

Introduced by Senator WolkFebruary 18, 2011

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

LEGISLATIVE COUNSEL'S DIGEST

SB 843, as introduced, Wolk. 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 the commission to fix the rates and charges for every public utility, and requires that those rates and charges be just and reasonable. The local government renewable energy self-generation program authorizes a local government, as defined, to receive a bill credit, as defined, to be applied 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 program requires that a benefiting account be mutually agreed upon by the local government or campus and the electrical corporation.

This bill would authorize the local government or campus to designate the benefiting account.

The existing program requires that the benefiting account receives service under a time-of-use rate schedule and requires that a bill credit is to be calculated based upon the time-of-use electricity generation component of the electricity usage charge of the generating account, multiplied by the quantities of electricity generated by an eligible renewable generating facility that are exported to the grid during the corresponding time period.

This bill would delete the requirement that the benefiting account receive service under a time-of-use rate schedule and require that the bill credit be calculated based upon the bundled electricity rate charged the benefiting account, with differing calculations depending upon whether the benefiting account receives service pursuant to a time-of-use rate schedule, a single bundled rate, or fixed rates with different rates charged for different tiers of usage.

The existing program limits the generating capacity of an eligible renewable generating facility to no more than one megawatt and requires that the facility be owned by, operated by, or be located on property under the control of the local government or campus.

This bill would limit the generating capacity of an eligible renewable generating facility to no more than 20 megawatts. The bill would delete the requirement that the eligible renewable generating facility be owned by, operated by, or be located on, property under the control of the local government or campus.

The existing program provides that an electrical corporation is not obligated to provide a bill credit to a benefiting account that is not designated prior to the point in time that the combined statewide cumulative rated generating capacity of all eligible renewable generating facilities within the service territories of the state's 3 largest electrical corporations reaches 250 megawatts.

This bill would delete this 250 megawatts limitation upon the obligation of an electrical corporation to provide a bill credit.

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:
3 2830. (a) As used in this section, the following terms have the
4 following meanings:
5 (1) "Benefiting account" means an electricity account, or more
6 than one account, located within the geographical boundaries of
7 a local government or, for a campus, within the geographical
8 boundary of the city, county, or city and county in which the
9 campus is located, that is ~~mutually agreed upon~~ *designated* by the
10 local government or campus ~~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.~~ *bundled*
7 *electricity rate charged the benefiting account by the electrical*
8 *corporation.*

9 (A) *If the benefiting account receives service pursuant to a*
10 *time-of-use rate, the amount of the bill credit is to be calculated*
11 *by measuring the amount of electricity exported to the electrical*
12 *grid by an eligible renewable generating facility multiplied by the*
13 *corresponding time-of-use electricity rate of the benefiting account.*

14 (B) *If the benefiting account receives service pursuant to a fixed*
15 *single rate, the credit shall be calculated by measuring the amount*
16 *of electricity exported to the electrical grid by an eligible*
17 *renewable generating facility multiplied by that rate.*

18 (C) *If the benefiting account receives service pursuant to fixed*
19 *rates, with different rates charged for different tiers of usage, the*
20 *bill credit will be at the first tier or baseline usage rate for*
21 *electricity exported to the electrical grid by an eligible renewable*
22 *generating facility, up to the baseline quantity of electricity for*
23 *that benefiting account. The bill credit for electricity exported to*
24 *the grid by an eligible renewable generating facility that is above*
25 *the baseline amount shall be calculated based upon the next lowest*
26 *tiered rate, up to that tier of usage, and then upon the next lowest*
27 *tiered rate, up to that tier of usage, until the bill credit reaches*
28 *100 percent of the bill to the benefiting account.*

29 (D) Electricity is exported to the grid if it is generated by an
30 eligible renewable generating facility, is not utilized onsite by the
31 local government *or campus*, and the electricity flows through the
32 meter site and on to the electrical corporation’s distribution or
33 transmission infrastructure.

34 (3) “Campus” means an individual community college campus,
35 individual California State University campus, or individual
36 University of California campus.

37 (4) “Eligible renewable generating facility” means a generation
38 facility that meets all of the following requirements:

39 (A) Has a generating capacity of no more than ~~one megawatt~~
40 *20 megawatts.*

1 (B) Is an eligible renewable energy resource, as defined in
2 Article 16 (commencing with Section 399.11) of Part 1.

3 (C) Is located within the geographical boundary of the local
4 government or, for a campus, within the geographical boundary
5 of the city or city and county, if the campus is located in an
6 incorporated area, or county, if the campus is located in an
7 unincorporated area.

8 ~~(D) Is owned by, operated by, or on property under the control
9 of, the local government or campus.~~

10 ~~(E)~~

11 (D) Is sized to offset all or part of the electrical load of the
12 benefiting account. ~~For these purposes, premises that are leased
13 by a local government or campus are under the control of the local
14 government or campus.~~

15 (5) “Generating account” means the time-of-use electric service
16 account of the local government or campus where the eligible
17 renewable generating facility is located.

18 (6) “Local government” means a city, county, whether general
19 law or chartered, city and county, special district, school district,
20 political subdivision, or other local public agency, but shall not
21 mean a joint powers authority, the state or any agency or
22 department of the state, other than an individual campus of the
23 University of California or the California State University.

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

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

29 ~~(2) A benefiting account receives service under a time-of-use
30 rate schedule.~~

31 ~~(3)~~

32 (2) The benefiting account is the responsibility of, and serves
33 property that is owned, operated, or on property under the control
34 of the same local government that owns, operates, or controls the
35 eligible renewable generating facility *the local government or
36 campus.*

37 ~~(4)~~

38 (3) The electrical output of the eligible renewable generating
39 facility is metered for time of use to allow calculation of the bill
40 credit based upon when the electricity is exported to the grid.

1 ~~(5)~~
2 (4) All costs associated with the metering requirements of
3 paragraphs (2) and (4) are the responsibility of the local
4 government.

5 ~~(6)~~
6 (5) All costs associated with interconnection are the
7 responsibility of the ~~local government~~ *holder of the benefiting*
8 *account*. For purposes of this paragraph, “interconnection” has the
9 same meaning as defined in Section 2803, except that it applies to
10 the interconnection of an eligible renewable generating facility
11 rather than the energy source of a private energy producer.

12 ~~(7)~~
13 (6) The ~~local government~~ *owner of the eligible renewable*
14 *generating facility* does not sell electricity exported to the electrical
15 grid to a third party.

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

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

34 (2) The bill shall then ~~subtract the bill credit applicable to the~~
35 ~~benefiting account~~ *credit the designated benefiting account by the*
36 *amount of the bill credit*. The generation component credited to
37 the benefiting account may not include the cost-responsibility
38 surcharge or other cost recovery mechanism, as determined by the
39 commission, to reimburse the Department of Water Resources for
40 purchases of electricity, pursuant to Division 27 (commencing

1 with Section 80000) of the Water Code. The electrical corporation
2 shall ensure that the local government receives the full bill credit.

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

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

10 (5) After the electricity usage charge pursuant to paragraph (1)
11 and the credit pursuant to paragraph (2) are determined for the last
12 billing cycle of a 12-month period, any remaining *bill* credit
13 resulting from the application of this section shall be reset to zero,
14 *and the owner of the eligible renewable generating facility may*
15 *elect to receive compensation pursuant to Section 399.20, for any*
16 *electricity exported to the electrical grid that is not credited to a*
17 *benefiting account.*

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

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

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

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

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