

AMENDED IN ASSEMBLY MAY 8, 2013  
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 add *and repeal* Chapter 7.6 (commencing with Section 2832) to Part 2 of Division 1 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 Generation Program~~: *green tariff shared renewable 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 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~~ *green tariff shared renewable 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. *This bill would require the commission to require that a green tariff shared renewable program be administered in accordance with specified provisions. This bill would repeal these provisions on January 1, 2019.*

(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) 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.

1 (b) The California Solar Initiative has been extremely successful,  
2 resulting in over 140,000 residential and commercial onsite  
3 installations of solar energy systems. However, it cannot reach all  
4 residents and businesses that want to participate and is limited to  
5 solar. ~~The Green Tariff and Shared Renewable Generation Program~~  
6 *A green tariff shared renewable program* seeks to build on this  
7 success by expanding access to renewable energy resources to all  
8 ratepayers who are currently unable to access the benefits of onsite  
9 generation.

10 (c) The Governor has proposed the Clean Energy Jobs Plan  
11 calling for the development of ~~20,000~~ *12,000* megawatts of  
12 *localized electricity* generation ~~from renewable energy resources~~  
13 by 2020. There is widespread interest from many large institutional  
14 customers, including schools, colleges, universities, local  
15 governments, businesses, and the military, for development of  
16 renewable generation facilities to serve more than 33 percent of  
17 their energy needs. ~~For these reasons, the Legislature agrees that~~  
18 ~~the Governor's Clean Energy Jobs Plan represents a desired policy~~  
19 ~~direction for the state. It is the intent of the Legislature that~~  
20 ~~renewable generation that comes online as part of the Green Tariff~~  
21 ~~and Shared Renewable Generation Program is counted toward an~~  
22 ~~electrical corporation's efforts to implement the Governor's Clean~~  
23 ~~Energy Jobs Plan.~~

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

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

36 ~~(f)~~  
37 ~~(d) Public institutions will benefit from the Green Tariff and~~  
38 ~~Shared Renewable Generation Program's a green tariff shared~~  
39 ~~renewable program's enhanced flexibility to participate in shared~~  
40 ~~renewable energy facilities. Electricity usage is one of the most~~

1 significant cost pressures facing public institutions at a time when  
2 they have been forced to cut essential programs, increase classroom  
3 sizes, and lay off teachers. Schools may use the long-term savings  
4 for restoring funds for salaries, facility maintenance, and other  
5 budgetary needs.

6 ~~(g)~~

7 (e) Renewable generation creates jobs, reduces emissions of  
8 greenhouse gases, and promotes energy independence.

9 ~~(h)~~

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

18 ~~(i)~~

19 (g) It is the intent of the Legislature that ~~the Green Tariff and~~  
20 ~~Shared Renewable Generation Program~~ *a green tariff shared*  
21 *renewable program* be implemented in such a manner as to ~~create~~  
22 *facilitate* a large, sustainable market for the purchase of an interest  
23 in offsite renewable generation, while fairly compensating electrical  
24 corporations for the services they provide, *without affecting*  
25 *nonparticipating ratepayers*.

26 ~~(j)~~

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

32 2833. (a) On or before March 1, 2014, an electrical corporation  
33 with at least 100,000 customers shall file with the commission an  
34 advice letter requesting approval of a ~~Green Tariff and Shared~~  
35 ~~Renewable Generation Program~~ *green tariff shared renewable*  
36 *program* that ~~it~~ *the electrical corporation* determines is consistent  
37 with the findings specified in Section 2832.

38 (b) On or before July 1, 2014, the commission shall issue a  
39 resolution on the electrical corporation's advice letter for a ~~Green~~  
40 ~~Tariff and Shared Renewable Generation Program~~ *green tariff*

1 *shared renewable program*, determining whether to approve or  
2 ~~disprove~~ *disapprove* it, with or without modifications.

3 (c) After notice and an opportunity for public comment, the  
4 commission shall approve an advice letter by an electrical  
5 corporation for a ~~Green Tariff and Shared Renewable Generation~~  
6 ~~Program~~ *green tariff shared renewable program* if the commission  
7 determines that the program is reasonable and consistent with the  
8 findings specified in Section 2832.

9 (d) ~~This section does~~ *chapter shall* not apply to applications by  
10 electrical corporations for a ~~Green Tariff and Shared Renewable~~  
11 ~~Generation Program~~ *that are green tariff shared renewable program*  
12 filed at the commission prior to May 1, 2013, ~~and does not change~~  
13 ~~the existing authority of the commission to approve those~~  
14 ~~applications in accordance with its existing authority under the~~  
15 ~~Public Utilities Code or to the approval of those applications by~~  
16 ~~the commission.~~

17 2834. *In implementing this chapter, the commission shall*  
18 *require a green tariff shared renewable program to be*  
19 *administered in accordance with this section.*

20 (a) *Electrical corporations shall use existing*  
21 *commission-approved tools and mechanisms to procure additional*  
22 *renewable energy resources from incremental, additional*  
23 *renewable generation facilities, primarily sized 20 megawatts and*  
24 *below.*

25 (b) *The megawatts to be procured under this section are limited*  
26 *to an allocation of up to 600 megawatts to this program, divided*  
27 *proportionally among the electrical corporations required to file*  
28 *the tariff and allocated in equal increments over a five-year period.*

29 (c) *To the extent possible, electrical corporations shall seek to*  
30 *procure renewable energy supplies that are located within a*  
31 *reasonable proximity to enrolled participants.*

32 (d) *Electrical corporations shall ensure that the program*  
33 *complies with diverse procurement and General Order 156 goals.*

34 (e) *Electrical corporations shall not subscribe a participant to*  
35 *more than two megawatts of generating capacity or the equivalent*  
36 *amount. This limitation does not apply to a federal, state, or local*  
37 *government, school, school district, county office of education, the*  
38 *California Community Colleges, the California State University,*  
39 *or the University of California. Electrical corporations shall ensure*  
40 *that no single entity or its affiliates or subsidiaries is awarded*

1 *more than 20 percent of any single calendar year’s total cumulative*  
 2 *rated generating capacity made available pursuant to this program.*

3 *(f) To the extent possible, the electrical corporation shall*  
 4 *actively market the program to low-income and minority*  
 5 *communities and customers.*

6 *(g) Participating customers are to receive bill credits for the*  
 7 *generation using the class average retail generation rate as*  
 8 *established in the electrical corporation’s approved tariff for the*  
 9 *class to which the subscribed belongs plus a renewable adjustment*  
 10 *value representing the difference between the time of day profile*  
 11 *of the renewable resource used to serve the subscribed and the*  
 12 *class average time of day profile and the resource adequacy value,*  
 13 *if any, of the resource contained in this program.*

14 *(h) Participating customers shall pay the administrative costs*  
 15 *of the electrical corporation and pay charges to fully cover the*  
 16 *cost of procuring a green tariff shared renewable program’s*  
 17 *resources to serve their needs, consistent with other existing similar*  
 18 *voluntary optional rate schedules. Electrical corporations may*  
 19 *provide support for enhanced community renewable programs to*  
 20 *facilitate development of additional renewable projects closer to*  
 21 *load.*

22 *(i) The commission shall ensure that the charges and credits*  
 23 *associated with this program shall be structured to ensure*  
 24 *nonparticipant ratepayer indifference for the remaining, bundled*  
 25 *service, direct access, and community choice aggregation*  
 26 *customers and that no costs are shifted from participating*  
 27 *customers to nonparticipating ratepayers.*

28 *(j) Electrical corporations shall track and account for all*  
 29 *revenues and costs to ensure that the electrical corporation*  
 30 *recovers the actual costs of the program and that all costs and*  
 31 *revenues are fully transparent and auditable.*

32 *(k) Any renewable energy credits associated with an interest*  
 33 *shall be retired by either the provider or electrical corporation,*  
 34 *as they may agree on behalf of the participant or transferred to*  
 35 *the Western Renewable Energy Generation Information System*  
 36 *account of that participant, for the purpose of demonstrating the*  
 37 *purchase of renewable energy. Those renewable energy credits*  
 38 *shall not be further sold, transferred, or otherwise monetized by*  
 39 *a party for any purpose. Any renewable energy credits associated*  
 40 *with electricity paid for by the electrical corporation shall be*

1 counted toward meeting that electrical corporation’s renewables  
2 portfolio standard. For the purposes of this subdivision, the terms  
3 “renewable energy credit” and “renewables portfolio standard”  
4 have the same meanings as defined in Section 399.12.

5 (l) An electrical corporation shall, in the event of participant  
6 attrition or related factors, apply the additional resources procured  
7 through this program to the electrical corporation’s renewable  
8 portfolio standard procurement obligations or banked for future  
9 use to benefit all customers in accordance with renewable portfolio  
10 standard banking and procurement rules.

11 (m) In calculating its procurement requirements to meet the  
12 requirements of the California Renewables Portfolio Standard  
13 Program (Article 16 (commencing with Section 399.11) of Chapter  
14 2.3 of Part 1), an electrical corporation may exclude from total  
15 retail sales the kilowatthours generated by a shared renewable  
16 energy facility commencing with the point in time at which the  
17 facility achieves commercial operation.

18 (n) This chapter shall remain in effect only until January 1,  
19 2019, and as of that date is repealed, unless a later enacted statute,  
20 that is enacted before January 1, 2019, deletes or extends that  
21 date.

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