AMENDED IN ASSEMBLY APRIL 2, 2009

CALIFORNIA LEGISLATURE—2009–10 REGULAR SESSION

ASSEMBLY BILL No. 1023

Introduced by Assembly Member Ruskin

February 27, 2009

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

LEGISLATIVE COUNSEL'S DIGEST

AB 1023, as amended, Ruskin. Renewable energy resources.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, as defined. The Public Utilities Act imposes various duties and responsibilities on the commission with respect to the purchase of electricity by electrical corporations and requires the commission to review and adopt a procurement plan and a renewable energy procurement plan for each electrical corporation pursuant to the California Renewables Portfolio Standard Program. The program requires that a retail seller of electricity, including electrical corporations, purchase a specified minimum percentage of electricity generated by eligible renewable energy resources, as defined, in any given year as a specified percentage of total kilowatthours sold to retail end-use customers each calendar year (renewables portfolio standard).

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 is owned and operated by a retail customer of the electrical corporation. Existing law requires, among other things, that the electric generation facility have an effective capacity of not more than 1.5 megawatts and be located on property owned or under the control of the customer.

This bill would instead require that the electric generation facility have an effective capacity of not more than ~~20~~ *10* megawatts and be located on property owned or under the control of the customer. *The bill would also allow the commission to increase the 10 megawatt capacity limitation up to, and including, a capacity of 15 megawatts.*

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

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

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

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

(b) As used in this section, "electric generation facility" means an electric generation facility, owned and operated by a retail customer of an electrical corporation, that meets all of the following criteria:

(1) Has an effective capacity of not more than ~~20~~ *10* megawatts and is located on property owned or under the control of the customer.

(2) Is interconnected and operates in parallel with the electric transmission and distribution grid.

(3) Is strategically located and interconnected to the electric transmission system in a manner that optimizes the deliverability of electricity generated at the facility to load centers.

(4) Is an eligible renewable energy resource, as defined in Section 399.12.

(c) Every electrical corporation shall file with the commission a standard tariff for electricity generated by an electric generation facility.

(d) The tariff shall provide for payment for every kilowatthour of electricity generated by an electric generation facility at the market price as determined by the commission pursuant to Section 399.15 for a period of 10, 15, or 20 years, as authorized by the commission.

(e) Every electrical corporation shall make this tariff available to customers that own and operate an electric generation facility within the service territory of the electrical corporation, upon request, on a first-come-first-served basis, until the combined statewide cumulative rated generating capacity of those electric generation facilities reaches 500 megawatts. An electrical corporation may make the terms of the tariff available to customers in the form of a standard contract subject to commission approval. Each electrical corporation shall only be required to offer service or contracts under this section until that electrical corporation meets its proportionate share of the 500 megawatts based on the ratio of its peak demand to the total statewide peak demand of all electrical corporations.

(f) Every kilowatthour of electricity generated by the electric generation facility shall count toward the electrical corporation's renewables portfolio standard annual procurement targets for purposes of paragraph (1) of subdivision (b) of Section 399.15.

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

(h) *(1)* The commission may modify or adjust the requirements of this section for any electrical corporation with less than 100,000 service connections, as individual circumstances merit.

(2) The commission may increase the 10 megawatt capacity limitation of paragraph (1) of subdivision (b) up to, and including, 15 megawatts.

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