

AMENDED IN ASSEMBLY MARCH 28, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2584**

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**Introduced by Assembly Member Nestande**

February 21, 2014

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An act to amend Section ~~399.11~~ 2827.8 of the Public Utilities Code, relating to ~~energy~~. *electricity*.

LEGISLATIVE COUNSEL'S DIGEST

AB 2584, as amended, Nestande. Energy: California Renewables Portfolio Standard Program.

*Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, as defined, while local publicly owned electric utilities, as defined, are under the direction of their governing board. Existing law relative to private energy producers requires every electric utility, as defined, to develop a standard contract or tariff providing for net energy metering, as defined, and to make this contract or tariff available to eligible customer generators, as defined, upon request for generation by a renewable electrical generation facility, as defined. Existing law authorizes a local publicly owned electric utility to elect to instead offer co-energy metering, which uses a generation-to-generation energy and time-of-use credit formula, as specified.*

*Existing law establishes separate requirements for wind energy co-metering that provides a credit against the generation component of an electricity bill of an electric utility for those eligible customer-generators utilizing a wind energy project with a generating capacity greater than 50 kilowatts, but not exceeding one megawatt, unless approved by the electric utility.*

*This bill would provide that, for a United States Department of Defense installation, wind energy co-metering is available if the generating capacity does not exceed 1.5 megawatts.*

~~Existing law requires the Public Utilities Commission to review and adopt a renewable energy procurement plan for each electrical corporation, as defined, pursuant to the California Renewables Portfolio Standard Program.~~

~~This bill would make technical and nonsubstantive changes to the program’s legislative findings and declarations.~~

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

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

1     SECTION 1. *Section 2827.8 of the Public Utilities Code is*  
2 *amended to read:*

3     2827.8. Notwithstanding any other provisions of this article,  
4 the following provisions apply to an eligible customer-generator  
5 utilizing wind energy co-metering with a capacity of more than  
6 50 kilowatts, but not exceeding one megawatt, *or for a United*  
7 *States Department of Defense installation, not exceeding 1.5*  
8 *megawatts, unless approved by the electric-service provider utility.*

9     (a) The eligible customer-generator shall be required to utilize  
10 a meter, or multiple meters, capable of separately measuring  
11 electricity flow in both directions. Nothing in this section precludes  
12 the use of advanced metering infrastructure devices. All meters  
13 shall provide “time-of-use” measurements of electricity flow, and  
14 the customer shall take service on a time-of-use rate schedule. If  
15 the existing meter of the eligible customer-generator is not a  
16 time-of-use meter or is not capable of measuring total flow of  
17 energy in both directions, the eligible customer-generator is  
18 responsible for all expenses involved in purchasing and installing  
19 a meter that is both time-of-use and able to measure total electricity  
20 flow in both directions. This subdivision shall not restrict the ability  
21 of an eligible customer-generator to utilize any economic incentives  
22 provided by a government agency or the electric-service provider  
23 utility to reduce its costs for purchasing and installing a time-of-use  
24 meter.

25     (b) The consumption of electricity from the electric-service  
26 provider utility for wind energy co-metering by an eligible

1 customer-generator shall be priced in accordance with the standard  
2 rate charged to the eligible customer-generator in accordance with  
3 the rate structure to which the customer would be assigned if the  
4 customer did not use an eligible wind electrical generating facility.  
5 The generation of electricity provided to the electric-service  
6 ~~provider utility~~ shall result in a credit to the eligible  
7 customer-generator and shall be priced in accordance with the  
8 generation component, excluding surcharges to cover the purchase  
9 of power by the Department of Water Resources, established under  
10 the applicable structure to which the customer would be assigned  
11 if the customer did not use an eligible wind electrical generating  
12 facility.

13 ~~SECTION 1. Section 399.11 of the Public Utilities Code is~~  
14 ~~amended to read:~~

15 ~~399.11. The Legislature finds and declares all of the following:~~

16 ~~(a) To attain a target of generating 20 percent of total retail sales~~  
17 ~~of electricity in California from eligible renewable energy resources~~  
18 ~~by December 31, 2013, and 33 percent by December 31, 2020, it~~  
19 ~~is the intent of the Legislature that the commission and the Energy~~  
20 ~~Commission implement the California Renewables Portfolio~~  
21 ~~Standard Program described in this article.~~

22 ~~(b) Achieving the renewables portfolio standard through the~~  
23 ~~procurement of various electricity products from eligible renewable~~  
24 ~~energy resources is intended to provide unique benefits to~~  
25 ~~California, including all of the following, each of which~~  
26 ~~independently justifies the program:~~

27 ~~(1) Displacing fossil fuel consumption within the state.~~

28 ~~(2) Adding new electrical generating facilities in the~~  
29 ~~transmission network within the Western Electricity Coordinating~~  
30 ~~Council service area.~~

31 ~~(3) Reducing air pollution in the state.~~

32 ~~(4) Meeting the state's climate change goals by reducing~~  
33 ~~emissions of greenhouse gases associated with electrical generation.~~

34 ~~(5) Promoting stable retail rates for electric service.~~

35 ~~(6) Meeting the state's need for a diversified and balanced~~  
36 ~~energy generation portfolio.~~

37 ~~(7) Assistance with meeting the state's resource adequacy~~  
38 ~~requirements.~~

1 ~~(8) Contributing to the safe and reliable operation of the~~  
2 ~~electrical grid, including providing predictable electrical supply,~~  
3 ~~voltage support, lower line losses, and congestion relief.~~

4 ~~(9) Implementing the state's transmission and land use planning~~  
5 ~~activities related to development of eligible renewable energy~~  
6 ~~resources.~~

7 ~~(e) The California Renewables Portfolio Standard Program is~~  
8 ~~intended to complement the Renewable Energy Resources Program~~  
9 ~~administered by the Energy Commission and established pursuant~~  
10 ~~to Chapter 8.6 (commencing with Section 25740) of Division 15~~  
11 ~~of the Public Resources Code.~~

12 ~~(d) New and modified electric transmission facilities may be~~  
13 ~~necessary to facilitate the state achieving its renewables portfolio~~  
14 ~~standard targets.~~

15 ~~(e) (1) Supplying electricity to California end-use customers~~  
16 ~~that is generated by eligible renewable energy resources is~~  
17 ~~necessary to improve California's air quality and public health,~~  
18 ~~and the commission shall ensure rates are just and reasonable, and~~  
19 ~~are not significantly affected by the procurement requirements of~~  
20 ~~this article. This electricity may be generated anywhere in the~~  
21 ~~interconnected grid that includes many states, and areas of both~~  
22 ~~Canada and Mexico.~~

23 ~~(2) This article requires generating resources located outside of~~  
24 ~~California that are able to supply that electricity to California~~  
25 ~~end-use customers to be treated identically to generating resources~~  
26 ~~located within the state, without discrimination.~~

27 ~~(3) California electrical corporations have already executed,~~  
28 ~~and the commission has approved, power purchase agreements~~  
29 ~~with eligible renewable energy resources located outside of~~  
30 ~~California that will supply electricity to California end-use~~  
31 ~~customers. These resources will fully count toward meeting the~~  
32 ~~renewables portfolio standard procurement requirements. In~~  
33 ~~addition, there are nearly 7,000 megawatts of additional proposed~~  
34 ~~renewable energy resources located outside of California that are~~  
35 ~~awaiting interconnection approval from the Independent System~~  
36 ~~Operator. All of these resources, if procured, will count as eligible~~  
37 ~~renewable energy resources that satisfy the portfolio content~~  
38 ~~requirements of paragraph (1) of subdivision (c) of Section 399.16.~~

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