

AMENDED IN SENATE JUNE 19, 2002

AMENDED IN ASSEMBLY MAY 9, 2002

AMENDED IN ASSEMBLY APRIL 23, 2002

AMENDED IN ASSEMBLY APRIL 11, 2002

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

ASSEMBLY BILL

No. 2228

Introduced by Assembly Member Negrete McLeod

February 20, 2002

An act to add and repeal Section 2827.9 of the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 2228, as amended, Negrete McLeod. Public utilities: net energy metering.

Under existing law, electric service providers, as defined, are required to provide eligible customer-generators with net energy metering, as defined.

This bill would require electrical corporations, as defined, to provide eligible biogas digester customer-generators with net energy metering under a pilot program. The bill would define an “eligible biogas digester customer ~~generator~~,” *generator*,” in part, as a customer of an electrical corporation that uses a biogas digester electrical generating facility, as defined, with a certain capacity that is located on or adjacent to the customer’s premises, is interconnected and operates in parallel with the electric grid, and is sized to offset part or all of the customer’s own electrical requirements and that receives certain funding. The bill

would prescribe conditions under which these customers may participate in the pilot program established by the bill.

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 2827.9 is added to the Public Utilities
2 Code, to read:

3 2827.9. (a) (1) The Legislature finds and declares that a pilot
4 program to provide net energy metering for eligible dairy biogas
5 digester customer-generators would enhance the continued
6 diversification of California's energy resource mix and would
7 encourage the installation of livestock air emission controls that
8 the State Air Resources Board believes may produce multiple
9 environmental benefits.

10 (2) The Legislature further finds and declares that the net
11 energy metering pilot program authorized pursuant to this section
12 for eligible biogas digester customer-generators, which nets out
13 generation charges against generation charges on a time of use
14 basis, furthers the intent of Chapter 7 of the Statutes of 2001, First
15 Extraordinary Session, by facilitating the implementation of
16 energy efficiency programs in order to reduce consumption of
17 energy, reduce the costs associated with energy demand, and
18 achieve a reduction in peak electricity demand.

19 (b) As used in this section, the following definitions apply:

20 (1) "Electrical corporation" means an electrical corporation,
21 as defined in Section 218.

22 (2) (A) "Eligible biogas digester customer-generator" means
23 a customer of an electrical corporation that meets both of the
24 following criteria:

25 (i) Uses a biogas digester electrical generating facility with a
26 capacity of not more than one megawatt that is located on or
27 adjacent to the customer's owned, leased, or rented premises, is
28 interconnected and operates in parallel with the electric grid, and
29 is sized to offset part or all of the eligible biogas digester
30 customer-generator's own electrical requirements.

31 (ii) Is the recipient of local, state, or federal funds, or who
32 self-finances pilot projects designed to encourage the



development of *eligible* biogas digester electrical generating facilities.

(3) “Eligible biogas digester electrical generating facility” means a generating facility used to produce electricity by either a manure methane production project or as a byproduct of the anaerobic digestion of bio-solids and animal waste.

(4) “Net energy metering” means measuring the difference between the electricity supplied through the electric grid and the difference between the electricity generated by an eligible biogas digester customer-generator and fed back to the electric grid over a ~~monthly~~ *12-month* period as described in subdivision (e). Net energy metering shall be accomplished using a time of use meter capable of registering the flow of electricity in two directions. An additional meter or meters to monitor the flow of electricity in each direction may be installed with the consent of the eligible biogas digester customer-generator, at the expense of the electrical corporation, and the additional metering shall be used only to provide the information necessary to accurately bill or credit the eligible biogas digester customer-generator pursuant to subdivision (e), or to collect biogas electric generating system performance information for research purposes. If the existing electrical meter of an eligible biogas digester customer-generator is not capable of measuring the flow of electricity in two directions, the eligible biogas digester customer-generator shall be responsible for all expenses involved in purchasing and installing a meter that is able to measure electricity flow in two directions. If an additional meter or meters are installed, the net energy metering calculation shall yield a result identical to that of a ~~single~~ *time of use* meter.

(c) Every electrical corporation shall, not later than 60 days from the effective date of this section, file with the commission a standard tariff providing for net energy metering for eligible biogas digester customer-generators, consistent with this section. Every electrical corporation shall make this tariff available to eligible biogas digester customer-generators upon request, on a first come, first serve basis, until the total cumulative rated generating capacity used by the eligible biogas digester customer-generators equals 5 megawatts within the service territory of the electrical corporation. The combined statewide cumulative rated generating capacity used by the eligible biogas

1 digester customer-generators in the service territories of all three
2 electrical corporations in the state may not exceed 15 megawatts.

3 (d) Each net energy metering contract or tariff shall be
4 identical, with respect to rate structure, all retail rate components,
5 and any monthly charges, to the contract or tariff to which the same
6 customer would be assigned if the customer was not an eligible
7 biogas digester customer-generator. The charges for all retail rate
8 components for eligible biogas digester customer-generators shall
9 be based exclusively on the eligible biogas digester
10 customer-generator's net kilowatthour consumption over a
11 ~~monthly~~ 12-month period. Any new or additional demand charge,
12 standby charge, customer charge, minimum monthly charge,
13 interconnection charge, or other charge that would increase an
14 eligible biogas digester customer-generator's costs beyond those
15 of other customers in the rate class to which the eligible biogas
16 digester customer-generator would otherwise be assigned are
17 contrary to the intent of this legislation, and shall not form a part
18 of net energy metering tariffs.

19 (e) The net energy metering calculation shall be made by
20 measuring the difference between the electricity supplied to the
21 eligible customer-generator and the electricity generated by the
22 eligible customer-generator and fed back to the electric grid over
23 a ~~monthly~~ 12-month period. The following rules shall apply to the
24 ~~monthly period~~ annualized metering calculation:

25 (1) The eligible biogas digester customer-generator shall, at the
26 end of each ~~monthly~~ 12-month period following the date of final
27 interconnection of the eligible biogas digester
28 customer-generator's system with an electrical corporation, and at
29 ~~the end of each monthly billing cycle~~ *each anniversary date*
30 thereafter, be billed for electricity used during that period. The
31 electrical corporation shall determine if the eligible biogas
32 digester customer-generator was a net consumer or a net producer
33 of electricity during that period. *For purposes of determining if the*
34 *biogas digester customer-generator was a net consumer or a net*
35 *producer of electricity during that period, the electrical*
36 *corporation shall aggregate the electrical load of a dairy*
37 *operation, including, but not limited to, the electrical load*
38 *attributable to milking operations, milk refrigeration, and water*
39 *pumping.*

(2) At the end of each ~~monthly~~ 12-month period, where the electricity supplied during the period by the electrical corporation exceeds the electricity generated by the eligible biogas digester customer-generator during that same period, the eligible biogas digester customer-generator is a net electricity consumer and the electrical corporation shall be owed compensation for the eligible biogas digester customer-generator's net kilowatthour consumption over that same period. The compensation owed for the eligible biogas digester customer-generator's consumption shall be calculated as follows:

(A) The generation charges for any net monthly consumption of electricity shall be calculated according to the terms of the tariff to which the same customer would be assigned to or be eligible for if the customer was not an eligible biogas digester customer-generator. When those eligible biogas digester customer-generators are net generators during any discrete time of use period, the net kilowatthours produced shall be valued at the same price per kilowatthour as the electrical corporation would charge for retail kilowatthour sales for generation during that same time of use period. If the eligible biogas digester customer-generator's time-of-use electrical meter is unable to measure the flow of electricity in two directions, paragraph (4) of subdivision (b) shall apply. All other charges, other than generation charges, shall be calculated in accordance with the eligible biogas digester customer-generator's applicable tariff and based on the total kilowatthours delivered by the electrical corporation to the eligible biogas digester customer-generator. *To the extent that charges for transmission and distribution services are recovered through demand charges, no standby charges shall apply.*

(B) The net balance of moneys owed shall be paid in accordance with the electrical corporation's normal billing cycle.

(3) At the end of each ~~monthly~~ 12-month period, where the electricity generated by the eligible biogas digester customer-generator during the ~~monthly~~ 12-month period exceeds the electricity supplied by the electrical corporation during that same period, the eligible biogas digester customer-generator is a net electricity producer and the electrical corporation shall retain any excess kilowatthours generated during the prior ~~monthly~~ 12-month period. The eligible biogas digester customer-generator

1 shall not be owed any compensation for those excess
2 kilowatthours .

3 (4) If an eligible biogas digester customer-generator terminates
4 service with the electrical corporation, the electrical corporation
5 shall reconcile the eligible biogas digester customer-generator's
6 consumption and production of electricity during any ~~monthly~~
7 *12-month* period.

8 (f) This section shall remain in effect only until January 1,
9 2006, and as of that date is repealed, unless a later enacted statute,
10 that is enacted before January 1, 2006, deletes or extends that date.

