

## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 653 is added to the Public Utilities Code, to read:

653. The commission, in furtherance of the goals of Sections 399.24 and 651, shall authorize a gas corporation to file applications to recover through its rate base investments in infrastructure to interconnect facilities producing biomethane from a producer to the pipeline system, including, but not limited to, the point of receipt downstream, and authorize the timely recovery of costs through a reasonable cost recovery mechanism. If requested by the gas corporation, the commission shall authorize the use of a two-way balancing account mechanism.

SEC. 2. Section 740.22 is added to the Public Utilities Code, to read:

740.22. (a) The Legislature finds and declares that capture, treatment, transport, sequestration, and use of carbon dioxide serves and is in the public interest, and is in furtherance of the public health and welfare of the people of California.

(b) Notwithstanding Section 211 or any other law, the commission, in consultation with the State Air Resources Board and the Energy Commission, shall authorize a gas corporation to file applications for investments in programs to develop capture and sequestration or use of carbon dioxide to reduce emissions of greenhouse gases consistent with state carbon reduction goals.

(c) Programs proposed by gas corporations shall seek to minimize overall costs and maximize overall benefits. The commission shall approve, or approve with appropriate modification, reasonable investments in assets for the capture, treatment, transport, sequestration, and use of carbon dioxide, including the timely recovery of costs through a reasonable cost recovery mechanism.

(d) If requested by the gas corporation, the commission shall authorize the use of a two-way balancing account mechanism.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.