

AMENDED IN ASSEMBLY AUGUST 24, 2012

AMENDED IN ASSEMBLY AUGUST 6, 2012

AMENDED IN ASSEMBLY MAY 9, 2012

AMENDED IN ASSEMBLY APRIL 30, 2012

AMENDED IN ASSEMBLY JUNE 21, 2011

AMENDED IN SENATE MARCH 24, 2011

SENATE BILL

No. 843

Introduced by Senator Wolk
(Coauthors: Senators Corbett and Pavley)
(Coauthors: Assembly Members Huffman and Skinner)

February 18, 2011

An act to amend Section 25019 of the Corporations Code, and to amend Sections 216 and 218 of, *to add Chapter 7.6 (commencing with Section 2832) to Part 2 of Division 1 of*, and to repeal Section 2826.5 of, ~~and to repeal and add Chapter 7.5 (commencing with Section 2830) of Part 2 of Division 1 of~~, the Public Utilities Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

SB 843, as amended, Wolk. Energy: electrical corporations: City of Davis PVUSA solar facility: Community-Based Renewable Energy Self-Generation Program.

(1) Under existing law, the Public Utilities Commission has regulatory jurisdiction over public utilities, including electrical corporations, as defined. Existing law authorizes the commission to fix the rates and charges for every public utility, and requires that those rates and charges be just and reasonable. Under existing law, the local

government renewable energy self-generation program authorizes a local government, as defined, to receive a bill credit, as defined, to be applied to a designated benefiting account for electricity exported to the electrical grid by an eligible renewable generating facility, as defined, and requires the commission to adopt a rate tariff for the benefiting account.

This bill would ~~repeal the local government renewable energy self-generation program~~ and enact the Community-Based Renewable Energy Self-Generation Program. The program would authorize a retail customer of an electrical corporation (participant) to acquire an interest, as defined, in a community renewable energy facility, as defined, for the purpose of receiving a bill credit, as defined, to offset all or a portion of the participant's electricity usage, consistent with specified requirements.

Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because the provisions of the bill would require action by the commission to implement its requirements, a violation of these provisions would impose a state-mandated local program by expanding the definition of a crime.

(2) The bill would provide that any corporation or person engaged directly or indirectly in developing, producing, delivering, participating in, or selling interests in, a community renewable energy facility is not a public utility or electrical corporation solely by reason of engaging in any of those activities.

(3) Existing law authorizes the City of Davis to receive a bill credit, as defined, to a benefiting account, as defined, for electricity supplied to the electrical grid by a photovoltaic electricity generation facility located within, and partially owned by, the city (PVUSA solar facility) and requires the commission to adopt a rate tariff for the benefiting account.

This bill would repeal these provisions relating to the City of Davis, *but would require an award be made allocating 30 megawatts of alternating current to the City of Davis for use at PVUSA, and other locations of their designation, as directed by the City of Davis, pursuant to the Community-Based Renewable Energy Self-Generation Program.*

(4) 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.

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

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

1 SECTION 1. Section 25019 of the Corporations Code is
2 amended to read:
3 25019. (a) “Security” means any note; stock; treasury stock;
4 membership in an incorporated or unincorporated association;
5 bond; debenture; evidence of indebtedness; certificate of interest
6 or participation in any profit-sharing agreement; collateral trust
7 certificate; preorganization certificate or subscription; transferable
8 share; investment contract; viatical settlement contract or a
9 fractionalized or pooled interest therein; life settlement contract
10 or a fractionalized or pooled interest therein; voting trust certificate;
11 certificate of deposit for a security; interest in a limited liability
12 company and any class or series of those interests (including any
13 fractional or other interest in that interest), except a membership
14 interest in a limited liability company in which the person claiming
15 this exception can prove that all of the members are actively
16 engaged in the management of the limited liability company;
17 provided that evidence that members vote or have the right to vote,
18 or the right to information concerning the business and affairs of
19 the limited liability company, or the right to participate in
20 management, shall not establish, without more, that all members
21 are actively engaged in the management of the limited liability
22 company; certificate of interest or participation in an oil, gas, or
23 mining title or lease or in payments out of production under that
24 title or lease; put, call, straddle, option, or privilege on any security,
25 certificate of deposit, or group or index of securities (including
26 any interest therein or based on the value thereof); or any put, call,
27 straddle, option, or privilege entered into on a national securities
28 exchange relating to foreign currency; any beneficial interest or
29 other security issued in connection with a funded employees’
30 pension, profit sharing, stock bonus, or similar benefit plan; or, in
31 general, any interest or instrument commonly known as a
32 “security”; or any certificate of interest or participation in,
33 temporary or interim certificate for, receipt for, guarantee of, or

1 warrant or right to subscribe to or purchase, any of the foregoing.
2 All of the foregoing are securities whether or not evidenced by a
3 written document.

4 (b) “Security” does not include: (1) any beneficial interest in
5 any voluntary inter vivos trust which is not created for the purpose
6 of carrying on any business or solely for the purpose of voting, or
7 (2) any beneficial interest in any testamentary trust, or (3) any
8 insurance or endowment policy or annuity contract under which
9 an insurance company admitted in this state promises to pay a sum
10 of money (whether or not based upon the investment performance
11 of a segregated fund) either in a lump sum or periodically for life
12 or some other specified period, or (4) any franchise subject to
13 registration under the Franchise Investment Law (Division 5
14 (commencing with Section 31000)), or exempted from registration
15 by Section 31100 or 31101, or (5) any right to a bill credit or
16 interest of a participant in a community renewable energy facility
17 pursuant to Chapter 7.5 (commencing with Section 2830) of Part
18 2 of Division 1 of the Public Utilities Code.

19 SEC. 2. Section 216 of the Public Utilities Code is amended
20 to read:

21 216. (a) “Public utility” includes every common carrier, toll
22 bridge corporation, pipeline corporation, gas corporation, electrical
23 corporation, telephone corporation, telegraph corporation, water
24 corporation, sewer system corporation, and heat corporation, where
25 the service is performed for, or the commodity is delivered to, the
26 public or any portion thereof.

27 (b) Whenever any common carrier, toll bridge corporation,
28 pipeline corporation, gas corporation, electrical corporation,
29 telephone corporation, telegraph corporation, water corporation,
30 sewer system corporation, or heat corporation performs a service
31 for, or delivers a commodity to, the public or any portion thereof
32 for which any compensation or payment whatsoever is received,
33 that common carrier, toll bridge corporation, pipeline corporation,
34 gas corporation, electrical corporation, telephone corporation,
35 telegraph corporation, water corporation, sewer system corporation,
36 or heat corporation, is a public utility subject to the jurisdiction,
37 control, and regulation of the commission and the provisions of
38 this part.

39 (c) When any person or corporation performs any service for,
40 or delivers any commodity to, any person, private corporation,

1 municipality, or other political subdivision of the state, that in turn
2 either directly or indirectly, mediately or immediately, performs
3 that service for, or delivers that commodity to, the public or any
4 portion thereof, that person or corporation is a public utility subject
5 to the jurisdiction, control, and regulation of the commission and
6 the provisions of this part.

7 (d) Ownership or operation of a facility that employs
8 cogeneration technology or produces power from other than a
9 conventional power source or the ownership or operation of a
10 facility which employs landfill gas technology does not make a
11 corporation or person a public utility within the meaning of this
12 section solely because of the ownership or operation of that facility.

13 (e) Any corporation or person engaged directly or indirectly in
14 developing, producing, transmitting, distributing, delivering, or
15 selling any form of heat derived from geothermal or solar resources
16 or from cogeneration technology to any privately owned or publicly
17 owned public utility, or to the public or any portion thereof, is not
18 a public utility within the meaning of this section solely by reason
19 of engaging in any of those activities.

20 (f) The ownership or operation of a facility that sells compressed
21 natural gas at retail to the public for use only as a motor vehicle
22 fuel, and the selling of compressed natural gas at retail from that
23 facility to the public for use only as a motor vehicle fuel, does not
24 make the corporation or person a public utility within the meaning
25 of this section solely because of that ownership, operation, or sale.

26 (g) Ownership or operation of a facility that is an exempt
27 wholesale generator, as defined in the Public Utility Holding
28 Company Act of 2005 (42 U.S.C. Sec. 16451(6)), does not make
29 a corporation or person a public utility within the meaning of this
30 section, solely due to the ownership or operation of that facility.

31 (h) The ownership, control, operation, or management of an
32 electric plant used for direct transactions or participation directly
33 or indirectly in direct transactions, as permitted by subdivision (b)
34 of Section 365, sales into a market established and operated by the
35 Independent System Operator or any other wholesale electricity
36 market, or the use or sale as permitted under subdivisions (b) to
37 (d), inclusive, of Section 218, shall not make a corporation or
38 person a public utility within the meaning of this section solely
39 because of that ownership, participation, or sale.

1 (i) The ownership, control, operation, or management of a
2 facility that supplies electricity to the public only for use to charge
3 light duty plug-in electric vehicles does not make the corporation
4 or person a public utility within the meaning of this section solely
5 because of that ownership, control, operation, or management. For
6 purposes of this subdivision, “light duty plug-in electric vehicles”
7 includes light duty battery electric and plug-in hybrid electric
8 vehicles. This subdivision does not affect the commission’s
9 authority under Section 454 or 740.2 or any other applicable statute.

10 (j) A corporation or person engaged directly or indirectly in
11 developing, producing, delivering, participating in, or selling
12 interests in a community renewable energy facility, pursuant to
13 Chapter 7.5 (commencing with Section 2830) of Part 2, is not a
14 public utility within the meaning of this section solely by reason
15 of engaging in any of those activities.

16 SEC. 3. Section 218 of the Public Utilities Code is amended
17 to read:

18 218. (a) “Electrical corporation” includes every corporation
19 or person owning, controlling, operating, or managing any electric
20 plant for compensation within this state, except where electricity
21 is generated on or distributed by the producer through private
22 property solely for its own use or the use of its tenants and not for
23 sale or transmission to others.

24 (b) “Electrical corporation” does not include a corporation or
25 person employing cogeneration technology or producing power
26 from other than a conventional power source for the generation of
27 electricity solely for any one or more of the following purposes:

28 (1) Its own use or the use of its tenants.

29 (2) The use of or sale to not more than two other corporations
30 or persons solely for use on the real property on which the
31 electricity is generated or on real property immediately adjacent
32 thereto, unless there is an intervening public street constituting the
33 boundary between the real property on which the electricity is
34 generated and the immediately adjacent property and one or more
35 of the following applies:

36 (A) The real property on which the electricity is generated and
37 the immediately adjacent real property is not under common
38 ownership or control, or that common ownership or control was
39 gained solely for purposes of sale of the electricity so generated
40 and not for other business purposes.

1 (B) The useful thermal output of the facility generating the
2 electricity is not used on the immediately adjacent property for
3 petroleum production or refining.

4 (C) The electricity furnished to the immediately adjacent
5 property is not utilized by a subsidiary or affiliate of the corporation
6 or person generating the electricity.

7 (3) Sale or transmission to an electrical corporation or state or
8 local public agency, but not for sale or transmission to others,
9 unless the corporation or person is otherwise an electrical
10 corporation.

11 (c) “Electrical corporation” does not include a corporation or
12 person employing landfill gas technology for the generation of
13 electricity for any one or more of the following purposes:

14 (1) Its own use or the use of not more than two of its tenants
15 located on the real property on which the electricity is generated.

16 (2) The use of or sale to not more than two other corporations
17 or persons solely for use on the real property on which the
18 electricity is generated.

19 (3) Sale or transmission to an electrical corporation or state or
20 local public agency.

21 (d) “Electrical corporation” does not include a corporation or
22 person employing digester gas technology for the generation of
23 electricity for any one or more of the following purposes:

24 (1) Its own use or the use of not more than two of its tenants
25 located on the real property on which the electricity is generated.

26 (2) The use of or sale to not more than two other corporations
27 or persons solely for use on the real property on which the
28 electricity is generated.

29 (3) Sale or transmission to an electrical corporation or state or
30 local public agency, if the sale or transmission of the electricity
31 service to a retail customer is provided through the transmission
32 system of the existing local publicly owned electric utility or
33 electrical corporation of that retail customer.

34 (e) “Electrical corporation” does not include an independent
35 solar energy producer, as defined in Article 3 (commencing with
36 Section 2868) of Chapter 9 of Part 2.

37 (f) The amendments made to this section at the 1987 portion of
38 the 1987–88 Regular Session of the Legislature do not apply to
39 any corporation or person employing cogeneration technology or
40 producing power from other than a conventional power source for

1 the generation of electricity that physically produced electricity
 2 prior to January 1, 1989, and furnished that electricity to
 3 immediately adjacent real property for use thereon prior to January
 4 1, 1989.

5 (g) A corporation or person engaged directly or indirectly in
 6 developing, owning, producing, delivering, participating in, or
 7 selling interests in, a community renewable energy facility pursuant
 8 to Chapter 7.5 (commencing with Section 2830) of Part 2, is not
 9 an electrical corporation within the meaning of this section solely
 10 by reason of engaging in any of those activities.

11 SEC. 4. Section 2826.5 of the Public Utilities Code is repealed.

12 ~~SEC. 5. Chapter 7.5 (commencing with Section 2830) of Part~~
 13 ~~2 of Division 1 of the Public Utilities Code is repealed.~~

14 ~~SEC. 6.~~

15 ~~SEC. 5. Chapter 7.5 7.6 (commencing with Section 2830) 2832)~~
 16 is added to Part 2 of Division 1 of the Public Utilities Code, to
 17 read:

18

19 CHAPTER ~~7.5.~~ 7.6. COMMUNITY-BASED RENEWABLE ENERGY
 20 SELF-GENERATION PROGRAM

21

22 ~~2830.~~

23 2832. The Legislature finds and declares all of the following:

24 (a) The Governor has proposed a Clean Energy Jobs Plan calling
 25 for the development of 12,000 megawatts of generation from
 26 distributed eligible renewable energy resources of up to 20
 27 megawatts in size by 2020. There is widespread interest from many
 28 large institutional customers, including schools, colleges,
 29 universities, local governments, businesses, and the military, for
 30 development of distributed ~~energy~~ *generation* facilities to serve
 31 their *energy* needs. For these reasons the Legislature agrees that
 32 the Governor's ~~distributed energy program~~ *Clean Energy Jobs*
 33 *Plan* represents a desired policy direction for the state. *It is the*
 34 *intent of the Legislature that distributed generation that comes*
 35 *online as part of the Community-Based Renewable Energy*
 36 *Self-Generation Program is counted toward an electrical*
 37 *corporation's efforts to implement the Governor's Clean Energy*
 38 *Jobs Plan.*

39 (b) Community-based renewable energy self-generation creates
 40 jobs, reduces emissions of greenhouse gases, and promotes energy

1 independence. Further, community-based renewable energy
2 self-generation will enable schools, colleges, universities, local
3 governments, businesses, and consumers to save money on their
4 electricity bills, thereby helping to fund educational programs,
5 social services, and new hiring.

6 (c) The California Solar Initiative has been extremely successful,
7 resulting in over 100,000 residential and commercial onsite
8 installations of solar energy systems. The Community-Based
9 Renewable Energy Self-Generation Program seeks to build on this
10 success by dramatically expanding the market for eligible
11 renewable energy resources to include residential and commercial
12 renters, residential and commercial buildings with shaded or
13 improperly oriented roofs, and other groups who are unable to
14 access the benefits of onsite generation.

15 (d) Many institutional customers in California have been focused
16 on distributed energy programs of their own. For example, the
17 Secretary of the Navy established as policy that 50 percent of the
18 on-shore electricity for naval and Marine Corps installations in
19 the United States be from renewable sources by 2020. To
20 implement this policy the Navy and Marine Corps have been
21 working on a variety of renewable generation projects within the
22 1 megawatt to 20 megawatt range. The military installations, and
23 other institutional users, have identified a number of regulatory
24 barriers to implementing distributed generation projects. The
25 enactment of this chapter will create a mechanism whereby
26 institutional customers such as military installations, universities,
27 and local governments, as well as groups of individuals, can
28 efficiently invest in generating electricity from eligible renewable
29 energy resources.

30 (e) It is the intent of the Legislature that public schools have
31 the authority to invest in community renewable energy facilities
32 to generate electricity as provided in this chapter. Electricity usage
33 is one of the most significant cost pressures facing public schools
34 at a time when schools have been forced to cut essential programs,
35 increase classroom sizes, and send pink slips to teachers throughout
36 the state. Schools may use the savings for restoring funds for
37 salaries, student achievement, facility maintenance, and other
38 budgetary needs. The community renewable energy facility projects
39 that go forward pursuant to this chapter will create new
40 construction jobs, stimulate the economy, generate funding, and

1 provide more electricity generated by clean, renewable sources to
2 customers.

3 (f) It is the further intent of the Legislature that, as the
4 commission works to implement this chapter, the commission
5 carefully consider regulatory barriers to distributed generation
6 projects already identified and those not yet identified, and quickly
7 address those barriers in a manner that is conducive to the
8 development of distributed generation projects consistent with
9 appropriate ratepayer protections.

10 (g) It is further the intent of the Legislature that the commission
11 ~~work to maintain ratepayer indifference to nonbeneficiaries,~~
12 ~~reflecting both the costs and benefits such systems provide to the~~
13 ~~residents of California~~ *minimize the rate impact the*
14 *Community-Based Renewable Energy Self-Generation Program*
15 *has on customers not participating in the program. To the extent*
16 *that the program imposes incremental increases in rates, the*
17 *commission shall ensure that these cost increases are equitably*
18 *allocated to all customers on a nonbypassable basis, reflecting*
19 *both the costs and benefits that community renewable energy*
20 *facilities provide to the residents of California.*

21 ~~2831.~~

22 2833. As used in this chapter, the following terms have the
23 following meanings:

24 (a) “Benefiting account” means one or more accounts designated
25 to receive a bill credit pursuant to Section ~~2832~~ 2834.

26 (b) “Bill credit” means an amount of money credited each
27 month, or in an otherwise applicable billing period, to one or more
28 benefiting accounts based on the percentage share of the electrical
29 output of a community renewable energy facility that is assigned
30 to the account pursuant to the methodology described in Section
31 ~~2832~~ 2834.

32 (c) “Community renewable energy facility” means a facility for
33 the generation of electricity that meets all of the following
34 requirements:

35 (1) Has a *nameplate* generating capacity of no more than 20
36 megawatts of alternating current.

37 (2) Is an eligible renewable energy resource pursuant to the
38 California Renewables Portfolio Standard Program (Article 16
39 (commencing with Section 399.11) of Chapter 2.3 of Part 1).

1 (3) The electrical output of the facility is measured by a
2 production meter owned by the electrical corporation, that meets
3 the tariff requirements of the electrical corporation and the
4 Independent System Operator, *and that independently measures*
5 *the electricity delivered to the grid by the facility, and only that*
6 *facility.*

7 (4) Is located within the service territory of an electrical
8 corporation, *or in the service territory of a local publicly owned*
9 *electric utility that receives distribution service from an electrical*
10 *corporation, having 100,000 or more service connections in*
11 *California.*

12 ~~(5) Has complied with standard interconnection operation~~
13 ~~requirements of the electrical corporation, and where applicable,~~
14 ~~the Independent System Operator, consistent with any applicable~~
15 ~~tariffs.~~

16 *(5) Has been interconnected with the electrical grid in*
17 *compliance with the tariffs of the applicable interconnection*
18 *authority.*

19 (6) Unless the facility has a bill credit arrangement in place by
20 December 31, 2012, it achieves initial commercial operation on
21 January 1, 2013, or thereafter.

22 (7) *The participant organization has, where applicable,*
23 *complied with all program rules and written notice procedures*
24 *that may be required by the commission.*

25 (d) “Default load aggregation point *price*” means a calculation,
26 as determined by the commission, of avoided cost derived from
27 an hourly day-ahead electricity market price that reflects the costs
28 the electrical corporation avoids in procuring electricity during the
29 time period a community renewable energy facility generates
30 electricity.

31 (e) “Facility rate” means the per kilowatthour rate. ~~The facility~~
32 ~~rate shall be set using~~ *used to calculate the bill credit pursuant to*
33 *the method described in subparagraph (A) of paragraph (6) (7) of*
34 *subdivision (a) of Section 2832 2834. That method shall be used*
35 *to calculate the minimum value for the bill credit for each*
36 *participant with an interest in the community renewable energy*
37 *facility. This minimum value may be replaced by the methodology*
38 *for calculating the added value of the generation, when applicable,*
39 *pursuant to subparagraph (B) of paragraph (6) of subdivision (a)*
40 *of Section 2832. For a community renewable energy facility that*

1 *has an established facility value for the bill credit, that value may*
2 *be replaced by a commission-determined replacement*
3 *methodology, provided both of the following are true:*

4 *(1) The commission determines that the replacement*
5 *methodology provides a more accurate measure of the value of*
6 *the generation provided by the community renewable energy*
7 *facility.*

8 *(2) The replacement methodology results in a greater bill credit*
9 *to the participant.*

10 (f) “Interest” means a direct or indirect ownership, lease,
11 subscription, or financing interest in a community renewable
12 energy facility that enables the participant to receive a bill credit
13 for a retail account with the electrical corporation.

14 (g) “Local government” means a city, county, city and county,
15 special district, school district, public water district, public
16 irrigation district, county office of education, political subdivision,
17 or other local governmental entity. For the purposes of this chapter,
18 “water district” has the same meaning as defined in Section 20200
19 of the Water Code, and “irrigation district” means an entity formed
20 pursuant to the Irrigation District Law set forth in Division 11
21 (commencing with Section 20500) of the Water Code.

22 (h) “Locational value” means any costs or benefits, quantified
23 on a dollar per kilowatt or kilowatthour basis, that are associated
24 with a community renewable energy facility including, but not
25 limited to, avoided transmission line losses, avoided transmission
26 and distribution infrastructure costs, reduction in operating and
27 maintenance costs, and the offset of peak demand or shifting load.

28 ~~(h)~~

29 (i) “Participant” means a retail customer of an electrical
30 corporation who owns, leases, finances, or subscribes to an interest
31 in a community renewable energy facility and who has designated
32 one or more of its own retail accounts as a benefiting account to
33 which the ~~subscription~~ interest shall be attributed.

34 ~~(i)~~

35 (j) “Participant organization” means any entity whose purpose
36 is to beneficially own or operate a community renewable energy
37 facility for the participants or owners of that facility. A “participant
38 organization” can also be a “participant” as defined in subdivision
39 ~~(h)~~ (i).

1 (k) “Program” means the Community-Based Renewable Energy
2 Self-Generation Program established pursuant to this chapter.

3 (l) “Project” means the cumulative activities to build and make
4 operational a community renewable energy facility.

5 (m) “Renewable energy credit” has the same meaning as defined
6 in Section 399.12.

7 ~~2832.~~

8 2834. (a) (1) A retail customer of an electrical corporation
9 having 100,000 or more service connections within the state may
10 acquire an interest in a community renewable energy facility for
11 the purpose of becoming a participant and receiving a bill credit
12 to offset all or a portion of the customer’s bill for the ~~generation~~
13 energy component of that customer’s electrical service, *as provided*
14 *in this chapter and in accordance with those rules that the*
15 *commission may adopt. The commission shall determine what*
16 *charges represent the energy component of the customer’s*
17 *electrical service to account for all portions of a customer’s bill*
18 *that relate to usage of electricity.* The participant shall designate
19 one or more benefiting accounts to which the interest shall be
20 attributed.

21 (2) To be eligible to be designated as a benefiting account, the
22 account shall be for service to premises located within the
23 geographical boundaries of the service territory of the electrical
24 corporation containing the community renewable energy facility;
25 ~~or within the geographical boundaries of a contiguous service~~
26 ~~territory, if the electrical corporation or local publicly owned~~
27 ~~electric utility for that service territory have entered into an~~
28 ~~agreement enabling the connection of the benefiting account to~~
29 ~~the community renewable energy facility.~~

30 (3) A participant organization may construct a community
31 renewable energy facility on a site chosen by the participant
32 organization and may beneficially own or operate a community
33 renewable energy facility for the participants of that facility. A
34 community renewable energy facility may be built, owned, or
35 operated by a third party under contract with a participant
36 organization.

37 (4) (A) The combined statewide cumulative rated *nameplate*
38 generating capacity of community renewable energy facilities
39 under this program shall not exceed two gigawatts *of alternating*
40 *current, except as provided by in subparagraph (B). with not less*

1 *than 250 megawatts of cumulative rated generating capacity being*
2 *made available during the six-month period beginning January 1,*
3 *2013, and ending December 31, 2013. On or before April 1, 2013,*
4 *each electrical corporation participating in the program shall*
5 *submit a proposal to the commission for whether and, if so, how,*
6 *to allocate the initial available capacity amongst the electrical*
7 *corporations and for the establishment of a fair and transparent*
8 *process for evaluating and ranking applications for community*
9 *renewable energy facilities and awarding capacity to those*
10 *facilities, until all available initial capacity has been reserved.*
11 *Two or more participating electrical corporations may submit a*
12 *joint proposal to the commission. By June 30, 2013, the commission*
13 *shall review the proposals and adopt rules for the allocation of*
14 *the initial available capacity amongst the electrical corporations*
15 *and to establishment a transparent process for evaluating and*
16 *ranking applications for community renewable energy facility*
17 *projects and awarding the initial capacity to those projects. Of*
18 *the initial cumulative rated generating capacity made available*
19 *pursuant to this paragraph, an award allocating 30 megawatts of*
20 *alternating current shall be made to the City of Davis for use at*
21 *PVUSA, and other locations of their designation, as directed by*
22 *the City of Davis. For purposes of this subparagraph, "PVUSA"*
23 *means the photovoltaic electricity generation facility selected by*
24 *the City of Davis, located at 24662 County Road, Davis, California.*

25 ~~(B) The commission shall maintain a publicly available database~~
26 ~~of existing and proposed community renewable energy facilities.~~
27 ~~Proposed community renewable energy facilities shall report their~~
28 ~~expected size, location, and commercial operation date no less~~
29 ~~than six months prior to their commercial operation date. When~~
30 ~~the statewide cumulative rated generation capacity of community~~
31 ~~renewable energy facilities reaches one and one-half gigawatts,~~
32 ~~the commission shall begin a process to determine if the gigawatt~~
33 ~~limitation in subparagraph (A) is necessary. Unless the commission~~
34 ~~determines that removal of the gigawatt limitation in subparagraph~~
35 ~~(A) would have a significant negative effect on electrical~~
36 ~~corporation ratepayers, the commission shall order that the gigawatt~~
37 ~~limitation is no longer applicable. If the commission decides that~~
38 ~~the removal of the gigawatt limitation in subparagraph (A) would~~
39 ~~have a significant negative effect on the ratepayers of the electrical~~
40 ~~corporations, the commission shall decide if the limitation should~~

1 remain at two gigawatts or if it should be raised to some other
2 level. For the purposes of this subparagraph, the rated generating
3 capacity of a community renewable energy facility shall, where
4 available, use the Energy Commission's alternating current rating
5 for the facility. If the commission determines that the two gigawatt
6 cap shall remain in effect, the commission shall establish a process
7 for allocating the remaining 500 megawatts of capacity to ensure
8 the cap established in subparagraph (A) is not exceeded.

9 *(B) Once the initial 250 megawatts of cumulative rated*
10 *generating capacity has been awarded for community renewable*
11 *energy facility projects, the commission shall evaluate the*
12 *functioning of the program. The commission shall adopt or modify*
13 *rules for making additional cumulative rated generating capacity*
14 *available pursuant to the program and may halt making further*
15 *capacity available for additional community renewable energy*
16 *facility projects. The rules adopted or modified by the commission*
17 *may include, but are not limited to, rules establishing annual*
18 *capacity authorization targets, establishment of capacity set asides*
19 *based upon customer class or other criteria the commission*
20 *determines to be reasonable, establishment of capacity set-asides*
21 *based upon community renewable energy facility project types or*
22 *sizes, disclosures to be made to participants and potential*
23 *participants and other safeguards to ensure the protection of*
24 *consumers. The commission may evaluate the program at any time,*
25 *either on its own motion or upon motion by an interested party,*
26 *and may modify or adopt any rules it determines to be necessary*
27 *or convenient to ensure that program goals can be met.*

28 *(C) Not later than upon the statewide cumulative rated*
29 *generation capacity of community renewable energy facilities*
30 *reaching 250 megawatts or January 1, 2015, whichever comes*
31 *later, the commission shall commence or expand a proceeding to*
32 *evaluate the bill credit mechanism of the program and whether an*
33 *additional value shall be added to the bill credit mechanism to*
34 *reflect the locational value of a community renewable energy*
35 *facility. As part of this revision, the commission shall consider*
36 *whether it is reasonable to adopt a bill credit methodology that*
37 *ensures a participant's bill credit retains its value as energy rates*
38 *increase. The commission may revise the bill credit mechanism at*
39 *any time that it concludes that the existing mechanism does not*
40 *provide program participants with the fair value of electricity and*

1 *other benefits produced by the community renewable energy facility*
2 *or overvalues the benefits to nonparticipating customers of the*
3 *electrical corporation for the electricity generated by a community*
4 *renewable energy facility. Any revision to the methodology for*
5 *calculating the facility rate shall apply only to rated generating*
6 *capacity made available after the commission adopts a new bill*
7 *credit methodology.*

8 (5) *Each electrical corporation shall make awards allocating*
9 *rated generating capacity pursuant to the program in the following*
10 *manner:*

11 (A) *A participant organization wishing to build a community*
12 *renewable energy facility shall remit a nonrefundable*
13 *administrative fee of one dollar and fifty cents (\$1.50) per kilowatt*
14 *of rated generating capacity to the electrical corporation to which*
15 *they are applying for an allocation of capacity. At any time, the*
16 *commission shall have the authority to modify the rated generating*
17 *capacity allocation mechanism, including, but not limited to,*
18 *creating project ranking criteria, setting deposit requirements,*
19 *and creating an award allocation methodology for prospective*
20 *projects.*

21 (B) *A participant organization shall meet the following*
22 *benchmarks and timelines for construction and operation of a*
23 *community renewable energy facility. Failure to do so shall result*
24 *in the participant organization forfeiting the rated generating*
25 *capacity awarded to it. Any forfeited rated generating capacity*
26 *shall be added to the capacity made available to applicants*
27 *pursuant to paragraph (4).*

28 (i) *The participant organization shall issue an unrestricted*
29 *notice to proceed with construction of the community renewable*
30 *energy facility within 180 days of the participant organization*
31 *receiving an award allocating rated generating capacity from the*
32 *electrical corporation.*

33 (ii) *The community renewable energy facility shall achieve*
34 *commercial operation within 18 months of receiving an award*
35 *allocating rated generating capacity pursuant to this paragraph.*

36 (iii) *A participant organization shall receive an extension*
37 *because the participant organization faced interconnection delays*
38 *that are outside the participant organization's control. This*
39 *extension shall not exceed the number of days it takes it to*
40 *interconnect, for a maximum extension of six months.*

1 (iv) A participant organization may receive a six-month
2 extension for factors outside the control of the participant
3 organization.

4 (C) The electrical corporation shall ensure that no single entity
5 or its affiliates or subsidiaries is awarded more than 20 percent
6 of any single calendar year's total cumulative rated generating
7 capacity made available pursuant to paragraph (4).

8 ~~(5)~~

9 (6) (A) The commission shall maintain a public database of the
10 annualized average ~~generation~~ energy component of electric service
11 rates for each customer class and tier for each electrical
12 corporation participating in the program and a public database
13 of facility rates for community renewable energy facilities that
14 have achieved commercial operation.

15 (B) The tariff applicable to a participant shall be identical, with
16 respect to rate structure, all retail rate components, and any monthly
17 charges, to the charges that the participant would be assigned if
18 the participant did not receive a bill credit. Participants shall not
19 be assessed standby charges on the community renewable energy
20 facility or the kilowatthour generation of a community renewable
21 energy facility.

22 (C) To ensure that any incremental impact on rates caused by
23 the bill credits pursuant to the program are allocated equitably
24 to all customers, on or before June 30, 2014, the commission shall
25 complete an evaluation of whether, and, if so, the extent to which,
26 any incremental rate impacts resulting from the program shall be
27 recovered on a fully nonbypassable basis from all customers
28 receiving distribution service from an electrical corporation,
29 including ratepayers with rates that are otherwise subject to rate
30 increase limitations pursuant to Sections 739.1 and 739.9, but
31 excluding customers in the California Alternate Rates for Energy
32 (CARE) or family electric rate assistance (FERA) programs. On
33 or before July 1, 2014, the commission shall require each electrical
34 corporation to file with the commission, for its approval, any
35 revisions to its tariffs, rates, and rate design as are necessary to
36 ensure an equitable allocation to all customers, consistent with
37 the commission's evaluation. As part of the evaluation, the
38 commission shall also consider whether any incremental rate
39 impact shall be subject to upper rate limitations and whether the
40 commission shall establish rate structures as may be necessary to

1 *ensure that customers subject to billing pursuant to Sections 2827,*
2 *2827.8, and 2827.10 and other self-generating customers pay the*
3 *same share of the nonbypassable costs as a similar customer that*
4 *did not self-generate. Notwithstanding Section 2827, 2827.8,*
5 *2827.10, or other provision of law, the commission may require*
6 *changes in tariffs, rates, and rate design for self-generating on*
7 *net metering customers to ensure an equitable allocation to all*
8 *customers, consistent with the commission's evaluation.*

9 ~~(6)~~

10 (7) The commission shall establish a facility rate for each
11 community renewable energy facility, as follows:

12 (A) The facility rate shall be set at the weighted average
13 time-of-delivery adjusted cost of electricity established in the
14 commission's ~~Renewables Portfolio Standard Quarterly Report,~~
15 ~~4th Quarter 2011, Cost Reporting in Compliance with SB 836~~
16 *report, published in the first quarter of the previous that year*
17 *pursuant to Section 911, for eligible renewable energy resources*
18 *of comparable size to, and utilizing the same generating technology*
19 *as, the community renewable energy facility, and that are under*
20 *contract with the electrical corporation. Where data is not available*
21 *for a comparable resource and facility size for the previous year,*
22 ~~the most recent data shall be used that year, the facility rate shall~~
23 ~~be set using the price available for the next larger size facility~~
24 ~~category utilizing the same generating technology.~~ The facility
25 rate shall be the price per kilowatthour of electricity and shall be
26 determined as of the time ~~that the community renewable energy~~
27 ~~facility becomes operational~~ *the participant organization applied*
28 *for an award of rated generating capacity for the community*
29 *renewable energy facility pursuant to the program. Once*
30 *established, a facility rate shall be applicable to that facility for*
31 *the operational life of the facility, unless the commission adopts*
32 *a methodology to calculate the locational value of the facility*
33 *pursuant to subparagraph (B).* A subsequent facility or a
34 subsequent modification to a facility placed in service *on or after*
35 *January 1, 2013, that results in an increase in the facility's capacity*
36 *to produce electricity shall be subject to the facility rate in effect*
37 *on the date the participant organization applied for an award of*
38 *rated generating capacity for the subsequent facility or increase*
39 ~~the facility's capacity commences commercial operation.~~ The
40 commission shall publish an individual facility rate tariff applicable

1 to all participants per electrical corporation no later than 90 days
2 following the enactment of the act that created this subparagraph.

3 ~~(B) Not later than December 31, 2014, the commission shall~~
4 ~~determine the methodology for calculating the added value used~~
5 ~~to determine the participant's bill credit. In determining the added~~
6 ~~value, the commission shall determine the amount of monetary~~
7 ~~costs and benefits a community renewable energy facility brings~~
8 ~~to the electrical corporation, other nonparticipating ratepayers, and~~
9 ~~the grid. In determining the added value, the commission shall~~
10 ~~analyze the costs and benefits, including, but not limited to, avoided~~
11 ~~transmission line loss, avoided transmission and distribution~~
12 ~~infrastructure costs, any reduction in fixed operations and~~
13 ~~maintenance costs, the offset of peak demand or shifting load, and~~
14 ~~the reduction of environmental compliance costs, including costs~~
15 ~~that would otherwise be incurred for reducing emissions of~~
16 ~~greenhouse gases. The net value of the costs and benefits derived~~
17 ~~from a community renewable energy facility shall be denominated~~
18 ~~in a monetary amount per kilowatthour of production and shall be~~
19 ~~added to the otherwise applicable generation component of the~~
20 ~~participant's electric service rate. Once the commission determines~~
21 ~~the monetary amount of the net costs and benefits of a community~~
22 ~~renewable energy facility, that value shall be set for the operational~~
23 ~~life of that facility. This value shall be multiplied by a participant's~~
24 ~~interest in a community renewable energy facility to determine~~
25 ~~the participant's bill credit, if both of the following are true:~~

26 ~~(i) The commission has determined an added value for the~~
27 ~~community renewable energy facility using the added value~~
28 ~~method.~~

29 ~~(ii) The bill credit that will be provided to a participant using~~
30 ~~the added value method is greater than the credit provided by~~
31 ~~continued use of the facility rate.~~

32 ~~(C) The commission shall reevaluate the added value~~
33 ~~methodology every three years.~~

34 ~~(D) The commission shall endeavor to calculate the added value~~
35 ~~bill credit so that the program goals, including nonbeneficiary~~
36 ~~ratepayer indifference, can reasonably be expected to be met.~~

37 *(B) If the commission adopts a methodology to calculate the*
38 *locational value of distributed energy resources, then the*
39 *commission shall order the electrical corporations to apply this*
40 *methodology to calculate the locational value of community*

1 *renewable energy facilities in the program, if this methodology*
2 *results in an increased bill credit.*

3 (b) (1) A participant shall not acquire an interest in a community
4 renewable energy facility that represents more than two megawatts
5 of generating capacity or the equivalent amount, as denominated
6 in kilowatthours. This limitation does not apply to a federal, state,
7 or local government, school, school district, county office of
8 education, the California Community Colleges, the California State
9 University, or the University of California.

10 (2) The commission shall not regulate the prices paid for an
11 interest in a community renewable energy facility, but may enforce
12 the required disclosures, and may establish rules applicable to
13 participant organizations to ensure consumer protection. *Any*
14 *interested person or corporation may file a complaint with the*
15 *commission contending that a participant organization or electrical*
16 *corporation is not complying with any requirement of this chapter*
17 *and seek an order of the commission to enforce the requirements*
18 *of this chapter and to take whatever steps are necessary to ensure*
19 *consumer protection and compliance with the requirements of this*
20 *chapter.*

21 ~~(3) Participants may aggregate their loads for the purpose of~~
22 ~~participating in a community renewable energy facility pursuant~~
23 ~~to this section.~~

24 ~~(4) For a participant that elects to aggregate its loads for the~~
25 ~~purpose of acquiring an interest in a community renewable energy~~
26 ~~facility, the participant shall designate the benefiting accounts and~~
27 ~~the allocation of the bill credit to those accounts.~~

28 (c) (1) A participant organization shall provide to the electrical
29 corporation information on the identity of the benefiting accounts
30 that will receive a bill credit pursuant to this section not less ~~then~~
31 *than* 30 days prior to the billing cycle for which the participant's
32 account will receive a bill credit. ~~The participant organization shall~~
33 ~~provide the electrical corporation with not less than 30 days' notice~~
34 ~~whenever a participant's facility rate changes from the RPS~~
35 ~~solicitation method to the added value method.~~

36 (2) Prior to the sale or resale of an interest in a community
37 renewable energy facility, the participant organization or the
38 participant, or both, shall provide a disclosure to the potential
39 participant that, at a minimum, includes all of the following:

1 (A) A good faith estimate of the annual kilowatthours to be
2 delivered by the community renewable energy facility based on
3 the size of the interest.

4 (B) A plain language explanation of the terms under which the
5 bill credits will be calculated.

6 (C) A plain language explanation of the contract provisions
7 regulating the disposition or transfer of the interest.

8 (D) A plain language explanation of the costs and benefits to
9 the potential participant based on their current usage and applicable
10 tariff, for the term of the proposed contract.

11 (3) Not more frequently than once per month, and upon
12 providing the electrical corporation with a minimum of 30 days'
13 notice, the participant organization may change, add, or remove a
14 benefiting account. If the owner of a benefiting account transfers
15 service to a new address or benefiting account, the electrical
16 corporation shall transfer any credit remaining from the previous
17 account to the new account.

18 (4) A participant organization shall be responsible for providing
19 to the electrical corporation, on a monthly basis, a statement of
20 ~~the percentage shares~~ *kilowatthours allocated to each participant*
21 to be used to determine the bill credit to each benefiting account
22 ~~and the names and account numbers of those participants whose~~
23 ~~bill credit is to be calculated using the added value method instead~~
24 ~~of the facility rate.~~ If there has been no change in the allocations
25 from the previous submission ~~or in the method of calculating the~~
26 ~~bill credit of participants,~~ the participant organization is not
27 required to submit a new statement. *An electrical corporation may*
28 *rely on the statement of kilowatthours allocated to each participant,*
29 *as provided by the participant organization, in implementing the*
30 *requirements of this chapter.*

31 ~~The~~ *If required by the electrical corporation, the participant*
32 *organization shall provide real-time meter data to the electrical*
33 *corporation and shall make the data available to a participant upon*
34 *request. A participant organization shall be responsible for all costs*
35 *of metering and shall retain production data for a period of 36*
36 *months.*

37 (6) A participant organization shall provide not less than 120
38 days' notice to the electrical corporation and the commission prior
39 to the date the community renewable energy facility becomes
40 operational *and shall execute all necessary interconnection*

1 *agreements, participation, and surplus sale agreements with the*
2 *electrical corporation and the Independent System Operator on a*
3 *schedule required by those entities.*

4 (7) ~~The~~ *Unless the electrical corporation will be registering*
5 *renewable energy credits on behalf of the participant, the*
6 *participant organization shall establish an account and register the*
7 *community renewable energy facility with the Western Renewable*
8 *Energy Generation Information System or its successor.*

9 (8) *The participant organization's interconnection process and*
10 *cost allocation for facilities built under this section shall be*
11 *determined by applicable rules for interconnection established by*
12 *the commission. The facility owner shall be responsible for normal,*
13 *applicable grid use and management fees, imbalance charges, or*
14 *other costs allocated by the ~~Independent System Operator~~*
15 *transmission or distribution system operator.*

16 (9) (A) *The participant organization, or the contractors,*
17 *subcontractors, or agents of a participant organization, that are*
18 *engaged in work performed in the construction or operation of a*
19 *community renewable energy facility that is larger than one*
20 *megawatt shall make a good faith effort to fill 25 percent of new*
21 *entry level positions created for the construction or operation of*
22 *the facility with persons referred by the local workforce investment*
23 *board for the workforce investment area where the facility is*
24 *located. For purposes of this paragraph, "entry level position"*
25 *includes temporary and permanent jobs, and construction jobs*
26 *related to the development of a community renewable energy*
27 *facility. For the purposes of this paragraph, "new entry level*
28 *position" means a position that did not previously exist in the*
29 *employer's organization and that requires any of the following:*

30 (i) *No education above a high school diploma or certified*
31 *equivalency.*

32 (ii) *Less than two years of training or specific preparation.*

33 (iii) *A college, university, or postgraduate degree.*

34 (iv) *A license or a permit.*

35 (B) *The participant organization shall certify, to the satisfaction*
36 *of the local workforce investment board, both of the following:*

37 (i) *Notice for the hiring of new entry level positions created by*
38 *the employers for the construction or operation of the facility has*
39 *been provided to the local workforce investment board at least 10*
40 *days prior to any other public notice for the positions.*

1 (ii) *Persons referred to the participant organization, or the*
2 *contractors, subcontractors, or agents of a participant organization*
3 *by the local workforce investment board has been considered for*
4 *hire.*

5 (C) *The participant organization, or the contractors,*
6 *subcontractors, or agents of a participant organization, shall make*
7 *the final determination whether a person referred by the local*
8 *workforce development board is qualified and hired.*

9 (D) *Any qualified person referred by the local workforce*
10 *development board who is hired by the participant organization,*
11 *or the contractors, subcontractors, or agents of a participant*
12 *organization, shall have the same rights and obligations as all*
13 *other employees in similar positions.*

14 (E) (i) *If this paragraph conflicts with an existing collective*
15 *bargaining agreement to which an employer is a party, the*
16 *collective bargaining agreement shall prevail.*

17 (ii) *If this paragraph conflicts with federal laws or regulations,*
18 *the federal laws or regulations shall prevail.*

19 (d) (1) *An electrical corporation shall ensure that requests for*
20 *establishment of bill credits and changes to benefiting accounts*
21 *are processed in a time period not to exceed 30 days from the date*
22 *it receives the request.*

23 (2) *An electrical corporation shall cooperate fully with*
24 *community renewable energy facilities to implement this chapter.*

25 (3) *An electrical corporation shall comply with the requirements*
26 *applicable to protection of the right to commercial free speech*
27 *described in Commission Decision 10-05-050 as applied to the*
28 *development, sale of subscriptions, and operation of community*
29 *renewable energy facilities. Community renewable energy facilities*
30 *may file a complaint with the commission for violation of this*
31 *paragraph.*

32 (4) *For energy that is unallocated to a benefiting account during*
33 *the previous billing period, the recipient electrical corporation*
34 *shall pay the participant organization the current default load*
35 *aggregation point price and receive any renewable energy credits*
36 *associated with that energy.*

37 (5) *If requested by a city, county, or city and county, an*
38 *electrical corporation shall annually provide the city, county, or*
39 *city and county with the annual total generation of each community*
40 *renewable energy facility in that local jurisdiction and the annual*

1 aggregated total generation, by fuel type, allocated to benefitting
2 accounts in that local jurisdiction from all community renewable
3 energy facilities, regardless of their location. The benefitting
4 account data shall be aggregated in a manner determined by the
5 commission to protect customer privacy and to provide a city,
6 county, or city and county with the information necessary to
7 calculate greenhouse gas emissions from energy consumption
8 within its jurisdiction supplied by community renewable energy
9 facilities. The commission may develop alternative methods to
10 enable the sharing of annual total generation information.

11 (6) (A) A participating electrical corporation shall, by March
12 1, 2013, submit a proposed standard contract with participant
13 organizations for commission approval. The commission shall
14 utilize the advice letter procedure for approval of a standard
15 contract submitted by an electrical corporation.

16 (B) The proposed standard contract shall be based on the
17 electrical corporation's standard contract used for the
18 commission's most recently approved renewable auction
19 mechanism program. Each electrical corporation shall modify its
20 renewable auction mechanism standard contract to eliminate
21 language irrelevant to the program, including, but not limited to,
22 compensation and monthly payments, operating and development
23 security, and time-of-day periods.

24 (C) The commission shall ensure that the public has a
25 reasonable opportunity to review and comment on the electrical
26 corporation's proposed standard contract prior to approving the
27 contract.

28 (e) ~~The~~ Unless the electrical corporation elects to provide the
29 service of incorporating in its bill those charges by the participant
30 organization to the participant pursuant to paragraph (5), the
31 following process shall be used when billing and crediting a
32 benefiting account:

33 (1) An electrical corporation shall bill a benefiting account for
34 all electricity usage, and for each applicable bill component,
35 including but not limited to transmission and distribution charges,
36 at the rate schedule applicable to the benefiting account, including
37 any cost-responsibility surcharge or other cost recovery mechanism,
38 as determined by the commission, to reimburse the Department
39 of Water Resources for purchases of electricity pursuant to Division

1 27 (commencing with Section 80000) of the Water Code.
2 Participants shall not be subject to any departing load charge.

3 (2) An electrical corporation shall subtract the bill credit
4 applicable to the benefiting account. The electrical corporation
5 shall ensure that the participant receives the full bill credit to which
6 it is entitled. The information and line items on a participant's bill
7 statement will be unchanged, except one or more entries detailing
8 the bill credit shall be added to a participant's bill.

9 (3) If, at the end of each billing cycle, the total otherwise
10 applicable ~~generation~~ energy component of the bill exceeds the
11 bill credit, the benefiting account shall be billed for the difference.

12 (4) (A) If, at the end of a billing cycle, the bill credit exceeds
13 the ~~generation~~ energy component of the amount billed to the
14 account, the difference shall be carried forward as a dollar credit
15 to the next billing cycle. *Any earned credit that exceeds the energy
16 component of the bill shall roll over to the subsequent billing
17 period and shall continue to roll over until used or until the annual
18 anniversary date of the participant's initial bill credit, whichever
19 occurs first. On the annual anniversary date of the participant's
20 initial bill credit, any remaining bill credit earned during the
21 previous year and that remains after the application of bill credits
22 to the energy component of a participant's bills shall cease to roll
23 over and will be subject to a default load aggregation point price
24 true-up. The default load aggregation point price true-up shall be
25 calculated by converting the remaining unused bill credits to
26 kilowatthours, by dividing the unused bill credits by the monetary
27 value of a bill credit, and then multiplying the kilowatthours by
28 the default load aggregation point price. The amount calculated
29 doing the default load aggregation point price true-up is owed by
30 the electrical corporation to the participant. The commission shall
31 determine whether the default load aggregation point price true-up
32 is to be paid to participants or credited to future billings and, if
33 so, the manner of crediting.*

34 (B) *If the commission has determined a locational value, the
35 participant's bill credit is calculated based on the added value
36 method pursuant to subparagraph (B) of paragraph (6) of
37 subdivision (a), the bill credit may exceed the generation energy
38 component of the bill, but only by the amount of the added
39 locational value. The added locational value shall be subtracted
40 from the balance of the participant's bill remaining after credits*

1 are applied to the ~~generation~~ *energy* component of the bill. Any
2 earned credit that exceeds the ~~generation~~ *energy* component of the
3 bill shall roll over to the subsequent billing period and shall
4 continue to roll over until used or until the annual anniversary date
5 of the participant's initial bill credit, whichever occurs first. On
6 the annual anniversary date of the participant's initial bill credit,
7 any remaining bill credit earned during the previous year and that
8 remains after the application of bill credits to the ~~generation~~ *energy*
9 component of a participant's bills shall cease to roll over and will
10 be subject to a default load aggregation point *price* true-up. The
11 default load aggregation point *price* true-up shall be calculated by
12 converting the remaining unused bill credits to kilowatthours, by
13 dividing the unused bill credits by ~~whichever is applicable on the~~
14 ~~anniversary date, either the facility rate, or the sum of added value~~
15 ~~and the participant's otherwise applicable generation component~~
16 *the monetary value of a bill credit*, and then multiplying the
17 kilowatthours by the default load aggregation point *price*. The
18 amount calculated doing the default load aggregation point *price*
19 true-up is owed by the electrical corporation to the participant.
20 The commission shall determine whether the default load
21 aggregation point *price* true-up is to be paid to participants or
22 credited to future billings and, if so, the manner of crediting.

23 (5) *If the electrical corporation elects to incorporate in its bill*
24 *those charges by the participant organization to the participant,*
25 *the following process shall be used for the bundled electric service*
26 *customers of the electrical corporation:*

27 (A) *The participant organization shall convey ownership of the*
28 *electricity generated by the community renewable energy facility*
29 *that passes through the meter and is delivered to the transmission*
30 *or distribution grid (delivered electricity) to the electrical*
31 *corporation under terms and conditions determined between the*
32 *participant organization and the electrical corporation, pursuant*
33 *paragraph (6) of subdivision (d).*

34 (B) *Unsubscribed delivered electricity shall be sold to the*
35 *electrical corporation at the default load aggregation point price.*
36 *The electrical corporation shall receive credit under the California*
37 *Renewable Portfolio Standard Program (Article 16 (commencing*
38 *with Section 399.11) of Chapter 2.3 of Part 1) for all delivered*
39 *electricity purchased pursuant to this subparagraph, without the*
40 *need for further qualifying action.*

1 (C) *The electrical corporation shall charge the participant for*
2 *service under each benefitting account at the electrical*
3 *corporation's otherwise applicable tariff.*

4 (D) *The electrical corporation shall provide the participant*
5 *with a bill credit based on the allocated share of delivered*
6 *electricity and shall collect revenue from the participant*
7 *commensurate with the participant's contract with the participant*
8 *organization.*

9 (E) *The electrical corporation, within 60 days, shall remit to*
10 *the participant organization the revenue collected from participants*
11 *through billings pursuant to subparagraph (D).*

12 (6) *Nothing in paragraph (5) requires a particular bill format*
13 *or the inclusion of any specific separate billing line items.*

14 (7) *The commission shall, by January 1, 2014, determine*
15 *whether customers participating in direct transactions, including*
16 *those with an electric service provider that does not provide*
17 *distribution services, customers receiving electric service through*
18 *a community choice aggregation program, and customers of a*
19 *local publicly owned electric utility that receive distribution service*
20 *from an electrical corporation having 100,000 or more service*
21 *connections in California, may receive bill credits equivalent to*
22 *what would be provided to bundled electric service customers of*
23 *a participating electrical corporation pursuant to this chapter;*
24 *and, if so, shall implement rules and procedures for enabling those*
25 *transactions.*

26 (f) Any renewable energy credits associated with an interest
27 shall ~~either~~ be retired by *either* the participant organization *or*
28 *electrical corporation, as they may agree,* on behalf of the
29 participant or transferred to the Western Renewable Energy
30 Generation Information System account of that participant, for the
31 purpose of demonstrating the purchase of renewable energy. Those
32 renewable energy credits shall not be further sold, transferred, or
33 otherwise monetized by a party for any purpose. Renewable energy
34 credits associated with electricity paid for by the electrical
35 corporation shall be counted toward meeting that electrical
36 corporation's renewables portfolio standard. For purposes of this
37 subdivision, "renewable energy credit" and "renewables portfolio
38 standard" have the same meanings as defined in Section 399.12.

39 (g) In calculating its procurement requirements to meet the
40 requirements of the California Renewables Portfolio Standard

1 Program (Article 16 (commencing with Section 399.11) of Chapter
2 2.3 of Part 1), an electrical corporation may exclude from total
3 retail sales the kilowatthours generated by a community renewable
4 energy facility *commencing with the point in time at which the*
5 *facility achieves commercial operation.*

6 (h) The resource *adequacy* value attributable to a community
7 renewable energy facility, as determined by the commission
8 pursuant to Section 380, shall be assigned to the electrical
9 corporation to which the facility is interconnected.

10 (i) *Notwithstanding the requirement of paragraph (2) of*
11 *subdivision (c) of Section 2833, the commission may expand the*
12 *technologies that are eligible to be a community renewable energy*
13 *facility to include other technologies for the generation of*
14 *electricity that the commission, in consultation with the State Air*
15 *Resources Board, determines will achieve reductions in emissions*
16 *of greenhouse gases pursuant to the California Global Warming*
17 *Solutions Act of 2006 (Division 25.5 (commencing with Section*
18 *38500) of the Health and Safety Code) and meets the emissions*
19 *standards adopted by the board for reducing emissions of*
20 *greenhouse gases pursuant to the distributed generation*
21 *certification program requirements of Article 3 (commencing with*
22 *Section 94200) of Subchapter 8 of Chapter 1 of Division 3 of Title*
23 *17 of the California Code of Regulations.*

24 (j) *The commission shall ensure full and timely recovery of all*
25 *reasonable costs incurred by an electrical corporation to*
26 *implement the program, including reasonable expenses for changes*
27 *to their billing system and handling of collections, and shall*
28 *determine the appropriate method of allocating those costs. The*
29 *electrical corporation shall have the discretion, but not the*
30 *obligation, to incorporate in its bill those charges by the*
31 *participant organization to participants, provided that the electrical*
32 *corporation recovers all incremental costs of providing that*
33 *service. The commission shall approve a memorandum account*
34 *to track billing system and implementation costs and may not direct*
35 *an electrical corporation to conduct any billing system work prior*
36 *to approval of the memorandum account.*

37 ~~SEC. 7.~~

38 SEC. 6. No reimbursement is required by this act pursuant to
39 Section 6 of Article XIII B of the California Constitution because
40 the only costs that may be incurred by a local agency or school

1 district will be incurred because this act creates a new crime or
2 infraction, eliminates a crime or infraction, or changes the penalty
3 for a crime or infraction, within the meaning of Section 17556 of
4 the Government Code, or changes the definition of a crime within
5 the meaning of Section 6 of Article XIII B of the California
6 Constitution.

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