

ASSEMBLY BILL

No. 746

Introduced by Assembly Member Krekorian

February 22, 2007

An act to amend Section 740.3 of the Public Utilities Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 746, as introduced, Krekorian. Energy: natural gas vehicles.

(1) Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations. Existing law authorizes the commission to fix the rates and charges for every public utility, and requires that those rates and charges be just and reasonable. Existing law requires the commission, in cooperation with the State Energy Resources Conservation and Development Commission, the State Air Resources Board, air quality management districts and air pollution control districts, electrical and gas corporations, and the motor vehicle industry, to evaluate and implement policies to promote the development of equipment and infrastructure needed to facilitate the use of electric power and natural gas to fuel low-emission vehicles. The commission is required to ensure that the costs and expenses of any authorized programs are not passed through to electric or gas ratepayers unless the commission finds and determines that those programs are in the ratepayers' interest.

This bill would require the commission, by July 1, 2008, and in consultation with the State Energy Resources Conservation and Development Commission, the State Air Resources Board, air quality management districts, air pollution control districts, electrical corporations, gas corporations, the motor vehicle industry, and the

natural gas vehicle and transportation fuel industries, to develop and implement policies and programs that are in the interests of ratepayers, to promote the development and increased use of natural gas as an alternative transportation fuel.

Under existing law, a violation of the Public Utilities Act or an order or direction of the commission is a crime. Because the provisions of this bill are within the act and require action by the commission to implement its requirements, to the extent that such action would constitute an order or direction of the commission, a violation of these provisions would impose a state-mandated local program by creating a new crime.

(2) 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.
State-mandated local program: yes.

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

- 1 SECTION 1. Section 740.3 of the Public Utilities Code is
- 2 amended to read:
- 3 740.3. (a) The commission, in cooperation with the State
- 4 Energy Conservation and Development Commission, the State Air
- 5 Resources Board, air quality management districts and air pollution
- 6 control districts, ~~regulated electrical and corporations,~~ gas
- 7 corporations, and the motor vehicle industry, shall evaluate and
- 8 implement policies to promote the development of equipment and
- 9 infrastructure needed to facilitate the use of electric power and
- 10 natural gas to fuel low-emission vehicles. Policies to be considered
- 11 shall include both of the following:
- 12 (1) The sale-for-resale and the rate-basing of low-emission
- 13 vehicles and supporting equipment such as batteries for electric
- 14 vehicles and compressor stations for natural gas fueled vehicles.
- 15 (2) The development of statewide standards for electric vehicle
- 16 charger connections and compressed natural gas vehicle fueling
- 17 connections, including installation procedures and technical
- 18 assistance to installers.

(b) The commission shall hold public hearings as part of its effort to evaluate and implement the new policies considered in subdivision (a), and shall provide a progress report to the Legislature by January 30, 1993, and every two years thereafter, concerning policies on rates, equipment, and infrastructure implemented by the commission and other state agencies, federal and local governmental agencies, and private industry to facilitate the use of electric power and natural gas to fuel low-emission vehicles.

(c) (1) *Not later than July 1, 2008, the commission, in consultation with the State Energy Resources Conservation and Development Commission, the State Air Resources Board, air quality management districts, air pollution control districts, electrical corporations, gas corporations, the motor vehicle industry, and the natural gas vehicle and transportation fuel industries, shall develop and implement policies and programs that are in the interests of ratepayers, to promote the development and increased use of natural gas as an alternative transportation fuel. The policies and programs may include, but are not limited to, all of the following:*

(A) *Development of vehicles, engines, and equipment, with an emphasis on products developed by original equipment manufacturers.*

(B) *Development of natural gas as an alternative transportation fuel, including as an end-use fuel, a fuel for blending with other alternative fuels, a feedstock for the production of alternative fuels, including hydrogen, and as a renewable product, including biomethane from landfills and animal feedlots.*

(C) *Activities to promote the use of natural gas home refueling appliances.*

(D) *Customer incentives and services.*

(E) *Consumer education and outreach.*

(2) *To encourage gas corporations to carry out policies and activities pursuant to this subdivision, the commission may authorize a gas corporation to provide a shareholder incentive.*

~~(e)~~

(d) The commission's policies authorizing utilities to develop equipment or infrastructure needed for electric-powered and natural gas-fueled low-emission vehicles shall ensure that the costs and expenses of those programs are not passed through to electric or

1 gas ratepayers unless the commission finds and determines that
2 those programs are in the ratepayers' interest. The commission's
3 policies shall also ensure that utilities do not unfairly compete with
4 nonutility enterprises.

5 SEC. 2. No reimbursement is required by this act pursuant to
6 Section 6 of Article XIII B of the California Constitution because
7 the only costs that may be incurred by a local agency or school
8 district will be incurred because this act creates a new crime or
9 infraction, eliminates a crime or infraction, or changes the penalty
10 for a crime or infraction, within the meaning of Section 17556 of
11 the Government Code, or changes the definition of a crime within
12 the meaning of Section 6 of Article XIII B of the California
13 Constitution.