

AMENDED IN ASSEMBLY APRIL 24, 2013

AMENDED IN ASSEMBLY APRIL 9, 2013

AMENDED IN ASSEMBLY MARCH 21, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1014**

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**Introduced by Assembly Member Williams**  
(Coauthor: Senator Wolk)

February 22, 2013

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An act to amend Section 25019 of the Corporations Code, and to amend Sections 216 and 218 of, to add Chapter 7.6 (commencing with Section 2832) to Part 2 of Division 1 of, and to repeal Section 2826.5 of, the Public Utilities Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1014, as amended, Williams. Energy: electrical corporations: *Green Tariff and Shared Renewable Energy Self-Generation Generation Program*.

(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 enact the Shared Renewable Energy Self-Generation Program. The program would authorize a retail customer of an electrical corporation, referred to as a participant, to acquire an interest, as defined, in a shared renewable energy facility, as defined, for the purpose of receiving a bill credit, as defined, to offset all or a portion of the participant's electricity usage, consistent with specified requirements require specified electrical corporations to file with the commission, by March 1, 2014, an advice letter requesting the approval of a Green Tariff and Shared Renewable Generation Program. The bill would require the commission, by July 1, 2014, after notice and opportunity for public comment, to approve the advice letter if the commission finds that the proposed program is reasonable and consistent with specified findings.~~

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

~~(2) 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.~~

~~(3) 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, referred to as the 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, but would require a shared renewable energy facility to either be the PVUSA facility or a newly constructed renewable facility constructed pursuant to the Shared Renewable Energy Self-Generation Program that begins commercial operation on or after January 1, 2014.~~

~~(4)~~

~~(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.

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

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

1     SECTION 1. Chapter 7.6 (commencing with Section 2832) is  
2     added to Part 2 of Division 1 of the Public Utilities Code, to read:

3  
4             CHAPTER 7.6. GREEN TARIFF AND SHARED RENEWABLE  
5                             GENERATION PROGRAM  
6

- 7     2832. The Legislature finds and declares all of the following:
- 8     (a) The creation of renewable energy within California provides  
9     significant financial, health, environmental, and workforce benefits  
10    to the State of California.
- 11    (b) The California Solar Initiative has been extremely successful,  
12    resulting in over 140,000 residential and commercial onsite  
13    installations of solar energy systems. However, it cannot reach all  
14    residents and businesses that want to participate and is limited to  
15    solar. The Green Tariff and Shared Renewable Generation  
16    Program seeks to build on this success by expanding access to  
17    renewable energy resources to all ratepayers who are currently  
18    unable to access the benefits of onsite generation.
- 19    (c) The Governor has proposed the Clean Energy Jobs Plan  
20    calling for the development of 20,000 megawatts of generation  
21    from renewable energy resources by 2020. There is widespread  
22    interest from many large institutional customers, including schools,  
23    colleges, universities, local governments, businesses, and the  
24    military, for development of renewable generation facilities to  
25    serve more than 33 percent of their energy needs. For these  
26    reasons, the Legislature agrees that the Governor’s Clean Energy  
27    Jobs Plan represents a desired policy direction for the state. It is  
28    the intent of the Legislature that renewable generation that comes  
29    online as part of the Green Tariff and Shared Renewable  
30    Generation Program is counted toward an electrical corporation’s  
31    efforts to implement the Governor’s Clean Energy Jobs Plan.
- 32    (d) Properly designed, shared renewable energy programs can  
33    provide access and long-term cost savings to underserved

1 communities, such as low- to moderate-income residents, and  
2 residential and commercial renters, while not shifting costs to  
3 nonbeneficiaries.

4 (e) While municipal utilities already have the authority to create  
5 their own shared renewable energy programs, only an act of the  
6 Legislature can empower the vast majority of California residents  
7 to be able to enjoy the significant benefits of shared renewable  
8 energy systems while the state benefits from avoided transmission  
9 and distribution upgrades, avoided line loss, and cleaner air and  
10 water.

11 (f) Public institutions will benefit from the Green Tariff and  
12 Shared Renewable Generation Program's enhanced flexibility to  
13 participate in shared renewable energy facilities. Electricity usage  
14 is one of the most significant cost pressures facing public  
15 institutions at a time when they have been forced to cut essential  
16 programs, increase classroom sizes, and lay off teachers. Schools  
17 may use the long-term savings for restoring funds for salaries,  
18 facility maintenance, and other budgetary needs.

19 (g) Renewable generation creates jobs, reduces emissions of  
20 greenhouse gases, and promotes energy independence.

21 (h) Many large energy users in California have pursued onsite  
22 renewable energy generation, but cannot achieve their goals due  
23 to rooftop or land space limitations, or size limits on net metering.  
24 The enactment of this chapter will create a mechanism whereby  
25 institutional customers such as military installations, universities,  
26 and local governments, as well as commercial customers and  
27 groups of individuals, can efficiently invest in generating electricity  
28 from renewable generation.

29 (i) It is the intent of the Legislature that the Green Tariff and  
30 Shared Renewable Generation Program be implemented in such  
31 a manner as to create a large, sustainable market for the purchase  
32 of an interest in offsite renewable generation, while fairly  
33 compensating electrical corporations for the services they provide.

34 (j) It is the further intent of the Legislature to preserve a  
35 thriving, sustainable agricultural industry, and to ensure that the  
36 development of renewable energy does not remove prime farmland  
37 from productive use without a comprehensive public review  
38 process.

39 2833. (a) On or before March 1, 2014, an electrical  
40 corporation with at least 100,000 customers shall file with the

1 *commission an advice letter requesting approval of a Green Tariff*  
2 *and Shared Renewable Generation Program that it determines is*  
3 *consistent with the findings specified in Section 2832.*

4 *(b) On or before July 1, 2014, the commission shall issue a*  
5 *resolution on the electrical corporation’s advice letter for a Green*  
6 *Tariff and Shared Renewable Generation Program, determining*  
7 *whether to approve or disprove it, with or without modifications.*

8 *(c) After notice and an opportunity for public comment, the*  
9 *commission shall approve an advice letter by an electrical*  
10 *corporation for a Green Tariff and Shared Renewable Generation*  
11 *Program if the commission determines that the program is*  
12 *reasonable and consistent with the findings specified in Section*  
13 *2832.*

14 *(d) This section does not apply to applications by electrical*  
15 *corporations for a Green Tariff and Shared Renewable Generation*  
16 *Program that are filed at the commission prior to May 1, 2013,*  
17 *and does not change the existing authority of the commission to*  
18 *approve those applications in accordance with its existing authority*  
19 *under the Public Utilities Code.*

20 *SEC. 2. No reimbursement is required by this act pursuant to*  
21 *Section 6 of Article XIII B of the California Constitution because*  
22 *the only costs that may be incurred by a local agency or school*  
23 *district will be incurred because this act creates a new crime or*  
24 *infraction, eliminates a crime or infraction, or changes the penalty*  
25 *for a crime or infraction, within the meaning of Section 17556 of*  
26 *the Government Code, or changes the definition of a crime within*  
27 *the meaning of Section 6 of Article XIII B of the California*  
28 *Constitution.*

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

31 ~~25019. (a) “Security” means any note; stock; treasury stock;~~  
32 ~~membership in an incorporated or unincorporated association;~~  
33 ~~bond; debenture; evidence of indebtedness; certificate of interest~~  
34 ~~or participation in any profit-sharing agreement; collateral trust~~  
35 ~~certificate; preorganization certificate or subscription; transferable~~  
36 ~~share; investment contract; viatical settlement contract or a~~  
37 ~~fractionalized or pooled interest therein; life settlement contract~~  
38 ~~or a fractionalized or pooled interest therein; voting trust certificate;~~  
39 ~~certificate of deposit for a security; interest in a limited liability~~  
40 ~~company and any class or series of those interests (including any~~

1 fractional or other interest in that interest), except a membership  
2 interest in a limited liability company in which the person claiming  
3 this exception can prove that all of the members are actively  
4 engaged in the management of the limited liability company;  
5 provided that evidence that members vote or have the right to vote,  
6 or the right to information concerning the business and affairs of  
7 the limited liability company, or the right to participate in  
8 management, shall not establish, without more, that all members  
9 are actively engaged in the management of the limited liability  
10 company; certificate of interest or participation in an oil, gas or  
11 mining title or lease or in payments out of production under that  
12 title or lease; put, call, straddle, option, or privilege on any security,  
13 certificate of deposit, or group or index of securities (including  
14 any interest therein or based on the value thereof); or any put, call,  
15 straddle, option, or privilege entered into on a national securities  
16 exchange relating to foreign currency; any beneficial interest or  
17 other security issued in connection with a funded employees'  
18 pension, profit sharing, stock bonus, or similar benefit plan; or, in  
19 general, any interest or instrument commonly known as a  
20 "security"; or any certificate of interest or participation in,  
21 temporary or interim certificate for, receipt for, guarantee of, or  
22 warrant or right to subscribe to or purchase, any of the foregoing.  
23 All of the foregoing are securities whether or not evidenced by a  
24 written document.

25 (b) "Security" does not include: (1) any beneficial interest in  
26 any voluntary inter vivos trust which is not created for the purpose  
27 of carrying on any business or solely for the purpose of voting, or  
28 (2) any beneficial interest in any testamentary trust, or (3) any  
29 insurance or endowment policy or annuity contract under which  
30 an insurance company admitted in this state promises to pay a sum  
31 of money (whether or not based upon the investment performance  
32 of a segregated fund) either in a lump sum or periodically for life  
33 or some other specified period, or (4) any franchise subject to  
34 registration under the Franchise Investment Law (Division 5  
35 (commencing with Section 31000)), or exempted from registration  
36 by Section 31100 or 31101, or (5) any right to a bill credit or  
37 interest of a participant in a community renewable energy facility  
38 pursuant to Chapter 7.6 (commencing with Section 2832) of Part  
39 2 of Division 1 of the Public Utilities Code.

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

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

9 (b) ~~Whenever any common carrier, toll bridge corporation,~~  
10 ~~pipeline corporation, gas corporation, electrical corporation,~~  
11 ~~telephone corporation, telegraph corporation, water corporation,~~  
12 ~~sewer system corporation, or heat corporation performs a service~~  
13 ~~for, or delivers a commodity to, the public or any portion thereof~~  
14 ~~for which any compensation or payment whatsoever is received,~~  
15 ~~that common carrier, toll bridge corporation, pipeline corporation,~~  
16 ~~gas corporation, electrical corporation, telephone corporation,~~  
17 ~~telegraph corporation, water corporation, sewer system corporation,~~  
18 ~~or heat corporation, is a public utility subject to the jurisdiction,~~  
19 ~~control, and regulation of the commission and the provisions of~~  
20 ~~this part.~~

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

29 (d) ~~Ownership or operation of a facility that employs~~  
30 ~~eogeneration technology or produces power from other than a~~  
31 ~~conventional power source or the ownership or operation of a~~  
32 ~~facility which employs landfill gas technology does not make a~~  
33 ~~corporation or person a public utility within the meaning of this~~  
34 ~~section solely because of the ownership or operation of that facility.~~

35 (e) ~~Any corporation or person engaged directly or indirectly in~~  
36 ~~developing, producing, transmitting, distributing, delivering, or~~  
37 ~~selling any form of heat derived from geothermal or solar resources~~  
38 ~~or from eogeneration technology to any privately owned or publicly~~  
39 ~~owned public utility, or to the public or any portion thereof, is not~~

1 a public utility within the meaning of this section solely by reason  
2 of engaging in any of those activities.

3 (f) ~~The ownership or operation of a facility that sells compressed  
4 natural gas at retail to the public for use only as a motor vehicle  
5 fuel, and the selling of compressed natural gas at retail from that  
6 facility to the public for use only as a motor vehicle fuel, does not  
7 make the corporation or person a public utility within the meaning  
8 of this section solely because of that ownership, operation, or sale.~~

9 (g) ~~Ownership or operation of a facility that is an exempt  
10 wholesale generator, as defined in the Public Utility Holding  
11 Company Act of 2005 (42 U.S.C. Sec. 16451(6)), does not make  
12 a corporation or person a public utility within the meaning of this  
13 section, solely due to the ownership or operation of that facility.~~

14 (h) ~~The ownership, control, operation, or management of an  
15 electric plant used for direct transactions or participation directly  
16 or indirectly in direct transactions, as permitted by subdivision (b)  
17 of Section 365, sales into a market established and operated by the  
18 Independent System Operator or any other wholesale electricity  
19 market, or the use or sale as permitted under subdivisions (b) to  
20 (d), inclusive, of Section 218, shall not make a corporation or  
21 person a public utility within the meaning of this section solely  
22 because of that ownership, participation, or sale.~~

23 (i) ~~The ownership, control, operation, or management of a  
24 facility that supplies electricity to the public only for use to charge  
25 light duty plug-in electric vehicles does not make the corporation  
26 or person a public utility within the meaning of this section solely  
27 because of that ownership, control, operation, or management. For  
28 purposes of this subdivision, “light duty plug-in electric vehicles”  
29 includes light duty battery electric and plug-in hybrid electric  
30 vehicles. This subdivision does not affect the commission’s  
31 authority under Section 454 or 740.2 or any other applicable statute.~~

32 (j) ~~A corporation or person engaged directly or indirectly in  
33 developing, owning, producing, delivering, participating in, or  
34 selling interests in a shared renewable energy facility pursuant to  
35 Chapter 7.6 (commencing with Section 2832) of Part 2, is not a  
36 public utility within the meaning of this section solely by reason  
37 of engaging in any of those activities.~~

38 SEC. 3. ~~Section 218 of the Public Utilities Code is amended  
39 to read:~~



1     ~~218. (a) “Electrical corporation” includes every corporation~~  
2 ~~or person owning, controlling, operating, or managing any electric~~  
3 ~~plant for compensation within this state, except where electricity~~  
4 ~~is generated on or distributed by the producer through private~~  
5 ~~property solely for its own use or the use of its tenants and not for~~  
6 ~~sale or transmission to others.~~

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

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

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

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

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

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

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

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

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

1     ~~(2) The use of or sale to not more than two other corporations~~  
2     ~~or persons solely for use on the real property on which the~~  
3     ~~electricity is generated.~~  
4     ~~(3) Sale or transmission to an electrical corporation or state or~~  
5     ~~local public agency.~~  
6     ~~(d) “Electrical corporation” does not include a corporation or~~  
7     ~~person employing digester gas technology for the generation of~~  
8     ~~electricity for any one or more of the following purposes:~~  
9     ~~(1) Its own use or the use of not more than two of its tenants~~  
10    ~~located on the real property on which the electricity is generated.~~  
11    ~~(2) The use of or sale to not more than two other corporations~~  
12    ~~or persons solely for use on the real property on which the~~  
13    ~~electricity is generated.~~  
14    ~~(3) Sale or transmission to an electrical corporation or state or~~  
15    ~~local public agency, if the sale or transmission of the electricity~~  
16    ~~service to a retail customer is provided through the transmission~~  
17    ~~system of the existing local publicly owned electric utility or~~  
18    ~~electrical corporation of that retail customer.~~  
19    ~~(e) “Electrical corporation” does not include an independent~~  
20    ~~solar energy producer, as defined in Article 3 (commencing with~~  
21    ~~Section 2868) of Chapter 9 of Part 2.~~  
22    ~~(f) The amendments made to this section at the 1987 portion of~~  
23    ~~the 1987–88 Regular Session of the Legislature do not apply to~~  
24    ~~any corporation or person employing cogeneration technology or~~  
25    ~~producing power from other than a conventional power source for~~  
26    ~~the generation of electricity that physically produced electricity~~  
27    ~~prior to January 1, 1989, and furnished that electricity to~~  
28    ~~immediately adjacent real property for use thereon prior to January~~  
29    ~~1, 1989.~~  
30    ~~(g) A corporation or person engaged directly or indirectly in~~  
31    ~~developing, owning, producing, delivering, participating in, or~~  
32    ~~selling interests in, a shared renewable energy facility pursuant to~~  
33    ~~Chapter 7.6 (commencing with Section 2832) of Part 2, is not an~~  
34    ~~electrical corporation within the meaning of this section solely by~~  
35    ~~reason of engaging in any of those activities.~~  
36    ~~SEC. 4. Section 2826.5 of the Public Utilities Code is repealed.~~  
37    ~~SEC. 5. Chapter 7.6 (commencing with Section 2832) is added~~  
38    ~~to Part 2 of Division 1 of the Public Utilities Code, to read:~~

~~CHAPTER 7.6. SHARED RENEWABLE ENERGY SELF-GENERATION PROGRAM~~

~~2832. The Legislature finds and declares all of the following:~~  
~~(a) The creation of renewable energy within California provides significant financial, health, environmental, and workforce benefits to the state of California.~~

~~(b) The California Solar Initiative has been extremely successful, resulting in over 140,000 residential and commercial onsite installations of solar energy systems. However, it cannot reach all residents and businesses that want to participate and is limited to solar. The Shared Renewable Energy Self-Generation Program seeks to build on this success by expanding access to renewable energy resources to all ratepayers who are currently unable to access the benefits of onsite generation.~~

~~(c) The Governor has proposed the Clean Energy Jobs Plan calling for the development of 12,000 megawatts of generation from distributed renewable energy resources of up to 20 megawatts in size by 2020. There is widespread interest from many large institutional customers, including schools, colleges, universities, local governments, businesses, and the military, for development of renewable generation facilities to serve more than 33 percent of their energy needs. For these reasons, the Legislature agrees that the Governor’s Clean Energy Jobs Plan represents a desired policy direction for the state. It is the intent of the Legislature that renewable generation that comes online as part of the Shared Renewable Energy Self-Generation Program is counted toward an electrical corporation’s efforts to implement the Governor’s Clean Energy Jobs Plan.~~

~~(d) Properly designed, shared renewable energy programs can provide access and cost savings to underserved communities, such as low- to moderate-income residents, and residential and commercial renters, while not shifting costs to nonbeneficiaries.~~

~~(e) While municipal utilities already have the authority to create their own shared renewable energy programs, only an act of the Legislature can empower the vast majority of California residents to be able to enjoy the significant benefits of shared renewable energy systems, while the state benefits from avoided transmission and distribution upgrades, avoided line loss, and cleaner air and water.~~

1 (f) ~~Public institutions will benefit from the Shared Renewable~~  
2 ~~Energy Self-Generation Program's enhanced flexibility to~~  
3 ~~participate in shared renewable energy facilities. Electricity usage~~  
4 ~~is one of the most significant cost pressures facing public~~  
5 ~~institutions at a time when they have been forced to cut essential~~  
6 ~~programs, increase classroom sizes, and lay off teachers. Schools~~  
7 ~~may use the savings for restoring funds for salaries, facility~~  
8 ~~maintenance, and other budgetary needs.~~

9 (g) ~~Shared renewable energy self-generation creates jobs,~~  
10 ~~reduces emissions of greenhouse gases, and promotes energy~~  
11 ~~independence.~~

12 (h) ~~Many large energy users in California have pursued onsite~~  
13 ~~renewable energy generation, but cannot achieve their goals due~~  
14 ~~to rooftop or land space limitations, or size limits on net metering.~~  
15 ~~The enactment of this chapter will create a mechanism whereby~~  
16 ~~institutional customers such as military installations, universities,~~  
17 ~~and local governments, as well as commercial customers and~~  
18 ~~groups of individuals, can efficiently invest in generating electricity~~  
19 ~~from renewable generation.~~

20 (i) ~~Therefore, it is the intent of the legislature that this program~~  
21 ~~be implemented in such a manner as to create a large, sustainable~~  
22 ~~market for the purchase of an interest in offsite renewable~~  
23 ~~generation, while fairly compensating electrical corporations for~~  
24 ~~the services they provide.~~

25 (j) ~~It is the further intent of the Legislature to preserve a thriving,~~  
26 ~~sustainable agricultural industry, and to ensure that the~~  
27 ~~development of renewable energy does not remove prime farmland~~  
28 ~~from productive use without a comprehensive public review~~  
29 ~~process.~~

30 (k) ~~It is further the intent of the Legislature that the commission~~  
31 ~~minimize the rate impact the Shared Renewable Energy~~  
32 ~~Self-Generation Program has on nonbeneficiaries, with a goal of~~  
33 ~~ratepayer indifference. To the extent that the program imposes~~  
34 ~~incremental increases in rates, the commission shall determine the~~  
35 ~~appropriate way to allocate costs, which may include equitable~~  
36 ~~allocation of costs to all customers on a nonbypassable basis.~~

37 2833. ~~As used in this chapter, the following terms have the~~  
38 ~~following meanings:~~

39 (a) ~~"Benefiting account" means one or more electricity accounts~~  
40 ~~designated to receive a bill credit pursuant to Section 2834 and~~

1 mutually agreed upon by the facility provider and an electrical  
2 corporation.

3 (b) “Bill credit” means an amount of money credited each  
4 month, or in an otherwise applicable billing period, to one or more  
5 benefiting accounts based on the amount of the electrical output  
6 of a shared renewable energy facility that is assigned to the account  
7 pursuant to the methodology described in Section 2834.

8 (c) “Default load aggregation point price” means a  
9 commission-determined day-ahead price for electricity.

10 (d) “Energy component” means the generation portion of a  
11 customer’s otherwise applicable tariff and any other portion of the  
12 customer’s charges that the commission determines may be  
13 appropriate to offset without resulting in a net cost shift to  
14 nonbeneficiaries.

15 (e) “Facility rate” means the per kilowatthour rate assigned to  
16 each facility built under the program, used to calculate the bill  
17 credit pursuant to the method described in paragraphs (1) to (3),  
18 inclusive, of subdivision (b) of Section 2834.

19 (f) “Interest” means a direct or indirect ownership, lease,  
20 subscription, or financing interest in a shared renewable energy  
21 facility that enables the participant to receive a bill credit for a  
22 retail account with the electrical corporation.

23 (g) “Local government” means a city, county, city and county,  
24 special district, school district, public water district, public  
25 irrigation district, county office of education, political subdivision,  
26 or other local governmental entity. For the purposes of this chapter,  
27 “water district” has the same meaning as defined in Section 20200  
28 of the Water Code, and “irrigation district” means an entity formed  
29 pursuant to the Irrigation District Law set forth in Division 11  
30 (commencing with Section 20500) of the Water Code.

31 (h) “Participant” means a retail customer of an electrical  
32 corporation who owns, leases, finances, or subscribes to an interest  
33 in a shared renewable energy facility and who has designated one  
34 or more of its own retail accounts as a benefiting account to which  
35 the interest shall be attributed.

36 (i) “Participant account” means a retail customer account with  
37 an electrical corporation to which a participant’s interest in a shared  
38 renewable energy facility shall be attributed.

39 (j) “Provider” means any entity whose purpose is to beneficially  
40 own or operate a shared renewable energy facility for the

1 participants or owners of that facility, or to market an interest in  
2 the facility.

3 (k) “Program” means the Shared Renewable Energy  
4 Self-Generation Program established pursuant to this chapter.

5 (l) “Project” means the cumulative activities to build and make  
6 operational a shared renewable energy facility.

7 (m) “Renewable energy credit” has the same meaning as defined  
8 in Section 399.12.

9 (n) “Shared renewable energy facility” means a facility for the  
10 generation of electricity that meets all of the following  
11 requirements:

12 (1) Has a nameplate generating capacity of no more than 20  
13 megawatts of alternating current.

14 (2) Is an eligible renewable energy resource pursuant to the  
15 California Renewables Portfolio Standard Program (Article 16  
16 commencing with Section 399.11) of Chapter 2.3 of Part 1).

17 (3) Has its electrical output measured by a production meter  
18 owned by the electrical corporation, that meets the tariff  
19 requirements of the electrical corporation and the Independent  
20 System Operator, and that independently measures the electricity  
21 delivered to the grid by the facility.

22 (4) Is located within the service territory of a California electrical  
23 corporation.

24 (5) Has been interconnected with the electrical grid in  
25 compliance with the tariffs of the applicable interconnection  
26 authority.

27 (6) Is either the PVUSA facility, meaning the photovoltaic  
28 electricity generation facility selected by the City of Davis and  
29 located at 24662 County Road, Davis, California, or is a newly  
30 constructed renewable facility constructed pursuant to this chapter,  
31 beginning commercial operation on or after January 1, 2014.

32 (7) The provider has, where applicable, complied with all  
33 program rules and written notice procedures that may be required  
34 by the commission.

35 2834. (a) (1) A retail customer of an electrical corporation  
36 having 100,000 or more service connections within the state may  
37 acquire an interest in a shared renewable energy facility for the  
38 purpose of becoming a participant and shall designate one or more  
39 benefiting accounts to which the interest shall be attributed.

1 ~~(2) To be eligible to be designated as a benefiting account, the~~  
2 ~~account shall be for service to premises located within the~~  
3 ~~geographical boundaries of the service territory of the electrical~~  
4 ~~corporation containing the shared renewable energy facility.~~

5 ~~(3) The participating customer's bill credit may be used to offset~~  
6 ~~all or a portion of the energy component of that customer's~~  
7 ~~electrical service, as provided in this chapter and in accordance~~  
8 ~~with those rules that the commission may adopt.~~

9 ~~(4) A participant shall not acquire an interest in a shared~~  
10 ~~renewable energy facility that represents more than two megawatts~~  
11 ~~of generating capacity or the equivalent amount, as denominated~~  
12 ~~in kilowatt hours of energy. This limitation does not apply to a~~  
13 ~~federal, state, or local government, school, school district, county~~  
14 ~~office of education, the California Community Colleges, the~~  
15 ~~California State University, or the University of California.~~

16 ~~(b) The commission shall establish a facility rate for all shared~~  
17 ~~renewable energy facilities, as follows:~~

18 ~~(1) The commission shall undertake a comprehensive analysis~~  
19 ~~of the costs and benefits associated with shared renewable energy~~  
20 ~~generation to determine a facility rate for all facilities participating~~  
21 ~~in the program that shall be based on the full value that the shared~~  
22 ~~renewable energy generation provides. No later than December~~  
23 ~~31, 2014, the commission shall adopt a methodology to calculate~~  
24 ~~a facility rate for shared renewable energy.~~

25 ~~(2) In order to ensure that the program becomes effective on~~  
26 ~~January 1, 2014, an interim facility rate shall be set at the market~~  
27 ~~price referent, as currently determined by the commission.~~

28 ~~(3) The facility rate shall be set annually as a price per~~  
29 ~~kilowatthour of electricity and shall be applied at the time the~~  
30 ~~provider receives an award of capacity. Once established, a facility~~  
31 ~~rate shall be applicable to that facility for the operational life of~~  
32 ~~the facility, except as allowed in paragraph (1) of subdivision (c).~~

33 ~~(4) The commission shall publish tariffs applicable to all~~  
34 ~~participants per electrical corporation, as necessary, no later than~~  
35 ~~90 days following the addition of this section.~~

36 ~~(5) Any subsequent facility or a subsequent expansion of a~~  
37 ~~facility placed in service on or after the initial award of rated~~  
38 ~~generating capacity pursuant to paragraph (3) that results in an~~  
39 ~~increase in the facility's capacity to produce electricity shall be~~  
40 ~~subject to the facility rate in effect on the date the provider applied~~

1 for an award of rated generating capacity for the subsequent facility  
 2 or increase in the facility’s capacity.

3 ~~(6) The electrical corporation shall assign a monthly bill credit~~  
 4 ~~equal to the facility rate for each kilowatt hour of energy received~~  
 5 ~~to the benefiting account, as directed by the provider. The bill~~  
 6 ~~credit shall be applied to the energy component of the benefiting~~  
 7 ~~account.~~

8 ~~(e) (1) The commission may revise the methodology for~~  
 9 ~~calculating facility rates at any time that it concludes that the~~  
 10 ~~existing mechanism does not provide program participants with~~  
 11 ~~the fair value of electricity and other benefits produced by the~~  
 12 ~~shared renewable energy facility or overvalues the benefits to~~  
 13 ~~nonparticipating customers of the electrical corporation for the~~  
 14 ~~electricity generated by a shared renewable energy facility. Any~~  
 15 ~~revision to the methodology for calculating the facility rate shall~~  
 16 ~~apply to all new program capacity and shall also apply to existing~~  
 17 ~~program capacity provided the change results in an increase to the~~  
 18 ~~facility rate.~~

19 ~~(2) Any renewable energy credits associated with an interest~~  
 20 ~~shall be retired by either the provider or electrical corporation, as~~  
 21 ~~they may agree, on behalf of the participant or transferred to the~~  
 22 ~~Western Renewable Energy Generation Information System~~  
 23 ~~account of that participant, for the purpose of demonstrating the~~  
 24 ~~purchase of renewable energy. Those renewable energy credits~~  
 25 ~~shall not be further sold, transferred, or otherwise monetized by a~~  
 26 ~~party for any purpose. Renewable energy credits associated with~~  
 27 ~~electricity paid for by the electrical corporation shall be counted~~  
 28 ~~toward meeting that electrical corporation’s renewables portfolio~~  
 29 ~~standard. For purposes of this subdivision, “renewable energy~~  
 30 ~~credit” and “renewables portfolio standard” have the same~~  
 31 ~~meanings as defined in Section 399.12.~~

32 ~~(3) For energy that is unallocated to a benefiting account during~~  
 33 ~~the previous billing period, the recipient electrical corporation~~  
 34 ~~shall pay the provider the current default load aggregation point~~  
 35 ~~price plus the renewable energy credit value and receive any~~  
 36 ~~renewable energy credits associated with that energy.~~

37 ~~(d) (1) A pilot program of 1000 megawatts of alternating current~~  
 38 ~~rated nameplate generating capacity of shared renewable energy~~  
 39 ~~facilities shall be made available during the 18-month period~~  
 40 ~~beginning January 1, 2014, and ending July, 1 2015. Each electrical~~



1 corporation's proportionate share of the program's total capacity  
2 shall be calculated based on the ratio of the electrical corporation's  
3 peak demand compared to the total statewide peak demand.

4 (2) ~~On or before March 1, 2014, each electrical corporation~~  
5 ~~shall submit a proposal to the commission for how to allocate the~~  
6 ~~initial available capacity. Within 60 days of receipt of these~~  
7 ~~proposals, the commission shall adopt rules for the allocation of~~  
8 ~~the initial available capacity amongst the electrical corporations~~  
9 ~~and to establish a transparent process for evaluating and ranking~~  
10 ~~applications for shared renewable energy facility projects and~~  
11 ~~awarding the initial capacity to those projects.~~

12 (3) ~~Of the initial pilot program capacity:~~

13 (A) ~~Twenty percent shall be reserved for projects of a size no~~  
14 ~~greater than one megawatt of alternating current, constructed in~~  
15 ~~areas previously identified by the California Environmental~~  
16 ~~Protection Agency as the most impacted and disadvantaged~~  
17 ~~communities for opportunities related to this chapter. These~~  
18 ~~communities shall be identified as census tracts that are identified~~  
19 ~~within the top 20 percent of results from the best available~~  
20 ~~cumulative impact screening methodology by considering the~~  
21 ~~following categories:~~

22 (i) ~~Areas disproportionately affected by environmental pollution~~  
23 ~~and other hazards that can lead to negative public health effects,~~  
24 ~~exposure, or environmental degradation.~~

25 (ii) ~~Areas with socioeconomic vulnerability.~~

26 (B) ~~Twenty percent shall be reserved for initial subscription by~~  
27 ~~residential customers.~~

28 (4) ~~No shared renewable energy facilities under this program~~  
29 ~~may be sited on lands that have held, within the previous five years,~~  
30 ~~a land use designation of prime farmland as defined by the~~  
31 ~~Department of Conservation's Farmland Mapping and Monitoring~~  
32 ~~Program pursuant to Section 65570 of the Government Code,~~  
33 ~~except when the designation has been reclassified to one congruent~~  
34 ~~to the use of the site for the purposes of this chapter by either the~~  
35 ~~Farmland Mapping and Monitoring Program, or via a public~~  
36 ~~process conducted by the relevant local land use management~~  
37 ~~planning authority.~~

38 (e) ~~Each electrical corporation shall make awards allocating~~  
39 ~~rated generating capacity pursuant to the program in the following~~  
40 ~~manner:~~

1     ~~(1) (A) Each electrical corporation shall, by March 1, 2014,~~  
2 ~~submit a proposed standard contract with providers for commission~~  
3 ~~approval. The commission shall utilize the Tier 2 advice letter~~  
4 ~~procedure for approval of a standard contract submitted by an~~  
5 ~~electrical corporation.~~  
6     ~~(B) The proposed standard contract shall be based on the~~  
7 ~~electrical corporation's standard contract used for the commission's~~  
8 ~~most recently approved renewable auction mechanism program.~~  
9 ~~Each electrical corporation shall modify the contract to eliminate~~  
10 ~~language irrelevant to this program, including, but not limited to,~~  
11 ~~compensation and monthly payments, operating and development~~  
12 ~~security, and time-of-day periods.~~  
13     ~~(2) A provider wishing to build a shared renewable energy~~  
14 ~~facility shall remit a nonrefundable administrative fee of one dollar~~  
15 ~~and fifty cents (\$1.50) per kilowatt of rated generating capacity to~~  
16 ~~the electrical corporation with its application for an allocation of~~  
17 ~~capacity. At any time, the commission shall have the authority to~~  
18 ~~modify the rated generating capacity allocation mechanism,~~  
19 ~~including, but not limited to, creating project ranking criteria,~~  
20 ~~setting deposit requirements, and creating an award allocation~~  
21 ~~methodology for prospective projects.~~  
22     ~~(3) A provider shall meet the following benchmarks and~~  
23 ~~timelines for construction and operation of a shared renewable~~  
24 ~~energy facility. Failure to do so shall result in the provider~~  
25 ~~forfeiting the rated generating capacity awarded to it.~~  
26     ~~(A) The provider shall issue an unrestricted notice to proceed~~  
27 ~~with construction of the shared renewable energy facility within~~  
28 ~~180 days of the provider receiving an award allocating rated~~  
29 ~~generating capacity from the electrical corporation.~~  
30     ~~(B) The shared renewable energy facility shall achieve~~  
31 ~~commercial operation within 24 months of receiving an award~~  
32 ~~allocating rated generating capacity pursuant to this subdivision.~~  
33     ~~(C) A provider shall receive an extension because of~~  
34 ~~interconnection delays that are outside the provider's control, for~~  
35 ~~a maximum extension of six months.~~  
36     ~~(D) A provider may receive a six-month extension for~~  
37 ~~noninterconnection factors outside the control of the provider.~~  
38     ~~(4) The electrical corporation shall ensure that no single entity~~  
39 ~~or its affiliates or subsidiaries is awarded more than 20 percent of~~

1 any single calendar year's total cumulative rated generating  
2 capacity made available pursuant to this program.

3 (5) The commission shall maintain a public database of facility  
4 rates for shared renewable energy facilities that have achieved  
5 commercial operation.

6 (f) (1) Once the initial 1000 megawatts of cumulative rated  
7 generating capacity has been awarded for shared renewable energy  
8 facility projects, the commission shall evaluate the functioning of  
9 the program.

10 (2) By July 1, 2015, the commission shall conclude an evaluation  
11 of the program to date, to determine if the goals of the program  
12 are being met, including, but not limited to, the goals of increasing  
13 access to renewable power and ensuring nonbeneficiary ratepayer  
14 indifference.

15 (3) Unless the commission determines that the program goals  
16 are not being met per the goals and timetable identified in  
17 paragraph (1) of subdivision (d), the commission shall authorize  
18 additional capacity to be made available under this program in  
19 keeping with the stated legislative intent, and determine the  
20 capacity allocation and manner of participation by residential  
21 customers specified in subparagraph (B) of paragraph (3) of  
22 subdivision (d) and the capacity allocation for developing projects  
23 in areas specified in subparagraph (A) of paragraph (3) of  
24 subdivision (d).

25 (4) If the commission determines that one or more of the goals  
26 are not being met, the commission shall revise the program prior  
27 to authorizing additional capacity. Revisions may include  
28 increasing customer disclosure information or other safeguards to  
29 ensure customer protection, revising capacity set-asides for  
30 customer classes or project sizes to increase customer access to  
31 the program, alterations in the bill credit mechanism in paragraph  
32 (1) of subdivision (c) to ensure shared renewable energy facilities  
33 are financially viable through this program while ensuring that all  
34 ratepayers are paying for the benefits they receive from this  
35 program, or other revisions the commission deems necessary to  
36 ensure the program goals can be met. After the commission has  
37 revised the program, the commission may authorize additional  
38 capacity to be released provided in accordance with paragraph (2)  
39 of subdivision (d).

1     ~~(5) Following completion of the pilot program, the commission~~  
2     ~~may evaluate the program at any time, either on its own motion~~  
3     ~~or upon motion by an interested party, and may modify or adopt~~  
4     ~~any rules it determines to be necessary or convenient to ensure~~  
5     ~~that program goals can be met.~~

6     ~~(6) An electrical corporation shall comply with the requirements~~  
7     ~~applicable to protection of the right to commercial free speech~~  
8     ~~described in Commission Decision 10-05-050 as applied to the~~  
9     ~~development, sale of subscriptions, and operation of shared~~  
10    ~~renewable energy facilities. Shared renewable energy facilities~~  
11    ~~may file a complaint with the commission for violation of this~~  
12    ~~paragraph.~~

13    ~~(7) If requested by a city, county, or city and county, an~~  
14    ~~electrical corporation shall annually provide the city, county, or~~  
15    ~~city and county with the annual total generation of each shared~~  
16    ~~renewable energy facility in that local jurisdiction and the annual~~  
17    ~~aggregated total generation, by fuel type, allocated to benefiting~~  
18    ~~accounts in that local jurisdiction from all shared renewable energy~~  
19    ~~facilities, regardless of their location. The benefiting account data~~  
20    ~~shall be aggregated in a manner determined by the commission to~~  
21    ~~protect customer privacy and to provide a city, county, or city and~~  
22    ~~county with the information necessary to calculate greenhouse gas~~  
23    ~~emissions from energy consumption within its jurisdiction supplied~~  
24    ~~by shared renewable energy facilities. The commission may~~  
25    ~~develop alternative methods to enable the sharing of annual total~~  
26    ~~generation information.~~

27    ~~(g) (1) The tariff applicable to a participant shall remain the~~  
28    ~~same, with respect to rate structure, all retail rate components, and~~  
29    ~~any monthly charges, to the charges that the participant would be~~  
30    ~~assigned if the participant did not receive a bill credit. Participants~~  
31    ~~shall not be assessed standby charges on the shared renewable~~  
32    ~~energy facility or the kilowatthour generation of a shared renewable~~  
33    ~~energy facility.~~

34    ~~(2) Prior to the sale or resale of an interest in a shared renewable~~  
35    ~~energy facility, the provider or the participant, or both, shall~~  
36    ~~provide a disclosure to the potential participant that, at a minimum,~~  
37    ~~includes all of the following:~~

38    ~~(A) A good faith estimate of the annual kilowatthours to be~~  
39    ~~delivered by the shared renewable energy facility based on the size~~  
40    ~~of the interest.~~

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

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

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

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

15 ~~(4) A provider shall be responsible for providing to the electrical~~  
16 ~~corporation, on a monthly basis, a statement of the kilowatthours~~  
17 ~~allocated to each participant to be used to determine the bill credit~~  
18 ~~to each benefiting account. If there has been no change in the~~  
19 ~~allocations from the previous submission, the provider is not~~  
20 ~~required to submit a new statement. An electrical corporation may~~  
21 ~~rely on the statement of kilowatthours allocated to each participant,~~  
22 ~~as provided by the provider, in implementing the requirements of~~  
23 ~~this chapter.~~

24 ~~(5) The provider shall provide real-time meter data to the~~  
25 ~~electrical corporation and shall make the data available to a~~  
26 ~~participant upon request. A provider shall be responsible for all~~  
27 ~~costs of metering and shall retain production data for a period of~~  
28 ~~36 months.~~

29 ~~(6) A provider shall provide to the electrical corporation~~  
30 ~~information on the identity of the benefiting accounts that will~~  
31 ~~receive a bill credit pursuant to this section not less than 30 days~~  
32 ~~prior to the billing cycle for which the participant's account will~~  
33 ~~receive a bill credit.~~

34 ~~(7) A provider shall provide not less than 60 days' notice to the~~  
35 ~~electrical corporation prior to the date the shared renewable energy~~  
36 ~~facility becomes operational and shall execute all necessary~~  
37 ~~interconnection agreements, participation, and surplus sale~~  
38 ~~agreements with the electrical corporation and the Independent~~  
39 ~~System Operator on a schedule required by those entities.~~

- 1     ~~(8) Unless the electrical corporation will be registering~~  
 2     ~~renewable energy credits on behalf of the participant, the provider~~  
 3     ~~shall establish an account and register the shared renewable energy~~  
 4     ~~facility with the Western Renewable Energy Generation~~  
 5     ~~Information System or its successor.~~  
 6     ~~(9) The provider's interconnection process and cost allocation~~  
 7     ~~for facilities built under this section shall be determined by~~  
 8     ~~applicable rules for interconnection established by the commission~~  
 9     ~~and the Independent System Operator.~~  
 10    ~~(10) An electrical corporation shall ensure that requests for~~  
 11    ~~establishment of bill credits and changes to benefiting accounts~~  
 12    ~~are processed in a time period not to exceed 30 days from the date~~  
 13    ~~it receives the request.~~  
 14    ~~(11) An electrical corporation shall cooperate fully with shared~~  
 15    ~~renewable energy facilities to implement this chapter.~~  
 16    ~~(12) The commission shall not regulate the prices paid by the~~  
 17    ~~participant for an interest in a shared renewable energy facility,~~  
 18    ~~but may enforce the required disclosures, and may establish rules~~  
 19    ~~applicable to providers to ensure consumer protection. Any~~  
 20    ~~interested person or corporation may file a complaint with the~~  
 21    ~~commission contending that a provider or electrical corporation~~  
 22    ~~is not complying with any requirement of this chapter and seek an~~  
 23    ~~order of the commission to enforce the requirements of this chapter~~  
 24    ~~and to take whatever steps are necessary to ensure consumer~~  
 25    ~~protection and compliance with the requirements of this chapter.~~  
 26    ~~(h) (1) The electrical corporation may petition the commission~~  
 27    ~~to incorporate in its bill those charges by the provider to~~  
 28    ~~participants, provided that the electrical corporation recovers all~~  
 29    ~~incremental costs of providing that service and provided that the~~  
 30    ~~provider elects to use this service.~~  
 31    ~~(2) Unless the electrical corporation elects to provide the service~~  
 32    ~~of incorporating in its bill those charges by the provider to the~~  
 33    ~~participant pursuant to paragraph (3), the following process shall~~  
 34    ~~be used when billing and crediting a benefiting account:~~  
 35    ~~(A) An electrical corporation shall bill a benefiting account for~~  
 36    ~~all electricity usage, and for each applicable bill component,~~  
 37    ~~including, but not limited to, transmission and distribution charges,~~  
 38    ~~at the rate schedule applicable to the benefiting account, including~~  
 39    ~~any cost-responsibility surcharge or other cost recovery mechanism,~~  
 40    ~~as determined by the commission, to reimburse the Department~~

1 of Water Resources for purchases of electricity pursuant to Division  
2 27 (commencing with Section 80000) of the Water Code.  
3 Participants shall not be subject to any departing load charge.

4 (B) An electrical corporation shall subtract the bill credit  
5 applicable to the benefiting account monthly. The electrical  
6 corporation shall ensure that the participant receives the full bill  
7 credit to which it is entitled. The information and line items on a  
8 participant's bill statement will be unchanged, except one or more  
9 entries detailing the bill credit that shall be added to a participant's  
10 bill.

11 (C) If, at the end of each billing cycle, the total otherwise  
12 applicable energy component of the bill exceeds the bill credit,  
13 the benefiting account shall be billed for the difference.

14 (D) If, at the end of a billing cycle, the bill credit exceeds the  
15 energy component of the amount billed to the account, the  
16 difference shall be carried forward as a dollar credit to the next  
17 billing cycle. Any earned credit that exceeds the energy component  
18 of the bill shall roll over to the subsequent billing period and shall  
19 continue to roll over until used or until the annual anniversary date  
20 of the participant's initial bill credit, whichever occurs first. On  
21 the annual anniversary date of the participant's initial bill credit,  
22 any remaining bill credit earned during the previous year and that  
23 remains after the application of bill credits to the energy component  
24 of a participant's bills shall cease to roll over and will be subject  
25 to a default load aggregation point price true-up. The default load  
26 aggregation point price true-up shall be calculated by converting  
27 the remaining unused bill credits to kilowatthours, by dividing the  
28 unused bill credits by the monetary value of a bill credit, and then  
29 multiplying the kilowatthours by the default load aggregation point  
30 price. The amount calculated doing the default load aggregation  
31 point price true-up is owed by the electrical corporation to the  
32 participant. The commission shall determine whether the default  
33 load aggregation point price true-up is to be paid to participants  
34 or credited to future billings and, if so, the manner of crediting.

35 (3) If the electrical corporation elects to incorporate in its bill  
36 those charges by the provider to the participant, the following  
37 process shall be used for the bundled electric service customers  
38 of the electrical corporation:

39 (A) The provider shall convey ownership of the electricity  
40 generated by the shared renewable energy facility that passes

~~1 through the meter and is delivered to the transmission or  
2 distribution grid (delivered electricity) to the electrical corporation  
3 under terms and conditions determined between the provider and  
4 the electrical corporation, pursuant to paragraph (1) of subdivision  
5 (e).~~

~~6 (B) Unsubscribed delivered electricity shall be sold to the  
7 electrical corporation at the default load aggregation point price  
8 plus the renewable energy credit value. The electrical corporation  
9 shall receive credit under the California Renewable Portfolio  
10 Standard Program (Article 16 (commencing with Section 399.11)  
11 of Chapter 2.3 of Part 1) for all delivered electricity purchased  
12 pursuant to this subparagraph, without the need for further  
13 qualifying action.~~

~~14 (C) The electrical corporation shall charge the participant for  
15 service under each benefiting account at the electrical corporation's  
16 otherwise applicable tariff.~~

~~17 (D) The electrical corporation shall provide the participant with  
18 a bill credit based on the allocated share of delivered electricity  
19 and shall collect revenue from the participant commensurate with  
20 the participant's contract with the provider.~~

~~21 (E) The electrical corporation, within 60 days, shall remit to the  
22 participant organization the revenue collected from participants  
23 through billings pursuant to subparagraph (D).~~

~~24 (4) Nothing in paragraph (3) requires a particular bill format or  
25 the inclusion of any specific separate billing line items.~~

~~26 (5) The commission shall, by January 1, 2015, determine  
27 whether customers participating in direct transactions may receive  
28 bill credits equivalent to what would be provided to bundled  
29 electric service customers of a participating electrical corporation  
30 pursuant to this chapter, and, if so, shall implement rules and  
31 procedures for enabling those transactions. These particular  
32 transactions may include those with an electric service provider  
33 that does not provide distribution services, customers receiving  
34 electric service through a shared choice aggregation program, and  
35 customers of a local publicly owned utility that receive distribution  
36 service from an electrical corporation having 100,000 or more  
37 service connections in California.~~

~~38 (i) (1) To ensure the maximum systemic benefit from shared  
39 renewable energy facilities under this chapter, electrical  
40 corporations shall provide to the commission, prior to the release~~



1 of capacity, maps indicating locations in their service territory  
2 where the addition of capacity would reduce line loss, lower  
3 transmission capacity constraints, and defer or avoid transmission  
4 and distribution network upgrades and construction. The  
5 commission may adopt guidance in determining criteria for the  
6 awarding of capacity in a manner as to reflect these benefits.

7 (2) Before December 31, 2015, the commission shall complete  
8 an evaluation of whether the program causes any incremental rate  
9 impacts. If the commission finds rate impacts, it will determine  
10 whether and how to allocate these costs equitably to all program  
11 participants, or instead recover on a fully nonbypassable basis  
12 from all customers receiving distribution service from an electrical  
13 corporation, including ratepayers with rates that are otherwise  
14 subject to rate increase limitations pursuant to Section 739.9, but  
15 excluding customers in the California Alternate Rates for Energy  
16 (CARE) or family electric rate assistance (FERA) programs.

17 (3) On or before February 1, 2016, the commission shall require  
18 each electrical corporation to file with the commission, for its  
19 approval, any revisions to its tariffs, rates, and rate design as are  
20 necessary to ensure an equitable allocation to all customers,  
21 consistent with the commission's evaluation.

22 (4) The commission shall ensure full and timely recovery of all  
23 reasonable costs incurred by an electrical corporation to implement  
24 the program, including reasonable expenses for changes to its  
25 billing system and handling of collections, and shall determine the  
26 appropriate method of allocating those costs. The commission  
27 shall approve a memorandum account to track billing system and  
28 implementation costs, as well as revenue from provider project  
29 applications, and may not direct an electrical corporation to conduct  
30 any billing system work prior to approval of the memorandum  
31 account.

32 (5) In calculating its procurement requirements to meet the  
33 requirements of the California Renewables Portfolio Standard  
34 Program (Article 16 (commencing with Section 399.11) of Chapter  
35 2.3 of Part 1), an electrical corporation may exclude from total  
36 retail sales the kilowatthours generated by a shared renewable  
37 energy facility commencing with the point in time at which the  
38 facility achieves commercial operation.

39 (6) The local and system resource adequacy value attributable  
40 to a shared renewable energy facility, as determined by the

1 ~~commission pursuant to Section 380, shall be assigned to the~~  
2 ~~electrical corporation to which the facility is interconnected.~~

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