

ASSEMBLY BILL

No. 2076

**Introduced by Assembly Member Shelley
(Principal coauthor: Assembly Member Honda)**

February 22, 2000

An act to add Chapter 8.2 (commencing with Section 25720) to Division 15 of the Public Resources Code, relating to fuel resources: fuel supply.

LEGISLATIVE COUNSEL'S DIGEST

AB 2076, as introduced, Shelley. State Energy Resources Conservation and Development Commission: fuel supply.

Existing law requires the State Energy Resources and Conservation and Development Commission to develop contingency plans to deal with possible shortages of electrical energy or fuel supplies to protect public health, safety, and welfare.

This bill would require the commission, after determining certain facts concerning an appropriate level of reserves, to establish and administer a strategic fuel reserve.

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. Chapter 8.2 (commencing with Section
2 25720) is added to Division 15 of the Public Resources
3 Code, to read:
4

CHAPTER 8.2. STRATEGIC FUEL RESERVE

25720. In order to insulate California consumers and businesses from dramatic price increases arising from supply interruptions, it is the intent of the Legislature to establish a strategic fuel reserve to be administered by the commission.

25721. The commission shall determine an appropriate level of reserves of fuels or fuel components to insulate California consumers and businesses from substantial, short-term price increases arising from refinery outages or other similar supply interruptions. In making this determination, the commission shall take into account all of the following:

(a) Inventories of California-quality fuels or fuel components reasonably available to the California market.

(b) Current and historic levels of inventory of fuels.

(c) The availability and cost of storage of fuels.

(d) The potential for future supply interruptions, price spikes, and the costs thereof to California consumers and businesses.

25722. (a) Not later than July 1, 2002, the commission shall establish the California Strategic Fuel Reserve.

(b) The commission shall establish, by regulation, a triggering mechanism for the release, by order of the Governor, of fuel or fuel components from the strategic fuel reserve to the California market to reduce substantial, short-term price increases.

(c) In releasing fuel or fuel components from the strategic fuel reserve, the commission may give preference to firms that will use those products to reduce prices to California consumers and businesses.