

AMENDED IN SENATE APRIL 21, 2003

SENATE BILL

No. 770

Introduced by Senator Chesbro

February 21, 2003

An act to add ~~Section 80110.1 to the Water~~ and repeal Section 2826.7 of the *Public Utilities Code*, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

SB 770, as amended, Chesbro. ~~Nonprofit cogeneration facilities Pacific Union College Facility.~~

(1) Under existing law, the Public Utilities Commission is vested with regulatory authority over public utilities and is required to establish requirements for the administration of power purchase contracts between electrical corporations and private energy producers.

This bill would, until January 1, 2009, authorize Pacific Union College to receive a bill credit, as defined, to a benefiting account, as defined, for electricity supplied to the electric grid by a cogeneration facility located at Pacific Union College in Angwin, California (the Pacific Union College Facility), and the bill would require the commission to adopt a rate tariff for the benefiting account. Because a violation of the Public Utilities Act, a filed tariff, or an order of the commission is a crime under existing law, the bill would impose a state-mandated local program by creating a new crime. The bill would declare that, due to the special circumstances applicable only to the Pacific Union College Facility, a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution, and the enactment of a special statute is therefore necessary.

(2) *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.

~~Under existing law, the Public Utilities Commission regulates electrical corporations. The Public Utilities Act requires the commission to authorize direct transactions between electricity suppliers and end-use customers. However, other existing law suspends the right of retail end-use customers to acquire direct access service from certain electricity suppliers after a period of time to be determined by the commission until the Department of Water Resources no longer supplies electricity under that law.~~

~~This bill, notwithstanding that suspension, would authorize a nonprofit cogeneration facility, as defined, to serve related electric load, as defined. The bill would prohibit the commission from imposing certain charges on such a transaction.~~

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

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

1 ~~SECTION 1. Section 80110.1 is added to the Water Code, to~~
 2 ~~SECTION 1. Section 2826.7 is added to the Public Utilities~~
 3 ~~Code, to read:~~
 4 ~~2826.7. (a) As used in this section, the following terms have~~
 5 ~~the following meanings:~~
 6 ~~(1) "Benefiting account" means an electricity account, or~~
 7 ~~more than one account, mutually agreed upon by Pacific Gas and~~
 8 ~~Electric Company and Pacific Union College.~~
 9 ~~(2) "Bill credit" means credits calculated based upon the~~
 10 ~~electricity generation component of the rate schedule applicable~~
 11 ~~to a benefiting account, as applied to the net metered quantities of~~
 12 ~~electricity.~~
 13 ~~(3) "Pacific Union College Facility" means the combined heat~~
 14 ~~and power cogeneration facility located at Pacific Union College~~
 15 ~~in Angwin, California, that supplies up to 4.5 megawatts, using~~
 16 ~~natural gas, steam and solar, to the electric grid owned by Pacific~~
 17 ~~Gas and Electric Company.~~



1 (4) “Net metered” means the electricity output from the Pacific
2 Union College Facility in the excess of that required by the Pacific
3 Union College.

4 (b) Pacific Union College may elect to designate a benefiting
5 account, or more than one account, to receive bill credit for the
6 electricity generated by the Pacific Union College Facility, if all
7 of the following conditions are met:

8 (1) A benefiting account receives service under a time-of-use
9 rate schedule.

10 (2) The electricity output of the Pacific Union College Facility
11 is metered for time of use to allow allocation of each bill credit to
12 correspond to the time-of-use period of a benefiting account.

13 (3) All costs associated with the metering requirements of
14 paragraphs (1) and (2) are the responsibility of Pacific Union
15 College.

16 (4) All electricity delivered to the electric grid by the Pacific
17 Union College Facility is the property of Pacific Gas and Electric
18 Company.

19 (5) The Pacific Union College Facility does not sell electricity
20 delivered to the electric grid to a third party.

21 (6) The benefiting account is a related nonprofit community
22 education or health care facility.

23 (c) A benefiting account shall be billed on a monthly basis, as
24 follows:

25 (1) For all electricity usage, the rate schedule applicable to the
26 benefiting account shall be the rate schedule of the benefiting
27 account, including any surcharge, exit fee, or other cost recovery
28 mechanism, as determined by the Public Utilities Commission, to
29 reimburse the Department of Water Resources for purchases of
30 electricity, pursuant to Division 27 (commencing with Section
31 80000) of the Water Code.

32 (2) The rate schedule for the benefiting account shall also
33 provide credit for the generation component of the time-of-use
34 rates for the electricity generated by the Pacific Union College
35 Facility that is delivered to the electric grid. The generation
36 component credited to the benefiting account may not include the
37 surcharge, exit fee, or other cost recovery mechanism, as
38 determined by the Public Utilities Commission, to reimburse the
39 Department of Water Resources for purchases of electricity,



1 pursuant to Division 27 (commencing with Section 80000) of the
2 Water Code.

3 (3) If in any billing cycle, the charge pursuant to paragraph (1)
4 for electricity usage exceeds the billing credit pursuant to
5 paragraph (2), Pacific Union College shall be charged for the
6 difference.

7 (4) If in any billing cycle, the billing credit pursuant to
8 paragraph (2), exceeds the charge for electricity usage pursuant
9 to paragraph (1), the difference shall be carried forward as a credit
10 to the next billing cycle.

11 (5) After the electricity usage charge pursuant to paragraph (1)
12 and the credit pursuant to paragraph (2) are determined for the
13 last billing cycle of a calendar year, any remaining credit resulting
14 from the application of this section shall be reset to zero.

15 (d) Not more frequently than once per year, and upon providing
16 Pacific Gas and Electric Company with a minimum of 60 days
17 notice, Pacific Union College may elect to change a benefiting
18 account. Any credit resulting from the application of this section
19 earned prior to the change in a benefiting account that has not
20 been used as of the date of the change in the benefit account, shall
21 be applied, and may only be applied, to a benefiting account as
22 changed.

23 (e) Pacific Gas and Electric Company shall file an advice letter
24 with the Public Utilities Commission, that complies with this
25 section, not later than January 11, 2004, proposing a rate tariff for
26 a benefiting account. The commission, within 30 days of the date
27 of filing, shall approve the proposed tariff, or specify conforming
28 changes to be made by Pacific Gas and Electric Company to be
29 filed in a new advice letter.

30 (f) Pacific Union College may terminate its election pursuant
31 to subdivision (b), upon providing Pacific Gas and Electric
32 Company with a minimum of 60 days notice. If Pacific Union
33 College sells its interest in the Pacific Union College Facility, or
34 sells the electricity generated by the Pacific Union College
35 Facility, in a manner other than required by this section, upon the
36 date of either event, and the earliest date if both events occur, no
37 further bill credit pursuant to paragraph (2) of subdivision (b) may
38 be earned. Only credit earned prior to that date shall be made to
39 a benefiting account.



1 (g) *The Legislature finds and declares that credit for a*
2 *benefiting account for the electricity output from the Pacific Union*
3 *College Facility is in the public interest in order to allow a*
4 *nonprofit education institution located in a rural area subject to*
5 *power distribution capacity constraints, including power*
6 *curtailments during peak periods and inclement weather, to*
7 *replace an inefficient energy source with a clean, adequately sized*
8 *combined heat and power cogeneration facility and credit excess*
9 *power to its affiliated community public education or health*
10 *facilities. Because of the unique circumstances applicable only to*
11 *the Pacific Union College Facility, a statute of general*
12 *applicability cannot be enacted within the meaning of subdivision*
13 *(b) of Section 16 of Article IV of the California Constitution.*
14 *Therefore, this special statute is necessary.*

15 (h) *This section shall remain in effect only until January 1,*
16 *2009, and as of that date is repealed, unless a later enacted statute,*
17 *that is enacted before January 1, 2009, deletes or extends that date.*

18 SEC. 2. *No reimbursement is required by this act pursuant to*
19 *Section 6 of Article XIII B of the California Constitution because*
20 *the only costs that may be incurred by a local agency or school*
21 *district will be incurred because this act creates a new crime or*
22 *infraction, eliminates a crime or infraction, or changes the penalty*
23 *for a crime or infraction, within the meaning of Section 17556 of*
24 *the Government Code, or changes the definition of a crime within*
25 *the meaning of Section 6 of Article XIII B of the California*
26 *Constitution.*

27 read:

28 80110.1. (a) ~~As used in this section, the following terms have~~
29 ~~the following meanings:~~

30 (1) ~~“Nonprofit cogeneration facility” is a facility that meets~~
31 ~~the criteria in Section 218.5 of the Public Utilities Code and which~~
32 ~~generates not more than 6 megawatts of power, a total of at least~~
33 ~~4.5 megawatts of which are consumed onsite by a nonprofit entity~~
34 ~~in combination with its related electric load.~~

35 (2) ~~“Related electric load” is up to 3.5 megawatts of electricity~~
36 ~~generated by a nonprofit cogeneration facility and transmitted to,~~
37 ~~and consumed by, an offsite affiliate of the onsite nonprofit~~
38 ~~cogeneration facility.~~

39 (b) ~~Notwithstanding Section 80110, a nonprofit cogeneration~~
40 ~~facility may serve related electric load.~~



- 1 ~~(c) The commission may not impose either of the following on~~
- 2 ~~a transaction pursuant to this section:~~
- 3 ~~(1) Cost recovery surcharges under commission Decision~~
- 4 ~~02-11-022, or any subsequent commission decision, order, or~~
- 5 ~~regulation.~~
- 6 ~~(2) A competition transition charge to pay costs as provided in~~
- 7 ~~Sections 367, 368, 375, and 376 of the Public Utilities Code.~~
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