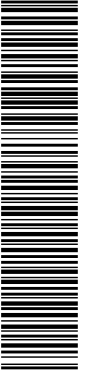


An act to add Sections 653 and 740.22 to the Public Utilities Code,
relating to public utilities.

SECURED
COPY



THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 653 is added to the Public Utilities Code, to read:

653. The commission, in furtherance of the goals of Sections 399.24 and 651, shall authorize a gas corporation to file applications to recover through its rate base investments in infrastructure to interconnect facilities producing biomethane from a producer to the pipeline system, including, but not limited to, the point of receipt downstream, and authorize the timely recovery of costs through a reasonable cost recovery mechanism. If requested by the gas corporation, the commission shall authorize the use of a two-way balancing account mechanism.

SEC. 2. Section 740.22 is added to the Public Utilities Code, to read:

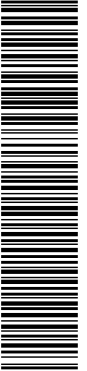
740.22. (a) The Legislature finds and declares that capture, treatment, transport, sequestration, and use of carbon dioxide serves and is in the public interest, and is in furtherance of the public health and welfare of the people of California.

(b) Notwithstanding Section 211 or any other law, the commission, in consultation with the State Air Resources Board and the Energy Commission, shall authorize a gas corporation to file applications for investments in programs to develop capture and sequestration or use of carbon dioxide to reduce emissions of greenhouse gases consistent with state carbon reduction goals.

(c) Programs proposed by gas corporations shall seek to minimize overall costs and maximize overall benefits. The commission shall approve, or approve with appropriate modification, reasonable investments in assets for the capture, treatment, transport, sequestration, and use of carbon dioxide, including the timely recovery of costs through a reasonable cost recovery mechanism.

(d) If requested by the gas corporation, the commission shall authorize the use of a two-way balancing account mechanism.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.



LEGISLATIVE COUNSEL'S DIGEST

Bill No.
as introduced, _____.
General Subject: Gas corporations: biomethane: carbon capture.

Existing law vests the Public Utilities Commission with regulatory authority over public utilities, including gas corporations. Existing law requires the commission, in consultation with the State Air Resources Board, to consider adopting specific biomethane procurement targets or goals for each gas corporation, as specified.

This bill would require the commission, in furtherance of those targets or goals, to authorize a gas corporation to apply to recover through its rate base investments in infrastructure to interconnect facilities producing biomethane to the pipeline system. The bill would also require the commission to authorize the timely recovery of the gas corporation's costs through a reasonable cost recovery mechanism.

Existing law requires the State Air Resources Board to establish a carbon capture, removal, utilization, and storage program to, among other things, evaluate the efficacy, safety, and viability of technologies for carbon capture, utilization, and storage, and facilitate the capture and sequestration of carbon dioxide from those technologies.

The bill would require the commission, in consultation with the State Air Resources Board and the State Energy Resources Conservation and Development Commission, to authorize a gas corporation to apply for investments in programs to develop capture and sequestration or use of carbon dioxide to reduce emissions of greenhouse gases. The bill would require the commission to approve reasonable investments in assets for the capture, treatment, transport, sequestration, and use of carbon dioxide, including the timely recovery of costs through a reasonable cost recovery mechanism.

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

Because the provisions of this bill would be a part of the act and therefore a violation of the bill's requirements or of an action of the commission implementing the bill's requirements would be a crime, the bill would impose a state-mandated local program.

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.

