

Date of Hearing: May 12, 2021

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Lorena Gonzalez, Chair

AB 1531 (O'Donnell) – As Amended April 26, 2021

Policy Committee: Utilities and Energy

Vote: 15 - 0

Urgency: No

State Mandated Local Program: Yes

Reimbursable: No

SUMMARY:

This bill expands the regulatory oversight of the Office of the State Fire Marshal (Fire Marshal) to include intrastate pipelines transporting supercritical carbon dioxide (CO₂).

FISCAL EFFECT:

Upfront costs of an unknown, but potentially significant, amount to the Fire Marshal to establish oversight of supercritical CO₂ pipelines and to oversee them (special fund). Eventually the Fire Marshal should be able to recover these costs through fees.

COMMENTS:

Background and Purpose. Statute charges the Fire Marshal with regulating an intrastate pipeline that carries a hazardous liquid. Similarly, the California Public Utilities Commission regulates intrastate gas pipelines, as part of the commission's regulation of gas utilities. Interstate pipelines are regulated by the United States Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHMSA). PHMSA has delegated its authority to the Fire Marshal, for interstate pipelines in California. So, who regulates intrastate pipeline transport of supercritical CO₂? Under this bill, the Fire Marshal would, but, under existing law, it is unclear, as state law governing pipeline regulation does not reference CO₂.

Supercritical CO₂ is CO₂ under extreme pressure, and, reportedly, it is easier and more economical to transport CO₂ through pipelines than to transport it in other physical states. And since highly pressurized CO₂ is considered a liquid, the author contends it makes sense to place an in-state pipeline that transports supercritical CO₂ under the watch of the Fire Marshal.

Not to be super critical, but, arguably, the Fire Marshal already has regulatory oversight of pipelines that transport this type of CO₂ in California, pursuant to the authority delegated to the marshal by PHMSA.

Analysis Prepared by: Jay Dickenson / APPR. / (916) 319-2081