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**SENATE COMMITTEE ON ENERGY, UTILITIES AND  
COMMUNICATIONS**

**Senator Steven Bradford, Chair  
2023 - 2024 Regular**

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<b>Bill No:</b>	SB 619	<b>Hearing Date:</b>	4/18/2023
<b>Author:</b>	Padilla		
<b>Version:</b>	2/15/2023	Introduced	
<b>Urgency:</b>	No	<b>Fiscal:</b>	Yes
<b>Consultant:</b>	Nidia Bautista		

**SUBJECT:** State Energy Resources Conservation and Development Commission: certification of facilities: electrical transmission lines

**DIGEST:** This bill requires the California Energy Commission (CEC) to give priority to applications for eligible electrical transmission facilities applying for the opt-in permit streamlining, if the applicant certifies that a capital investment of at least \$250,000,000 will be made over a period of five years

**ANALYSIS:**

Existing law:

- 1) Authorizes persons proposing eligible facilities, including electrical transmission lines carrying electricity from certain other facilities that are located in the state to a point of junction with any interconnected electrical transmission system, to file applications for certification, on or before June 30, 2029, with the State Energy Resources Conservation and Development Commission (also known as the California Energy Commission (CEC)) to certify sites and related facilities. (Public Resources Code §25545.1)
- 2) Under existing law, the CEC's certification of sites and related facilities is in lieu of any permit, certificate, or similar document required by any state, local, or regional agency, or federal agency to the extent permitted by federal law, for the use of the sites and related facilities, and supersedes any applicable statute, ordinance, or regulation of any state, local, or regional agency, or federal agency to the extent permitted by federal law, except as specified. (Public Resources Code §25545 et seq.)
- 3) Imposes various requirements on these sites and related facilities certified by the CEC, including a requirement that applicants certify that a skilled and trained workforce will be used to perform all construction work on the project. (Public Resources Code §25545.3.5 et seq.)

- 4) Deems the sites and related facilities certified by the CEC as environmental leadership development projects, as specified. (Public Resources Code §25545.13)

This bill:

- 1) Expands the facilities eligible to be certified by the CEC to include electrical transmission lines carrying electricity from certain other facilities that are located in the state, regardless of whether the electricity is carried to a point of junction with any interconnected electrical transmission system.
- 2) Requires the CEC to give priority to applications for those eligible electrical transmission facilities if the applicant certifies that a capital investment of at least \$250,000,000 will be made over a period of five years.
- 3) Includes findings that changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities.

## **Background**

*Transmission Outlook.* The California Independent System Operator (CAISO) conducts its transmission planning process to identify potential system limitations as well as opportunities for system reinforcements that improve reliability and efficiency. The annual transmission plan fulfills the CAISO's core responsibility to identify and plan the development of solutions, transmission or otherwise, to meet the future needs of the electricity grid. The CAISO identifies projects that address grid reliability requirements, identify upgrades needed to successfully meet California's policy goals, and explore projects that can bring economic benefits to consumers. In 2021, the CAISO issued a 20-Year Transmission Outlook for the electric grid, in collaboration with the California Public Utilities Commission (CPUC) and the CEC, with the goal of exploring the longer-term grid requirements and options for meeting the state's SB 100 (De León, Chapter 312, Statutes of 2018) clean energy objectives reliably and cost-effectively.

The 20-year Transmission Outlook was released in September 2021 and the CAISO intends for the expanded planning horizon to provide valuable input for resource planning processes conducted by the CPUC and CEC, and to provide a longer-term context and framing of pertinent issues in the CAISO's ongoing annual 10-Year Transmission Plan. The CAISO identified the system needs by mapping resources to the appropriate regions, identifying the transmission additions necessary to add those resources to the grid, and then examining the need

to deliver those resources over the bulk transmission system. The 20-Year Transmission Outlook estimates a significant amount, and expense, to construct and expand transmission facilities, including an estimated \$10.74 billion in upgrades to existing facilities. Written in partnership with the CPUC and the CEC, the outlook estimates that more than \$30 billion in new transmission capacity will be needed by 2040.

*AB 205 (Committee on Budget, Chapter 61, Statutes of 2022).* Among its many provisions, AB 205 authorizes the CEC to establish a new certification and permitting program for eligible non-fossil-fueled power plants and related facilities to optionally seek certification from the CEC, using emergency rulemaking authority. The proposed emergency regulations implement a new optional program (opt-in) that authorizes the CEC to accept applications seeking certification of certain types of non-fossil-fueled energy generating facilities, energy storage facilities, transmission facilities and other related facilities. The CEC adopted emergency regulations last fall and the Office of Administrative Law reviewed and approved the regulations soon after. The emergency regulations set forth the process for submitting opt-in applications, reviewing applications, performing outreach, and considering whether to issue or deny a certification.

## Comments

This bill would prioritize transmission projects for the CEC opt-in streamlined permitting process if the applicant certifies that a capital investment of at least \$250 million will be made over a period of five years. The author argues there is a need to accelerate transmission projects through the opt-in permitting at the CEC, thereby helping to make them far more affordable and better enable state projects to benefit from federal funding programs created in the Infrastructure Investment Jobs Act (IIJA) and Inflation Reduction Act (IRA).

*Amendments needed.* *The author and committee may wish to restore language proposed to be deleted by the bill requiring transmission facilities to be located in the state to a point of junction with any interconnected electrical transmission system.* Additionally, in order to address the concerns raised by San Diego Gas & Electric (SDG&E) that this bill is discriminating among applications, *the author and committee may wish to amend the bill to authorize the CEC to consider an application for a facility if the applicant certifies to \$250 million capital investment.*

**Prior/Related Legislation**

SB 319 (McGuire, 2023) codifies a December 2022 memorandum of understanding between the CPUC, CEC, and CAISO regarding transmission and resource planning and implementation. The bill is pending hearing in this committee.

SB 420 (Becker, 2023) allows transmission projects, identified by an agency chosen by the governor to be necessary for reliability and to meet the state's clean energy goals, to become environmental leadership development projects eligible for the California Environmental Quality Act streamlining, among other changes. The bill pending a hearing in this committee.

AB 205 (Committee on Budget, Chapter 61, Statutes of 2022) among its many provisions, includes a CEC opt-in time bound certification permitting process for specified project types, including transmission lines.

**FISCAL EFFECT:** Appropriation: No Fiscal Com.: Yes Local: No

**SUPPORT:**

Clean Air Task Force  
Elders Climate Action, NorCal Chapter  
Elders Climate Action, SoCal Chapter  
San Diego Community Power

**OPPOSITION, unless amended:**

San Diego Gas & Electric Company

**ARGUMENTS IN SUPPORT:** According to the author:

California ratepayers are suffering from skyrocketing natural gas prices. Meanwhile clean energy is cheaper and not subject to the whims of gas conglomerates and international upheaval. While the state has enacted some of the world's most aggressive climate goals its transition away from fossil fuels is being threatened by painfully slow siting and permitting processes that delay critical transmission projects necessary to deliver clean energy to consumers. These long delays undermine reliability and extend ratepayers dependence upon wildly fluctuating gas prices. If California hopes to meet its ambitious climate goals, transition transportation to clean vehicles and end our addiction to fossil fuels, we must undertake unprecedented efforts to modernize and expand our

electrical grid. New high-voltage cables, modernized existing cable networks, and new infrastructure connecting a grid with a far larger capacity to carry clean electrons to power our homes and economy are all necessary, but we are quickly falling behind on our capacity to properly power our state. CAISO estimates we need 7,000 megawatts of new power capacity every year for the next decade, but we're only adding a fraction of that, raising the threat of summer black-outs. Delays in project approval are also resulting in significantly higher costs to ratepayers for those critical projects. Finally, long permitting delays may also make it impossible for California to access substantial federal assistance currently available to modernize our grid and reduce ratepayer costs. SB 619 would expand the CEC's alternative opt-in certification process to ensure faster review of key projects without sacrificing critical economic and environmental analyses of those projects.

**ARGUMENTS IN OPPOSITION:** San Diego Gas & Electric opposes the bill stating:

Unfortunately, SB 619 incorporates a discriminatory requirement with minimum cost and timing thresholds that will only cause further permitting delays for important grid modernization projects. Requiring the CEC to prioritize transmission projects that will spend \$250M over 5 years means that these projects will continually be moved to the front of the line, at the expense of all other projects. Prioritizing this subset of eligible projects is not helpful. The Legislature's efforts would be better spent revising SB 619 to set a mandatory two-year approval deadline for transmission project approval under the California Environmental Quality Act (CEQA) process. The CEQA process can take between two to five or more years. Ensuring that CEQA is completed for transmission projects within two years would make a meaningful difference by providing certainty and enabling more transmission to be built faster. As SB 619 acknowledges and SDG&E concurs, transmission is necessary to meet state goals—this is important enough for the Legislature to, at a minimum, consider providing a two-year CEQA timeline limit for this class of projects.

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