

AMENDED IN SENATE APRIL 27, 2015

SENATE BILL

No. 793

Introduced by Senator Wolk
(Principal coauthor: Assembly Member Williams)

February 27, 2015

An act to amend Section 2833 of, and to repeal Section 2834 of, the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

SB 793, as amended, Wolk. Green Tariff Shared Renewables Program.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations. 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. The Green Tariff Shared Renewables Program requires a participating utility, defined as being an electrical corporation with 100,000 or more customers in California, to file with the commission an application requesting approval of a tariff to implement a program enabling ratepayers to participate in electrical generation facilities that use eligible renewable energy resources, consistent with certain legislative findings and statements of intent. Existing law requires the commission, by July 1, 2014, to issue a decision concerning the participating utility's application, determining whether to approve or disapprove the application, with or without modifications. Existing law requires the commission, after notice and opportunity for public comment, to approve the application if the commission determines that the proposed program is reasonable and consistent with the legislative findings and statements of intent and requires the commission to require

that a participating utility’s green tariff shared renewables program be administered in accordance with specified provisions. Existing law repeals the program on January 1, 2019.

This bill would require the commission to additionally require that a participating utility’s green tariff shared renewables program permit a participating customer to subscribe to the program and receive a ~~predictable~~ *reasonably estimated* bill credit and ~~bill-charge~~ *charge, as determined by the commission*, for a period of up to 20 years. The bill would delete the repeal of the program.

Under existing law, a violation of any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because the bill would require action by the commission to implement its requirements and a violation of those requirements would be a crime, the bill would imposed a state-mandated local program by expanding the definition of a 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 2833 of the Public Utilities Code is
2 amended to read:
3 2833. (a) The commission shall require a green tariff shared
4 renewables program to be administered by a participating utility
5 in accordance with this section.
6 (b) Generating facilities participating in a participating utility’s
7 green tariff shared renewables program shall be eligible renewable
8 energy resources with a nameplate rated generating capacity not
9 exceeding 20 megawatts, except for those generating facilities
10 reserved for location in areas identified by the California
11 Environmental Protection Agency as the most impacted and
12 disadvantaged communities pursuant to paragraph (1) of
13 subdivision (d), which shall not exceed one megawatt nameplate
14 rated generating capacity.

1 (c) A participating utility shall use commission-approved tools
2 and mechanisms to procure additional eligible renewable energy
3 resources for the green tariff shared renewables program from
4 electrical generation facilities that are in addition to those required
5 by the California Renewables Portfolio Standard Program (Article
6 16 (commencing with Section 399.11) of Chapter 2.3 of Part 1).
7 For purposes of this subdivision, “commission-approved tools and
8 mechanisms” means those procurement methods approved by the
9 commission for an electrical corporation to procure eligible
10 renewable energy resources for purposes of meeting the
11 procurement requirements of the California Renewables Portfolio
12 Standard Program (Article 16 (commencing with Section 399.11)
13 of Chapter 2.3 of Part 1).

14 (d) A participating utility shall permit customers within the
15 service territory of the utility to purchase electricity pursuant to
16 the tariff approved by the commission to implement the utility’s
17 green tariff shared renewables program, until the utility meets its
18 proportionate share of a statewide limitation of 600 megawatts of
19 customer participation, measured by nameplate rated generating
20 capacity. The proportionate share shall be calculated based on the
21 ratio of each participating utility’s retail sales to total retail sales
22 of electricity by all participating utilities. The commission may
23 place other restrictions on purchases under a green tariff shared
24 renewables program, including restricting participation to a certain
25 level of capacity each year. The following restrictions shall apply
26 to the statewide 600 megawatt limitation:

27 (1) (A) One hundred megawatts shall be reserved for facilities
28 that are no larger than one megawatt nameplate rated generating
29 capacity and that are located in areas previously identified by the
30 California Environmental Protection Agency as the most impacted
31 and disadvantaged communities. These communities shall be
32 identified by census tract, and shall be determined to be the most
33 impacted 20 percent based on results from the best available
34 cumulative impact screening methodology designed to identify
35 each of the following:

36 (i) Areas disproportionately affected by environmental pollution
37 and other hazards that can lead to negative public health effects,
38 exposure, or environmental degradation.

39 (ii) Areas with socioeconomic vulnerability.

1 (B) (1) For purposes of this paragraph, “previously identified”
2 means identified prior to commencing construction of the facility.

3 (2) Not less than 100 megawatts shall be reserved for
4 participation by residential class customers.

5 (3) Twenty megawatts shall be reserved for the City of Davis.

6 (e) To the extent possible, a participating utility shall seek to
7 procure eligible renewable energy resources that are located in
8 reasonable proximity to enrolled participants.

9 (f) A participating utility’s green tariff shared renewables
10 program shall support diverse procurement and the goals of
11 commission General Order 156.

12 (g) A participating utility’s green tariff shared renewables
13 program shall not allow a customer to subscribe to more than 100
14 percent of the customer’s electricity demand.

15 (h) Except as authorized by this subdivision, a participating
16 utility’s green tariff shared renewables program shall not allow a
17 customer to subscribe to more than two megawatts of nameplate
18 generating capacity. This limitation does not apply to a federal,
19 state, or local government, school or school district, county office
20 of education, the California Community Colleges, the California
21 State University, or the University of California.

22 (i) A participating utility’s green tariff shared renewables
23 program shall not allow any single entity or its affiliates or
24 subsidiaries to subscribe to more than 20 percent of any single
25 calendar year’s total cumulative rated generating capacity.

26 (j) To the extent possible, a participating utility shall actively
27 market the utility’s green tariff shared renewables program to
28 low-income and minority communities and customers.

29 (k) Participating customers shall receive bill credits for the
30 generation of a participating eligible renewable energy resource
31 using the class average retail generation cost as established in the
32 participating utility’s approved tariff for the class to which the
33 participating customer belongs, plus a renewables adjustment value
34 representing the difference between the time-of-delivery profile
35 of the eligible renewable energy resource used to serve the
36 participating customer and the class average time-of-delivery
37 profile and the resource adequacy value, if any, of the resource
38 contained in the utility’s green tariff shared renewables program.
39 The renewables adjustment value applicable to a time-of-delivery
40 profile of an eligible renewable energy resource shall be determined

1 according to rules adopted by the commission. For these purposes,
2 “time-of-delivery profile” refers to the daily generating pattern of
3 a participating eligible renewable energy resource over time, the
4 value of which is determined by comparing the generating pattern
5 of that participating eligible renewable energy resource to the
6 demand for electricity over time and other generating resources
7 available to serve that demand.

8 (l) Participating customers shall pay a renewable generation
9 rate established by the commission, the administrative costs of the
10 participating utility, and any other charges the commission
11 determines are just and reasonable to fully cover the cost of
12 procuring a green tariff shared renewables program’s resources to
13 serve a participating customer’s needs.

14 (m) A participating customer’s rates shall be debited or credited
15 with any other commission-approved costs or values applicable
16 to the eligible renewable energy resources contained in a
17 participating utility’s green tariff shared renewables program’s
18 portfolio. These additional costs or values shall be applied to new
19 customers when they initially subscribe after the cost or value has
20 been approved by the commission.

21 (n) Participating customers shall pay all otherwise applicable
22 charges without modification.

23 (o) A participating utility shall permit a participating customer
24 to subscribe to the program and receive a ~~predictable~~ *reasonably*
25 *estimated bill credit and bill-charge charge, as determined by the*
26 *commission*, for a period of up to 20 years.

27 (p) A participating utility shall provide support for enhanced
28 community renewables programs to facilitate development of
29 eligible renewable energy resource projects located close to the
30 source of demand.

31 (q) The commission shall ensure that charges and credits
32 associated with a participating utility’s green tariff shared
33 renewables program are set in a manner that ensures nonparticipant
34 ratepayer indifference for the remaining bundled service, direct
35 access, and community choice aggregation customers and ensures
36 that no costs are shifted from participating customers to
37 nonparticipating ratepayers.

38 (r) A participating utility shall track and account for all revenues
39 and costs to ensure that the utility recovers the actual costs of the

1 utility's green tariff shared renewables program and that all costs
2 and revenues are fully transparent and auditable.

3 (s) Any renewable energy credits associated with electricity
4 procured by a participating utility for the utility's green tariff shared
5 renewables program and utilized by a participating customer shall
6 be retired by the participating utility on behalf of the participating
7 customer. Those renewable energy credits shall not be further sold,
8 transferred, or otherwise monetized for any purpose. Any
9 renewable energy credits associated with electricity procured by
10 a participating utility for the shared renewable energy
11 self-generation program, but not utilized by a participating
12 customer, shall be counted toward meeting that participating
13 utility's renewables portfolio standard.

14 (t) A participating utility shall, in the event of participant
15 customer attrition or other causes that reduce customer participation
16 or electrical demand below generation levels, apply the excess
17 generation from the eligible renewable energy resources procured
18 through the utility's green tariff shared renewables program to the
19 utility's renewable portfolio standard procurement obligations or
20 bank the excess generation for future use to benefit all customers
21 in accordance with the renewables portfolio standard banking and
22 procurement rules approved by the commission.

23 (u) In calculating its procurement requirements to meet the
24 requirements of the California Renewables Portfolio Standard
25 Program (Article 16 (commencing with Section 399.11) of Chapter
26 2.3 of Part 1), a participating utility may exclude from total retail
27 sales the kilowatthours generated by an eligible renewable energy
28 resource that is credited to a participating customer pursuant to
29 the utility's green tariff shared renewables program, commencing
30 with the point in time at which the generating facility achieves
31 commercial operation.

32 (v) All renewable energy resources procured on behalf of
33 participating customers in the participating utility's green tariff
34 shared renewables program shall comply with the State Air
35 Resources Board's Voluntary Renewable Electricity Program.
36 California-eligible greenhouse gas allowances associated with
37 these purchases shall be retired on behalf of participating customers
38 as part of the board's Voluntary Renewable Electricity Program.

39 (w) A participating utility shall provide a municipality with
40 aggregated consumption data for participating customers within

1 the municipality’s jurisdiction to allow for reporting on progress
2 toward climate action goals by the municipality. A participating
3 utility shall also publicly disclose, on a geographic basis,
4 consumption data and reductions in emissions of greenhouse gases
5 achieved by participating customers in the utility’s green tariff
6 shared renewables program, on an aggregated basis consistent with
7 privacy protections as specified in Chapter 5 (commencing with
8 Section 8380) of Division 4.1.

9 (x) Nothing in this section prohibits or restricts a community
10 choice aggregator from offering its own voluntary renewable
11 energy programs to participating customers of the community
12 choice aggregation.

13 SEC. 2. Section 2834 of the Public Utilities Code is repealed.

14 SEC. 3. No reimbursement is required by this act pursuant to
15 Section 6 of Article XIII B of the California Constitution because
16 the only costs that may be incurred by a local agency or school
17 district will be incurred because this act creates a new crime or
18 infraction, eliminates a crime or infraction, or changes the penalty
19 for a crime or infraction, within the meaning of Section 17556 of
20 the Government Code, or changes the definition of a crime within
21 the meaning of Section 6 of Article XIII B of the California
22 Constitution.