Assembly Bill No. 1257

CHAPTER 749

An act to add Section 25303.5 to the Public Resources Code, relating to natural gas.

[Approved by Governor October 11, 2013. Filed with Secretary of State October 11, 2013.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1257, Bocanegra. Energy: State Energy Resources Conservation and Development Commission: natural gas.

The Warren-Alquist State Energy Resources Conservation and Development Act establishes the State Energy Resources Conservation and Development Commission, known as the Energy Commission, and requires the commission to prepare a biennial integrated energy policy report containing specified information related to major energy trends and issues facing the state, as well as a biennial energy policy review. The act requires the commission to certify sufficient sites and related facilities that are required to provide a supply of electricity sufficient to accommodate projected demand for power statewide.

This bill would require the Energy Commission, beginning November 1, 2015, and every 4 years thereafter, concurrent with the preparation of the integrated energy policy report, to identify strategies to maximize the benefits obtained from natural gas as an energy source, as specified.

The people of the State of California do enact as follows:

SECTION 1. Section 25303.5 is added to the Public Resources Code, to read:

25303.5. (a) This section shall be known and may be cited, as the Natural Gas Act.

(b) Beginning November 1, 2015, and every four years thereafter, the commission shall, with the integrated energy policy report prepared pursuant to Section 25302, identify strategies to maximize the benefits obtained from natural gas, including biomethane for purposes of this section, as an energy source, helping the state realize the environmental and cost benefits afforded by natural gas. As part of this report, the commission, at a minimum, shall identify strategies and options for each of the following:

(1) Making the best use of natural gas as a transportation fuel, as appropriate, including for movement of freight, vessels, mass transit, and other commercial and passenger vehicle use and identifying methods to develop natural gas refueling infrastructure.

(2) Determining the role of natural gas-fired generation as part of a resource portfolio, including, but not limited to, combined heat and power, and the impact of that role on meeting greenhouse gas targets.

(3) Taking the best advantage of natural gas as a low-emission resource, including potential zero and near-zero greenhouse gas emissions, natural gas, and biogas options, taking into account the impact on electric system operations.

(4) Optimizing the role of natural gas as a flexible and convenient end use energy source, including the efficient use of natural gas for heating, water heating, cooling, cooking, engine operation, and other end uses, and the optimization of appliances for these uses.

(5) Identifying effective methods by which the electric and natural gas industries can facilitate implementation of any of the strategies identified in this section.

(6) Determining the extent to which a long-term policy is needed to ensure adequate infrastructure and storage and developing strategies for pursuing additional infrastructure development to maintain or enhance pipeline and system reliability, including increased natural gas storage. In developing those strategies, the commission shall consider needed policies to protect against system capacity constraints, minimize system leakage and related emissions, mitigate investment risk associated with the long-term investment in infrastructure in an evolving energy market, and identify factors that could limit the ability to receive maximum benefits from natural gas as an energy resource.

(7) Determining the role that natural gas can play in the development of zero net energy buildings, as appropriate.

(8) Optimizing the methods by which the pursuit of these strategies can facilitate jobs development in the private sector, particularly in distressed areas.

(9) Optimizing the methods by which state and federal policy can facilitate any of the proposed strategies.

(10) Evaluating the incremental beneficial and adverse economic cost and environmental impacts of proposed strategies, including life-cycle greenhouse gas emissions from production, transportation, and use of natural gas, based on authoritative, peer-reviewed, and science-based analysis or in consultation with the State Air Resources Board.

(c) In developing the strategies described in subdivision (b), the commission shall consult with the Public Utilities Commission, the State Water Resources Control Board, the Independent System Operator, the State Air Resources Board, the Department of Oil, Gas, and Geothermal Resources, and the Department of Conservation to obtain relevant input. The report is intended to assist in establishing state policy and does not independently change any statute, regulation, or regulatory decision.

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