

AMENDED IN SENATE SEPTEMBER 6, 2013

AMENDED IN SENATE JULY 10, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1409

Introduced by ~~Committee on Utilities and Commerce (Bradford (Chair), Bonilla, Buchanan, Fong, Garcia, Quirk, Rendon, Skinner, and Williams)~~ Assembly Member Bradford

March 13, 2013

An act to amend Sections 398.4, 399.20, 399.22, 1904, and 2827 of, to amend and renumber Section 387.8 of, Section 1904 of, to add Sections 881, 881.5, and 1001.7 to, and to repeal Section 1906 of, the Public Utilities Code, relating to public utilities, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1409, as amended, ~~Committee on Utilities and Commerce~~ Bradford. Public utilities: ~~electricity~~. voice communications: *Moore Universal Telephone Service Act*.

(1) Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, as defined. Decisions of the PUC adopted the California Solar Initiative. Existing law requires the governing body of a local publicly owned electric utility that sells electricity at retail to adopt, implement, and finance a solar initiative program for the purpose of investing in, and encouraging the increased installation of, residential and commercial solar energy systems.

This bill would move the above-described requirements for local publicly owned electric utilities from an area of the Public Utilities

Code pertaining to electrical restructuring, to the area of the code pertaining to the implementation of the California Solar Initiative.

~~(2) Existing~~

(1) Under existing law, the Public Utilities Commission has regulatory authority over public utilities, as defined. Existing law allows the commission to charge and collect a fee of \$75 for filing each application for a certificate of public convenience and necessity, or for the mortgage, lease, transfer, or assignment of a certificate.

This bill would instead require the fee to not exceed the reasonable costs to the commission for filing these applications. The bill would authorize the fee in an amount not to exceed \$500 and would authorize the commission to adjust this fee based on the Consumer Price Index.

~~(3)~~

(2) Existing law establishes the Public Utilities Commission Utilities Reimbursement Account in the General Fund and generally provides that all fees and charges collected under the Public Utilities Code, except penalties, from each public utility be paid into the fund. Other existing law provides that specified fees, including, but not limited to, the fee for filing each application for a certificate of public convenience and necessity, or for the mortgage, lease, transfer, or assignment of a certificate, are required to be paid at least once each month into the State Treasury to the General Fund.

This bill would repeal the provision that requires certain fees to be paid at least once each month into the State Treasury to the General Fund.

~~(4) This bill would also make nonsubstantive changes and other conforming and corrective changes.~~

(3) Existing law, the federal Telecommunications Act of 1996, establishes a program of cooperative federalism for the regulation of telecommunications to attain the goal of local competition, while implementing specific, predictable, and sufficient federal and state mechanisms to preserve and advance universal service, consistent with certain universal service principles. Under the act, universal service is an evolving level of telecommunications services that the Federal Communications Commission is required to establish periodically, taking into account advances in telecommunications and information technologies and services. Pursuant to the act, the Federal Communications Commission has established and revised a lifeline program that is available for qualifying low-income consumers.

The Moore Universal Telephone Service Act establishes the Universal Lifeline Telephone Service program in order to provide low-income households with access to affordable basic residential telephone service. Existing law establishes the Universal Lifeline Telephone Service Trust Administrative Committee Fund in the State Treasury. The Moore Universal Telephone Service Act requires the commission to annually designate a class of lifeline service necessary to meet minimum residential communications needs, to set the rates and charges for that service, to develop eligibility criteria for that service, and to assess the degree of achievement of universal service, including telephone penetration rates by income, ethnicity, and geography.

This bill would require the commission to adopt rules by June 1, 2014, authorizing an alternative provider of voice communications service to voluntarily participate in the state lifeline program pursuant to the Moore Universal Telephone Service Act. The bill would require that the rules, among other things, not prevent or delay any alternative provider of voice communications service from participating based on the technology utilized to provide service and provide reimbursement to all participating lifeline providers on a nondiscriminatory basis. The bill would prohibit the commission, in exercising its delegated authority under federal law to designate eligible telecommunications carriers, or in exercising its authority to authorize an alternative provider of voice communications service to participate in the state lifeline program, to deny a request to be designated as a lifeline provider based on the requesting entity providing any Voice over Internet Protocol or Internet Protocol enabled service. The bill would provide that a lifeline provider, including a lifeline provider that is not a telephone corporation, is eligible for reimbursement from the Universal Lifeline Telephone Service Trust Administrative Committee Fund.

(4) The Public Utilities Act prohibits any telephone corporation from beginning the construction of, among other things, a line, plant, or system, or of any extension thereof, without having first obtained from the commission a certificate that the present or future public convenience and necessity require or will require that construction.

This bill would prohibit the commission from denying or revoking a certificate of public convenience and necessity applied for by or issued to a telephone corporation that provides retail or wholesale telecommunications services on the grounds that the telephone corporation also provides Voice over Internet Protocol service or any other unregulated service.

(5) 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 this bill would be a part of the act and would require action by the Public Utilities Commission to implement its requirements, and because the bill would expand the class of lifeline providers, the bill would impose a state-mandated local program by expanding the scope of a crime.

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.

(6) This bill would declare that it is to take effect immediately as an urgency statute.

Vote: majority ²/₃. 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 387.8 of the Public Utilities Code is~~
- 2 ~~amended and renumbered to read:~~
- 3 ~~2855. Notwithstanding paragraphs (2) and (5) of subdivision~~
- 4 ~~(d) of Section 2854, a local publicly owned electric utility may~~
- 5 ~~adopt, implement, and finance a solar initiative program otherwise~~
- 6 ~~in accordance with that section, using monetary incentives~~
- 7 ~~authorized by subdivision (b) of Section 2854, to residential and~~
- 8 ~~business consumers where consumers offset part or all of their~~
- 9 ~~electricity demand with electricity generated by a solar energy~~
- 10 ~~system not located on the premises of the consumer, if all of the~~
- 11 ~~following requirements are met:~~
- 12 ~~(a) The solar energy system meets all of the following~~
- 13 ~~conditions:~~
- 14 ~~(1) It is located within the service territory of the local publicly~~
- 15 ~~owned electric utility.~~
- 16 ~~(2) It has a capacity of no more than five megawatts.~~
- 17 ~~(3) It is interconnected to the local publicly owned electric~~
- 18 ~~utility's system at the distribution level.~~

1 ~~(b) The local publicly owned electric utility meets all of the~~
2 ~~following conditions:~~

3 ~~(1) It provides monetary incentives authorized by Section 2854~~
4 ~~for not more than the first megawatt of generating capacity of each~~
5 ~~solar energy system.~~

6 ~~(2) It has contracted to purchase the total electricity produced~~
7 ~~by the solar energy system or owns the solar energy system.~~

8 ~~(3) It provides no greater incentive per watt for the solar energy~~
9 ~~system than provided for by systems that participate in the~~
10 ~~applicable solar initiative program established under Section 2854.~~

11 ~~(4) It has received approval for the solar energy system from~~
12 ~~its governing board at a publicly noticed and held meeting.~~

13 ~~(e) The total megawatt capacity of solar energy systems eligible~~
14 ~~for a local publicly owned electric utility program under this section~~
15 ~~is both of the following:~~

16 ~~(1) Not more than the total megawatt capacity of the combined~~
17 ~~residential and commercial solar energy systems installed in the~~
18 ~~service area of the local publicly owned electric utility after July~~
19 ~~1, 2010, that participate in the applicable solar initiative programs~~
20 ~~established under Section 2854.~~

21 ~~(2) Not more than 20 percent of the proportionate amount for~~
22 ~~the local publicly owned electric utility of the overall 3,000~~
23 ~~megawatt state goal set forth in Section 2854, based on the~~
24 ~~percentage of the total statewide load served by that entity.~~

25 ~~SEC. 2.— Section 398.4 of the Public Utilities Code is amended~~
26 ~~to read:~~

27 ~~398.4.— (a) Every retail supplier that makes an offering to sell~~
28 ~~electricity that is consumed in California shall disclose its~~
29 ~~electricity sources for the previous calendar year.~~

30 ~~(b) The disclosures required by this section shall be made to~~
31 ~~potential end-use consumers in all product-specific written~~
32 ~~promotional materials that are distributed to consumers by either~~
33 ~~printed or electronic means, including the retail supplier's Internet~~
34 ~~Web site, if one exists, except that advertisements and notices in~~
35 ~~general circulation media shall not be subject to this requirement.~~

36 ~~(c) The disclosures required by this section shall be made~~
37 ~~annually to end-use consumers of the offered electricity. The annual~~
38 ~~disclosure shall be made by the end of the first complete billing~~
39 ~~cycle for the third quarter of the year, and shall be consistent with~~

1 information provided to the Energy Commission pursuant to
2 Section 398.5:

3 (d) The disclosures required by this section shall be made
4 separately for each offering made by the retail supplier.

5 (e) On or before January 1, 1998, the Energy Commission shall
6 specify guidelines for the format and means for disclosure required
7 by Section 398.3 and this section, based on the requirements of
8 this article and subject to public hearing.

9 (f) The costs of making the disclosures required by this section
10 shall be considered to be generation related.

11 (g) The disclosures required by this section shall comply with
12 the following:

13 (1) A retail supplier's disclosure of its electricity sources shall
14 be expressed as a percentage of annual sales derived from each of
15 the following categories:

16 (A) Unspecified sources of electricity.

17 (B) Specific purchases.

18 (2) A retail supplier's disclosure of its electricity sources shall
19 also separately identify total California system electricity, which
20 is the sum of all in-state generation and net electricity imports by
21 fuel type.

22 (h) Each of the categories specified in subdivision (g) shall be
23 additionally identified as a percentage of annual sales that is
24 derived from the following fuels or sources of energy:

25 (1) Coal.

26 (2) Large hydroelectric (greater than 30 megawatts).

27 (3) Natural gas.

28 (4) Nuclear.

29 (5) Eligible renewable energy resources pursuant to the
30 California Renewables Portfolio Standard Program (Article 16
31 commencing with Section 399.11), including any of the
32 following:

33 (A) Biomass and biowaste.

34 (B) Geothermal.

35 (C) Eligible hydroelectric.

36 (D) Solar.

37 (E) Wind.

38 (6) Other categories as determined by the Energy Commission.

39 (i) All electricity sources disclosed as specific purchases shall
40 meet the requirements of subdivision (e) of Section 398.2.

1 ~~(j) Specific purchases identified pursuant to this section shall~~
2 ~~be from sources connected to the Western Electricity Coordinating~~
3 ~~Council interconnected grid.~~

4 ~~(k) Compliance with this section by a local publicly owned~~
5 ~~electric utility shall constitute compliance with subdivision (l) of~~
6 ~~Section 399.30.~~

7 ~~(l) This section shall not apply to generators providing electric~~
8 ~~service onsite, under an over-the-fence transaction as described in~~
9 ~~Section 218, or to an affiliate or affiliates, as defined in subdivision~~
10 ~~(a) of Section 372.~~

11 ~~SEC. 3. Section 399.20 of the Public Utilities Code is amended~~
12 ~~to read:~~

13 ~~399.20. (a) It is the policy of this state and the intent of the~~
14 ~~Legislature to encourage electrical generation from eligible~~
15 ~~renewable energy resources.~~

16 ~~(b) As used in this section, "electric generation facility" means~~
17 ~~an electric generation facility located within the service territory~~
18 ~~of, and developed to sell electricity to, an electrical corporation~~
19 ~~that meets all of the following criteria:~~

20 ~~(1) Has an effective capacity of not more than three megawatts.~~

21 ~~(2) Is interconnected and operates in parallel with the electrical~~
22 ~~transmission and distribution grid.~~

23 ~~(3) Is strategically located and interconnected to the electrical~~
24 ~~transmission and distribution grid in a manner that optimizes the~~
25 ~~deliverability of electricity generated at the facility to load centers.~~

26 ~~(4) Is an eligible renewable energy resource.~~

27 ~~(e) Every electrical corporation shall file with the commission~~
28 ~~a standard tariff for electricity purchased from an electric~~
29 ~~generation facility. The commission may modify or adjust the~~
30 ~~requirements of this section for any electrical corporation with less~~
31 ~~than 100,000 service connections, as individual circumstances~~
32 ~~merit.~~

33 ~~(d) (1) The tariff shall provide for payment for every~~
34 ~~kilowatthour of electricity purchased from an electric generation~~
35 ~~facility for a period of 10, 15, or 20 years, as authorized by the~~
36 ~~commission. The payment shall be the market price determined~~
37 ~~by the commission pursuant to paragraph (2) and shall include all~~
38 ~~current and anticipated environmental compliance costs, including,~~
39 ~~but not limited to, mitigation of emissions of greenhouse gases~~
40 ~~and air pollution offsets associated with the operation of new~~

1 generating facilities in the local air pollution control or air quality
2 management district where the electric generation facility is
3 located.

4 (2) The commission shall establish a methodology to determine
5 the market price of electricity for terms corresponding to the length
6 of contracts with an electric generation facility, in consideration
7 of the following:

8 (A) The long-term market price of electricity for fixed price
9 contracts, determined pursuant to an electrical corporation's general
10 procurement activities as authorized by the commission.

11 (B) The long-term ownership, operating, and fixed-price fuel
12 costs associated with fixed-price electricity from new generating
13 facilities.

14 (C) The value of different electricity products including
15 baseload, peaking, and as-available electricity.

16 (3) The commission may adjust the payment rate to reflect the
17 value of every kilowatthour of electricity generated on a
18 time-of-delivery basis.

19 (4) The commission shall ensure, with respect to rates and
20 charges, that ratepayers that do not receive service pursuant to the
21 tariff are indifferent to whether a ratepayer with an electric
22 generation facility receives service pursuant to the tariff.

23 (e) An electrical corporation shall provide expedited
24 interconnection procedures to an electric generation facility located
25 on a distribution circuit that generates electricity at a time and in
26 a manner so as to offset the peak demand on the distribution circuit,
27 if the electrical corporation determines that the electric generation
28 facility will not adversely affect the distribution grid. The
29 commission shall consider and may establish a value for an electric
30 generation facility located on a distribution circuit that generates
31 electricity at a time and in a manner so as to offset the peak demand
32 on the distribution circuit.

33 (f) (1) An electrical corporation shall make the tariff available
34 to the owner or operator of an electric generation facility within
35 the service territory of the electrical corporation, upon request, on
36 a first-come-first-served basis, until the electrical corporation meets
37 its proportionate share of a statewide cap of 750 megawatts
38 cumulative rated generation capacity served under this section and
39 Section 399.32. The proportionate share shall be calculated based

1 on the ratio of the electrical corporation's peak demand compared
2 to the total statewide peak demand.

3 ~~(2) By June 1, 2013, the commission shall, in addition to the~~
4 ~~750 megawatts identified in paragraph (1), direct the electrical~~
5 ~~corporations to collectively procure at least 250 megawatts of~~
6 ~~cumulative rated generating capacity from developers of bioenergy~~
7 ~~projects that commence operation on or after June 1, 2013. The~~
8 ~~commission shall, for each electrical corporation, allocate shares~~
9 ~~of the additional 250 megawatts based on the ratio of each electrical~~
10 ~~corporation's peak demand compared to the total statewide peak~~
11 ~~demand. In implementing this paragraph, the commission shall do~~
12 ~~all of the following:~~

13 ~~(A) Allocate the 250 megawatts identified in this paragraph~~
14 ~~among the electrical corporations based on the following~~
15 ~~categories:~~

16 ~~(i) For biogas from wastewater treatment, municipal organic~~
17 ~~waste diversion, food processing, and codigestion, 110 megawatts.~~

18 ~~(ii) For dairy and other agricultural bioenergy, 90 megawatts.~~

19 ~~(iii) For bioenergy using byproducts of sustainable forest~~
20 ~~management, 50 megawatts. Allocations under this category shall~~
21 ~~be determined based on the proportion of bioenergy that sustainable~~
22 ~~forest management providers derive from sustainable forest~~
23 ~~management in fire threat treatment areas, as designated by the~~
24 ~~Department of Forestry and Fire Protection.~~

25 ~~(B) Direct the electrical corporations to develop standard~~
26 ~~contract terms and conditions that reflect the operational~~
27 ~~characteristics of the projects, and to provide a streamlined~~
28 ~~contracting process.~~

29 ~~(C) Coordinate, to the maximum extent feasible, any incentive~~
30 ~~or subsidy programs for bioenergy with the agencies listed in~~
31 ~~subparagraph (A) of paragraph (3) in order to provide maximum~~
32 ~~benefits to ratepayers and to ensure that incentives are used to~~
33 ~~reduce contract prices.~~

34 ~~(D) The commission shall encourage gas and electrical~~
35 ~~corporations to develop and offer programs and services to facilitate~~
36 ~~development of in-state biogas for a broad range of purposes.~~

37 ~~(3) (A) The commission, in consultation with the State Energy~~
38 ~~Resources Conservation and Development Commission, the State~~
39 ~~Air Resources Board, the Department of Forestry and Fire~~
40 ~~Protection, the Department of Food and Agriculture, and the~~

1 Department of Resources Recycling and Recovery, may review
2 the allocations of the 250 additional megawatts identified in
3 paragraph (2) to determine if those allocations are appropriate.

4 (B) If the commission finds that the allocations of the 250
5 additional megawatts identified in paragraph (2) are not
6 appropriate, the commission may reallocate the 250 megawatts
7 among the categories established in subparagraph (A) of paragraph
8 (2).

9 (4) For the purposes of this subdivision, “bioenergy” means
10 biogas and biomass.

11 (g) The electrical corporation may make the terms of the tariff
12 available to owners and operators of an electric generation facility
13 in the form of a standard contract subject to commission approval.

14 (h) Every kilowatthour of electricity purchased from an electric
15 generation facility shall count toward meeting the electrical
16 corporation’s renewables portfolio standard annual procurement
17 targets for purposes of paragraph (1) of subdivision (b) of Section
18 399.15.

19 (i) The physical generating capacity of an electric generation
20 facility shall count toward the electrical corporation’s resource
21 adequacy requirement for purposes of Section 380.

22 (j) (1) The commission shall establish performance standards
23 for any electric generation facility that has a capacity greater than
24 one megawatt to ensure that those facilities are constructed,
25 operated, and maintained to generate the expected annual net
26 production of electricity and do not impact system reliability.

27 (2) The commission may reduce the three megawatt capacity
28 limitation of paragraph (1) of subdivision (b) if the commission
29 finds that a reduced capacity limitation is necessary to maintain
30 system reliability within that electrical corporation’s service
31 territory.

32 (k) (1) Any owner or operator of an electric generation facility
33 that received ratepayer-funded incentives in accordance with
34 Section 379.6 of this code, or with Section 25782 of the Public
35 Resources Code, and participated in a net metering program
36 pursuant to Sections 2827, 2827.9, and 2827.10 of this code prior
37 to January 1, 2010, shall be eligible for a tariff or standard contract
38 filed by an electrical corporation pursuant to this section.

39 (2) In establishing the tariffs or standard contracts pursuant to
40 this section, the commission shall consider ratepayer-funded

1 incentive payments previously received by the generation facility
2 pursuant to Section 379.6 of this code or Section 25782 of the
3 Public Resources Code. The commission shall require
4 reimbursement of any funds received from these incentive
5 programs to an electric generation facility, in order for that facility
6 to be eligible for a tariff or standard contract filed by an electrical
7 corporation pursuant to this section, unless the commission
8 determines ratepayers have received sufficient value from the
9 incentives provided to the facility based on how long the project
10 has been in operation and the amount of renewable electricity
11 previously generated by the facility.

12 (3) A customer that receives service under a tariff or contract
13 approved by the commission pursuant to this section is not eligible
14 to participate in any net metering program.

15 (l) An owner or operator of an electric generation facility
16 electing to receive service under a tariff or contract approved by
17 the commission shall continue to receive service under the tariff
18 or contract until either of the following occurs:

19 (1) The owner or operator of an electric generation facility no
20 longer meets the eligibility requirements for receiving service
21 pursuant to the tariff or contract.

22 (2) The period of service established by the commission pursuant
23 to subdivision (d) is completed.

24 (m) Within 10 days of receipt of a request for a tariff pursuant
25 to this section from an owner or operator of an electric generation
26 facility, the electrical corporation that receives the request shall
27 post a copy of the request on its Internet Web site. The information
28 posted on the Internet Web site shall include the name of the city
29 in which the facility is located, but information that is proprietary
30 and confidential, including, but not limited to, address information
31 beyond the name of the city in which the facility is located, shall
32 be redacted.

33 (n) An electrical corporation may deny a tariff request pursuant
34 to this section if the electrical corporation makes any of the
35 following findings:

36 (1) The electric generation facility does not meet the
37 requirements of this section.

38 (2) The transmission or distribution grid that would serve as the
39 point of interconnection is inadequate.

1 ~~(3) The electric generation facility does not meet all applicable~~
2 ~~state and local laws and building standards and utility~~
3 ~~interconnection requirements.~~

4 ~~(4) The aggregate of all electric generating facilities on a~~
5 ~~distribution circuit would adversely impact utility operation and~~
6 ~~load restoration efforts of the distribution system.~~

7 ~~(o) Upon receiving a notice of denial from an electrical~~
8 ~~corporation, the owner or operator of the electric generation facility~~
9 ~~denied a tariff pursuant to this section shall have the right to appeal~~
10 ~~that decision to the commission.~~

11 ~~(p) In order to ensure the safety and reliability of electric~~
12 ~~generation facilities, the owner of an electric generation facility~~
13 ~~receiving a tariff pursuant to this section shall provide an inspection~~
14 ~~and maintenance report to the electrical corporation at least once~~
15 ~~every other year. The inspection and maintenance report shall be~~
16 ~~prepared at the owner's or operator's expense by a~~
17 ~~California-licensed contractor who is not the owner or operator of~~
18 ~~the electric generation facility. A California-licensed electrician~~
19 ~~shall perform the inspection of the electrical portion of the~~
20 ~~generation facility.~~

21 ~~(q) The contract between the electric generation facility~~
22 ~~receiving the tariff and the electrical corporation shall contain~~
23 ~~provisions that ensure that construction of the electric generating~~
24 ~~facility complies with all applicable state and local laws and~~
25 ~~building standards, and utility interconnection requirements.~~

26 ~~(r) (1) All construction and installation of facilities of the~~
27 ~~electrical corporation, including at the point of the output meter~~
28 ~~or at the transmission or distribution grid, shall be performed only~~
29 ~~by that electrical corporation.~~

30 ~~(2) All interconnection facilities installed on the electrical~~
31 ~~corporation's side of the transfer point for electricity between the~~
32 ~~electrical corporation and the electrical conductors of the electric~~
33 ~~generation facility shall be owned, operated, and maintained only~~
34 ~~by the electrical corporation. The ownership, installation, operation,~~
35 ~~reading, and testing of revenue metering equipment for electric~~
36 ~~generating facilities shall only be performed by the electrical~~
37 ~~corporation.~~

38 ~~SEC. 4. Section 399.22 of the Public Utilities Code is amended~~
39 ~~to read:~~

1 399.22. (a) For purposes of this section, “state agency” means
2 any state agency, board, department, or commission, including the
3 entities specified in subdivision (a) of Section 15814.12 of the
4 Government Code.

5 (b) A state agency generating electricity from an electric
6 generation facility, as defined in Section 399.20 or 399.32, that
7 operates under a tariff adopted pursuant to either of those sections,
8 and that is owned by, operated by, or on property under the control
9 of, the state agency shall take the total annual amount of
10 kilowatthours exported to the grid into consideration when
11 determining whether the state agency has achieved the policy goals
12 and objectives established by law for the state agency.

13 *SECTION 1. Section 881 is added to the Public Utilities Code,*
14 *to read:*

15 *881. (a) By June 1, 2014, the commission shall adopt rules*
16 *that are applicable to all lifeline service providers, including*
17 *providers using alternative technologies. The rules shall do all of*
18 *the following:*

19 *(1) Not prevent or delay any alternative provider of voice*
20 *communications service from participating based on the technology*
21 *utilized to provide service, including any Voice over Internet*
22 *Protocol or Internet Protocol enabled service, notwithstanding*
23 *Section 710.*

24 *(2) Provide reimbursement to all participating lifeline providers*
25 *on a nondiscriminatory basis.*

26 *(3) Establish a process to expeditiously review requests from*
27 *any alternative provider of voice communications service to*
28 *participate in the lifeline program, which may be an advice letter*
29 *process, and may allow a provider to seek, in a single consolidated*
30 *request, authorization to be a lifeline provider under this section*
31 *and designation as an eligible telecommunications carrier pursuant*
32 *to the federal lifeline program.*

33 *(b) The commission shall not, in exercising its delegated*
34 *authority under federal law to designate eligible*
35 *telecommunications carriers, or in exercising its authority under*
36 *this section to authorize an alternative provider of voice*
37 *communications service to participate in the state lifeline program,*
38 *deny a request to be designated as a lifeline provider based on the*
39 *requesting entity providing any Voice over Internet Protocol or*
40 *Internet Protocol enabled service.*

1 SEC. 2. Section 881.5 is added to the Public Utilities Code, to
2 read:

3 881.5. Notwithstanding Section 270, a lifeline provider,
4 including a lifeline provider that is not a telephone corporation,
5 shall be eligible for reimbursement from the Universal Lifeline
6 Telephone Service Trust Administrative Committee Fund.

7 SEC. 3. Section 1001.7 is added to the Public Utilities Code,
8 to read:

9 1001.7. The commission shall neither deny nor revoke a
10 certificate of public convenience and necessity applied for by or
11 issued to a telephone corporation that provides retail or wholesale
12 telecommunications services on the grounds that the telephone
13 corporation also provides Voice over Internet Protocol service or
14 any other unregulated service. This section does not expand the
15 commission's existing jurisdiction over any service or affect any
16 provision of Section 710. This section does not give any telephone
17 corporation any new rights or powers.

18 ~~SEC. 5.~~

19 SEC. 4. Section 1904 of the Public Utilities Code is amended
20 to read:

21 1904. The commission shall also charge and collect the
22 following fees:

23 (a) Except as otherwise provided in Section 1036 for filing each
24 application for a certificate of public convenience and necessity,
25 or for the mortgage, lease, transfer, or assignment thereof, an
26 amount not to exceed five hundred dollars (\$500). The commission
27 may adjust this fee based on the Consumer Price Index. The fee
28 charged and collected pursuant to this subdivision shall not exceed
29 the reasonable costs to the commission for filing the application.

30 (b) For a certificate authorizing an issue of bonds, notes, or
31 other evidences of indebtedness, two dollars (\$2) for each one
32 thousand dollars (\$1,000) of the face value of the authorized issue
33 or fraction thereof up to one million dollars (\$1,000,000), one
34 dollar (\$1) for each one thousand dollars (\$1,000) over one million
35 dollars (\$1,000,000) and up to ten million dollars (\$10,000,000),
36 and fifty cents (\$0.50) for each one thousand dollars (\$1,000) over
37 ten million dollars (\$10,000,000), with a minimum fee in any case
38 of fifty dollars (\$50). No fee need be paid on such portion of any
39 such issue as may be used to guarantee, take over, refund,
40 discharge, or retire any stock, bond, note or other evidence of

1 indebtedness on which a fee has theretofore been paid to the
2 commission. If the commission modified the amount of the issue
3 requested in any case and the applicant thereupon elects not to
4 avail itself of the commission's authorization, no fee shall be paid,
5 and if such fee is paid prior to the issuance of such certificate by
6 the commission, such fee shall be returned.

7 ~~SEC. 6.~~

8 ~~SEC. 5.~~ Section 1906 of the Public Utilities Code is repealed.

9 ~~SEC. 7.~~ Section 2827 of the Public Utilities Code is amended
10 to read:

11 ~~2827. (a) The Legislature finds and declares that a program~~
12 ~~to provide net energy metering combined with net surplus~~
13 ~~compensation, co-energy metering, and wind energy co-metering~~
14 ~~for eligible customer-generators is one way to encourage substantial~~
15 ~~private investment in renewable energy resources, stimulate in-state~~
16 ~~economic growth, reduce demand for electricity during peak~~
17 ~~consumption periods, help stabilize California's energy supply~~
18 ~~infrastructure, enhance the continued diversification of California's~~
19 ~~energy resource mix, reduce interconnection and administrative~~
20 ~~costs for electricity suppliers, and encourage conservation and~~
21 ~~efficiency.~~

22 ~~(b) As used in this section, the following terms have the~~
23 ~~following meanings:~~

24 ~~(1) "Co-energy metering" means a program that is the same in~~
25 ~~all other respects as a net energy metering program, except that~~
26 ~~the local publicly owned electric utility has elected to apply a~~
27 ~~generation-to-generation energy and time-of-use credit formula~~
28 ~~as provided in subdivision (i).~~

29 ~~(2) "Electrical cooperative" means an electrical cooperative as~~
30 ~~defined in Section 2776.~~

31 ~~(3) "Electric utility" means an electrical corporation, a local~~
32 ~~publicly owned electric utility, or an electrical cooperative, or any~~
33 ~~other entity, except an electric service provider, that offers electrical~~
34 ~~service. This section shall not apply to a local publicly owned~~
35 ~~electric utility that serves more than 750,000 customers and that~~
36 ~~also conveys water to its customers.~~

37 ~~(4) "Eligible customer-generator" means a residential customer,~~
38 ~~small commercial customer as defined in subdivision (h) of Section~~
39 ~~331, or commercial, industrial, or agricultural customer of an~~
40 ~~electric utility, who uses a renewable electrical generation facility,~~

1 or a combination of those facilities, with a total capacity of not
2 more than one megawatt, that is located on the customer's owned,
3 leased, or rented premises, and is interconnected and operates in
4 parallel with the electrical grid, and is intended primarily to offset
5 part or all of the customer's own electrical requirements.

6 (5) "~~Renewable electrical generation facility~~" means a facility
7 that generates electricity from a renewable source listed in
8 paragraph (1) of subdivision (a) of Section 25741 of the Public
9 Resources Code. A small hydroelectric generation facility is not
10 an eligible renewable electrical generation facility if it will cause
11 an adverse impact on instream beneficial uses or cause a change
12 in the volume or timing of streamflow.

13 (6) "~~Net energy metering~~" means measuring the difference
14 between the electricity supplied through the electrical grid and the
15 electricity generated by an eligible customer-generator and fed
16 back to the electrical grid over a 12-month period as described in
17 subdivisions (e) and (h).

18 (7) "~~Net surplus customer-generator~~" means an eligible
19 customer-generator that generates more electricity during a
20 12-month period than is supplied by the electric utility to the
21 eligible customer-generator during the same 12-month period.

22 (8) "~~Net surplus electricity~~" means all electricity generated by
23 an eligible customer-generator measured in kilowatthours over a
24 12-month period that exceeds the amount of electricity consumed
25 by that eligible customer-generator.

26 (9) "~~Net surplus electricity compensation~~" means a per
27 kilowatthour rate offered by the electric utility to the net surplus
28 customer-generator for net surplus electricity that is set by the
29 ratemaking authority pursuant to subdivision (h).

30 (10) "~~Ratemaking authority~~" means, for an electrical
31 corporation, the commission, for an electrical cooperative, its
32 ratesetting body selected by its shareholders or members, and for
33 a local publicly owned electric utility, the local elected body
34 responsible for setting the rates of the local publicly owned utility.

35 (11) "~~Wind energy co-metering~~" means any wind energy project
36 greater than 50 kilowatts, but not exceeding one megawatt, where
37 the difference between the electricity supplied through the electrical
38 grid and the electricity generated by an eligible customer-generator
39 and fed back to the electrical grid over a 12-month period is as

1 ~~described in subdivision (h). Wind energy co-metering shall be~~
2 ~~accomplished pursuant to Section 2827.8.~~

3 ~~(e) (1) Every electric utility shall develop a standard contract~~
4 ~~or tariff providing for net energy metering, and shall make this~~
5 ~~standard contract or tariff available to eligible customer-generators,~~
6 ~~upon request, on a first-come-first-served basis until the time that~~
7 ~~the total rated generating capacity used by eligible~~
8 ~~customer-generators exceeds 5 percent of the electric utility's~~
9 ~~aggregate customer peak demand. Net energy metering shall be~~
10 ~~accomplished using a single meter capable of registering the flow~~
11 ~~of electricity in two directions. An additional meter or meters to~~
12 ~~monitor the flow of electricity in each direction may be installed~~
13 ~~with the consent of the eligible customer-generator, at the expense~~
14 ~~of the electric utility, and the additional metering shall be used~~
15 ~~only to provide the information necessary to accurately bill or~~
16 ~~credit the eligible customer-generator pursuant to subdivision (h),~~
17 ~~or to collect generating system performance information for~~
18 ~~research purposes relative to a renewable electrical generation~~
19 ~~facility. If the existing electrical meter of an eligible~~
20 ~~customer-generator is not capable of measuring the flow of~~
21 ~~electricity in two directions, the eligible customer-generator shall~~
22 ~~be responsible for all expenses involved in purchasing and~~
23 ~~installing a meter that is able to measure electricity flow in two~~
24 ~~directions. If an additional meter or meters are installed, the net~~
25 ~~energy metering calculation shall yield a result identical to that of~~
26 ~~a single meter. An eligible customer-generator that is receiving~~
27 ~~service other than through the standard contract or tariff may elect~~
28 ~~to receive service through the standard contract or tariff until the~~
29 ~~electric utility reaches the generation limit set forth in this~~
30 ~~paragraph. Once the generation limit is reached, only eligible~~
31 ~~customer-generators that had previously elected to receive service~~
32 ~~pursuant to the standard contract or tariff have a right to continue~~
33 ~~to receive service pursuant to the standard contract or tariff.~~
34 ~~Eligibility for net energy metering does not limit an eligible~~
35 ~~customer-generator's eligibility for any other rebate, incentive, or~~
36 ~~credit provided by the electric utility, or pursuant to any~~
37 ~~governmental program, including rebates and incentives provided~~
38 ~~pursuant to the California Solar Initiative.~~

39 ~~(2) An electrical corporation shall include a provision in the net~~
40 ~~energy metering contract or tariff requiring that any customer with~~

1 an existing electrical generating facility and meter who enters into
2 a new net energy metering contract shall provide an inspection
3 report to the electrical corporation, unless the electrical generating
4 facility and meter have been installed or inspected within the
5 previous three years. The inspection report shall be prepared by a
6 California-licensed contractor who is not the owner or operator of
7 the facility and meter. A California-licensed electrician shall
8 perform the inspection of the electrical portion of the facility and
9 meter.

10 (3) (A) On an annual basis, every electric utility shall make
11 available to the ratemaking authority information on the total rated
12 generating capacity used by eligible customer-generators that are
13 customers of that provider in the provider's service area and the
14 net surplus electricity purchased by the electric utility pursuant to
15 this section.

16 (B) An electric service provider operating pursuant to Section
17 394 shall make available to the ratemaking authority the
18 information required by this paragraph for each eligible
19 customer-generator that is their customer for each service area of
20 an electrical corporation, local publicly owned electrical utility,
21 or electrical cooperative, in which the eligible customer-generator
22 has net energy metering.

23 (C) The ratemaking authority shall develop a process for making
24 the information required by this paragraph available to electric
25 utilities, and for using that information to determine when, pursuant
26 to paragraphs (1) and (4), an electric utility is not obligated to
27 provide net energy metering to additional eligible
28 customer-generators in its service area.

29 (4) An electric utility is not obligated to provide net energy
30 metering to additional eligible customer-generators in its service
31 area when the combined total peak demand of all electricity used
32 by eligible customer-generators served by all the electric utilities
33 in that service area furnishing net energy metering to eligible
34 customer-generators exceeds 5 percent of the aggregate customer
35 peak demand of those electric utilities.

36 (d) Every electric utility shall make all necessary forms and
37 contracts for net energy metering and net surplus electricity
38 compensation service available for download from an Internet
39 Web site.

1 ~~(e) (1) Every electric utility shall ensure that requests for~~
2 ~~establishment of net energy metering and net surplus electricity~~
3 ~~compensation are processed in a time period not exceeding that~~
4 ~~for similarly situated customers requesting new electric service,~~
5 ~~but not to exceed 30 working days from the date it receives a~~
6 ~~completed application form for net energy metering service or net~~
7 ~~surplus electricity compensation, including a signed interconnection~~
8 ~~agreement from an eligible customer-generator and the electric~~
9 ~~inspection clearance from the governmental authority having~~
10 ~~jurisdiction.~~

11 ~~(2) Every electric utility shall ensure that requests for an~~
12 ~~interconnection agreement from an eligible customer-generator~~
13 ~~are processed in a time period not to exceed 30 working days from~~
14 ~~the date it receives a completed application form from the eligible~~
15 ~~customer-generator for an interconnection agreement.~~

16 ~~(3) If an electric utility is unable to process a request within the~~
17 ~~allowable timeframe pursuant to paragraph (1) or (2), it shall notify~~
18 ~~the eligible customer-generator and the ratemaking authority of~~
19 ~~the reason for its inability to process the request and the expected~~
20 ~~completion date.~~

21 ~~(f) (1) If a customer participates in direct transactions pursuant~~
22 ~~to paragraph (1) of subdivision (b) of Section 365, or Section 365.1,~~
23 ~~with an electric service provider that does not provide distribution~~
24 ~~service for the direct transactions, the electric utility that provides~~
25 ~~distribution service for the eligible customer-generator is not~~
26 ~~obligated to provide net energy metering or net surplus electricity~~
27 ~~compensation to the customer.~~

28 ~~(2) If a customer participates in direct transactions pursuant to~~
29 ~~paragraph (1) of subdivision (b) of Section 365 with an electric~~
30 ~~service provider, and the customer is an eligible~~
31 ~~customer-generator, the electric utility that provides distribution~~
32 ~~service for the direct transactions may recover from the customer's~~
33 ~~electric service provider the incremental costs of metering and~~
34 ~~billing service related to net energy metering and net surplus~~
35 ~~electricity compensation in an amount set by the ratemaking~~
36 ~~authority.~~

37 ~~(g) Except for the time-variant kilowatthour pricing portion of~~
38 ~~any tariff adopted by the commission pursuant to paragraph (4) of~~
39 ~~subdivision (a) of Section 2851, each net energy metering contract~~
40 ~~or tariff shall be identical, with respect to rate structure, all retail~~

1 rate components, and any monthly charges, to the contract or tariff
2 to which the same customer would be assigned if the customer did
3 not use a renewable electrical generation facility, except that
4 eligible customer-generators shall not be assessed standby charges
5 on the electrical generating capacity or the kilowatthour production
6 of a renewable electrical generation facility. The charges for all
7 retail rate components for eligible customer-generators shall be
8 based exclusively on the customer-generator's net kilowatthour
9 consumption over a 12-month period, without regard to the eligible
10 customer-generator's choice as to from whom it purchases
11 electricity that is not self-generated. Any new or additional demand
12 charge, standby charge, customer charge, minimum monthly
13 charge, interconnection charge, or any other charge that would
14 increase an eligible customer-generator's costs beyond those of
15 other customers who are not eligible customer-generators in the
16 rate class to which the eligible customer-generator would otherwise
17 be assigned if the customer did not own, lease, rent, or otherwise
18 operate a renewable electrical generation facility is contrary to the
19 intent of this section, and shall not form a part of net energy
20 metering contracts or tariffs.

21 (h) For eligible customer-generators, the net energy metering
22 calculation shall be made by measuring the difference between
23 the electricity supplied to the eligible customer-generator and the
24 electricity generated by the eligible customer-generator and fed
25 back to the electrical grid over a 12-month period. The following
26 rules shall apply to the annualized net metering calculation:

27 (1) The eligible residential or small commercial
28 customer-generator, at the end of each 12-month period following
29 the date of final interconnection of the eligible
30 customer-generator's system with an electric utility, and at each
31 anniversary date thereafter, shall be billed for electricity used
32 during that 12-month period. The electric utility shall determine
33 if the eligible residential or small commercial customer-generator
34 was a net consumer or a net surplus customer-generator during
35 that period.

36 (2) At the end of each 12-month period, where the electricity
37 supplied during the period by the electric utility exceeds the
38 electricity generated by the eligible residential or small commercial
39 customer-generator during that same period, the eligible residential
40 or small commercial customer-generator is a net electricity

1 consumer and the electric utility shall be owed compensation for
2 the eligible customer-generator's net kilowatthour consumption
3 over that 12-month period. The compensation owed for the eligible
4 residential or small commercial customer-generator's consumption
5 shall be calculated as follows:

6 (A) For all eligible customer-generators taking service under
7 contracts or tariffs employing "baseline" and "over baseline" rates,
8 any net monthly consumption of electricity shall be calculated
9 according to the terms of the contract or tariff to which the same
10 customer would be assigned to, or be eligible for, if the customer
11 was not an eligible customer-generator. If those same
12 customer-generators are net generators over a billing period, the
13 net kilowatthours generated shall be valued at the same price per
14 kilowatthour as the electric utility would charge for the baseline
15 quantity of electricity during that billing period, and if the number
16 of kilowatthours generated exceeds the baseline quantity, the excess
17 shall be valued at the same price per kilowatthour as the electric
18 utility would charge for electricity over the baseline quantity during
19 that billing period.

20 (B) For all eligible customer-generators taking service under
21 contracts or tariffs employing time-of-use rates, any net monthly
22 consumption of electricity shall be calculated according to the
23 terms of the contract or tariff to which the same customer would
24 be assigned, or be eligible for, if the customer was not an eligible
25 customer-generator. When those same customer-generators are
26 net generators during any discrete time-of-use period, the net
27 kilowatthours produced shall be valued at the same price per
28 kilowatthour as the electric utility would charge for retail
29 kilowatthour sales during that same time-of-use period. If the
30 eligible customer-generator's time-of-use electrical meter is unable
31 to measure the flow of electricity in two directions, paragraph (1)
32 of subdivision (c) shall apply.

33 (C) For all eligible residential and small commercial
34 customer-generators and for each billing period, the net balance
35 of moneys owed to the electric utility for net consumption of
36 electricity or credits owed to the eligible customer-generator for
37 net generation of electricity shall be carried forward as a monetary
38 value until the end of each 12-month period. For all eligible
39 commercial, industrial, and agricultural customer-generators, the
40 net balance of moneys owed shall be paid in accordance with the

1 electric utility's normal billing cycle, except that if the eligible
2 commercial, industrial, or agricultural customer-generator is a net
3 electricity producer over a normal billing cycle, any excess
4 kilowatthours generated during the billing cycle shall be carried
5 over to the following billing period as a monetary value, calculated
6 according to the procedures set forth in this section, and appear as
7 a credit on the eligible commercial, industrial, or agricultural
8 customer-generator's account, until the end of the annual period
9 when paragraph (3) shall apply.

10 (3) At the end of each 12-month period, where the electricity
11 generated by the eligible customer-generator during the 12-month
12 period exceeds the electricity supplied by the electric utility during
13 that same period, the eligible customer-generator is a net surplus
14 customer-generator and the electric utility, upon an affirmative
15 election by the net surplus customer-generator, shall either (A)
16 provide net surplus electricity compensation for any net surplus
17 electricity generated during the prior 12-month period, or (B) allow
18 the net surplus customer-generator to apply the net surplus
19 electricity as a credit for kilowatthours subsequently supplied by
20 the electric utility to the net surplus customer-generator. For an
21 eligible customer-generator that does not affirmatively elect to
22 receive service pursuant to net surplus electricity compensation,
23 the electric utility shall retain any excess kilowatthours generated
24 during the prior 12-month period. The eligible customer-generator
25 not affirmatively electing to receive service pursuant to net surplus
26 electricity compensation shall not be owed any compensation for
27 the net surplus electricity unless the electric utility enters into a
28 purchase agreement with the eligible customer-generator for those
29 excess kilowatthours. Every electric utility shall provide notice to
30 eligible customer-generators that they are eligible to receive net
31 surplus electricity compensation for net surplus electricity, that
32 they must elect to receive net surplus electricity compensation,
33 and that the 12-month period commences when the electric utility
34 receives the eligible customer-generator's election. For an electric
35 utility that is an electrical corporation or electrical cooperative,
36 the commission may adopt requirements for providing notice and
37 the manner by which eligible customer-generators may elect to
38 receive net surplus electricity compensation.

39 (4) (A) An eligible customer-generator with multiple meters
40 may elect to aggregate the electrical load of the meters located on

1 the property where the renewable electrical generation facility is
2 located and on all property adjacent or contiguous to the property
3 on which the renewable electrical generation facility is located, if
4 those properties are solely owned, leased, or rented by the eligible
5 customer-generator. If the eligible customer-generator elects to
6 aggregate the electric load pursuant to this paragraph, the electric
7 utility shall use the aggregated load for the purpose of determining
8 whether an eligible customer-generator is a net consumer or a net
9 surplus customer-generator during a 12-month period.

10 (B) If an eligible customer-generator chooses to aggregate
11 pursuant to subparagraph (A), the eligible customer-generator shall
12 be permanently ineligible to receive net surplus electricity
13 compensation, and the electric utility shall retain any kilowatthours
14 in excess of the eligible customer-generator's aggregated electrical
15 load generated during the 12-month period.

16 (C) If an eligible customer-generator with multiple meters elects
17 to aggregate the electrical load of those meters pursuant to
18 subparagraph (A), and different rate schedules are applicable to
19 service at any of those meters, the electricity generated by the
20 renewable electrical generation facility shall be allocated to each
21 of the meters in proportion to the electrical load served by those
22 meters. For example, if the eligible customer-generator receives
23 electric service through three meters, two meters being at an
24 agricultural rate that each provide service to 25 percent of the
25 customer's total load, and a third meter, at a commercial rate, that
26 provides service to 50 percent of the customer's total load, then
27 50 percent of the electrical generation of the eligible renewable
28 generation facility shall be allocated to the third meter that provides
29 service at the commercial rate and 25 percent of the generation
30 shall be allocated to each of the two meters providing service at
31 the agricultural rate. This proportionate allocation shall be
32 computed each billing period.

33 (D) This paragraph shall not become operative for an electrical
34 corporation unless the commission determines that allowing
35 eligible customer-generators to aggregate their load from multiple
36 meters will not result in an increase in the expected revenue
37 obligations of customers who are not eligible customer-generators.
38 The commission shall make this determination by September 30,
39 2013. In making this determination, the commission shall determine
40 if there are any public purpose or other noncommodity charges

1 that the eligible customer-generators would pay pursuant to the
2 net energy metering program as it exists prior to aggregation, that
3 the eligible customer-generator would not pay if permitted to
4 aggregate the electrical load of multiple meters pursuant to this
5 paragraph.

6 ~~(E) A local publicly owned electric utility or electrical~~
7 ~~cooperative shall only allow eligible customer-generators to~~
8 ~~aggregate their load if the utility's ratemaking authority determines~~
9 ~~that allowing eligible customer-generators to aggregate their load~~
10 ~~from multiple meters will not result in an increase in the expected~~
11 ~~revenue obligations of customers that are not eligible~~
12 ~~customer-generators. The ratemaking authority of a local publicly~~
13 ~~owned electric utility or electrical cooperative shall make this~~
14 ~~determination within 180 days of the first request made by an~~
15 ~~eligible customer-generator to aggregate their load. In making the~~
16 ~~determination, the ratemaking authority shall determine if there~~
17 ~~are any public purpose or other noncommodity charges that the~~
18 ~~eligible customer-generator would pay pursuant to the net energy~~
19 ~~metering or co-energy metering program of the utility as it exists~~
20 ~~prior to aggregation, that the eligible customer-generator would~~
21 ~~not pay if permitted to aggregate the electrical load of multiple~~
22 ~~meters pursuant to this paragraph. If the ratemaking authority~~
23 ~~determines that load aggregation will not cause an incremental~~
24 ~~rate impact on the utility's customers that are not eligible~~
25 ~~customer-generators, the local publicly owned electric utility or~~
26 ~~electrical cooperative shall permit an eligible customer-generator~~
27 ~~to elect to aggregate the electrical load of multiple meters pursuant~~
28 ~~to this paragraph. The ratemaking authority may reconsider any~~
29 ~~determination made pursuant to this subparagraph in a subsequent~~
30 ~~public proceeding.~~

31 ~~(F) For purposes of this paragraph, parcels that are divided by~~
32 ~~a street, highway, or public thoroughfare are considered contiguous,~~
33 ~~provided they are otherwise contiguous and under the same~~
34 ~~ownership.~~

35 ~~(G) An eligible customer-generator may only elect to aggregate~~
36 ~~the electrical load of multiple meters if the renewable electrical~~
37 ~~generation facility, or a combination of those facilities, has a total~~
38 ~~generating capacity of not more than one megawatt.~~

39 ~~(H) Notwithstanding subdivision (g), an eligible~~
40 ~~customer-generator electing to aggregate the electrical load of~~

1 multiple meters pursuant to this subdivision shall remit service
2 charges for the cost of providing billing services to the electric
3 utility that provides service to the meters.

4 (5) (A) ~~The ratemaking authority shall establish a net surplus~~
5 ~~electricity compensation valuation to compensate the net surplus~~
6 ~~customer-generator for the value of net surplus electricity generated~~
7 ~~by the net surplus customer-generator. The commission shall~~
8 ~~establish the valuation in a ratemaking proceeding. The ratemaking~~
9 ~~authority for a local publicly owned electric utility shall establish~~
10 ~~the valuation in a public proceeding. The net surplus electricity~~
11 ~~compensation valuation shall be established so as to provide the~~
12 ~~net surplus customer-generator just and reasonable compensation~~
13 ~~for the value of net surplus electricity, while leaving other~~
14 ~~ratepayers unaffected. The ratemaking authority shall determine~~
15 ~~whether the compensation will include, where appropriate~~
16 ~~justification exists, either or both of the following components:~~

17 (i) ~~The value of the electricity itself.~~

18 (ii) ~~The value of the renewable attributes of the electricity.~~

19 (B) ~~In establishing the rate pursuant to subparagraph (A), the~~
20 ~~ratemaking authority shall ensure that the rate does not result in a~~
21 ~~shifting of costs between eligible customer-generators and other~~
22 ~~bundled service customers.~~

23 (6) (A) ~~Upon adoption of the net surplus electricity~~
24 ~~compensation rate by the ratemaking authority, any renewable~~
25 ~~energy credit, as defined in Section 399.12, for net surplus~~
26 ~~electricity purchased by the electric utility shall belong to the~~
27 ~~electric utility. Any renewable energy credit associated with~~
28 ~~electricity generated by the eligible customer-generator that is~~
29 ~~utilized by the eligible customer-generator shall remain the property~~
30 ~~of the eligible customer-generator.~~

31 (B) ~~Upon adoption of the net surplus electricity compensation~~
32 ~~rate by the ratemaking authority, the net surplus electricity~~
33 ~~purchased by the electric utility shall count toward the electric~~
34 ~~utility's renewables portfolio standard annual procurement targets~~
35 ~~for the purposes of paragraph (1) of subdivision (b) of Section~~
36 ~~399.15, or for a local publicly owned electric utility, the renewables~~
37 ~~portfolio standard annual procurement targets established pursuant~~
38 ~~to Section 399.30.~~

39 (7) ~~The electric utility shall provide every eligible residential~~
40 ~~or small commercial customer-generator with net electricity~~

1 consumption and net surplus electricity generation information
2 with each regular bill. That information shall include the current
3 monetary balance owed the electric utility for net electricity
4 consumed, or the net surplus electricity generated, since the last
5 12-month period ended. Notwithstanding this subdivision, an
6 electric utility shall permit that customer to pay monthly for net
7 energy consumed.

8 (8) If an eligible residential or small commercial
9 customer-generator terminates the customer relationship with the
10 electric utility, the electric utility shall reconcile the eligible
11 customer-generator's consumption and production of electricity
12 during any part of a 12-month period following the last
13 reconciliation, according to the requirements set forth in this
14 subdivision, except that those requirements shall apply only to the
15 months since the most recent 12-month bill.

16 (9) If an electric service provider or electric utility providing
17 net energy metering to a residential or small commercial
18 customer-generator ceases providing that electric service to that
19 customer during any 12-month period, and the customer-generator
20 enters into a new net energy metering contract or tariff with a new
21 electric service provider or electric utility, the 12-month period,
22 with respect to that new electric service provider or electric utility,
23 shall commence on the date on which the new electric service
24 provider or electric utility first supplies electric service to the
25 customer-generator.

26 (i) Notwithstanding any other provisions of this section,
27 paragraphs (1), (2), and (3) shall apply to an eligible
28 customer-generator with a capacity of more than 10 kilowatts, but
29 not exceeding one megawatt, that receives electric service from a
30 local publicly owned electric utility that has elected to utilize a
31 co-energy metering program unless the local publicly owned
32 electric utility chooses to provide service for eligible
33 customer-generators with a capacity of more than 10 kilowatts in
34 accordance with subdivisions (g) and (h):

35 (1) The eligible customer-generator shall be required to utilize
36 a meter, or multiple meters, capable of separately measuring
37 electricity flow in both directions. All meters shall provide
38 time-of-use measurements of electricity flow, and the customer
39 shall take service on a time-of-use rate schedule. If the existing
40 meter of the eligible customer-generator is not a time-of-use meter

1 or is not capable of measuring total flow of electricity in both
2 directions, the eligible customer-generator shall be responsible for
3 all expenses involved in purchasing and installing a meter that is
4 both time-of-use and able to measure total electricity flow in both
5 directions. This subdivision shall not restrict the ability of an
6 eligible customer-generator to utilize any economic incentives
7 provided by a governmental agency or an electric utility to reduce
8 its costs for purchasing and installing a time-of-use meter.

9 (2) The consumption of electricity from the local publicly owned
10 electric utility shall result in a cost to the eligible
11 customer-generator to be priced in accordance with the standard
12 rate charged to the eligible customer-generator in accordance with
13 the rate structure to which the customer would be assigned if the
14 customer did not use a renewable electrical generation facility.
15 The generation of electricity provided to the local publicly owned
16 electric utility shall result in a credit to the eligible
17 customer-generator and shall be priced in accordance with the
18 generation component, established under the applicable structure
19 to which the customer would be assigned if the customer did not
20 use a renewable electrical generation facility.

21 (3) All costs and credits shall be shown on the eligible
22 customer-generator's bill for each billing period. In any months
23 in which the eligible customer-generator has been a net consumer
24 of electricity calculated on the basis of value determined pursuant
25 to paragraph (2), the customer-generator shall owe to the local
26 publicly owned electric utility the balance of electricity costs and
27 credits during that billing period. In any billing period in which
28 the eligible customer-generator has been a net producer of
29 electricity calculated on the basis of value determined pursuant to
30 paragraph (2), the local publicly owned electric utility shall owe
31 to the eligible customer-generator the balance of electricity costs
32 and credits during that billing period. Any net credit to the eligible
33 customer-generator of electricity costs may be carried forward to
34 subsequent billing periods, provided that a local publicly owned
35 electric utility may choose to carry the credit over as a kilowatthour
36 credit consistent with the provisions of any applicable contract or
37 tariff, including any differences attributable to the time of
38 generation of the electricity. At the end of each 12-month period,
39 the local publicly owned electric utility may reduce any net credit
40 due to the eligible customer-generator to zero.

1 (j) ~~A renewable electrical generation facility used by an eligible~~
2 ~~customer-generator shall meet all applicable safety and~~
3 ~~performance standards established by the National Electrical Code,~~
4 ~~the Institute of Electrical and Electronics Engineers, and accredited~~
5 ~~testing laboratories, including Underwriters Laboratories~~
6 ~~Incorporated and, where applicable, rules of the commission~~
7 ~~regarding safety and reliability. A customer-generator whose~~
8 ~~renewable electrical generation facility meets those standards and~~
9 ~~rules shall not be required to install additional controls, perform~~
10 ~~or pay for additional tests, or purchase additional liability~~
11 ~~insurance.~~

12 (k) ~~If the commission determines that there are cost or revenue~~
13 ~~obligations for an electrical corporation that may not be recovered~~
14 ~~from customer-generators acting pursuant to this section, those~~
15 ~~obligations shall remain within the customer class from which any~~
16 ~~shortfall occurred and shall not be shifted to any other customer~~
17 ~~class. Net energy metering and co-energy metering customers shall~~
18 ~~not be exempt from the public goods charges imposed pursuant to~~
19 ~~Article 7 (commencing with Section 381), Article 8 (commencing~~
20 ~~with Section 385), or Article 15 (commencing with Section 399)~~
21 ~~of Chapter 2.3 of Part 1.~~

22 (l) ~~A net energy metering, co-energy metering, or wind energy~~
23 ~~co-metering customer shall reimburse the Department of Water~~
24 ~~Resources for all charges that would otherwise be imposed on the~~
25 ~~customer by the commission to recover bond-related costs pursuant~~
26 ~~to an agreement between the commission and the Department of~~
27 ~~Water Resources pursuant to Section 80110 of the Water Code,~~
28 ~~as well as the costs of the department equal to the share of the~~
29 ~~department's estimated net unavoidable power purchase contract~~
30 ~~costs attributable to the customer. The commission shall~~
31 ~~incorporate the determination into an existing proceeding before~~
32 ~~the commission, and shall ensure that the charges are~~
33 ~~nonbypassable. Until the commission has made a determination~~
34 ~~regarding the nonbypassable charges, net energy metering,~~
35 ~~co-energy metering, and wind energy co-metering shall continue~~
36 ~~under the same rules, procedures, terms, and conditions as were~~
37 ~~applicable on December 31, 2002.~~

38 (m) ~~In implementing the requirements of subdivisions (k) and~~
39 ~~(l), an eligible customer-generator shall not be required to replace~~
40 ~~its existing meter except as set forth in paragraph (1) of subdivision~~

1 (c), nor shall the electric utility require additional measurement of
2 usage beyond that which is necessary for customers in the same
3 rate class as the eligible customer-generator.

4 ~~(n) It is the intent of the Legislature that the Treasurer~~
5 ~~incorporate net energy metering, including net surplus electricity~~
6 ~~compensation, co-energy metering, and wind energy co-metering~~
7 ~~projects undertaken pursuant to this section as sustainable building~~
8 ~~methods or distributive energy technologies for purposes of~~
9 ~~evaluating low-income housing projects.~~

10 *SEC. 6. No reimbursement is required by this act pursuant to*
11 *Section 6 of Article XIII B of the California Constitution because*
12 *the only costs that may be incurred by a local agency or school*
13 *district will be incurred because this act creates a new crime or*
14 *infraction, eliminates a crime or infraction, or changes the penalty*
15 *for a crime or infraction, within the meaning of Section 17556 of*
16 *the Government Code, or changes the definition of a crime within*
17 *the meaning of Section 6 of Article XIII B of the California*
18 *Constitution.*

19 *SEC. 7. This act is an urgency statute necessary for the*
20 *immediate preservation of the public peace, health, or safety within*
21 *the meaning of Article IV of the Constitution and shall go into*
22 *immediate effect. The facts constituting the necessity are:*

23 *In order to ensure that persons qualifying for the lifeline program*
24 *have access to the lifeline program and alternative voice*
25 *communication technologies necessary to live in a modern society,*
26 *including the ability to communicate with social services and first*
27 *responders, and to ensure that a telecommunications provider can*
28 *provide those services, it is necessary to the health and safety of*
29 *the state that this act take effect immediately.*