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SB-1440 Energy: biomethane: biomethane procurement. (2017-2018)

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Senate Bill No. 1440

CHAPTER 739

An act to add Article 10 (commencing with Section 650) to Chapter 3 of Part 1 of Division 1 of the Public Utilities Code, relating to energy.

[Approved by Governor September 23, 2018. Filed with Secretary of State September 23, 2018.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1440, Hueso. Energy: biomethane: biomethane procurement.

Existing law requires state agencies to consider and, as appropriate, adopt policies and incentives to significantly increase the sustainable production and use of renewable gas. Existing law requires the Public Utilities Commission (PUC), in consultation with the State Energy Resources Conservation and Development Commission and the State Air Resources Board, to consider additional policies to support the development and use in the state of renewable gas that reduce short-lived climate pollutants in the state.

This bill would require the PUC, in consultation with the State Air Resources Board, to consider adopting specific biomethane procurement targets or goals for each gas corporation, as specified. The bill would require the PUC, if the PUC adopts those targets or goals, to take certain actions in regards to the development of the targets or goals and the procurement of the biomethane to meet those targets or goals.

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 because a violation of an order or decision of the commission implementing its requirements would be a crime, the bill would impose a state-mandated local program by expanding the operation of a crime.

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 Local Program: yes

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

SECTION 1. Article 10 (commencing with Section 650) is added to Chapter 3 of Part 1 of Division 1 of the Public Utilities Code, to read:

Article 10. Biomethane Procurement

650. For purposes of this article, "biomethane" means a biogas that meets the standards adopted pursuant to subdivisions (c) and (d) of Section 25421 of the Health and Safety Code for injection into a common carrier pipeline.

651. (a) The commission, in consultation with the State Air Resources Board, shall consider adopting specific biomethane procurement targets or goals for each gas corporation so that each gas corporation procures a proportionate share, as determined by the commission, of biomethane annually. Prior to establishing biomethane procurement targets or goals, the commission shall make both of the following findings:

- (1) The targets or goals are cost-effective means of achieving the forecast reduction in the emissions of short-lived climate pollutants pursuant to Section 39730.5 of the Health and Safety Code and other greenhouse gases pursuant to Division 25.5 (commencing with Section 38500) of the Health and Safety Code.
- (2) The targets or goals comply with all applicable state and federal laws.

(b) If the commission adopts specific biomethane procurement targets or goals for each gas corporation pursuant to subdivision (a), the commission shall do all of the following:

- (1) Consider the recommendations developed pursuant to Section 39730.8 of the Health and Safety Code.
- (2) Ensure the targets or goals are consistent with the organic waste disposal reduction targets specified in Section 39730.6 of the Health and Safety Code and the regulations adopted pursuant to Section 42652.5 of the Public Resources Code to achieve those targets.
- (3) Ensure that biomethane eligible for any procurement program meets one of the following conditions:
 - (A) The biomethane is delivered to California through a dedicated pipeline.
 - (B) The biomethane is delivered to California through a common carrier pipeline and meets both of the following requirements:
 - (i) The source of biomethane injects the biomethane into a common carrier pipeline that physically flows within California, or toward the end user in California for which the biomethane was produced.
 - (ii) The seller or purchaser of the biomethane demonstrates that the capture or production of biomethane directly results in at least one of the following environmental benefits to California:
 - (I) The reduction or avoidance of the emission of any criteria air pollutant, toxic air contaminant, or greenhouse gas in California.
 - (II) The reduction or avoidance of pollutants that could have an adverse impact on waters of the state.
 - (III) The alleviation of a local nuisance within California that is associated with the emission of odors.

SEC. 2. 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.