

Date of Hearing: May 10, 2023

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Chris Holden, Chair

AB 580 (Bennett) – As Amended April 17, 2023

Policy Committee: Utilities and Energy

Vote: 15 - 0

Urgency: No

State Mandated Local Program: No

Reimbursable: No

**SUMMARY:**

This bill requires the California Public Utilities Commission (CPUC) to (a), on or before July 1, 2024, consult with the Department of Conservation, the Department of Food and Agriculture (Food and Ag), and the California Energy Commission (CEC) to assess challenges that exist when enabling farmers to repurpose their fallowed land for zero-emission energy infrastructure, and to develop best practices for navigating those challenges, and (b) on or before December 31, 2024, publish on its website information to assist farmers in navigating the challenges identified pursuant to this bill.

**FISCAL EFFECT:**

The CPUC anticipates significant costs to assess the challenges cited in this bill and to develop best practices for navigating those challenges. For its part, the CPUC estimates \$2.25 million over four years. These costs would pay for one three-year limited-term analyst, a consultant contract of \$2 million and related equipment, licensing and training costs (Public Utilities Reimbursement Account or other special fund).

**COMMENTS:**

**Background and Purpose.** For most of California's history, the use of groundwater was largely unregulated. This freedom to use groundwater had many effects, maybe none more visible than dramatic subsidence of land in places like the San Joaquin Valley.

In 2014, the Legislature enacted legislation to create the Sustainable Groundwater Management Act, which, very generally, requires that every groundwater basin designated as in a condition of critical overdraft by the Department of Water Resources be managed under a plan to sustainably use groundwater.

It is expected that sustainable use of groundwater will result in significant amounts of land being taken out of agricultural production. Such land can, in many cases, be put to other beneficial uses, including renewable energy production through, for example, installation of solar arrays. The author intends this bill to better enable farmers to transition farmland to renewable energy use. According to the author:

It is an unfortunate fact that cutting down on water use means that many farmers will need to fallow their agricultural land. This has already begun

to happen and you can see examples across the state. Programs that allow farmers to repurpose their fallowed ag land deserve our support because they are doing their part to conserve water. My bill requires that the PUC provide real support to farmers who want to convert their fallowed ag land to solar fields. It is important that we support farmers in every way we can during these unprecedented times.

The California Constitution establishes the CPUC to, among other things, fix rates, establish rules, examine records, issue subpoenas, administer oaths, take testimony, punish for contempt and prescribe a uniform system of accounts for all public utilities subject to its jurisdiction. There is nothing about fallowing land, or about installing solar arrays on such land, that inherently falls under the CPUC's jurisdiction. The author may wish to consider another agency with more general duties directly related to the requirements of this bill—such as CEC or Food and Ag—to lead the efforts required by this bill.

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