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AB-2661 Electricity: Westlands Water District. (2023-2024)





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Assembly Bill No. 2661

CHAPTER 573

An act to add Chapter 4 (commencing with Section 37860) to Part 8.1 of Division 13 of the Water Code, relating to electricity.

[Approved by Governor September 25, 2024. Filed with Secretary of State September 25, 2024.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2661, Soria. Electricity: Westlands Water District.

The California Water District Law provides for the establishment of water districts and authorizes a district to construct, maintain, and operate plants for the generation of hydroelectric energy and transmission lines for the conveyance of the hydroelectric energy. Existing law merged the former West Plains Water Storage District into the Westlands Water District, and provides for the operation of the Westlands Water District.

This bill would authorize the Westlands Water District to provide, generate, and deliver solar photovoltaic electricity and to construct, operate, and maintain works, facilities, improvements, and property necessary or convenient for generating and delivering that electricity. The bill would require the district to use the electricity for the district's own purposes, and the bill would authorize the district to sell surplus electricity to a public or private entity engaged in the distribution or sale of electricity. The bill would also authorize the district to construct, operate, and maintain energy storage systems and electric transmission lines, and to construct, operate, and maintain works, facilities, improvements, and property necessary or convenient for the operation of the energy storage systems and electric transmission lines, within the boundaries of the district, as specified. The bill would require the district to report the amount of income, and the purposes for expenditure of that income, from electricity facilities constructed pursuant to these provisions in a specified report. The bill would require the district to establish a community benefits agreement plan for a specified electrical infrastructure development plan and related transmission and other electrical projects, as provided.

This bill would make legislative findings and declarations as to the necessity of a special statute for the Westlands Water District.

Vote: majority Appropriation: no Fiscal Committee: no Local Program: no

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

SECTION 1. Chapter 4 (commencing with Section 37860) is added to Part 8.1 of Division 13 of the Water Code, to read:

CHAPTER 4. Additional Powers of the District

37860. (a) For purposes of this section, "for its own purposes" means the Westlands Water District performing only functions within its capacity as a water district, including, but not limited to, any of the following:

- (1) Pumping operations.
- (2) Water treatment operations.
- (3) Barrier intrusion operations.
- (4) Desalination operations.
- (b) (1) The Westlands Water District may provide, generate, and deliver solar photovoltaic electricity, and may construct, operate, and maintain any and all works, facilities, improvements, and property, or portions thereof, necessary or convenient for generating and delivering that electricity.
 - (2) An electric powerplant or transmission line constructed pursuant to this subdivision may be leased for operation.
 - (3) The electricity generated pursuant to this subdivision shall be used by the Westlands Water District for its own purposes. The district may sell surplus electricity to a public or private entity that is engaged in the distribution or sale of electricity.
- (c) The Westlands Water District may construct, operate, and maintain an energy storage system, as defined in Section 2835 of the Public Utilities Code, and all works, facilities, improvements, and property, or portions thereof, necessary or convenient for the operation of an energy storage system, within the boundaries of the district, regardless of whether the energy storage system is interconnected to or directly charged by an electric powerplant constructed pursuant to subdivision (b). An energy storage system constructed pursuant to this subdivision may be leased for operation. The district may operate an energy storage system in a manner intended, as determined by the district, to increase the economic value of the energy storage system and the district is not required to use the discharging energy for its own purposes. The district may purchase discharging energy through a market administered by the Independent System Operator. The district may sell discharging energy and any attributes of the energy storage system through a market administered by the Independent System Operator.
- (d) The Westlands Water District may construct, operate, and maintain electrical transmission lines and all works, facilities, improvements, and property, or portions thereof, necessary or convenient for the conveyance of electricity within the boundaries of the district, regardless of whether the transmission lines are used for the purpose of conveying electricity from an electric powerplant constructed pursuant to subdivision (b). Transmission lines constructed pursuant to this subdivision may be leased for operation. The district may sell the rights to use transmission lines constructed pursuant to this subdivision to any public or private entity that is engaged in the distribution or sale of electricity. Transmission facilities developed pursuant to this section shall be controlled by a California balancing authority, as defined in Section 399.12 of the Public Utilities Code, regardless of ownership by the Westlands Water District or a subsequent owner.
- (e) This section does not authorize the Westlands Water District to provide, sell, or deliver electricity at retail.
- (f) The Westlands Water District shall not acquire property employed in the generation or delivery of electricity for public or private utility purposes, except by mutual agreement between the district and the owner of that property.
- (g) The Westlands Water District shall report the amount of income, and the purposes for expenditure of that income, from electricity facilities constructed pursuant to this section in the report required by Section 53892 of the Government Code.
- **37861.** (a) The Westlands Water District shall establish a community benefits agreement plan for the Valley Clean Infrastructure Plan and related transmission and other electrical projects constructed pursuant to Section 37860.
- (b) The community benefits agreement plan shall be designed to ensure that local communities have meaningful opportunities to participate and access benefits associated with projects that are part of the Valley Clean Infrastructure Plan.
- (c) The community benefits agreement plan shall outline the specific benefits to be provided to local communities, which may include, but are not limited to, all of the following:
 - (1) Job creation and training programs for local residents.
 - (2) Use of local businesses and vendors.
 - (3) Financial contributions to community development projects and programs.
- (d) For purposes of this section, "local communities" means counties, cities, and other local governmental agencies located within, or adjacent to, the Westlands Water District's jurisdictional boundaries.
- **SEC. 2.** The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique need of the Westlands Water District to support the development of solar electrical generation for the electrical grid and to facilitate the development of transmission capacity to help California reach its clean energy and climate goals.