AMENDED IN ASSEMBLY MARCH 17, 2009
CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

ASSEMBLY BILL No. 42

Introduced by Assembly Member Blakeslee

December 1, 2008

An act to add Section 565 to the Public Utilities Code, relating to electricity, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL’S DIGEST


Under existing law, the Public Utilities Commission has regulatory authority over public utilities including electrical corporations, as defined.

Existing law requires the State Energy Resources Conservation and Development Commission (Energy Commission) to conduct various assessments and forecasts on energy industry supply, production, transportation, delivery and distribution, demand, and prices.

This bill would require Pacific Gas and Electric Company to utilize the Energy Commission to conduct a three-dimensional imaging survey to map the fault characteristics in the vicinity of the Diablo Canyon Nuclear Power Plant that could potentially disrupt the reliable operation of the electrical grid and impact customer rates as a result of a seismic event. The Energy Commission would be seek funding for seismic fault studies and seismic retrofits in order to maintain reliable operation of the electrical grid and reduce impacts to customer rates as a result of a seismic event. Because a violation of this requirement would be a crime, this bill would impose a state-mandated local program. The Energy Commission would be
required to conduct a peer review of any fault studies conducted pursuant to that requirement. The Public Utilities Commission would be required to allow Pacific Gas and Electric Company to fully recover costs from all of their electrical customers for investments in fault studies and seismic retrofits pursuant to the bill.

(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.

(3) This bill would state the findings and declarations of the Legislature concerning the need for special legislation.

(4) This bill would declare that it is to take effect immediately as an urgency statute.


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

SECTION 1. The Legislature finds and declares all of the following:

(a) In issuing decision 07-03-044, the Public Utilities Commission authorized an expenditure of sixteen million eight hundred thousand dollars ($16,800,000) of ratepayer funds to explore the feasibility of relicensing the Diablo Canyon Nuclear Power Plant.

(b) The Public Utilities Commission, regarding the expenditure of those funds, said that Pacific Gas and Electric Company should defer, to the extent feasible, its work, its own study, and associated spending, until after the State Energy Resources Conservation and Development Commission (Energy Commission) issues its findings and conclusions pursuant to Chapter 722 of the Statutes of 2006, and that Pacific Gas and Electric Company should incorporate the findings and recommendations of the Energy Commission study assessment in its own work.

(c) The Energy Commission’s recommendations from its study assessment made pursuant to Chapter 722 of the Statutes of 2006 included several findings and recommendations; in particular, the Energy Commission found that Pacific Gas and Electric Company
should use three-dimensional geophysical seismic reflection
mapping and other advanced techniques to explore fault zones
near Diablo Canyon.

(d) The July 2007 magnitude 6.8 Japan Sea earthquake located
16 kilometers from Toyota Electric Power Company’s
Kashiwazaki-Kariwa Nuclear Power Plant shut down the facility
at a cost of some hundreds of millions of dollars per month.

(e) In November 2008, the United States Geological Survey
identified a previously unidentified offshore fault approximately
one kilometer west of Diablo Canyon Nuclear Power Plant with
an estimated ability to generate a magnitude 6.5 earthquake.

SEC. 2. (a) Pacific Gas and Electric Company shall utilize the
State Energy Resources Conservation and Development
Commission to conduct a three-dimensional imaging survey to
map the fault characteristics in the vicinity of the Diablo Canyon
Nuclear Power Plant that could potentially disrupt the reliable
operation of the electrical grid and impact customer rates as a result
of a seismic event. The imaging survey shall be used to identify
any facility retrofits necessary to avoid potential adverse impacts
of a seismic event on the reliability of the electrical grid.

(b) It is the intent of the Legislature to enact legislation to
appropriate sixteen million eight hundred thousand dollars
($16,800,000) authorized by the Public Utilities Commission for
the Diablo Canyon Nuclear Power Plant relicensing feasibility
study, to pay for the survey.

SEC. 2. Section 565 is added to the Public Utilities Code, to
read:

565. (a) Pacific Gas and Electric Company shall seek funding
for seismic fault studies and seismic retrofits, deemed urgent by
the Energy Commission or the Seismic Safety Commission, in
furtherance of the recommendations made by the Energy
Commission pursuant to paragraph (8) of subdivision (a) of Section
25303 of the Public Resources Code, in order to maintain reliable
operation of the electrical grid and reduce impacts to customer
rates as a result of a seismic event.

(b) (1) The Energy Commission shall conduct a peer review of
any studies conducted pursuant to subdivision (a).

(2) The Energy Commission may enter into agreements with
academic and industry groups of scientists with expertise in fault
imaging and character and behavior studies to conduct an external scientific peer review of the scientific basis for any fault study.

(3) The Energy Commission shall include the findings and recommendations of the peer review of any fault study in the integrated energy policy report as updates pursuant to subparagraph (D) of paragraph (8) of subdivision (a) of Section 25303 of the Public Resources Code.

(c) The commission shall allow Pacific Gas and Electric Company to fully recover costs from all of their electrical customers for investments in fault studies and seismic retrofits pursuant to this section.

SEC. 3. 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.

SEC. 4. The Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of unique circumstances pertaining to Pacific Gas and Electric Company.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to complete a seismic study, and perform seismic retrofits, relating to Diablo Canyon Nuclear Power Plant as soon as possible in order to protect electricity customers, it is necessary that this act take effect immediately.