

AMENDED IN ASSEMBLY JUNE 30, 2008

AMENDED IN ASSEMBLY MAY 29, 2008

**SENATE BILL**

**No. 380**

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**Introduced by Senator Kehoe**

February 21, 2007

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

LEGISLATIVE COUNSEL'S DIGEST

SB 380, as amended, Kehoe. Renewable energy resources.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, as defined. Existing law requires every electrical corporation to file with the commission a standard tariff for electricity generated by an electric generation facility, as defined, that is an eligible renewable energy resource with an effective capacity of not more than one megawatt, is located on property owned or under the control of a public water or wastewater agency, *is sized to offset part or all of the electricity demand of the public water or wastewater agency*, and meets other deliverability, ~~sizing~~, and interconnection requirements. The tariff is required to provide for payment for every kilowatthour of electricity generated by the electric generation facility at a market price determined by the commission pursuant to a specified law, for a period of 10, 15, or 20 years. Existing law requires the electrical corporation to make this tariff available to public water or wastewater agencies that own and operate an electric generation facility within the service territory of the electrical corporation, upon request, on a first-come-first-served basis, until the combined statewide cumulative rated generating capacity of those electric generation facilities equals 250 megawatts, or the electrical

corporation meets its proportionate share of the 250 megawatt limit based upon the ratio of its peak demand to total statewide peak demand of all electrical corporations. Existing law authorizes the commission to extend availability of the tariff to electric generation facilities not larger than 1.5 megawatts that otherwise comply with the above-described requirements.

This bill would instead require every electrical corporation to file with the commission a standard tariff for electricity generated by an electric generation facility with an effective capacity of not more than 1.5 megawatts, *that* is located on property owned or under the control of a customer, and *that* meets other deliverability, ~~sizing~~, and interconnection requirements. The bill would require the electrical corporation to make this tariff available to customers that own and operate an electric generation facility within the service territory of the electrical corporation, upon request, on a first-come-first-served basis, until the combined statewide cumulative rated generating capacity of those electric generation facilities equals 500 megawatts, or the electrical corporation meets its proportionate share of the 500 megawatt limit based upon the ratio of its peak demand to total statewide peak demand of all electrical corporations. The bill would authorize the commission to modify or adjust the above-described requirements for any electrical corporation with less than 100,000 service connections, as individual circumstances merit.

Under existing law, a violation of the Public Utilities Act or an order or direction of the commission is a crime. Because this bill would require an order or other action of the commission to implement its provisions and a violation of that order or action would be a crime, the bill would impose a state-mandated local program by creating a new 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.

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 399.20 of the Public Utilities Code is
- 2 amended to read:

1 399.20. (a) It is the policy of this state and the intent of the  
2 Legislature to encourage energy production from renewable energy  
3 resources.

4 (b) As used in this section, “electric generation facility” means  
5 an electric generation facility, owned and operated by a retail  
6 customer of an electrical corporation, and that meets all of the  
7 following criteria:

8 (1) Has an effective capacity of not more than one and one-half  
9 megawatts and is located on property owned or under the control  
10 of the customer.

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

13 ~~(3) Is sized to offset part or all of the electricity demand of the~~  
14 ~~customer.~~

15 ~~(4)~~

16 (3) Is strategically located and interconnected to the electric  
17 transmission system in a manner that optimizes the deliverability  
18 of electricity generated at the facility to load centers.

19 ~~(5)~~

20 (4) Is an eligible renewable energy resource, as defined in  
21 Section 399.12.

22 (c) Every electrical corporation shall file with the commission  
23 a standard tariff for electricity generated by an electric generation  
24 facility.

25 (d) The tariff shall provide for payment for every kilowatthour  
26 of electricity generated by an electric generation facility at the  
27 market price as determined by the commission pursuant to Section  
28 399.15 for a period of 10, 15, or 20 years, as authorized by the  
29 commission.

30 (e) Every electrical corporation shall make this tariff available  
31 to customers that own and operate an electric generation facility  
32 within the service territory of the electrical corporation, upon  
33 request, on a first-come-first-served basis, until the combined  
34 statewide cumulative rated generating capacity of those electric  
35 generation facilities equals 500 megawatts. An electrical  
36 corporation may make the terms of the tariff available to customers  
37 in the form of a standard contract subject to commission approval.  
38 Each electrical corporation shall only be required to offer service  
39 or contracts under this section until that electrical corporation  
40 meets its proportionate share of the 500 megawatts based on the

1 ratio of its peak demand to the total statewide peak demand of all  
2 electrical corporations.

3 (f) Every kilowatthour of electricity generated by the electric  
4 generation facility shall count toward the electrical corporation's  
5 renewables portfolio standard annual procurement targets for  
6 purposes of paragraph (1) of subdivision (b) of Section 399.15.

7 (g) The physical generating capacity of an electric generation  
8 facility shall count toward the electrical corporation's resource  
9 adequacy requirement for purposes of Section 380.

10 (h) The commission may modify or adjust the requirements of  
11 this section for any electrical corporation with less than 100,000  
12 service connections, as individual circumstances merit.

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