



STATE CAPITOL
P.O. BOX 942849
SACRAMENTO, CA 94249-0124
(916) 319-2800
FAX (916) 319-2810
CHIEF ADMINISTRATIVE OFFICER
DEBRA GRAVERT

Assembly
California Legislature
Committee on Rules

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VICE CHAIR
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MCKINNOR, TINA
RUBIO, BLANCA E.
VILLAPUDUA, CARLOS

LEVINE, MARC (D-ALT)
VALLADARES, SUZETTE
MARTINEZ (R-ALT)

Monday, August 29, 2022
12:45 p.m.
State Capitol, Room 437
(Please note time change)

CONSENT AGENDA

BILL REFERRALS

1. Bill Referrals

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REQUESTS TO WAIVE JOINT RULE 61(B)(17)

2. SB 17 (Pan) Racial Equity Commission
3. SB 774 (Hertzberg) Pets and veterinary services: emotional support dogs
4. SB 1020 (Laird) Clean Energy, Jobs, and Affordability Act of 2022

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REQUEST TO ADD URGENCY CLAUSE

5. SB 846 (Dodd) Diablo Canyon powerplant: extension of operations

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MARC LEVINE (D-ALT.)
SUZETTE VALLADARES (R-ALT.)

Memo

To: Rules Committee Members
From: Michael Erke, Bill Referral Consultant
Date: 8/26/2022
Re: Consent Bill Referrals

Attached is a single bill referral recommendation.

REFERRAL OF BILLS TO COMMITTEE

08/29/2022

Pursuant to the Assembly Rules, the following bills were referred to committee:

Assembly Bill No.

Committee:

SCR 117

TRANS.



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SUZETTE VALLADARES (R-ALT.)

August 26, 2022

Assembly Rules Committee
1021 O Street, Room 6250
Sacramento, CA 95814

Dear Members of the Committee on Rules:

I write to request that we approve a Joint Rule 61(b)(17) waiver for the following bills so that they may be amended on the Assembly Floor:

SB 17 (Pan)
SB 774 (Hertzberg)
SB 1020 (Laird)

Sincerely,

KEN COOLEY
Chair, Committee on Rules

PROPOSED AMENDMENTS

**RN 22 20591 16
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SUBSTANTIVE**

PROPOSED AMENDMENTS TO SENATE BILL NO. 17
AMENDED IN ASSEMBLY AUGUST 25, 2022
AMENDED IN ASSEMBLY AUGUST 15, 2022
AMENDED IN ASSEMBLY JULY 1, 2021
AMENDED IN SENATE MAY 20, 2021
AMENDED IN SENATE APRIL 15, 2021
AMENDED IN SENATE APRIL 5, 2021
AMENDED IN SENATE FEBRUARY 25, 2021



SENATE BILL

No. 17

Introduced by Senator Pan

(Principal coauthor: Assembly Member Arambula)

(Coauthors: Senators Becker, Cortese, Durazo, Gonzalez, Leyva, Kamlager, Min, Rubio, and Umberg)

(Coauthors: Assembly Members Gabriel, Holden, and Robert Rivas)

December 7, 2020

An act to add and repeal Chapter 4.6 (commencing with Section 8303) of Division 1 of Title 2 of the Government Code, relating to state government.

LEGISLATIVE COUNSEL'S DIGEST

SB 17, as amended, Pan. Racial Equity ~~Advisory and Accountability~~ Commission.

Existing law establishes an Office of Health Equity in the State Department of Public Health for purposes of aligning state resources, decisionmaking, and programs to accomplish certain goals related to

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health equity and protecting vulnerable communities. Existing law requires the office to develop department-wide plans to close the gaps in health status and access to care among the state’s diverse racial and ethnic communities, women, persons with disabilities, and the lesbian, gay, bisexual, transgender, queer, and questioning communities, as specified. Existing law requires the office to work with the Health in All Policies Task Force to assist state agencies and departments in developing policies, systems, programs, and environmental change strategies that have population health impacts by, among other things, prioritizing building cross-sectoral partnerships within and across departments and agencies to change policies and practices to advance health equity.

Existing law establishes the Task Force to Study and Develop Reparation Proposals for African Americans, with a Special Consideration for African Americans Who are Descendants of Persons Enslaved in the United States to, among other things, identify, compile, and synthesize the relevant corpus of evidentiary documentation of the institution of slavery that existed within the United States and the colonies. Existing law requires the task force to submit a written report of its findings and recommendations to the Legislature.

This bill, until January 1, 2030, would establish in state government a Racial Equity Advisory and Accountability Commission. The bill would ~~authorize the commission, among other things, to hire administrative, technical, and other personnel as may be necessary for the performance of its duties, including an executive director to organize, administer, and manage the operations of the commission. require the commission to be staffed by the Office of Planning and Research.~~ The bill would ~~task the commission with coordinating, analyzing, developing, evaluating, and recommending strategies for advancing racial equity across state agencies, departments, and the office of the Governor. The bill would require the commission, in consultation with state agencies, departments, and public stakeholders, as appropriate, to develop~~ *require the commission to develop resources, best practices, and tools for advancing racial equity by, among other things, developing a statewide Racial Equity Framework that includes a strategic plan with policy and inclusive practice recommendations, guidelines, theory of change, goals, and benchmarks to reduce racial inequities, promote racial equity, and address individual, institutional, and structural racism.* The bill would also require the commission, in consultation with state agencies and departments, to establish methodologies, a system of

~~measurement, and data needs for assessing how state statutes, regulations, and practices contribute to, uphold, or exacerbate racial disparities and to prepare an annual report that evaluates and reports on progress in, and any obstacles to, meeting statewide goals and policies established under the Racial Equity Framework. methodologies and tools that can be employed to advance racial equity and address structural racism in California. The bill would require the commission to prepare an annual report that summarizes feedback from public engagement with communities of color, provides data on racial inequities and disparities in the state, and recommends best practices on tools, methodologies, and opportunities to advance racial equity and to submit that report, on or after December 1, 2025, and annually thereafter, to the Governor and the Legislature, as specified.~~

~~This bill would also require the commission, among other things, to conduct, on or before January 1, 2025, an initial assessment of state department and agency efforts to advance racial equity efforts and would require each state agency to, upon the request of the commission, prepare a report on the agency’s progress toward goals set forth in the Racial Equity Framework, as prescribed.~~

~~Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.~~

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

Page 3

~~SECTION 1. The Legislature finds and declares all of the following:
(a) Even as it represents perhaps the most successful project of modern democracy, the United States Constitution was itself also an instrument of a racist society that embedded inequality, violence, and trauma into our nation’s founding document. The “Three-Fifths Compromise,” an agreement by delegates to the 1787 United States Constitutional Convention that would count three-fifths of each state’s slave population for the purpose of apportioning United States House of Representatives seats, is the clearest expression of the Constitution’s structural racism. It is an ugly stain that continues to haunt our nation and that we must confront and actively dismantle.
(b) As the United States reckons with this shameful history, California also must confront its record of creating, upholding, or exacerbating racial inequalities and violence against Black,~~

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Page 3 17 Indigenous, and people of color (BIPOC) through the state’s laws,
18 policies, and actions, including, but not limited to, all of the
19 following:

20 (1) ~~Even before officially becoming a state, the Spanish~~
21 ~~missionaries seized land from Native Californians and forced~~
22 ~~conversions to Christianity and European traditions. Moreover,~~
23 ~~the missionaries brought disease that killed many thousands of~~
24 ~~Native Californians.~~

25 (2) ~~The decades after California became a state in 1850 were~~
26 ~~marked by violence towards and exploitation of Native Californian~~
27 ~~communities. In 1850, the state passed an Act for the Government~~
28 ~~and Protection of Indians, which allowed White Californians to~~
29 ~~forcibly remove Native Californians from their lands and into~~

Page 4 1 indentured servitude. California’s first Governor after becoming
2 a state, Governor Peter Burnett, said in his 1851 address to the
3 Legislature: “That a war of extermination will continue to be waged
4 between the two races until the Indian race becomes extinct must
5 be expected.” Accordingly, Governor Burnett and other state
6 leaders called for and subsidized militia campaigns against Native
7 Californians, and generally propelled a dispossession and genocide
8 of Native Californians.

9 (3) ~~Even though California was ostensibly founded as a free~~
10 ~~state, there were efforts by California’s leaders before and after~~
11 ~~its founding to formally ban Black people from moving to or living~~
12 ~~in the state. Furthermore, even though California’s Constitution~~
13 ~~banned slavery, in 1852, California passed its own Fugitive Slave~~
14 ~~Law, which declared that any Black person who came to California~~
15 ~~as an enslaved person prior to California becoming a state was,~~
16 ~~nonetheless, to be considered the legal property of the slaveholder.~~
17 ~~The Fugitive Slave Law, which led to the forced deportation and~~
18 ~~return to enslavement of Black Californians, was even upheld as~~
19 ~~constitutional by California’s pro-slavery Supreme Court.~~

20 (4) ~~In 1913, California passed the Alien Land Law, which~~
21 ~~restricted “aliens ineligible from citizenship,” including Chinese,~~
22 ~~Japanese, and Korean immigrants, from owning, leasing, or~~
23 ~~cultivating land, with the intention of discouraging further~~
24 ~~immigration from Japan in particular. In subsequent years, the~~
25 ~~state made the law even more restrictive, including by banning~~
26 ~~even American-born children of Asian immigrants from owning~~

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Page 4 27 or leasing land. It was not until 1952 that the laws were struck
28 down by the California Supreme Court as unconstitutional.

29 (5) California has a long history of both de jure and de facto
30 discrimination in housing. In the first half of the twentieth century,
31 the state government took a hands-off approach to housing policy
32 and did not intervene to stop local governments or entities
33 throughout the state from adopting restrictive covenants, redlining,
34 or other measures to segregate housing. It was not until 1963 that
35 the state passed the Rumford Fair Housing Act. Even then,
36 however, California voters passed Proposition 14 in 1964 by more
37 than a two-to-one margin to repeal the Rumford Act. Property
38 owners in California were allowed to freely discriminate on the
39 basis of race or ethnicity until the California Supreme Court struck
40 down Proposition 14 in 1966.

Page 5 1 (6) Starting in 1929, California began a program to deport
2 persons of Mexican ancestry from the state on a mass scale. In the
3 end, approximately 400,000 American citizens and legal residents
4 of Mexican ancestry living in California were forced to leave the
5 state and go to Mexico. Throughout the state, there were raids of
6 Mexican-American communities, resulting in the covert deportation
7 of thousands of people, many of whom were never able to return.

8 (7) In 1942, President Franklin Delano Roosevelt signed
9 Executive Order No. 9066, under which the United States forced
10 more than 120,000 people of Japanese ancestry into 10
11 concentration camps, including 2 in California. At the time,
12 California's leaders both supported and facilitated the internment
13 of thousands of Californians of Japanese ancestry. The Legislature
14 also passed discriminatory measures against Californians of
15 Japanese ancestry, including a resolution calling on Congress to
16 identify individuals holding dual citizenship in the United States
17 and Japan, force them to forfeit their citizenship, and prevent them
18 from becoming American citizens.

19 (8) California's vast highway system was often built to break
20 up BIPOC communities within cities, forcing the destruction of
21 homes and displacing residents. For example, in 1963, the Santa
22 Monica Freeway in the City of Los Angeles was built right through
23 the center of the Sugar Hill neighborhood, destroying dozens of
24 mansions owned by African Americans in what had been a thriving,
25 predominantly Black community. The neighborhood was broken
26 up, and Black residents were forced out.

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Page 5 27 ~~(9) Under former Governor Pete Wilson’s tenure, California~~
28 ~~passed several measures that contributed to, or otherwise furthered,~~
29 ~~racial inequities, including the passage of Proposition 187 in 1994,~~
30 ~~Proposition 209 in 1996, and Proposition 227 in 1998. Proposition~~
31 ~~187, which Governor Wilson thoroughly supported, would have~~
32 ~~excluded undocumented immigrants from all public services before~~
33 ~~it was struck down as unconstitutional in 1997. With Proposition~~
34 ~~209, California became the first state to pass a formal ban on~~
35 ~~affirmative action. Proposition 227, which Governor Wilson also~~
36 ~~embraced, essentially required English-only education.~~

Page 6 37 ~~(10) California’s prison and jail incarceration rates have grown~~
38 ~~exponentially since the 1970s. BIPOC Californians are~~
39 ~~overrepresented in the state’s prison system and jails, due to~~
40 ~~discriminatory state policies and practices, including in policing,~~
1 ~~convicting, and sentencing. One such policy that exacerbated the~~
2 ~~racial inequities in the prison system is the Three Strikes sentencing~~
3 ~~law, which was enacted in 1994, and was considered one of the~~
4 ~~harshest sentencing laws in the country. Under the law, thousands~~
5 ~~of Californians, and in particular Black Californians, have been~~
6 ~~sentenced to life in prison for only minor crimes, including petty~~
7 ~~theft, due to their prior felony record.~~

8 ~~(c) Government policies and institutional practices have~~
9 ~~marginalized, disenfranchised, stripped resources and power from,~~
10 ~~targeted, and otherwise brought violence on BIPOC Californians.~~
11 ~~To the present day, government actions have created, failed to~~
12 ~~address, or exacerbated racial inequities and disparities in terms~~
13 ~~of housing, public health, economic, educational, employment,~~
14 ~~carceral, and environmental conditions. These disparities are~~
15 ~~manifest in, though not limited to, the following ongoing, harmful~~
16 ~~social practices and disparate outcomes:~~

17 ~~(1) The persistent legacy of discrimination in housing, through~~
18 ~~practices such as redlining, which have prevented BIPOC~~
19 ~~communities from building intergenerational wealth or accessing~~
20 ~~living standards available to White communities. In September~~
21 ~~2020, the Board of Governors of the Federal Reserve found that,~~
22 ~~while White families have a median wealth of \$188,200, Black~~
23 ~~and Hispanic families have a median wealth of only \$24,100 and~~
24 ~~\$36,100, respectively.~~

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Page 6 25 ~~(2) The development of highways in California which have~~
26 ~~repeatedly divided and destroyed communities and housing in~~
27 ~~BIPOC communities.~~

28 ~~(3) The concentration of polluting facilities in BIPOC~~
29 ~~communities, which constitute a public health threat to BIPOC~~
30 ~~communities by threatening air quality and water quality and~~
31 ~~contribute to chronic respiratory disease, cardiovascular disease,~~
32 ~~deteriorated brain health, including in children, and increased~~
33 ~~hospital visits, missed school days, and premature deaths. BIPOC~~
34 ~~Californians are therefore more likely to live near sources of~~
35 ~~pollution, breathe polluted air, and be impacted disproportionately~~
36 ~~by the effects of air pollution and climate change. In California,~~
37 ~~Black and Native American individuals have a significantly higher~~
38 ~~prevalence of asthma and are more likely to experience an~~
39 ~~avoidable hospitalization due to asthma.~~

Page 7 1 ~~(4) The concentration of poverty in BIPOC communities, which~~
2 ~~is the single largest social determination of public health and a~~
3 ~~significant contributing factor to the development of coincident~~
4 ~~socioeconomic burdens such as unemployment, social exclusion,~~
5 ~~lack of education, and low income, and thereby linked to chronic~~
6 ~~physical, mental, and public health challenges such as stress,~~
7 ~~anxiety, depression, heart disease, obesity, diabetes, and cancer.~~
8 ~~Children who grow up in poverty, and especially those who are~~
9 ~~BIPOC, are more likely to experience food insecurity and~~
10 ~~malnutrition, face health-harming environmental exposures,~~
11 ~~including elevated blood lead levels, and increased adverse~~
12 ~~childhood experiences.~~

13 ~~(5) The lack of access to quality health care in BIPOC~~
14 ~~communities, which is apparent in alarming disparities such as the~~
15 ~~experience of Black mothers, who are three to four times more~~
16 ~~likely to die from pregnancy-related causes than White women.~~
17 ~~These disparities persist in spite of income differences and result~~
18 ~~from health care providers dismissing symptoms raised by Black~~
19 ~~women or perpetuating racist assumptions about pain thresholds~~
20 ~~experienced by Black people, as well as the lived experiences of~~
21 ~~racism and discrimination in all other facets of society.~~

22 ~~(6) Black trans women suffer from employment, housing, and~~
23 ~~educational discrimination and police brutality that result in the~~
24 ~~most acute health disparities. In recent years, the federal~~
25 ~~government took action to encourage homeless shelters, social~~

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Page 7 26 services, educational institutions, and health care providers to
27 discriminate against transgender people and overlook the
28 deleterious impacts of racism. These and other government policies,
29 among other oppressive systems targeting Black trans women,
30 have actively prevented Black trans women from accessing services
31 critical to achieving optimal health.

32 (7) On an individual physiological level, studies show that
33 chronic stress from individual and systemic acts of racism and
34 discrimination trigger high blood pressure, heart disease,
35 immunodeficiency, and result in accelerated aging. The lived
36 experiences of racism and discrimination, both explicitly and
37 implicitly expressed, and across all facets of society, and not only
38 those discussed in the aforementioned examples, contribute to
39 alarmingly disparate health and quality of life outcomes in BIPOC
40 communities, including for maternal care.

Page 8 1 (8) Disparities exist in California’s system of mental health
2 care, and the identification and incorporation of culturally and
3 linguistically appropriate practices and data in public mental health
4 is lagging.

5 (d) California is also home to the largest Armenian-American
6 population in the United States. Many in the community have
7 family members who experienced firsthand the horror and evil of
8 the Armenian Genocide and its ongoing denial, which continues
9 to inflict trauma and pain on family members and the Armenian
10 community at large.

11 (e) The COVID-19 pandemic, the ensuing economic crisis, and
12 recent protests against institutional violence committed against
13 Black communities again highlight the racial injustices and health
14 inequities that have long threatened BIPOC communities.

15 (1) BIPOC people tend to work in essential jobs that may lead
16 to a higher likelihood of being exposed to COVID-19, or in jobs
17 that have an inability to work remotely and, therefore, are more
18 severely impacted by the economic crisis. In California, Black and
19 Latino individuals are also more likely to have existing health
20 conditions that make them more susceptible to contracting
21 COVID-19, experience more severe symptoms, and suffer from
22 higher mortality rates.

23 (2) The COVID-19 pandemic has been devastating for working
24 women, with almost 2,100,000 working women leaving the labor
25 force altogether between February and December 2020, and for

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Page 8 26 ~~Black women and Latinas, in particular, with more than 1 in 12~~
27 ~~Black women and 1 in 11 Latinas 20 years of age and older~~
28 ~~unemployed as of December 2020.~~
29 ~~(f) Racism itself harms health. Racism results in government~~
30 ~~policies that reduce access to education, housing, health care,~~
31 ~~employment opportunities, and other resources and elements of a~~
32 ~~healthy community, while spurring overinvesting in~~
33 ~~disproportionate and inappropriate policing by law enforcement.~~
34 ~~On an individual, physiological level, studies show that chronic~~
35 ~~stress from individual and systematic acts of racism and~~
36 ~~discrimination trigger high blood pressure, heart disease,~~
37 ~~immunodeficiency, and result in accelerated aging. Racism~~
38 ~~endangers the health of individuals, the community, and public~~
39 ~~health and in doing this threatens the well-being of the whole~~
40 ~~society, and threatens to perpetuate a dangerously widening~~
Page 9 1 ~~opportunity gap between the state’s BIPOC and White communities~~
2 ~~that is detrimental to the overall public good.~~
3 ~~(g) Racism itself also harms the economy. Research shows that~~
4 ~~closing the racial wealth gap, which is the result of discriminatory~~
5 ~~policies, including in housing and education, is not only the right~~
6 ~~thing to do for BIPOC Americans, but it is the smart thing to do~~
7 ~~for the country. A 2019 report found that eliminating the racial~~
8 ~~wealth gap could raise the United States Gross Domestic Product~~
9 ~~by 4 to 6 percent by 2028.~~
10 ~~(h) Accordingly, the California Legislature, joining a growing~~
11 ~~list of cities and counties across the state and country to~~
12 ~~acknowledge the long-standing impacts of systemic racism,~~
13 ~~declared racism as a public health crisis in 2021 with Senate~~
14 ~~Concurrent Resolution 17. In order to advance and improve public~~
15 ~~health for all Californians, the state must approach laws and~~
16 ~~regulations with an antiracist, Health and Equity in All Policies~~
17 ~~focus that interrogates whether policies play a role in creating,~~
18 ~~maintaining, or dismantling racist systems, and it must secure~~
19 ~~adequate resources to address the crisis. This new policy framework~~
20 ~~and leadership will also help our state, local governments, and~~
21 ~~community-based agencies craft strategies for reducing mental~~
22 ~~health disparities in BIPOC communities that will become an~~
23 ~~estimated 62 percent of the state’s population by 2030.~~
24 ~~(i) It is the intent of the Legislature to institute a new policy~~
25 ~~framework for racial equity that would provide an instructive model~~

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Page 9 26 for local governments seeking to establish offices and infrastructure
27 designed to remedy racial inequity and to facilitate further dialogue,
28 exchange, and collaboration between the state and local
29 governments that have already begun such efforts.

30 (j) California is currently working to address racial inequity
31 through the establishment of the Chief Equity Officer at the
32 Government Operations Agency. This role is an encouraging start
33 to address racial inequity starting from within the administration
34 and human resources to develop a framework to diversify the
35 state’s workforce.

36 (k) Section 31 of Article I of the California Constitution shall
37 not be interpreted as prohibiting action that must be taken to
38 establish or maintain eligibility for any federal program, if
39 ineligibility would result in a loss of federal funds to the state.
40 Title VI of the Civil Rights Act of 1964 (Title VI) provides under
Page 10 1 Section 2000(d) that, “No person in the United States shall, on the
2 ground of race, color, or national origin, be excluded from
3 participation in, be denied the benefits of, or be subjected to
4 discrimination under any program or activity receiving Federal
5 financial assistance.” It is therefore the intent of the Legislature
6 to enact legislation affirming California’s commitment to achieving
7 and maintaining compliance with Title VI, including in matters
8 that may conflict with the California Constitution.

9 **SEC. 2.**

10 **SECTION 1.** Chapter 4.6 (commencing with Section 8303) is
11 added to Division 1 of Title 2 of the Government Code, to read:

12
+ **CHAPTER 4.6. RACIAL EQUITY-ADVISORY AND**
13 **ACCOUNTABILITY COMMISSION**

+
15 8303. As used in this chapter:

16 (a) “Commission” means the Racial Equity-Advisory and
17 Accountability Commission established pursuant to Section 8303.1.

18 (b) “Institutional racism” means the ways in which policies,
19 programs, and practices perpetuated by institutions, including
20 governments and private groups, produce different outcomes for
21 different racial groups in a manner that benefits the dominant
22 group.

23 (c)

Amendment 2

Amendment 3

Amendment 4

Amendment 5

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Page 10 + (b) “Racial equity” means ~~the condition achieved when efforts~~
24 ~~to ensure~~ race can no longer be used to predict life ~~outcomes~~
25 ~~well-being, outcomes,~~ and conditions for all groups are improved.
26 ~~Racial equity includes transforming the behaviors, institutions,~~
27 ~~and systems that disproportionately harm historically marginalized~~
28 ~~communities, including increasing access to power, redistributing~~
29 ~~and providing additional resources, and eliminating barriers to~~
30 ~~opportunity, in order to empower those who have been most~~
31 ~~harmed, including, but not limited to, low-income communities~~
+ ~~of color, to thrive and reach their full potential.~~ *groups.*
32 (d) “Racial Equity Framework” means a single
33 administrationwide document outlining the state’s vision, goals,
34 theory of change, and overarching strategies to address structural
35 racism and racial inequities, and to advance racial equity and equal
36 dignity in the state, with a focus on the work of the state
37 government described in Section 8303.3.
38 (e)
+ (c) “Structural racism” means the ~~macrolevel systems, social~~
39 ~~forces, institutions, ideologies, policies, programs, and processes~~
Page 11 1 ~~and programs~~ that interact with one another to generate and
2 reinforce inequities among racial and ethnic groups.
3 8303.1. (a) There is *established* in state government a Racial
4 ~~Equity Advisory and Accountability Commission, an independent~~
5 ~~public entity not affiliated with an agency or department.~~
+ *Commission.*
6 (b) ~~The Racial Equity Advisory and Accountability Commission~~
7 ~~commission~~ shall consist of ~~nine~~ 11 members who are residents
8 of California. Of the members of the commission, ~~five~~ *seven*
9 members shall be appointed by the Governor, two shall be
10 appointed by the Senate Committee on Rules, and two shall be
11 appointed by the Speaker of the Assembly.
12 (c) Members of the commission shall be appointed for a term
13 of two years. Vacancies shall be filled in the same manner that
14 provided for the original appointment.
15 (d) (1) A person appointed to the commission shall have
16 ~~demonstrated, acknowledged~~ *demonstrated* expertise and meet
17 criteria in at least one of the following areas:
18 (A) ~~Analyzing, reporting on, or proposing implementing, or~~
19 ~~developing public policies in the areas of, but not limited to, that~~
20 *impact* racial equity as it relates to at least one of the following

**Amendment 6
Amendment 7**

Amendment 8

Amendment 9

Amendments 10 & 11

**Amendment 12
Amendment 13**

**Amendment 14
Amendment 15
Amendment 16**

Amendment 17

Amendments 18 & 19

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Page 11 21 areas: broadband, climate change, disability rights, education, food
22 insecurity, housing, immigration, land use, employment,
23 environment, economic security, public health, health care, wealth,
24 policing, criminal justice, transportation, youth leadership,
25 agriculture, the wealth gap, entrepreneurship, arts and culture,
26 voting rights, and public safety that may have an impact on racial
+ equity or racial disparities.

27 (B) Developing or using *data or* budget equity assessment tools.

28 (C) Providing technical assistance ~~for government or nonprofit~~
29 ~~organizations~~ in developing and implementing strategies for racial
30 equity, including, but not limited to, *guidance on* employee training
31 and support, development of racial equity programming, and
32 assistance to *organizations and* departments ~~to change departmental~~
33 ~~on changing~~ policies and practices to improve racial equity
+ outcomes.

34 (D) Be a member of, or represent an equity-focused organization
35 who works with, an impacted community whose lived experience
36 will ~~support~~ *inform* the work of the office, including, but not
37 limited to, members of the ~~disability community and LGBTQ~~
+ ~~community~~. *disability, immigrant, women’s, and LGBTQ*
+ *communities*.

38 (2) Appointing authorities shall consider the expertise of the
39 other members of the commission and make appointments that
40 reflect the cultural, ethnic, racial, linguistic, sexual orientation,
1 ~~gender, immigration status, gender identity, immigrant experience,~~
2 socioeconomic, *age, disability,* and geographical diversity of the
3 state so that the commission reflects the communities of California.

Page 12 4 (3) Commission members shall serve without compensation,
5 but they may be reimbursed for ~~actual~~ *actual, preapproved*
6 expenses incurred in connection with their duties.

7 (e) The commission shall ~~have the powers and authority~~
8 ~~necessary to carry out the duties imposed by this chapter, including~~
9 ~~all of the following:~~ *be staffed by the Office of Planning and*
+ *Research*.

10 (1) ~~(A) To employ administrative, technical, and other personnel~~
11 ~~as may be necessary for the performance of its powers and duties,~~
12 ~~including an executive director to organize, administer, and manage~~
13 ~~the operations of the commission.~~

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Page 12 14 ~~(B) An executive director employed pursuant to this paragraph~~
15 ~~shall be exempt from civil service and shall serve at the pleasure~~
16 ~~of the commission.~~
+ (f) *The commission shall have all of the following powers and*
+ *authority:*
17 (2)
+ (1) To hold hearings, make and sign agreements, and to perform
18 ~~any acts that may be necessary, desirable, or proper necessary to~~
19 ~~carry out the purposes of this chapter.~~
20 (3) ~~To cooperate with, secure the cooperation of, and issue~~
21 ~~subpoenas to, any department, division, board, bureau, commission,~~
22 ~~or other agency of the state to facilitate it properly in carrying out~~
23 ~~the commission’s powers and duties under this chapter.~~
24 (4)
+ (2) (A) To ~~appoint~~ *engage with* advisers or advisory committees
25 from time to time when the commission determines that the
26 experience or expertise of advisers or advisory committees is
27 needed for projects of the commission.
28 (B) Section 11009 applies to advisers or advisory committees
29 described in this paragraph.
30 (5)
+ (3) To accept any federal funds granted by act of Congress or
31 by executive order for the purposes of this chapter.
32 (6)
+ (4) To accept any gifts, donations, grants, or bequests for the
33 purposes of this chapter.
34 (f) ~~The commission shall hold at least one quarterly public~~
35 ~~meeting to fulfill its duties and to receive updates from the~~
36 ~~executive director on progress, accomplishments, and barriers to~~
37 ~~achieving the duties and responsibilities outlined in this chapter.~~
38 (g) ~~The commission may require specific updates from the~~
39 ~~executive director as deemed necessary.~~
Page 13 1 8303.3. (a) The commission shall ~~coordinate, analyze, develop,~~
2 ~~evaluate, and recommend strategies and policies~~ *develop resources,*
3 *best practices, and tools* for advancing racial equity across state
4 agencies, departments, and the office of the Governor. The
+ commission shall, at a minimum, ~~do equity, based upon publicly~~
5 *available information and data, by doing* all of the following:
6 (1) (A) In consultation with ~~state agencies, departments, private~~
7 and public stakeholders, as appropriate, develop a statewide Racial

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Page 13 8 Equity Framework. The final Racial Equity Framework shall be
9 approved by the commission, submitted to the Governor and the
10 Legislature ~~no later than January 1, 2024, on or after December~~
+ ~~1, 2024, but no later than April 1, 2025,~~ and posted to the
11 commission’s internet website. ~~The commission shall request~~
12 ~~public input during its regular quarterly meetings and allow for~~
13 ~~public comment on its assessment before finalization. The Racial~~
14 ~~Equity Framework shall set forth a vision for racial equity in the~~
15 ~~state by providing guidelines for inclusive policies and practices~~
16 ~~that includes a strategic plan with policy and inclusive practice~~
17 ~~recommendations, guidelines, theory of change, goals, and~~
18 ~~benchmarks to reduce racial inequities, promote racial equity, and~~
19 ~~address individual, institutional, and structural racism. The Racial~~
20 ~~Equity Framework shall also describe the historical legacy and~~
21 ~~impacts of institutional racism in California, including its impacts~~
22 ~~across the social determinants of health. The Racial Equity~~
23 ~~Framework shall be assessed and updated as necessary only if~~
24 ~~there is opportunity for public input before the finalization of an~~
+ ~~amended framework.~~

25 (2) ~~In consultation with state agencies and departments, establish~~
26 ~~methodologies, a system of measurement, and data needs for~~
27 ~~assessing how state statutes, regulations, and practices contribute~~
28 ~~to, uphold, or exacerbate racial disparities. This shall include, but~~
29 ~~is not limited to, the following:~~

+ (B) ~~The Racial Equity Framework shall set forth all of the~~
+ ~~following:~~

+ (i) ~~Methodologies and tools that can be employed to advance~~
+ ~~racial equity and address structural racism in California.~~

30 (A) ~~Creating and implementing budget~~

+ (ii) ~~Budget methodologies, including equity assessment tools~~
31 ~~to determine whether tools, that entities can use to analyze how~~
32 ~~budget requests and annual allocations benefit or burden~~
+ ~~communities of color.~~

33 (B) ~~Establishing a process for ensuring that data collected~~
34 ~~pursuant to this paragraph are managed effectively and provide~~
35 ~~meaningful information, including~~

+ (iii) ~~Processes for collecting and analyzing data effectively and~~
+ ~~safely, as appropriate and practiceable, including disaggregation~~
36 ~~by race, ethnicity, gender, sexual orientation and gender identity,~~

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Page 13 37 disability, income, veteran status, or other key demographic
+ variables: *variables and the use of proxies.*
+ (iv) *Input and feedback from stakeholder engagements.*
38 (3)
+ (2) Review and identify existing policies, programs, regulations,
39 and practices in state government that contribute to, uphold, or
40 exacerbate racial disparities in areas including, but not limited to,
Page 14 1 education, housing, land use, employment, environment, economic
2 security, public health, health care, the wealth gap, policing,
3 criminal justice, transportation, and public safety. The findings of
4 the review described in this subdivision shall include any
5 recommendations for addressing the issues identified and be
6 published on the internet website of the office, and reported to the
7 Governor and to the Governor’s cabinet, as well as any agencies
8 or departments with oversight over the issues identified.
9 ~~(4) Review and provide feedback regarding each agency’s~~
10 ~~report, as described in Section 8303.5. The commission shall also~~
11 ~~provide~~
+ (3) *Upon request by an agency, provide technical assistance to*
12 *agencies on implementing strategies for racial equity consistent*
+ *with the Racial Equity Framework.*
13 ~~(5) Support research activities of state government directed at~~
14 ~~advancing racial equity.~~
15 (6)
+ (4) ~~Engage stakeholders and community members to address~~
16 ~~the root causes of racial inequities and ensure that the Racial Equity~~
17 ~~Framework repairs historical harm done by government-sanctioned~~
18 ~~actions: members, including by holding quarterly stakeholder~~
+ ~~meetings, to seek input on the commission’s work, as described.~~
19 (7)
+ (5) Engage, collaborate, and consult with policy experts in order
20 to conduct analyses and develop ~~policy recommendations, tools,~~
21 including building on and collaborating with existing ~~offices,~~
22 ~~departments, agencies, and working groups~~ *bodies*, as appropriate.
23 (8)
+ (6) Promote the ongoing, equitable delivery of ~~government~~
24 ~~benefits and opportunities, including, but not limited to:~~
+ ~~opportunities by doing both of the following:~~
25 (A) ~~Provide~~ *Upon request, providing* technical assistance to
26 local government entities engaging in racial equity programming.

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Amendment 64

Page 14 27 (B) ~~Encourage~~ *Encouraging* the formation and implementation
28 of racial equity initiatives in local government entities, including
29 cities and counties.

30 (9) (A) ~~Conduct, on or before January 1, 2025, and pursuant~~
31 ~~to subparagraph (B), an initial assessment of state department and~~
32 ~~agency efforts to advance racial equity efforts.~~

33 (B) (i) ~~The commission shall collect all necessary data from~~
34 ~~state agencies and departments to assess compliance with the goals~~
35 ~~of the Racial Equity Framework. The commission shall request~~
36 ~~public input for this assessment during its regular quarterly~~
37 ~~meetings and allow for public comment on its assessment before~~
38 ~~finalization.~~

Page 15 39 (ii) ~~The assessment conducted pursuant to this subparagraph~~
40 ~~shall be published on the commission's internet website and shall~~
1 ~~be used to prioritize the request of reports from state agencies and~~
2 ~~departments, as described in Section 8303.5, and to provide further~~
3 ~~recommendations regarding the Racial Equity Framework.~~

4 (b) (1) The commission shall prepare an annual report that
5 evaluates and reports on progress in, and any obstacles to, meeting
6 statewide goals and policies established under the Racial Equity
7 Framework. *summarizes feedback from public engagement with*
+ *communities of color, provides data on racial inequities and*
+ *disparities in the state, and recommends best practices on tools,*
+ *methodologies, and opportunities to advance racial equity.* The
8 report shall include recommendations to further the state's goals
9 established under the Racial Equity Framework, shall be submitted
+ *submitted, on or after December 1, 2025, and annually thereafter,*
10 to the Governor and the Legislature, *Legislature* and shall be posted
11 publicly on the internet website of the commission. ~~On and after~~
12 ~~January 1, 2026, the report shall also contain summaries or lessons~~
13 ~~learned of the reports submitted by state departments or agencies~~
+ ~~pursuant to Section 8303.5.~~

14 (2) A report to be submitted pursuant to paragraph (1) shall be
15 submitted in compliance with *pursuant to* Section 9795.

21 (c) ~~The commission is expressly authorized to state its position~~
22 ~~and viewpoint on issues developed in the performance of its duties~~
23 ~~and responsibilities, as specified in this chapter.~~

24 8303.5. (a) Each agency shall, upon the request of the
25 commission, prepare a report on the agency's progress towards
26 goals set forth in the Racial Equity Framework. The report shall

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Page 15 27 include relevant data on the status of racial equity in the agency’s
28 workforce, an equity assessment of the agency that includes, but
29 is not limited to, existing policies and programs that may
30 exacerbate systemic racism, work being done to address those
31 disparities, and its provision of services to the public, including
32 both direct services as well as services provided through grants
33 and contracts.

34 (b) The commission shall have the authority to prioritize the
35 order of the reports it requests based on the initial assessment
36 described in paragraph (9) of subdivision (a) of Section 8303.3.
37 The commission may choose to request reports based on the
38 function of the governmental department or agency or the need to
39 address racial inequality within the department or agency. These
Page 16 1 reports may be requested on a rolling basis with the first reports
2 due on or before July 1, 2025.

3 (c) Each agency shall submit its report to the commission within
4 six months of the date on which the commission requested the
5 report. The commission and each agency shall publish the final
6 report on their respective internet websites. The Governor shall
7 consider the reports in connection with the budget process.

8 8303.7.

+ 8303.5. (a) The provisions of this chapter are severable. If any
9 provision of this chapter or its application is held invalid, that
10 invalidity shall not affect other provisions or applications that can
11 be given effect without the invalid provision or application.

12 (b) (1) This chapter shall become inoperative on January 1,
13 2030.

14 (2) On or before January 1, 2030, the commission shall issue a
15 final report to the Legislature, pursuant to Section 9795, on its
16 findings and recommendations for next steps to address structural
17 racism and racial inequities in California.

18 (c) This chapter shall be repealed on January 1, 2031.

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PROPOSED AMENDMENTS TO SENATE BILL NO. 774

AMENDED IN ASSEMBLY SEPTEMBER 3, 2021

AMENDED IN ASSEMBLY JULY 14, 2021

AMENDED IN SENATE MARCH 3, 2021

SENATE BILL

No. 774

Introduced by Senator Hertzberg

February 19, 2021



RN2219781

~~An act to add and repeal Section 952.1 to the Evidence Code, relating to evidence.~~ *amend Section 122318 of the Health and Safety Code, relating to vulnerable populations.*

Amendment 1

LEGISLATIVE COUNSEL'S DIGEST

SB 774, as amended, Hertzberg. ~~Lawyer-client privilege: Department of Fair Employment and Housing.~~ *Pets and veterinary services: emotional support dogs.*

Existing law prohibits a health care practitioner from providing documentation relating to an individual's need for an emotional support dog unless the health care practitioner complies with specified criteria, including, among other things, that the health care practitioner establish a client-provider relationship with the individual for at least 30 days prior to providing the documentation.

This bill would establish an exception to the 30-day relationship rule if the individual in need of an emotional support dog is verified to be homeless, as specified.

~~Existing law establishes the lawyer-client evidentiary privilege in court proceedings, whereby the client of a lawyer has a privilege to refuse to disclose, and to prevent another from disclosing, a confidential communication between the client and lawyer.~~

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PROPOSED AMENDMENTS

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~~The California Fair Employment and Housing Act prohibits an employer from discriminating against an employee on account of certain characteristics. The act authorizes a person alleging a violation of specified provisions of the act to submit a complaint to the Department of Fair Employment and Housing, and requires the department to take actions to investigate that complaint.~~

~~This bill would specify that the lawyer-client privilege applies to confidential communications between a lawyer of the Department of Fair Employment and Housing and a person who files a complaint with the department or another aggrieved person on whose behalf a complaint is filed. The bill would require a complainant or aggrieved person to assert the privilege on behalf of the department. The bill would prohibit the complainant or aggrieved person from disclosing confidential information transmitted between a department lawyer and a complainant or aggrieved person over the objection of the department, except as provided. The bill would prohibit the department from disclosing confidential information transmitted from a complainant or aggrieved person to a department lawyer that would reveal the identity of the complainant or aggrieved person, except as provided. The bill would repeal its provisions on January 1, 2027.~~

~~Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.
State-mandated local program: no.~~

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

- + *SECTION 1. Section 122318 of the Health and Safety Code is*
- + *amended to read:*
- + 122318. (a) A health care practitioner shall not provide
- + documentation relating to an individual’s need for an emotional
- + support dog unless the health care practitioner complies with all
- + of the following criteria:
- + (1) Possesses a valid, active license and includes the effective
- + date, license number, jurisdiction, and type of professional license
- + in the documentation.
- + (2) Is licensed to provide professional services within the scope
- + of the license in the jurisdiction in which the documentation is
- + provided.
- + (3) ~~Establishes~~ *(A) Except as specified in subparagraph (B),*
- + *establishes* a client-provider relationship with the individual for

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- + at least 30 days prior to providing the documentation requested regarding the individual’s need for an emotional support dog.
- + (B) A client-provider relationship with the individual of 30 days or more shall not be required for individuals who are verified to be homeless. Homeless status may be verified by any of the following:
 - + (I) Identification through the local Homeless Management Information System, as defined in Section 578.3 of Title 24 of the Code of Federal Regulations.
 - + (II) Via a continuum of care, as defined in Section 578.3 of Title 24 of the Code of Federal Regulations, or a homeless services provider that is contracting with a continuum of care.
 - + (III) Visual confirmation by a homeless services provider of individuals dwelling in a homeless shelter, homeless encampment, outdoor makeshift shelter, or vehicle.
- + (4) Completes a clinical evaluation of the individual regarding the need for an emotional support dog.
- + (5) Provides a verbal or written notice to the individual that knowingly and fraudulently representing oneself to be the owner or trainer of any canine licensed as, to be qualified as, or identified as, a guide, signal, or service dog is a misdemeanor violation of Section 365.7 of the Penal Code.
- + (b) For purposes of this section, “health care practitioner” means a person who is licensed and regulated pursuant to Division 2 (commencing with Section 500) of the Business and Professions Code, who is acting within the scope of practice of the person’s license or certificate.
- + (c) A health care practitioner may be subject to discipline from the health care practitioner’s licensing board for a violation of this section.

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Amendment 3

1 ~~SECTION 1. Section 952.1 is added to the Evidence Code, to~~
 2 ~~read:~~
 3 ~~952.1. (a) For purposes of this section, “department” and~~
 4 ~~“client” mean the Department of Fair Employment and Housing.~~
 5 ~~(b) As used in this article, “confidential communication between~~
 6 ~~client and lawyer” includes information transmitted between the~~
 7 ~~department and its lawyers in the course of that relationship and~~
 8 ~~in confidence by a means which, so far as the department is aware,~~
 9 ~~discloses the information to no third persons other than those who~~
 10 ~~are present to further the interest of the department in the~~

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Page 2 11 consultation or those to whom disclosure is reasonably necessary
12 for the transmission of the information or the accomplishment of
13 the purpose for which the lawyer is consulted, including, but not
14 limited to, confidential information transmitted between a
15 department lawyer and a complainant who files a complaint with
16 the department or other person aggrieved by alleged discriminatory
17 practices or other violations on whose behalf a complaint is filed;
18 and includes a legal opinion formed and the advice given by the
19 lawyer in the course of that relationship.

20 (e) (1) Notwithstanding Section 954, a complainant or aggrieved
21 person shall assert the privilege over confidential information
22 transmitted between a department lawyer and a complainant or
23 aggrieved person. Subject to paragraph 2, the complainant or
24 aggrieved person may not disclose the confidential information
Page 3 1 over the objection of the department unless the department has
2 been given advance reasonable notice of at least 30 days, an
3 opportunity to object, and a court finds that the interests of the
4 complainant or aggrieved person in disclosure outweigh the
5 department's interest in maintaining the confidentiality of the
6 information and that the disclosure is not prevented by any other
7 law, privilege, or doctrine, including, but not limited to, the
8 attorney work product doctrine.

9 (2) The complainant or aggrieved person need not provide the
10 department with notice of disclosure of confidential information
11 transmitted between a department lawyer and the complainant or
12 aggrieved person if disclosure of the confidential information is
13 made to any government entity that has oversight over the
14 department or its attorneys' conduct.

15 (3) The department may not disclose any confidential
16 information transmitted from a complainant or aggrieved person
17 to a department lawyer that would reveal the identity of the
18 complainant or aggrieved person unless the complainant or
19 aggrieved person consents; disclosure is required by law, court
20 order, or a work-sharing agreement with another government
21 agency; or the department consents to disclosure as part of an
22 enforcement action, including, but not limited to, an investigation
23 or civil action, of the department or other government agency.

24 (d) Subdivision (b) of this section is declarative of, and clarifies,
25 existing law. This section applies retroactively.

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Page 3 26 (e) ~~This section shall remain in effect only until January 1, 2027,~~
27 ~~and as of that date is repealed.~~

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PROPOSED AMENDMENTS TO SENATE BILL NO. 1020

AMENDED IN ASSEMBLY AUGUST 15, 2022

AMENDED IN SENATE MAY 23, 2022

AMENDED IN SENATE MAY 4, 2022

AMENDED IN SENATE APRIL 18, 2022

SENATE BILL

No. 1020



Introduced by Senators Laird, Caballero, Durazo, and Atkins
(Coauthors: Senators Allen, Becker, Gonzalez, Hertzberg, Hueso,
Kamlager, Limón, McGuire, Skinner, Stern, and Wieckowski)

February 14, 2022

An act to amend Section 7921.505 of the Government Code, to amend Section 38561 of the Health and Safety Code, to amend ~~Section 454.53~~ Sections 454.53 and 583 of, and to add Sections ~~352.8, 454.59, 454.59~~ and 739.13 to, the Public Utilities Code, and to add Division 27.5 (commencing with Section 80400) to the Water Code, relating to ~~climate change~~ public resources.

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LEGISLATIVE COUNSEL'S DIGEST

SB 1020, as amended, Laird. Clean Energy, Jobs, and Affordability Act of 2022.

The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency responsible for monitoring and regulating sources emitting greenhouse gases. The act requires the state board to prepare and approve a scoping plan for achieving the maximum technologically feasible and cost-effective reductions in greenhouse gas emissions and to update the scoping plan at least once every 5 years. The act requires the state board to conduct

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a series of public workshops to give interested parties an opportunity to comment on the plan and requires a portion of those workshops to be conducted in regions of the state that have the most significant exposure to air pollutants, including communities with minority populations, communities with low-income populations, or both.

This bill instead would modify, with respect to the provision that a portion of the workshops be conducted in regions of the state that have the most significant exposure to air pollutants, the above-described included communities as additionally being areas designated as federal extreme nonattainment.

Under existing law, it is the policy of the state that eligible renewable energy resources and zero-carbon resources supply 100% of all retail sales of electricity to California end-use customers and 100% of electricity procured to serve all state agencies by December 31, 2045.

This bill would revise that state policy to instead provide that eligible renewable energy resources and zero-carbon resources supply 90% of all retail sales of electricity to California end-use customers by December 31, 2035, 95% of all retail sales of electricity to California end-use customers by December 31, 2040, 100% of all retail sales of electricity to California end-use customers by December 31, 2045, and 100% of electricity procured to serve all state agencies by December 31, ~~2030~~, 2035, as specified.

Existing law vests the Public Utilities Commission (PUC) with regulatory authority over public utilities, including electrical corporations, while local publicly owned electric utilities are under the direction of their governing boards. Existing law requires the PUC to ensure that facilities needed to maintain the reliability of the electrical supply remain available and operational.

Existing law establishes an Independent System Operator (ISO) as a nonprofit public benefit corporation and requires the ISO to ensure efficient use and reliable operation of the electrical transmission grid consistent with achieving planning and operating reserve criteria no less stringent than those established by the Western Electricity Coordinating Council and the North American Electric Reliability Council.

Existing law requires the State Energy Resources Conservation and Development Commission (Energy Commission), in consultation with the PUC, ISO, transmission owners, users, and consumers, to adopt a strategic plan for the state’s electrical transmission grid using existing resources in order to identify and recommend actions required to

implement investments needed to ensure reliability, relieve congestion, and meet future growth in load and generation.

This bill would authorize the PUC and Energy Commission, upon request of the ISO, to disclose to the ISO confidential information relating to power purchase agreements with electric generation and energy storage projects for purposes of transmission planning.

This bill would require the PUC, Energy Commission, and state board, on or before December 1, 2023, and annually thereafter, to issue a joint reliability progress report that reviews system and local reliability within the context of that state policy described above, with a particular focus on summer reliability, identifies challenges and gaps, if any, to achieving system and local reliability, and identifies the amount and cause of any delays to achieving compliance with all energy and capacity procurement requirements set by the PUC.

This bill would require the PUC to develop a definition of energy affordability, as specified, and to use energy affordability metrics ~~and affordability thresholds~~ to guide the development of any protections, incentives, discounts, or new programs to assist residential customers facing hardships or disconnections due to electricity or gas bills and to assess the impact of proposed rate increases on different types of residential customers.

The California Public Records Act requires a public agency, defined to mean a state or local agency, to make its public records available for public inspection and to make copies available upon request and payment of a fee, unless the public records are exempt from disclosure. The act makes specified records exempt from disclosure and provides that disclosure by a state or local agency of a public record that is otherwise exempt constitutes a waiver of the exemptions.

This bill would specify that a disclosure made through the sharing of information between the ISO and a state agency does not constitute a waiver of the exemptions.

Existing law prohibits information furnished to the PUC by a public utility, a business that is a subsidiary or affiliate of a public utility, or a corporation that holds a controlling interest in a public utility from being open to public inspection or made public, except as specified.

This bill would authorize a present officer or employee of the PUC to share information with the ISO pursuant to an agreement to treat the shared information as confidential.

Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of

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public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.

This bill would make legislative findings to that effect.

Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the PUC is a crime.

Because certain of the above provisions would be part of the act and a violation of a PUC action implementing this bill’s requirements would be a crime, the bill would impose a state-mandated local program.

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:

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1 SECTION 1. This act shall be known, and may be cited, as the
2 Clean Energy, Jobs, and Affordability Act of 2022.

+ SEC. 2. Section 7921.505 of the Government Code is amended
+ to read:

+ 7921.505. (a) As used in this section, “agency” includes a
+ member, agent, officer, or employee of the agency acting within
+ the scope of that membership, agency, office, or employment.

+ (b) Notwithstanding any other law, if a state or local agency
+ discloses to a member of the public a public record that is otherwise
+ exempt from this division, this disclosure constitutes a waiver of
+ the exemptions specified in:

+ (1) The provisions listed in Section 7920.505.

+ (2) Sections 7924.510 and 7924.700.

+ (3) Other similar provisions of law.

+ (c) This section, however, does not apply to any of the following
+ disclosures:

+ (1) A disclosure made pursuant to the Information Practices Act
+ of 1977 (Chapter 1 (commencing with Section 1798) of Title 1.8
+ of Part 4 of Division 3 of the Civil Code) or a discovery
+ proceeding.

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- + (2) A disclosure made through other legal proceedings or as otherwise required by law.
- + (3) A disclosure within the scope of disclosure of a statute that limits disclosure of specified writings to certain purposes.
- + (4) A disclosure not required by law, and prohibited by formal action of an elected legislative body of the local agency that retains the writing.
- + (5) A disclosure made to a governmental agency that agrees to treat the disclosed material as confidential. Only persons authorized in writing by the person in charge of the agency shall be permitted to obtain the information. Any information obtained by the agency shall only be used for purposes that are consistent with existing law.
- + (6) A disclosure of records relating to a financial institution or an affiliate thereof, if the disclosure is made to the financial institution or affiliate by a state agency responsible for regulation or supervision of the financial institution or affiliate.
- + (7) A disclosure of records relating to a person who is subject to the jurisdiction of the Department of Business Oversight, if the disclosure is made to the person who is the subject of the records for the purpose of corrective action by that person, or, if a corporation, to an officer, director, or other key personnel of the corporation for the purpose of corrective action, or to any other person to the extent necessary to obtain information from that person for the purpose of an investigation by the Department of Business Oversight.
- + (8) A disclosure made by the Commissioner of Business Oversight under Section 450, 452, 8009, or 18396 of the Financial Code.
- + (9) A disclosure of records relating to a person who is subject to the jurisdiction of the Department of Managed Health Care, if the disclosure is made to the person who is the subject of the records for the purpose of corrective action by that person, or, if a corporation, to an officer, director, or other key personnel of the corporation for the purpose of corrective action, or to any other person to the extent necessary to obtain information from that person for the purpose of an investigation by the Department of Managed Health Care.
- + (10) *A disclosure made through the sharing of information between the Independent System Operator and a state agency.*

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3 ~~SEC. 2.~~
+ SEC. 3. Section 38561 of the Health and Safety Code is
4 amended to read:
5 38561. (a) On or before January 1, 2009, the state board shall
6 prepare and approve a scoping plan, as that term is understood by
7 the state board, for achieving the maximum technologically feasible
8 and cost-effective reductions in greenhouse gas emissions from
9 sources or categories of sources of greenhouse gases by 2020 under
10 this division. The state board shall consult with all state agencies
11 with jurisdiction over sources of greenhouse gases, including the
12 Public Utilities Commission and the State Energy Resources
13 Conservation and Development Commission, on all elements of
14 its plan that pertain to energy-related matters including, but not
15 limited to, electrical generation, load based-standards or
16 requirements, the provision of reliable and affordable electrical
17 service, petroleum refining, and statewide fuel supplies to ensure
18 the greenhouse gas emissions reduction activities to be adopted
19 and implemented by the state board are complementary,
20 nonduplicative, and can be implemented in an efficient and
21 cost-effective manner.

Page 5

1 (b) The plan shall identify and make recommendations on direct
2 emissions reduction measures, alternative compliance mechanisms,
3 market-based compliance mechanisms, and potential monetary
4 and nonmonetary incentives for sources and categories of sources
5 that the state board finds are necessary or desirable to facilitate
6 the achievement of the maximum feasible and cost-effective
7 reductions of greenhouse gas emissions by 2020.
8 (c) In making the determinations required by subdivision (b),
9 the state board shall consider all relevant information pertaining
10 to greenhouse gas emissions reduction programs in other states,
11 localities, and nations, including the northeastern states of the
12 United States, Canada, and the European Union.
13 (d) The state board shall evaluate the total potential costs and
14 total potential economic and noneconomic benefits of the plan for
15 reducing greenhouse gases to California’s economy, environment,
16 and public health, using the best available economic models,
17 emission estimation techniques, and other scientific methods.
18 (e) In developing its plan, the state board shall take into account
19 the relative contribution of each source or source category to
20 statewide greenhouse gas emissions, and the potential for adverse

PROPOSED AMENDMENTS

Page 5 21 effects on small businesses, and shall recommend a de minimis
22 threshold of greenhouse gas emissions below which emissions
23 reduction requirements will not apply.

24 (f) In developing its plan, the state board shall identify
25 opportunities for emissions reduction measures from all verifiable
26 and enforceable voluntary actions, including, but not limited to,
27 carbon sequestration projects and best management practices.

28 (g) The state board shall conduct a series of public workshops
29 to give interested parties an opportunity to comment on the plan.
30 The state board shall conduct a portion of these workshops in
31 regions of the state that have the most significant exposure to air
32 pollutants, including, but not limited to, areas designated as federal
33 extreme nonattainment that have communities with minority
34 populations, communities with low-income populations, or both.

35 (h) The state board shall update its plan for achieving the
36 maximum technologically feasible and cost-effective reductions
37 of greenhouse gas emissions at least once every five years.

38 ~~SEC. 3. Section 352.8 is added to the Public Utilities Code, to~~
39 ~~read:~~

Page 6 1 ~~352.8. Upon request of the Independent System Operator, the~~
2 ~~commission and Energy Commission may disclose to the~~
3 ~~Independent System Operator confidential information relating to~~
4 ~~power purchase agreements with electric generation and energy~~
5 ~~storage projects for purposes of transmission planning. Confidential~~
6 ~~information disclosed to the Independent System Operator pursuant~~
7 ~~to this section is not a waiver of an exemption from public~~
8 ~~disclosure pursuant to Section 7921.505 of the Government Code~~
9 ~~and shall not require public disclosure of the confidential~~
10 ~~information.~~

11 SEC. 4. Section 454.53 of the Public Utilities Code is amended
12 to read:

13 454.53. (a) It is the policy of the state that eligible renewable
14 energy resources and zero-carbon resources supply 90 percent of
15 all retail sales of electricity to California end-use customers by
16 December 31, 2035, 95 percent of all retail sales of electricity to
17 California end-use customers by December 31, 2040, 100 percent
18 of all retail sales of electricity to California end-use customers by
19 December 31, 2045, and 100 percent of electricity procured to
20 serve all state agencies by December 31, ~~2030.~~ 2035. The
21 achievement of this policy for California shall not increase carbon

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Amendment 8

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Page 6 22 emissions elsewhere in the western grid and shall not allow
23 resource shuffling. The commission and Energy Commission, in
24 consultation with the State Air Resources Board, shall take steps
25 to ensure that a transition to a zero-carbon electric system for the
26 State of California does not cause or contribute to greenhouse gas
27 emissions increases elsewhere in the western grid, and is
28 undertaken in a manner consistent with clause 3 of Section 8 of
29 Article I of the United States Constitution. The commission, the
30 Energy Commission, the State Air Resources Board, and all other
31 state agencies shall incorporate this policy into all relevant
32 planning.

33 (b) The commission, Energy Commission, State Air Resources
34 Board, and all other state agencies shall ensure that actions taken
35 in furtherance of subdivision (a) do all of the following:

36 (1) Maintain and protect the safety, reliable operation, and
37 balancing of the electric system.

38 (2) Prevent unreasonable impacts to electricity, gas, and water
39 customer rates and bills resulting from implementation of this
40 section, taking into full consideration the economic and
Page 7 1 environmental costs and benefits of renewable energy and
2 zero-carbon resources.

3 (3) To the extent feasible and authorized under law, lead to the
4 adoption of policies and taking of actions in other sectors to obtain
5 greenhouse gas emission reductions that ensure equity between
6 other sectors and the electricity sector.

7 (4) Not affect in any manner the rules and requirements for the
8 oversight of, and enforcement against, retail sellers and local
9 publicly owned utilities pursuant to the California Renewables
10 Portfolio Standard Program (Article 16 (commencing with Section
11 399.11) of Chapter 2.3) and Sections 454.51, 454.52, 9621, and
12 9622.

13 (c) Nothing in this section shall affect a retail seller’s obligation
14 to comply with the federal Public Utility Regulatory Policies Act
15 of 1978 (16 U.S.C. Sec. 2601 et seq.).

16 (d) The commission, Energy Commission, and State Air
17 Resources Board shall do all of the following:

18 (1) Use programs authorized under existing statutes to achieve
19 the policy described in subdivision (a).

20 (2) In consultation with all California balancing authorities, as
21 defined in subdivision (d) of Section 399.12, as part of a public

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Page 7 22 process, issue a joint report to the Legislature by January 1, 2021,
23 and at least every four years thereafter. The joint report shall
24 include all of the following:

25 (A) A review of the policy described in subdivision (a) focused
26 on technologies, forecasts, then-existing transmission, and
27 maintaining safety, environmental and public safety protection,
28 affordability, and system and local reliability.

29 (B) An evaluation identifying the potential benefits and impacts
30 on system and local reliability associated with achieving the policy
31 described in subdivision (a).

32 (C) An evaluation identifying the nature of any anticipated
33 financial costs and benefits to electric, gas, and water utilities,
34 including customer rate impacts and benefits.

35 (D) The barriers to, and benefits of, achieving the policy
36 described in subdivision (a).

37 (E) Alternative scenarios in which the policy described in
38 subdivision (a) can be achieved and the estimated costs and benefits
39 of each scenario.

Page 8 1 (3) On or before December 1, 2023, and annually thereafter, in
2 consultation with California balancing authorities, as defined in
3 subdivision (d) of Section 399.12, and as part of, or an interim
4 addendum to, the quadrennial joint report required by paragraph
5 (2), as applicable, issue a joint reliability progress report that
6 reviews system and local reliability within the context of the policy
7 described in subdivision (a), with a particular focus on summer
8 reliability. The joint reliability progress report shall identify
9 challenges and gaps, if any, to achieving system and local reliability
10 and identify the amount and cause of any delays to achieving
11 compliance with all energy and capacity procurement requirements
12 set by the commission.

13 (e) Nothing in this section authorizes the commission to establish
14 any requirements on a nonmobile self-cogeneration or cogeneration
15 facility that served onsite load, or that served load pursuant to an
16 over-the-fence arrangement if that arrangement existed on or before
17 December 20, 1995.

18 (f) This section does not limit any entity, including local
19 governments, from accelerating their achievement of the state’s
20 electric sector decarbonization targets.

21 SEC. 5. Section 454.59 is added to the Public Utilities Code,
22 to read:

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Page 8 23 454.59. (a) This section applies to the obligations on a state
24 agency, except the State Water Resources Development System
25 commonly known as the State Water Project, imposed pursuant
26 to subdivision (a) of Section 454.53.

27 (b) Each state agency shall ensure that zero-carbon resources
28 and eligible renewable energy resources supply 100 percent of
29 electricity procured on its behalf by December 31, ~~2030~~ 2035.

| Amendment 9

30 (c) A state agency may satisfy the requirement in subdivision
31 (b) by doing one or more of the following:

32 (1) Installing zero-carbon resources or eligible renewable energy
33 resources behind the customer meter on state-owned or state-leased
34 buildings to serve the state agency’s onsite load.

35 (2) Procuring zero-carbon resources or eligible renewable energy
36 resources through the local publicly owned electric utility or
37 load-serving entity, as defined in Section 380, providing retail
38 service to the state agency, subject to any credit or collateral
39 requirements or other applicable requirements imposed by the
40 local publicly owned electric utility or load-serving entity, as
Page 9 1 defined in Section 380, as a condition for procurement on behalf
2 of a customer.

3 (3) Participating in a voluntary shared renewable or green
4 pricing program offered by a local publicly owned electric utility
5 or load-serving entity, as defined in Section 380, if the resources
6 serving the state agency satisfy the requirements of subdivision
7 (d).

8 (d) New procurement commitments made on behalf of a state
9 agency by its retail seller or local publicly owned electric utility
10 after June 1, 2022, for zero-carbon resources or eligible renewable
11 energy resources to serve the state agency pursuant to subdivision
12 (c) shall satisfy all of the following criteria:

13 (1) The zero-carbon resource or eligible renewable energy
14 resource shall be newly developed as a result of contracting and
15 reach initial commercial operations on or after January 1, 2023.

16 (2) An eligible renewable energy resource or storage product
17 shall be required to satisfy either of the criteria specified in
18 paragraph (1) of subdivision (b) of Section 399.16.

19 (3) The zero-carbon resource or eligible renewable energy
20 resource shall be located within California.

22 (4) The retail seller or local publicly owned electric utility shall
23 require its contractors to use a multicraft project labor agreement,

PROPOSED AMENDMENTS

Page 9 24 as defined in paragraph (1) of subdivision (b) of Section 2500 of
25 the Public Contract Code, for construction of the zero-carbon
26 resource or eligible renewable energy resource. The project labor
27 agreement shall conform to the industry standard agreements
28 recently used for other similar private projects, including side
29 letters for high-voltage transmission and related work.

30 (5) The retail seller or local publicly owned electric utility shall
31 exclude the retail sales to a state agency customer from any
32 compliance obligations relating to zero-carbon resources or eligible
33 renewable resources, including, but not limited to, obligations
34 pursuant to Section 399.25 or 399.30.

35 (6) Any renewable energy credits or environmental attributes
36 associated with incremental procurement pursuant to this section
37 shall be retired on behalf of the state agency customer and shall
38 not be further sold, transferred, or otherwise monetized for any
39 purpose.

Page 10 1 (e) Zero-carbon resource or eligible renewable energy resource
2 procurement commitments made on behalf of a state agency shall
3 give preference to resource options expected to yield maximum
4 long-term employment, stimulate new economic activity, generate
5 local and state tax revenues, and assist with the development of
6 new industries.

+ SEC. 6. Section 583 of the Public Utilities Code is amended
+ to read:

+ 583. (a) No information furnished to the commission by a
+ public utility, ~~or any a business which that~~ is a subsidiary or
+ affiliate of a public utility, or a corporation ~~which that~~ holds a
+ controlling interest in a public utility, except those matters
+ specifically required to be open to public inspection by this part,
+ shall be open to public inspection or made ~~public~~ public, except
+ on order of the ~~commission, commission~~ or by the commission or
+ a commissioner in the course of a hearing or proceeding. ~~Any A~~
+ present or former officer or employee of the commission who
+ divulges ~~any such that~~ information is guilty of a misdemeanor.

+ (b) Notwithstanding subdivision (a) or any other law, a present
+ officer or employee of the commission may share information with
+ the Independent System Operator pursuant to an agreement to
+ treat the shared information as confidential.

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Page 15 8 ~~SEC. 6.~~
+ SEC. 7. Section 739.13 is added to the Public Utilities Code,
9 to read:

10 739.13. (a) The commission shall develop a definition of
11 energy affordability.

12 (b) The definition of energy affordability shall establish energy
13 affordability metrics based on household income and include the
14 combined impact of electricity and gas bills.

15 (c) The commission shall use energy affordability metrics and
16 affordability thresholds for both of the following purposes:

17 (1) To guide the development of any protections, incentives,
18 discounts, or new programs to assist residential customers facing
19 hardships or disconnections due to electricity or gas bills.

20 (2) To assess the impact of proposed rate increases on different
21 types of residential customers.

22 ~~SEC. 7.~~

23 SEC. 8. Division 27.5 (commencing with Section 80400) is
24 added to the Water Code, to read:

25
+ DIVISION 27.5. STATE WATER PROJECT ENERGY
26 PROCUREMENT
28

29 80400. (a) (1) The department shall procure eligible renewable
30 energy resources and zero-carbon resources to satisfy the state
31 agency obligations imposed on the State Water Resources
32 Development System, commonly known as the State Water Project,
33 pursuant to subdivision (a) of Section 454.53 of the Public Utilities
+ Code.

34 (2) If the department determines that the full achievement of
35 the state agency obligations imposed on the State Water Resources
36 Development System would require the early termination of an
37 existing contract to procure fossil generation entered before January
38 1, 2010, and that early termination would result in significant
39 uneconomic costs, the department may defer procuring zero-carbon
40 electricity resource quantities equal to the amount of electricity
Page 16 1 provided under the existing contract until no later than December
2 31, 2040.

3 (3) In the event that extraordinary circumstances, catastrophic
4 events, *considerable supply chain disruptions and equipment*
+ *shortages*, or threats of significant economic harm render full

Amendment 11

Amendment 12

Amendment 13

Amendment 14

PROPOSED AMENDMENTS

Page 16 5 achievement of the obligations imposed on the State Water
6 Resources Development System pursuant to subdivision (a) of
7 Section 454.53 of the Public Utilities Code infeasible, the Governor
8 may adjust the applicable deadline for the department’s compliance
9 to the earliest feasible date, but that date shall be no later than
10 December 31, 2040.

+ (b) *The department may satisfy all or a portion of the obligation
+ on the State Water Resources Development System pursuant to
+ subdivision (a) of Section 454.53 of the Public Utilities Code by
+ installing zero-carbon resources or eligible renewable energy
+ resources behind the meter on the State Water Resources
+ Development System property or properties to service its load.*

Amendment 15

11 (b)

Amendment 16

+ (c) All resources procured pursuant to subdivision (a) after
12 February 1, 2022, shall satisfy ~~all~~ both of the following criteria:

Amendment 17

13 (1) The eligible renewable energy resources and zero-carbon
14 resources shall either be newly developed as a result of contracting
15 by the department or constitute incremental production from
16 existing resources and reach initial commercial operations on or
17 after January 1, 2023. This requirement may be satisfied if the
18 resource is newly developed by a local publicly owned electric
19 utility with the expectation that the output would be sold to the
20 department in support of the State Water Resources Development
21 System.

22 (2) The eligible renewable energy resources and zero-carbon
23 resources shall be located within California or have a first point
24 of interconnection to a California balancing authority.

Amendment 18

26 ~~(3) The eligible renewable energy resources and zero-carbon
27 resources shall be capable of being dispatched by the California
28 balancing authority and operated for the benefit of the balancing
29 area.~~

30 (c)

+ (d) In conducting procurement pursuant to subdivision (a), the
31 department shall consider all of the following:

32 (1) Procurement commitments that may yield maximum
33 long-term employment, stimulate new economic activity, generate
34 local and state tax revenues, and assist with the development of
35 new industries.

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Page 16 36 (2) Attributes, including resource adequacy, flexibility, and
37 integration value, the ability to provide firm clean electricity, and
38 local air quality benefits.

Page 17 1 (3) The results of integrated resource planning modeling
2 conducted by the Public Utilities Commission pursuant to Section
3 454.52 of the Public Utilities Code.

4 ~~(d)~~

+ (e) The department shall consider doing all of the following to
5 reduce the costs of any procurement made pursuant to this section:

6 (1) Coordinate with the California Infrastructure and Economic
7 Development Bank to make low-cost financing assistance available
8 to new projects included in any procurement commitments.

9 (2) Coordinate with other state agencies to identify incentives
10 from existing programs for new projects included in any
11 procurement commitments.

12 (3) If reasonably expected to provide incremental benefits,
13 secure an ownership stake or royalties for any project or economic
14 activity resulting from a contractual commitment.

22 ~~(e)~~

23 (f) All resources procured pursuant to this section shall be used
25 first to meet the department’s own electricity needs. A renewable
26 energy credit, as defined in Section 399.12 of the Public Utilities
27 Code, associated with the electricity used to satisfy the obligations
28 of the department and the State Water Resources Development
29 System under this section shall be retired and shall not be
30 transferred or resold.

32 ~~(f) The Independent System Operator, other California balancing
33 authorities, and electrical corporations shall expedite all
34 interconnection requests for projects providing energy procured
35 pursuant to this section.~~

37 (g) The department shall enter into an agreement to procure
38 energy from a new energy generation facility only if the seller
39 requires its contractors to use a multicraft project labor agreement,
40 as defined in paragraph (1) of subdivision (b) of Section 2500 of

Page 18 1 the Public Contract Code, for construction of the facility. Those
2 project labor agreements shall conform to the industry standard
3 agreements recently used for other similar private projects,
4 including side letters for high-voltage transmission and related
5 work.

Amendment 19

Amendment 20

Amendment 21

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+ *SEC. 9. The Legislature finds and declares that Section 2 of
+ this act, which amends Section 7921.505 of the Government Code,
+ imposes a limitation on the public’s right of access to the meetings
+ of public bodies or the writings of public officials and agencies
+ within the meaning of Section 3 of Article I of the California
+ Constitution. Pursuant to that constitutional provision, the
+ Legislature makes the following findings to demonstrate the interest
+ protected by this limitation and the need for protecting that
+ interest:*

+ *This act protects market-sensitive procurement information from
+ public disclosure to protect fair competition and prevent market
+ manipulation, while enabling the Independent System Operator
+ and a state agency to share with each other otherwise confidential
+ information for purposes of ensuring electrical system reliability.
+ Further, the Legislature endorses the Public Utilities Commission’s
+ findings and governing rules adopted after the 2000–01 energy
+ crisis for protecting and accessing confidential market-sensitive
+ information, as specified in Public Utilities Commission Decisions
+ 06-06-66, 06-12-030, 07-05-032, 08-04-023, 09-12-020, 11-07-028,
+ and 20-07-005.*

6 ~~SEC. 8.~~

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

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Amendment 23

O

STATE CAPITOL, ROOM 4032
SACRAMENTO, CA 95814
TEL (916) 651-4003
FAX (916) 651-4903

California State Senate

BILL DODD

SENATOR, THIRD DISTRICT



CHAIR: SENATE GOVERNMENTAL ORGANIZATION COMMITTEE

COMMITTEES
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EMERGENCY MANAGEMENT
SELECT COMMITTEE
CALIFORNIA'S WINE INDUSTRY
CO-CHAIR

August 29, 2022

Assemblymember Ken Cooley
Chair, Assembly Rules Committee
State Capitol, Room 5094
Sacramento, CA 95814

RE: SB 846 – Request for Urgency Clause

Dear Assemblymember Cooley,

I am writing to request that the Assembly Rules Committee approve an Urgency Clause be added to Senate Bill 846.

Senate Bill 846 will help California to avoid costly and dangerous blackouts due to inadequate energy supply by making regulatory changes and loan funding available relative to Diablo Canyon powerplant. Additionally, the bill will require sufficient, predictable resource procurement and development to avoid unplanned energy supply shortfalls by taking into account impacts due to climate change and other factors that can result in those shortfalls.

An Urgency Clause is necessary is necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go into immediate effect. The facts constituting the necessity are: to ensure the expeditious relicensing of the Diablo Canyon Units 1 and 2 to allow for the continued operations beyond the expiration dates of their operating licenses thereby ensuring electrical reliability in the California electrical system, it is necessary for this act to take effect immediately. There is significant and time-sensitive work that must begin this year.

Thank you for your consideration of my request. Should you have any questions, please contact Ezraha Chaaban in my office at ezrah.chaaban@sen.ca.gov or 916-651-4003.

Sincerely,

A handwritten signature in blue ink that reads "Bill Dodd".

BILL DODD
Senator, District 3

AMENDED IN ASSEMBLY AUGUST 28, 2022

AMENDED IN ASSEMBLY JUNE 28, 2022

AMENDED IN ASSEMBLY JUNE 13, 2022

AMENDED IN SENATE MAY 19, 2022

AMENDED IN SENATE MARCH 16, 2022

SENATE BILL

No. 846

Introduced by Senator Dodd

(Principal coauthors: Assembly Members Bauer-Kahan and Friedman)

(Coauthor: Senator Wiener)

(Coauthor: Assembly Member Eduardo Garcia)

(Principal coauthor: Assembly Member Cunningham)

January 13, 2022

An act to amend Sections 23320 and 23401.5 of, and to add Section 23394.6 to, the Business and Professions Code, relating to alcoholic beverages. An act to amend Section 8610.5 of the Government Code, to add Sections 25233, 25233.2, and 25302.7 to, to add Chapter 6.3 (commencing with Section 25548) to Division 15 of, the Public Resources Code, to amend Sections 454.52 and 454.53 of, and to add Sections 712.1 and 712.8 to, the Public Utilities Code, and to add Section 13193.5 to the Water Code, relating to energy, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 846, as amended, Dodd. ~~Alcoholic beverages: deliveries: off-sale retail licenses and consumer delivery service permits. Diablo Canyon powerplant: extension of operations.~~

94

(1) Existing law vests the Public Utilities Commission (PUC) with regulatory authority over electrical corporations. The Diablo Canyon nuclear powerplant, composed of Reactor Units 1 and 2, is operated by the Pacific Gas and Electric Company, an electrical corporation, in the County of San Luis Obispo. On January 11, 2018, the PUC approved the Pacific Gas and Electric Company's proposal to retire Unit 1 in 2024 and Unit 2 in 2025.

This bill would invalidate the PUC's approval of that proposal and would require the PUC to set new retirement dates for the Diablo Canyon powerplant, as provided, conditioned upon the United States Nuclear Regulatory Commission extending the powerplant's operating licenses, as specified. The bill would require the PUC to take certain actions to enable the operator of the Diablo Canyon powerplant to recover the reasonable costs and expenses of operating the Diablo Canyon powerplant, as provided, including the imposition of a fully nonbypassable charge on all customers of electrical corporations, electric service providers, and community choice aggregators, and would require the PUC to authorize the operator to recover in rates an operating fee for each megawatthour generated by the powerplant, as specified.

This bill, for purposes of certain requests by the operator of the Diablo Canyon powerplant or the United States Nuclear Regulatory Commission that are necessary to authorize the Diablo Canyon powerplant to continue to operate after those retirement dates, would require a state agency to act on the request to extend the operations of Diablo Canyon powerplant within 180 days, and would provide that the Diablo Canyon powerplant site, and all structures, buildings, and equipment at the site, or necessary to extend operations at the site, shall conclusively be deemed an existing facility and not subject to specified exceptions. The bill would state the intent of the Legislature to make available to the Department of Water Resources a total principal amount not to exceed \$1.4 billion for the purpose of being loaned out to facilitate the extension of the operating period of the Diablo Canyon powerplant, as provided. The bill would establish the Diablo Canyon Extension Fund in the State Treasury and would continuously appropriate moneys in the fund to the department for purposes of making the loan. Because the Diablo Canyon Extension Fund would be a continuously appropriated fund, the bill would make an appropriation. The bill would transfer \$600,000,000 from the General Fund to the Diablo Canyon Extension Fund, thereby making an appropriation.

(2) Existing law requires the PUC to adopt a process for each load-serving entity to file an integrated resource plan and a schedule for periodic updates to the plan and to ensure load-serving entities take certain actions, including actions to ensure system and local reliability on both a near-term and long-term basis, including meeting the near-term and forecasted long-term resource adequacy requirements. Existing law establishes as policy of the state that eligible renewable energy resources and zero-carbon resources supply 100% of retail sales of electricity to California end-use customers and 100% of electricity procured to serve all state agencies by December 31, 2045.

This bill would additionally require sufficient, predictable resource procurement and development to avoid unplanned energy supply shortfalls by taking into account impacts due to climate change and other factors that can result in those shortfalls. The bill would require that the PUC not include, and disallow a load-serving entity from including in their adopted resource plan, the energy, capacity, or any attribute from the Diablo Canyon powerplant in the integrated resource plan portfolios beyond specified dates, and would require the Energy Commission not consider the energy, capacity, or any attribute from the Diablo Canyon powerplant in meeting the above state policy.

This bill would require the State Energy Resources Conservation and Development Commission and the PUC, on or before December 15, 2022, and quarterly thereafter, to provide to the Legislature a joint Reliability Planning Assessment identifying estimates for the electrical supply and demand balance for the forward 5- and 10-year period under high-, medium-, and low-risk scenarios, as provided.

The bill would require the Energy Commission, by September 30, 2023, to present a cost comparison of the Diablo Canyon powerplant, as specified, and on or before July 1, 2023, and July 1 of each year thereafter, to publish on its internet website a new report, or as part of another report, an assessment of the operation of the Diablo Canyon powerplant, as specified.

(3) Existing law requires the Energy Commission, in consultation with the specified entities, to adopt a biennial integrated energy policy report containing certain information in a specified format.

This bill would require the Energy Commission, in consultation with the PUC and the Independent System Operator, to adopt a goal for load shifting to reduce net peak electrical demand and adjust this target in each biennial integrated energy policy report thereafter.

(4) Under its existing authority, the PUC, by order, has established the Independent Safety Committee for Diablo Canyon to make recommendations appropriate to enhance the safety of the operation at the Diablo Canyon powerplant.

This bill would establish and continue the Independent Safety Committee for Diablo Canyon, consisting of 3 members appointed, as provided. The bill would require the PUC to ensure funding for the committee to attract qualified experts to serve on the committee. In addition to the duties and responsibility set forth in the commission decisions, the bill would require the committee to undertake additional duties, as provided, including annually transmitting its findings and recommendations for improved safety to certain public entities and the operator of Diablo Canyon powerplant. The bill would require the company licensed to operate Diablo Canyon powerplant to respond to the findings and recommendations and distribute the response to those public entities.

(5) Under the Porter-Cologne Water Quality Control Act, the State Water Resources Control board is required to adopt specified state policies with respect to water quality as it relates to the coastal marine environment, including a policy requiring new or expanded coastal powerplants and other industrial installations using seawater for cooling, heating, or industrial processing to use the best available site, design, technology, and mitigation measures feasible to minimize the intake and mortality of all forms of marine life. Pursuant to that policy, the state board has adopted a policy to phase out once-through cooling for powerplants and issued an order implementing this policy and establishing an interim mitigation fee to address the impacts caused by once-through cooling during the phase-out period.

This bill would specify that the final compliance date of the once-through cooling policy for the Diablo Canyon powerplant is October 31, 2030.

(6) The California Emergency Services Act, until August 26, 2025, prescribes a method for funding state and local costs for carrying out emergency service activities associated with a nuclear powerplant that are not reimbursed by federal funds, with the costs borne by utilities operating nuclear powerplants with a generating capacity of 50 megawatts or more, as specified.

This bill would extend the operation of those and related provisions until 18 months after the permanent cessation of operations of the Diablo Canyon powerplant.

(7) *This bill would specify that, upon appropriation by the Legislature, certain amounts of money would be available for specified fiscal years to support a Clean Energy Reliability Investment Plan developed by the Energy Commission, as specified, and to support a Land Conservation and Economic Development Plan developed by the Natural Resources Agency, as specified. The bill would require the Energy Commission, by March 1, 2023, to submit the Clean Energy Investment Plan to the Joint Legislative Budget Committee and the chairs of the relevant policy committees of the Legislature. The bill would require the Natural Resources Agency, by March 23, 2023, to submit the Land Conservation and Development Plan to the Joint Legislative Budget Committee and the chairs of the relevant policy committees of the Legislature.*

(8) *This bill would make legislative findings and declarations as to the necessity of a special statute for the Diablo Canyon powerplant.*

(9) *Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the PUC is a crime.*

Because certain of the above provisions would be part of the act and a violation of PUC action implementing this bill's requirements would be a crime, the bill would impose a state-mandated local program.

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.

(10) *Existing constitutional provisions require that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest.*

This bill would make legislative findings to that effect.

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

~~(1) Existing law, the Alcoholic Beverage Control Act, which is administered by the Department of Alcoholic Beverage Control, regulates the application, issuance, and suspension of alcoholic beverage licenses. The act prohibits an off-sale licensee from delivering alcoholic beverages from an order received over the telephone or other electronic~~

means without requiring proof of age and identity when the beverages are delivered.

~~This bill would establish a new license type for a consumer delivery service permit (Type 95) and would set an application fee of \$20,000 and an annual renewal fee of \$1,500. The bill would authorize a licensee with off-sale retail privileges, or a consumer delivery service permitholder delivering orders on their behalf, to deliver alcoholic beverages to consumers away from the licensed premises if specified requirements are met. The bill would not apply these requirements to delivery by common carrier or pursuant to specified provisions of law. The bill would require, among other things, that the licensee be authorized to sell alcoholic beverages for off-sale consumption and have the exclusive authority to determine which alcoholic beverages are available for delivery and set the prices for these beverages. The bill would require a licensee to be responsible for accepting or rejecting the sale and delivery order and would prohibit a licensee from accepting a delivery order unless, before the sale, the purchaser affirms that both the purchaser and the recipient are not under 21 years of age. The bill would prescribe requirements for consumer delivery services operating in this context and, commencing July 1, 2023, would authorize the Department of Alcoholic Beverage Control to issue a consumer delivery service permit to a service that satisfies specified requirements.~~

~~The bill, in context of the authorization described above, would exempt a licensee from discipline for the delivery or furnishing of an alcoholic beverage to an obviously intoxicated person, or to a person under 21 years of age, if certain requirements are met. The bill would authorize the Department of Alcoholic Beverage Control to impose administrative penalties, as specified, against the holder of a consumer delivery service permit or a licensee with off-sale retail privileges that violates its provisions.~~

~~(2) Existing law, until December 31, 2026, authorizes the holder of an on-sale license for a bona fide public eating place that has off-sale privileges, or a licensed beer manufacturer, licensed wine manufacturer, or licensed craft distiller that operates a bona fide public eating place at its premises of production, to exercise additional off-sale rights and privileges, subject to specified requirements such as a requirement that the sale also include a meal. In this regard, existing law requires that the consumer that places an order from the licensee pick up the order in person.~~

~~This bill would provide that a consumer may pick up an order directly from the above licensees or the beverages may be delivered to the consumer as described in paragraph (1). The bill would eliminate the requirement that the sale include a meal. The bill would also extend these additional off-sale privileges to holders of an on-sale general license.~~

Vote: ~~majority~~^{2/3}. Appropriation: ~~no~~yes. Fiscal committee: yes. State-mandated local program: ~~no~~yes.

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

1 SECTION 1. Section 8610.5 of the Government Code is
2 amended to read:

3 8610.5. (a) For purposes of this section:

4 (1) "Office" means the Office of Emergency Services.

5 (2) "Previous fiscal year" means the fiscal year immediately
6 ~~prior to~~ before the current fiscal year.

7 (3) "Utility" means an "electrical corporation" as defined in
8 Section 218 of the Public Utilities Code.

9 (b) (1) State and local costs to carry out activities pursuant to
10 this section and Chapter 4 (commencing with Section 114650) of
11 Part 9 of Division 104 of the Health and Safety Code that are not
12 reimbursed by federal funds shall be borne by a utility operating
13 a nuclear powerplant with a generating capacity of 50 megawatts
14 or more.

15 (2) The Public Utilities Commission shall develop and transmit
16 to the office an equitable method of assessing a utility operating
17 a powerplant for its reasonable share of state agency costs specified
18 in paragraph (1).

19 (3) Each local government involved shall submit a statement
20 of its costs specified in paragraph (1), as required, to the office.

21 (4) Upon notification by the office, from time to time, of the
22 amount of its share of the actual or anticipated state and local
23 agency costs, a utility shall pay this amount to the Controller for
24 deposit in the Nuclear Planning Assessment Special Account,
25 which is continued in existence, for allocation by the Controller,
26 upon appropriation by the Legislature, to carry out activities
27 pursuant to this section and Chapter 4 (commencing with Section
28 114650) of Part 9 of Division 104 of the Health and Safety Code.
29 The Controller shall pay from this account the state and local costs

1 relative to carrying out this section and Chapter 4 (commencing
2 with Section 114650) of Part 9 of Division 104 of the Health and
3 Safety Code, upon certification of the costs by the office.

4 (5) Upon appropriation by the Legislature, the Controller may
5 disburse up to 80 percent of a fiscal year allocation from the
6 Nuclear Planning Assessment Special Account, in advance, for
7 anticipated local expenses, as certified by the office pursuant to
8 paragraph (4). The office shall review program expenditures related
9 to the balance of funds in the account and the Controller shall pay
10 the portion, or the entire balance, of the account, based upon those
11 approved expenditures.

12 (c) (1) The total annual disbursement of state costs from a utility
13 operating a nuclear powerplant within the state for activities
14 pursuant to this section and Chapter 4 (commencing with Section
15 114650) of Part 9 of Division 104 of the Health and Safety Code,
16 shall not exceed the lesser of the actual costs or the maximum
17 funding levels established in this section, subject to subdivisions
18 (e) and (f).

19 (2) Of the annual amount of two million forty-seven thousand
20 dollars (\$2,047,000) for the 2009–10 fiscal year, the sum of one
21 million ninety-four thousand dollars (\$1,094,000) shall be for
22 support of the office for activities pursuant to this section and
23 Chapter 4 (commencing with Section 114650) of Part 9 of Division
24 104 of the Health and Safety Code, and the sum of nine hundred
25 fifty-three thousand dollars (\$953,000) shall be for support of the
26 State Department of Public Health for activities pursuant to this
27 section and Chapter 4 (commencing with Section 114650) of Part
28 9 of Division 104 of the Health and Safety Code.

29 (d) (1) The total annual disbursement for each fiscal year,
30 commencing July 1, 2009, of local costs from a utility shall not
31 exceed the lesser of the actual costs or the maximum funding levels
32 established in this section, in support of activities pursuant to this
33 section and Chapter 4 (commencing with Section 114650) of Part
34 9 of Division 104 of the Health and Safety Code. The maximum
35 annual amount available for disbursement for local costs, subject
36 to subdivisions (e) and (f), shall, for the fiscal year beginning July
37 1, 2009, be one million seven hundred thirty-two thousand dollars
38 (\$1,732,000) for the Diablo Canyon site.

1 (2) The amounts paid by a utility under this section shall be
2 allowed for ratemaking purposes by the Public Utilities
3 Commission.

4 (e) The amounts available for disbursement for state and local
5 costs as specified in this section shall be adjusted and compounded
6 each fiscal year by the ~~larger~~ *greater* of the percentage change in
7 the prevailing wage for *County of San Luis Obispo* ~~County~~
8 employees, not to exceed 5 percent, or the percentage increase in
9 the California Consumer Price Index from the previous fiscal year.

10 (f) Through the inoperative date specified in subdivision (h),
11 the amounts available for disbursement for state and local costs
12 as specified in this section shall be cumulative biennially. Any
13 unexpended funds from a year shall be carried over for one year.
14 The funds carried over from the previous year may be expended
15 when the current year's funding cap is exceeded.

16 (g) This section shall become operative on July 1, 2019.

17 (h) This section shall become inoperative *18 months after the*
18 *permanent cessation of operations of both Diablo Canyon Units*
19 *1 and 2, which shall occur no later than December 31, 2030, and*
20 *is repealed on August 26, 2025, and, as of the January 1, 2026, is*
21 ~~repealed. 1~~ *following the end of that 18-month period.*

22 (i) When this section becomes inoperative, any amounts
23 remaining in the special account shall be refunded to a utility
24 contributing to it, to be credited to the utility's ratepayers.

25 *SEC. 2. Section 25233 is added to the Public Resources Code,*
26 *to read:*

27 *25233. (a) Notwithstanding Section 10231.5 of the Government*
28 *Code, on or before December 15, 2022, and quarterly thereafter,*
29 *the commission and the Public Utilities Commission shall submit*
30 *a joint Reliability Planning Assessment to the Legislature in*
31 *accordance with Section 9795 of the Government Code.*

32 *(1) The assessment shall identify estimates for the electrical*
33 *supply and demand balance, for the forward 5- and 10-year*
34 *periods, under high-, medium-, and low-risk scenarios. The*
35 *assessment shall identify loads and resources online and loads*
36 *and resources expected by reliability year ending September 30.*

37 *(2) The assessment shall focus on the Independent System*
38 *Operator system, with an emphasis on the electrical demand, load,*
39 *supply, or resource for load-serving entities subject to the Public*
40 *Utilities Commission's jurisdiction. The assessment shall break*

1 *down loads and resources by type of load-serving entity by year*
2 *by transmission access charge area.*

3 *(3) The assessment shall include information about imports, by*
4 *amount, source if known, and other relevant factors, and*
5 *transmission capacity for imports by date and transmission access*
6 *area or balancing authority.*

7 *(4) The commission shall provide an estimate for the loads and*
8 *resources for the entities that are not subject to the Public Utilities*
9 *Commission's jurisdiction that are part of the Independent System*
10 *Operator system supply and demand balance.*

11 *(5) The assessment shall include prospective information on*
12 *existing and expected resources, including updates on the*
13 *interconnection status for renewable projects and any delays in*
14 *interconnection, and expected retirements for both system and*
15 *local resources. This shall include updates based on actions taken*
16 *directly by, or as a result of, the Tracking Energy Development*
17 *Task Force. The assessment shall include an accompanying Gantt*
18 *chart to track progress.*

19 *(6) The assessment shall maintain confidentiality of market*
20 *sensitive information.*

21 *(7) The assessment shall rely upon the most recently available*
22 *integrated energy policy report prepared pursuant to Section 25302*
23 *for the demand assessment.*

24 *(8) The assessment shall report on any other significant delays*
25 *or barriers affecting timely deployment of renewable energy and*
26 *zero-carbon resources, including, but not limited to, supply chain*
27 *disruptions, land use restrictions, and permitting processes.*

28 *(9) The assessment shall make recommendations to the*
29 *Legislature on actions needed to resolve any delays or barriers*
30 *reported in the assessment.*

31 *(10) The assessment shall report on any regulatory barriers*
32 *and challenges to increasing deployment of other preferred*
33 *resources, including energy efficiency and demand response*
34 *programs.*

35 *(b) The commission shall continue to report on California*
36 *energy resources that serve load in California in the energy*
37 *almanac. The commission shall expand the energy almanac report*
38 *to include storage resources that serve wholesale load. The*
39 *commission shall report on energy resources that serve load in*
40 *the Independent Systems Operator system, which is a subset of its*

1 *current reporting of all California resources, and may include*
2 *energy resources located outside the state.*

3 *SEC. 3. Section 25233.2 is added to the Public Resources Code,*
4 *to read:*

5 *25233.2. (a) By September 30, 2023, the commission shall*
6 *present a cost comparison of whether extended operations at the*
7 *Diablo Canyon powerplant compared to a portfolio of other*
8 *feasible resources available for calendar years 2024 to 2035,*
9 *inclusive, is consistent with the greenhouse gases emissions*
10 *reduction goals of Section 454.53 of the Public Utilities Code. As*
11 *part of this comparison, the commission shall evaluate the*
12 *alternative resource costs, and shall make all evaluations available*
13 *to the public within the proceeding docket.*

14 *(b) With respect to the Department of Water Resources loan to*
15 *the operator of the Diablo Canyon powerplant, pursuant to Chapter*
16 *6.3 (commencing with Section 25548), if the costs of the extension*
17 *of operations of the Diablo Canyon powerplant exceed limits*
18 *provided for in the loan agreement at any time, the commission*
19 *shall reevaluate the cost-effectiveness of prolonging the*
20 *powerplant's operations.*

21 *(c) Within 180 days of the operator of the Diablo Canyon*
22 *powerplant submitting an application with the United States*
23 *Department of Energy to receive potential funding for extended*
24 *operations of the Diablo Canyon powerplant, the commission, in*
25 *consultation with the Independent System Operator and the Public*
26 *Utilities Commission, shall make a determination in a public*
27 *process, whether the state's electricity forecasts for the calendar*
28 *years 2024 to 2030, inclusive, show potential for reliability*
29 *deficiencies if the Diablo Canyon powerplant operation is not*
30 *extended beyond 2025, and whether extending operations of the*
31 *Diablo Canyon powerplant to at least 2030 is prudent to ensure*
32 *reliability in light of any potential for supply deficiency, and is*
33 *consistent with the emissions reduction goals of Section 454.53 of*
34 *the Public Utilities Code. The determination shall be approved by*
35 *a vote of the commission at its business meeting.*

36 *(d) On or before July 1, 2023, and on July 1 of each year*
37 *thereafter until 2031, the commission, in coordination with the*
38 *Public Utilities Commission and the Independent System Operator,*
39 *shall publish on its internet website in a new report, or as part of*
40 *another report, an assessment of the operation of the Diablo*

1 Canyon powerplant. The report shall include, but not be limited
 2 to, outage information, powerplant operational costs, average
 3 revenues from electricity sales, worker attrition, and the
 4 powerplant's contribution to resource adequacy requirements.

5 (e) The commission may enter into contracts to implement the
 6 analysis in subdivisions (a) and (c), and the contracts shall not
 7 require the review, consent, or approval of the Department of
 8 General Services or any other state department or agency and do
 9 not need to comply with requirements under the State Contracting
 10 Manual, the Public Contract Code, or the personal services
 11 contracting requirements of Article 4 (commencing with Section
 12 19130) of Chapter 5 of Part 2 of Division 5 of Title 2 of the
 13 Government Code.

14 SEC. 4. Section 25302.7 is added to the Public Resources Code,
 15 to read:

16 25302.7. By June 1, 2023, the commission, in consultation with
 17 the Public Utilities Commission and the Independent System
 18 Operator, shall adopt a goal for load shifting to reduce net peak
 19 electrical demand and shall adjust this target in each biennial
 20 integrated energy policy report prepared pursuant to Section 25302
 21 thereafter. In developing this target, the commission shall consider
 22 the findings of the 2020 Lawrence Berkeley National Laboratory
 23 report on the Shift Resource through 2030 and other relevant
 24 research. The commission, in consultation with the Public Utilities
 25 Commission and the Independent System Operator, shall
 26 recommend policies to increase demand response and load shifting
 27 that do not increase greenhouse gas emissions or increase electric
 28 rates.

29 SEC. 5. Chapter 6.3 (commencing with Section 25548) is added
 30 to Division 15 of the Public Resources Code, to read:

31

32 *CHAPTER 6.3. DIABLO CANYON POWERPLANT*

33

34 25548. The Legislature finds and declares all of the following:

35 (a) The Diablo Canyon powerplant currently supplies
 36 approximately 17 percent of California's zero-carbon electricity
 37 supply and 8.6 percent of California's total electricity supply. The
 38 Diablo Canyon powerplant's two units are scheduled to be retired
 39 in 2024 and 2025.

1 ***(b) Preserving the option of continued operations of the Diablo***
2 ***Canyon powerplant for an additional five years beyond 2025 may***
3 ***be necessary to improve statewide energy system reliability and***
4 ***to reduce the emissions of greenhouse gases while additional***
5 ***renewable energy and zero-carbon resources come online, until***
6 ***those new renewable energy and zero-carbon resources are***
7 ***adequate to meet demand. Accordingly, it is the policy of the***
8 ***Legislature that seeking to extend the Diablo Canyon powerplant’s***
9 ***operations for a renewed license term is prudent, cost effective,***
10 ***and in the best interests of all California electricity customers.***
11 ***The Legislature anticipates that this stopgap measure will not be***
12 ***needed for more than five years beyond the current expiration***
13 ***dates.***

14 ***(c) During the time the Diablo Canyon powerplant’s operations***
15 ***are extended, the state will continue to act with urgency to bring***
16 ***clean replacement energy online to support reliability and achieve***
17 ***California’s landmark climate goals. The state is accelerating***
18 ***efforts to bring offshore wind and other clean energy resources***
19 ***online, including action to streamline permitting for clean energy***
20 ***projects.***

21 ***(d) It is the intent of the Legislature that the extension of the***
22 ***Diablo Canyon powerplant benefit California’s electric customers,***
23 ***and if those benefits fail to materialize or costs to operate the plant***
24 ***increase significantly as determined by the Public Utilities***
25 ***Commission, the state will plan for an earlier decommissioning***
26 ***date that also safeguards electrical reliability in the state.***

27 ***(e) The estimated costs and timelines for design and construction***
28 ***of alternatives that would comply with the State Water Resources***
29 ***Control Board’s Resolution Number 2010-0020, Water Quality***
30 ***Control Policy on the Use of Coastal and Estuarine Waters for***
31 ***Power Plant Cooling, which were presented to the State Water***
32 ***Resources Control Board in accordance with Section 3.D of the***
33 ***Water Quality Control Policy on the Use of Coastal and Estuarine***
34 ***Waters for Power Plant Cooling, conclusively establish that it is***
35 ***not practicable for the Diablo Canyon Power Plant to achieve***
36 ***final compliance with the “Water Quality Control Policy on the***
37 ***Use of Coastal and Estuarine Waters for Power Plant Cooling”***
38 ***before October 31, 2030. Accordingly, it is the intent of the***
39 ***Legislature that the State Water Resources Control Board, through***
40 ***its authority pursuant to Resolution Number 2010-0020, continue***

1 to impose an interim mitigation fee, such as an interim mitigation
2 fee of ten dollars (\$10) per million gallons for water, subject to
3 an annual increase, that it deems appropriate in its discretion and
4 that does not exceed all reasonable costs to, or incurred by, the
5 state to address the entrainment impacts resulting from the
6 continued ocean water intakes at the Diablo Canyon powerplant
7 after the current expiration dates set forth in Section 25548.1.

8 (f) All relevant state agencies and the operator of the Diablo
9 Canyon powerplant must act quickly and in coordination to take
10 all actions necessary and prudent to extend Diablo Canyon
11 powerplant operations.

12 (g) California Native American tribes maintain unique cultural,
13 political, spiritual and community ties to the lands that now make
14 up California, including the lands upon which the Diablo Canyon
15 powerplant is currently sited. To ensure adequate consideration
16 of tribal interests related to the extended operation and eventual
17 decommissioning of the Diablo Canyon powerplant, all relevant
18 state agencies and the operator of the Diablo Canyon powerplant
19 should consult and work collaboratively with local California
20 Native American tribes, including, but not limited to, designating
21 a tribal liaison, to consider tribal access, use, conservation, and
22 comanagement of the Diablo Canyon powerplant lands and to
23 work cooperatively with California Native American tribes that
24 are interested in acquiring such lands.

25 25548.1. For purposes of this chapter, the following definitions
26 apply:

27 (a) “Borrower” means the company licensed to operate the
28 Diablo Canyon Units 1 and 2.

29 (b) “Current expiration dates” means the expiration dates in
30 effect on June 1, 2022, of the United States Nuclear Regulatory
31 Commission operating licenses for Diablo Canyon Unit 1, which
32 is November 2, 2024, and Unit 2, which is August 26, 2025.

33 (c) “Department” means the Department of Water Resources.

34 (d) “Diablo Canyon powerplant operations” means all aspects
35 of operating the Diablo Canyon Units 1 and 2 at the Diablo
36 Canyon powerplant site, including cooling operations and spent
37 fuel management and storage facilities.

38 (e) “Diablo Canyon powerplant site” means the site containing
39 the Diablo Canyon Units 1 and 2, including both reactor units,

1 spent fuel storage facilities, and appurtenant lands leased to, or
2 controlled by, the operator.

3 (f) “Extension of the operating period” means license renewal
4 by the United States Nuclear Regulatory Commission and any
5 other licensing, permitting, or approvals by federal or state
6 authorities necessary to allow continued operations of the Diablo
7 Canyon powerplant beyond the current expiration date of each
8 unit, and until a new date that shall be no later than October 31,
9 2029, for Unit 1 and no later than October 31, 2030, for Unit 2.

10 (g) “Fund” means the Diablo Canyon Extension Fund
11 established pursuant to Section 25548.6.

12 (h) “Loan” means the funds loaned to the borrower by the
13 department for the purpose of facilitating the extension of the
14 operating period.

15 (i) “Loan agreement” means the agreement and any
16 amendments to the agreement entered into by the department and
17 the borrower pursuant to this chapter.

18 (j) “Operator” means the company licensed to operate the
19 Diablo Canyon Units 1 and 2.

20 (k) “State agency” means any agency, department, board, office,
21 commission, or district of the state, including, but not limited to,
22 the State Lands Commission, the California Coastal Commission,
23 the State Water Resources Control Board, the Public Utilities
24 Commission, and the State Office of Historic Preservation, or any
25 local government.

26 25548.2. For purposes of any application or request by the
27 operator for a permit, lease, license, certification, concurrence,
28 plan, decision, or other approval from a state agency, and of any
29 request by the United States Nuclear Regulatory Commission for
30 consultation or other input, that is necessary to authorize Diablo
31 Canyon powerplant operations after the current expiration dates,
32 all of the following shall apply:

33 (a) Notwithstanding any other law, the state agency shall take
34 final action on the application or request to extend the operations
35 of the Diablo Canyon powerplant within 180 days of submission
36 of a complete application or request.

37 (b) Given the unique circumstances of this site and the
38 time-limited extension of operations, and in view of the precedent
39 of *World Business Academy v. State Lands Commission* (2018) 24
40 Cal.App.5th 476, the Diablo Canyon powerplant site, and all

1 structures, buildings, and equipment at the site or necessary to
2 extend operations at the site, shall conclusively be deemed an
3 existing facility or existing facilities under Section 15301 of Title
4 14 of the California Code of Regulations and not subject to any
5 exception under Section 15300.2 of Title 14 of the California Code
6 of Regulations, in any agency or judicial proceeding.

7 (c) At least 30 days before issuing any permit, lease, license,
8 certification, concurrence, plan, decision, or other approval, some
9 or all of the members of the State Lands Commission, the
10 California Coastal Commission, the State Water Resources Control
11 Board, and any other agency invited to participate by the Secretary
12 of the Natural Resources Agency, shall participate in a joint public
13 process facilitated by the Secretary of the Natural Resources
14 Agency to consider public input concerning the environmental
15 impacts and mitigation of extended operations of the Diablo
16 Canyon powerplant. The Natural Resources Agency shall conduct
17 at least one public hearing, and shall receive written comments,
18 upon which to base any findings and recommendations.

19 (d) The Secretary for Environmental Protection and the
20 Secretary of the Natural Resources Agency shall ensure
21 coordination among, and prioritization of review of relevant
22 applications by, the California Coastal Commission, the State
23 Lands Commission, the State Water Resources Control Board,
24 regional water quality control boards, and the State Air Resources
25 Board.

26 (e) Except as provided in this section, this section does not alter
27 or limit any proceeding of the commission including, but not limited
28 to, proceedings planning for the decommissioning of the Diablo
29 Canyon powerplant.

30 (f) The Secretary of the Natural Resources Agency, in
31 consultation with the state agencies described in subdivisions (c)
32 and (d) and with the Public Utilities Commission shall, by January
33 31, 2023, provide to the Joint Legislative Budget Committee a
34 detailed description and plan that identifies all the actions that
35 are necessary for the extension of the operations of the Diablo
36 Canyon powerplant to beyond the current expiration date of each
37 unit, and until new dates that shall be no later than December 31,
38 2029, for Unit 1, and no later than December 31, 2030, for Unit
39 2.

1 (g) *This section shall become inoperative once the United States*
2 *Nuclear Regulatory Commission concludes its review of the*
3 *operator’s next applications for renewal of the licenses for Diablo*
4 *Canyon Units 1 and 2, and, as of January 1 of the following year,*
5 *is repealed.*

6 25548.3. (a) *It is the intent of the Legislature to make available*
7 *a one billion four hundred million dollar (\$1,400,000,000) loan*
8 *from the General Fund to the Department of Water Resources for*
9 *the purpose of being loaned to the borrower for extending*
10 *operations of the Diablo Canyon powerplant facility, to dates that*
11 *shall be no later than November 1, 2029, for Unit 1, and no later*
12 *than November 1, 2030, for Unit 2. The Legislature intends to*
13 *transfer an initial six hundred million dollars (\$600,000,000) from*
14 *the General Fund to the department. It is the intent of the*
15 *Legislature that the remaining eight hundred million dollars*
16 *(\$800,000,000) shall require future legislative authorization before*
17 *the transfer of funds.*

18 (b) (1) *To facilitate the extension of the operating period, the*
19 *department may make a loan or loans to the borrower out of any*
20 *funds that the Legislature transfers to the Diablo Canyon Extension*
21 *Fund established pursuant to Section 25548.6, up to a total*
22 *principal amount not to exceed one billion four hundred million*
23 *dollars (\$1,400,000,000). Of this amount, up to three hundred fifty*
24 *million dollars (\$350,000,000) may be paid out by the department*
25 *upon the execution of, and according to the terms of, loan*
26 *agreements described in subdivision (c). For any additional amount*
27 *beyond that three hundred fifty million dollars (\$350,000,000),*
28 *but not more than a total of six hundred million dollars*
29 *(\$600,000,000), the department shall submit a written expenditure*
30 *plan requesting the release of additional funding pursuant to this*
31 *section to the Department of Finance and the Joint Legislative*
32 *Budget Committee. The Department of Finance may provide funds*
33 *not sooner than 30 days after notifying, in writing, the Joint*
34 *Legislative Budget Committee, or any lesser time determined by*
35 *the chairperson of the joint committee, or the chairperson’s*
36 *designee.*

37 (2) *The department shall not disburse the entire loan amount*
38 *in one lump sum, but shall disburse the loan amount pursuant to*
39 *a loan disbursement schedule established pursuant to paragraph*
40 *(3) of subdivision (c).*

1 (c) The department may enter into a loan agreement with the
2 borrower. In addition to any terms and conditions determined
3 necessary by the department, the loan agreement shall include all
4 of the following:

5 (1) (A) A covenant by the borrower that it shall take all steps
6 necessary to secure a grant or other funds available for the
7 operation of a nuclear powerplant from the United States
8 Department of Energy, and any other potentially available federal
9 funds, to repay the loan.

10 (B) If the operator is not deemed eligible by the United States
11 Department of Energy for a federal funding program by March 1,
12 2023, or the earliest date set by the Department of Energy for
13 determining eligibility pursuant to the Civil Nuclear Credit
14 Program established by Section 18753 of Title 42 of the United
15 States Code, the operator shall return all unexpended and
16 uncommitted loan moneys and the department shall immediately
17 terminate the loan.

18 (2) An interest rate that the department may charge, set at a
19 rate less than the Pooled Money Investment Account rate.

20 (3) A provision that the loan shall be provided in tranches, with
21 any disbursements following the initial disbursement made
22 contingent upon the semiannual true-up review pursuant to Section
23 25548.4, and which shall be based on milestones set forth in annual
24 plans for the purpose of project costs, operations and maintenance,
25 internal and external labor, capital improvement costs, fuel
26 purchase, fuel storage, regulatory compliance costs, transition
27 fees, and other expenses associated with the extension of the
28 operating periods and current expiration dates, to cover
29 incremental costs incurred by the borrower in its efforts to extend
30 the operating period. Covered costs shall be limited to those
31 necessary to preserve the option of extending the Diablo Canyon
32 powerplant or to extend the Diablo Canyon powerplant's operation
33 to maintain electrical reliability.

34 (4) Events that would trigger loan repayment obligations by the
35 borrower, including, but not limited to, any of the following:

36 (A) Failure of the borrower to submit a timely and complete
37 application for funding from the Department of Energy for
38 determining eligibility pursuant to the Civil Nuclear Credit
39 Program established by Section 18753 of Title 42 of the United
40 States Code.

1 (B) Failure to disclose to the department any known safety risk,
2 seismic risk, environmental hazard, or material defect that would
3 disqualify the application of the borrower for grants or funds for
4 the operation of a nuclear powerplant from a funding program of
5 the United States Department of Energy or otherwise disallow or
6 substantially delay any necessary permitting or approvals
7 necessary for the extension of operating the Diablo Canyon
8 powerplant.

9 (C) A change in ownership of the Diablo Canyon powerplant,
10 as determined by the Public Utilities Commission pursuant to
11 Section 851 of the Public Utilities Code, before August 26, 2025.

12 (5) Events that would trigger a suspension or early termination
13 of the loan agreement, including, but not limited to, any of the
14 following:

15 (A) A determination by the department that the borrower has
16 not obtained the necessary license renewal, permits, and approvals.

17 (B) A determination by the department that license renewal,
18 permit, or approval conditions are too onerous, or will generate
19 costs that exceed the maximum amount of loan authorized pursuant
20 to paragraph (1) of subdivision (b).

21 (C) A determination by the Public Utilities Commission that an
22 extension of the Diablo Canyon powerplant is not cost effective
23 or imprudent, or both.

24 (D) A determination by the commission, pursuant to Section
25 25233.2 and voted upon at a commission's business meeting, that
26 the state's forecasts for the calendar years 2024 to 2030, inclusive,
27 do not show reliability deficiencies if the Diablo Canyon
28 powerplant is retired by 2025, or that extending the Diablo Canyon
29 powerplant to at least 2030 is not necessary for meeting any
30 potential supply deficiency.

31 (E) A unexpected early retirement of the Diablo Canyon
32 powerplant.

33 (F) A determination by the department that permitted timeframes
34 are not viable to accomplish the purposes of this chapter.

35 (G) A determination by the department that expenses are
36 unexpected or too large, or that repayment is less likely than
37 initially anticipated.

38 (H) A final determination by the United States Department of
39 Energy that the Diablo Canyon powerplant is not eligible for the

1 *Civil Nuclear Credit Program established by Section 18753 of*
2 *Title 42 of the United States Code.*

3 *(6) Conditions that would result in forgiveness, in whole or in*
4 *part, of the loan by the department, provided that any amount*
5 *forgiven is limited to amounts already committed or incurred and*
6 *that any unspent or uncommitted remainder of the loan proceeds*
7 *is required to be repaid.*

8 *(7) No loan proceeds shall be treated as shareholder profits or*
9 *be paid out as dividends.*

10 *(8) A provision prohibiting shareholder dividends from being*
11 *deemed eligible costs under the loan.*

12 *(9) A covenant that, if the United States Nuclear Regulatory*
13 *Commission or any state agency requires, during the process of*
14 *relicensing the Diablo Canyon powerplant, seismic safety or other*
15 *safety modifications to the powerplant that would exceed the loan*
16 *amount specified in paragraph (1) of subdivision (a), any*
17 *application or approval to extend the operation period the*
18 *commission shall promptly evaluate whether the extension of the*
19 *Diablo Canyon powerplant remains a cost-effective means to meet*
20 *California's mid-term reliability needs, before any subsequent*
21 *authorization and appropriation by the Legislature of an amount*
22 *in excess of the loan amount.*

23 *(10) A covenant that the operator shall allocate all revenues*
24 *received as a result of federal or state tax credits or incentives,*
25 *excluding funds specifically allocated by a federal program for*
26 *the costs of extending power plant operations, on a cost-share*
27 *basis of 10 and 90 percent between the operator corporation and*
28 *ratepayers of a load-serving entity responsible for the costs of the*
29 *continued operation, respectively.*

30 *(11) A covenant addressing circumstances in which the operator*
31 *must indemnify the department and the state for liability associated*
32 *with the Diablo Canyon powerplant.*

33 *(12) A covenant requiring the operator to comply with the*
34 *conditions specified in Section 25548.7.*

35 *(13) A covenant that the operator shall conduct an updated*
36 *seismic assessment.*

37 *(14) A covenant that the operator shall commission a study by*
38 *independent consultants to catalog and evaluate any deferred*
39 *maintenance at the Diablo Canyon powerplant and to provide*
40 *recommendations as to any risk posed by the deferred maintenance,*

1 *potential remedies, and cost estimates of those remedies, and a*
2 *timeline for undertaking those remedies.*

3 *(15) A covenant that the operator shall report to the commission*
4 *no later than March 1, 2023, on the available capacity of existing*
5 *wet and dry spent fuel storage facilities and the forecasted amount*
6 *of spent fuel that will be generated by powerplant operations*
7 *through the retirement dates for both units as of August 1, 2022,*
8 *and November 1, 2029, for Unit 1 and November 1, 2030, for Unit*
9 *2.*

10 *(16) A monthly performance-based disbursement equal to seven*
11 *dollars (\$7) for each megawatthour generated by the Diablo*
12 *Canyon powerplant during the period before the start of extended*
13 *operations. The disbursement is contingent upon the operator's*
14 *ongoing pursuit of an extension of the operating period and*
15 *continued safe and reliable Diablo Canyon powerplant operations.*

16 *(d) Except for this section and the loan agreement provided for*
17 *under subdivision (c), notwithstanding Section 11019 of the*
18 *Government Code or any other law, the department may disburse*
19 *the tranches of funds specified in paragraph (3) of subdivision (c)*
20 *to the borrower in advance of the borrower having committed to,*
21 *or incurred, eligible costs.*

22 *25548.4. (a) Within 180 days after the date of the loan*
23 *agreement, the department, in collaboration with the Public*
24 *Utilities Commission, shall establish a methodology and process*
25 *for it to conduct a semiannual true-up review of the borrower's*
26 *use of loan proceeds.*

27 *(b) The purpose of the true-up review shall be to determine all*
28 *of the following:*

29 *(1) Whether the borrower used loan proceeds to pay only for*
30 *eligible costs.*

31 *(2) Whether the eligible costs were reasonable.*

32 *(3) Whether the costs are in the public interest.*

33 *(4) Whether the Public Utilities Commission has not authorized*
34 *rate recovery of the same costs.*

35 *(5) Other considerations deemed appropriate by the Public*
36 *Utilities Commission.*

37 *(c) The review shall demonstrate the operator did not retain*
38 *any revenues for shareholders from funds associated with the loan.*

39 *(d) If, upon completing a true-up review, the department*
40 *determines that the borrower's use of loan proceeds did not meet*

1 *the requirements set forth in subdivision (b), those amounts shall*
2 *be deemed disallowed costs.*

3 *(e) If the department finds disallowed costs pursuant to*
4 *subdivision (c), the department shall notify the borrower of the*
5 *amount of disallowed costs as promptly as possible and the*
6 *department shall take action to recoup the disallowed costs*
7 *pursuant to the loan agreement.*

8 25548.5. *(a) The department may do any of the following as*
9 *may be, in the determination of the department, necessary or*
10 *appropriate for purposes of this chapter:*

11 *(1) Enter into one or more agreements with the Public Utilities*
12 *Commission or other state agencies to facilitate the true-up reviews*
13 *required by Section 25548.4, facilitate extension of the operating*
14 *period, and further the purposes of this chapter.*

15 *(2) Engage the services of private parties to render professional*
16 *and technical assistance and advice and other services in carrying*
17 *out the purposes of this chapter.*

18 *(3) Contract for the services of other public agencies.*

19 *(4) Engage in activities or enter into contracts or arrangements*
20 *as may be necessary or desirable to carry out the department's*
21 *duties and responsibilities pursuant to this chapter.*

22 *(5) Hire personnel necessary and desirable for the timely and*
23 *successful implementation and administration of the department's*
24 *duties and responsibilities pursuant to this chapter. The State*
25 *Personnel Board and the Department of Human Resources shall*
26 *assist the department in expediting that hiring.*

27 *(6) Disburse funds to reimburse the department for the costs*
28 *incurred in the administration of this chapter, which shall equal*
29 *no more than 5 percent of the amount of funds disbursed.*

30 *(b) Contracts entered into pursuant to this chapter, amendments*
31 *to those contracts during their terms, or contracts for services*
32 *reasonably related to those contracts, shall not be subject to*
33 *competitive bidding or any other state contracting requirements,*
34 *shall not require the review, consent, or approval of the*
35 *Department of General Services or any other state department or*
36 *agency, and are not subject to the requirements of the State*
37 *Contracting Manual or the Public Contract Code.*

38 *(c) Any loan agreement entered into pursuant to this chapter is*
39 *not a project for purposes of the California Environmental Quality*
40 *Act (Division 13 (commencing with Section 21000)).*

1 (d) The powers and responsibilities of the department
2 established pursuant to this chapter are separate from, and not
3 governed by, the provisions relating to the State Water Resources
4 Development System.

5 (e) All state agencies and other state entities, and their officers
6 and employees, shall and are hereby authorized to, at the request
7 of the department, give the department reasonable assistance or
8 other cooperation in carrying out the purposes of this chapter.

9 (f) In accordance with the purposes of the loan and this chapter,
10 the operator shall take all steps necessary to facilitate the extension
11 of the operating period, including submitting applications for
12 required federal and state agency approvals, notwithstanding
13 Public Utilities Commission Decision 18-01-022 (January 16,
14 2018) Decision Approving Retirement of Diablo Canyon Nuclear
15 Power Plant and pending further actions by the Public Utilities
16 Commission.

17 25548.6. (a) The Diablo Canyon Extension Fund is hereby
18 established within the State Treasury. The moneys in the fund shall
19 be available to the department for the administration and
20 implementation of this chapter.

21 (b) Repayments of the loan authorized under Section 25548.3
22 shall be deposited into the fund and shall remain available for
23 further disbursement subject to subdivision (a) of Section 25548.3.

24 (c) Notwithstanding Section 13340 of the Government Code,
25 the moneys in the fund are continuously appropriated to the
26 department for purposes of this chapter.

27 (d) The fund and the moneys in the fund are separate and distinct
28 from any other funds and moneys administered by the department.

29 (e) Upon the early termination of, or full repayment of, the loan,
30 all moneys remaining in the Diablo Canyon Extension Fund shall
31 be transferred to the General Fund and subdivision (a), (c), and
32 (d) shall become inoperative.

33 (f) The Department of Finance shall allocate up to six hundred
34 million dollars (\$600,000,000), pursuant to Section 25548.3, from
35 the General Fund as loans to the Department of Water Resources
36 for deposit into the Diablo Canyon Extension Fund. The
37 Department of Water Resources may disburse moneys from the
38 Diablo Canyon Extension Fund to the operator of the Diablo
39 Canyon powerplant under a loan agreement pursuant to Section

1 25548.3. *At the direction of the Department of Water Resources,*
2 *the Controller shall draw a warrant for this purpose.*

3 25548.7. *Continued operation of the Diablo Canyon powerplant*
4 *as provided in this chapter is in all respects for the welfare and*
5 *the benefit of the people of the state, to protect public peace, health,*
6 *and safety, and constitutes an essential governmental purpose.*
7 *This chapter shall be liberally construed in a manner so as to*
8 *effectuate its purposes and objectives.*

9 SEC. 6. *Section 454.52 of the Public Utilities Code is amended*
10 *to read:*

11 454.52. (a) (1) Beginning in 2017, and to be updated regularly
12 thereafter, the commission shall adopt a process for each
13 load-serving entity, as defined in Section 380, to file an integrated
14 resource plan, and a schedule for periodic updates to the plan, and
15 shall ensure that load-serving entities do *all of* the following:

16 (A) Meet the greenhouse gas emissions reduction targets
17 established by the State Air Resources Board, in coordination with
18 the commission and the Energy Commission, for the electricity
19 sector and each load-serving entity that reflect the electricity
20 sector's percentage in achieving the economywide greenhouse gas
21 emissions reductions *pursuant to Section 38566 of 40 percent from*
22 ~~1990 levels by 2030; the Health and Safety Code.~~

23 (B) Procure at least 60 percent eligible renewable energy
24 resources by December 31, 2030, consistent with Article 16
25 (commencing with Section 399.11) of Chapter 2.3.

26 (C) Enable each electrical corporation to fulfill its obligation to
27 serve its customers at just and reasonable rates.

28 (D) Minimize impacts on ratepayers' bills.

29 (E) Ensure system and local reliability on both a near-term and
30 long-term basis, including meeting the near-term and forecast
31 long-term resource adequacy requirements of Section ~~380.~~ 380,
32 *and require sufficient, predictable resource procurement and*
33 *development to avoid unplanned energy supply shortfalls by taking*
34 *into account impacts due to climate change, forecasted levels of*
35 *building and transportation electrification, and other factors that*
36 *can result in those shortfalls.*

37 (F) Comply with paragraph (1) of subdivision (b) of Section
38 399.13.

1 (G) Strengthen the diversity, sustainability, and resilience of
2 the bulk transmission and distribution systems, and local
3 communities.

4 (H) Enhance distribution systems and demand-side energy
5 management.

6 (I) Minimize localized air pollutants and other greenhouse gas
7 emissions, with early priority on disadvantaged communities
8 identified pursuant to Section 39711 of the Health and Safety Code.

9 (2) (A) The commission may authorize all source procurement
10 for electrical corporations that includes various resource types
11 including demand-side resources, supply side resources, and
12 resources that may be either demand-side resources or supply side
13 resources, taking into account the differing electrical corporations'
14 geographic service areas, to ensure that each load-serving entity
15 meets the goals set forth in paragraph (1).

16 (B) The commission may approve procurement of resource
17 types that will reduce *the overall emissions of greenhouse gas*
18 ~~emissions gases~~ from the electricity sector and meet the other goals
19 specified in paragraph (1), but due to the nature of the technology
20 or fuel source may not compete favorably in price against other
21 resources over the time period of the integrated resource plan.

22 (3) In furtherance of the requirements of paragraph (1), the
23 commission shall consider the role of existing renewable
24 generation, grid operational efficiencies, energy storage, and
25 distributed energy resources, including energy efficiency, in
26 helping to ensure each load-serving entity meets energy needs and
27 reliability needs in hours to encompass the hour of peak demand
28 of electricity, excluding demand met by variable renewable
29 generation directly connected to a California balancing authority,
30 as defined in Section 399.12, while reducing the need for new
31 electricity generation resources and new transmission resources
32 in achieving the state's energy goals at the least cost to ratepayers.

33 (b) (1) Each load-serving entity shall prepare and file an
34 integrated resource plan consistent with paragraph (2) of
35 subdivision (a) on a time schedule directed by the commission and
36 subject to commission review.

37 (2) Each electrical corporation's plan shall follow ~~the provisions~~
38 ~~of~~ Section 454.5.

39 (3) The plan of a community choice aggregator shall be
40 submitted to its governing board for approval and provided to the

1 commission for certification, consistent with paragraph (5) of
2 subdivision (a) of Section 366.2, and shall achieve *all of the*
3 following:

4 (A) Economic, reliability, environmental, security, and other
5 benefits and performance characteristics that are consistent with
6 the goals set forth in paragraph (1) of subdivision (a).

7 (B) A diversified procurement portfolio consisting of both
8 short-term and long-term ~~electricity~~ *electricity, electricity-related,*
9 ~~and electricity-related~~ and demand reduction products.

10 (C) The resource adequacy requirements established pursuant
11 to Section 380.

12 (4) The plan of an electric service provider shall achieve the
13 goals set forth in paragraph (1) of subdivision (a) through a
14 diversified portfolio consisting of both short-term and long-term
15 electricity, electricity-related, and demand reduction products.

16 (c) To the extent that additional procurement is authorized for
17 the electrical corporation in the integrated resource plan or the
18 procurement process authorized pursuant to Section 454.5, the
19 commission shall ensure that the costs are allocated in a fair and
20 equitable manner to all customers consistent with Section 454.51,
21 that there is no cost shifting among customers of load-serving
22 entities, and that community choice aggregators may self-provide
23 renewable integration resources consistent with Section 454.51.

24 (d) To eliminate redundancy and increase efficiency, the process
25 adopted pursuant to subdivision (a) shall incorporate, and not
26 duplicate, any other planning processes of the commission.

27 (e) This section applies to an electrical cooperative, as defined
28 in Section 2776, only if the electrical cooperative has an annual
29 electrical demand exceeding 700 gigawatthours, as determined
30 based on a three-year average commencing with January 1, 2013.

31 (f) (1) *The commission shall not include the energy, capacity,*
32 *or any attribute from Diablo Canyon Unit 1 beyond November 1,*
33 *2024, or Unit 2 beyond August 26, 2025, in the adopted integrated*
34 *resource plan portfolios, resource stacks, or preferred system*
35 *plans.*

36 (2) *The commission shall disallow a load-serving entity from*
37 *including in their adopted integrated resource plan any energy,*
38 *capacity, or any attribute from the Diablo Canyon Unit 1 beyond*
39 *November 1, 2024, or Unit 2 beyond August 26, 2025.*

1 (g) For a thermal powerplant that uses nuclear fission
2 technology not constructed in the twenty-first century, all resource
3 attributes shall be retired on January 1, 2031, and shall be
4 reported as a separate, line item resource for purposes of
5 complying with Section 398.4.

6 SEC. 7. Section 454.53 of the Public Utilities Code is amended
7 to read:

8 454.53. (a) It is the policy of the state that eligible renewable
9 energy resources and zero-carbon resources supply 100 percent
10 of all retail sales of electricity to California end-use customers and
11 100 percent of electricity procured to serve all state agencies by
12 December 31, 2045. The achievement of this policy for California
13 shall not increase carbon emissions elsewhere in the western grid
14 and shall not allow resource shuffling. The commission and Energy
15 Commission, in consultation with the State Air Resources Board,
16 shall take steps to ensure that a transition to a zero-carbon electric
17 system for the State of California does not cause or contribute to
18 greenhouse gas emissions increases elsewhere in the western grid,
19 and is undertaken in a manner consistent with clause 3 of Section
20 8 of Article I of the United States Constitution. The commission,
21 the Energy Commission, the State Air Resources Board, and all
22 other state agencies shall incorporate this policy into all relevant
23 planning.

24 (b) The commission, Energy Commission, ~~state board~~, *State*
25 *Air Resources Board*, and all other state agencies shall ensure that
26 actions taken in furtherance of subdivision (a) do all of the
27 following:

28 (1) Maintain and protect the safety, reliable operation, and
29 balancing of the electric system.

30 (2) Prevent unreasonable impacts to electricity, gas, and water
31 customer rates and bills resulting from implementation of this
32 section, taking into full consideration the economic and
33 environmental costs and benefits of renewable energy and
34 zero-carbon resources.

35 (3) To the extent feasible and authorized under law, lead to the
36 adoption of policies and taking of actions in other sectors to obtain
37 greenhouse gas emission reductions that ensure equity between
38 other sectors and the electricity sector.

39 (4) Not affect in any manner the rules and requirements for the
40 oversight of, and enforcement against, retail sellers and local

1 publicly owned utilities pursuant to the California Renewables
2 Portfolio Standard Program (Article 16 (commencing with Section
3 399.11) of Chapter 2.3) and Sections 454.51, 454.52, 9621, and
4 9622.

5 (5) *Does not consider the energy, capacity, or any attribute*
6 *from the Diablo Canyon Unit 1 or Unit 2 after August 26, 2025,*
7 *in meeting the policy described in subdivision (a).*

8 (c) Nothing in this section shall affect a retail seller's obligation
9 to comply with the federal Public Utility Regulatory Policies Act
10 of 1978 (16 U.S.C. Sec. 2601 et seq.).

11 (d) The commission, Energy Commission, and ~~state board~~ *State*
12 *Air Resources Board* shall do both of the following:

13 (1) ~~Utilize~~ *Use* programs authorized under existing statutes to
14 achieve the policy described in subdivision (a).

15 (2) In consultation with all California balancing authorities, as
16 defined in subdivision (d) of Section 399.12, as part of a public
17 process, issue a joint report to the Legislature by January 1, 2021,
18 and at least every four years thereafter. The joint report shall
19 include all of the following:

20 (A) A review of the policy described in subdivision (a) focused
21 on technologies, forecasts, then-existing transmission, and
22 maintaining safety, environmental and public safety protection,
23 affordability, and system and local reliability.

24 (B) An evaluation identifying the potential benefits and impacts
25 on system and local reliability associated with achieving the policy
26 described in subdivision (a).

27 (C) An evaluation identifying the nature of any anticipated
28 financial costs and benefits to electric, gas, and water utilities,
29 including customer rate impacts and benefits.

30 (D) The barriers to, and benefits of, achieving the policy
31 described in subdivision (a).

32 (E) Alternative scenarios in which the policy described in
33 subdivision (a) can be achieved and the estimated costs and benefits
34 of each scenario.

35 (e) Nothing in this section authorizes the commission to establish
36 any requirements on a nonmobile self-cogeneration or cogeneration
37 facility that served onsite load, or that served load pursuant to an
38 over-the-fence arrangement if that arrangement existed on or before
39 December 20, 1995.

1 (f) *In a proceeding evaluating issuance of a certificate of public*
2 *convenience and necessity for a transmission project, the*
3 *commission shall establish a rebuttable presumption with regard*
4 *to need for a transmission project in favor of an Independent*
5 *System Operator governing board-approved need evaluation if all*
6 *of the following are satisfied:*

7 (1) *The Independent System Operator governing board has*
8 *made explicit findings regarding the need for the proposed project.*

9 (2) *The Independent System Operator is a party to the*
10 *proceeding.*

11 (3) *The Independent System Operator governing board-approved*
12 *evaluation is submitted to the commission within sufficient time*
13 *to be included within the scope of the proceeding.*

14 SEC. 8. *Section 712.1 is added to the Public Utilities Code, to*
15 *read:*

16 712.1. (a) *The Legislature finds and declares that in*
17 *commission Decision 88-12-083 (December 19, 1988) Re Pacific*
18 *Gas and Electric Company (30 CPUC.2d 189), the commission*
19 *created the Independent Safety Committee for Diablo Canyon to*
20 *make recommendations appropriate to enhance the safety of the*
21 *operation of the Diablo Canyon powerplant.*

22 (b) *The Independent Safety Committee for Diablo Canyon is*
23 *hereby established in the commission and has and shall continue*
24 *to have the right of the Independent Safety Committee for Diablo*
25 *Canyon established pursuant to commission Decision 88-12-083*
26 *to conduct annual examinations of the Diablo Canyon powerplant*
27 *and make additional site visits. The committee shall cease*
28 *operations no sooner than when the United States Nuclear*
29 *Regulatory Commission operating permit for the Diablo Canyon*
30 *powerplant has ceased and when all spent nuclear fuel has been*
31 *moved to dry storage at the Diablo Canyon Independent Spent*
32 *Fuel Storage Installation.*

33 (c) *The Independent Safety Committee for Diablo Canyon shall*
34 *be composed of three experts, one each shall be appointed by the*
35 *Governor, the Attorney General, and the Chair of the Energy*
36 *Commission, from a list of candidates nominated by the President*
37 *of the commission that shall include not more than three qualified*
38 *candidates as alternatives to the reappointment of the appointing*
39 *authority's designated committee member whose term is expiring,*
40 *and which shall also include the incumbent committee member if*

1 *the member consents to being an additional candidate. The*
2 *incumbent as of August 1, 2022, may continue to serve their current*
3 *term until it expires.*

4 *(d) The commission shall ensure the funding of the Independent*
5 *Safety Committee for Diablo Canyon to attract qualified experts*
6 *during the period of extended operations of the Diablo Canyon*
7 *powerplant, as defined by Section 712.8.*

8 *(e) In addition to the duties and responsibilities set forth in*
9 *commission decisions, the Independent Safety Committee for*
10 *Diablo Canyon shall do both of the following:*

11 *(1) Consult with and incorporate into its assessments and*
12 *recommendations the independent peer review panel established*
13 *pursuant to Section 712.*

14 *(2) Transmit annually its findings and recommendations for*
15 *improved safety to the Legislature, the Governor, the commission,*
16 *the Energy Commission, the United States Nuclear Regulatory*
17 *Commission, and the company licensed to operate the Diablo*
18 *Canyon Units 1 and 2. The report transmitted to the Legislature*
19 *shall be in accordance with Section 9795 of the Government Code.*

20 *(f) The company licensed to operate the Diablo Canyon Units*
21 *1 and 2 shall annually respond to the annual report provided for*
22 *in paragraph (2) of subdivision (e) and distribute its response to*
23 *the governmental entities specified in that paragraph.*

24 *SEC. 9. Section 712.8 is added to the Public Utilities Code, to*
25 *read:*

26 *712.8. (a) For purposes of this section, the following*
27 *definitions apply:*

28 *(1) "Current expiration dates" has the same meaning as defined*
29 *in Section 25548.1 of the Public Resources Code.*

30 *(2) "Diablo Canyon powerplant operations" has the same*
31 *meaning as defined in Section 25548.1 of the Public Resources*
32 *Code.*

33 *(3) "Load-serving entity" has the same meaning as defined in*
34 *Section 380.*

35 *(4) "Operator" has the same meaning as defined in Section*
36 *25548.1 of the Public Resources Code.*

37 *(b) (1) Ordering paragraphs (1) and (14) of commission*
38 *Decision 18-01-022 (January 11, 2018) Decision Approving*
39 *Retirement of Diablo Canyon Nuclear Power Plant, are hereby*
40 *invalidated.*

1 (2) *The commission shall reopen commission Application*
2 *16-08-006 and take other actions as are necessary to implement*
3 *this section.*

4 (c) (1) (A) *Notwithstanding any other law, within 120 days of*
5 *the effective date of this section, the commission shall direct and*
6 *authorize the operator of the Diablo Canyon Units 1 and 2 to take*
7 *all actions that would be necessary to operate the powerplant*
8 *beyond the current expiration dates, so as to preserve the option*
9 *of extended operations, until the following retirement dates,*
10 *conditional upon continued authorization to operate by the United*
11 *States Nuclear Regulatory Commission:*

12 (i) *For Unit 1, October 31, 2029.*

13 (ii) *For Unit 2, October 31, 2030.*

14 (B) *If the loan provided for by Chapter 6.3 (commencing with*
15 *Section 25548) of Division 15 of the Public Resources Code is*
16 *terminated under that chapter, the commission shall modify its*
17 *order under this paragraph and direct an earlier retirement date.*

18 (C) *Actions taken by the operator pursuant to the commission's*
19 *actions under this paragraph, including in preparation for extended*
20 *operations, shall not be funded by ratepayers of any load-serving*
21 *entities, but may be funded by the loan provided for by Chapter*
22 *6.3 (commencing with Section 25548) of Division 15 of the Public*
23 *Resources Code or other nonratepayer funds available to the*
24 *operator. The commission shall not allow the recovery from*
25 *ratepayers of costs incurred by the operator to prepare for, seek,*
26 *or receive any extended license to operate by the United States*
27 *Nuclear Regulatory Commission.*

28 (2) (A) *No later than December 31, 2023, and notwithstanding*
29 *the 180-day time limitation in subdivision (b) of Section 25548.2*
30 *of the Public Resources Code, the commission shall direct and*
31 *authorize extended operations at the Diablo Canyon powerplant*
32 *until the new retirement dates specified in subparagraph (A) of*
33 *paragraph (1) of subdivision (c).*

34 (B) *The commission shall review the reports and*
35 *recommendations of the Independent Safety Committee for Diablo*
36 *Canyon described in Section 712.1. If the Independent Safety*
37 *Committee for Diablo Canyon's reports or recommendations cause*
38 *the commission to determine, in its discretion, that the costs of any*
39 *upgrades necessary to address seismic safety or issues of deferred*
40 *maintenance that may have arisen due to the expectation of the*

1 *plant closing sooner are too high to justify incurring, or if the*
2 *United States Nuclear Regulatory Commission's conditions of*
3 *license renewal require expenditures that are too high to justify*
4 *incurring, the commission may issue an order that reestablishes*
5 *the current expiration dates as the retirement date, or that*
6 *establishes new retirement dates that are earlier than provided in*
7 *subparagraph (A) of paragraph (1), to the extent allowable under*
8 *federal law, and shall provide sufficient time for orderly shutdown*
9 *and authorize recovery of any outstanding uncollected costs and*
10 *fees.*

11 *(C) If the loan provided for by Chapter 6.3 (commencing with*
12 *Section 25548) of Division 15 of the Public Resources Code is*
13 *terminated under that chapter, the commission may issue an order*
14 *that reestablishes the current expiration dates as the retirement*
15 *date, or that establishes new retirement dates that are earlier than*
16 *provided in subparagraph (A) of paragraph (1), and shall provide*
17 *sufficient time for orderly shutdown and authorize recovery of any*
18 *outstanding uncollected costs and fees.*

19 *(D) If the commission determines that new renewable energy*
20 *and zero-carbon resources that are adequate to substitute for the*
21 *Diablo Canyon powerplant and that meet the state's planning*
22 *standards for energy reliability have already been constructed*
23 *and interconnected by the time of its decision, the commission may*
24 *issue an order that reestablishes the current expiration dates as*
25 *the retirement date, or that establishes new retirement dates that*
26 *are earlier than provided in subparagraph (A) of paragraph (1),*
27 *and shall provide sufficient time for orderly shutdown and*
28 *authorize recovery of any outstanding uncollected costs and fees.*

29 *(E) Any retirement date established under this paragraph shall*
30 *be conditioned upon continued authorization to operate by the*
31 *United States Nuclear Regulatory Commission. If the United States*
32 *Nuclear Regulatory Commission does not extend the current*
33 *expiration dates or renews the licenses for Diablo Canyon Units*
34 *1 or 2 for a period shorter than the extended operations authorized*
35 *by the commission, the commission shall modify any orders issued*
36 *under this paragraph to direct a retirement date that is the same*
37 *as the United States Nuclear Regulatory Commission license*
38 *expiration date.*

39 *(3) The commission shall do all things necessary and*
40 *appropriate to implement this section, including, but not limited*

1 to, allocating financial responsibility for the extended operations
2 of the Diablo Canyon powerplant to customers of all load-serving
3 entities and ensuring completion of funding of the community
4 impacts mitigation settlement described in Section 712.7. The
5 commission shall not require any funds already disbursed or
6 committed under the community impacts mitigation settlement
7 described in Section 712.7 to be returned because of extended
8 operations of the Diablo Canyon powerplant.

9 (4) Except as authorized by this section, customers of
10 load-serving entities shall have no other financial responsibility
11 for the costs of the extended operations of the Diablo Canyon
12 powerplant. In no event shall load-serving entities other than the
13 operator and their customers have any liability for the operations
14 of the Diablo Canyon powerplant.

15 (5) Consistent with Section 25548.4 of the Public Resources
16 Code, the commission shall collaborate with the Department of
17 Water Resources to oversee the operator's actions that are funded
18 by the loan provided for by Chapter 6.3 (commencing with Section
19 25548) of Division 15 of the Public Resources Code.

20 (d) The commission shall not increase cost recovery from
21 ratepayers for operations and maintenance expenses incurred by
22 the operator during the period from August 1, 2022, to November
23 2, 2025, for Diablo Canyon Unit 1 and from August 1, 2022, to
24 August 26, 2025, for Diablo Canyon Unit 2, above the amounts
25 approved in the most recent general rate case for the operator
26 pursuant to commission proceeding A.21-06-021 (June 30, 2021)
27 Application of Pacific Gas and Electric Company for Authority,
28 Among Other Things, to Increase Rates and Charges for Electric
29 and Gas Service Effective on January 1, 2023.

30 (e) The commission shall order the operator to track all costs
31 associated with continued and extended operations of Diablo
32 Canyon Units 1 and 2. The commission shall authorize the operator
33 to establish accounts as necessary to track all costs incurred under
34 paragraph (1) of subdivision (c), all costs incurred under the loan
35 provided for by Chapter 6.3 (commencing with Section 25548) of
36 Division 15 of the Public Resources Code, all costs to be borne
37 only by the operator's ratepayers, all costs to be borne by
38 ratepayers of all load-serving entities, consistent with this section,
39 and any other costs as determined by the commission. Among these

1 *accounts shall be a Diablo Canyon Extended Operations liquidated*
2 *damages balancing account, described in subdivisions (g) and (i).*

3 *(f) (1) Notwithstanding any approval of extended operations,*
4 *the commission shall continue to authorize the operator to recover*
5 *in rates all of the reasonable costs incurred to prepare for the*
6 *retirement of Diablo Canyon Units 1 and 2, including any*
7 *reasonable additional costs associated with decommissioning*
8 *planning resulting from the license renewal applications or license*
9 *renewals. The reasonable costs incurred to prepare for the*
10 *retirement of Diablo Canyon Power Plant Units 1 and 2 shall be*
11 *recovered on a fully nonbypassable basis from customers of all*
12 *load-serving entities subject to the commission's jurisdiction in*
13 *the operator's service territory, as determined by the commission,*
14 *except that the reasonable additional costs associated with*
15 *decommissioning planning resulting from the license renewal*
16 *applications or license renewals shall be recovered on a fully*
17 *nonbypassable basis from customers of all load-serving entities*
18 *subject to the commission's jurisdiction in the state.*

19 *(2) The commission shall continue to fund the employee*
20 *retention program approved in Decision 18-11-024 (December 2,*
21 *2018) Decision Implementing Senate Bill 1090 and Modifying*
22 *Decision 18-01-022, as modified to incorporate 2024, 2025, and*
23 *additional years of extended operations, on an ongoing basis until*
24 *the end of operations of both units with program costs tracked*
25 *under subdivision (e) and fully recovered in rates. Any additional*
26 *funding for the employee retention program beyond what was*
27 *already approved in commission Decision 18-11-024 shall be*
28 *submitted by the operator in an application for review by the*
29 *commission.*

30 *(3) The commission shall determine the amount or allocation*
31 *that the customers of all load-serving entities subject to the*
32 *commission's jurisdiction shall contribute towards the reasonable*
33 *additional costs of decommissioning planning resulting from the*
34 *license renewal applications or license renewals and shall*
35 *authorize the operator to recover in rates those costs through a*
36 *nonbypassable charge applicable to the customers of all*
37 *load-serving entities subject to the commission's jurisdiction in*
38 *the state as set forth in paragraph (1) of subdivision (l).*

39 *(4) The commission shall authorize the operator to recover in*
40 *rates all of the reasonable costs incurred to prepare for, respond*

1 to, provide information to, or otherwise participate in or engage
2 the independent peer review panel under Section 712.

3 (5) In lieu of a rate-based return on investment and in
4 acknowledgment of the greater risk of outages in an older plant
5 that the operator could be held liable for, the commission shall
6 authorize the operator to recover in rates a volumetric payment
7 equal to six dollars and fifty cents (\$6.50), in 2022 dollars, for
8 each megawatthour generated by the Diablo Canyon powerplant
9 during the period of extended operations beyond the current
10 expiration dates, to be borne by customers of all load-serving
11 entities, and an additional volumetric payment equal to six dollars
12 and fifty cents (\$6.50), in 2022 dollars, to be borne by customers
13 in the service territory of the operator. The amount of the operating
14 risk payment shall be adjusted annually by the commission using
15 commission-approved escalation methodologies and adjustment
16 factors.

17 (6) (A) In lieu of a rate-based return on investment and in
18 acknowledgment of the greater risk of outages in an older plant
19 that the operator could be held liable for, the commission shall
20 authorize the operator to recover in rates a fixed payment of fifty
21 million dollars (\$50,000,000), in 2022 dollars, for each unit for
22 each year of extended operations, subject to adjustment in
23 subparagraphs (B) to (D), inclusive. The amount of the fixed
24 payment shall be adjusted annually by the commission using
25 commission-approved escalation methodologies and adjustment
26 factors.

27 (B) In the first year of extended operations for each unit, the
28 operator shall continue to receive the full fixed payment during
29 periods in which a unit is out of service due to an unplanned outage
30 for nine months or less, and shall receive 50 percent of the payment
31 for months in excess of nine months that a unit is down.

32 (C) In the second year of extended operations, the operator
33 shall continue to receive the fixed payment during periods in which
34 a unit is out of service due to an unplanned outage for eight months
35 or less, and shall receive 50 percent of the payment for months in
36 excess of eight months that a unit is down.

37 (D) In each subsequent year of extended operations, the period
38 in which the full fixed payment is received during periods when a
39 unit out is of service due to an unplanned outage shall decline by
40 one additional month.

1 (g) The commission shall authorize and fund as part of the
2 charge under paragraph (1) of subdivision (l), the Diablo Canyon
3 Extended Operations liquidated damages balancing account in
4 the amount of twelve million five hundred thousand dollars
5 (\$12,500,000) each month for each unit until the liquidated
6 damages balancing account has a balance of three hundred million
7 dollars (\$300,000,000).

8 (h) (1) The commission shall authorize the operator to recover
9 all reasonable costs and expenses necessary to operate Diablo
10 Canyon Units 1 and 2 beyond the current expiration dates,
11 including those in subdivisions (f) and (g), net of market revenues
12 for those operations and any production tax credits of the operator,
13 on a forecast basis in a new proceeding structured similarly to its
14 annual Energy Resource Recovery Account forecast proceeding
15 with a subsequent true-up to actual costs and market revenues for
16 the prior calendar year via an expedited Tier 3 advice letter
17 process, provided that there shall be no further review of the
18 reasonableness of costs incurred if actual costs are below 115
19 percent of the forecasted costs. All costs shall be recovered as an
20 operating expense and shall not be eligible for inclusion in the
21 operator's rate base.

22 (2) As the result of any significant one-time capital expenditures
23 during the extended operation period, the commission may
24 authorize, and the operator may propose, cost recovery of these
25 expenditures as operating expenses amortized over more than one
26 year for the purpose of reducing rate volatility, at an amortization
27 interest rate determined by the commission. The commission shall
28 allow cost recovery if the costs and expenses are just and
29 reasonable. Those costs and expenses are just and reasonable if
30 the operator's conduct is consistent with the actions that a
31 reasonable utility would have undertaken in good faith under
32 similar circumstances, at the relevant point in time and with
33 information that the operator should have known at the relevant
34 point in time.

35 (3) If, as a result of the annual true-up for extended operations
36 in paragraph (1), the commission determines that market revenues
37 for the prior year exceeded the annual costs and expenses,
38 including those in subdivisions (f) and (g), the commission shall
39 direct that any available surplus revenues in an account created
40 under subdivision (e) be credited solely to customers in the

1 operator's service territory. For customers outside the operator's
2 service territory, market revenues may be credited up to, but not
3 to exceed, their respective annual costs and expenses. If excess
4 funds remain in an account created under subdivision (e) as a
5 result of market revenues exceeding costs and expenses in the final
6 year of the extended operating period, after truing up the final
7 operating year's market revenues against costs and expenses, the
8 remaining funds shall be the sole source of loan repayment per
9 the requirements provided under Chapter 6.3 (commencing with
10 Section 25548) of Division 15 of the Public Resources Code, except
11 that any federal funds received as described in paragraph (2) of
12 subdivision (b) of Section 25548.3 of the Public Resources Code
13 shall also be used to repay the loan. Ratepayer funds shall not
14 otherwise be used in any manner to repay the loan provided for
15 under Chapter 6.3 (commencing with Section 25548) of Division
16 15 of the Public Resources Code.

17 (i) (1) During any unplanned outage periods, the commission
18 shall authorize the operator to recover reasonable replacement
19 power costs, if incurred, associated with Diablo Canyon
20 powerplant operations. If the commission finds that replacement
21 power costs incurred when a unit is out of service due to an
22 unplanned outage are the result of a failure of the operator to meet
23 the reasonable manager standard, then the commission shall
24 authorize payment of the replacement power costs from the Diablo
25 Canyon Extended Operations liquidated damages balancing
26 account described in subdivision (g).

27 (2) After commencing payments from the Diablo Canyon
28 Extended Operations liquidated damages balancing account under
29 the conditions described in paragraph (1), the commission shall
30 authorize the replenishment of the Diablo Canyon Extended
31 Operations liquidated damages balancing account in the amount
32 of twelve million five hundred thousand dollars (\$12,500,000) for
33 each unit for each month up to a maximum account balance of
34 three hundred million dollars (\$300,000,000).

35 (j) If the commission finds that the operator is requesting
36 recovery of costs that were previously authorized by the
37 commission or other state or federal agency or paid to the operator
38 for cost recovery, the commission may fine the operator an amount
39 up to three times the amount of the penalty provided in Section
40 2107 for each violation.

1 (k) If at any point during the license renewal process or extended
2 operations period the operator believes that, as a result of an
3 unplanned outage, an emergent operating risk, or a new
4 compliance requirement, the cost of performing upgrades needed
5 to continue operations of one or both units exceed the benefits to
6 ratepayers of the continued operation of doing so, the operator
7 shall promptly notify the commission. The commission shall
8 promptly review and determine whether expending funds to
9 continue operations is reasonable, will remain beneficial to
10 ratepayers, and is in the public interest or direct the operator to
11 cease operations. The operator shall take all actions necessary to
12 safely operate or maintain the Diablo Canyon powerplant pending
13 the commission determination.

14 (l) (1) Any costs the commission authorizes the operator to
15 recover in rates under this section shall be recovered on a fully
16 nonbypassable basis from customers of all load-serving entities
17 subject to the commission's jurisdiction, as determined by the
18 commission, except as otherwise provided in this section. The
19 recovery of these nonbypassable costs by the load-serving entities
20 shall be based on each customer's gross consumption of electricity
21 regardless of a customer's net metering status or purchase of
22 electric energy and service from an electric service provider,
23 community choice aggregator, or other third-party source of
24 electric energy or electricity service.

25 (2) The commission shall establish mechanisms, including
26 authorizing balancing and memorandum accounts and, as needed,
27 agreements with, or orders with respect to, electrical corporations,
28 community choice aggregators, and electric service providers, to
29 ensure that the revenues received to pay a charge or cost payable
30 pursuant to this section are recovered in rates from those entities
31 and promptly remitted to the entity entitled to those revenues.

32 (m) This section does not alter the recovery of costs, including
33 those previously approved by the commission, to operate Diablo
34 Canyon Units 1 and 2 until the current expiration dates.

35 (n) The commission shall halt disbursements from the Diablo
36 Canyon Nuclear Decommissioning Non-Qualified Trust, excluding
37 refunds to ratepayers.

38 (o) The commission, in consultation with the relevant federal
39 and state agencies and appropriate California Native American
40 tribes, shall, in a new or existing proceeding, determine the

1 *disposition of the Diablo Canyon powerplant real property and*
2 *its surrounding real properties owned by the applicable public*
3 *utility or any legally related, affiliated, or associated companies,*
4 *in a manner that best serves the interests of the local community,*
5 *ratepayers, California Native America tribes, and the state. It is*
6 *the intent of the Legislature that the existing efforts to transfer*
7 *lands owned by the operator and Eureka Energy shall not be*
8 *impeded by the extension of the Diablo Canyon powerplant.*

9 (p) *Except as otherwise provided in this section, this section*
10 *does not alter or limit any proceeding of the commission relating*
11 *to the decommissioning of the Diablo Canyon powerplant.*

12 (q) *The Legislature finds and declares that the purpose of the*
13 *extension of the Diablo Canyon powerplant operations is to protect*
14 *the state against significant uncertainty in future demand resulting*
15 *from the state’s greenhouse-gas-reduction efforts involving*
16 *electrification of transportation and building energy end uses and*
17 *regional climate-related weather phenomenon, and to address the*
18 *risk that currently ordered procurement will be insufficient to meet*
19 *this supply or that there may be delays in bringing the ordered*
20 *resources online on schedule. Consequently, the continued*
21 *operation of Diablo Canyon Units 1 and 2 beyond their current*
22 *expiration dates shall not be factored into the analyses used by*
23 *the commission or by load-serving entities not subject to the*
24 *commission’s jurisdiction when determining future generation and*
25 *transmission needs to ensure electrical grid reliability and to meet*
26 *the state’s greenhouse-gas-emissions reduction goals. To the extent*
27 *the commission decides to allocate any benefits or attributes from*
28 *extended operations of the Diablo Canyon powerplant, the*
29 *commission may consider the higher cost to customers in the*
30 *operator’s service area.*

31 (r) *Notwithstanding Section 10231.5 of the Government Code,*
32 *in coordination with the Energy Commission, the Independent*
33 *System Operator, and the Department of Water Resources, the*
34 *commission shall submit, in accordance with Section 9795 of the*
35 *Government Code, a report to the Legislature each year on the*
36 *status of new resource additions and revisions to the state’s electric*
37 *demand forecast, and the impact of these updates on the need for*
38 *keeping the Diablo Canyon powerplant online.*

39 (s) *Any sale, mortgage, transfer of operational control, or any*
40 *other encumbrance of disposition of the Diablo Canyon powerplant*

1 shall continue to be subject to Article 6 (commencing with Section
2 851).

3 (t) (1) The operator shall submit to the commission for its
4 review, on an annual basis the amount of compensation earned
5 under paragraph (5) of subdivision (f), how it was spent, and a
6 plan for prioritizing the uses of such compensation the next year.
7 Such compensation shall not be paid out to shareholders. Such
8 compensation, to the extent it is not needed for Diablo Canyon,
9 shall be spent to accelerate, or increase spending on, the following
10 critical public purpose priorities:

11 (A) Accelerating customer and generator interconnections.

12 (B) Accelerating actions needed to bring renewable and
13 zero-carbon energy online and modernize the electrical grid.

14 (C) Accelerating building decarbonization.

15 (D) Workforce and customer safety.

16 (E) Communications and education.

17 (F) Increasing resiliency and reducing operational and system
18 risk.

19 (2) The operator shall not earn a rate of return for any of the
20 expenditures described in paragraph (1) so that no profit shall be
21 realized by the operator's shareholders. Neither the operator nor
22 any of its affiliates or holding company may increase existing
23 public earning per share guidance as a result of compensation
24 provided under this section. The commission shall ensure no double
25 recovery in rates.

26 (u) The commission shall verify at the conclusion of extended
27 operations that the operator's sole compensation during the period
28 of extended operations is limited to and in accordance with
29 paragraphs (5) and (6) of subdivision (f) and shall be in lieu of a
30 rate-based return on investment in the Diablo Canyon powerplant.
31 Any excess funds remaining in an account created under
32 subdivision (e) as a result of market revenues exceeding costs and
33 expenses across the extended operating period, after truing up the
34 final operating year's market revenues against costs and expenses,
35 following loan repayment under paragraph (3) of subdivision (h),
36 shall not be paid out to shareholders. Instead, such excess funds
37 shall be returned in full to customers in a manner to be determined
38 by the commission, except that any funds remaining in the Diablo
39 Canyon Extended Operations liquidated damages balancing
40 account specified in subdivisions (g) and (i), shall be returned to

1 customers in the operator’s service territory in a manner to be
2 determined by the commission.

3 (v) The efforts to transfer lands owned by the operator and
4 Eureka Energy, including North Ranch, Parcel P, South Ranch,
5 and Wild Cherry Canyon, shall not be impeded by the extension
6 of the operation of the Diablo Canyon powerplant.

7 (w) In the event of a final determination by the United States
8 Department of Energy that the Diablo Canyon powerplant is not
9 eligible for the Civil Nuclear Credit Program established by
10 Section 18753 of Title 42 of the United States Code, subdivisions
11 (d) to (m), inclusive, (p), (q), (t), and (u) shall cease to be operative,
12 and the commission shall instead undertake ordinary ratemaking
13 with respect to the Diablo Canyon powerplant.

14 SEC. 10. Section 13193.5 is added to the Water Code, to read:

15 13193.5. Notwithstanding any provision to the contrary in the
16 State Water Resources Control Board’s Water Quality Control
17 Policy on the Use of Coastal and Estuarine Waters for Power
18 Plant Cooling, as referenced in Section 2922 of Title 23 of the
19 California Code of Regulations, the final compliance dates for
20 Diablo Canyon Units 1 and 2 shall be October 31, 2030. Nothing
21 in this section prevents the state board from ordering the operator
22 of the Diablo Canyon powerplant to conduct any other form of
23 mitigation allowed under this chapter.

24 SEC. 11. Upon approval and order of the Director of Finance,
25 up to a total of five million dollars (\$5,000,000) from the General
26 Fund shall be available for transfer to the State Energy Resources
27 Conservation and Development Commission or the Public Utilities
28 Commission for administrative and programmatic workload.

29 SEC. 12. (a) Upon appropriation by the Legislature, the sum
30 of one hundred million dollars (\$100,000,000) shall be available
31 in the 2023–24 fiscal year, the sum of four hundred million dollars
32 (\$400,000,000) shall be available in the 2024–25 fiscal year, and
33 the sum of five hundred million dollars (\$500,000,000) shall be
34 available in the 2025–26 fiscal year to support a Clean Energy
35 Reliability Investment Plan developed by the State Energy
36 Resources Conservation and Development Commission, in
37 consultation with the Public Utilities Commission and the State
38 Air Resources Board, for inclusion in the 2023–24 fiscal year
39 budget that supports programs and projects that accelerate the

1 deployment of clean energy resources, support demand response,
2 assist ratepayers, and increase energy reliability.

3 (b) The Clean Energy Reliability Investment Plan shall support
4 investments that take into account all of the following:

5 (1) California's anticipated electricity supply and demand needs
6 for near- and mid-term reliability.

7 (2) The advancement of the state's policies towards 100 percent
8 zero-carbon and renewable energy resources by 2045.

9 (3) The state's greenhouse gas emissions reduction target for
10 the electricity sector.

11 (c) The investment plan shall support the energy loading order,
12 including investments in preferred resources, such as demand
13 response and energy efficiency, reduce demand during the net-peak
14 load, and support near- and mid-term reliability and the state's
15 greenhouse gas goals. The plan shall be developed with input from
16 interested parties at scheduled public workshops and public
17 hearings. The commission shall adopt the plan at a publicly noticed
18 business meeting with a majority of the commissioners voting.

19 (d) By March 1, 2023, the State Energy Resources Conservation
20 and Development Commission shall submit the plan to the Joint
21 Legislative Budget Committee and the chairs of the relevant policy
22 committees of the Legislature with jurisdiction over energy policy.

23 SEC. 13. (a) Upon appropriation by the Legislature, the sum
24 of ten million dollars (\$10,000,000) shall be available in the
25 2023–24 fiscal year, and the sum of one hundred fifty million
26 dollars (\$150,000,000) shall be available in the 2024–25 fiscal
27 year to support a Land Conservation and Economic Development
28 Plan developed by the Natural Resources Agency, in consultation
29 with Labor and Workforce Development Agency and the
30 Governor's Office of Business and Economic Development, that
31 supports environmental enhancements and access of Diablo
32 Canyon powerplant lands and local economic development in a
33 manner that is consistent with existing decommissioning efforts,
34 including, but not limited to, Section 712.7 of the Public Utilities
35 Code.

36 (b) By March 23, 2023, the Natural Resources Agency shall
37 submit the Land Conservation and Economic Development Plan
38 to the Joint Legislative Budget Committee and the chairs of the
39 relevant policy committees of the Legislature.

1 *SEC. 14. The provisions of this act are severable. If any*
2 *provision of this act or its application is held invalid, that invalidity*
3 *shall not affect other provisions or applications that can be given*
4 *effect without the invalid provision or application.*

5 *SEC. 15. The Legislature finds and declares that a special*
6 *statute is necessary and that a general statute cannot be made*
7 *applicable within the meaning of Section 16 of Article IV of the*
8 *California Constitution because of the unique circumstances*
9 *impacting the Diablo Canyon powerplant, as described in Section*
10 *5 of this act.*

11 *SEC. 16. The Legislature finds and declares that Section 2 of*
12 *this act, which adds Section 25233 of the Public Resources Code,*
13 *imposes a limitation on the public’s right of access to the meetings*
14 *of public bodies or the writings of public officials and agencies*
15 *within the meaning of Section 3 of Article I of the California*
16 *Constitution. Pursuant to that constitutional provision, the*
17 *Legislature makes the following findings to demonstrate the interest*
18 *protected by this limitation and the need for protecting that*
19 *interest:*

20 *To protect consumers and avoid unfair competitive advantages*
21 *or disadvantages, it is necessary to maintain the confidentiality*
22 *of market-sensitive information.*

23 *SEC. 17. No reimbursement is required by this act pursuant*
24 *to Section 6 of Article XIII B of the California Constitution because*
25 *the only costs that may be incurred by a local agency or school*
26 *district will be incurred because this act creates a new crime or*
27 *infraction, eliminates a crime or infraction, or changes the penalty*
28 *for a crime or infraction, within the meaning of Section 17556 of*
29 *the Government Code, or changes the definition of a crime within*
30 *the meaning of Section 6 of Article XIII B of the California*
31 *Constitution.*

32 *SEC. 18. This act is an urgency statute necessary for the*
33 *immediate preservation of the public peace, health, or safety within*
34 *the meaning of Article IV of the California Constitution and shall*
35 *go into immediate effect. The facts constituting the necessity are:*

36 *To ensure the expeditious relicensing of the Diablo Canyon Units*
37 *1 and 2 to allow for the continued operations beyond the expiration*
38 *dates of their operating licenses thereby ensuring electrical*
39 *reliability in the California electrical system, it is necessary for*
40 *this act to take effect immediately.*

1 SECTION 1. ~~Section 23320 of the Business and Professions~~
2 ~~Code is amended to read:~~
3 ~~23320. (a) An applicant for a new permanent license, which~~
4 ~~shall not include duplicate licenses, except as provided in paragraph~~
5 ~~(4), shall accompany the application with the application fee as~~
6 ~~specified in this division:~~
7 ~~(1) The license application fee for a new permanent license shall~~
8 ~~be nine hundred five dollars (\$905), except as otherwise specified.~~
9 ~~(2) Applicants for a new permanent license of the following~~
10 ~~types shall accompany the application with a fee of fifteen thousand~~
11 ~~eight hundred thirty-five dollars (\$15,835):~~
12 ~~(A) Off-sale general (Type 21).~~
13 ~~(B) On-sale general - eating place (Type 47), on-sale general~~
14 ~~public premises (Type 48), special on-sale general (Type 57),~~
15 ~~special on-sale general for-profit theater (Type 71 and Type 72),~~
16 ~~brewpub-restaurant (Type 75), caterer's (Type 83), neighborhood~~
17 ~~restricted special on-sale (Type 87), and special on-sale general~~
18 ~~license for historic cemetery (Type 88).~~
19 ~~(3) Applicants for a new permanent license of the following~~
20 ~~types shall accompany the application with a fee as indicated:~~
21 ~~(A) Twelve thousand dollars (\$12,000) for a wine, food and art~~
22 ~~cultural museum (Type 78).~~
23 ~~(B) Six thousand dollars (\$6,000) for an on-sale general - eating~~
24 ~~place on public property (Type 47) and for an on-sale general~~
25 ~~restrictive service (Type 70).~~
26 ~~(C) Two thousand dollars (\$2,000) for an on-sale general~~
27 ~~dockside (Type 62).~~
28 ~~(D) One thousand dollars (\$1,000) for a special on-sale general~~
29 ~~theater (Type 64).~~
30 ~~(E) One hundred dollars (\$100) for an out-of-state beer~~
31 ~~manufacturer certificate (Type 26), for a distilled spirits shipper~~
32 ~~certificate (Type 28), and for a direct shipper permit (Type 82).~~
33 ~~(F) One hundred dollars (\$100) for a still (Type 6).~~
34 ~~(4) Applicants for a Duplicate Type 02 license shall accompany~~
35 ~~the application with a fee of four hundred forty dollars (\$440).~~
36 ~~(5) Applicants for a new permanent consumer delivery service~~
37 ~~permit (Type 95) shall accompany the application with a fee of~~
38 ~~twenty thousand dollars (\$20,000).~~
39 ~~(b) The following are the types of licenses and the annual fees~~
40 ~~to be charged therefor:~~

1 ~~(1) (A) For a Type 01 - Beer manufacturer that produces more~~
2 ~~than 60,000 barrels per year: the fee through September 30, 2019,~~
3 ~~is one thousand five hundred thirty-one dollars (\$1,531) and the~~
4 ~~fee on and after October 1, 2019, is one thousand eight hundred~~
5 ~~ninety dollars (\$1,890).~~

6 ~~(B) For a Duplicate Type 01: the fee through September 30,~~
7 ~~2019, is ninety-eight dollars (\$98) and the fee on and after October~~
8 ~~1, 2019, is four hundred thirty dollars (\$430).~~

9 ~~(2) (A) For a Type 02 - Winegrower (to be computed only on~~
10 ~~the gallons produced); 5,000 gallons or less: the fee through~~
11 ~~September 30, 2019, is seventy-one dollars (\$71) and the fee on~~
12 ~~and after October 1, 2019, is one hundred ten dollars (\$110).~~

13 ~~(B) For a Type 02 - Winegrower (to be computed only on the~~
14 ~~gallons produced); 5,000 - 20,000 gallons: the fee through~~
15 ~~September 30, 2019, is one hundred thirty-two dollars (\$132) and~~
16 ~~the fee on and after October 1, 2019, is one hundred sixty dollars~~
17 ~~(\$160).~~

18 ~~(C) For a Type 02 - Winegrower (to be computed only on the~~
19 ~~gallons produced); 20,000 - 100,000 gallons: the fee through~~
20 ~~September 30, 2019, is two hundred thirty-nine dollars (\$239) and~~
21 ~~the fee on and after October 1, 2019, is three hundred twenty-five~~
22 ~~dollars (\$325).~~

23 ~~(D) For a Type 02 - Winegrower (to be computed only on the~~
24 ~~gallons produced); 100,000 - 200,000 gallons: the fee through~~
25 ~~September 30, 2019, is three hundred fourteen dollars (\$314) and~~
26 ~~the fee on and after October 1, 2019, is three hundred eighty dollars~~
27 ~~(\$380).~~

28 ~~(E) For a Type 02 - Winegrower (to be computed only on the~~
29 ~~gallons produced); 200,000 - 1,000,000 gallons: the fee through~~
30 ~~September 30, 2019, is four hundred sixty-six dollars (\$466) and~~
31 ~~the fee on and after October 1, 2019, is five hundred forty dollars~~
32 ~~(\$540).~~

33 ~~(F) For a Type 02 - Winegrower (to be computed only on the~~
34 ~~gallons produced); for each additional 1,000,000 gallons over~~
35 ~~1,000,000 gallons: the fee through September 30, 2019, is three~~
36 ~~hundred thirteen dollars (\$313) and the fee on and after October~~
37 ~~1, 2019, is three hundred eighty dollars (\$380).~~

38 ~~(G) For a Duplicate Type 02: the fee through September 30,~~
39 ~~2019, is ninety-eight dollars (\$98) and the fee on and after October~~
40 ~~1, 2019, is one hundred sixty dollars (\$160).~~

- 1 ~~(3) (A) For a Type 03 – Brandy manufacturer: the fee through~~
2 ~~September 30, 2019, is three hundred eleven dollars (\$311) and~~
3 ~~the fee on and after October 1, 2019, is five hundred forty dollars~~
4 ~~(\$540).~~
5 ~~(B) For a Duplicate Type 03: the fee through September 30,~~
6 ~~2019, is two hundred eighty-four dollars (\$284) and the fee on and~~
7 ~~after October 1, 2019, is three hundred eighty dollars (\$380).~~
8 ~~(4) For a Type 04 – Distilled spirits manufacturer: the fee~~
9 ~~through September 30, 2019, is five hundred ten dollars (\$510)~~
10 ~~and the fee on and after October 1, 2019, is five hundred ninety-five~~
11 ~~dollars (\$595).~~
12 ~~(5) For a Type 05 – Distilled spirits manufacturer’s agent: the~~
13 ~~fee through September 30, 2019, is five hundred ten dollars (\$510)~~
14 ~~and the fee on and after October 1, 2019, is five hundred ninety-five~~
15 ~~dollars (\$595).~~
16 ~~(6) For a Type 06 – Still: the fee through September 30, 2019,~~
17 ~~is seventy-seven dollars (\$77) and the fee on and after October 1,~~
18 ~~2019, is one hundred ten dollars (\$110).~~
19 ~~(7) For a Type 07 – Rectifier: the fee through September 30,~~
20 ~~2019, is five hundred ten dollars (\$510) and the fee on and after~~
21 ~~October 1, 2019, is five hundred ninety-five dollars (\$595).~~
22 ~~(8) For a Type 08 – Wine rectifier: the fee through September~~
23 ~~30, 2019, is five hundred ten dollars (\$510) and the fee on and~~
24 ~~after October 1, 2019, is five hundred ninety-five dollars (\$595).~~
25 ~~(9) For a Type 09 – Beer and wine importer: the fee through~~
26 ~~September 30, 2019, is seventy-seven dollars (\$77) and the fee on~~
27 ~~and after October 1, 2019, is one hundred ten dollars (\$110).~~
28 ~~(10) For a Type 10 – Beer and wine importer’s general license:~~
29 ~~the fee through September 30, 2019, is three hundred forty dollars~~
30 ~~(\$340) and the fee on and after October 1, 2019, is five hundred~~
31 ~~forty dollars (\$540).~~
32 ~~(11) For a Type 11 – Brandy importer: the fee through September~~
33 ~~30, 2019, is seventy-seven dollars (\$77) and the fee on and after~~
34 ~~October 1, 2019, is one hundred ten dollars (\$110).~~
35 ~~(12) For a Type 12 – Distilled spirits importer: the fee through~~
36 ~~September 30, 2019, is seventy-seven dollars (\$77) and the fee on~~
37 ~~and after October 1, 2019, is one hundred ten dollars (\$110).~~
38 ~~(13) For a Type 13 – Distilled spirits importer’s general license:~~
39 ~~the fee through September 30, 2019, is five hundred ten dollars~~

1 (~~\$510~~) and the fee on and after October 1, 2019, is five hundred
2 ninety-five dollars (~~\$595~~).

3 (~~14~~) (A) For a Type 14 - Public warehouse: the fee through
4 September 30, 2019, is seventy-seven dollars (~~\$77~~) and the fee on
5 and after October 1, 2019, is one hundred ten dollars (~~\$110~~).

6 (~~B~~) For a Duplicate Type 14: the fee through September 30,
7 2019, is one dollar (~~\$1~~) and the fee on and after October 1, 2019,
8 is twenty-five dollars (~~\$25~~).

9 (~~15~~) For a Type 15 - Customs broker: the fee through September
10 30, 2019, is seventy-seven dollars (~~\$77~~) and the fee on and after
11 October 1, 2019, is one hundred ten dollars (~~\$110~~).

12 (~~16~~) For a Type 16 - Wine broker: the fee through September
13 30, 2019, is one hundred three dollars (~~\$103~~) and the fee on and
14 after October 1, 2019, is one hundred ten dollars (~~\$110~~).

15 (~~17~~) For a Type 17 - Beer and wine wholesaler: the fee through
16 September 30, 2019, is three hundred forty dollars (~~\$340~~) and the
17 fee on and after October 1, 2019, is three hundred eighty dollars
18 (~~\$380~~).

19 (~~18~~) For a Type 18 - Distilled spirits wholesaler: the fee through
20 September 30, 2019, is five hundred ten dollars (~~\$510~~) and the fee
21 on and after October 1, 2019, is five hundred ninety-five dollars
22 (~~\$595~~).

23 (~~19~~) For a Type 19 - Industrial alcohol dealer: the fee through
24 September 30, 2019, is one hundred three dollars (~~\$103~~) and the
25 fee on and after October 1, 2019, is one hundred ten dollars (~~\$110~~).

26 (~~20~~) For a Type 20 - Off-sale beer and wine: the fee through
27 September 30, 2019, is two hundred seventy-eight dollars (~~\$278~~)
28 and the fee on and after October 1, 2019, is three hundred eighty
29 dollars (~~\$380~~).

30 (~~21~~) For a Type 21 - Off-sale general: the fee through September
31 30, 2019, is six hundred seventeen dollars (~~\$617~~) and the fee on
32 and after October 1, 2019, is seven hundred fifty-five dollars
33 (~~\$755~~).

34 (~~22~~) (A) For a Type 22 - Wine blender (to be computed only
35 on the gallons produced); 5,000 gallons or less: the fee through
36 September 30, 2019, is seventy-one dollars (~~\$71~~) and the fee on
37 and after October 1, 2019, is one hundred ten dollars (~~\$110~~).

38 (~~B~~) For a Type 22 - Wine blender (to be computed only on the
39 gallons produced); 5,000 - 20,000 gallons: the fee through
40 September 30, 2019, is one hundred thirty-two dollars (~~\$132~~) and

1 the fee on and after October 1, 2019, is one hundred sixty dollars
2 (\$160).

3 (C) For a Type 22 - Wine blender (to be computed only on the
4 gallons produced); 20,000 gallons - 100,000 gallons: the fee
5 through September 30, 2019, is two hundred thirty-nine dollars
6 (\$239) and the fee on and after October 1, 2019, is three hundred
7 twenty-five dollars (\$325).

8 (D) For a Type 22 - Wine blender (to be computed only on the
9 gallons produced); 100,000 - 200,000 gallons: the fee through
10 September 30, 2019, is three hundred fourteen dollars (\$314) and
11 the fee on and after October 1, 2019, is three hundred eighty dollars
12 (\$380).

13 (E) For a Type 22 - Wine blender (to be computed only on the
14 gallons produced); 200,000 - 1,000,000 gallons: the fee through
15 September 30, 2019, is four hundred sixty-six dollars (\$466) and
16 the fee on and after October 1, 2019, is five hundred forty dollars
17 (\$540).

18 (F) For a Type 22 - Wine blender (to be computed only on the
19 gallons produced); for each additional 1,000,000 gallons over
20 1,000,000 gallons: the fee through September 30, 2019, is three
21 hundred thirteen dollars (\$313) and the fee on and after October
22 1, 2019, is three hundred eighty dollars (\$380).

23 (23) (A) For a Type 23 - Small beer manufacturer that produces
24 60,000 barrels or less a year: the fee through September 30, 2019,
25 is one hundred eighty-four dollars (\$184) and the fee on and after
26 October 1, 2019, is three hundred eighty dollars (\$380).

27 (B) For a Duplicate Type 23: the fee through September 30,
28 2019, is ninety-eight dollars (\$98) and the fee on and after October
29 1, 2019, is two hundred fifteen dollars (\$215).

30 (24) For a Type 24 - Distilled spirits rectifier's general license:
31 the fee through September 30, 2019, is five hundred ten dollars
32 (\$510) and the fee on and after October 1, 2019, is five hundred
33 ninety-five dollars (\$595).

34 (25) For a Type 25 - California brandy wholesaler: the fee
35 through September 30, 2019, is five hundred ten dollars (\$510)
36 and the fee on and after October 1, 2019, is five hundred ninety-five
37 dollars (\$595).

38 (26) For a Type 26 - Out-of-state beer manufacturer certificate:
39 the fee through September 30, 2019, is seventy-nine dollars (\$79)

1 and the fee on and after October 1, 2019, is one hundred ten dollars
2 (\$110).

3 ~~(27) For a Type 27 - California winegrower's agent: the fee~~
4 ~~through September 30, 2019, is five hundred ten dollars (\$510)~~
5 ~~and the fee on and after October 1, 2019, is five hundred ninety-five~~
6 ~~dollars (\$595).~~

7 ~~(28) For a Type 28 - Out-of-state distilled spirits shipper~~
8 ~~certificate: the fee through September 30, 2019, is seventy-nine~~
9 ~~dollars (\$79) and the fee on and after October 1, 2019, is one~~
10 ~~hundred ten dollars (\$110).~~

11 ~~(29) For a Type 29 - Winegrape grower storage: the fee through~~
12 ~~September 30, 2019, is ninety dollars (\$90) and the fee on and~~
13 ~~after October 1, 2019, is one hundred ten dollars (\$110).~~

14 ~~(30) For a Type 40 - On-sale beer: the fee through September~~
15 ~~30, 2019, is two hundred eighty-four dollars (\$284) and the fee on~~
16 ~~and after October 1, 2019, is three hundred eighty dollars (\$380).~~

17 ~~(31) For a Type 41 - On-sale beer and wine eating place: the~~
18 ~~fee through September 30, 2019, is three hundred eighty-four~~
19 ~~dollars (\$384) and the fee on and after October 1, 2019, is four~~
20 ~~hundred thirty dollars (\$430).~~

21 ~~(32) For a Type 42 - On-sale beer and wine pub premises: the~~
22 ~~fee through September 30, 2019, is two hundred eighty-four dollars~~
23 ~~(\$284) and the fee on and after October 1, 2019, is five hundred~~
24 ~~forty dollars (\$540).~~

25 ~~(33) For a Type 43 - On-sale beer and wine train: the fee through~~
26 ~~September 30, 2019, is one hundred fourteen dollars (\$114) and~~
27 ~~the fee on and after October 1, 2019, is one hundred sixty dollars~~
28 ~~(\$160).~~

29 ~~(34) For a Type 44 - On-sale beer and wine fishing party boat:~~
30 ~~the fee through September 30, 2019, is one hundred fourteen dollars~~
31 ~~(\$114) and the fee on and after October 1, 2019, is one hundred~~
32 ~~sixty dollars (\$160).~~

33 ~~(35) For a Type 45 - On-sale beer and wine boat: the fee through~~
34 ~~September 30, 2019, is one hundred fourteen dollars (\$114) and~~
35 ~~the fee on and after October 1, 2019, is one hundred sixty dollars~~
36 ~~(\$160).~~

37 ~~(36) For a Type 46 - On-sale beer and wine airplane: the fee~~
38 ~~through September 30, 2019, is one hundred fourteen dollars (\$114)~~
39 ~~and the fee on and after October 1, 2019, is one hundred sixty~~
40 ~~dollars (\$160).~~

1 ~~(37) (A) For a Type 47 - On-sale general eating place in cities~~
2 ~~of 40,000 population or over: the fee through September 30, 2019,~~
3 ~~is nine hundred seventy-one dollars (\$971) and the fee on and after~~
4 ~~October 1, 2019, is one thousand one hundred ninety dollars~~
5 ~~(\$1,190).~~

6 ~~(B) For a Type 47 - On-sale general eating place in cities of less~~
7 ~~than 40,000, but more than 20,000 population: the fee through~~
8 ~~September 30, 2019, is seven hundred eleven dollars (\$711) and~~
9 ~~the fee on and after October 1, 2019, is nine hundred seventy~~
10 ~~dollars (\$970).~~

11 ~~(C) For a Type 47 - On-sale general eating place in all other~~
12 ~~localities: the fee through September 30, 2019, is six hundred~~
13 ~~thirty-two dollars (\$632) and the fee on and after October 1, 2019,~~
14 ~~is seven hundred fifty-five dollars (\$755).~~

15 ~~(D) For a Duplicate Type 47 in cities of 40,000 population or~~
16 ~~over: the fee through September 30, 2019, is six hundred~~
17 ~~ninety-nine dollars (\$699) and the fee on and after October 1, 2019,~~
18 ~~is seven hundred fifty-five dollars (\$755).~~

19 ~~(E) For a Duplicate Type 47 in cities of less than 40,000, but~~
20 ~~more than 20,000 population: the fee through September 30, 2019,~~
21 ~~is four hundred thirteen dollars (\$413) and the fee on and after~~
22 ~~October 1, 2019, is five hundred forty dollars (\$540).~~

23 ~~(F) For a Duplicate Type 47 in all other localities: the fee~~
24 ~~through September 30, 2019, is three hundred twenty-six dollars~~
25 ~~(\$326) and the fee on and after October 1, 2019, is four hundred~~
26 ~~thirty dollars (\$430).~~

27 ~~(38) (A) For a Type 48 - On-sale general public premises in~~
28 ~~cities of 40,000 population or over: the fee through September 30,~~
29 ~~2019, is nine hundred seventy-one dollars (\$971) and the fee on~~
30 ~~and after October 1, 2019, is one thousand one hundred ninety~~
31 ~~dollars (\$1,190).~~

32 ~~(B) For a Type 48 - On-sale general public premises in cities~~
33 ~~of less than 40,000, but more than 20,000 population: the fee~~
34 ~~through September 30, 2019, is seven hundred eleven dollars~~
35 ~~(\$711) and the fee on and after October 1, 2019, is nine hundred~~
36 ~~seventy dollars (\$970).~~

37 ~~(C) For a Type 48 - On-sale general public premises in all other~~
38 ~~localities: the fee through September 30, 2019, is six hundred~~
39 ~~thirty-two dollars (\$632) and the fee on and after October 1, 2019,~~
40 ~~is seven hundred fifty-five dollars (\$755).~~

1 (D) For a Duplicate Type 48 in cities of 40,000 population or
2 over: the fee through September 30, 2019, is six hundred
3 ninety-nine dollars (\$699) and the fee on and after October 1, 2019,
4 is seven hundred fifty-five dollars (\$755).

5 (E) For a Duplicate Type 48 in cities of less than 40,000, but
6 more than 20,000 population: the fee through September 30, 2019,
7 is four hundred thirteen dollars (\$413) and the fee on and after
8 October 1, 2019, is five hundred forty dollars (\$540).

9 (F) For a Duplicate Type 48 in all other localities: the fee
10 through September 30, 2019, is three hundred twenty-six dollars
11 (\$326) and the fee on and after October 1, 2019, is four hundred
12 thirty dollars (\$430).

13 (39) (A) For a Type 49 - On-sale general - seasonal business
14 in cities of 40,000 population or over per 3 months: the fee through
15 September 30, 2019, is two hundred forty-seven dollars (\$247)
16 and the fee on and after October 1, 2019, is three hundred
17 twenty-five dollars (\$325).

18 (B) For a Type 49 - On-sale general - seasonal business in cities
19 of 40,000 population or over per 6 months: the fee through
20 September 30, 2019, is four hundred ninety-four dollars (\$494)
21 and the fee on and after October 1, 2019, is six hundred fifty dollars
22 (\$650).

23 (C) For a Type 49 - On-sale general - seasonal business in cities
24 of 40,000 population or over per 9 months: the fee through
25 September 30, 2019, is seven hundred forty-one dollars (\$741)
26 and the fee on and after October 1, 2019, is nine hundred seventy
27 dollars (\$970).

28 (D) For a Type 49 - On-sale general - seasonal business in cities
29 of less than 40,000, but more than 20,000 population per 3 months:
30 the fee through September 30, 2019, is one hundred seventy-six
31 dollars (\$176) and the fee on and after October 1, 2019, is two
32 hundred fifteen dollars (\$215).

33 (E) For a Type 49 - On-sale general - seasonal business in cities
34 of less than 40,000, but more than 20,000 population per 6 months:
35 the fee through September 30, 2019, is three hundred fifty dollars
36 (\$350) and the fee on and after October 1, 2019, is four hundred
37 thirty dollars (\$430).

38 (F) For a Type 49 - On-sale general - seasonal business in cities
39 of less than 40,000, but more than 20,000 population per 9 months:
40 the fee through September 30, 2019, is five hundred twenty-six

1 dollars (\$526) and the fee on and after October 1, 2019, is six
2 hundred fifty dollars (\$650).

3 (G) For a Type 49 - On-sale general - seasonal business in all
4 other localities per 3 months: the fee through September 30, 2019,
5 is one hundred fifty-three dollars (\$153) and the fee on and after
6 October 1, 2019, is one hundred sixty dollars (\$160).

7 (H) For a Type 49 - On-sale general - seasonal business in all
8 other localities per 6 months: the fee through September 30, 2019,
9 is three hundred six dollars (\$306) and the fee on and after October
10 1, 2019, is three hundred eighty dollars (\$380).

11 (I) For a Type 49 - On-sale general - seasonal business in all
12 other localities per 9 months: the fee through September 30, 2019,
13 is four hundred fifty-eight dollars (\$458) and the fee on and after
14 October 1, 2019, is five hundred forty dollars (\$540).

15 (J) For a Duplicate Type 49 in cities of 40,000 population or
16 over per 3 months: the fee through September 30, 2019, is one
17 hundred seventy-six dollars (\$176) and the fee on and after October
18 1, 2019, is two hundred fifteen dollars (\$215).

19 (K) For a Duplicate Type 49 in cities of 40,000 population or
20 over per 6 months: the fee through September 30, 2019, is three
21 hundred fifty dollars (\$350) and the fee on and after October 1,
22 2019, is four hundred thirty dollars (\$430).

23 (L) For a Duplicate Type 49 in cities of 40,000 population or
24 over per 9 months: the fee through September 30, 2019, is five
25 hundred twenty-six dollars (\$526) and the fee on and after October
26 1, 2019, is six hundred fifty dollars (\$650).

27 (M) For a Duplicate Type 49 in cities of less than 40,000, but
28 more than 20,000 population or over per 3 months: the fee through
29 September 30, 2019, is one hundred three dollars (\$103) and the
30 fee on and after October 1, 2019, is one hundred twenty-five dollars
31 (\$125).

32 (N) For a Duplicate Type 49 in cities of less than 40,000, but
33 more than 20,000 per 6 months: the fee through September 30,
34 2019, is two hundred seven dollars (\$207) and the fee on and after
35 October 1, 2019, is two hundred fifty dollars (\$250).

36 (O) For a Duplicate Type 49 in cities of less than 40,000, but
37 more than 20,000 population or over per 9 months: the fee through
38 September 30, 2019, is three hundred eleven dollars (\$311) and
39 the fee on and after October 1, 2019, is three hundred seventy-five
40 dollars (\$375).

1 (P) For a Duplicate Type 49 in all other localities per 3 months:
2 the fee through September 30, 2019, is eighty-one dollars (\$81)
3 and the fee on and after October 1, 2019, is one hundred ten dollars
4 (\$110).

5 (Q) For a Duplicate Type 49 in all other localities per 6 months:
6 the fee through September 30, 2019, is one hundred sixty-six
7 dollars (\$166) and the fee on and after October 1, 2019, is two
8 hundred fifteen dollars (\$215).

9 (R) For a Duplicate Type 49 in all other localities per 9 months:
10 the fee through September 30, 2019, is two hundred forty-seven
11 dollars (\$247) and the fee on and after October 1, 2019, is three
12 hundred twenty-five dollars (\$325).

13 (40) (A) For a Type 50 - On-sale general license for bona fide
14 clubs in cities of 40,000 population or over: the fee through
15 September 30, 2019, is five hundred sixty dollars (\$560) and the
16 fee on and after October 1, 2019, is six hundred fifty dollars (\$650).

17 (B) For a Type 50 - On-sale general license for bona fide clubs
18 in cities of less than 40,000, but more than 20,000 population: the
19 fee through September 30, 2019, is four hundred twenty dollars
20 (\$420) and the fee on and after October 1, 2019, is five hundred
21 forty dollars (\$540).

22 (C) For a Type 50 - On-sale general license for bona fide clubs
23 in all other localities: the fee through September 30, 2019, is three
24 hundred seventy-three dollars (\$373) and the fee on and after
25 October 1, 2019, is four hundred thirty dollars (\$430).

26 (41) (A) For a Type 51 - Club license (issued under Article 4
27 of this chapter) in cities of 40,000 population or over: the fee
28 through September 30, 2019, is five hundred sixty dollars (\$560)
29 and the fee on and after October 1, 2019, is six hundred fifty dollars
30 (\$650).

31 (B) For a Type 51 - Club license (issued under Article 4 of this
32 chapter) in cities of less than 40,000, but more than 20,000
33 population: the fee through September 30, 2019, is four hundred
34 twenty dollars (\$420) and the fee on and after October 1, 2019, is
35 five hundred forty dollars (\$540).

36 (C) For a Type 51 - Club license (issued under Article 4 of this
37 chapter) in all other localities: the fee through September 30, 2019,
38 is three hundred seventy-three dollars (\$373) and the fee on and
39 after October 1, 2019, is four hundred thirty dollars (\$430).

1 ~~(42) (A) For a Type 52 - Veterans' club license (issued under~~
2 ~~Article 5 of this chapter) in cities of 40,000 population or over:~~
3 ~~the fee through September 30, 2019, is five hundred sixty dollars~~
4 ~~(\$560) and the fee on and after October 1, 2019, is six hundred~~
5 ~~fifty dollars (\$650).~~

6 ~~(B) For a Type 52 - Veterans' club license (issued under Article~~
7 ~~5 of this chapter) in cities of less than 40,000, but more than 20,000~~
8 ~~population: the fee through September 30, 2019, is four hundred~~
9 ~~twenty dollars (\$420) and the fee on and after October 1, 2019, is~~
10 ~~five hundred forty dollars (\$540).~~

11 ~~(C) For a Type 52 - Veterans' club license (issued under Article~~
12 ~~5 of this chapter) in all other localities: the fee through September~~
13 ~~30, 2019, is three hundred seventy-three dollars (\$373) and the fee~~
14 ~~on and after October 1, 2019, is four hundred thirty dollars (\$430).~~

15 ~~(43) (A) For a Type 53 - On-sale general train: the fee through~~
16 ~~September 30, 2019, is two hundred seventeen dollars (\$217) and~~
17 ~~the fee on and after October 1, 2019, is three hundred twenty-five~~
18 ~~dollars (\$325).~~

19 ~~(B) For a Duplicate Type 53: the fee through September 30,~~
20 ~~2019, is seventy-seven dollars (\$77) and the fee on and after~~
21 ~~October 1, 2019, is one hundred ten dollars (\$110).~~

22 ~~(44) For a Type 54 - On-sale general boat: the fee through~~
23 ~~September 30, 2019, is five hundred sixty-three dollars (\$563) and~~
24 ~~the fee on and after October 1, 2019, is six hundred fifty dollars~~
25 ~~(\$650).~~

26 ~~(45) (A) For a Type 55 - On-sale general license for airplanes:~~
27 ~~the fee through September 30, 2019, is five hundred sixty-three~~
28 ~~dollars (\$563) and the fee on and after October 1, 2019, is six~~
29 ~~hundred fifty dollars (\$650).~~

30 ~~(B) For a Duplicate Type 55 for air common carriers: the fee~~
31 ~~through September 30, 2019, is seventy-seven dollars (\$77) and~~
32 ~~the fee on and after October 1, 2019, is one hundred ten dollars~~
33 ~~(\$110).~~

34 ~~(46) (A) For a Type 56 - On-sale general license for vessels of~~
35 ~~more than 1,000 tons burden: the fee through September 30, 2019,~~
36 ~~is two hundred seventeen dollars (\$217) and the fee on and after~~
37 ~~October 1, 2019, is three hundred twenty-five dollars (\$325).~~

38 ~~(B) For a Duplicate Type 56: the fee through September 30,~~
39 ~~2019, is seventy-seven dollars (\$77) and the fee on and after~~
40 ~~October 1, 2019, is one hundred ten dollars (\$110).~~

1 ~~(47) (A) For a Type 57 - Special on-sale general in cities of~~
2 ~~40,000 population or over: the fee through September 30, 2019,~~
3 ~~is nine hundred seventy-one dollars (\$971) and the fee on and after~~
4 ~~October 1, 2019, is one thousand one hundred ninety dollars~~
5 ~~(\$1,190).~~

6 ~~(B) For a Type 57 - Special on-sale general in cities of less than~~
7 ~~40,000, but more than 20,000 population: the fee through~~
8 ~~September 30, 2019, is seven hundred eleven dollars (\$711) and~~
9 ~~the fee on and after October 1, 2019, is nine hundred seventy~~
10 ~~dollars (\$970).~~

11 ~~(C) For a Type 57 - Special on-sale general in all other localities:~~
12 ~~the fee through September 30, 2019, is six hundred thirty-two~~
13 ~~dollars (\$632) and the fee on and after October 1, 2019, is seven~~
14 ~~hundred fifty-five dollars (\$755).~~

15 ~~(D) For a Duplicate Type 57 in cities of 40,000 population or~~
16 ~~over: the fee through September 30, 2019, is six hundred~~
17 ~~ninety-nine dollars (\$699) and the fee on and after October 1, 2019,~~
18 ~~is seven hundred fifty-five dollars (\$755).~~

19 ~~(E) For a Duplicate Type 57 in cities of less than 40,000, but~~
20 ~~more than 20,000 population: the fee through September 30, 2019,~~
21 ~~is four hundred thirteen dollars (\$413) and the fee on and after~~
22 ~~October 1, 2019, is five hundred forty dollars (\$540).~~

23 ~~(F) For a Duplicate Type 57 in all other localities: the fee~~
24 ~~through September 30, 2019, is three hundred twenty-six dollars~~
25 ~~(\$326) and the fee on and after October 1, 2019, is four hundred~~
26 ~~thirty dollars (\$430).~~

27 ~~(48) (A) For a Type 58 - Caterer's permit; on-sale general or~~
28 ~~on-sale beer and wine: the fee through September 30, 2019, is one~~
29 ~~hundred forty-six dollars (\$146) and the fee on and after October~~
30 ~~1, 2019, is two hundred fifteen dollars (\$215).~~

31 ~~(B) For a Type 58 - Caterer's permit; club in cities of 40,000~~
32 ~~population or over: the fee through September 30, 2019, is nine~~
33 ~~hundred seventy-one dollars (\$971) and the fee on and after~~
34 ~~October 1, 2019, is one thousand one hundred ninety dollars~~
35 ~~(\$1,190).~~

36 ~~(C) For a Type 58 - Caterer's permit; club in cities of less than~~
37 ~~40,000, but more than 20,000 population: the fee through~~
38 ~~September 30, 2019, is seven hundred eleven dollars (\$711) and~~
39 ~~the fee on and after October 1, 2019, is nine hundred seventy~~
40 ~~dollars (\$970).~~

- 1 (D) For a Type 58 - Caterer's permit; club in all other localities:
2 the fee through September 30, 2019, is six hundred thirty-two
3 dollars (\$632) and the fee on and after October 1, 2019, is seven
4 hundred fifty-five dollars (\$755).
- 5 (49) (A) For a Type 59 - On-sale beer and wine seasonal;
6 operating period 3-9 months: the fee through September 30, 2019,
7 is two hundred thirty-nine dollars (\$239) and the fee on and after
8 October 1, 2019, is two hundred fifty dollars (\$250).
- 9 (B) For a Type 59 - On-sale beer and wine seasonal; operating
10 period 3-6 months: the fee through September 30, 2019, is one
11 hundred sixty-two dollars (\$162) and the fee on and after October
12 1, 2019, is one hundred seventy-five dollars (\$175).
- 13 (50) (A) For a Type 60 - On-sale beer seasonal; operating period
14 3-9 months: the fee through September 30, 2019, is two hundred
15 thirty-nine dollars (\$239) and the fee on and after October 1, 2019,
16 is two hundred fifty dollars (\$250).
- 17 (B) For a Type 60 - On-sale beer seasonal; operating period 3-6
18 months: the fee through September 30, 2019, is one hundred
19 sixty-two dollars (\$162) and the fee on and after October 1, 2019,
20 is one hundred seventy-five dollars (\$175).
- 21 (51) For a Type 61 - On-sale beer public premises: the fee
22 through September 30, 2019, is two hundred eighty-four dollars
23 (\$284) and the fee on and after October 1, 2019, is three hundred
24 eighty dollars (\$380).
- 25 (52) For a Type 62 - On-sale general license dockside: the fee
26 through September 30, 2019, is six hundred nine dollars (\$609)
27 and the fee on and after October 1, 2019, is seven hundred fifty-five
28 dollars (\$755).
- 29 (53) For a Type 63 - On-sale special beer and wine hospital:
30 the fee through September 30, 2019, is ninety-six dollars (\$96)
31 and the fee on and after October 1, 2019, is one hundred ten dollars
32 (\$110).
- 33 (54) (A) For a Type 64 - Special on-sale general theater in cities
34 of 40,000 population or over: the fee through September 30, 2019,
35 is five hundred sixty dollars (\$560) and the fee on and after October
36 1, 2019, is seven hundred fifty-five dollars (\$755).
- 37 (B) For a Type 64 - Special on-sale general theater in cities of
38 less than 40,000, but more than 20,000 population: the fee through
39 September 30, 2019, is four hundred twenty dollars (\$420) and

1 the fee on and after October 1, 2019, is five hundred forty dollars
2 (\$540).

3 (C) For a Type 64 - Special on-sale general theater in all other
4 localities: the fee through September 30, 2019, is three hundred
5 seventy-three dollars (\$373) and the fee on and after October 1,
6 2019, is four hundred thirty dollars (\$430).

7 (55) For a Type 65 - Special on-sale beer and wine symphony:
8 the fee through September 30, 2019, is two hundred eighty-four
9 dollars (\$284) and the fee on and after October 1, 2019, is four
10 hundred thirty dollars (\$430).

11 (56) For a Type 66 - Controlled access cabinet: the fee through
12 September 30, 2019, is six hundred seventeen dollars (\$617) and
13 the fee on and after October 1, 2019, is seven hundred fifty-five
14 dollars (\$755).

15 (57) For a Type 67 - Bed and breakfast inn; per room: the fee
16 through September 30, 2019, is eight dollars (\$8) and the fee on
17 and after October 1, 2019, is ten dollars (\$10).

18 (58) (A) For a Type 68 - Portable bar in cities of 40,000
19 population or over: the fee through September 30, 2019, is six
20 hundred ninety-nine dollars (\$699) and the fee on and after October
21 1, 2019, is seven hundred fifty-five dollars (\$755).

22 (B) For a Type 68 - Portable bar in cities of less than 40,000,
23 but more than 20,000 population: the fee through September 30,
24 2019, is four hundred thirteen dollars (\$413) and the fee on and
25 after October 1, 2019, is five hundred forty dollars (\$540).

26 (C) For a Type 68 - Portable bar in all other localities: the fee
27 through September 30, 2019, is three hundred twenty-six dollars
28 (\$326) and the fee on and after October 1, 2019, is four hundred
29 thirty dollars (\$430).

30 (59) For a Type 69 - Special on-sale beer and wine theater: the
31 fee through September 30, 2019, is two hundred eighty-four dollars
32 (\$284) and the fee on and after October 1, 2019, is four hundred
33 thirty dollars (\$430).

34 (60) (A) For a Type 70 - On-sale general restrictive service in
35 cities of 40,000 population or over: the fee through September 30,
36 2019, is nine hundred seventy-one dollars (\$971) and the fee on
37 and after October 1, 2019, is one thousand one hundred ninety
38 dollars (\$1,190).

39 (B) For a Type 70 - On-sale general restrictive service in cities
40 of less than 40,000, but more than 20,000 population: the fee

1 through September 30, 2019, is seven hundred eleven dollars
2 (\$711) and the fee on and after October 1, 2019, is nine hundred
3 seventy dollars (\$970).

4 (C) For a Type 70 – On-sale general restrictive service in all
5 other localities: the fee through September 30, 2019, is six hundred
6 thirty-two dollars (\$632) and the fee on and after October 1, 2019,
7 is seven hundred fifty-five dollars (\$755).

8 (61) (A) For a Type 71 – Special on-sale general for-profit
9 theater in cities of 40,000 population or over: the fee through
10 September 30, 2019, is nine hundred seventy-one dollars (\$971)
11 and the fee on and after October 1, 2019, is one thousand one
12 hundred ninety dollars (\$1,190).

13 (B) For a Type 71 – Special on-sale general for-profit theater in
14 cities of less than 40,000, but more than 20,000 population: the
15 fee through September 30, 2019, is seven hundred eleven dollars
16 (\$711) and the fee on and after October 1, 2019, is nine hundred
17 seventy dollars (\$970).

18 (C) For a Type 71 – Special on-sale general for-profit theater in
19 all other localities: the fee through September 30, 2019, is six
20 hundred thirty-two dollars (\$632) and the fee on and after October
21 1, 2019, is seven hundred fifty-five dollars (\$755).

22 (D) For a Duplicate Type 71 in cities of 40,000 population or
23 over: the fee through September 30, 2019, is six hundred
24 ninety-nine dollars (\$699) and the fee on and after October 1, 2019,
25 is seven hundred fifty-five dollars (\$755).

26 (E) For a Duplicate Type 71 in cities of less than 40,000, but
27 more than 20,000 population: the fee through September 30, 2019,
28 is four hundred thirteen dollars (\$413) and the fee on and after
29 October 1, 2019, is five hundred forty dollars (\$540).

30 (F) For a Duplicate Type 71 in all other localities: the fee
31 through September 30, 2019, is three hundred twenty-six dollars
32 (\$326) and the fee on and after October 1, 2019, is four hundred
33 thirty dollars (\$430).

34 (62) (A) For a Type 72 – Special on-sale general for-profit
35 theater, Napa County in cities of 40,000 population or over: the
36 fee through September 30, 2019, is nine hundred seventy-one
37 dollars (\$971) and the fee on and after October 1, 2019, is one
38 thousand one hundred ninety dollars (\$1,190).

39 (B) For a Type 72 – Special on-sale general for-profit theater,
40 Napa County in cities of less than 40,000, but more than 20,000

1 population: the fee through September 30, 2019, is seven hundred
2 eleven dollars (\$711) and the fee on and after October 1, 2019, is
3 nine hundred seventy dollars (\$970).

4 (C) For a Type 72 - Special on-sale general for-profit theater,
5 Napa County in all other localities: the fee through September 30,
6 2019, is six hundred thirty-two dollars (\$632) and the fee on and
7 after October 1, 2019, is seven hundred fifty-five dollars (\$755).

8 (D) For a Duplicate Type 72 in cities of 40,000 population or
9 over: the fee through September 30, 2019, is six hundred
10 ninety-nine dollars (\$699) and the fee on and after October 1, 2019,
11 is seven hundred fifty-five dollars (\$755).

12 (E) For a Duplicate Type 72 in cities of less than 40,000, but
13 more than 20,000 population: the fee through September 30, 2019,
14 is four hundred thirteen dollars (\$413) and the fee on and after
15 October 1, 2019, is five hundred forty dollars (\$540).

16 (F) For a Duplicate Type 72 in all other localities: the fee
17 through September 30, 2019, is three hundred twenty-six dollars
18 (\$326) and the fee on and after October 1, 2019, is four hundred
19 thirty dollars (\$430).

20 (63) For a Type 73 - Special nonprofit sales: the fee through
21 September 30, 2019, is one hundred fourteen dollars (\$114) and
22 the fee on and after October 1, 2019, is one hundred sixty dollars
23 (\$160).

24 (64) For a Type 74 - Craft distilled spirits manufacturer: the fee
25 through September 30, 2019, is five hundred ten dollars (\$510)
26 and the fee on and after October 1, 2019, is seven hundred fifty-five
27 dollars (\$755).

28 (65) (A) For a Type 75 - Brewpub-restaurant in cities of 40,000
29 population or over: the fee through September 30, 2019, is nine
30 hundred seventy-one dollars (\$971) and the fee on and after
31 October 1, 2019, is one thousand one hundred ninety dollars
32 (\$1,190).

33 (B) For a Type 75 - Brewpub-restaurant in cities of less than
34 40,000, but more than 20,000 population: the fee through
35 September 30, 2019, is seven hundred eleven dollars (\$711) and
36 the fee on and after October 1, 2019, is nine hundred seventy
37 dollars (\$970).

38 (C) For a Type 75 - Brewpub-restaurant in all other localities:
39 the fee through September 30, 2019, is six hundred thirty-two

1 dollars (\$632) and the fee on and after October 1, 2019, is seven
2 hundred fifty-five dollars (\$755).

3 (D) For a Duplicate Type 75 in cities of 40,000 population or
4 over: the fee through September 30, 2019, is six hundred
5 ninety-nine dollars (\$699) and the fee on and after October 1, 2019,
6 is seven hundred fifty-five dollars (\$755).

7 (E) For a Duplicate Type 75 in cities of less than 40,000, but
8 more than 20,000 population: the fee through September 30, 2019,
9 is four hundred thirteen dollars (\$413) and the fee on and after
10 October 1, 2019, is five hundred forty dollars (\$540).

11 (F) For a Duplicate Type 75 in all other localities: the fee
12 through September 30, 2019, is three hundred twenty-six dollars
13 (\$326) and the fee on and after October 1, 2019, is four hundred
14 thirty dollars (\$430).

15 (66) (A) For a Type 76 - On-sale general maritime museum:
16 the fee through September 30, 2019, is two hundred seventeen
17 dollars (\$217) and the fee on and after October 1, 2019, is three
18 hundred twenty-five dollars (\$325).

19 (B) For a Duplicate Type 76: the fee through September 30,
20 2019, is seventy-seven dollars (\$77) and the fee on and after
21 October 1, 2019, is one hundred ten dollars (\$110).

22 (67) For a Type 77 - Event permit: the fee through September
23 30, 2019, is one hundred forty-six dollars (\$146) and the fee on
24 and after October 1, 2019, is two hundred fifteen dollars (\$215).

25 (68) (A) For a Type 78 - On-sale general wine, food and art
26 cultural museum in cities of 40,000 population or over: the fee
27 through September 30, 2019, is nine hundred seventy-one dollars
28 (\$971) and the fee on and after October 1, 2019, is one thousand
29 one hundred ninety dollars (\$1,190).

30 (B) For a Type 78 - On-sale general wine, food and art cultural
31 museum in cities of less than 40,000, but more than 20,000
32 population: the fee through September 30, 2019, is seven hundred
33 eleven dollars (\$711) and the fee on and after October 1, 2019, is
34 nine hundred seventy dollars (\$970).

35 (C) For a Type 78 - On-sale general wine, food and art cultural
36 museum in all other localities: the fee through September 30, 2019,
37 is six hundred thirty-two dollars (\$632) and the fee on and after
38 October 1, 2019, is seven hundred fifty-five dollars (\$755).

39 (D) For a Duplicate Type 78 in cities of 40,000 population or
40 over: the fee through September 30, 2019, is six hundred

1 ninety-nine dollars (\$699) and the fee on and after October 1, 2019,
2 is seven hundred fifty-five dollars (\$755).

3 (E) For a Duplicate Type 78 in cities of less than 40,000, but
4 more than 20,000 population: the fee through September 30, 2019,
5 is four hundred thirteen dollars (\$413) and the fee on and after
6 October 1, 2019, is five hundred forty dollars (\$540).

7 (F) For a Duplicate Type 78 in all other localities: the fee
8 through September 30, 2019, is three hundred twenty-six dollars
9 (\$326) and the fee on and after October 1, 2019, is four hundred
10 thirty dollars (\$430).

11 (69) For a Type 79 - Certified farmers' market: the fee through
12 September 30, 2019, is fifty-eight dollars (\$58) and the fee on and
13 after October 1, 2019, is one hundred ten dollars (\$110).

14 (70) For a Type 80 - Special on-sale general; per room: the fee
15 through September 30, 2019, is seventeen dollars (\$17) and the
16 fee on and after October 1, 2019, is twenty dollars (\$20).

17 (71) For a Type 81 - Wine sales event permit: the fee through
18 September 30, 2019, is fifty dollars (\$50) and the fee on and after
19 October 1, 2019, is one hundred ten dollars (\$110).

20 (72) For a Type 82 - Direct shipper permit: the fee through
21 September 30, 2019, is ten dollars (\$10) and the fee on and after
22 October 1, 2019, is twenty-five dollars (\$25).

23 (73) (A) For a Type 83 - On-sale general caterer's permit in
24 cities of 40,000 population or over: the fee through September 30,
25 2019, is nine hundred seventy-one dollars (\$971) and the fee on
26 and after October 1, 2019, is one thousand one hundred ninety
27 dollars (\$1,190).

28 (B) For a Type 83 - On-sale general caterer's permit in cities
29 of less than 40,000, but more than 20,000 population: the fee
30 through September 30, 2019, is seven hundred eleven dollars
31 (\$711) and the fee on and after October 1, 2019, is nine hundred
32 seventy dollars (\$970).

33 (C) For a Type 83 - On-sale general caterer's permit in all other
34 localities: the fee through September 30, 2019, is six hundred
35 thirty-two dollars (\$632) and the fee on and after October 1, 2019,
36 is seven hundred fifty-five dollars (\$755).

37 (74) For a Type 84 - Certified farmers' market beer: the fee
38 through September 30, 2019, is fifty-eight dollars (\$58) and the
39 fee on and after October 1, 2019, is one hundred ten dollars (\$110).

- 1 ~~(75) For a Type 85 - Limited off-sale wine license: the fee~~
2 ~~through September 30, 2019, is two hundred seventy-eight dollars~~
3 ~~(\$278) and the fee on and after October 1, 2019, is three hundred~~
4 ~~eighty dollars (\$380).~~
- 5 ~~(76) For a Type 86 - Instructional tasting license: the fee through~~
6 ~~September 30, 2019, is three hundred dollars (\$300) and the fee~~
7 ~~on and after October 1, 2019, is three hundred eighty dollars~~
8 ~~(\$380).~~
- 9 ~~(77) (A) For a Type 87 - Neighborhood restricted special~~
10 ~~on-sale in cities of 40,000 population or over: the fee through~~
11 ~~September 30, 2019, is nine hundred seventy-one dollars (\$971)~~
12 ~~and the fee on and after October 1, 2019, is one thousand one~~
13 ~~hundred ninety dollars (\$1,190).~~
- 14 ~~(B) For a Type 87 - Neighborhood restricted special on-sale in~~
15 ~~cities of less than 40,000, but more than 20,000 population: the~~
16 ~~fee through September 30, 2019, is seven hundred eleven dollars~~
17 ~~(\$711) and the fee on and after October 1, 2019, is nine hundred~~
18 ~~seventy dollars (\$970).~~
- 19 ~~(C) For a Type 87 - Neighborhood restricted special on-sale in~~
20 ~~all other localities: the fee through September 30, 2019, is six~~
21 ~~hundred thirty-two dollars (\$632) and the fee on and after October~~
22 ~~1, 2019, is seven hundred fifty-five dollars (\$755).~~
- 23 ~~(D) For a Duplicate Type 87 in cities of 40,000 population or~~
24 ~~over: the fee through September 30, 2019, is six hundred~~
25 ~~ninety-nine dollars (\$699) and the fee on and after October 1, 2019,~~
26 ~~is seven hundred fifty-five dollars (\$755).~~
- 27 ~~(E) For a Duplicate Type 87 in cities of less than 40,000, but~~
28 ~~more than 20,000 population: the fee through September 30, 2019,~~
29 ~~is four hundred thirteen dollars (\$413) and the fee on and after~~
30 ~~October 1, 2019, is five hundred forty dollars (\$540).~~
- 31 ~~(F) For a Duplicate Type 87 in all other localities: the fee~~
32 ~~through September 30, 2019, is three hundred twenty-six dollars~~
33 ~~(\$326) and the fee on and after October 1, 2019, is four hundred~~
34 ~~thirty dollars (\$430).~~
- 35 ~~(78) (A) For a Type 88 - Special on-sale general license for~~
36 ~~historic cemetery in cities of 40,000 population or over: the fee~~
37 ~~through September 30, 2019, is nine hundred seventy-one dollars~~
38 ~~(\$971) and the fee on and after October 1, 2019, is one thousand~~
39 ~~one hundred ninety dollars (\$1,190).~~

1 ~~(B) For a Type 88 - Special on-sale general license for historic~~
2 ~~cemetery in cities of less than 40,000, but more than 20,000~~
3 ~~population: the fee through September 30, 2019, is seven hundred~~
4 ~~eleven dollars (\$711) and the fee on and after October 1, 2019, is~~
5 ~~nine hundred seventy dollars (\$970).~~

6 ~~(C) For a Type 88 - Special on-sale general license for historic~~
7 ~~cemetery in all other localities: the fee through September 30,~~
8 ~~2019, is six hundred thirty-two dollars (\$632) and the fee on and~~
9 ~~after October 1, 2019, is seven hundred fifty-five dollars (\$755).~~

10 ~~(D) For a Duplicate Type 88 in cities of 40,000 population or~~
11 ~~over: the fee through September 30, 2019, is six hundred~~
12 ~~ninety-nine dollars (\$699) and the fee on and after October 1, 2019,~~
13 ~~is seven hundred fifty-five dollars (\$755).~~

14 ~~(E) For a Duplicate Type 88 in cities of less than 40,000, but~~
15 ~~more than 20,000 population: the fee through September 30, 2019,~~
16 ~~is four hundred thirteen dollars (\$413) and the fee on and after~~
17 ~~October 1, 2019, is five hundred forty dollars (\$540).~~

18 ~~(F) For a Duplicate Type 88 in all other localities: the fee~~
19 ~~through September 30, 2019, is three hundred twenty-six dollars~~
20 ~~(\$326) and the fee on and after October 1, 2019, is four hundred~~
21 ~~thirty dollars (\$430).~~

22 ~~(79) For a Type 95 - Consumer delivery service permit: the fee~~
23 ~~is one thousand five hundred dollars (\$1,500).~~

24 ~~(c) (1) In addition to the application fee for a new permanent~~
25 ~~license as specified in subdivision (a), an annual renewal fee, as~~
26 ~~set forth in subdivision (b), shall accompany the application. The~~
27 ~~application fee shall be nonrefundable up to the amount of the~~
28 ~~application fee in paragraph (1) of subdivision (a), as adjusted by~~
29 ~~subdivisions (d) and (e). The annual fee provided at the time of~~
30 ~~application shall allow the license to be active for one year from~~
31 ~~the date of issuance and shall be refundable only in the event that~~
32 ~~the license application is withdrawn or denied.~~

33 ~~(2) If an application includes multiple new permanent licenses~~
34 ~~to be issued at the same premises, the application fee shall be~~
35 ~~required for only one of the applied-for licenses and an application~~
36 ~~fee shall not be charged for the remainder of the licenses. In~~
37 ~~situations involving different license types, the application fee to~~
38 ~~be paid shall be the highest such fee as specified in subdivision~~
39 ~~(a). Notwithstanding this provision, the annual renewal fee required~~
40 ~~pursuant to this subdivision shall be payable for each license.~~

1 (d) Beginning January 1, 2021, and each January 1 thereafter,
2 the department may adjust each of the fees specified in this section
3 by increasing each fee by an amount not to exceed the percentage
4 that the California Consumer Price Index (California Department
5 of Industrial Relations, Division of Labor Statistics and Research,
6 All Items, Base Period 1982-84=100) for the preceding August
7 2019, and each August annually thereafter, has increased under
8 the same index over the month of August 2018, which shall be the
9 base period. The department shall not adjust fees pursuant to this
10 section if the balance of the Alcohol Beverage Control Fund at the
11 end of the prior fiscal year is greater than one-fourth of the
12 department's appropriation from the Alcohol Beverage Control
13 Fund for the current fiscal year. No fee shall be decreased pursuant
14 to this adjustment below the fee currently in effect on each
15 December 31. If the accumulation of percentage increases is greater
16 than 8 percent, the department shall not adjust fees without the
17 Legislature's approval through the budget process. In the event
18 that this index is discontinued, the department shall consult with
19 the Department of Finance to convert the increase calculations to
20 an index then available. When approved by the Department of
21 Finance, the new index shall replace the discontinued index.

22 (e) When fees are adjusted pursuant to subdivision (d), the
23 department shall calculate the percentage increase as specified in
24 that subdivision and shall apply this increase to each fee. The
25 increase to each fee shall be rounded to the nearest whole five
26 dollars (\$5). The adjusted fee list, to be effective on January 1 of
27 the upcoming year, shall be published by the department on its
28 internet website and transmitted in writing to the Chairperson of
29 the Joint Legislative Budget Committee no later than January 10
30 of the year before it becomes effective. This adjustment of fees
31 and publication of the adjusted fee list is not subject to the
32 requirements of Chapter 3.5 (commencing with Section 11340) of
33 Part 1 of Division 3 of Title 2 of the Government Code.

34 SEC. 2. Section 23394.6 is added to the Business and
35 Professions Code, to read:

36 23394.6. (a) A licensee with off-sale retail privileges, or a
37 consumer delivery service permit holder delivering orders on their
38 behalf, may deliver an alcoholic beverage to a consumer away
39 from the licensed premises only if all of the following requirements
40 are met:

1 ~~(1) The licensee shall be authorized to sell the alcoholic beverage~~
2 ~~for off-sale consumption. The licensee shall have the exclusive~~
3 ~~authority to determine which alcoholic beverages are available for~~
4 ~~delivery and set the prices for these beverages.~~

5 ~~(2) The delivery shall be made by the licensee or on behalf of~~
6 ~~the licensee by the holder of a consumer delivery service permit.~~

7 ~~(3) The licensee shall be responsible for accepting or rejecting~~
8 ~~the sale and delivery order, and the purchaser shall pay the licensee~~
9 ~~before delivery, directly or through a payment processor. A licensee~~
10 ~~shall not accept a delivery order unless, before the sale of the~~
11 ~~alcoholic beverages, the purchaser affirms that both the purchaser~~
12 ~~and the recipient of the order are not under 21 years of age.~~

13 ~~(4) Any alcoholic beverage sold for delivery shall be removed~~
14 ~~from the licensed premises only during the hours in which the~~
15 ~~licensee is permitted to sell alcoholic beverages, and the delivery~~
16 ~~shall be completed no later than 60 minutes after the time the~~
17 ~~licensee is required to end sales of alcoholic beverages.~~

18 ~~(5) The delivery shall be made by a person who is at least 21~~
19 ~~years of age. The person to whom the alcoholic beverages are~~
20 ~~delivered shall be at least 21 years of age. At the time of delivery,~~
21 ~~the age and identity of the recipient shall be verified by the person~~
22 ~~making the delivery.~~

23 ~~(6) A person making a delivery by motor vehicle shall maintain~~
24 ~~and carry a valid driver's license in accordance with Division 6~~
25 ~~(commencing with Section 12500) of the Vehicle Code, evidence~~
26 ~~of registration in accordance with Division 3 (commencing with~~
27 ~~Section 4000) of the Vehicle Code, and evidence of financial~~
28 ~~responsibility in effect for the vehicle in accordance with Division~~
29 ~~7 (commencing with Section 16000) of the Vehicle Code.~~

30 ~~(7) On and after January 1, 2024, the delivery shall be made by~~
31 ~~a person who has completed a responsible beverage service training~~
32 ~~course, as described in Article 4 (commencing with Section 25680)~~
33 ~~of Chapter 16. A consumer delivery service permitholder shall pay~~
34 ~~for the training of a person making a delivery on its behalf.~~

35 ~~(8) All alcoholic beverages delivered pursuant to this section~~
36 ~~shall be packaged in a manner that clearly and conspicuously~~
37 ~~identifies that the delivery contains alcoholic beverages.~~

38 ~~(9) If the licensee uses a consumer delivery service to fulfill the~~
39 ~~delivery of orders containing alcoholic beverages, the following~~
40 ~~additional requirements shall apply:~~

1 ~~(A) The service shall be provided pursuant to a valid, written~~
2 ~~contract between the licensee and the consumer delivery service~~
3 ~~that acknowledges the requirements of this section.~~

4 ~~(B) The licensee shall disclose to the consumer delivery service~~
5 ~~if an order to be delivered contains alcoholic beverages.~~

6 ~~(b) (1) A consumer delivery service shall not deliver any~~
7 ~~alcoholic beverages on behalf of a licensee with off-sale retail~~
8 ~~privileges unless the consumer delivery service has a permit issued~~
9 ~~by the department pursuant to this section. A consumer delivery~~
10 ~~service is any person who holds themselves out in the offering of~~
11 ~~a service to deliver alcoholic beverages on behalf of a licensee~~
12 ~~with off-sale retail privileges and enters into an arrangement of~~
13 ~~any form with the licensee for the purpose of delivering alcoholic~~
14 ~~beverages sold by the licensee.~~

15 ~~(2) On and after July 1, 2023, the department may issue a~~
16 ~~consumer delivery service permit to a service that satisfies both~~
17 ~~of the following:~~

18 ~~(A) The consumer delivery service pays the required application~~
19 ~~and annual fee, as specified in Section 23320.~~

20 ~~(B) The owners and officers of the service have not been~~
21 ~~convicted of any crimes of moral turpitude, as that term is applied~~
22 ~~to licensees under subdivision (d) of Section 24200.~~

23 ~~(c) (1) A licensee is not subject to discipline for the delivery~~
24 ~~or furnishing of an alcoholic beverage to an obviously intoxicated~~
25 ~~person, if the delivery of the alcoholic beverage is made by the~~
26 ~~holder of a consumer delivery service permit acting for the licensee~~
27 ~~and the licensee did not have notice that the person was obviously~~
28 ~~intoxicated at or before the time that the consumer delivery service~~
29 ~~picked up the order.~~

30 ~~(2) A licensee is not subject to discipline for the delivery or~~
31 ~~furnishing of an alcoholic beverage by a consumer delivery service~~
32 ~~pursuant to the authorization granted by this section to a person~~
33 ~~under 21 years of age if all of the following conditions are met:~~

34 ~~(A) Before the licensee accepts the order, the purchaser affirms~~
35 ~~that both the purchaser and the recipient are not under 21 years of~~
36 ~~age.~~

37 ~~(B) The licensee packages the alcoholic beverages in a manner~~
38 ~~that clearly and conspicuously identifies that the delivery contains~~
39 ~~alcoholic beverages.~~

1 ~~(C) The licensee identifies to the consumer delivery service that~~
2 ~~the order to be delivered contains alcoholic beverages.~~

3 ~~(d) (1) In addition to any other administrative penalties that~~
4 ~~may be imposed under this division, the department may impose~~
5 ~~the following administrative penalties against the holder of a~~
6 ~~consumer delivery service permit or a licensee with off-sale retail~~
7 ~~privileges who violates any provision of this section:~~

8 ~~(A) A fine of up to five thousand dollars (\$5,000) for a first~~
9 ~~violation.~~

10 ~~(B) A fine of up to seven thousand five hundred dollars (\$7,500)~~
11 ~~for a second violation within 12 months of a previous violation.~~

12 ~~(C) A fine of up to fifteen thousand dollars (\$15,000) for a third~~
13 ~~violation within 12 months of a previous violation, or for any~~
14 ~~subsequent violation thereafter.~~

15 ~~(2) The permitholder or licensee shall not pass any of these fines~~
16 ~~on to the delivery drivers.~~

17 ~~(3) This subdivision shall not be construed to limit the~~
18 ~~department's authority and discretion to suspend or revoke a~~
19 ~~consumer delivery service permit when the circumstances warrant~~
20 ~~that discipline.~~

21 ~~(4) Any fines collected by the department pursuant to this~~
22 ~~subdivision shall be treated in the same manner as payments in~~
23 ~~compromise pursuant to Section 23096 or 25761.~~

24 ~~(5) A violation of this section shall not be a crime.~~

25 ~~(e) This section does not authorize a consumer delivery service~~
26 ~~to sell alcoholic beverages or to otherwise exercise license~~
27 ~~privileges, including being compensated based upon a percentage~~
28 ~~of the sale price of alcoholic beverages.~~

29 ~~(f) This section does not apply to the delivery of alcoholic~~
30 ~~beverages by common carrier, or pursuant to Section 23661.3.~~

31 ~~(g) This section shall not modify or extinguish the requirements~~
32 ~~imposed by Section 25605.~~

33 ~~SEC. 3. Section 23401.5 of the Business and Professions Code~~
34 ~~is amended to read:~~

35 ~~23401.5. (a) Notwithstanding any other law to the contrary,~~
36 ~~the holder of an on-sale license for a bona fide public eating place~~
37 ~~that has off-sale privileges, a licensed beer manufacturer, licensed~~
38 ~~wine manufacturer, or licensed craft distiller that operates a bona~~
39 ~~fide public eating place at its premises of production, or a holder~~

1 of an on-sale general license may exercise the following rights and
2 privileges subject to the requirements of this section:

3 (1) ~~The licensee may sell the distilled spirits for off-sale
4 consumption for which their license permits on-sale consumption
5 provided the beverages are in manufacturer-prepackaged containers
6 and are either ordered and picked up by the consumer or delivered
7 in compliance with Section 23394.6.~~

8 (2) In addition to the privilege provided by paragraph (1), the
9 licensee may sell the alcoholic beverages, except beer, for off-sale
10 consumption for which their license permits on-sale consumption
11 when the beverages are not in manufacturer-prepackaged containers
12 if the following conditions are met:

13 (A) ~~The alcoholic beverages are packaged in a container with
14 a secure lid or cap sealed in a manner designed to prevent
15 consumption without removal of the lid or cap by breaking the
16 seal.~~

17 (B) ~~Wine is sold only in single-serve containers. For purposes
18 of this subparagraph, "single-serve containers" means containers
19 that have a standard of fill between 187 milliliters and 355
20 milliliters that is authorized for wine under Section 4.72 of Title
21 27 of the Code of Federal Regulations.~~

22 (C) ~~Mixed drinks and cocktails sold for off-sale consumption
23 pursuant to the authorization granted by this section shall not
24 exceed four and one-half ounces of distilled spirits.~~

25 (D) ~~The container is clearly and conspicuously labeled or
26 otherwise identified as containing an alcoholic beverage.~~

27 (E) (i) ~~The following warning sign is posted in a manner that
28 notifies consumers of restrictions regarding open container laws:~~

29
30 ~~"Alcoholic beverages that are packaged by this establishment
31 are open containers and shall not be transported in a motor vehicle
32 except in the vehicle's trunk or, if there is no trunk, the containers
33 shall be kept in some other area of the vehicle that is not normally
34 occupied by the driver or passengers. This does not include a utility
35 compartment or glove compartment (See Vehicle Code Section
36 23225). Additionally, these beverages shall not be consumed in
37 public or in any other area where open containers are prohibited
38 by law."~~
39

1 (ii) For purposes of this subparagraph, “post” means to
2 prominently display on the premises, post online, or present in
3 whatever manner is necessary to ensure that the consumer
4 purchasing the beverages to which this section applies is given
5 notice of this warning.

6 (3) Nothing in this section shall require a licensee to sell
7 alcoholic beverages for off-sale consumption whether or not the
8 alcoholic beverage is in a manufacturer-sealed prepackaged
9 container or otherwise.

10 (b) Before exercising the privileges authorized in paragraph (2)
11 of subdivision (a), the licensee shall notify the department in
12 writing of its intent to do so.

13 (c) Notwithstanding any law to the contrary, the department
14 may at any time impose conditions on a license restricting or
15 prohibiting the licensee from selling or furnishing any alcoholic
16 beverage pursuant to this Section.

17 (1) Any conditions imposed pursuant to this subdivision shall
18 be based upon a showing of good cause. Good cause includes, but
19 is not limited to, a written request, including the reason for the
20 restriction or prohibition, from a local law enforcement agency or
21 local governing body, or its designated subordinate officer or
22 agency.

23 (2) A licensee may petition the department to modify or remove
24 a condition within 10 days following imposition of the condition.

25 (A) A petition under this paragraph shall be subject to the same
26 fee as provided in Section 23803.

27 (B) If the department denies the licensee’s petition, the licensee
28 may request a hearing, which shall be conducted in the same
29 manner as provided in Section 23805.

30 (C) In any hearing pursuant to this paragraph, the licensee shall
31 have the burden to establish that the condition is unreasonable or
32 that no good cause exists for its imposition. The condition shall
33 remain in effect during any appeal of its imposition.

34 (d) Nothing in this section shall preclude privileges authorized
35 pursuant to Sections 23401 and 23661.3.

36 (e) Nothing in this section shall authorize any person to operate
37 a location in violation of Section 25604.

- 1 (f) ~~This section shall be operative until December 31, 2026, and~~
- 2 ~~as of that date is repealed.~~

O