

AMENDED IN SENATE APRIL 24, 2000

AMENDED IN SENATE APRIL 12, 2000

SENATE BILL

No. 1388

Introduced by Senator Peace

January 24, 2000

An act to amend Sections 25519 and 25523 of, and to repeal Section 25524 of, the Public Resources Code, *and to add Section 393 to the Public Utilities Code*, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

SB 1388, as amended, Peace. Electrical power facilities.

(1) The Warren-Alquist State Energy Resources Conservation and Development Act requires the State Energy Resources Conservation and Development Commission to certify sufficient sites and related facilities that are required to provide a supply of electric power sufficient to accommodate projected demand for power statewide. The act requires that the commission forward an application for certification of a power facility to local governmental agencies having land use and related jurisdiction in the area of the proposed site and related facility, and requires those local agencies to review the application and submit comments, as prescribed. The act requires the commission to transmit a copy of the application to each federal and state agency having jurisdiction or special interest in matters pertinent to the proposed site and related facilities and to the Attorney General.

This bill would require local and state agencies having jurisdiction or special interest in matters pertinent to the proposed site and related facilities to provide their comments and recommendations on the project within 180 days of the date of filing of an application.

(2) The act requires that the commission prepare a written decision after a public hearing on an application for certification, containing specified information, including, with respect to a geothermal site and related facility, findings on whether there are sufficient commercial quantities of geothermal resources available to operate the proposed facility for its planned life. The act prohibits the commission from certifying any geothermal site and related facility unless it finds that the geothermal field dedicated to the proposed powerplant is reasonably capable of providing geothermal resources in sufficient commercial quantities to supply the powerplant over its planned life.

This bill would delete the above ~~prohibition~~ provisions relating to certifying geothermal sites and related facilities.

(3) *The Public Utilities Act requires the Public Utilities Commission to implement specified provisions of the restructuring of the electrical industry in the state.*

This bill would require electrical corporations and local publicly owned electrical utilities to replace or retrofit electric meters to provide usage information to the customer in a specified format. This bill would require the commission to adopt rules and orders to implement the replacement or retrofit, as prescribed. Because a violation of the act is a crime, this bill would imposed a state-mandated local program.

(4) The bill would make legislative findings and declarations with regard to the reliability and cost of electricity service *and the need for an electricity consumer infrastructure that will provide electricity consumption information to customers.*

(5) *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: ~~no~~ yes.

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

1 SECTION 1. The Legislature finds and declares all of
2 the following:

3 (a) Reliable, reasonably priced electricity service is
4 and always has been essential for California's economic
5 growth and for the health and welfare of its citizens.

6 (b) To improve the reliability and cost of electricity
7 service in California, Chapter 854 of the Statutes of 1996
8 (hereafter AB 1890) restructured the state's electricity
9 industry to allow market-based competition in the supply
10 of electric power and created the Independent System
11 Operator to ensure reliability, efficiently operate the
12 statewide transmission system, and ensure that necessary
13 new transmission capacity was planned for and
14 constructed.

15 (c) Prior to electric industry restructuring, California
16 had experienced a decade-long hiatus in powerplant
17 construction that, in conjunction with strong,
18 population-driven electricity demand growth, had begun
19 to jeopardize electric system reliability.

20 (d) The passage of AB 1890 ended this construction
21 hiatus and stimulated private developers to file an
22 unprecedented number of applications to build new,
23 environmentally superior merchant powerplants in
24 California.

25 (e) However, because these new powerplants will not
26 be completed until 2002 or 2003, the state's electric system
27 reliability will remain vulnerable during the next few
28 years during periods when California and its neighboring
29 states simultaneously experience very hot weather.

30 (f) This vulnerability will be exacerbated, in the event
31 of a drought, by California's dependence on
32 rainfall-driven hydroelectric power for over 20 percent of
33 its annual electricity requirements.

34 (g) Adequate generation, transmission, and
35 consumer-demand responsiveness alternatives are

1 critical to managing the vulnerability of the state's
2 electric system and ensuring reliable, reasonably priced,
3 electricity.

4 (h) Therefore all of the following are necessary:

5 (1) Timely and efficient public processes for siting,
6 licensing, and interconnecting new generation and
7 transmission facilities.

8 (2) Providing tools and information to the state's
9 electricity consumers to enable them to manage their
10 energy use during periods when electricity is most costly.

11 (3) Equipping public and private institutions that
12 protect the interests of California's citizens with the tools
13 and authority they need to facilitate the timely
14 development of required physical and policy
15 infrastructure.

16 (i) This act is intended to ensure that needed processes
17 and institutional capabilities are in place so California's
18 citizens and businesses will continue to be assured
19 reliable, reasonably priced, electricity service.
20 Specifically, this bill is intended to do all of the following:

21 (1) Expedite the deployment of new in-state electric
22 generation capacity.

23 (2) Expedite the development of necessary
24 transmission capacity identified by the Independent
25 System Operator.

26 (3) Expedite the development of necessary
27 distribution capacity identified by the Public Utilities
28 Commission.

29 (4) Maximize the potential benefits of energy
30 conservation by facilitating the deployment of
31 appropriate metering and communication and control
32 technologies through the distribution system.

33 (j) *The Legislature further finds and declares all of the*
34 *following:*

35 (1) *There is a need to establish an electricity consumer*
36 *information infrastructure that will provide electricity*
37 *consumption information to residential and small*
38 *commercial customers to help them better manage their*
39 *electricity use and costs and improve the demand*
40 *responsiveness of the electricity market.*

1 (2) A fundamental tool residential and small
2 electricity consumers require to better manage their
3 electricity use is real-time information about their
4 electricity consumption. Currently, the only electricity
5 usage information consumers have is a monthly bill that
6 summarizes historical electricity consumption. Real-time
7 electricity usage information is required for consumers to
8 understand the relationship between their current
9 activities and the amount of electricity they are
10 consuming. However, at present, consumers have no way
11 to monitor their electricity consumption on a real-time
12 basis.

13 (3) Technology exists that could help consumers
14 acquire the real-time information they would need to
15 understand and manage their electricity consumption.
16 However, the current stock of installed electricity meters
17 is not configured to allow ready access to this information.

18 (4) It is possible to economically retrofit or, in certain
19 cases, replace the current stock of electricity meters to
20 allow real-time usage information to be made available to
21 consumers through a standard output interface. A
22 standard output interface would allow consumers to
23 purchase a variety of energy information and
24 management technologies that would meet their
25 individual energy management objectives.

26 (5) Today, no energy information and management
27 technologies are commercially available to the small
28 consumer market. However, the ubiquitous availability
29 of standard electricity usage information at a standard
30 output interface will provide an incentive to third party
31 providers to develop value-added technological solutions
32 to help consumers use their electricity usage information
33 to manage their electricity consumption and meet their
34 individual energy management objectives and improve
35 the demand responsiveness of the electricity market.

36 SEC. 2. Section 25519 of the Public Resources Code is
37 amended to read:

38 25519. (a) In order to obtain certification for a site
39 and related facility, an application for certification of the
40 site and related facility shall be filed with the commission.

1 The application shall be in a form prescribed by the
2 commission and shall be for a site and related facility that
3 has been found to be acceptable by the commission
4 pursuant to Section 25516, or for an additional facility at
5 a site that has been designated a potential
6 multiple-facility site pursuant to Section 25514.5 and
7 found to be acceptable pursuant to Sections 25516 and
8 25516.5. An application for an additional facility at a
9 potential multiple-facility site shall be subject to the
10 conditions and review specified in Section 25520.5. An
11 application may not be filed for a site and related facility,
12 if there is no suitable alternative for the site and related
13 facility that was previously found to be acceptable by the
14 commission, unless the commission has approved the
15 notice based on the one site as specified in Section 25516.

16 (b) The commission, upon its own motion or in
17 response to the request of any party, may require the
18 applicant to submit any information, document, or data,
19 in addition to the attachments required by subdivision
20 (i), that it determines is reasonably necessary to make
21 any decision on the application.

22 (c) The commission shall be the lead agency as
23 provided in Section 21165 for all projects that require
24 certification pursuant to this chapter and for projects that
25 are exempted from such certification pursuant to Section
26 25541. Unless the commission's regulatory program
27 governing site and facility certification and related
28 proceedings are certified by the Resources Agency
29 pursuant to Section 21080.5, an environmental impact
30 report shall be completed within one year after receipt of
31 the application. If the commission prepares a document
32 or documents in the place of an environmental impact
33 report or negative declaration under a regulatory
34 program certified pursuant to Section 21080.5, any other
35 public agency that must make a decision that is subject to
36 the California Environmental Quality Act, Division 13
37 (commencing with Section 21000), on a site or related
38 facility, shall use the document or documents prepared
39 by the commission in the same manner as they would use

1 an environmental impact report or negative declaration
2 prepared by a lead agency.

3 (d) If the site and related facility specified in the
4 application is proposed to be located in the coastal zone,
5 the commission shall transmit a copy of the application to
6 the California Coastal Commission for its review and
7 comments.

8 (e) If the site and related facility specified in the
9 application is proposed to be located in the Suisun Marsh
10 or the jurisdiction of the San Francisco Bay Conservation
11 and Development Commission, the commission shall
12 transmit a copy of the application to the San Francisco
13 Bay Conservation and Development Commission for its
14 review and comments.

15 (f) Upon receipt of an application, the commission
16 shall forward the application to local governmental
17 agencies having land use and related jurisdiction in the
18 area of the proposed site and related facility. Those local
19 agencies shall review the application and submit
20 comments on, among other things, the design of the
21 facility, architectural and aesthetic features of the facility,
22 access to highways, landscaping and grading, public use
23 of lands in the area of the facility, and other appropriate
24 aspects of the design, construction, or operation of the
25 proposed site and related facility.

26 (g) Upon receipt of an application, the commission
27 shall cause a summary of the application to be published
28 in a newspaper of general circulation in the county in
29 which the site and related facilities, or any part thereof,
30 designated in the application, is proposed to be located.
31 The commission shall transmit a copy of the application
32 to each federal and state agency having jurisdiction or
33 special interest in matters pertinent to the proposed site
34 and related facilities and to the Attorney General.

35 (h) Local and state agencies having jurisdiction or
36 special interest in matters pertinent to the proposed site
37 and related facilities shall provide their comments and
38 recommendations on the project within 180 days of the
39 date of filing of an application.

1 (i) The adviser shall require that adequate notice is
2 given to the public and that the procedures specified by
3 this division are complied with.

4 (j) For any proposed site and related facility requiring
5 a certificate of public convenience and necessity, the
6 commission shall transmit a copy of the application to the
7 Public Utilities Commission and request the comments
8 and recommendations of the Public Utilities Commission
9 on the economic, financial, rate, system reliability, and
10 service implications of the proposed site and related
11 facility. If the commission requires modification of the
12 proposed facility, the commission shall consult with the
13 Public Utilities Commission regarding the economic,
14 financial, rate, system reliability, and service implications
15 of those modifications.

16 (k) The commission shall transmit a copy of the
17 application to any governmental agency not specifically
18 mentioned in this act, but which it finds has any
19 information or interest in the proposed site and related
20 facilities, and shall invite the comments and
21 recommendations of each agency. The commission shall
22 request any relevant laws, ordinances, or regulations that
23 an agency has promulgated or administered.

24 (l) An application for certification of any site and
25 related facilities shall contain a listing of every federal
26 agency from which any approval or authorization
27 concerning the proposed site is required, specifying the
28 approvals or authorizations obtained at the time of the
29 application and the schedule for obtaining any approvals
30 or authorizations pending.

31 SEC. 3. Section 25523 of the Public Resources Code is
32 amended to read:

33 25523. The commission shall prepare a written
34 decision after the public hearing on an application, which
35 includes all of the following:

36 (a) Specific provisions relating to the manner in which
37 the proposed facility is to be designed, sited, and operated
38 in order to protect environmental quality and assure
39 public health and safety.

(b) In the case of a site to be located in the coastal zone, specific provisions to meet the objectives of Division 20 (commencing with Section 30000) as may be specified in the report submitted by the California Coastal Commission pursuant to subdivision (d) of Section 30413, unless the commission specifically finds that the adoption of the provisions specified in the report would result in greater adverse effect on the environment or that the provisions proposed in the report would not be feasible.

(c) In the case of a site to be located in the Suisun Marsh or in the jurisdiction of the San Francisco Bay Conservation and Development Commission, specific provisions to meet the requirements of Division 19 (commencing with Section 29000) of this code or Title 7.2 (commencing with Section 66600) of the Government Code as may be specified in the report submitted by the San Francisco Bay Conservation and Development Commission pursuant to subdivision (d) of Section 66645 of the Government Code, unless the commission specifically finds that the adoption of the provisions specified in the report would result in greater adverse effect on the environment or the provisions proposed in the report would not be feasible.

(d) (1) Findings regarding the conformity of the proposed site and related facilities with standards adopted by the commission pursuant to Section 25216.3 and subdivision (d) of Section 25402, with public safety standards and the applicable air and water quality standards, and with other relevant local, regional, state, and federal standards, ordinances, or laws. If the commission finds that there is noncompliance with any state, local, or regional ordinance or regulation in the application, it shall consult and meet with the state, local, or regional governmental agency concerned to attempt to correct or eliminate the noncompliance. If the noncompliance cannot be corrected or eliminated, the commission shall inform the state, local, or regional governmental agency if it makes the findings required by Section 25525.

1 (2) The commission may not find that the proposed
2 facility conforms with applicable air quality standards
3 pursuant to paragraph (1) unless the applicable air
4 pollution control district or air quality management
5 district certifies that complete emissions offsets for the
6 proposed facility have been identified and will be
7 obtained by the applicant prior to the commission's
8 licensing of the project, to the extent that the proposed
9 facility requires emission offsets to comply with local,
10 regional, state, or federal air quality standards.

11 (e) Provision for restoring the site as necessary to
12 protect the environment, if the commission denies
13 approval of the application.

14 (f) In the case of a site and related facility using
15 resource recovery (waste-to-energy) technology,
16 specific conditions requiring that the facility be
17 monitored to ensure compliance with paragraphs (1),
18 (2), (3), and (6) of subdivision (a) of Section 42315 of the
19 Health and Safety Code.

20 (g) In the case of a facility, other than a resource
21 recovery facility subject to subdivision (f), specific
22 conditions requiring the facility to be monitored to
23 ensure compliance with toxic air contaminant control
24 measures adopted by an air pollution control district or air
25 quality management district pursuant to subdivision (d)
26 of Section 39666 or Section 41700 of the Health and Safety
27 Code, whether the measures were adopted before or
28 after issuance of a determination of compliance by the
29 district.

30 SEC. 4. Section 25524 of the Public Resources Code is
31 repealed.

32 SEC. 5. Section 393 is added to the Public Utilities
33 Code, to read:

34 393. (a) Electrical corporations shall retrofit or
35 replace all current residential and small commercial
36 electric meters to provide usage information in the form
37 of a kyz pulse to a standard output interface.

38 (b) The commission shall adopt appropriate rules and
39 orders to ensure that all of the following occur:



1 (1) All electrical corporation retrofits or meter
2 replacements conform to the same American National
3 Standards Institute or Institute of Electrical and
4 Electronics Engineers kyz pulse standard, as appropriate,
5 and provide the same standard output interface.

6 (2) The technology selected to provide the kyz pulse
7 is the most cost effective, including its use of electricity
8 on a life-cycle basis.

9 (3) The standard pulse output interface selected
10 allows the customer's data to be multiply accessed.

11 (4) The standard pulse output interface is installed in
12 a way that does not compromise customer or worker
13 safety or the integrity or accuracy of the meter.

14 (5) Deployment is accomplished as expeditiously as
15 possible, with priority given to deployments in areas with
16 the greatest local reliability concerns, where summer
17 electricity usage is high or in service territories where the
18 rate level established in subdivision (c) of Section 368 is
19 no longer in effect.

20 (6) Since some older vintage meters cannot be readily
21 retrofitted, the decision regarding whether to retrofit or
22 replace a meter is made on the basis of cost-effectiveness.

23 (7) Access by electrical corporations and third party
24 providers to the customer pulse output interface shall be
25 at the sole discretion of the customer.

26 (8) To ensure customer privacy, unless specifically
27 authorized by the customer, information based upon
28 customer pulse data may not be used for any commercial
29 purpose.

30 (9) Customers receiving service under the California
31 Alternative Rates for Energy program under Section
32 739.1 or any equivalent low-income program not pay a
33 higher distribution rate attributable to the retrofit or
34 replacement.

35 (c) Electrical corporations shall be allowed to include
36 in their distribution rate base the reasonable costs of the
37 retrofitting or replacing of meters.

38 (d) Electrical corporations and local publicly owned
39 electric utilities shall install meters that provide a kyz

1 pulse to the same standard output interface in all new
2 residential and commercial construction.

3 (e) (1) Local publicly owned electric utilities shall,
4 under the direction of their respective governing bodies,
5 provide the same kyz pulse capability to their customers.
6 This capability shall conform to the same standards
7 specified in paragraphs (1) to (9), inclusive, of
8 subdivision (b).

9 (2) Local publicly owned electric utilities shall, as
10 expeditiously as possible, deploy the technology to their
11 residential and small commercial customers, giving
12 appropriate priority to local reliability issues and summer
13 electricity usage.

14 SEC. 6. No reimbursement is required by this act
15 pursuant to Section 6 of Article XIII B of the California
16 Constitution because the only costs that may be incurred
17 by a local agency or school district will be incurred
18 because this act creates a new crime or infraction,
19 eliminates a crime or infraction, or changes the penalty
20 for a crime or infraction, within the meaning of Section
21 17556 of the Government Code, or changes the definition
22 of a crime within the meaning of Section 6 of Article
23 XIII B of the California Constitution.

