~~
5 ~~cost-effective renewable resources that can reduce greenhouse gas~~
6 ~~emissions while simultaneously contributing to resources adequacy~~
7 ~~and reliability needs and providing significant local and regional~~
8 ~~environmental and economic development benefits.~~

9 ~~(b) Consistent with the loading order adopted by the Energy~~
10 ~~Commission and the commission which sets forth state policy for~~
11 ~~preferred resources to meet electrical load needs, it is the intent of~~
12 ~~the Legislature, and the policy of the state, that all retail sellers of~~
13 ~~electricity, including investor-owned electrical corporations and~~
14 ~~local publicly owned electric utilities, shall procure all available~~
15 ~~cost-effective energy efficiency, demand response, and renewable~~
16 ~~resources, so as to achieve renewable, reliability, and greenhouse~~
17 ~~gases emission reduction simultaneously, in the most cost-effective~~
18 ~~and affordable manner practicable. Procurement shall not be limited~~
19 ~~by any targets established for these resources by statute or~~
20 ~~regulatory decision.~~

21 ~~SEC. 3. Section 454.55 of the Public Utilities Code is amended~~
22 ~~to read:~~

23 ~~454.55. Electrical corporations shall procure all available~~
24 ~~cost-effective energy efficiency, demand response, and renewable~~
25 ~~energy resources so as to simultaneously achieve the goals of~~
26 ~~renewable resource development, reductions in emissions of~~
27 ~~greenhouse gases, and sustain system reliability in the most~~
28 ~~cost-effective and affordable manner. This procurement shall not~~
29 ~~be limited by any targets established for these resources by statute~~
30 ~~or regulatory decision. However, the commission shall continue~~
31 ~~to establish efficiency targets for an electrical corporation to~~
32 ~~achieve pursuant to Section 454.5.~~

33 ~~SEC. 4. Section 636 is added to the Public Utilities Code, to~~
34 ~~read:~~

35 ~~636. (a) In a long-term plan adopted by an electrical~~
36 ~~corporation or in a procurement plan implemented by a local~~
37 ~~publicly owned electric utility, the electrical corporation or local~~
38 ~~publicly owned electric utility shall adopt a long-term procurement~~
39 ~~strategy to achieve a target of procuring 51 percent of its electricity~~
40 ~~products from eligible renewable energy resources by December~~

1 31, 2030, and to achieve the 2050 goal for reducing emissions of
2 greenhouse gases adopted by the State Air Resources Board,
3 consistent with Section 454.55.

4 (b) Each long-term plan adopted by an electrical corporation or
5 procurement plan implemented by a local publicly owned electric
6 utility shall be updated not less than every three years and released
7 to the public, the Governor, and the Legislature. Each procurement
8 plan update shall include estimated emissions of greenhouse gases
9 that are expected to result from implementation of the procurement
10 plan for each five-year period through December 31, 2050.

11 SEC. 5. No reimbursement is required by this act pursuant to
12 Section 6 of Article XIII B of the California Constitution because
13 the only costs that may be incurred by a local agency or school
14 district will be incurred because this act creates a new crime or
15 infraction, eliminates a crime or infraction, or changes the penalty
16 for a crime or infraction, within the meaning of Section 17556 of
17 the Government Code, or changes the definition of a crime within
18 the meaning of Section 6 of Article XIII B of the California
19 Constitution.