

**Introduced by Senator Morrell**February 19, 2016

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An act to repeal Section 379.8 of the Public Utilities Code, relating to energy.

## LEGISLATIVE COUNSEL'S DIGEST

SB 1305, as introduced, Morrell. Advanced electrical distributed generation technology.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, as defined. The existing definition of an electrical corporation excludes a corporation or person employing cogeneration, as defined, or producing electricity from other than a conventional power source for certain purposes. Existing law places certain limitations upon gas rates and surcharges charged cogenerators. Existing law prohibits placing alternative fuel capability requirements upon gas customers that use gas for purposes of cogeneration.

Existing law authorizes the commission and the State Air Resources Board to treat advanced electrical distributed generation technology, as defined, as cogeneration, and makes the existing limitations upon gas rates and surcharges charged to cogenerators applicable to an advanced electrical distributed generation technology. Existing law also makes the prohibition upon placing alternative fuel capability requirements upon gas customers that use gas for purposes of cogeneration applicable to a generator using advanced electrical distributed generation technology. These provisions do not apply to an advanced electrical distributed generation technology that is first operational at a site on and after January 1, 2016.

This bill would delete those provisions relating to advanced electrical distributed generation technology.

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 379.8 of the Public Utilities Code is  
2 repealed.

3 ~~379.8. (a) As used in this section, “advanced electrical~~  
4 ~~distributed generation technology” means any electrical distributed~~  
5 ~~generation technology that generates useful electricity and meets~~  
6 ~~all of the following conditions:~~

7 ~~(1) The emissions standards adopted by the State Air Resources~~  
8 ~~Board pursuant to the distributed generation certification program~~  
9 ~~requirements of Article 3 (commencing with Section 94200) of~~  
10 ~~Subchapter 8 of Chapter 1 of Division 3 of Title 17 of the~~  
11 ~~California Code of Regulations.~~

12 ~~(2) Produces de minimis emissions of sulfur oxides and nitrogen~~  
13 ~~oxides.~~

14 ~~(3) Meets the greenhouse gases emission performance standard~~  
15 ~~established by the commission pursuant to Section 8341.~~

16 ~~(4) Has a total electrical efficiency of not less than 45 percent.~~  
17 ~~If legislation is enacted that increases the 42.5 percent efficiency~~  
18 ~~described in subdivision (b) of Section 216.6 above 45 percent,~~  
19 ~~the commission may adjust the electrical efficiency standard~~  
20 ~~described in this paragraph to ensure that this electrical efficiency~~  
21 ~~standard meets or exceeds the standard enacted for the purposes~~  
22 ~~of subdivision (b) of Section 216.6.~~

23 ~~(5) Is sized to meet the generator’s onsite electrical demand.~~

24 ~~(6) Has parallel operation to the electrical distribution grid.~~

25 ~~(7) Utilizes renewable or nonrenewable fuel.~~

26 ~~(b) (1) An advanced electrical distributed generation technology~~  
27 ~~shall qualify for the rate established by the commission pursuant~~  
28 ~~to Section 454.4.~~

29 ~~(2) The limitation in subdivision (b) of Section 6352 upon the~~  
30 ~~assessment of surcharges for gas used to generate electricity by a~~  
31 ~~nonutility facility applies to an advanced electrical distributed~~  
32 ~~generation technology.~~

1 ~~(3) The limitation in Section 2773.5 upon imposing alternative~~  
2 ~~fuel capability requirements upon gas customers that use gas for~~  
3 ~~purposes of cogeneration applies to an advanced electrical~~  
4 ~~distributed generation technology.~~

5 ~~(e) The commission or State Air Resources Board may, in~~  
6 ~~furtherance of the state's goals for achieving cost-effective~~  
7 ~~reductions in emissions of greenhouse gases, meeting resource~~  
8 ~~adequacy requirements, or meeting the renewables portfolio~~  
9 ~~standard, treat advanced electrical distributed generation technology~~  
10 ~~as cogeneration.~~

11 ~~(d) Subdivisions (b) and (c) do not apply to an advanced~~  
12 ~~electrical distributed generation technology that is first operational~~  
13 ~~at a site on and after January 1, 2016.~~