

ASSEMBLY BILL

No. 1031

Introduced by Assembly Member Blumenfield

February 27, 2009

An act to amend Section 2830 of the Public Utilities Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1031, as introduced, Blumenfield. Local government renewable energy self-generation program.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, as defined. Existing law authorizes a local government, as defined, to receive a bill credit, as defined, to a designated benefiting account for electricity exported to the electrical grid by an eligible renewable generating facility, as defined, and requires the commission to adopt a rate tariff for the benefiting account. The existing definition of a local government excludes a joint powers authority, the state, and any agency or department of the state.

This bill would revise the definition of a local government to include an individual campus of the University of California or the California State University and a joint powers authority or agency.

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

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

- 1 SECTION 1. Section 2830 of the Public Utilities Code is
- 2 amended to read:

1 2830. (a) As used in this section, the following terms have the
2 following meanings:

3 (1) “Benefiting account” means an electricity account, or more
4 than one account, located within the geographical boundaries of
5 a local government, that is mutually agreed upon by the local
6 government and an electrical corporation.

7 (2) “Bill credit” means an amount of money credited to a
8 benefiting account that is calculated based upon the time-of-use
9 electricity generation component of the electricity usage charge
10 of the generating account, multiplied by the quantities of electricity
11 generated by an eligible renewable generating facility that are
12 exported to the grid during the corresponding time period.
13 Electricity is exported to the grid if it is generated by an eligible
14 renewable generating facility, is not utilized onsite by the local
15 government, and the electricity flows through the meter site and
16 on to the electrical corporation’s distribution or transmission
17 infrastructure.

18 (3) “Eligible renewable generating facility” means a generation
19 facility that has a generating capacity of no more than one
20 megawatt, is an eligible renewable energy resource pursuant to
21 the California Renewables Portfolio Standard Program, is located
22 within the geographical boundary of, and is owned, operated, or
23 on property under the control of, the local government, and is sized
24 to offset all or part of the electrical load of the benefiting account.
25 For these purposes, premises that are leased by a local government
26 are under the control of the local government.

27 (4) “Generating account” means the time-of-use electric service
28 account of the local government where the eligible renewable
29 generating facility is located.

30 (5) “Local government” means a city, county, whether general
31 law or chartered, city and county, special district, school district,
32 political subdivision, or other local public agency, *elects a joint*
33 *powers authority or agency created pursuant to Chapter 5*
34 *(commencing with Section 6500) of Division 7 of Title 1 of the*
35 *Government Code, if authorized by law to generate electricity, or*
36 *an individual campus of the University of California or the*
37 *California State University, but shall not mean the state; or any*
38 *agency or department of the state, ~~or joint powers authority~~ other*
39 *than a campus of the University of California or the California*
40 *State University.*

1 (b) Subject to the limitation in subdivision (h), a local
2 government may elect to receive electric service pursuant to this
3 section, if all of the following conditions are met:

4 (1) The local government designates one or more benefiting
5 accounts to receive a bill credit.

6 (2) A benefiting account receives service under a time-of-use
7 rate schedule.

8 (3) The benefiting account is the responsibility of, and serves
9 property that is owned, operated, or on property under the control
10 of the same local government that owns, operates, or controls the
11 eligible renewable generating facility.

12 (4) The electrical output of the eligible renewable generating
13 facility is metered for time of use to allow calculation of the bill
14 credit based upon when the electricity is exported to the grid.

15 (5) All costs associated with the metering requirements of
16 paragraphs (2) and (4) are the responsibility of the local
17 government.

18 (6) All costs associated with interconnection are the
19 responsibility of the local government. For purposes of this
20 paragraph, “interconnection” has the same meaning as defined in
21 Section 2803, except that it applies to the interconnection of an
22 eligible renewable generating facility rather than the energy source
23 of a private energy producer.

24 (7) The local government does not sell electricity exported to
25 the electrical grid to a third party.

26 (8) All electricity exported to the grid by the local government
27 that is generated by the eligible renewable generating facility
28 becomes the property of the electrical corporation to which the
29 facility is interconnected, but shall not be counted toward the
30 electrical corporation’s total retail sales for purposes of Article 16
31 (commencing with Section 399.11) of Chapter 2.3 of Part 1.
32 Ownership of the renewable energy credits, as defined in Section
33 399.12, shall be the same as the ownership of the renewable energy
34 credits associated with electricity that is net metered pursuant to
35 Section 2827.

36 (c) (1) A benefiting account shall be billed for all electricity
37 usage, and for each bill component, at the rate schedule applicable
38 to the benefiting account, including any cost-responsibility
39 surcharge or other cost recovery mechanism, as determined by the
40 commission, to reimburse the Department of Water Resources for

1 purchases of electricity, pursuant to Division 27 (commencing
2 with Section 80000) of the Water Code.

3 (2) The bill shall then subtract the bill credit applicable to the
4 benefiting account. The generation component credited to the
5 benefiting account may not include the cost-responsibility
6 surcharge or other cost recovery mechanism, as determined by the
7 commission, to reimburse the Department of Water Resources for
8 purchases of electricity, pursuant to Division 27 (commencing
9 with Section 80000) of the Water Code. The electrical corporation
10 shall ensure that the local government receives the full bill credit.

11 (3) If, during the billing cycle, the generation component of the
12 electricity usage charges exceeds the bill credit, the benefiting
13 account shall be billed for the difference.

14 (4) If, during the billing cycle, the bill credit applied pursuant
15 to paragraph (2) exceeds the generation component of the electricity
16 usage charges, the difference shall be carried forward as a financial
17 credit to the next billing cycle.

18 (5) After the electricity usage charge pursuant to paragraph (1)
19 and the credit pursuant to paragraph (2) are determined for the last
20 billing cycle of a 12-month period, any remaining credit resulting
21 from the application of this section shall be reset to zero.

22 (d) The commission shall ensure that the transfer of a bill credit
23 to a benefiting account does not result in a shifting of costs to
24 bundled service subscribers. The costs associated with the transfer
25 of a bill credit shall include all billing-related expenses.

26 (e) Not more frequently than once per year, and upon providing
27 the electrical corporation with a minimum of 60 days' notice, the
28 local government may elect to change a benefiting account. Any
29 credit resulting from the application of this section earned prior to
30 the change in a benefiting account that has not been used as of the
31 date of the change in the benefiting account, shall be applied, and
32 may only be applied, to a benefiting account as changed.

33 (f) A local government shall provide the electrical corporation
34 to which the eligible renewable generating facility will be
35 interconnected with not less than 60 days' notice prior to the
36 eligible renewable generating facility becoming operational. The
37 electrical corporation shall file an advice letter with the
38 commission, that complies with this section, not later than 30 days
39 after receipt of the notice, proposing a rate tariff for a benefiting
40 account. The commission, within 30 days of the date of filing,

1 shall approve the proposed tariff, or specify conforming changes
2 to be made by the electrical corporation to be filed in a new advice
3 letter.

4 (g) The local government may terminate its election pursuant
5 to subdivision (b), upon providing the electrical corporation with
6 a minimum of 60 days' notice. Should the local government sell
7 its interest in the eligible renewable generating facility, or sell the
8 electricity generated by the eligible renewable generating facility,
9 in a manner other than required by this section, upon the date of
10 either event, and the earliest date if both events occur, no further
11 bill credit pursuant to paragraph (3) of subdivision (b) may be
12 earned. Only credit earned prior to that date shall be made to a
13 benefiting account.

14 (h) An electrical corporation is not obligated to provide a bill
15 credit to a benefiting account that is not designated by a local
16 government prior to the point in time that the combined statewide
17 cumulative rated generating capacity of all eligible renewable
18 generating facilities within the service territories of the state's
19 three largest electrical corporations reaches 250 megawatts. Only
20 those eligible renewable generating facilities that are providing
21 bill credits to benefiting accounts pursuant to this section shall
22 count toward reaching this 250-megawatt limitation. Each electrical
23 corporation shall only be required to offer service or contracts
24 under this section until that electrical corporation reaches its
25 proportionate share of the 250-megawatt limitation based on the
26 ratio of its peak demand to the total statewide peak demand of all
27 electrical corporations.

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