

Assembly Bill No. 796

CHAPTER 617

An act to amend Section 379.8 of the Public Utilities Code, relating to electricity, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor October 7, 2013. Filed with
Secretary of State October 7, 2013.]

LEGISLATIVE COUNSEL'S DIGEST

AB 796, Muratsuchi. Advanced electrical distributed generation technology.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, as defined. The existing definition of an electrical corporation excludes a corporation or person employing cogeneration, as defined, technology or producing electricity from other than a conventional power source for certain purposes. Existing law places certain limitations upon gas rates and surcharges charged cogenerators. Existing law prohibits placing alternative fuel capability requirements upon gas customers that use gas for purposes of cogeneration.

Existing law authorizes the commission and the State Air Resources Board to treat advanced electrical distributed generation technology, as defined, as cogeneration, and makes certain existing limitations upon gas rates and surcharges charged cogenerators applicable to an advanced electrical distributed generation technology. Existing law makes the prohibition upon placing alternative fuel capability requirements upon gas customers that use gas for purposes of cogeneration applicable to a generator using advanced electrical distributed generation technology. These provisions do not apply to an advanced electrical distributed generation technology that is first operational at a site on and after January 1, 2014.

This bill would make the above-described authority, limitations, and prohibitions inapplicable to an advanced electrical distributed generation technology that is first operational at a site on and after January 1, 2016, rather than January 1, 2014.

This bill would declare that it is to take effect immediately as an urgency statute.

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

SECTION 1. Section 379.8 of the Public Utilities Code is amended to read:

379.8. (a) As used in this section, “advanced electrical distributed generation technology” means any electric distributed generation technology that generates useful electricity and meets all of the following conditions:

(1) The emissions standards adopted by the State Air Resources Board pursuant to the distributed generation certification program requirements of Article 3 (commencing with Section 94200) of Subchapter 8 of Chapter 1 of Division 3 of Title 17 of the California Code of Regulations.

(2) Produces de minimis emissions of sulfur oxides and nitrogen oxides.

(3) Meets the greenhouse gases emission performance standard established by the commission pursuant to Section 8341.

(4) Has a total electrical efficiency of not less than 45 percent. If legislation is enacted that increases the 42.5 percent efficiency described in subdivision (b) of Section 216.6 above 45 percent, the commission may adjust the electrical efficiency standard described in this paragraph to ensure that this electrical efficiency standard meets or exceeds the standard enacted for the purposes of subdivision (b) of Section 216.6.

(5) Is sized to meet the generator’s onsite electrical demand.

(6) Has parallel operation to the electrical distribution grid.

(7) Utilizes renewable or nonrenewable fuel.

(b) (1) An advanced electrical distributed generation technology shall qualify for the rate established by the commission pursuant to Section 454.4.

(2) The limitation in subdivision (b) of Section 6352 upon the assessment of surcharges for gas used to generate electricity by a nonutility facility applies to an advanced electrical distributed generation technology.

(3) The limitation in Section 2773.5 upon imposing alternative fuel capability requirements upon gas customers that use gas for purposes of cogeneration applies to an advanced electrical distributed generation technology.

(c) The commission or State Air Resources Board may, in furtherance of the state’s goals for achieving cost-effective reductions in emissions of greenhouse gases, meeting resource adequacy requirements, or meeting the renewables portfolio standard, treat advanced electrical distributed generation technology as cogeneration.

(d) Subdivisions (b) and (c) do not apply to an advanced electrical distributed generation technology that is first operational at a site on and after January 1, 2016.

SEC. 2. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

The current policies prohibiting the placement of alternative fuel capability requirements upon, and placing limitations upon gas rates and surcharges charged to, a generator using advanced electrical distributed generation technology will not apply unless the distributed generation facility is operational at the site before January 1, 2014. If these policies are allowed to sunset at the end of this year, it will hinder the deployment of clean energy generation technologies throughout the state by increasing the cost of

advanced electrical distributed generation projects and creating uncertainty in the market. These technologies are necessary because they move the state closer to its environmental and energy goals and have the additional benefit of being much better for air quality than traditional sources of electrical generation. Therefore, it is necessary to the health and safety of the state that this act take effect immediately.

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