



California Energy Legislation

SB 1368 (Perata) Greenhouse-gas Emissions Standard

OVERVIEW

This bill requires all long-term contracts for baseload energy to comply with a new greenhouse gas emissions (GHG) performance standard, to be developed by the California Public Utilities Commission (CPUC) for load-serving entities and the California Energy Commission (CEC) for locally-owned public utilities. The GHG emission performance standard would require that emissions not exceed the rate of emissions of greenhouse gases for existing combined-cycle natural gas baseload generation.

CODE REFERENCE

This bill adds Chapter 3 (commencing with Section 8340) to Division 4.1 of the Public Utilities Code, relating to electricity.

MAIN PROVISIONS

- GHG Emission Performance Standards for Load Serving Entities – The bill requires the CPUC to establish new GHG emission performance standards by 2-1-06 for load serving entities, including investor-owned utilities, energy service providers, and community choice aggregators.
- GHG Emission Performance Standards for Local Publicly-owned Electric Utilities – The bill also requires the CEC to establish similar GHG emissions standards by 6-30-07 for locally-owned electric public utilities.
- Emissions Standard – The bill requires that the GHG emission performance standard not exceed the rate of emissions of greenhouse gases for existing combined-cycle natural gas baseload generation.
- Long-term Contracts – The bill (1) authorizes the CPUC to review long-term contracts proposed by load serving entities or community choice aggregators and (2) prohibits the CPUC from approving long-term contracts for baseload energy unless the generator complies with the GHG emissions performance standards.
- CPUC Rulemaking to Adopt Rules – The bill requires the CPUC to (1) adopt and enforce GHG requirements and to enforce these requirements for load-serving entities and (2) adopt procedures to verify the emissions from any baseload generation supplied under contract.
- CEC Regulations – The bill would also require the CEC to adopt regulations to enforce the GHG emission standards for local publicly-owned electric utilities.
- Evaluation of Standard – The bill requires both the CPUC and CEC to reevaluate and continue, modify or replace the GHG emission limit.

TIMELINE OF IMPLEMENTATION

February 1, 2007: Deadline by which the CPUC must establish a GHG emission performance standard for all load-serving entities.

June 30, 2007: Deadline by which the CEC must establish a greenhouse gases emission performance standard for all local publicly owned electric utilities.