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SB-437 Local publicly owned electric utilities: integrated resource planning: transportation electrification. (2021-2022)

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Senate Bill No. 437

CHAPTER 138

An act to amend Section 9621 of the Public Utilities Code, relating to electricity.

[Approved by Governor July 23, 2021. Filed with Secretary of State July 23, 2021.]

LEGISLATIVE COUNSEL'S DIGEST

SB 437, Wieckowski. Local publicly owned electric utilities: integrated resource planning: transportation electrification.

Existing law requires that the governing board of a local publicly owned electric utility with an annual electrical demand exceeding 700 gigawatthours adopt an integrated resource plan and a process for updating the plan at least once every 5 years to ensure the utility achieves specified objectives. Existing law requires that the local publicly owned electric utility's integrated resource plan address procurement for, among other things, transportation electrification.

This bill would require that each updated integrated resource plan include details of the utility's electrical service rate design that support transportation electrification, and existing or planned incentives to support transportation electrification, as specified. The bill would require that the rate design include details for all applicable transportation sectors. The bill would require that each integrated resource plan include information about the utility's customer education and outreach efforts being implemented to inform utility customers of available incentives and decisionmaking tools, such as cost calculators or cost estimates that can assist customers in predicting the cost of paying for electricity for vehicles. By placing additional requirements upon local publicly owned electric utilities, the bill would impose a state-mandated local program.

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. Section 9621 of the Public Utilities Code is amended to read:

9621. (a) This section shall apply to a local publicly owned electric utility with an annual electrical demand exceeding 700 gigawatthours, as determined on a three-year average commencing January 1, 2013.

(b) On or before January 1, 2019, the governing board of a local publicly owned electric utility shall adopt an integrated resource plan and a process for updating the plan at least once every five years to ensure the utility achieves all of the following:

(1) Meets the greenhouse gas emissions reduction targets established by the State Air Resources Board, in coordination with the commission and the Energy Commission, for the electricity sector and each local publicly owned electric utility that reflect the electricity sector's percentage in achieving the economywide greenhouse gas emissions reductions of 40 percent from 1990 levels by 2030.

(2) Ensures procurement of at least 50 percent eligible renewable energy resources by 2030 consistent with Article 16 (commencing with Section 399.11) of Chapter 2.3 of Part 1 of Division 1.

(3) Meets the goals specified in subparagraphs (D) to (H), inclusive, of paragraph (1) of subdivision (a) of Section 454.52, and the goal specified in subparagraph (C) of paragraph (1) of subdivision (a) of Section 454.52, as that goal is applicable to each local publicly owned electric utility. A local publicly owned electric utility shall not, solely by reason of this paragraph, be subject to requirements otherwise imposed on electrical corporations.

(4) In furtherance of the carbon neutrality goals set forth in Executive Order B-55-18 To Achieve Carbon Neutrality (September 10, 2018), each updated integrated resource plan shall include, as applicable, details of the utility's electrical service rate design that support transportation electrification, and existing or planned incentives to support transportation electrification, including rebates. The rate design shall include details for all applicable transportation sectors, including, but not limited to, on-road and off-road vehicles in the light-, medium-, and heavy-duty sectors. Each integrated resource plan shall also include information about the utility's customer education and outreach efforts being implemented to inform utility customers of available incentives and decisionmaking tools, such as cost calculators or cost estimates that can assist customers in predicting the cost of paying for electricity for these vehicles.

(c) In furtherance of the requirements of subdivision (b), the governing board of a local publicly owned electric utility shall consider the role of existing renewable generation, grid operational efficiencies, energy storage, and distributed energy resources, including energy efficiency, in helping to ensure each utility meets energy needs and reliability needs in hours to encompass the hour of peak demand of electricity, excluding demand met by variable renewable generation directly connected to a California balancing authority, as defined in Section 399.12, while reducing the need for new electricity generation resources and new transmission resources in achieving the state's energy goals at the least cost to ratepayers.

(d) (1) The integrated resource plan shall address procurement for the following:

(A) Energy efficiency and demand response resources pursuant to Section 9615.

(B) Energy storage requirements pursuant to Chapter 7.7 (commencing with Section 2835) of Part 2 of Division 1.

(C) Transportation electrification.

(D) A diversified procurement portfolio consisting of both short-term and long-term electricity, electricity-related, and demand response products.

(E) The resource adequacy requirements established pursuant to Section 9620.

(2) (A) The governing board of the local publicly owned electric utility may authorize all source procurement that includes various resource types, including demand-side resources, supply side resources, and resources that may be either demand-side resources or supply side resources, to ensure that the local publicly owned electric utility procures the optimum resource mix that meets the objectives of subdivision (b).

(B) The governing board may authorize procurement of resource types that will reduce overall greenhouse gas emissions from the electricity sector and meet the other goals specified in subdivision (b), but due to the nature of the technology or fuel source may not compete favorably in price against other resources over the time period of the integrated resource plan.

(e) A local publicly owned electric utility shall satisfy the notice and public disclosure requirements of subdivision (f) of Section 399.30 with respect to any integrated resource plan or plan update it considers.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.