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**Introduced by Senator Peace**

December 8, 1998

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An act to add Sections 344 and 354 to, and to repeal Section 340 of, the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

SB 96, as introduced, Peace. Electrical restructuring: Independent System Operator: Power Exchange.

Existing law requires the Oversight Board to take the steps that are necessary to ensure the earliest possible incorporation of the Independent System Operator and the Power Exchange as separately incorporated public benefit, nonprofit corporations under the Corporations Code.

This bill would repeal that provision and, instead, create the Independent System Operator and the Power Exchange as state agencies, with powers as prescribed.

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 340 of the Public Utilities Code  
2 is repealed.  
3 ~~340. The Oversight Board shall take the steps that are~~  
4 ~~necessary to ensure the earliest possible incorporation of~~  
5 ~~the Independent System Operator and the Power~~  
6 ~~Exchange as separately incorporated public benefit,~~  
7 ~~nonprofit corporations under the Corporations Code.~~

1 SEC. 2. Section 344 is added immediately following  
2 the article heading of Article 3 (commencing with  
3 Section 345) of Chapter 2.3 of Division 1 of the Public  
4 Utilities Code, to read:

5 344. (a) The Independent System Operator is a state  
6 agency. The Independent System Operator has  
7 perpetual succession and it may sue and be sued. The  
8 Independent System Operator, to carry into effect and  
9 promote its objectives, may do all of the following:

10 (1) Make contracts.

11 (2) Borrow money, contract debts, issue bonds, notes,  
12 and debentures, and secure the payment of performance  
13 of its obligations.

14 (3) Own, hold, use, manage, and deal in and with real  
15 and personal property.

16 (4) Construct, alter, maintain, and repair buildings  
17 and other improvements to real property.

18 (5) Purchase, lease, obtain options upon, or acquire by  
19 gift, bequest, devise or otherwise, any real or personal  
20 property or any interest therein.

21 (6) Sell, lease, exchange, convey, transfer, assign,  
22 encumber, pledge, or dispose of any of its real or personal  
23 property or any interest therein, including without  
24 limitation all or any portion of its income or revenues  
25 from membership fees paid or payable by members.

26 (7) Do all other acts incidental to the foregoing or  
27 necessary or expedient for the administration of its affairs  
28 and the attainment of its purposes.

29 (b) Pursuant to those powers enumerated in  
30 paragraphs (1) to (7), inclusive, of subdivision (a), the  
31 Independent System Operator may raise revenue by any  
32 lawful means.

33 (c) No law of this state restricting, or prescribing a  
34 mode of procedure for the exercise of powers of state  
35 public bodies or state agencies, or classes thereof,  
36 including, but not limited to, Division 3 (commencing  
37 with Section 11000), Division 4 (commencing with  
38 Section 16100), and Part 1 (commencing with Section  
39 18000) and Part 2 (commencing with Section 18500) of

1 Division 5, of Title 2 of the Government Code, is  
2 applicable to the Independent System Operator.

3 SEC. 3. Section 344 is added immediately following  
4 the article heading of Article 4 (commencing with  
5 Section 355) of Chapter 2.3 of Division 1 of the Public  
6 Utilities Code, to read:

7 344. (a) The Power Exchange is a state agency. The  
8 Power Exchange has perpetual succession and it may sue  
9 and be sued. The Power Exchange, to carry into effect  
10 and promote its objectives, may do all of the following:

11 (1) Make contracts.

12 (2) Borrow money, contract debts, issue bonds, notes,  
13 and debentures, and secure the payment of performance  
14 of its obligations.

15 (3) Own, hold, use, manage, and deal in and with real  
16 and personal property.

17 (4) Construct, alter, maintain, and repair buildings  
18 and other improvements to real property.

19 (5) Purchase, lease, obtain options upon, or acquire by  
20 gift, bequest, devise or otherwise, any real or personal  
21 property or any interest therein.

22 (6) Sell, lease, exchange, convey, transfer, assign,  
23 encumber, pledge, or dispose of any of its real or personal  
24 property or any interest therein, including without  
25 limitation all or any portion of its income or revenues  
26 from membership fees paid or payable by members.

27 (7) Do all other acts incidental to the foregoing or  
28 necessary or expedient for the administration of its affairs  
29 and the attainment of its purposes.

30 (b) Pursuant to those powers enumerated in  
31 paragraphs (1) to (7), inclusive, of subdivision (a), the  
32 Power Exchange may raise revenue by any lawful means.

33 (c) No law of this state restricting, or prescribing a  
34 mode of procedure for the exercise of powers of state  
35 public bodies or state agencies, or classes thereof,  
36 including, but not limited to, Division 3 (commencing  
37 with Section 11000), Division 4 (commencing with  
38 Section 16100), and Part 1 (commencing with Section  
39 18000) and Part 2 (commencing with Section 18500) of

1 Division 5, of Title 2 of the Government Code, is  
2 applicable to the Power Exchange.

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