

AMENDED IN ASSEMBLY JUNE 1, 2009

AMENDED IN ASSEMBLY MAY 5, 2009

AMENDED IN ASSEMBLY APRIL 22, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 1031

Introduced by Assembly Member Blumenfield

February 27, 2009

~~An act to add and repeal Section 14965 of the Government Code,~~
~~and~~ *An act to amend Section 2830 of the Public Utilities Code, relating to energy.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1031, as amended, Blumenfield. Renewable energy resources.

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 clarify the existing definition of a local government by including a community college district and 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. The bill would provide that a local government electing to take service pursuant to the rate tariff is eligible to receive

ratepayer funded incentives pursuant to the California Solar Initiative, as defined, for facilities that are sized to meet the on-site load and the load of the designated benefiting account.

~~Existing law provides that there is in the Department of General Services a State Architect who has general charge, under the Department of General Services, of the erection of all state buildings.~~

~~This bill would require the State Architect, on or before July 1, 2010, to prepare a report, on the barriers to schools to installing solar or other renewable energy systems, that contains recommendations for removing those barriers. The bill would also require that, in preparing the report, the State Architect consult with the Public Utilities Commission regarding barriers to school participation in the California Solar Initiative and recommendations for removal of those barriers.~~

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

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

1 SECTION 1. ~~Section 14965 is added to the Government Code,~~
2 ~~to read:~~

3 14965. (a) ~~On or before July 1, 2010, the State Architect shall~~
4 ~~prepare a report on the barriers to schools to installing solar or~~
5 ~~other renewable energy systems. The report shall contain~~
6 ~~recommendations for removing those barriers. In preparing the~~
7 ~~report, the State Architect shall consult with the Public Utilities~~
8 ~~Commission regarding barriers to school participation in the~~
9 ~~California Solar Initiative and recommendations for removal of~~
10 ~~those barriers.~~

11 (b) ~~This section shall remain in effect only until January 1, 2011,~~
12 ~~and as of that date is repealed, unless a later enacted statute, that~~
13 ~~is chaptered before January 1, 2011, deletes or extends that date.~~

14 SEC. 2.

15 SECTION 1. Section 2830 of the Public Utilities Code is
16 amended to read:

17 2830. (a) As used in this section, the following terms have the
18 following meanings:

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

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

12 (3) “Eligible renewable generating facility” means a generation
13 facility that has a generating capacity of no more than one
14 megawatt, is an eligible renewable energy resource as defined in
15 Section 399.12, is located within the geographical boundary of,
16 and is owned, operated, or on property under the control of, the
17 local government, and is sized to offset all or part of the electrical
18 load of the benefiting account. For these purposes, premises that
19 are leased by a local government are under the control of the local
20 government.

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

24 (5) “Local government” means a city, county, whether general
25 law or chartered, city and county, special district, school district,
26 community college district, political subdivision, or other local
27 public agency, a joint powers authority or agency created pursuant
28 to Chapter 5 (commencing with Section 6500) of Division 7 of
29 Title 1 of the Government Code, if authorized by law to generate
30 electricity, or an individual campus of the University of California
31 or the California State University, but shall not mean the state or
32 any agency or department of the state, other than a campus of the
33 University of California or the California State University.

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

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

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

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

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

8 (5) All costs associated with the metering requirements of
9 paragraphs (2) and (4) are the responsibility of the local
10 government.

11 (6) All costs associated with interconnection are the
12 responsibility of the local government. For purposes of this
13 paragraph, “interconnection” has the same meaning as defined in
14 Section 2803, except that it applies to the interconnection of an
15 eligible renewable generating facility rather than the energy source
16 of a private energy producer.

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

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

29 (c) (1) A benefiting account shall be billed for all electricity
30 usage, and for each bill component, at the rate schedule applicable
31 to the benefiting account, including any cost-responsibility
32 surcharge or other cost recovery mechanism, as determined by the
33 commission, to reimburse the Department of Water Resources for
34 purchases of electricity, pursuant to Division 27 (commencing
35 with Section 80000) of the Water Code.

36 (2) The bill shall then subtract the bill credit applicable to the
37 benefiting account. The generation component credited to the
38 benefiting account may not include the 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. The electrical corporation
3 shall ensure that the local government receives the full bill credit.

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

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

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

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

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

26 (f) A local government shall provide the electrical corporation
27 to which the eligible renewable generating facility will be
28 interconnected with not less than 60 days' notice prior to the
29 eligible renewable generating facility becoming operational. The
30 electrical corporation shall file an advice letter with the
31 commission, that complies with this section, not later than 30 days
32 after receipt of the notice, proposing a rate tariff for a benefiting
33 account. The commission, within 30 days of the date of filing,
34 shall approve the proposed tariff, or specify conforming changes
35 to be made by the electrical corporation to be filed in a new advice
36 letter.

37 (g) The local government may terminate its election pursuant
38 to subdivision (b), upon providing the electrical corporation with
39 a minimum of 60 days' notice. Should the local government sell
40 its interest in the eligible renewable generating facility, or sell the

1 electricity generated by the eligible renewable generating facility,
2 in a manner other than required by this section, upon the date of
3 either event, and the earliest date if both events occur, no further
4 bill credit pursuant to paragraph (3) of subdivision (b) may be
5 earned. Only credit earned prior to that date shall be made to a
6 benefiting account.

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

21 (i) A local government electing to take service pursuant to
22 subdivision (b) is eligible to receive ratepayer funded incentives
23 pursuant to the California Solar Initiative for facilities that are
24 sized to meet the on-site load and the load of the designated
25 benefiting account. For purposes of this subdivision, "California
26 Solar Initiative" means the program providing ratepayer funded
27 incentives for eligible solar energy systems adopted by the Public
28 Utilities Commission in Decision 06-01-024, as modified by
29 Chapter 8.8 (commencing with Section 25780) of Division 15 of
30 the Public Resources Code and Article 1 (commencing with Section
31 2851) of Chapter 9.