

Assembly Bill No. 946

CHAPTER 112

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

[Approved by Governor July 20, 2007. Filed with
Secretary of State July 20, 2007.]

LEGISLATIVE COUNSEL'S DIGEST

AB 946, Krekorian. Electricity: renewable energy resources.

The Public Utilities Act imposes various duties and responsibilities on the Public Utilities Commission with respect to the purchase of electricity 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, community choice aggregators, and electric service providers, but not including local publicly owned electric utilities, 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 the renewable energy output produced at an electric generation facility, as defined, that, among other things, is an eligible renewable energy resource. Existing law requires the electrical corporation to make this tariff available to public water or wastewater agencies 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 equals 250 megawatts, with each electrical corporation required to offer service or contracts until that electrical corporation meets its proportionate share of the 250 megawatts based on the ratio of its peak demand to the total statewide peak demand of all electrical corporations.

The existing definition of an "electric generation facility" includes a requirement that the facility be owned and operated by a public water or wastewater agency that is a retail customer of an electrical corporation, that the facility have an effective capacity of not more than one megawatt and is located on or adjacent to a water or wastewater facility owned and operated by the public water or wastewater agency.

This bill would amend the definition of an "electric generation facility" to require that the facility be owned and operated by a public water or wastewater agency that is a retail customer of an electrical corporation, that

the facility have an effective capacity of not more than one megawatt, and that the facility is located on property owned or under the control of the public water or wastewater agency.

The bill would make other nonsubstantive technical changes.

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 energy production from renewable energy resources at public water and wastewater facilities in an amount commensurate with water-related electricity demand.

(b) As used in this section, “electric generation facility” means an electric generation facility, owned and operated by a public water or wastewater agency that is a retail customer of an electrical corporation, and that meets all of the following criteria:

(1) Has an effective capacity of not more than one megawatt and is located on property owned or under the control of the public water or wastewater agency.

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

(3) Is sized to offset part or all of the electricity demand of the public water or wastewater agency.

(4) 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.

(5) 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 public water or wastewater agencies 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 equals 250 megawatts. An electrical corporation may make the terms of the tariff available to public water or wastewater agencies 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 250 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) Upon approval by the commission, any tariff or contract authorized by this section may be made available to an electric generation facility that has an effective capacity of not more than 1.5 megawatts if that electrical generation facility otherwise complies with all of the provisions of this section.