

AMENDED IN ASSEMBLY MAY 1, 2012  
AMENDED IN ASSEMBLY APRIL 17, 2012  
AMENDED IN ASSEMBLY MARCH 26, 2012  
CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2187**

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**Introduced by Assembly Member Bradford**

February 23, 2012

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An act to amend Section 399.16 of the Public Utilities Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 2187, as amended, Bradford. Renewable energy resources.

The California renewables portfolio standard program (RPS program) requires the Public Utilities Commission to establish the quantity of electricity products from eligible renewable energy resources, as defined, to be procured by each retail seller, as defined, for specified compliance periods, sufficient to ensure that the procurement of electricity products from eligible renewable energy resources achieves 20% of retail sales for the period January 1, 2011, to December 31, 2013, inclusive, 25% of retail sales by December 31, 2016, and 33% of retail sales by December 31, 2020, and in all subsequent years. The RPS program, consistent with the goals of procuring the least-cost and best-fit eligible renewable energy resources that meet project viability principles, requires that all retail sellers procure a balanced portfolio of electricity products from eligible renewable energy resources, as specified (portfolio content requirements). The RPS program conditions certain eligibility requirements upon whether the contract for electricity products

from eligible renewable energy resources was executed after June 1, 2010.

This bill, *for purposes of electric service providers only*, would ~~instead condition those eligibility requirements upon whether the contract is executed after January 13, 2011~~ *require specified restrictions on crediting eligible renewable energy resource electricity products to each compliance period to apply to contracts executed after January 13, 2011.*

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 399.16 of the Public Utilities Code is  
2 amended to read:

3 399.16. (a) Various electricity products from eligible renewable  
4 energy resources located within the WECC transmission network  
5 service area shall be eligible to comply with the renewables  
6 portfolio standard procurement requirements in Section 399.15.  
7 These electricity products may be differentiated by their impacts  
8 on the operation of the grid in supplying electricity, as well as,  
9 meeting the requirements of this article.

10 (b) Consistent with the goals of procuring the least-cost and  
11 best-fit electricity products from eligible renewable energy  
12 resources that meet project viability principles adopted by the  
13 commission pursuant to paragraph (4) of subdivision (a) of Section  
14 399.13 and that provide the benefits set forth in Section 399.11, a  
15 balanced portfolio of eligible renewable energy resources shall be  
16 procured consisting of the following portfolio content categories:

17 (1) Eligible renewable energy resource electricity products that  
18 meet either of the following criteria:

19 (A) Have a first point of interconnection with a California  
20 balancing authority, have a first point of interconnection with  
21 distribution facilities used to serve end users within a California  
22 balancing authority area, or are scheduled from the eligible  
23 renewable energy resource into a California balancing authority  
24 without substituting electricity from another source. The use of  
25 another source to provide real-time ancillary services required to  
26 maintain an hourly or subhourly import schedule into a California  
27 balancing authority shall be permitted, but only the fraction of the

1 schedule actually generated by the eligible renewable energy  
2 resource shall count toward this portfolio content category.

3 (B) Have an agreement to dynamically transfer electricity to a  
4 California balancing authority.

5 (2) Firmed and shaped eligible renewable energy resource  
6 electricity products providing incremental electricity and scheduled  
7 into a California balancing authority.

8 (3) Eligible renewable energy resource electricity products, or  
9 any fraction of the electricity generated, including unbundled  
10 renewable energy credits, that do not qualify under the criteria of  
11 paragraph (1) or (2).

12 (c) In order to achieve a balanced portfolio, all retail sellers  
13 shall meet the following requirements for all procurement credited  
14 ~~towards~~ *toward* each compliance period:

15 (1) Not less than 50 percent for the compliance period ending  
16 December 31, 2013, 65 percent for the compliance period ending  
17 December 31, 2016, and 75 percent thereafter of the eligible  
18 renewable energy resource electricity products associated with  
19 contracts executed after June 1, 2010, shall meet the product  
20 content requirements of paragraph (1) of subdivision (b).

21 (2) Not more than 25 percent for the compliance period ending  
22 December 31, 2013, 15 percent for the compliance period ending  
23 December 31, 2016, and 10 percent thereafter of the eligible  
24 renewable energy resource electricity products associated with  
25 contracts executed after June 1, 2010, shall meet the product  
26 content requirements of paragraph (3) of subdivision (b).

27 (3) Any renewable energy resources contracts executed on or  
28 after June 1, 2010, not subject to the limitations of paragraph (1)  
29 or (2), shall meet the product content requirements of paragraph  
30 (2) of subdivision (b).

31 (4) *For purposes of electric service providers only, the*  
32 *restrictions in this subdivision on crediting eligible renewable*  
33 *energy resource electricity products to each compliance period*  
34 *shall apply to contracts executed after January 13, 2011.*

35 (d) Any contract or ownership agreement originally executed  
36 prior to June 1, 2010, shall count in full ~~towards~~ *toward* the  
37 procurement requirements established pursuant to this article, if  
38 all of the following conditions are met:

39 (1) The renewable energy resource was eligible under the rules  
40 in place as of the date when the contract was executed.

1 (2) For an electrical corporation, the contract has been approved  
2 by the commission, even if that approval occurs after June 1, 2010.

3 (3) Any contract amendments or modifications occurring after  
4 June 1, 2010, do not increase the nameplate capacity or expected  
5 quantities of annual generation, or substitute a different renewable  
6 energy resource. The duration of the contract may be extended if  
7 the original contract specified a procurement commitment of 15  
8 or more years.

9 (e) A retail seller may apply to the commission for a reduction  
10 of a procurement content requirement of subdivision (c). The  
11 commission may reduce a procurement content requirement of  
12 subdivision (c) to the extent the retail seller demonstrates that it  
13 cannot comply with that subdivision because of conditions beyond  
14 the control of the retail seller as provided in paragraph (5) of  
15 subdivision (b) of Section 399.15. The commission shall not, under  
16 any circumstance, reduce the obligation specified in paragraph (1)  
17 of subdivision (c) below 65 percent for any compliance obligation  
18 after December 31, 2016.

19 ~~SECTION 1. Section 399.16 of the Public Utilities Code is~~  
20 ~~amended to read:~~

21 ~~399.16. (a) Various electricity products from eligible renewable~~  
22 ~~energy resources located within the WECC transmission network~~  
23 ~~service area shall be eligible to comply with the renewables~~  
24 ~~portfolio standard procurement requirements in Section 399.15.~~  
25 ~~These electricity products may be differentiated by their impacts~~  
26 ~~on the operation of the grid in supplying electricity, as well as,~~  
27 ~~meeting the requirements of this article.~~

28 ~~(b) Consistent with the goals of procuring the least-cost and~~  
29 ~~best-fit electricity products from eligible renewable energy~~  
30 ~~resources that meet project viability principles adopted by the~~  
31 ~~commission pursuant to paragraph (4) of subdivision (a) of Section~~  
32 ~~399.13 and that provide the benefits set forth in Section 399.11, a~~  
33 ~~balanced portfolio of eligible renewable energy resources shall be~~  
34 ~~procured consisting of the following portfolio content categories:~~

35 ~~(1) Eligible renewable energy resource electricity products that~~  
36 ~~meet either of the following criteria:~~

37 ~~(A) Have a first point of interconnection with a California~~  
38 ~~balancing authority, have a first point of interconnection with~~  
39 ~~distribution facilities used to serve end users within a California~~  
40 ~~balancing authority area, or are scheduled from the eligible~~

1 ~~renewable energy resource into a California balancing authority~~  
2 ~~without substituting electricity from another source. The use of~~  
3 ~~another source to provide real-time ancillary services required to~~  
4 ~~maintain an hourly or subhourly import schedule into a California~~  
5 ~~balancing authority shall be permitted, but only the fraction of the~~  
6 ~~schedule actually generated by the eligible renewable energy~~  
7 ~~resource shall count toward this portfolio content category.~~

8 ~~(B) Have an agreement to dynamically transfer electricity to a~~  
9 ~~California balancing authority.~~

10 ~~(2) Firmed and shaped eligible renewable energy resource~~  
11 ~~electricity products providing incremental electricity and scheduled~~  
12 ~~into a California balancing authority.~~

13 ~~(3) Eligible renewable energy resource electricity products, or~~  
14 ~~any fraction of the electricity generated, including unbundled~~  
15 ~~renewable energy credits, that do not qualify under the criteria of~~  
16 ~~paragraph (1) or (2).~~

17 ~~(e) In order to achieve a balanced portfolio, all retail sellers~~  
18 ~~shall meet the following requirements for all procurement credited~~  
19 ~~toward each compliance period:~~

20 ~~(1) Not less than 50 percent for the compliance period ending~~  
21 ~~December 31, 2013, 65 percent for the compliance period ending~~  
22 ~~December 31, 2016, and 75 percent thereafter of the eligible~~  
23 ~~renewable energy resource electricity products associated with~~  
24 ~~contracts executed after January 13, 2011, shall meet the product~~  
25 ~~content requirements of paragraph (1) of subdivision (b).~~

26 ~~(2) Not more than 25 percent for the compliance period ending~~  
27 ~~December 31, 2013, 15 percent for the compliance period ending~~  
28 ~~December 31, 2016, and 10 percent thereafter of the eligible~~  
29 ~~renewable energy resource electricity products associated with~~  
30 ~~contracts executed after January 13, 2011, shall meet the product~~  
31 ~~content requirements of paragraph (3) of subdivision (b).~~

32 ~~(3) Any renewable energy resources contracts executed after~~  
33 ~~January 13, 2011, not subject to the limitations of paragraph (1)~~  
34 ~~or (2), shall meet the product content requirements of paragraph~~  
35 ~~(2) of subdivision (b).~~

36 ~~(d) Any contract or ownership agreement originally executed~~  
37 ~~prior to January 14, 2011, shall count in full toward meeting any~~  
38 ~~of the procurement requirements established pursuant to this article,~~  
39 ~~if all of the following conditions are met:~~

1     ~~(1) The renewable energy resource was eligible under the rules~~  
2 ~~in place as of the date when the contract was executed.~~  
3     ~~(2) For an electrical corporation, the contract has been approved~~  
4 ~~by the commission, even if that approval occurs after January 13,~~  
5 ~~2011.~~  
6     ~~(3) Any contract amendments or modifications occurring after~~  
7 ~~January 13, 2011, do not increase the nameplate capacity or~~  
8 ~~expected quantities of annual generation, or substitute a different~~  
9 ~~renewable energy resource. The duration of the contract may be~~  
10 ~~extended if the original contract specified a procurement~~  
11 ~~commitment of 15 or more years.~~  
12     ~~(4) For retail sellers, any contract with an eligible renewable~~  
13 ~~energy resource shall also include a supply of electricity that is~~  
14 ~~scheduled or delivered into a California balancing authority.~~  
15     ~~(e) A retail seller may apply to the commission for a reduction~~  
16 ~~of a procurement content requirement of subdivision (c). The~~  
17 ~~commission may reduce a procurement content requirement of~~  
18 ~~subdivision (c) to the extent the retail seller demonstrates that it~~  
19 ~~cannot comply with that subdivision because of conditions beyond~~  
20 ~~the control of the retail seller as provided in paragraph (5) of~~  
21 ~~subdivision (b) of Section 399.15. The commission shall not, under~~  
22 ~~any circumstance, reduce the obligation specified in paragraph (1)~~  
23 ~~of subdivision (c) below 65 percent for any compliance obligation~~  
24 ~~after December 31, 2016.~~