

AMENDED IN SENATE AUGUST 19, 2016

AMENDED IN SENATE JUNE 2, 2016

AMENDED IN ASSEMBLY APRIL 14, 2016

AMENDED IN ASSEMBLY APRIL 5, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1923**

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**Introduced by Assembly Member Wood**

February 11, 2016

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An act to amend Section 399.20 of the Public Utilities Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1923, as amended, Wood. Bioenergy feed-in tariff.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations. Existing law requires every electrical corporation to file with the commission a standard tariff for electricity generated by an electric generation facility, as defined, that qualifies for the tariff, is owned and operated by a retail customer of the electrical corporation, and is located within the service territory of, and developed to sell electricity to, the electrical corporation. The commission refers to this requirement as the renewable feed-in tariff. Existing law requires that, in order to qualify for the tariff, the electric generation facility: (1) have an effective capacity of not more than 3 megawatts, subject to the authority of the commission to reduce this megawatt limitation, (2) be interconnected and operate in parallel with the electric transmission and distribution grid, (3) be strategically located and interconnected to the electrical transmission and distribution

system in a manner that optimizes the deliverability of electricity generated at the facility to load centers, and (4) meet the definition of an eligible renewable energy resource under the California Renewables Portfolio Standard Program. Existing law requires an electrical corporation to make the tariff available to the owner or operator of an electric generation facility within the service territory of the electrical corporation, upon request, on a first-come-first-served basis, until the electrical corporation meets its proportionate share of a statewide cap of 750 megawatts cumulative rated generation capacity served under the renewable feed-in tariff and a renewable feed-in tariff that is applicable to a local publicly owned electric utility. In addition to the 750 megawatt limitation, the renewable feed-in tariff requires the commission to direct the electrical corporations to collectively procure at least 250 megawatts of cumulative rated generating capacity from developers of bioenergy projects that commence operation on or after June 1, 2013 (bioenergy feed-in tariff). The commission is required to undertake specific steps to implement the bioenergy feed-in tariff requirement.

~~This bill would~~ *would, for the purposes of the bioenergy feed-in tariff, revise a generally applicable interconnection requirement for electric generation facilities, as specified. The bill would also require the commission to direct the electrical corporations to authorize a bioenergy electric generation facility with a nameplate generating an effective capacity of up to 5 megawatts to participate in the bioenergy feed-in tariff if the facility delivers no more than 3 megawatts to the grid at any time and complies with specified interconnection and payment requirements.*

*This bill would incorporate additional changes to Section 399.20 of the Public Utilities Code proposed by AB 1612 and SB 840 that would become operative if this bill and one or both of those bills are enacted and this bill is chaptered last.*

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

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

1 SECTION 1. Section 399.20 of the Public Utilities Code is  
 2 amended to read:

1 399.20. (a) It is the policy of this state and the intent of the  
2 Legislature to encourage electrical generation from eligible  
3 renewable energy resources.

4 (b) As used in this section, “electric generation facility” means  
5 an electric generation facility located within the service territory  
6 of, and developed to sell electricity to, an electrical corporation  
7 that meets all of the following criteria:

8 (1) Has an effective capacity of not more than three megawatts,  
9 with the exception of those facilities participating in a tariff made  
10 available pursuant to paragraph (2) of subdivision (f).

11 (2) Is interconnected and operates in parallel with the electrical  
12 transmission and distribution grid.

13 (3) ~~Is—~~*(A) Except as provided in subparagraph (B), is*  
14 *strategically located and interconnected to the electrical*  
15 *transmission and distribution grid in a manner that optimizes the*  
16 *deliverability of electricity generated at the facility to load centers.*

17 *(B) For purposes of paragraph (2) of subdivision (f), is*  
18 *strategically located and interconnected to the electrical*  
19 *transmission and distribution grid in a manner that optimizes the*  
20 *deliverability of electricity generated at the facility to load centers*  
21 *or that is interconnected to an existing transmission line.*

22 (4) Is an eligible renewable energy resource.

23 (c) Every electrical corporation shall file with the commission  
24 a standard tariff for electricity purchased from an electric  
25 generation facility. The commission may modify or adjust the  
26 requirements of this section for any electrical corporation with less  
27 than 100,000 service connections, as individual circumstances  
28 merit.

29 (d) (1) The tariff shall provide for payment for every  
30 kilowatthour of electricity purchased from an electric generation  
31 facility for a period of 10, 15, or 20 years, as authorized by the  
32 commission. The payment shall be the market price determined  
33 by the commission pursuant to paragraph (2) and shall include all  
34 current and anticipated environmental compliance costs, including,  
35 but not limited to, mitigation of emissions of greenhouse gases  
36 and air pollution offsets associated with the operation of new  
37 generating facilities in the local air pollution control or air quality  
38 management district where the electric generation facility is  
39 located.

1 (2) The commission shall establish a methodology to determine  
2 the market price of electricity for terms corresponding to the length  
3 of contracts with an electric generation facility, in consideration  
4 of the following:

5 (A) The long-term market price of electricity for fixed price  
6 contracts, determined pursuant to an electrical corporation's general  
7 procurement activities as authorized by the commission.

8 (B) The long-term ownership, operating, and fixed-price fuel  
9 costs associated with fixed-price electricity from new generating  
10 facilities.

11 (C) The value of different electricity products including  
12 baseload, peaking, and as-available electricity.

13 (3) The commission may adjust the payment rate to reflect the  
14 value of every kilowatthour of electricity generated on a  
15 time-of-delivery basis.

16 (4) The commission shall ensure, with respect to rates and  
17 charges, that ratepayers that do not receive service pursuant to the  
18 tariff are indifferent to whether a ratepayer with an electric  
19 generation facility receives service pursuant to the tariff.

20 (e) An electrical corporation shall provide expedited  
21 interconnection procedures to an electric generation facility located  
22 on a distribution circuit that generates electricity at a time and in  
23 a manner so as to offset the peak demand on the distribution circuit,  
24 if the electrical corporation determines that the electric generation  
25 facility will not adversely affect the distribution grid. The  
26 commission shall consider and may establish a value for an electric  
27 generation facility located on a distribution circuit that generates  
28 electricity at a time and in a manner so as to offset the peak demand  
29 on the distribution circuit.

30 (f) (1) An electrical corporation shall make the tariff available  
31 to the owner or operator of an electric generation facility within  
32 the service territory of the electrical corporation, upon request, on  
33 a first-come-first-served basis, until the electrical corporation meets  
34 its proportionate share of a statewide cap of 750 megawatts  
35 cumulative rated generation capacity served under this section and  
36 Section 399.32. The proportionate share shall be calculated based  
37 on the ratio of the electrical corporation's peak demand compared  
38 to the total statewide peak demand.

39 (2) By June 1, 2013, the commission shall, in addition to the  
40 750 megawatts identified in paragraph (1), direct the electrical

1 corporations to collectively procure at least 250 megawatts of  
2 cumulative rated generating capacity from developers of bioenergy  
3 projects that commence operation on or after June 1, 2013. The  
4 commission shall, for each electrical corporation, allocate shares  
5 of the additional 250 megawatts based on the ratio of each electrical  
6 corporation's peak demand compared to the total statewide peak  
7 demand. In implementing this paragraph, the commission shall do  
8 all of the following:

9 (A) Allocate the 250 megawatts identified in this paragraph  
10 among the electrical corporations based on the following  
11 categories:

12 (i) For biogas from wastewater treatment, municipal organic  
13 waste diversion, food processing, and codigestion, 110 megawatts.

14 (ii) For dairy and other agricultural bioenergy, 90 megawatts.

15 (iii) For bioenergy using byproducts of sustainable forest  
16 management, 50 megawatts. Allocations under this category shall  
17 be determined based on the proportion of bioenergy that sustainable  
18 forest management providers derive from sustainable forest  
19 management in fire threat treatment areas, as designated by the  
20 Department of Forestry and Fire Protection.

21 (B) Direct the electrical corporations to develop standard  
22 contract terms and conditions that reflect the operational  
23 characteristics of the projects, and to provide a streamlined  
24 contracting process.

25 (C) Coordinate, to the maximum extent feasible, any incentive  
26 or subsidy programs for bioenergy with the agencies listed in  
27 subparagraph (A) of paragraph (3) in order to provide maximum  
28 benefits to ratepayers and to ensure that incentives are used to  
29 reduce contract prices.

30 (D) The commission shall encourage gas and electrical  
31 corporations to develop and offer programs and services to facilitate  
32 development of in-state biogas for a broad range of purposes.

33 (E) Direct the electrical corporations to authorize a bioenergy  
34 electric generation facility with a nameplate generating an effective  
35 capacity of up to five megawatts to participate in the tariff made  
36 available pursuant to this paragraph, if it meets the following  
37 conditions:

38 (i) It delivers no more than three megawatts to the grid at any  
39 time.

1 (ii) It complies with the electrical corporation's Electric Rule  
2 21 tariff or other distribution access tariff.

3 ~~(iii)~~

4 (F) Payment is made pursuant to paragraph (1) of subdivision  
5 (d) and no payment is made for any electricity delivered to the  
6 grid in excess of three megawatts at any time.

7 (3) (A) The commission, in consultation with the State Energy  
8 Resources Conservation and Development Commission, the State  
9 Air Resources Board, the Department of Forestry and Fire  
10 Protection, the Department of Food and Agriculture, and the  
11 Department of Resources Recycling and Recovery, may review  
12 the allocations of the 250 additional megawatts identified in  
13 paragraph (2) to determine if those allocations are appropriate.

14 (B) If the commission finds that the allocations of the 250  
15 additional megawatts identified in paragraph (2) are not  
16 appropriate, the commission may reallocate the 250 megawatts  
17 among the categories established in subparagraph (A) of paragraph  
18 (2).

19 (4) For the purposes of this subdivision, "bioenergy" means  
20 biogas and biomass.

21 (g) The electrical corporation may make the terms of the tariff  
22 available to owners and operators of an electric generation facility  
23 in the form of a standard contract subject to commission approval.

24 (h) Every kilowatthour of electricity purchased from an electric  
25 generation facility shall count toward meeting the electrical  
26 corporation's renewables portfolio standard annual procurement  
27 targets for purposes of paragraph (1) of subdivision (b) of Section  
28 399.15.

29 (i) The physical generating capacity of an electric generation  
30 facility shall count toward the electrical corporation's resource  
31 adequacy requirement for purposes of Section 380.

32 (j) (1) The commission shall establish performance standards  
33 for any electric generation facility that has a capacity greater than  
34 one megawatt to ensure that those facilities are constructed,  
35 operated, and maintained to generate the expected annual net  
36 production of electricity and do not impact system reliability.

37 (2) The commission may reduce the three megawatt capacity  
38 limitation of paragraph (1) of subdivision (b) if the commission  
39 finds that a reduced capacity limitation is necessary to maintain

1 system reliability within that electrical corporation's service  
2 territory.

3 (k) (1) Any owner or operator of an electric generation facility  
4 that received ratepayer-funded incentives in accordance with  
5 Section 379.6 of this code, or with Section 25782 of the Public  
6 Resources Code, and participated in a net metering program  
7 pursuant to Sections 2827, 2827.9, and 2827.10 of this code prior  
8 to January 1, 2010, shall be eligible for a tariff or standard contract  
9 filed by an electrical corporation pursuant to this section.

10 (2) In establishing the tariffs or standard contracts pursuant to  
11 this section, the commission shall consider ratepayer-funded  
12 incentive payments previously received by the generation facility  
13 pursuant to Section 379.6 of this code or Section 25782 of the  
14 Public Resources Code. The commission shall require  
15 reimbursement of any funds received from these incentive  
16 programs to an electric generation facility, in order for that facility  
17 to be eligible for a tariff or standard contract filed by an electrical  
18 corporation pursuant to this section, unless the commission  
19 determines ratepayers have received sufficient value from the  
20 incentives provided to the facility based on how long the project  
21 has been in operation and the amount of renewable electricity  
22 previously generated by the facility.

23 (3) A customer that receives service under a tariff or contract  
24 approved by the commission pursuant to this section is not eligible  
25 to participate in any net metering program.

26 (l) An owner or operator of an electric generation facility  
27 electing to receive service under a tariff or contract approved by  
28 the commission shall continue to receive service under the tariff  
29 or contract until either of the following occurs:

30 (1) The owner or operator of an electric generation facility no  
31 longer meets the eligibility requirements for receiving service  
32 pursuant to the tariff or contract.

33 (2) The period of service established by the commission pursuant  
34 to subdivision (d) is completed.

35 (m) Within 10 days of receipt of a request for a tariff pursuant  
36 to this section from an owner or operator of an electric generation  
37 facility, the electrical corporation that receives the request shall  
38 post a copy of the request on its Internet Web site. The information  
39 posted on the Internet Web site shall include the name of the city  
40 in which the facility is located, but information that is proprietary

1 and confidential, including, but not limited to, address information  
2 beyond the name of the city in which the facility is located, shall  
3 be redacted.

4 (n) An electrical corporation may deny a tariff request pursuant  
5 to this section if the electrical corporation makes any of the  
6 following findings:

7 (1) The electric generation facility does not meet the  
8 requirements of this section.

9 (2) The transmission or distribution grid that would serve as the  
10 point of interconnection is inadequate.

11 (3) The electric generation facility does not meet all applicable  
12 state and local laws and building standards and utility  
13 interconnection requirements.

14 (4) The aggregate of all electric generating facilities on a  
15 distribution circuit would adversely impact utility operation and  
16 load restoration efforts of the distribution system.

17 (o) Upon receiving a notice of denial from an electrical  
18 corporation, the owner or operator of the electric generation facility  
19 denied a tariff pursuant to this section shall have the right to appeal  
20 that decision to the commission.

21 (p) In order to ensure the safety and reliability of electric  
22 generation facilities, the owner of an electric generation facility  
23 receiving a tariff pursuant to this section shall provide an inspection  
24 and maintenance report to the electrical corporation at least once  
25 every other year. The inspection and maintenance report shall be  
26 prepared at the owner's or operator's expense by a  
27 California-licensed contractor who is not the owner or operator of  
28 the electric generation facility. A California-licensed electrician  
29 shall perform the inspection of the electrical portion of the  
30 generation facility.

31 (q) The contract between the electric generation facility  
32 receiving the tariff and the electrical corporation shall contain  
33 provisions that ensure that construction of the electric generating  
34 facility complies with all applicable state and local laws and  
35 building standards, and utility interconnection requirements.

36 (r) (1) All construction and installation of facilities of the  
37 electrical corporation, including at the point of the output meter  
38 or at the transmission or distribution grid, shall be performed only  
39 by that electrical corporation.

1 (2) All interconnection facilities installed on the electrical  
2 corporation's side of the transfer point for electricity between the  
3 electrical corporation and the electrical conductors of the electric  
4 generation facility shall be owned, operated, and maintained only  
5 by the electrical corporation. The ownership, installation, operation,  
6 reading, and testing of revenue metering equipment for electric  
7 generating facilities shall only be performed by the electrical  
8 corporation.

9 *SEC. 1.5. Section 399.20 of the Public Utilities Code is*  
10 *amended to read:*

11 399.20. (a) It is the policy of this state and the intent of the  
12 Legislature to encourage electrical generation from eligible  
13 renewable energy resources.

14 (b) As used in this section, "electric generation facility" means  
15 an electric generation facility located within the service territory  
16 of, and developed to sell electricity to, an electrical corporation  
17 that meets all of the following criteria:

18 (1) Has an effective capacity of not more than three ~~megawatts.~~  
19 *megawatts, with the exception of those facilities participating in*  
20 *a tariff made available pursuant to paragraph (2) of subdivision*  
21 *(f).*

22 (2) Is interconnected and operates in parallel with the electrical  
23 transmission and distribution grid.

24 (3) ~~Is—~~*(A) Except as provided in subparagraph (B), is*  
25 *strategically located and interconnected to the electrical*  
26 *transmission and distribution grid in a manner that optimizes the*  
27 *deliverability of electricity generated at the facility to load centers.*

28 *(B) For purposes of paragraph (2) of subdivision (f), is*  
29 *strategically located and interconnected to the electrical*  
30 *transmission and distribution grid in a manner that optimizes the*  
31 *deliverability of electricity generated at the facility to load centers*  
32 *or is interconnected to an existing transmission line.*

33 (4) Is an eligible renewable energy resource.

34 (c) Every electrical corporation shall file with the commission  
35 a standard tariff for electricity purchased from an electric  
36 generation facility. The commission may modify or adjust the  
37 requirements of this section for any electrical corporation with less  
38 than 100,000 service connections, as individual circumstances  
39 merit.

1 (d) (1) The tariff shall provide for payment for every  
2 kilowatthour of electricity purchased from an electric generation  
3 facility for a period of 10, 15, or 20 years, as authorized by the  
4 commission. The payment shall be the market price determined  
5 by the commission pursuant to paragraph (2) and shall include all  
6 current and anticipated environmental compliance costs, including,  
7 but not limited to, mitigation of emissions of greenhouse gases  
8 and air pollution offsets associated with the operation of new  
9 generating facilities in the local air pollution control or air quality  
10 management district where the electric generation facility is  
11 located.

12 (2) The commission shall establish a methodology to determine  
13 the market price of electricity for terms corresponding to the length  
14 of contracts with an electric generation facility, in consideration  
15 of the following:

16 (A) The long-term market price of electricity for fixed price  
17 contracts, determined pursuant to an electrical corporation's general  
18 procurement activities as authorized by the commission.

19 (B) The long-term ownership, operating, and fixed-price fuel  
20 costs associated with fixed-price electricity from new generating  
21 facilities.

22 (C) The value of different electricity products including  
23 baseload, peaking, and as-available electricity.

24 (3) The commission may adjust the payment rate to reflect the  
25 value of every kilowatthour of electricity generated on a  
26 time-of-delivery basis.

27 (4) The commission shall ensure, with respect to rates and  
28 charges, that ratepayers that do not receive service pursuant to the  
29 tariff are indifferent to whether a ratepayer with an electric  
30 generation facility receives service pursuant to the tariff.

31 (e) An electrical corporation shall provide expedited  
32 interconnection procedures to an electric generation facility located  
33 on a distribution circuit that generates electricity at a time and in  
34 a manner so as to offset the peak demand on the distribution circuit,  
35 if the electrical corporation determines that the electric generation  
36 facility will not adversely affect the distribution grid. The  
37 commission shall consider and may establish a value for an electric  
38 generation facility located on a distribution circuit that generates  
39 electricity at a time and in a manner so as to offset the peak demand  
40 on the distribution circuit.

1 (f) (1) An electrical corporation shall make the tariff available  
2 to the owner or operator of an electric generation facility within  
3 the service territory of the electrical corporation, upon request, on  
4 a first-come-first-served basis, until the electrical corporation meets  
5 its proportionate share of a statewide cap of 750 megawatts  
6 cumulative rated generation capacity served under this section and  
7 Section ~~387.6. 399.32~~. The proportionate share shall be calculated  
8 based on the ratio of the electrical corporation's peak demand  
9 compared to the total statewide peak demand.

10 (2) By June 1, 2013, the commission shall, in addition to the  
11 750 megawatts identified in paragraph (1), direct the electrical  
12 corporations to collectively procure at least 250 megawatts of  
13 cumulative rated generating capacity from developers of bioenergy  
14 projects that commence operation on or after June 1, 2013. The  
15 commission shall, for each electrical corporation, allocate shares  
16 of the additional 250 megawatts based on the ratio of each electrical  
17 corporation's peak demand compared to the total statewide peak  
18 demand. In implementing this paragraph, the commission shall do  
19 all of the following:

20 (A) Allocate the 250 megawatts identified in this paragraph  
21 among the electrical corporations based on the following  
22 categories:

23 (i) For biogas from wastewater treatment, municipal organic  
24 waste diversion, food processing, and codigestion, 110 megawatts.

25 (ii) For dairy and other agricultural bioenergy, 90 megawatts.

26 (iii) For bioenergy using byproducts of sustainable forest  
27 management, 50 megawatts. Allocations under this category shall  
28 be determined based on the proportion of bioenergy that sustainable  
29 forest management providers derive from sustainable forest  
30 management in fire threat treatment areas, as designated by the  
31 Department of Forestry and Fire Protection.

32 (B) Direct the electrical corporations to develop standard  
33 contract terms and conditions that reflect the operational  
34 characteristics of the projects, and to provide a streamlined  
35 contracting process.

36 (C) Coordinate, to the maximum extent feasible, any incentive  
37 or subsidy programs for bioenergy with the agencies listed in  
38 subparagraph (A) of paragraph (3) in order to provide maximum  
39 benefits to ratepayers and to ensure that incentives are used to  
40 reduce contract prices.

1 (D) The commission shall encourage gas and electrical  
 2 corporations to develop and offer programs and services to facilitate  
 3 development of in-state biogas for a broad range of purposes.  
 4 (E) *Direct the electrical corporations to authorize a bioenergy*  
 5 *electric generation facility with an effective capacity of up to five*  
 6 *megawatts to participate in the tariff made available pursuant to*  
 7 *this paragraph, if it meets the following conditions:*  
 8 (i) *It delivers no more than three megawatts to the grid at any*  
 9 *time.*  
 10 (ii) *It complies with the electrical corporation’s Electric Rule*  
 11 *21 tariff or other distribution access tariff.*  
 12 (F) *Payment is made pursuant to paragraph (1) of subdivision*  
 13 *(d) and no payment is made for any electricity delivered to the*  
 14 *grid in excess of three megawatts at any time.*  
 15 (3) (A) The commission, in consultation with the State Energy  
 16 Resources Conservation and Development Commission, the State  
 17 Air Resources Board, the Department of Forestry and Fire  
 18 Protection, the Department of Food and Agriculture, and the  
 19 Department of Resources Recycling and Recovery, may review  
 20 the allocations of the 250 additional megawatts identified in  
 21 paragraph (2) to determine if those allocations are appropriate.  
 22 (B) If the commission finds that the allocations of the 250  
 23 additional megawatts identified in paragraph (2) are not  
 24 appropriate, the commission may reallocate the 250 megawatts  
 25 among the categories established in subparagraph (A) of paragraph  
 26 (2).  
 27 (4) (A) *A project identified in clause (iii) of subparagraph (A)*  
 28 *of paragraph (2) is eligible, in regards to interconnection, for the*  
 29 *tariff established to implement paragraph (2) or to participate in*  
 30 *any program or auction established to implement paragraph (2),*  
 31 *if it meets at least one of the following requirements:*  
 32 (i) *The project is already interconnected.*  
 33 (ii) *The project has been found to be eligible for interconnection*  
 34 *pursuant to the fast track process under the relevant tariff.*  
 35 (iii) *A system impact study or other interconnection study has*  
 36 *been completed for the project under the relevant tariff, and there*  
 37 *was no determination in the study that, with the identified*  
 38 *interconnection upgrades, if any, a condition specified in*  
 39 *paragraph (2), (3), or (4) of subdivision (n) would exist. Such a*

1 *project is not required to have a pending, active interconnection*  
2 *application to be eligible.*

3 *(B) For a project meeting the eligibility requirements pursuant*  
4 *to clause (iii) of subparagraph (A) of this paragraph, both of the*  
5 *following apply:*

6 *(i) The project is hereby deemed to be able to interconnect*  
7 *within the required time limits for the purpose of determining*  
8 *eligibility for the tariff.*

9 *(ii) The project shall submit a new application for*  
10 *interconnection within 30 days of execution of a standard contract*  
11 *pursuant to the tariff if it does not have a pending, active*  
12 *interconnection application or a completed interconnection. For*  
13 *those projects, the time to achieve commercial operation shall*  
14 *begin to run from the date when the new system impact study or*  
15 *other interconnection study is completed rather than from the date*  
16 *of execution of the standard contract.*

17 ~~(4)~~

18 (5) For the purposes of this subdivision, “bioenergy” means  
19 biogas and biomass.

20 (g) The electrical corporation may make the terms of the tariff  
21 available to owners and operators of an electric generation facility  
22 in the form of a standard contract subject to commission approval.

23 (h) Every kilowatthour of electricity purchased from an electric  
24 generation facility shall count toward meeting the electrical  
25 corporation’s renewables portfolio standard annual procurement  
26 targets for purposes of paragraph (1) of subdivision (b) of Section  
27 399.15.

28 (i) The physical generating capacity of an electric generation  
29 facility shall count toward the electrical corporation’s resource  
30 adequacy requirement for purposes of Section 380.

31 (j) (1) The commission shall establish performance standards  
32 for any electric generation facility that has a capacity greater than  
33 one megawatt to ensure that those facilities are constructed,  
34 operated, and maintained to generate the expected annual net  
35 production of electricity and do not impact system reliability.

36 (2) The commission may reduce the three megawatt capacity  
37 limitation of paragraph (1) of subdivision (b) if the commission  
38 finds that a reduced capacity limitation is necessary to maintain  
39 system reliability within that electrical corporation’s service  
40 territory.

1 (k) (1) Any owner or operator of an electric generation facility  
2 that received ratepayer-funded incentives in accordance with  
3 Section 379.6 of this code, or with Section 25782 of the Public  
4 Resources Code, and participated in a net metering program  
5 pursuant to Sections 2827, 2827.9, and 2827.10 of this code prior  
6 to January 1, 2010, shall be eligible for a tariff or standard contract  
7 filed by an electrical corporation pursuant to this section.

8 (2) In establishing the tariffs or standard contracts pursuant to  
9 this section, the commission shall consider ratepayer-funded  
10 incentive payments previously received by the generation facility  
11 pursuant to Section 379.6 of this code or Section 25782 of the  
12 Public Resources Code. The commission shall require  
13 reimbursement of any funds received from these incentive  
14 programs to an electric generation facility, in order for that facility  
15 to be eligible for a tariff or standard contract filed by an electrical  
16 corporation pursuant to this section, unless the commission  
17 determines ratepayers have received sufficient value from the  
18 incentives provided to the facility based on how long the project  
19 has been in operation and the amount of renewable electricity  
20 previously generated by the facility.

21 (3) A customer that receives service under a tariff or contract  
22 approved by the commission pursuant to this section is not eligible  
23 to participate in any net metering program.

24 (l) An owner or operator of an electric generation facility  
25 electing to receive service under a tariff or contract approved by  
26 the commission shall continue to receive service under the tariff  
27 or contract until either of the following occurs:

28 (1) The owner or operator of an electric generation facility no  
29 longer meets the eligibility requirements for receiving service  
30 pursuant to the tariff or contract.

31 (2) The period of service established by the commission pursuant  
32 to subdivision (d) is completed.

33 (m) Within 10 days of receipt of a request for a tariff pursuant  
34 to this section from an owner or operator of an electric generation  
35 facility, the electrical corporation that receives the request shall  
36 post a copy of the request on its Internet Web site. The information  
37 posted on the Internet Web site shall include the name of the city  
38 in which the facility is located, but information that is proprietary  
39 and confidential, including, but not limited to, address information

1 beyond the name of the city in which the facility is located, shall  
2 be redacted.

3 (n) An electrical corporation may deny a tariff request pursuant  
4 to this section if the electrical corporation makes any of the  
5 following findings:

6 (1) The electric generation facility does not meet the  
7 requirements of this section.

8 (2) The transmission or distribution grid that would serve as the  
9 point of interconnection is inadequate.

10 (3) The electric generation facility does not meet all applicable  
11 state and local laws and building standards and utility  
12 interconnection requirements.

13 (4) The aggregate of all electric generating facilities on a  
14 distribution circuit would adversely impact utility operation and  
15 load restoration efforts of the distribution system.

16 (o) Upon receiving a notice of denial from an electrical  
17 corporation, the owner or operator of the electric generation facility  
18 denied a tariff pursuant to this section shall have the right to appeal  
19 that decision to the commission.

20 (p) In order to ensure the safety and reliability of electric  
21 generation facilities, the owner of an electric generation facility  
22 receiving a tariff pursuant to this section shall provide an inspection  
23 and maintenance report to the electrical corporation at least once  
24 every other year. The inspection and maintenance report shall be  
25 prepared at the owner's or operator's expense by a  
26 California-licensed contractor who is not the owner or operator of  
27 the electric generation facility. A California-licensed electrician  
28 shall perform the inspection of the electrical portion of the  
29 generation facility.

30 (q) The contract between the electric generation facility  
31 receiving the tariff and the electrical corporation shall contain  
32 provisions that ensure that construction of the electric generating  
33 facility complies with all applicable state and local laws and  
34 building standards, and utility interconnection requirements.

35 (r) (1) All construction and installation of facilities of the  
36 electrical corporation, including at the point of the output meter  
37 or at the transmission or distribution grid, shall be performed only  
38 by that electrical corporation.

39 (2) All interconnection facilities installed on the electrical  
40 corporation's side of the transfer point for electricity between the

1 electrical corporation and the electrical conductors of the electric  
2 generation facility shall be owned, operated, and maintained only  
3 by the electrical corporation. The ownership, installation, operation,  
4 reading, and testing of revenue metering equipment for electric  
5 generating facilities shall only be performed by the electrical  
6 corporation.

7 *SEC. 2. Section 1.5 of this bill incorporates amendments to*  
8 *Section 399.20 of the Public Utilities Code proposed by this bill,*  
9 *Assembly Bill 1612, and Senate Bill 840. It shall only become*  
10 *operative if (1) this bill and Assembly Bill 1612 or Senate Bill 840,*  
11 *or both of those bills, are enacted and become effective on or*  
12 *before January 1, 2017, (2) Assembly Bill 1612, Senate Bill 840,*  
13 *or both, as enacted, amend Section 399.20 of the Public Utilities*  
14 *Code, and (3) this bill is enacted last of these bills that amend*  
15 *Section 399.20 of the Public Utilities Code, in which case Section*  
16 *399.20 of the Public Utilities Code, as amended by Assembly Bill*  
17 *1612 or Senate Bill 840, shall remain operative only until the*  
18 *operative date of this bill, at which time Section 1.5 of this bill*  
19 *shall become operative, and Section 1 of this bill shall not become*  
20 *operative.*