

Introduced by Senator LenoFebruary 27, 2009

An act to amend Section 2828 of the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

SB 581, as introduced, Leno. Hetch Hetchy Water and Power: renewable generation.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, as defined. Existing law authorizes the City and County of San Francisco to elect to designate specific photovoltaic electricity generation facilities meeting specified conditions as Hetch Hetchy Water and Power (HHWP) at-site solar generation, as defined, and HHWP remote solar generation, as defined. Existing law requires that upon election and the filing and acceptance of an advice letter with the commission establishing rates, Pacific Gas and Electric Company (PG&E) is required on a monthly basis, to credit the City and County of San Francisco for certain electricity generated and delivered to the electric grid by HHWP at-site solar generation in accordance with specified rate criteria. Existing law additionally authorizes the City and County of San Francisco to elect to designate specific photovoltaic electricity generation facilities as HHWP remote solar generation to supply electricity to qualifying remote load by designating those facilities to be served by HHWP remote solar generation. Existing law requires that PG&E accept any electricity exported to the grid by HHWP remote solar generation, up to the amount of electricity contemporaneously being used by the qualifying remote load, and treat the electricity accepted as behind the meter generation that offsets the electrical usage

of qualifying remote load. Existing law requires that where the separate or remote sites are outside the City and County of San Francisco, they be located within 20 miles of the City and County of San Francisco or within 20 miles of an HHWP remote solar generation facility.

This bill would authorize the City and County of San Francisco to elect to designate specific renewable electricity generation facilities, as defined, as HHWP at-site renewable generation and HHWP remote renewable generation. The bill would authorize the City and County of San Francisco to elect to designate specific renewable electricity generation facilities or a portion of specific renewable electricity generation facilities as HHWP remote renewable generation to supply electricity to qualifying remote load by designating those facilities to be served by HHWP remote renewable generation. The bill would require that PG&E accept any electricity exported to the grid by HHWP remote renewable generation, up to the amount of electricity being used during the corresponding time period by the qualifying remote load, and to treat the electricity accepted as behind the meter generation that offsets the electrical usage of qualifying remote load. The bill would delete the existing requirement that where the separate or remote sites are outside the City and County of San Francisco, they be located within 20 miles of the City and County of San Francisco or within 20 miles of a HHWP remote renewable generation facility.

The bill would declare that, due to the special circumstances applicable only to HHWP renewable generation facilities, a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution, and the enactment of a special statute is therefore necessary.

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

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

- 1 SECTION 1. Section 2828 of the Public Utilities Code is
- 2 amended to read:
- 3 2828. (a) As used in this section, the following terms have the
- 4 following meanings:
- 5 (1) “Appropriate TOU tariff” means the Time-of-Use tariff that
- 6 would be applicable to the City and County of San Francisco
- 7 account at the photovoltaic renewable electricity generation facility
- 8 site if the facility at the site were a Pacific Gas and Electric

1 Company bundled customer, as determined by Pacific Gas and
2 Electric Company.

3 (2) “Environmental attributes” associated with the Hetch Hetchy
4 Water and Power (HHWP) at-site ~~solar~~ *renewable* generation and
5 HHWP remote ~~solar~~ *renewable* generation include, but are not
6 limited to, the credits, benefits, emissions reductions,
7 environmental air quality credits, and emissions reduction credits,
8 offsets, and allowances, however entitled, resulting from the
9 avoidance of the emissions of any gas, chemical, or other substance
10 attributable to the Hetch Hetchy Water and Power ~~photovoltaic~~
11 *renewable* electricity generation facility owned by the City and
12 County of San Francisco.

13 (3) “HHWP at-site ~~solar~~ *renewable* generation” means the
14 electricity generated by ~~Hetch Hetchy Water and Power~~
15 ~~photovoltaic~~ *renewable* electricity generation facilities ~~owned by~~
16 ~~the City and County of San Francisco~~, designated by the City and
17 County of San Francisco pursuant to subdivision (b).

18 (4) “HHWP remote ~~solar~~ *renewable* generation” means the
19 electricity generated by ~~Hetch Hetchy Water and Power~~
20 ~~photovoltaic~~ *renewable* electricity generation facilities ~~owned by~~
21 ~~the City and County of San Francisco~~, designated by the City and
22 County of San Francisco pursuant to subdivision (h), to provide
23 electricity to qualifying remote load.

24 (5) “Interconnection Agreement” means the 1987 agreement
25 between Pacific Gas and Electric Company and the City and
26 County of San Francisco, as filed with and accepted by the Federal
27 Energy Regulatory Commission (FERC), and as amended from
28 time to time with FERC approval, which provides for rates for
29 transmission, distribution, and sales of supplemental electricity to
30 the City and County of San Francisco. Nothing in this section shall
31 waive or modify the rights of parties under the Interconnection
32 Agreement or the jurisdiction of the FERC over rates set forth in
33 the Interconnection Agreement.

34 (6) “Qualifying remote load” means the electricity demand of
35 the City and County of San Francisco for load served under the
36 Interconnection Agreement, at sites that are separate from, and not
37 adjacent to, the sites where the ~~photovoltaic~~ *renewable* electricity
38 generation facility is located, and serviced through a meter or
39 multiple meters other than those serving the sites where the
40 ~~photovoltaic~~ *renewable* electricity generation facility is located.

1 The separate or remote sites may be designated by the City and
2 County of San Francisco, both inside and outside of the City and
3 County of San Francisco. ~~Where the separate or remote sites are~~
4 ~~outside of the City and County of San Francisco, they shall be~~
5 ~~located within 20 miles of the City and County of San Francisco~~
6 ~~or within 20 miles of a HHWP remote solar generation facility.~~

7 There is no wattage limit on qualifying remote load.

8 (7) “Renewable electricity generation facility” means a facility
9 for the generation of electricity that satisfies both of the following
10 requirements:

11 (A) The facility meets the technology and fuel source attributes
12 required to be an eligible renewable energy resource pursuant to
13 the California Renewable Portfolio Standards Program (Article
14 16 (commencing with Section 399.11) of Chapter 2.3 of Part 1 of
15 Division 1), but does not necessarily meet other eligibility attributes
16 of that program relative to ownership, location, or date of
17 operation.

18 (B) The facility is owned, or under lease or contract to, the City
19 and County of San Francisco for at least a five-year term and for
20 the full output of electricity from the facility.

21 (b) The City and County of San Francisco may elect to designate
22 specific ~~photovoltaic~~ renewable electricity generation facilities as
23 HHWP at-site ~~solar~~ renewable generation, if all of the following
24 conditions are met:

25 (1) Total peak generating capacity does not exceed 15
26 megawatts.

27 (2) The ~~photovoltaic~~ renewable electricity generation facility
28 utilizes a meter, or multiple meters, capable of separately
29 measuring electricity flow in both directions. All meters shall
30 provide “time-of-use” measurement information. If the existing
31 meter at the site of the facility is not capable of providing
32 time-of-use information or is not capable of separately measuring
33 total flow of energy in both directions, the City and County of San
34 Francisco is responsible for all expenses involved in purchasing
35 and installing a meter or meters that are both capable of providing
36 time-of-use information and able to separately measure total
37 electricity flow in both directions.

38 (3) The amount of all electricity delivered to the electric grid
39 by the designated HHWP at-site ~~solar~~ renewable generation is the
40 property of Pacific Gas and Electric Company.

1 (4) The City and County of San Francisco does not sell
2 electricity delivered to the electric grid from the designated HHWP
3 at-site-~~solar~~ *renewable* generation to a third party.

4 (c) For each site of a ~~photovoltaic~~ *renewable* electricity
5 generation facility that comprises the HHWP at-site-~~solar~~
6 *renewable* generation, Pacific Gas and Electric Company shall
7 identify the appropriate TOU tariff for that site. Any electricity
8 exported to the Pacific Gas and Electric Company grid at that site
9 that is not generated from HHWP remote-~~solar~~ *renewable*
10 generation pursuant to subdivision (h) shall, for each time-of-use
11 period, result in a monetary credit to be applied monthly as a credit
12 or offset against the invoice created pursuant to the Interconnection
13 Agreement and shall be valued at the generation component of the
14 appropriate TOU tariff. The commission shall determine if it is
15 appropriate to increase the credit to reflect any additional value
16 derived from the location or the environmental attributes of, the
17 designated HHWP at-site-~~solar~~ *renewable* generation.

18 (d) Monthly charges and credit amounts for HHWP at-site-~~solar~~
19 *renewable* generation are interim and subject to an accounting
20 true-up, consistent with commission policies and practices. The
21 true-up shall be performed annually or upon the termination, for
22 any reason, of the Interconnection Agreement. The true-up shall
23 accomplish the following:

24 (1) If the total electricity delivered to the site by Pacific Gas
25 and Electric Company since the previous true-up equals or exceeds
26 the total electricity exported to the grid by the HHWP at-site-~~solar~~
27 *renewable* generation facility at the site, the City and County of
28 San Francisco is a net electricity consumer at that site. For any
29 HHWP at-site-~~solar~~ *renewable* generation site where the City and
30 County of San Francisco is a net electricity consumer, a credit or
31 offset shall be applied to reduce the obligations of the City and
32 County of San Francisco to an invoice prepared pursuant to the
33 Interconnection Agreement. If there is no invoiced obligation to
34 be reduced, there is no applicable credit.

35 (2) If the total electricity delivered to the site by Pacific Gas
36 and Electric Company since the previous true-up is less than the
37 total electricity exported to the grid by the HHWP at-site-~~solar~~
38 *renewable* generation facility at the site, the City and County of
39 San Francisco is a net electricity producer at that site. For any
40 HHWP at-site-~~solar~~ *renewable* generation site where the City and

1 County of San Francisco is a net electricity producer, the City and
2 County of San Francisco shall receive no credit or offset for the
3 electricity exported to the grid in excess of the electricity delivered
4 to the site from the grid. For any site where the City and County
5 of San Francisco is a net electricity producer, the City and County
6 of San Francisco shall receive a credit or offset up to the amount
7 of electricity delivered to the site from the grid. The credit or offset
8 shall be applied to reduce the obligations of the City and County
9 of San Francisco to an invoice prepared pursuant to the
10 Interconnection Agreement. If there is no invoiced obligation to
11 be reduced, there is no applicable credit or offset. Pacific Gas and
12 Electric Company shall use the last-in, first-out method to
13 determine what electricity delivered to the grid from the site will
14 not earn a credit or offset.

15 (e) Pursuant to this section, the offset to charges under the
16 Interconnection Agreement is the medium to convey credits earned
17 under this section. Nothing in this section shall be construed to
18 affect in any way the rights and obligations of the City and County
19 of San Francisco and Pacific Gas and Electric Company under the
20 Interconnection Agreement. If the Interconnection Agreement
21 terminates, the City and County of San Francisco and Pacific Gas
22 and Electric Company shall develop an alternative mechanism to
23 convey credits earned under this section *for HHWP at-site*
24 *renewable generation and for HHWP remote renewable*
25 *generation*, in a manner that accomplishes the same result as that
26 accomplished pursuant to the Interconnection Agreement.

27 (f) (1) Pacific Gas and Electric Company shall file an advice
28 letter with the commission, that complies with this section, not
29 later than 10 days after the City and County of San Francisco first
30 designates the specific ~~photovoltaic~~ *renewable* electricity
31 generation facilities that will comprise HHWP at-site ~~solar~~
32 *renewable* generation.

33 (2) The commission, within 30 days of the date of filing of the
34 advice letter, shall approve the advice letter or specify conforming
35 changes to be made by Pacific Gas and Electric Company to be
36 filed in an amended advice letter within 30 days.

37 (g) The City and County of San Francisco may terminate its
38 election pursuant to subdivisions (b), (c), (d), and (h), upon
39 providing Pacific Gas and Electric Company with a minimum of
40 60 days' written notice.

1 (h) (1) The City and County of San Francisco may elect to
2 designate specific ~~photovoltaic~~ *renewable* electricity generation
3 facilities *or a portion of specific renewable electricity generation*
4 *facilities* as HHWP remote-~~solar~~ *renewable* generation and may
5 use HHWP remote-~~solar~~ *renewable* generation to supply electricity
6 to specific facilities designated as qualifying remote load up to the
7 amount of electricity being used by the qualifying remote load.
8 (2) The City and County of San Francisco shall receive no credit
9 or offset for the electricity exported to the grid from HHWP remote
10 ~~solar~~ *renewable* generation, in excess of the electricity delivered
11 from the grid to qualifying remote load.
12 (3) Pacific Gas and Electric Company shall accept any electricity
13 exported to the grid ~~by~~ *as* HHWP remote-~~solar~~ *renewable*
14 generation, up to the amount of electricity ~~contemporaneously~~
15 being used *during the corresponding time period* by the qualifying
16 remote load, and treat the electricity accepted as behind the meter
17 generation that offsets the electrical usage of qualifying remote
18 load. Additional rates may apply pursuant to paragraph (6).
19 (4) The City and County of San Francisco shall be responsible
20 for scheduling the electricity exported to the grid from HHWP
21 remote-~~solar~~ *renewable* generation.
22 (5) Both HHWP remote-~~solar~~ *renewable* generation sites and
23 qualifying remote load sites shall have meters capable of measuring
24 exports and usage of electricity that will support determination of
25 credits or offsets pursuant to paragraph (2). The City and County
26 of San Francisco shall be responsible for the costs of the meters
27 required pursuant to this section.
28 (6) To compensate Pacific Gas and Electric Company for the
29 use of its facilities, the City and County of San Francisco shall pay
30 applicable distribution rates, transmission rates, or distribution and
31 transmission rates, at rate levels determined by the Interconnection
32 Agreement, for all energy delivered to qualifying remote load that
33 comes from HHWP remote-~~solar~~ *renewable* generation. When
34 HHWP remote-~~solar~~ *renewable* generation and the qualifying
35 remote load it serves are located within the City and County of
36 San Francisco and are interconnected at distribution voltage, the
37 applicable rate for delivery of energy from HHWP remote-~~solar~~
38 *renewable* generation shall be reduced as negotiated pursuant to
39 the Interconnection Agreement.

1 (7) The appropriate regulatory agency shall ensure that the
 2 delivery of electricity by HHWP remote-solar *renewable* generation
 3 to qualifying remote load, and the granting of offsets to the City
 4 and County of San Francisco pursuant to this subdivision, do not
 5 result in a shifting of costs to bundled service customers, either
 6 immediately or over time.

7 ~~(i) Hetch Hetchy Water and Power shall reimburse Pacific Gas
 8 and Electric Company for its reasonable study costs associated
 9 with HHWP remote solar generation to address interconnection,
 10 consistent with applicable regulatory rules, and impacts upon the
 11 electric system resulting from the HHWP remote solar generation.
 12 If the studies identify improvements necessary for the protection
 13 of the Pacific Gas and Electric Company electric system, for the
 14 protection of its employees, or to ensure reliable delivery of the
 15 electricity generated by the HHWP remote solar generation facility
 16 to qualifying remote load, Hetch Hetchy Water and Power shall
 17 pay the reasonable costs of the improvements if it elects to
 18 designate the HHWP remote solar generation facility to provide
 19 electricity for qualifying remote load.~~

20 *(i) The interconnection of HHWP at-site renewable generation
 21 and HHWP remote renewable generation will be accomplished
 22 through one or more generator interconnection agreements
 23 pursuant to applicable regulatory rules and generator
 24 interconnection procedures.*

25 ~~(j) Ownership and use of the~~ *The City and County of San
 26 Francisco shall own the environmental attributes associated with
 27 the electricity delivered to the electric grid by HHWP at-site-solar
 28 renewable generation and HHWP remote-solar renewable
 29 generation shall be determined by the commission in accordance
 30 with Article 16 (commencing with Section 399.11) of Chapter 2.3
 31 of Part 1 unless it contracts otherwise.*

32 SEC. 2. The Legislature finds and declares that, because of the
 33 unique circumstances applicable only to Hetch Hetchy Water and
 34 Power renewable generation of electricity, a statute of general
 35 applicability cannot be enacted within the meaning of subdivision
 36 (b) of Section 16 of Article IV of the California Constitution.
 37 Therefore, this special statute is necessary.

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