

Senate Bill No. 1017

CHAPTER 668

An act to add Section 2829 to the Public Utilities Code, relating to electricity.

[Approved by Governor October 13, 2007. Filed with
Secretary of State October 13, 2007.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1017, Perata. East Bay Municipal Utility District: electricity generation.

(1) Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations. Existing law permits a private energy producer, as defined, to generate electricity not generated from conventional sources, as defined, solely for his, her, or its own use or the use of its tenants, or generating electricity to or for any electrical corporation, state agency, city, county, district, or an association thereof, but not the public, without becoming a public utility subject to the general jurisdiction of the commission. Existing law provides for interconnection to the electric transmission and distribution system by a private energy producer and for payment of just and reasonable compensation to the electrical corporation for transporting the electricity generated by the private energy producer over the transmission and distribution system of the utility.

This bill would require every electrical corporation that owns and operates transmission and distribution facilities that deliver electricity at one or more locations to the East Bay Municipal Utility District (EBMUD), upon request by EBMUD, and without discrimination or delay, to use the same facilities to deliver electricity generated by EBMUD. The bill would authorize EBMUD to elect to designate specific hydroelectric generation facilities owned by EBMUD for the generation of electricity to be delivered to EBMUD, if certain conditions are met and would require EBMUD to pay applicable rates approved by the commission for distribution, or distribution and transmission, or any transmission rates as required under federal law. The bill would require each electrical corporation that owns and operates transmission and distribution facilities that deliver electricity at one or more locations to the EBMUD system, to file an advice letter with the commission that complies with these requirements and the commission, within 150 days of the date of filing of the advice letter, would be required to approve the advice letter or specify conforming changes to be made by the electrical corporation, to be filed in an amended advice letter within 60 days.

(2) Existing law makes any public utility that fails to comply with any part of any order, decision, rule, direction, demand, or requirement of the Public Utilities Commission guilty of a crime.

Because a violation of these provisions or failure to comply with an approved advice letter would be a crime under existing law, this bill would impose a state-mandated local program by creating a new crime.

(3) 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.

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

SECTION 1. Section 2829 is added to the Public Utilities Code, to read: 2829. (a) For purposes of this section, the following terms have the following meanings:

(1) “EBMUD” means the East Bay Municipal Utility District organized and operating pursuant to Division 6 (commencing with Section 10001).

(2) “Environmental attributes” associated with the generation of electricity include, the credits, benefits, emissions reductions, environmental air quality credits, and emissions reduction credits, offsets, and allowances, however entitled, resulting from the avoidance of the emissions of any gas, chemical, or other substance attributable to an electricity generation facility.

(b) To ensure that no electrical corporation operates its monopoly transmission and distribution system in a manner that impedes the ability of the EBMUD to reduce its electricity costs through the delivery of electricity generated by EBMUD, an electrical corporation shall meet the requirements of this section.

(c) Every electrical corporation that owns and operates transmission and distribution facilities that deliver electricity at one or more locations to the EBMUD’s system shall, upon request by EBMUD, and without discrimination or delay, use the same facilities to deliver electricity generated by EBMUD. EBMUD may elect to designate specific hydroelectric generation facilities owned by EBMUD for the generation of electricity to be delivered to EBMUD, if the following conditions are met:

(1) The amount of all electricity delivered to the electric grid by the designated EBMUD hydroelectric generation is the property of EBMUD.

(2) Ownership and use of the environmental attributes associated with the electricity delivered to the electric grid by EBMUD designated hydroelectric generation is retained by EBMUD.

(d) (1) No rule, order, or tariff of the commission implementing direct transactions is applicable to electricity generated by EBMUD, that is delivered to EBMUD for its own use that is transported over the transmission and distribution system of an electrical corporation, pursuant to an election made by EBMUD pursuant to subdivision (c).

(2) Sections 365 and 366 are not applicable to electricity generated by EBMUD, that is delivered to EBMUD for its own use that is transported over the transmission and distribution system of an electrical corporation, pursuant to an election made by EBMUD pursuant to subdivision (c).

(e) To compensate an electrical corporation for the use of its facilities, EBMUD shall pay applicable rates approved by the commission for distribution, or distribution and transmission, or any transmission rates as required under federal law.

(f) On or before January 1, 2009, each electrical corporation that owns and operates transmission and distribution facilities that deliver electricity at one or more locations to the EBMUD system, shall file an advice letter with the commission that complies with this section. The commission, within 150 days of the date of filing of the advice letter, shall approve the advice letter or specify conforming changes to be made by the electrical corporation, to be filed in an amended advice letter within 60 days.

(g) The commission shall ensure that the delivery of electricity from EBMUD designated hydroelectric generation to the EBMUD service territory pursuant to this section does not result in a shifting of costs to the bundled service customers of an electrical corporation, either immediately or over time.

SEC. 2. 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.