

Introduced by Senator HertzbergFebruary 19, 2016

An act to amend Section 399.21 of the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

SB 1299, as introduced, Hertzberg. California Renewables Portfolio Standard Program: renewable energy credits.

The California Renewables Portfolio Standard Program requires the Public Utilities Commission to establish a renewables portfolio standard requiring all retail sellers, as defined, to procure a minimum quantity of electricity products from eligible renewable energy resources, as defined, at specified percentages of the total kilowatthours sold to their retail end-customers during specified compliance periods. The program additionally requires each local publicly owned electric utility, as defined, to procure a minimum quantity of electricity products from eligible renewable energy resources to achieve the targets established by the program. The program requires the commission to authorize the use of renewable energy credits to satisfy the renewables portfolio standard procurement requirements, subject to specified conditions.

This bill would make nonsubstantial revisions to the requirement that the commission authorize the use of renewable energy credits to satisfy the renewables portfolio standard procurement requirements.

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

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

1 SECTION 1. Section 399.21 of the Public Utilities Code is
2 amended to read:
3 399.21. (a) The commission, by rule, shall authorize the use
4 of renewable energy credits to satisfy the renewables portfolio
5 standard procurement requirements established pursuant to this
6 article, subject to the following conditions:
7 (1) The commission and the Energy Commission shall ensure
8 that the tracking system established pursuant to subdivision (c) of
9 Section 399.25, is operational, is capable of independently
10 verifying that electricity earning the credit is generated by an
11 eligible renewable energy resource, and can ensure that renewable
12 energy credits shall not be double counted by any seller of
13 electricity within the service territory of the WECC.
14 (2) Each renewable energy credit shall be counted only once
15 for compliance with the renewables portfolio standard of this state
16 or any other state, or for verifying retail product claims in this state
17 or any other state.
18 (3) All revenues received by an electrical corporation for the
19 sale of a renewable energy credit shall be credited to the benefit
20 of ratepayers.
21 (4) Renewable energy credits shall not be created for electricity
22 generated pursuant to any electricity purchase contract with a retail
23 seller or a local publicly owned electric utility executed before
24 January 1, 2005, unless the contract contains explicit terms and
25 conditions specifying the ownership or disposition of those credits.
26 Procurement under those contracts shall be tracked through the
27 accounting system described in subdivision (b) of Section 399.25
28 and included in the quantity of eligible renewable energy resources
29 of the purchasing retail seller pursuant to Section 399.15.
30 (5) Renewable energy credits shall not be created for electricity
31 generated under any electricity purchase contract executed after
32 January 1, 2005, pursuant to the federal Public Utility Regulatory
33 Policies Act of 1978 (16 U.S.C. Sec. 2601 et seq.). Procurement
34 under the electricity purchase contracts shall be tracked through
35 the accounting system implemented by the Energy Commission
36 pursuant to subdivision (b) of Section 399.25 and count toward
37 the renewables portfolio standard procurement requirements of
38 the purchasing retail seller.

1 (6) Nothing in the amendments to this article made by the Clean
2 Energy and Pollution Reduction Act of 2015 (~~Senate Bill 350 of~~
3 ~~the 2015-16 Regular Session~~) (*Chapter 547 of the Statutes of 2015*)
4 is intended to change commission Decision 11-12-052 (*December*
5 *15, 2011*), *Decision Implementing Portfolio Content Categories*
6 *For The Renewables Portfolio Standard Program*, regarding the
7 classification of renewable energy credits from generation on the
8 customer side of the meter.

9 (7) A renewable energy credit shall not be eligible for
10 compliance with a renewables portfolio standard procurement
11 requirement unless it is retired in the tracking system established
12 pursuant to subdivision (c) of Section 399.25 by the retail seller
13 or local publicly owned electric utility within 36 months from the
14 initial date of generation of the associated electricity.

15 (b) The commission shall allow an electrical corporation to
16 recover the reasonable costs of purchasing, selling, and
17 administering renewable energy credit contracts in rates.

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