

AMENDED IN ASSEMBLY APRIL 13, 2016

AMENDED IN ASSEMBLY MARCH 28, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1773

Introduced by Assembly Member Obernolte

February 3, 2016

An act to amend Section 2830 of the Public Utilities Code, relating to renewable energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1773, as amended, Obernolte. Local government renewable energy self-generation program.

Under existing law, the Public Utilities Commission is vested with regulatory authority over public utilities. Existing law authorizes a local governmental entity, except a joint powers authority, to receive a bill credit to a designated benefiting account, for electricity exported to the electrical grid by an eligible renewable generating facility and requires the commission to adopt a rate tariff for the benefiting account.

This bill would include as a local governmental entity for this purpose a joint powers authority, except as specified.

Under existing law, a violation of the Public Utilities Act or an order or direction of the commission is a crime. Because the provisions of this bill would require an order or other action of the commission to implement and a violation of that order or action would be a crime, the bill would impose a state-mandated local program by creating a new crime.

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. Section 2830 of the Public Utilities Code is
2 amended to read:

3 2830. (a) As used in this section, the following terms have the
4 following meanings:

5 (1) “Benefiting account” means an electricity account, or more
6 than one account, ~~located within the geographical boundaries of~~
7 ~~a local government or, for a campus, within the geographical~~
8 ~~boundary of the city, county, or city and county in which the~~
9 ~~campus is located, or for a joint powers authority, within the~~
10 ~~geographic boundaries of the group of public agencies that formed~~
11 ~~the joint powers authority, that is mutually agreed upon by the~~
12 ~~local government, campus, or joint powers authority and an~~
13 ~~electrical corporation. that satisfies either of the following:~~

14 (A) *The account or accounts are located within the geographical*
15 *boundaries of a local government or, for a campus, within the*
16 *geographical boundary of the city, county, or city and county in*
17 *which the campus is located, with the account or accounts being*
18 *mutually agreed upon by the local government or campus and an*
19 *electrical corporation.*

20 (B) *The account or accounts belong to members of a joint*
21 *powers authority and are located within the geographical*
22 *boundaries of the group of public agencies that formed the joint*
23 *powers authority, if the eligible renewable generating facility and*
24 *electricity account or accounts are wholly located within the*
25 *confines of a single county within which the joint powers authority*
26 *is located and electric service is provided by a single electrical*
27 *corporation, with the account or accounts being mutually agreed*
28 *upon by the joint powers authority and the electrical corporation.*

29 (2) “Bill credit” means an amount of money credited to a
30 benefiting account that is calculated based upon the time-of-use

1 electricity generation component of the electricity usage charge
2 of the generating account, multiplied by the quantities of electricity
3 generated by an eligible renewable generating facility that are
4 exported to the grid during the corresponding time period.
5 Electricity is exported to the grid if it is generated by an eligible
6 renewable generating facility, is not utilized onsite by the local
7 government, and the electricity flows through the meter site and
8 on to the electrical corporation's distribution or transmission
9 infrastructure.

10 (3) "Campus" means an individual community college campus,
11 individual California State University campus, or individual
12 University of California campus.

13 (4) "Eligible renewable generating facility" means a generation
14 facility that meets all of the following requirements:

15 (A) Has a generating capacity of no more than five megawatts.

16 (B) Is an eligible renewable energy resource, as defined in
17 Article 16 (commencing with Section 399.11) of Part 1.

18 (C) Is located within the geographical boundary of the local
19 government or, for a campus, within the geographical boundary
20 of the city or city and county, if the campus is located in an
21 incorporated area, or county, if the campus is located in an
22 unincorporated area.

23 (D) Is owned by, operated by, or on property under the control
24 of the local government or campus.

25 (E) Is sized to offset all or part of the electrical load of the
26 benefiting account. For these purposes, premises that are leased
27 by a local government or campus are under the control of the local
28 government or campus.

29 (5) "Generating account" means the time-of-use electric service
30 account of the local government or campus where the eligible
31 renewable generating facility is located.

32 (6) "Local government" means a city, county, whether general
33 law or chartered, city and county, special district, school district,
34 political subdivision, other local public agency, or a joint powers
35 authority formed pursuant to the Joint Exercise of Powers Act
36 (Chapter 5 (commencing with Section 6500) of Division 7 of Title
37 1 of the Government-Code), Code) that has as members public
38 agencies located within the same county and same electrical
39 corporation service territory, but shall not mean the state, any
40 agency or department of the state, other than an individual campus

1 of the University of California or the California State University,
2 or any joint powers authority that has as *members public agencies*
3 *located in different counties or different electrical corporation*
4 *service territories, or that has as a member the federal government,*
5 any federal department or agency, this or another state, or any
6 department or agency of this state or another state.

7 (b) Subject to the limitation in subdivision (h), a local
8 government may elect to receive electric service pursuant to this
9 section if all of the following conditions are met:

10 (1) The local government designates one or more benefiting
11 accounts to receive a bill credit.

12 (2) A benefiting account receives service under a time-of-use
13 rate schedule.

14 (3) The benefiting account is the responsibility of, and serves
15 property that is owned, operated, or on property under the control
16 of the same local government that owns, operates, or controls the
17 eligible renewable generating facility.

18 (4) The electrical output of the eligible renewable generating
19 facility is metered for time of use to allow calculation of the bill
20 credit based upon when the electricity is exported to the grid.

21 (5) All costs associated with the metering requirements of
22 paragraphs (2) and (4) are the responsibility of the local
23 government.

24 (6) All costs associated with interconnection are the
25 responsibility of the local government. For purposes of this
26 paragraph, “interconnection” has the same meaning as defined in
27 Section 2803, except that it applies to the interconnection of an
28 eligible renewable generating facility rather than the energy source
29 of a private energy producer.

30 (7) The local government does not sell electricity exported to
31 the electrical grid to a third party.

32 (8) All electricity exported to the grid by the local government
33 that is generated by the eligible renewable generating facility
34 becomes the property of the electrical corporation to which the
35 facility is interconnected, but shall not be counted toward the
36 electrical corporation’s total retail sales for purposes of Article 16
37 (commencing with Section 399.11) of Chapter 2.3 of Part 1.
38 Ownership of the renewable energy credits, as defined in Section
39 399.12, shall be the same as the ownership of the renewable energy

1 credits associated with electricity that is net metered pursuant to
2 Section 2827.

3 (9) An electrical corporation shall not be required to compensate
4 a local government for electricity generated from an eligible
5 renewable facility pursuant to this section in excess of the bill
6 credits applied to the designated benefiting account. A local
7 government renewable generation facility participating pursuant
8 to this section shall not be eligible for any other tariff or program
9 that requires an electrical corporation to purchase generation from
10 that facility while participating in the local government renewable
11 energy self-generation program pursuant to this section.

12 (c) (1) A benefiting account shall be billed for all electricity
13 usage, and for each bill component, at the rate schedule applicable
14 to the benefiting account, including any cost-responsibility
15 surcharge or other cost recovery mechanism, as determined by the
16 commission, to reimburse the Department of Water Resources for
17 purchases of electricity, pursuant to Division 27 (commencing
18 with Section 80000) of the Water Code.

19 (2) The bill shall then subtract the bill credit applicable to the
20 benefiting account. The generation component credited to the
21 benefiting account shall not include the cost-responsibility
22 surcharge or other cost recovery mechanism, as determined by the
23 commission, to reimburse the Department of Water Resources for
24 purchases of electricity, pursuant to Division 27 (commencing
25 with Section 80000) of the Water Code. The electrical corporation
26 shall ensure that the local government receives the full bill credit.

27 (3) If, during the billing cycle, the generation component of the
28 electricity usage charges exceeds the bill credit, the benefiting
29 account shall be billed for the difference.

30 (4) If, during the billing cycle, the bill credit applied pursuant
31 to paragraph (2) exceeds the generation component of the electricity
32 usage charges, the difference shall be carried forward as a financial
33 credit to the next billing cycle.

34 (5) After the electricity usage charge pursuant to paragraph (1)
35 and the credit pursuant to paragraph (2) are determined for the last
36 billing cycle of a 12-month period, any remaining credit resulting
37 from the application of this section shall be reset to zero.

38 (d) The commission shall ensure that the transfer of a bill credit
39 to a benefiting account does not result in a shifting of costs to

1 bundled service subscribers. The costs associated with the transfer
2 of a bill credit shall include all billing-related expenses.

3 (e) Not more frequently than once per year, and upon providing
4 the electrical corporation with a minimum of 60 days' notice, the
5 local government may elect to change a benefiting account. Any
6 credit resulting from the application of this section earned prior to
7 the change in a benefiting account that has not been used as of the
8 date of the change in the benefiting account shall be applied, and
9 may only be applied, to a benefiting account as changed.

10 (f) A local government shall provide the electrical corporation
11 to which the eligible renewable generating facility will be
12 interconnected with not less than 60 days' notice prior to the
13 eligible renewable generating facility becoming operational. The
14 electrical corporation shall file an advice letter with the commission
15 that complies with this section not later than 30 days after receipt
16 of the notice proposing a rate tariff for a benefiting account. The
17 commission, within 30 days of the date of filing, shall approve the
18 proposed tariff or specify conforming changes to be made by the
19 electrical corporation to be filed in a new advice letter.

20 (g) The local government may terminate its election pursuant
21 to subdivision (b), upon providing the electrical corporation with
22 a minimum of 60 days' notice. Should the local government sell
23 its interest in the eligible renewable generating facility, or sell the
24 electricity generated by the eligible renewable generating facility,
25 in a manner other than required by this section, upon the date of
26 either event, and the earliest date if both events occur, no further
27 bill credit pursuant to paragraph (3) of subdivision (b) may be
28 earned. Only credit earned prior to that date shall be made to a
29 benefiting account.

30 (h) An electrical corporation is not obligated to provide a bill
31 credit to a benefiting account that is not designated by a local
32 government prior to the point in time that the combined statewide
33 cumulative rated generating capacity of all eligible renewable
34 generating facilities within the service territories of the state's
35 three largest electrical corporations reaches 250 megawatts. Only
36 those eligible renewable generating facilities that are providing
37 bill credits to benefiting accounts pursuant to this section shall
38 count toward reaching this 250-megawatt limitation. Each electrical
39 corporation shall only be required to offer service or contracts
40 under this section until that electrical corporation reaches its

1 proportionate share of the 250-megawatt limitation based on the
2 ratio of its peak demand to the total statewide peak demand of all
3 electrical corporations.

4 (i) This chapter does not apply to an electrical corporation with
5 60,000 or fewer customer accounts.

6 SEC. 2. No reimbursement is required by this act pursuant to
7 Section 6 of Article XIII B of the California Constitution because
8 the only costs that may be incurred by a local agency or school
9 district will be incurred because this act creates a new crime or
10 infraction, eliminates a crime or infraction, or changes the penalty
11 for a crime or infraction, within the meaning of Section 17556 of
12 the Government Code, or changes the definition of a crime within
13 the meaning of Section 6 of Article XIII B of the California
14 Constitution.

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