An act to amend Section 25019 of the Corporations Code, and to amend Sections 216 and 218 of, to repeal Section 2826.5 of, and to repeal and add Chapter 7.5 (commencing with Section 2830) of Part 2 of Division 1 of, the Public Utilities Code, relating to energy.

LEGISLATIVE COUNSEL’S DIGEST


(1) Under existing law, the Public Utilities Commission has regulatory jurisdiction 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. Under existing law, 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.

This bill would repeal these provisions and enact the Community-Based Renewable Energy Self-Generation Program. The
program would authorize a retail customer of an electrical corporation (participant) to purchase a subscription acquire an interest, as defined, in a community renewable energy facility, as defined, for the purpose of receiving a bill credit, as defined, to offset all or a portion of the customer's participant's electricity usage, consistent with specified requirements. Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because the provisions of the bill would require action by the commission to implement its requirements, a violation of these provisions would impose a state-mandated local program by expanding the definition of a crime.

The bill would provide that any corporation or person engaged directly or indirectly in developing, producing, delivering, participating in, or selling interests in, a community renewable energy facility is not a public utility or electrical corporation solely by reason of engaging in any of those activities.

(2) Existing law authorizes the City of Davis to receive a bill credit, as defined, to a benefiting account, as defined, for electricity supplied to the electrical grid by a photovoltaic electricity generation facility located within, and partially owned by, the city (PVUSA solar facility) and requires the commission to adopt a rate tariff for the benefiting account.

This bill would repeal these provisions relating to the City of Davis.

(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.


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

SECTION 1. Section 25019 of the Corporations Code is amended to read:

25019. (a) “Security” means any note; stock; treasury stock; membership in an incorporated or unincorporated association; bond; debenture; evidence of indebtedness; certificate of interest
or participation in any profit-sharing agreement; collateral trust certificate; preorganization certificate or subscription; transferable share; investment contract; viatical settlement contract or a fractionalized or pooled interest therein; life settlement contract or a fractionalized or pooled interest therein; voting trust certificate; certificate of deposit for a security; interest in a limited liability company and any class or series of those interests (including any fractional or other interest in that interest), except a membership interest in a limited liability company in which the person claiming this exception can prove that all of the members are actively engaged in the management of the limited liability company; provided that evidence that members vote or have the right to vote, or the right to information concerning the business and affairs of the limited liability company, or the right to participate in management, shall not establish, without more, that all members are actively engaged in the management of the limited liability company; certificate of interest or participation in an oil, gas or mining title or lease or in payments out of production under that title or lease; put, call, straddle, option, or privilege on any security, certificate of deposit, or group or index of securities (including any interest therein or based on the value thereof); or any put, call, straddle, option, or privilege entered into on a national securities exchange relating to foreign currency; any beneficial interest or other security issued in connection with a funded employees’ pension, profit sharing, stock bonus, or similar benefit plan; or, in general, any interest or instrument commonly known as a “security”; or any certificate of interest or participation in, temporary or interim certificate for, receipt for, guarantee of, or warrant or right to subscribe to or purchase, any of the foregoing.

All of the foregoing are securities whether or not evidenced by a written document. “Security”

(b) “Security” does not include: (1) any beneficial interest in any voluntary inter vivos trust which is not created for the purpose of carrying on any business or solely for the purpose of voting, or (2) any beneficial interest in any testamentary trust, or (3) any insurance or endowment policy or annuity contract under which an insurance company admitted in this state promises to pay a sum of money (whether or not based upon the investment performance of a segregated fund) either in a lump sum or periodically for life or some other specified period, or (4) any franchise subject to
registration under the Franchise Investment Law (Division 5
(commencing with Section 31000)), or exempted from registration
by Section 31100 or 31101, or (5) any right to a bill credit or
interest of a participant in a community renewable energy facility
pursuant to Chapter 7.5 (commencing with Section 2830) of Part
2 of Division 1 of the Public Utilities Code.

SECTION 1.
SEC. 2. Section 216 of the Public Utilities Code is amended
to read:

216. (a) “Public utility” includes every common carrier, toll
bridge corporation, pipeline corporation, gas corporation, electrical
corporation, telephone corporation, telegraph corporation, water
corporation, sewer system corporation, and heat corporation, where
the service is performed for, or the commodity is delivered to, the
public or any portion thereof.

(b) Whenever any common carrier, toll bridge corporation,
pipeline corporation, gas corporation, electrical corporation,
telephone corporation, telegraph corporation, water corporation,
sewer system corporation, or heat corporation performs a service
for, or delivers a commodity to, the public or any portion thereof
for which any compensation or payment whatsoever is received,
that common carrier, toll bridge corporation, pipeline corporation,
gas corporation, electrical corporation, telephone corporation,
telegraph corporation, water corporation, sewer system corporation,
or heat corporation, is a public utility subject to the jurisdiction,
control, and regulation of the commission and the provisions of
this part.

(c) When any person or corporation performs any service for,
or delivers any commodity to, any person, private corporation,
municipality, or other political subdivision of the state, that in turn
either directly or indirectly, mediately or immediately, performs
that service for, or delivers that commodity to, the public or any
portion thereof, that person or corporation is a public utility subject
to the jurisdiction, control, and regulation of the commission and
the provisions of this part.

(d) Ownership or operation of a facility that employs
cogeneration technology or produces power from other than a
conventional power source or the ownership or operation of a
facility which employs landfill gas technology does not make a
corporation or person a public utility within the meaning of this
section solely because of the ownership or operation of that facility.
(e) Any corporation or person engaged directly or indirectly in
developing, producing, transmitting, distributing, delivering, or
selling any form of heat derived from geothermal or solar resources
or from cogeneration technology to any privately owned or publicly
owned public utility, or to the public or any portion thereof, is not
a public utility within the meaning of this section solely by reason
of engaging in any of those activities.
(f) The ownership or operation of a facility that sells compressed
natural gas at retail to the public for use only as a motor vehicle
fuel, and the selling of compressed natural gas at retail from that
facility to the public for use only as a motor vehicle fuel, does not
make the corporation or person a public utility within the meaning
of this section solely because of that ownership, operation, or sale.
(g) Ownership or operation of a facility that is an exempt
wholesale generator, as defined in the Public Utility Holding
Company Act of 2005 (42 U.S.C. Sec. 16451(6)), does not make
a corporation or person a public utility within the meaning of this
section, solely due to the ownership or operation of that facility.
(h) The ownership, control, operation, or management of an
electric plant used for direct transactions or participation directly
or indirectly in direct transactions, as permitted by subdivision (b)
of Section 365, sales into a market established and operated by the
Independent System Operator or any other wholesale electricity
market, or the use or sale as permitted under subdivisions (b) to
(d), inclusive, of Section 218, shall not make a corporation or
person a public utility within the meaning of this section solely
because of that ownership, participation, or sale.
(i) A corporation or person engaged directly or indirectly in
developing, owning, producing, delivering, participating in, or
selling interests in, a community renewable energy facility pursuant
to Chapter 7.5 (commencing with Section 2830) of Part 2, is not
a public utility within the meaning of this section solely by reason
of engaging in any of those activities.

SEC. 2.

SEC. 3. Section 218 of the Public Utilities Code is amended
to read:
218. (a) “Electrical corporation” includes every corporation
or person owning, controlling, operating, or managing any electric
plant for compensation within this state, except where electricity
is generated on or distributed by the producer through private
property solely for its own use or the use of its tenants and not for
sale or transmission to others.

(b) “Electrical corporation” does not include a corporation or
person employing cogeneration technology or producing power
from other than a conventional power source for the generation of
electricity solely for any one or more of the following purposes:

(1) Its own use or the use of its tenants.

(2) The use of or sale to not more than two other corporations
or persons solely for use on the real property on which the
electricity is generated or on real property immediately adjacent
thereto, unless there is an intervening public street constituting the
boundary between the real property on which the electricity is
generated and the immediately adjacent property and one or more
of the following applies:

(A) The real property on which the electricity is generated and
the immediately adjacent real property is not under common
ownership or control, or that common ownership or control was
gained solely for purposes of sale of the electricity so generated
and not for other business purposes.

(B) The useful thermal output of the facility generating the
electricity is not used on the immediately adjacent property for
petroleum production or refining.

(C) The electricity furnished to the immediately adjacent
property is not utilized by a subsidiary or affiliate of the corporation
or person generating the electricity.

(3) Sale or transmission to an electrical corporation or state or
local public agency, but not for sale or transmission to others,
unless the corporation or person is otherwise an electrical
corporation.

(c) “Electrical corporation” does not include a corporation or
person employing landfill gas technology for the generation of
electricity for any one or more of the following purposes:

(1) Its own use or the use of not more than two of its tenants
located on the real property on which the electricity is generated.

(2) The use of or sale to not more than two other corporations
or persons solely for use on the real property on which the
electricity is generated.
(3) Sale or transmission to an electrical corporation or state or
local public agency.
(d) “Electrical corporation” does not include a corporation or
person employing digester gas technology for the generation of
electricity for any one or more of the following purposes:
(1) Its own use or the use of not more than two of its tenants
located on the real property on which the electricity is generated.
(2) The use of or sale to not more than two other corporations
or persons solely for use on the real property on which the
electricity is generated.
(3) Sale or transmission to an electrical corporation or state or
local public agency, if the sale or transmission of the electricity
service to a retail customer is provided through the transmission
system of the existing local publicly owned electric utility or
electrical corporation of that retail customer.
(e) “Electrical corporation” does not include an independent
solar energy producer, as defined in Article 3 (commencing with
Section 2868) of Chapter 9 of Part 2.
(f) The amendments made to this section at the 1987 portion of
the 1987–88 Regular Session of the Legislature do not apply to
any corporation or person employing cogeneration technology or
producing power from other than a conventional power source for
the generation of electricity that physically produced electricity
prior to January 1, 1989, and furnished that electricity to
immediately adjacent real property for use thereon prior to January
1, 1989.
(g) A corporation or person engaged directly or indirectly in
developing, owning, producing, delivering, participating in, or
selling interests in, a community renewable energy facility pursuant
to Chapter 7.5 (commencing with Section 2830) of Part 2, is not
an electrical corporation within the meaning of this section solely
by reason of engaging in any of those activities.

SEC. 4. Section 2826.5 of the Public Utilities Code is repealed.
SEC. 6. Chapter 7.5 (commencing with Section 2830) of Part
2 of Division 1 of the Public Utilities Code is added
to Part 2 of Division 1 of the Public Utilities Code, to read:
Chapter 7.5. Community-Based Renewable Energy
Self-generation Program

2830. The Legislature finds and declares all of the following:
(a) Despite the fact that all customers of California electrical corporations fund current self-generation programs, residential and commercial renters, small businesses, public entities, and low- and moderate-income Californians usually do not have the ability to participate fully in current self-generation programs. The purpose of this chapter is to provide all Californians with the opportunity to self-generate electricity utilizing renewable energy resources through the Community-Based Renewable Energy Self-Generation Program. It is in the public interest to promote broader participation in self-generation by California residents, public agencies, and businesses by the development of community renewable energy self-generation facilities in which participants are entitled to generate and receive electricity generated by renewable energy resources through an over-the-fence transaction.
(b) It is the intent of the Legislature that public schools have the authority to invest in renewable energy self-generation facilities to generate electricity as provided in this chapter. Energy usage is one of the most significant cost pressures facing public schools at a time when schools have been forced to cut essential programs, increase classroom sizes, and send pink slips to teachers throughout the state. Schools may use the savings for restoring funds for salaries, student achievement, facility maintenance, and other budgetary needs. The renewable energy self-generation projects that will go forward under this chapter would create new green construction jobs, stimulate the economy, generate funding, and provide more electricity generated by clean, renewable sources to customers.
(c) Community-based renewable energy self-generation facilities will contribute to the achievement of the 33 percent renewables portfolio standard in a cost-effective manner and will assist in meeting the state’s zero net energy buildings goals. This chapter provides job creation, environmental protection, and school funding for those who choose to make the investment in community-based renewable energy self-generation facilities.
(a) The Governor has proposed a Clean Energy Jobs Plan calling for the development of 12,000 megawatts of generation
from distributed eligible renewable energy resources of up to 20 megawatts in size by 2020. The Legislature recognizes the advantages of this proposal as distributed generation provides benefits in addition to the environmental benefits, including reduced electrical line losses, decreased investment in transmission and distribution infrastructure, easier permitting, and local economic benefits. There is widespread interest from many large institutional customers, including schools, colleges, universities, local governments, businesses, and the military, for development of distributed energy facilities to serve their needs. For these reasons the Legislature agrees that the Governor’s distributed energy program represents a desired policy direction for the state.

(b) Community-based renewable energy self-generation creates jobs, reduces emissions of greenhouse gases, promotes energy independence, and will assist in meeting the state’s zero net energy buildings goals. Further, community-based renewable energy self-generation will enable schools, colleges, universities, local governments, businesses and consumers to save money on their electricity bills, thereby helping to fund educational programs, social services, and new hiring.

(c) The California Solar Initiative has been extremely successful, resulting in over 100,000 residential and commercial on-site installations of solar energy systems. The Community-Based Renewable Energy Self-Generation Program seeks to build on this success by dramatically expanding the market for eligible renewable energy resources to include residential and commercial renters, residential and commercial buildings with shaded or improperly oriented roofs, and other groups who are unable to access the benefits of onsite generation. It is in the public interest to promote broader participation in self-generation by California residents, public agencies, and businesses by the development of community renewable energy self-generation facilities in which participants are entitled to generate electricity and receive credit for that electricity on their utility bills.

(d) Many institutional customers in California have been focused on distributed energy programs of their own. For example, the Secretary of the Navy established as policy that 50 percent of the on-shore electricity for naval and Marine Corps installations in the United States be from renewable sources by 2020. To implement this policy the Navy and Marine Corps have been
working on a variety of renewable generation projects within the 1 megawatt to 20 megawatt range. The military installations, and 3 other institutional users, have identified a number of regulatory 4 barriers to implementing distributed generation projects. The 5 enactment of this chapter will create a mechanism whereby 6 institutional customers such as military installations, universities, 7 and local governments, as well as groups of individuals, can 8 efficiently invest in generating electricity from eligible renewable 9 energy resources.

(e) It is the intent of the Legislature that public schools have 11 the authority to invest in community renewable energy facilities 12 to generate electricity as provided in this chapter. Electricity usage 13 is one of the most significant cost pressures facing public schools 14 at a time when schools have been forced to cut essential programs, 15 increase classroom sizes, and send pink slips to teachers 16 throughout the state. Schools may use the savings for restoring 17 funds for salaries, student achievement, facility maintenance, and 18 other budgetary needs. The community renewable energy facility 19 projects that go forward pursuant to this chapter will create new 20 construction jobs, stimulate the economy, generate funding, and 21 provide more electricity generated by clean, renewable sources 22 to customers.

(f) It is the further intent of the Legislature that as the 24 commission works to implement this chapter, that the commission 25 carefully consider regulatory barriers to distributed generation 26 projects already identified and those not yet identified, and quickly 27 address those barriers in a manner that is conducive to the 28 development of distributed generation projects consistent with 29 appropriate ratepayer protections.

2831. As used in this chapter, the following terms have the 30 following meanings:

(a) “Allocated credit” means the percentage of the gross credit 31 that will be further allocated to an individual benefiting account.
(b) 32 (a) “Benefiting account” means one or more accounts designated 33 to receive a bill credit pursuant to Section 2832.
(e) 34 (b) “Bill credit” means an amount of money credited each 35 month, or in an otherwise applicable billing period, to one or more 36 benefiting accounts based on the percentage share of the
community renewable energy facility that is assigned to the account pursuant to the methodology described in Section 2832.

(d) “Community renewable energy facility” means a facility for the generation of electricity that meets all of the following requirements:

(1) Has a generating capacity of no more than 20 megawatts.
(2) Is an eligible renewable energy resource pursuant to Article the California Renewables Portfolio Standard Program (Article 16 (commencing with Section 399.11) of Chapter 2.3 of Part 1).
(3) The electrical output of the facility is measured by a production meter capable of recording production electrical generation in real time.
(4) Sells subscriptions to the electrical output of the facility.
(5) Is located within the service territory of an electrical corporation having 100,000 or more service connections in California.
(c) “Gross credit” means the metered kilowatthours of electrical output of the community facility exported to the grid, as measured at the point of common coupling.
(5) If it is to interconnect to the electrical grid at the transmission level of the grid, it has applied for interconnection through the Independent System Operator’s generation interconnection process.
(6) Unless the facility has a bill credit arrangement in place by December 31, 2012, it achieves initial commercial operation on January 1, 2013, or thereafter.
(d) “Facility rate” means the per kilowatthour rate, or some other unit of measurement that the commission determines to be superior to kilowatthours, established by the commission that is used to calculate the bill credit for a particular community renewable energy facility. The applicable facility rate for each community renewable energy facility shall be computed pursuant to Section 2832.
(e) “Interest” means a direct or indirect ownership, lease, subscription, or financing interest in a community renewable energy facility that enables the participant to receive a bill credit for a retail account with the electrical corporation.
(f) “Local government” means a city, county, city and county, special district, school district, county office of education, political subdivision, or other local governmental entity.

(g) “Subscriber” “Participant” means a retail customer of an electrical corporation who owns, leases, finances, or subscribes to an interest in a community renewable energy facility and who has designated one or more of its own retail accounts as a benefiting account to which the subscription shall be attributed, including a local government, the California Community Colleges, the California State University, and the University of California.

(h) “Subscriber Participant organization” means any for-profit or nonprofit organization or business, created and operating pursuant to law, entity whose purpose is to beneficially own or operate a community renewable energy facility for the subscribers to the community participants or owners of that facility.

(i) “Subscription” means an interest in a community facility.

2832. (a) (1) A retail customer of an electrical utility corporation having 100,000 or more service connections within the state may purchase a subscription to acquire an interest in a community renewable energy facility for the purpose of self-generation becoming a participant and receiving a bill credit to offset all or a portion of the customer’s bill for electrical service. The subscriber participant shall designate one or more benefiting accounts to which the subscription interest shall be attributed.

(2) To be eligible to be designated as a benefiting account, the account shall be for service to premises located within the geographical boundaries of the service territory of the electrical corporation containing the community renewable energy facility, or within the geographical boundaries of a contiguous service territory, if the electrical corporation or local publicly owned electric utility for that service territory have entered into an agreement enabling the connection of the benefiting account to the community renewable energy facility.

(b) (1) Each subscription shall be sized to represent at least one kilowatt of the community facility’s generating capacity.

(3) A participant organization may beneficially own or operate a community renewable energy facility for the participants of that facility. A community renewable energy facility may be built,
owned, or operated by a third party under contract with a participant organization.

(4) (A) The combined statewide cumulative rated generating capacity of community renewable energy facilities under this program shall not exceed 2 gigawatts, except as provided by in subparagraph (B).

(B) The commission shall maintain a publicly available database of existing and proposed community renewable energy facilities. Proposed community renewable energy facilities shall report their expected size, location, and commercial operation date no less than six months prior to their commercial operation date. Once the statewide cumulative rated generation capacity of existing and proposed community renewable energy facilities reaches one gigawatt, the commission shall establish a process for allocating the remaining one gigawatt of capacity to ensure the cap established in subparagraph (A) is not exceeded. When the statewide cumulative rated generation capacity of community renewable energy facilities reaches one and one-half gigawatts, the commission shall begin a process to determine if the gigawatt limitation in subparagraph (A) is necessary. Unless the commission determines that removal of the gigawatt limitation in subparagraph (A) would have a significant negative effect on electrical corporation ratepayers, the commission shall order that the gigawatt limitation is no longer applicable. If the commission decides that the removal of the gigawatt limitation in subparagraph (A) would have a significant negative effect on the ratepayers of an electrical corporation, the commission shall decide if the limitation should remain at two gigawatts or if it should be raised to some other level. For the purposes of this subparagraph, the rated generating capacity of a community renewable energy facility shall, where available, use the Energy Commission’s alternating current rating for the facility.

(5) (A) The commission shall maintain a public database of annualized average generation rates for each customer class and tier.

(B) The tariff applicable to a participant shall be identical, with respect to rate structure, all retail rate components, and any monthly charges, to the charges that the participant would be assigned if the participant did not receive a bill credit. Participants shall not be assessed standby charges on the community renewable
energy facility or the kilowatthour generation of a community
renewable energy facility. Any new or additional demand charge,
standby charge, customer charge, minimum monthly charge,
interconnection charge, or any other charge that would increase
a participant’s costs beyond those of other customers who are not
participants in the rate class to which the participant would
otherwise be assigned if the participant did not receive a bill credit
is contrary to the intent of this chapter, and shall not form a part
of the participant’s tariff.

(6) The commission shall establish a facility rate base for each
community renewable energy facility utilizing either the renewables
portfolio standard (RPS) solicitation method or added value
method, to be computed as follows:

(A) Beginning January 1, 2013, the RPS solicitation method
shall be used for computing the facility rate. Pursuant to this
method, the facility rate shall be set at the weighted average
time-of-delivery adjusted cost of electricity delivered from an
eligible renewable energy resource of comparable size that utilizes
the same generating technology as employed by the community
renewable energy facility, calculated for the most recent year for
each electrical corporation for purposes of the report made to the
Legislature pursuant to Section 911. Where data is not available
for a comparable resource and facility size for the previous year,
the most recent data shall be used. The facility rate shall be
calculated on the basis of the price paid for a kilowatthour of
electricity, unless the commission determines that some other unit
of measurement is superior to using kilowatthours, in which case
that unit of measurement will be used. The RPS solicitation method
for computing the facility rate shall be determined as of the time
that the community renewable energy facility becomes operational.

(B) Not later than December 31, 2014, the commission shall
determine the added value method for calculating a facility rate.
Pursuant to the added value method, the facility rate shall be set
at the monetary value of the benefits a community renewable
energy facility brings to the electrical corporation, other
nonparticipating ratepayers, and the grid. In determining the added
value, the commission shall analyze the benefits, including avoided
transmission line loss, avoided transmission and distribution
infrastructure costs, any reduction in fixed operations and
maintenance costs, the offset of peak demand or shifting load, and
the reduction of environmental compliance costs, including costs that would otherwise be incurred for reducing emissions of greenhouse gases. The value of these benefits shall be added to the otherwise applicable generation component of the participant’s electric service rate. The commission shall reevaluate the facility rate using the added value method every three years, and shall establish a new added value if the commission determines that there has been a material change in the added value of the community renewable energy facility.

(7) (A) Prior to January 1, 2015, the RPS solicitation method shall be used to compute the facility rate.

(B) Beginning January 1, 2015, the added value method shall be used to compute the facility rate if both of the following are true:

(i) The commission has determined a facility rate for the community renewable energy facility using the added value method.

(ii) The bill credit that will be provided using the added value method is greater than the credit provided by continued use of the RPS solicitation method.

(8) The electrical corporation shall provide a monthly bill credit, valued in dollars, to each benefitting account. The bill credit amount shall be calculated as the volumetric quantity of generation allocated to the benefitting account multiplied by the facility rate. The volumetric quantity of generation shall be expressed in kilowatthours, unless the commission determines that another unit of measurement is superior to use in place of kilowatthours.

(2)

(b) (1) A subscriber participant shall not purchase more than 2 megawatts of capacity in any single acquire an interest in a community renewable energy facility that represents more than 2 megawatts of generating capacity. This subdivision limitation does not apply to a federal, state, or local government, school, school district, county office of education, the California Community Colleges, the California State University, or the University of California.

(3) A subscriber organization may beneficially own or operate a community facility for the subscribers to the community facility. A community facility may be built, owned, or operated by a third party under contract with a subscriber organization.
(4) Prior to a sale of a subscription, the subscriber organization shall provide a disclosure to the customer that, at a minimum, includes all of the following:

(A) A good faith estimate of the annual kilowatthours to be delivered by the community facility based on the size of the subscription.

(B) A plain language explanation of the terms under which the bill credits will be calculated.

(C) A plain language explanation of the contract provisions regulating the disposition or transfer of the subscription.

(5)

(2) The commission shall not regulate the prices paid for the shares of an interest in a community renewable energy facility, but may enforce the required disclosures.

(c) Local governments

(3) Participants may aggregate their loads for the purpose of participating in a community renewable energy facility pursuant to this section.

(4) For a participant that elects to aggregate its loads for the purpose of acquiring an interest in a community renewable energy facility, the participant shall designate the benefiting accounts and the allocation of the bill credit to those accounts.

(d)

(c) (1) A subscriber participant organization shall provide to the electrical corporation information on the identity of the benefiting accounts that will receive a bill credit pursuant to this section not less than 30 days prior to the commencement of the operations of the community facility billing cycle for which the participant’s account will receive a bill credit. The participant organization shall provide the electrical corporation with not less than 30 days’ notice whenever a participant’s facility rate changes from the RPS solicitation method to the added value method.

(2) For a local government that elects to aggregate its loads for the purpose of purchasing a subscription, if the local government has more than one benefiting account, the owner or operator of the facility shall designate the specific accounts and percentage allocations to which the bill credit shall apply.

(3) A subscriber organization shall be responsible for all costs of metering and shall retain production data for a period of 36 months. The subscriber organization shall provide real-time meter
data to the electrical corporation and shall make the data available to the subscribers upon request.

(e) (1) Not more frequently than once per month, and upon providing the electrical corporation with a minimum of 30 days’ notice, the subscriber organization may change, add, or remove a benefiting account. If the owner of a benefiting account transfers service to a new benefiting account, the electrical corporation shall transfer any credit remaining from the previous account to the new account.

(2) A subscriber organization shall be responsible for providing to the electrical corporation, on a monthly basis, the percentage shares to be used to determine the bill credit to each benefiting account.

(2) Prior to the sale of an interest in a community renewable energy facility, the participant organization shall provide a disclosure to the potential participant that, at a minimum, includes all of the following:

(A) A good faith estimate of the annual kilowatthours to be delivered by the community renewable energy facility based on the size of the interest.

(B) A plain language explanation of the terms under which the bill credits will be calculated.

(C) A plain language explanation of the contract provisions regulating the disposition or transfer of the interest.

(D) A plain language explanation of the costs and benefits to the potential participant based on their current usage and applicable tariff, for the term of the proposed contract.

(3) Not more frequently than once per month, and upon providing the electrical corporation with a minimum of 30 days’ notice, the participant organization may change, add, or remove a benefiting account. If the owner of a benefiting account transfers service to a new address or benefiting account, the electrical corporation shall transfer any credit remaining from the previous account to the new account.

(4) A participant organization shall be responsible for providing to the electrical corporation, on a monthly basis, a statement of the percentage shares to be used to determine the bill credit to each benefiting account and the names and account numbers of those participants who’s facility rate is to be changed from the RPS solicitation method to the added value method. If there has
been no change in the allocations from the previous submission or in the method of calculating the facility rate of participants, the participant organization is not required to submit a new statement.

(5) The participant organization shall provide real-time meter data to the electrical corporation and shall make the data available to a participant upon request. A participant organization shall be responsible for all costs of metering and shall retain production data for a period of 36 months.

(6) A participant organization shall provide not less than 120 days’ notice to the electrical corporation and the commission prior to the date the community renewable energy facility becomes operational.

(7) The participant organization shall establish an account and register the community renewable energy facility with the Western Renewable Energy Generation Information System or its successor.

(8) The participant organization shall be responsible for all costs of interconnection at either the distribution or transmission level of the electrical grid.

(d) (1) An electrical corporation shall ensure that requests for establishment of bill credits and changes to benefiting accounts are processed in a time period not to exceed 30 days from the date it receives the request.

(2) An electrical corporation shall cooperate fully with community renewable energy facilities to implement this chapter.

(3) An electrical corporation shall comply with the requirements applicable to protection of the right to commercial free speech described in Commission Decision 10-05-050 as applied to the development, sale of subscriptions, and operation of community renewable energy facilities. Community renewable energy facilities may file a complaint with the commission for violation of this paragraph.

(4) For capacity that is unallocated to a benefiting account during the previous billing period, the recipient electrical corporation shall pay the facility operator the current default load aggregation point.

(e) The following billing process shall be used when billing and creating a benefiting account:

(1) The subscriber shall be billed and is responsible for paying all charges of the subscriber’s otherwise applicable tariff, including
any cost responsibility surcharge or other cost recovery mechanism, as determined by the commission, to reimburse the Department of Water Resources for purchases of electricity pursuant to Division 27 (commencing with Section 80000) of the Water Code. Community facilities shall not be subject to any other departing load charge.

(2) Each month the subscriber organization shall determine the allocated credits, in kilowatthours, that shall be applied to a subscriber’s benefiting account and provide that information to the electrical corporation.

(3) The electrical corporation shall subtract the kilowatthours of the allocated credit from the subscriber’s metered usage to determine the bill credit to be applied to the subscriber’s bill. The electrical corporation’s charges shall apply to the kilowatthour difference based upon the subscriber’s otherwise applicable tariff. Nongeneration charges shall additionally be applied to the allocated credit, except that for community facilities that are interconnected at the distribution level, the transmission component of the subscriber’s otherwise applicable tariff shall not be applied to the allocated credits. The bill may reflect either a charge or a credit.

(4) For a subscriber with an otherwise applicable tariff with tiered rates, the subscriber organization shall first subtract allocated credits from the highest tier of usage, and upon exhaustion of that tier of usage, to the next highest tier, until all of the allocated credit has been subtracted.

(5) For a subscriber with an otherwise applicable tariff with time-of-use rates, the subscriber organization shall subtract allocated credits for each time-of-use period from the energy usage for that same time-of-use period.

(6) A subscriber shall pay their bill, if charges are owed, on a monthly basis. Bill credits, if any, shall be carried over to the following billing period.

(g) A subscriber organization shall provide not less than 120 days’ notice to the electrical corporation prior to the date the community facility becomes operational.

(h) An electrical corporation shall ensure that requests for establishment of bill credits and changes to benefiting accounts are processed in a time period not to exceed 30 days from the date it receives the request.
If a subscriber sells or cancels its interest in, or contract with
the owner or operator of, the community facility, or sells the
electricity generated by the community facility in a manner that
is not authorized by this section, upon the date of that event, no
further bill credit may be earned pursuant to this section, and only
credit earned prior to that date may be assigned by the subscriber
to a new benefiting account.

(j) In lieu of departing load charges and charges for applying
the bill credits and to ensure that no costs are shifted from
subscribers to nonparticipating retail customers, the electrical
corporation shall own the renewable energy credits generated by
a community facility and the electricity generated by community
facilities shall be taken into account when determining if the
electrical corporation has met its renewables portfolio standard
procurement requirements pursuant to Article 16 (commencing
with Section 399.11) of Chapter 2.3 of Part 1.

(k) This section does not require an electrical corporation to
purchase electricity from a community facility.

(l) (1) A community facility may elect to provide electricity
only or electricity and capacity. An electrical corporation shall
ensure that a request for a distribution level interconnection
agreement from a community facility is processed in a time period
not to exceed 90 working days from the date the electrical
corporation receives a completed application for interconnection.

(2) All costs associated with interconnection are the
responsibility of the owner or operator of the community facility.
The community facility shall apply for transmission level
interconnections through the Independent System Operator’s
generation interconnection process.

(m) An electrical utility shall cooperate fully with community
facilities to implement this section.

(n) An electrical utility shall comply with the requirements
applicable to commercial speech described in Public Utilities
Commission Decision 10-05-050 as applied to the development,
sale of subscriptions, and operation of community facilities.
Community facilities may file a complaint with the commission
for violation of this subdivision.

(1) An electrical corporation shall bill a benefiting account for
all electricity usage, and for each applicable bill component,
including but not limited to transmission and distribution charges,
at the rate schedule applicable to the benefiting account, including  
any cost-responsibility surcharge or other cost recovery  
mechanism, as determined by the commission, to reimburse the  
Department of Water Resources for purchases of electricity  
pursuant to Division 27 (commencing with Section 80000) of the  
Water Code. Participants shall not be subject to any departing  
load charge.

(2) An electrical corporation shall subtract the bill credit  
applicable to the benefiting account. The electrical corporation  
shall ensure that the subscriber receives the full bill credit to which  
it is entitled. The information and line items on a participant’s bill  
statement will be unchanged, except one or more entries detailing  
the bill credit shall be added to a participant’s bill.

(3) If, at the end of each billing cycle, the total otherwise  
applicable bill exceeds the bill credit, the benefiting account shall  
be billed for the difference.

(4) If, at the end of a billing cycle, the bill credit exceeds the  
total amount billed to the account, the difference shall be carried  
forward as a dollar credit to the next billing cycle.

(f) Unless specifically provided otherwise in the contract  
between the participant organization and the participant, any  
renewable energy credits associated with an interest shall be  
retired by the participant organization on behalf of the participant.  
Renewable energy credits generated at a facility owned by an  
electrical corporation shall be counted toward that electrical  
corporation’s renewables portfolio standard. For purposes of this  
subdivision, “renewable energy credit” and “renewables portfolio  
standard” have the same meanings as defined in Section 399.12.

(g) In calculating its procurement requirements to meet the  
requirements of the California Renewables Portfolio Standard  
Program (Article 16 (commencing with Section 399.11) of Chapter  
2.3 of Part 1), an electrical corporation may exclude from total  
retail sales the kilowatthours generated by a community renewable  
energy facility.

(h) A community renewable energy facility that is interconnected  
at the distribution level shall be treated as being deliverable to  
load for the purposes of Section 380. The generating capacity of  
a community renewable energy facility shall be counted toward  
meeting the resource adequacy requirements adopted by the  
commission pursuant to Section 380.
SEC. 6.

SEC. 7. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.