

ASSEMBLY THIRD READING
AB 1533 (Committee on Utilities and Energy)
As Amended May 25, 2023
2/3 vote. Urgency

SUMMARY

This bill is the Utilities and Energy Committee's omnibus code clean-up measure, which moves the statutory requirements for reports by the California Public Utilities Commission (CPUC) to a more suitable code section, sunsets CPUC reporting requirements on certain programs once the programs have ended, reintroduces provisions chaptered out in 2022, and provides code cleanup in various other sections.

Major Provisions

COMMENTS

A Deal with Diablo. SB 846 (Dodd), Chapter 239, Statutes of 2022, authorizes the extension of operating the Diablo Canyon Nuclear power plant (DCPP) beyond the current expiration dates (of 2024 for Unit 1 and 2025 for Unit 2), to up to five additional years (no later than 2029 and 2030, respectively), under specified conditions. This bill reintroduces a measure from SB 846 which specifies that electricity produced by the DCPP does not count toward California's statutory renewable energy mandates, zero-carbon resource targets, or climate goals beyond its initial retirement date of 2025. The provision seeks to eliminate the possibility that the carbon-free electricity from DCPP slows or otherwise limits the development of zero-carbon energy generation elsewhere in the state. This bill contains two other revisions related to DCPP: the first extends the Diablo Canyon Independent Peer Review Panel for the duration of the DCPP's potential operation, until 2030, to ensure the continued review of seismic data relevant to the ongoing operation of DCPP, and the second requires the Diablo Canyon Independent Safety Committee to continue working until operations at DCPP cease.

The Power of Presumption. The swift development of electrical transmission infrastructure is critical to reaching California's climate goals. This bill would streamline one piece of the transmission project development process by requiring the CPUC to, when evaluating the issuance of a certificate of public convenience and necessity for a transmission project, establish a rebuttable presumption with regard to the need for a transmission project in favor of a California Independent System Operator (CAISO) governing board-approved need evaluation. This change essentially enables to CPUC to accept the recommendations of the CAISO project study rather than being required to conduct an additional, largely duplicative study, while retaining the CPUC's ability to re-evaluate the need for a project should they choose to. This policy change was originally authorized by the Legislature under SB 846, and is reintroduced here after being chaptered out by a subsequent statute.

Reconciling Reliability Programs. The California Energy Commission (CEC) administers the Demand Side Grid Support Program (DSGS) to incentivize dispatchable customer load reduction and backup generation operation to bolster the reliability of California's electrical grid during extreme events. The CEC also operates the Distributed Electricity Backup Assets (DEBA) Program, which incentivizes the construction of cleaner and more efficient distributed energy assets that serve as on-call emergency supply or load reduction for the state's electrical grid

during extreme events. This bill eliminates the requirement that entities with generation or load reduction assets that are incentivized pursuant to the DEBA Program also participate in the DSGS Program. This bill also eliminates the requirement that energy produced under the DSGS program be settled at a relevant reference energy price. The price incentives were included to encourage utilities to enter in the program but have not effectively encouraged participation.

Zeroing in on Zero-carbon. This bill clarifies that "firm zero-carbon resources" must be "zero carbon" for the purposes of the CEC's Integrated Energy Policy Report (IEPR) study of firm zero-carbon resources, ameliorating a statutory drafting error and closing a potential loophole in California's pathway to achieving its zero-carbon energy goals.

Reorganizing Reports. This bill relocates multiple CPUC reporting requirements to a section of the Public Utilities Code entitled "Reports to the Legislature" for ease of reference and general organization of the codes. This action follows previous legislative actions to compile agency reporting requirements in a single location, including SB 1222 (Hertzberg), Chapter 842, Statutes of 2016. This bill also removes an unnecessary burden from the CPUC by eliminating the commission's obligation to submit reports to the Legislature on certain programs more than two years after the specified programs have ended

Reporting on Reliability. This bill requires that the report by the Department of Water Resources (DWR) on spending activities related to the Strategic Reliability Reserve (SRR) includes the expenditures made by the California Energy Commission (CEC) for the Distributed Electricity Backup Assets (DEBA) and Demand Side Grid Support (DSGS) programs.

According to the Author

"This bill is the Assembly Utilities and Energy Committee omnibus that includes various code clean up provisions. It clarifies a statutory definition, moves the statutory location of various California Public Utilities Commission (CPUC) reports, sunsets certain CPUC reports pursuant to program closures, reintroduces policy that was adopted—then chaptered out—last session, and provides additional code-clean up."

Arguments in Support

"The bill is supported by the Clean Power Campaign and the California Wind Energy Association, who support the provisions to "require that the Diablo Canyon nuclear power plant not count towards California's renewable energy mandates or zero-carbon resource targets beyond its closure date of 2025" as important to ensuring a rapid transition to renewable energy in California."

Arguments in Opposition

The bill is opposed by FissionTransition, who advocate for a greater role for nuclear energy in California's energy transition, including the counting of energy generated by DCPD toward the state's zero-carbon energy goals beyond the plant's initial retirement date. The California Community Choice Association (CalCCA) has an Oppose Unless Amended position on the bill, seeking to allow for the capacity from DCPD to count toward statewide resource adequacy past 2025. The language CalCCA seeks to amend was negotiated as part of the DCPD package in SB 846 (Dodd, 2022) last year, and inadvertently chaptered out.

FISCAL COMMENTS

According to the Assembly Appropriations Committee, minor state costs.

VOTES

ASM UTILITIES AND ENERGY: 13-0-2

YES: Garcia, Bauer-Kahan, Calderon, Wendy Carrillo, Chen, Connolly, Mathis, Muratsuchi, Reyes, Santiago, Schiavo, Ting, Wallis

ABS, ABST OR NV: Jim Patterson, Holden

ASM APPROPRIATIONS: 15-0-1

YES: Holden, Bryan, Calderon, Wendy Carrillo, Dixon, Mike Fong, Hart, Lowenthal, Mathis, Papan, Pellerin, Robert Rivas, Sanchez, Weber, Ortega

ABS, ABST OR NV: Megan Dahle

UPDATED

VERSION: May 25, 2023

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