MEMORANDUM

TO: Water Resources Committee and Alternates, Board of Directors and Alternates

FROM: Scott Petersen, Water Policy Director

DATE: May 13, 2024

RE: Water Resources Committee to Consider Recommendations on Legislation / Board of Directors to Consider Same

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Recommendation

Recommend to the Board of Directors to adopt the following positions on legislation:

Support and Amend

- Adopt a position of "Support and Amend" on A.B. 2661 (Soria), Electricity: transmission facility planning: Westlands Water District.

Oppose unless Amended

- Adopt a position of "Oppose Unless Amended" on A.B. 2079: Groundwater extraction: large-diameter, high-capacity wells: permits.

State Legislation

A.B. 2661 (Soria), Electricity: transmission facility planning: Westlands Water District.

RECOMMENDATION: Support and Amend

OBJECTIVE: Improve Outreach and Education

Summary

(1) Existing law vests the Public Utilities Commission (PUC) with regulatory authority over public utilities. Existing law requires the PUC to adopt a process for each load-serving entity, as defined, to file an integrated resource plan and a schedule for periodic updates to the plan to ensure that it meets, among other things, the state's targets for reducing emissions of greenhouse gases and the requirement to procure at least 60% of its electricity from eligible renewable energy resources by December 31, 2030. Under existing law, after the load-serving entities updated the integrated resource plans pursuant to the schedule adopted by the PUC, the PUC adopted an aggregated resource portfolio known as the preferred system plan.

Existing law establishes an Independent System Operator (ISO) as a nonprofit public benefit corporation, and requires the ISO to ensure the efficient use and reliable operation of the electrical transmission grid consistent with the achievement of planning and operating reserve criteria, as specified. Existing law requires the PUC, in consultation with the State Energy Resources Conservation and Development Commission, to provide, not later than March 31, 2024, transmission-focused guidance to the ISO about resource portfolios of expected future renewable energy resources and zero-carbon resources. Existing law requires the guidance to include the allocation of those resources by region based on technical feasibility and commercial interest in each region.

This bill would require the PUC to perform a sensitivity analysis evaluating the potential for 10,000 to 30,000 megawatts of solar electrical generation located in the Central Valley beyond the amount of solar electrical generation described in the most recently adopted preferred system plan as of January 1, 2025. The bill would require the PUC to transmit the sensitivity analysis to the ISO for evaluation as part of the next transmission planning process.

(2) The California Water District Law provides for the establishment of water districts and authorizes a district to construct, maintain, and operate plants for the generation of hydroelectric energy and transmission lines for the conveyance of the hydroelectric energy. Existing law merged the former West Plains Water Storage District into the Westlands Water District, and provides for the operation of the Westlands Water District.

This bill would authorize the Westlands Water District to provide, generate, and deliver solar photovoltaic or hydroelectric electricity and to construct, operate, and maintain works, facilities, improvements, and property necessary or convenient for generating and delivering that electricity. The bill would require the district to use the electricity for the district's own purposes, and the bill would authorize the district to sell surplus electricity to a public or private entity engaged in the distribution or sale of electricity. The bill would also authorize the district to construct, operate, and maintain energy storage systems and electric transmission lines, and to construct, operate, and maintain works, facilities, improvements, and property necessary or convenient for the operation of the energy storage system and electric transmission lines, within the boundaries of the district, as specified.

This bill would make legislative findings and declarations as to the necessity of a special statute for the Westlands Water District.

Status

A.B. 2661 was last amended on April 24, 2024, and is in the Assembly Appropriations Committee.

Importance to the Authority

Implementation of the Sustainable Groundwater Management Act is anticipated to result in significant land use transition from agricultural production into other land uses, including what is likely to be a reasonable amount of solar energy production. One constraint for large-scale solar energy generation is a lack of sufficient transmission capacity.

Current law provides water districts formed pursuant to the California Water District Law to construct hydroelectric generation and transmission facilities for the production and conveyance of hydroelectric power generation. This legislation would expand that authority to allow water districts to expand from hydroelectric power production to solar power production and conveyance, with some limitations.

Potential Amendments

Expand the provisions in the legislation to extend to other water authority member agencies beyond Westlands, who are considering land use transitions to solar that would require additional transmission capacity.

A.B. 2079 (Bennett), Groundwater extraction: large-diameter, high-capacity wells: permits.

RECOMMENDATION: OPPOSE UNLESS AMENDED

OBJECTIVE: Core Objective

Summary

Existing law, the Sustainable Groundwater Management Act, requires all groundwater basins designated as high- or medium-priority basins by the Department of Water Resources to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans, except as specified. Existing law authorizes any local agency or combination of local agencies overlying a groundwater basin to decide to become a groundwater sustainability agency for that basin and imposes specified duties upon that agency or combination of agencies, as provided.

Existing law requires the State Water Resources Control Board to adopt a model water well, cathodic protection well, and monitoring well drilling and abandonment ordinance implementing certain standards for water well construction, maintenance, and abandonment and requires each county, city, or water agency, where appropriate, to adopt a water well, cathodic protection well, and monitoring well drilling and abandonment ordinance that meets or exceeds certain standards. Under existing law, if a county, city, or water agency, where appropriate, fails to adopt an ordinance establishing water well, cathodic protection well, and monitoring well drilling and abandonment standards, the model ordinance adopted by the state board is required to take effect, and is required to be enforced by the county or city and have the same force and effect as if adopted as a county or city ordinance.

This bill would require a local enforcement agency, as defined, to perform specified activities at least 30 days before determining whether to approve a permit for a new large-diameter, high-capacity well, as defined. By imposing additional requirements on a local enforcement agency, the bill would impose a state-mandated local program. The bill would require, if the proposed large-diameter, high-capacity well is to be located in an area subject to management by a groundwater sustainability agency, the applicable groundwater sustainability agency, upon notice of a permit application, to provide specified information to the local enforcement agency, including, but not limited to, the name of the applicable groundwater sustainability agency, the agency manager and contact information, and the applicable sustainable management criteria related to groundwater levels, including the groundwater level measurable objectives and minimum thresholds. The bill would require a local enforcement agency, before approving a permit for a large-diameter, high capacity well, to provide specified information to the applicant. The bill would prescribe certain standards a local enforcement agency would be required to follow in the approval or denial of the permit, including the location of the proposed large-diameter, high capacity well and specified geological and water supply considerations. The bill would provide exemptions for its provisions for specified water wells. The bill would provide that its provisions apply only to applications

for permits for the construction, maintenance, abandonment, or destruction of water wells in basins identified in the Department of Water Resources Bulletin 118.

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.

Status

A.B. 2079 was last amended on April 25, 2024, and is in the Assembly Appropriations Committee.

Importance to the Authority

In March, DWR released a report titled *Groundwater Well Permitting: Observations and Analysis of Executive Orders N-7-22 and N-3-23 (Report)* that summarizes various approaches local agencies took to comply with Executive Orders N-7-22 and N-3-23 and provides observations of groundwater conditions that occurred while these actions were taken. As part of this process, DWR sent solicitations to county well permitting entities and representatives of GSAs to participate in an informational survey regarding actions taken to comply with Executive Order N-7-22 and N-3-23. The information DWR received from survey respondents served as a basis for DWR to develop the observations and analysis outlined in the report, in addition to policy recommendations that may be used to develop future solutions to align land use planning, well permitting, and groundwater management and use.

AB 2079 incorporates many of the recommendations provided in the DWR report.

DWR's report noted some benefits of the EOs, including increased communication between some LEAs and GSAs. However, DWR believes that in some instances, the EOs failed to help remedy deteriorating conditions in certain basins and subbasins. This appears to have motivated stricter provisions in AB 2079 as compared to the EOs. The impacts of this bill would vary by region, including imposing an outright prohibition on many Local Enforcement Agencies (LEAs) approving applications for large diameter, high-capacity wells. This would have negative ramifications for agricultural businesses and rural communities that rely on a thriving agricultural economy.

Additionally, several of the requirements the bill would impose on LEAs would seemingly turn the review of well applications into a discretionary process and potentially make well permitting decisions subject to the California Environmental Quality Act (CEQA). This would potentially add significant new burdens to well applicants and LEAs, as well as increasing the risk for litigation.

Certainly, some of the provisions, and the consequences of this bill, are expected to be objectionable to many Authority members and possibly warrant opposition. Other provisions, particularly those related to transparency and communication between LEAs and GSAs, seem less onerous and even reflect current practice for some agencies (i.e., requiring the GSA to provide an LEA with any fees, allocation, metering, spacing determinations, or other regulations or ordinances that the GSA has adopted).

Suggested Amendments

Staff is seeking input on potential amendments that would address member agency concerns. Initial feedback has indicated that striking the well spacing provisions and keeping the coordination provisions is not acceptable to the bill sponsor.

Guidelines for Taking Positions on Legislation

A number of controversial bills are introduced each year in the Congress and in the California Legislature. It is important to understand how the Authority takes positions on legislation.

Policy

By Agenda Item 7, dated December 7, 2023, the Board adopted the Fiscal Year 2025 Objectives.

Water Authority's Positions on Legislation

The Water Authority takes positions on legislation that, if enacted, would impact Water Authority members, consistent with Water Authority Board adopted Goals and Objectives. The Water Authority may take the following positions on legislation: Oppose, Support, Oppose Unless Amended, Support if Amended, Not Favor, Favor, Not Favor Unless Amended, Favor if Amended, and Watch (neutral). The Water Authority's staff and consultants testify and advocate with legislators and staff through meetings and member agency contacts on all positions except Watch, Favor and Not Favor. For Favor and Not Favor positions, written communication of the Water Authority's position is provided to the legislator. Nothing in this section should be read to preclude the Executive Director or his or her delegee from taking an informal support or informal oppose position on behalf of the Water Authority that is consistent with adopted legislative or policy objectives, or to preclude the Executive Director from communicating a position on emergency legislation after obtaining the concurrence of the Chair, or the Chair's designee, provided that the Executive Director informs the Board regarding such positions on emergency legislation no later than the next regularly scheduled Board meeting.

Amendment Development Process

If the Water Authority takes an Oppose Unless Amended or Support if Amended position, the Water Authority will typically discuss the concepts for the amendments at the meeting. Then Water Authority staff, in consultation with Committee and/or Board Members as needed, will develop the amendments after the meeting.

Information Sharing

To provide adequate information to the entire Water Authority membership, the Water Authority provides legislative updates, posts positions and other information on our website, and sends out advisories and alerts on key legislation.

The Water Authority's legislative department is available to provide specific information on bills on request and Board Members are encouraged to communicate Water Authority positions on priority legislation in meetings with legislative staff, consistent with Water Authority policy. The Water Authority's Water Policy Director appreciates being informed by Water Authority members of positions taken by Water Authority members on legislation.

BILL TEXT

AMENDED IN ASSEMBLY APRIL 24, 2024

AMENDED IN ASSEMBLY MARCH 21, 2024

CALIFORNIA LEGISLATURE—2023–24 REGULAR SESSION

ASSEMBLY BILL No. 2661

Introduced by Assembly Member Soria

February 14, 2024

An act to amend Section 454.57 of the Public Utilities Code, and to add ~~Section 35574 to~~ *Chapter 4 (commencing with Section 37860) to Part 8.1 of Division 13 of* the Water Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

AB 2661, as amended, Soria. Electricity: transmission facility planning: ~~water districts.~~ *Westlands Water District.*

(1) Existing law vests the Public Utilities Commission (PUC) with regulatory authority over public utilities. Existing law requires the PUC to adopt a process for each load-serving entity, as defined, to file an integrated resource plan and a schedule for periodic updates to the plan to ensure that it meets, among other things, the state's targets for reducing emissions of greenhouse gases and the requirement to procure at least 60% of its electricity from eligible renewable energy resources by December 31, 2030. Under existing law, after the load-serving entities ~~have~~ updated the integrated resource plans pursuant to the schedule adopted by the PUC, the PUC adopted an aggregated resource portfolio known as the preferred system plan.

Existing law establishes an Independent System Operator (ISO) as a nonprofit public benefit corporation, and requires the ISO to ensure the efficient use and reliable operation of the electrical transmission grid consistent with the achievement of planning and operating reserve

criteria, as specified. Existing law requires the PUC, in consultation with the State Energy Resources Conservation and Development Commission, to provide, not later than March 31, 2024, transmission-focused guidance to the ISO about resource portfolios of expected future renewable energy resources and zero-carbon resources. Existing law requires the guidance to include the allocation of those resources by region based on technical feasibility and commercial interest in each region.

This bill would require the PUC to ~~evaluate~~ *perform a sensitivity analysis evaluating* the potential for 10,000 to 30,000 megawatts of solar electrical generation located in the Central Valley beyond the amount of solar electrical generation described in the most recently adopted preferred system plan as of January 1, 2025. ~~If the PUC determines that solar electrical generation to be cost effective, the bill would require the PUC to provide, no later than the March 31 immediately following that determination, transmission-focused guidance to the ISO that includes the solar electrical generation in the resource portfolios of expected future renewable energy resources and zero-carbon resources.~~ *The bill would require the PUC to transmit the sensitivity analysis to the ISO for evaluation as part of the next transmission planning process.*

(2) The California Water District Law provides for the establishment of water districts and authorizes a district to construct, maintain, and operate plants for the generation of hydroelectric energy and transmission lines for the conveyance of the hydroelectric energy. *Existing law merged the former West Plains Water Storage District into the Westlands Water District, and provides for the operation of the Westlands Water District.*

This bill would authorize ~~a water district~~ *the Westlands Water District* to provide, generate, and deliver ~~zero-emission~~ *solar photovoltaic or hydroelectric* electricity and to construct, operate, and maintain works, facilities, improvements, and property necessary or convenient for generating and delivering that electricity. The bill would require ~~a~~ *the* district to use the electricity for the district's own purposes, and the bill would authorize ~~a~~ *the* district to sell surplus electricity to a public or private entity engaged in the distribution or sale of electricity. The bill would also authorize ~~a~~ *the* district to construct, operate, and maintain energy storage systems and electric transmission lines, and to construct, operate, and maintain works, facilities, improvements, and property necessary or convenient for the operation of the energy storage system

and electric transmission lines, within the boundaries of the district, as specified.

This bill would make legislative findings and declarations as to the necessity of a special statute for the Westlands Water District.

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

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

SECTION 1. Section 454.57 of the Public Utilities Code is amended to read:

454.57. (a) This section shall be known, and may be cited, as the Accelerating Renewable Energy Delivery Act.

(b) The Legislature finds and declares all of the following:

(1) The commission, the Energy Commission, and the State Air Resources Board have jointly estimated that the state's installed electric generation may need a threefold increase in capacity to meet state carbon-free electricity policy targets.

(2) Record-setting renewable energy generation build rates are needed to meet the goals of the California Renewables Portfolio Standard Program and the Senate Bill 100 (Chapter 312 of the Statutes of 2018) target of supplying 100 percent of retail sales of electricity from renewable energy resources and zero-carbon resources. However, these build rates are not achievable without additional electrical transmission lines and facilities connecting new resources to consumers in the state's load centers.

(3) In recent years, California has seen problems in delivering renewable energy resources and zero-carbon resources to customers, including problems caused by constraints on the transmission system. First, there are generation pockets where the total potential output from renewable energy generation exceeds the capacity of the transmission system to export that energy. Second, there are load pockets where there is insufficient transmission capacity to import the renewable energy resources and zero-carbon resources that are available. Both types of constraints should be promptly fixed so that all available renewable energy resources and zero-carbon resources can be delivered to customers.

(4) Reducing the use of nonpreferred resources in disadvantaged communities has been a priority for those communities, and they

would benefit from increased access to electricity from new renewable energy resources and zero-carbon resources delivered to serve in-city loads.

(5) New transmission facilities have many steps that must be accomplished before they are online and delivering electricity. Major new transmission lines can take more than a decade from initial planning to operation.

(6) New transmission facilities should be planned proactively to support delivery to load centers from expected locations for future renewable energy resource and zero-carbon resource development, where those locations are identified in the integrated resource planning process pursuant to Sections 454.52 and 9621 or as part of longer range planning processes pursuant to Section 454.53.

(7) The Central Valley may have the potential to host substantially increased amounts of solar energy generation and energy storage beyond current planning assumptions if there were sufficient transmission capacity to deliver the energy to load centers. The commission, Energy Commission, and Independent System Operator should consider potential increased development of solar energy generation and energy storage in the Central Valley and of the transmission capacity needed to deliver that energy to load centers.

(8) New transmission facilities should be designed to minimize the risk of transmission-triggered wildfires.

(9) New transmission facilities should be designed to facilitate renewable energy transmission across California to better manage the variability of electrical supply.

(10) The Independent System Operator has issued a 20-Year Transmission Outlook that identifies substantial additional transmission projects needed to integrate renewable energy resources and storage for retail suppliers within the Independent System Operator balancing authority. Given the scale of this challenge, there is an urgent need to prioritize and accelerate the substantial effort needed to build transmission projects with long development times.

(c) Recognizing that the Independent System Operator's Federal Energy Regulatory Commission-approved tariff requires the Independent System Operator to plan and approve new transmission facilities needed to achieve the state's goals, it is the

intent of the Legislature that the Independent System Operator shall take notice of the state policies expressed in this section.

(d) (1) In support of the state's policy to supply increasing amounts of electricity from renewable energy resources and zero-carbon resources pursuant to Article 16 (commencing with Section 399.11) and Section 454.53, beginning as soon as possible and not later than March 31, 2024, the commission, in consultation with the Energy Commission, shall provide transmission-focused guidance to the Independent System Operator about resource portfolios of expected future renewable energy resources and zero-carbon resources. The guidance shall include the allocation of those resources by region based on technical feasibility and commercial interest in each region to allow the Independent System Operator to identify and approve transmission facilities needed to interconnect resources and reliably serve the needs of load centers.

(2) (A) For purposes of the next integrated resource plan cycle after January 1, 2025, the commission shall ~~evaluate~~ *perform a sensitivity analysis evaluating* the potential for 10,000 to 30,000 megawatts of solar electrical generation located in the Central ~~Valley, and facilitated by the authority granted to water districts pursuant to Section 35574 of the Water Code,~~ *Valley* beyond the amount of solar electrical generation described in the most recently adopted preferred system plan as of January 1, 2025.

~~(B) If the commission determines that the solar electrical generation described in subparagraph (A) would be cost effective, the commission, no later than the March 31 immediately following that determination, shall provide transmission-focused guidance to the Independent System Operator that includes the solar electrical generation described in subparagraph (A) in the resource portfolios of expected future renewable energy resources and zero-carbon resources. The commission shall coordinate the guidance with any master plan of a water district that would facilitate construction of transmission lines and facilities under the authority of the water district.~~

(B) The commission shall transmit the results of the sensitivity analysis performed pursuant to subparagraph (A) to the Independent System Operator for evaluation as part of the next transmission planning process.

(e) In providing the guidance described in subdivision (d), the commission and the Energy Commission shall provide projections

each year, including from the integrated energy policy report prepared pursuant to Section 25302 of the Public Resources Code and the load-serving entities' integrated resource plans prepared pursuant to Section 454.52, to support planning and approvals by the Independent System Operator in its annual transmission planning process, including by doing all of the following:

(1) Providing projections of resource portfolios and electricity demand by region for at least 15 years into the future to ensure adequate lead time for the Independent System Operator to analyze and approve transmission development, and for the permitting and construction of the approved facilities, to meet the projections.

(2) Providing load growth projections, including projected growth from building and transportation electrification, that are consistent with achieving the economywide greenhouse gas emissions reductions required pursuant to Division 25.5 (commencing with Section 38500) of the Health and Safety Code.

(3) Providing projections of new renewable energy resources and zero-carbon resources consistent with the build rates necessary to achieve the targets established in Article 16 (commencing with Section 399.11) and Section 454.53.

(4) (A) Providing resource projections that, combined with transmission capacity expansions, are expected to substantially reduce, no later than 2035, the need to rely on nonpreferred resources in local capacity areas.

(B) The resource projections in subparagraph (A) shall include consideration of cost-effective and feasible alternatives to transmission capacity expansions, including the use of energy storage resources, renewable energy resources, or zero-carbon resources that are located within the local capacity areas.

(5) Providing projections for offshore wind generation as identified by the SB 100 Joint Agency Report of the commission, the Energy Commission, and the State Air Resources Board, and informed by the strategic plan developed pursuant to Section 25991 of the Public Resources Code, to allow the Independent System Operator to identify and approve transmission facilities needed from offshore wind resource areas that would be sufficient to make offshore wind resources fully deliverable to load centers.

(6) Providing projections for increases in imports of electricity into the state that reflect the expected development of renewable energy resources and zero-carbon resources in other parts of the

Western Interconnection for the purpose of delivering clean energy to California balancing authorities.

(f) On or before January 15, 2023, the commission shall request the Independent System Operator to do both of the following:

(1) Identify, based as much as possible on studies completed before January 1, 2023, by the Independent System Operator and projections provided before January 1, 2023, by the commission and the Energy Commission, the highest priority transmission facilities that are needed to allow for increased transmission capacity into local capacity areas to deliver renewable energy resources or zero-carbon resources that are expected to be developed by 2035 into those areas.

(2) Consider whether to approve transmission projects identified pursuant to paragraph (1) as part of its 2022–23 transmission planning process.

(g) It is the policy of the state that new transmission facilities be built on a timely basis and in anticipation of new electrical generation that will be built to meet the state's renewable energy resource and zero-carbon resource targets, with interim targets for transmission capacity additions that demonstrate adequate progress toward meeting these long-term transmission needs. The commission shall request that the Independent System Operator implement this policy by approving transmission projects needed based on a longer planning period supported by the guidance provided pursuant to subdivisions (d) and (e). The projects should be approved in time to be online when needed, considering permitting and construction lead times.

(h) It is the policy of the state that planning for new transmission facilities considers the following goals:

(1) Minimizing the risk of wildfire.

(2) Increasing systemwide reliability and cost efficiency, including through the sharing of diverse electrical generation resources within California and with other parts of the Western Interconnection.

(3) Eliminating transmission constraints that prevent electrical generation resources from delivering to the wider grid and that prevent importing energy into load pockets.

(i) For purposes of this section, the following definitions apply:

(1) "Local capacity area" means a transmission constrained load pocket, as identified by the Independent System Operator, where

local generation capacity is needed for reliability due to insufficient transmission capacity into the load pocket to meet electricity demand with electricity from outside of the load pocket.

(2) "Nonpreferred resources" means electrical generation resources that are not renewable energy resources or zero-carbon resources pursuant to Section 454.53.

~~SEC. 2. Section 35574 is added to the Water Code, to read:~~

~~35574.~~

SEC. 2. Chapter 4 (commencing with Section 37860) is added to Part 8.1 of Division 13 of the Water Code, to read:

CHAPTER 4. ADDITIONAL POWERS OF THE DISTRICT

37860. (a) For purposes of this section, ~~the following definitions apply:~~

~~(1) "For~~ "*for* its own purposes" means ~~a district~~ *the Westlands Water District* performing only functions within its capacity as a water district, including, but not be limited to, any of the following:

~~(A)~~

(1) Pumping operations.

~~(B)~~

(2) Water treatment operations.

~~(C)~~

(3) Barrier intrusion operations.

~~(D)~~

(4) Desalination operations.

~~(2) "Zero-emission electricity" includes electricity generated by a hydroelectric generation facility, regardless of the capacity of the generation facility, or electricity from a renewable electrical generation facility, as that term is defined in Section 25741 of the Public Resources Code.~~

(b) (1) ~~A district~~ *The Westlands Water District* may provide, generate, and deliver ~~zero-emission~~ *solar photovoltaic or hydroelectric* electricity, and may construct, operate, and maintain any and all works, facilities, improvements, and property, or portions thereof, necessary or convenient for generating and delivering that electricity.

(2) An electric powerplant or transmission line constructed pursuant to this subdivision may be leased for operation.

(3) The electricity generated pursuant to this subdivision shall be used by ~~a district~~ *the Westlands Water District* for its own purposes. ~~A~~ *The* district may sell surplus electricity to a public or private entity that is engaged in the distribution or sale of electricity.

(c) ~~A district~~ *The Westlands Water District* may construct, operate, and maintain an energy storage system, *as defined in Section 2835 of the Public Utilities Code,* and all works, facilities, improvements, and property, or portions thereof, necessary or convenient for the operation of an energy storage system, within the boundaries of the district, regardless of whether the energy storage system is interconnected to or directly charged by an electric powerplant constructed pursuant to subdivision ~~(a).~~ *(b).* An energy storage system constructed pursuant to this subdivision may be leased for operation. ~~A~~ *The* district may operate an energy storage system in a manner intended, as determined by the district, to increase the economic value of the energy storage system and the district is not required to use the discharging energy for its own purposes. ~~A~~ *The* district may purchase discharging energy through a market administered by the Independent System ~~Operator or from a public or private entity that is engaged in the distribution or sale of electricity. A~~ *Operator. The* district may sell discharging energy and any attributes of the energy storage system through a market administered by the Independent System ~~Operator or to any public or private entity that is engaged in the distribution or sale of electricity.~~ *Operator.*

(d) ~~A district~~ *The Westlands Water District* may construct, operate, and maintain electrical transmission lines and all works, facilities, improvements, and property, or portions thereof, necessary or convenient for the conveyance of electricity within the boundaries of the district, regardless of whether the transmission lines are used for the purpose of conveying electricity from an electric powerplant constructed pursuant to subdivision ~~(a).~~ *(b).* Transmission lines constructed pursuant to this subdivision may be leased for operation. ~~A~~ *The* district may sell the rights to use transmission lines constructed pursuant to this subdivision to any public or private entity that is engaged in the distribution or sale of electricity. *Transmission facilities developed pursuant to this section shall be controlled by a California balancing authority, as defined in Section 399.12 of the Public Utilities Code, regardless*

of ownership by the Westlands Water District or a subsequent owner.

(e) This section does not authorize ~~a district~~ *the Westlands Water District* to provide, sell, or deliver electricity at retail.

(f) ~~A district~~ *The Westlands Water District* shall not acquire property employed in the generation or delivery of electricity for public or private utility purposes, except by mutual agreement between the district and the owner of that property.

SEC. 3. The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique need of the Westlands Water District to support the development of solar electrical generation for the electrical grid and to facilitate the development of transmission capacity to help California reach its clean energy and climate goals.

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AMENDED IN ASSEMBLY APRIL 25, 2024

AMENDED IN ASSEMBLY APRIL 16, 2024

AMENDED IN ASSEMBLY MARCH 21, 2024

CALIFORNIA LEGISLATURE—2023–24 REGULAR SESSION

ASSEMBLY BILL No. 2079

Introduced by Assembly Member Bennett

February 5, 2024

An act to add Article 5 (commencing with Section 13807) to Chapter 10 of Division 7 of the Water Code, relating to groundwater.

LEGISLATIVE COUNSEL'S DIGEST

AB 2079, as amended, Bennett. Groundwater extraction: large-diameter, high-capacity water wells: permits.

Existing law, the Sustainable Groundwater Management Act, requires all groundwater basins designated as high- or medium-priority basins by the Department of Water Resources to be managed under a groundwater sustainability plan or coordinated groundwater sustainability plans, except as specified. Existing law authorizes any local agency or combination of local agencies overlying a groundwater basin to decide to become a groundwater sustainability agency for that basin and imposes specified duties upon that agency or combination of agencies, as provided.

Existing law requires the State Water Resources Control Board to adopt a model water well, cathodic protection well, and monitoring well drilling and abandonment ordinance implementing certain standards for water well construction, maintenance, and abandonment and requires each county, city, or water agency, where appropriate, to adopt a water well, cathodic protection well, and monitoring well drilling and

abandonment ordinance that meets or exceeds certain standards. Under existing law, if a county, city, or water agency, where appropriate, fails to adopt an ordinance establishing water well, cathodic protection well, and monitoring well drilling and abandonment standards, the model ordinance adopted by the state board is required to take effect, and is required to be enforced by the county or city and have the same force and effect as if adopted as a county or city ordinance.

This bill would require a local enforcement agency, as defined, to perform specified activities at least 30 days before determining whether to approve a permit for a new large-diameter, high-capacity well, as defined. By imposing additional requirements on a local enforcement agency, the bill would impose a state-mandated local program. The bill would require, ~~upon notice, a groundwater sustainability agency with oversight for the area of the basin where the proposed large-diameter, high-capacity well is to be located~~ *if the proposed large-diameter, high-capacity well is to be located in an area subject to management by a groundwater sustainability agency, the applicable groundwater sustainability agency, upon notice of a permit application,* to provide specified information to the local enforcement agency, including, but not limited to, the name of the applicable groundwater sustainability agency, the agency manager and contact information, and the applicable sustainable management criteria related to groundwater levels, including the groundwater level measurable objectives and minimum thresholds. The bill would require a local enforcement agency, before approving a permit for a large-diameter, high capacity well, to provide specified information to the applicant. The bill would prescribe certain standards a local enforcement agency would be required to follow in the approval or denial of the permit, including the location of the proposed large-diameter, high capacity well and specified geological and water supply considerations. The bill would provide exemptions for its provisions for specified water wells. The bill would provide that its provisions apply only to applications for permits for the construction, maintenance, abandonment, or destruction of water wells in basins identified in the Department of Water Resources Bulletin 118.

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:

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

(a) The groundwater extraction from large-diameter, high-capacity wells can interfere with nearby drinking water wells and result in impacts to critical infrastructure from subsidence.

(b) It is in the public interest to ensure that the permitting of new wells extracting groundwater will be conducted to minimize the impacts to drinking water wells and subsidence.

(c) Sustainable groundwater management in many parts of the state requires coordination between local agencies permitting water wells and groundwater sustainability agencies managing groundwater basins.

(d) People, businesses, and industries seeking to construct or operate water wells should be adequately informed about groundwater conditions and groundwater management programs that may affect the current or future use and operation of their wells.

(e) Applicants seeking, and agencies permitting, the construction and operation of water wells should take into account the reliability and sustainability of the groundwater sources intended to be used to avoid unexpected or unplanned well dewatering or loss of well production capacity, which could lead to higher rates of unexpected, unplanned, or premature well abandonment and dereliction that could pose additional threats to groundwater quality.

(f) Agencies issuing permits for the construction and operation of water wells should consider the potential for those wells to cause or contribute to land subsidence, which can have impacts on water quality by adversely affecting the concentration of naturally or artificially occurring chemical constituents of concern and posing other serious public health and economic problems.

SEC. 2. Article 5 (commencing with Section 13807) is added to Chapter 10 of Division 7 of the Water Code, to read:

Article 5. Well Sustainability

13807. This article shall apply only to applications for permits for the construction, maintenance, abandonment, or destruction of water wells in basins identified in the Department of Water Resources Bulletin 118.

13807.1. The following definitions shall apply to this article:

(a) "Community water system" has the same meaning as provided in Section 116275 of the Health and Safety Code.

(b) "Domestic well" has the same meaning as provided in Section 116681 of the Health and Safety Code.

(c) "Large-diameter, high-capacity well" means any water well with a diameter of more than eight inches and intended to produce greater than two acre-feet annually.

(d) "Local enforcement agency" means any city, county, or water agency that has adopted and is administering an ordinance for the construction, maintenance, abandonment, or destruction of a water well pursuant to this chapter.

(e) "Public water system" has the same meaning as defined in Section 116275 of the Health and Safety Code.

(f) "State small water system" has the same meaning as provided in Section 116275 of the Health and Safety Code.

(g) "Urban retail water supplier" has the same meaning as provided in Section 10608.12.

13807.2. (a) A local enforcement agency shall perform all of the following activities at least 30 days before determining whether to approve a permit for a new large-diameter, high-capacity well:

(1) Provide electronic notice to the general public by posting notice of receipt of the application and the contents of the application on the local enforcement agency's internet website.

(2) Provide notice to all groundwater sustainability agencies managing within a 10-mile radius of a proposed well, including those in adjacent basins or counties, as applicable.

(3) Provide notice to all other local enforcement agencies, if any, administering well permitting programs within the basin in which the activities covered in the application would occur.

(4) Provide written notice through the United States Postal Service to the registered owners or agents of all parcels within a one-mile radius of the site where the activities covered in the

application would occur and any relevant information on the well permitting process.

(5) Provide notice to the state board if the well is to be located within a groundwater basin that is designated as a probationary basin.

(b) ~~Upon notice, a groundwater sustainability agency with oversight for the area of the basin where the proposed large-diameter, high-capacity well is to be located shall~~ *If the proposed large-diameter, high-capacity well is to be located in an area subject to management by a groundwater sustainability agency, the applicable groundwater sustainability agency shall, upon notice of a permit application,* provide all of the following information to the local enforcement agency:

(1) The name of the applicable groundwater sustainability plan being implemented and where an electronic copy of the plan may be accessed.

(2) The name of the applicable groundwater sustainability agency, the agency manager and contact information, and the applicable sustainable management criteria related to groundwater levels, including the groundwater level measurable objectives and minimum thresholds.

(3) The estimated depth to the groundwater level based on the most recent monitoring conducted by the groundwater sustainability agency for the area of the basin where the proposed activities covered by the application would occur.

(4) Any fees, allocation, metering, spacing determinations, or other regulations or ordinances that the groundwater sustainability agency has adopted.

(5) Any updates to the information provided pursuant to this subdivision as necessary within 30 days, should changes occur.

(6) Notice of an inadequate determination, if applicable, by the department of the groundwater sustainability plan and the status of any action of the state board resulting from the department determination.

(c) Before approving any well permit for a large-diameter, high-capacity well, a local enforcement agency shall provide all of the following ~~information~~ to the applicant:

(1) The basin name, number, and priority as assigned by the department in its most recent Bulletin 118.

(2) The name of all groundwater sustainability agencies, if any, managing the basin in which the activities covered in the application would occur.

(3) Information on regulations or ordinances adopted by the groundwater sustainability agency relevant to the construction and operation of the proposed ~~well.~~ *well, if applicable.*

(4) ~~Notice~~ *If applicable, notice* to the applicant that the approval of the application and granting of any associated permit is subject to the regulatory authority of any groundwater sustainability agency managing the portion of the basin in which the activities covered in the application would occur. The notice shall specifically inform the applicant that in addition to any regulatory authority already being exercised, a groundwater sustainability agency or the state board for a probationary groundwater basin may exercise authority to limit groundwater extraction, the imposition of fees, and metering.

13807.3. (a) A local enforcement agency shall not approve a permit for a large-diameter, high-capacity well if that well is proposed to be located within one-quarter mile of a well used for supplying domestic water to one or more persons or to a community.

(b) (1) A local enforcement agency shall not approve a permit for a large-diameter, high-capacity well if that well is proposed to be located within one-quarter mile of an area that has subsided greater than 0.5 feet in total since January 1, 2015, as reported and defined by the department based upon provided InSAR subsidence data report posted on the Natural Resources Agency open data portal and department internet websites.

(2) A local enforcement agency may approve a permit for a large-diameter, high-capacity well if the area identified in paragraph (1) has not had subsidence of more than 0.1 feet over the preceding four years, is consistent with the local groundwater sustainability plan, and is screened above geologic units known to be susceptible to compaction.

(c) For areas subject to the Sustainable Groundwater Management Act (Part 2.74 (commencing with Section 10720) of Division 6), a local enforcement agency shall not approve a permit for any well unless that well is screened below the minimum thresholds applicable to that portion of the basin as established by

the groundwater sustainability agency pursuant to paragraph (2) of subdivision (b) of Section 13807.2.

(d) To ensure the reliability and long-term operation of water wells within its jurisdiction, a local enforcement agency may determine not to approve an application or grant a permit based on criteria that are more stringent than those provided in this section.

13807.4. This article does not apply to applications or permits for any of the ~~following water wells:~~ *following:*

(a) ~~Wells~~ *Water wells* that will draw less than two acre-feet per year.

(b) ~~Wells~~ *Water wells* that will be located on a parcel of five acres or fewer that is in an area that has been zoned by the local land use authority for rural residential use.

(c) Drinking water wells of ~~a public water system,~~ *an urban retail water supplier,* state small water system, or a community water system.

(d) Large-diameter, high-capacity wells for the replacement or reconstruction of an existing large-diameter, high-capacity well that meets all of the following conditions:

(1) The replacing or reconstructed well shall not have a larger diameter or be used to pump more water annually than the previous well.

(2) The well being replaced shall be abandoned prior to initial operation of the ~~replacing~~ *replacement* well.

(3) The ~~replacing~~ *replacement* well is in substantially the same location as the well it is replacing or is to be moved to a location that would lessen impacts to domestic wells and wells that provide water for state small water systems or community water systems.

(e) Water wells associated with, or part of, a conjunctive use or water banking program, or a project that has approved environmental documents consistent with the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code).

(f) Water wells that are part of a groundwater remediation or protection project that aims to address groundwater contamination, water quality, or seawater intrusion.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service

charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.

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