AMENDED IN SENATE JUNE 20, 2016

AMENDED IN ASSEMBLY APRIL 13, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL No. 2630

Introduced by Assembly Member Salas
(Coauthors: Assembly Members Arambula, Atkins, Bigelow, Bloom, Bonta, Brown, Gray, Mathis, Medina, Olsen, Patterson, Quirk, and Santiago)
(Coauthors: Senators Berryhill, Cannella, Fuller, Galgiani, and Pavley)

February 19, 2016

An act to add Section 399.23 to the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

AB 2630, as amended, Salas. San Joaquin Valley Clean Energy and Jobs Act.

Existing ~~law,~~ *law relative to electrical restructuring, within* the Public Utilities Act, establishes the Independent System Operator to ensure the efficient use and reliable operation of the electric transmission grid. ~~The Clean Energy and Pollution Reduction Act of 2015 establishes a target of 50% for the amount of electricity generated and sold to retail customers per year from eligible renewable energy resources, to be achieved by December 31, 2030.~~ *The California Renewables Portfolio Standard Program requires the Public Utilities Commission (PUC) to establish a renewables portfolio standard requiring all retail sellers, as defined, to procure a minimum quantity of electricity products from eligible renewable energy resources, as defined, so that the total kilowatthours sold to their retail end-use customers achieves 25% of*

retail sales by December 31, 2016, 33% by December 31, 2020, 40% by December 31, 2024, 45% by December 31, 2027, and 50% by December 31, 2030. The program additionally requires each local publicly owned electric utility, as defined, to procure a minimum quantity of electricity products from eligible renewable energy resources to achieve the procurement requirements established by the program.

This bill would require the ~~Public Utilities Commission~~ *PUC* and the State Energy Resources Conservation and Development Commission *(Energy Commission)* to evaluate, while taking into consideration ratepayer costs and benefits, potential *eligible* renewable energy *resource* projects in the San Joaquin ~~Valley, as specified, and,~~ *Valley that provide specified benefits or attributes. The bill would require the PUC and the Energy Commission,* on or before January 31, 2017, using that evaluation, to recommend to the Independent System Operator an amount of ~~renewable energy production~~ *electricity to be generated from eligible renewable energy resources* in the San Joaquin Valley that reasonably maximizes, consistent with the state's overall need for ~~renewable energy,~~ *electricity and the California Renewables Portfolio Standard Program,* the amount of ~~renewable energy produced in the San Joaquin Valley.~~ *electricity to be generated from eligible renewable energy resources that accomplishes specified objectives. The bill would require the PUC and the Energy Commission, on or before January 31, 2017, using the results of the evaluation, to recommend to the Independent System Operator any network transmission upgrades needed to fulfill the above-described generation quantity recommendations and would require that the transmission upgrade recommendations seek to minimize the need for new transmission by prioritizing the use of existing transmission corridors consistent with specified principles developed by the Energy Commission.*

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

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

SECTION 1. This act shall be known, and may be cited, as the San Joaquin Valley Clean Energy and Jobs Act.

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

(a) The California Global Warming Solutions Act of 2006 (Division 25.5 (commencing with Section 38500) of the Health and Safety Code) established a policy to reduce emissions of

greenhouse gases to 1990 levels by 2020 and to continue reductions of emissions of greenhouse gases beyond 2020.

(b) The Clean Energy and Pollution Reduction Act of 2015 (Chapter 547 of the Statutes of 2015) established further clean energy policies to reduce emissions of greenhouse gases and expand ~~renewable energy~~ *generation from eligible renewable energy resources* to at least 50 percent of total retail sales of electricity in California by December 31, 2030.

(c) The San Joaquin Valley remains mired in chronic double digit unemployment, unprecedented rates of poverty, a severe ongoing drought, and poor air quality.

(d) California's energy sector is undergoing significant advancement and transformation driven by evolving regulation, expanding renewable energy goals, and increasing greenhouse gas emissions reduction efforts.

(e) While rich in natural resources and clean energy opportunities, the San Joaquin Valley has largely been left behind in California's clean energy revolution. The overwhelming majority of the state's new transmission assets have been sited in other regions, particularly southern California, and renewable energy *resource project* investment, jobs, and economic and environmental benefits have followed grid access.

(f) Unlocking the renewable energy potential of the San Joaquin Valley by providing more equitable investment in a clean energy economy should be a key priority of California policymakers.

(g) Timely investment and improved transmission access are critical to the San Joaquin Valley and will allow the region to more effectively and efficiently develop clean energy ~~opportunities,~~ *opportunities at all solar project locations,* create jobs, and derive cobenefits for disadvantaged communities.

(h) The Governor's office ~~is nearing completion of~~ *has completed* the San Joaquin Valley Solar Convening ~~to identify~~ *identifying* high potential solar energy developments in the San Joaquin Valley that maximize renewable energy benefits and minimize environmental biological and habitat impacts.

(i) The report issued by the University of California in May 2016 on the outcome of the convening, entitled "A Path Forward: Identifying Least-Conflict Solar PV Development in California's San Joaquin Valley," identified 470,000 acres of least-conflict

land, amounting to roughly 5 percent of the 9.5 million acres in the stakeholder study area.

(j) In order to identify least-conflict lands, the project team convened four stakeholder groups early in the process: (1) an environmental conservation group, (2) an agricultural farmland conservation group, (3) a solar industry group, and (4) a transmission group. An agricultural rangeland stakeholder group was later added to gain a better understanding of regional land value from this stakeholder perspective.

(k) The project team generated the final result, the composite least-conflict area, using the information developed with the solar industry, environmental conservation, and agricultural farmland conservation stakeholder groups.

(l) Given the proximity to existing transmission corridors, solar projects in the San Joaquin Valley can be developed in a way that minimizes the need for new transmission by prioritizing the use of existing transmission corridors consistent with the principles of transmission corridor planning developed by the State Energy Resources Conservation and Development Commission in response to Senate Bill 2431 (Chapter 1457 of the Statutes of 1988), known as the Garamendi Principles.

~~(i)~~

(m) As future clean energy investments are planned and implemented, state officials must ensure an appropriate share is targeted to improve environmental quality, expand economic development, contribute to environmental solutions, and create jobs in the San Joaquin Valley.

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

399.23. (a) The ~~Public Utilities Commission~~ *commission* and the ~~State~~ Energy ~~Resources Conservation and Development~~ Commission shall evaluate, while taking into consideration ratepayer costs and benefits, potential *eligible* renewable energy *resource* projects in the San Joaquin Valley. Evaluation of projects that provide the following benefits *or attributes* shall be prioritized:

(1) The economically viable and environmentally beneficial reuse of drainage-impaired agricultural lands.

(2) The retirement of drainage-impaired agricultural land and facilitation of regional agricultural drainage solutions.

(3) The facilitation of surface water supply redirection from drainage-impaired agricultural lands to other productive agricultural land.

(b) Using the results of the evaluation, on or before January 31, 2017, the ~~Public Utilities Commission~~ *commission* and the ~~State~~ Energy ~~Resources Conservation and Development~~ Commission shall recommend to the Independent System Operator an amount of ~~renewable energy production~~ *electricity to be generated from eligible renewable energy resources* in the San Joaquin Valley that reasonably ~~maximizes,~~ *maximizes the amount of electricity to be generated from eligible renewable energy resources,* consistent with the state's overall need for ~~renewable energy, the amount of renewable energy produced in the San Joaquin Valley.~~ *electricity and the requirements of this article, and that accomplishes all of the following:*

(1) Takes into account the 470,000 acres identified in the Governor's May 2016 Solar Convening Report, entitled "A Path Forward: Identifying Least-Conflict Solar PV Development in California's San Joaquin Valley," along with all other lands in the Central Valley that have entitlements for solar development.

(2) Provides eligible renewable energy resources within the San Joaquin Valley with full capacity deliverability status.

(3) Minimizes the need for new transmission by prioritizing the use of existing transmission corridors consistent with the principles of transmission corridor planning developed by the Energy Commission in response to Senate Bill 2431 (Chapter 1457 of the Statutes of 1988), known as the Garamendi Principles.

(c) Using the results of the evaluation, on or before January 31, 2017, the commission and the Energy Commission shall recommend to the Independent System Operator any network transmission upgrades needed to fulfill the recommendations made pursuant to subdivision (b). This recommendation shall seek to minimize the need for new transmission by prioritizing the use of existing transmission corridors consistent with the Garamendi Principles of transmission corridor planning.

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