

AMENDED IN ASSEMBLY MARCH 21, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1014

Introduced by Assembly Member Williams
(Coauthor: Senator Wolk)

February 22, 2013

~~An act to relating to energy.~~ *An act to amend Section 25019 of the Corporations Code, and to amend Sections 216 and 218 of, 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

AB 1014, as amended, Williams. ~~Energy: Investor owned utilities.~~
Energy: electrical corporations: Shared 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 benefitting 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 benefitting account.

This bill would repeal the local government renewable energy self-generation program and enact the Shared 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 shared 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.

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

(2) 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.

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

This bill would repeal these provisions relating to the City of Davis, but would require a shared renewable energy facility to either be the PVUSA facility or a newly constructed renewable facility constructed pursuant to the Shared Renewable Energy Self-Generation Program that begins commercial operation on or after January 1, 2014.

(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.

~~Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations. Existing law also authorizes the commission to establish rules for all public utilities, subject to control by the Legislature.~~

~~This bill would state the intent of the Legislature enact legislation to establish a shared renewable energy program to expand the ability of customers to control their energy future.~~

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

1 temporary or interim certificate for, receipt for, guarantee of, or
 2 warrant or right to subscribe to or purchase, any of the foregoing.
 3 All of the foregoing are securities whether or not evidenced by a
 4 written document. ~~“Security” does not include: (1) any beneficial
 5 interest in any voluntary inter vivos trust which is not created for
 6 the purpose of carrying on any business or solely for the purpose
 7 of voting, or (2) any beneficial interest in any testamentary trust,
 8 or (3) any insurance or endowment policy or annuity contract under
 9 which an insurance company admitted in this state promises to
 10 pay a sum of money (whether or not based upon the investment
 11 performance of a segregated fund) either in a lump sum or
 12 periodically for life or some other specified period, or (4) any
 13 franchise subject to registration under the Franchise Investment
 14 Law (Division 5 (commencing with Section 31000)), or exempted
 15 from registration by Section 31100 or 31101.~~

16 *(b) “Security” does not include: (1) any beneficial interest in
 17 any voluntary inter vivos trust which is not created for the purpose
 18 of carrying on any business or solely for the purpose of voting, or
 19 (2) any beneficial interest in any testamentary trust, or (3) any
 20 insurance or endowment policy or annuity contract under which
 21 an insurance company admitted in this state promises to pay a
 22 sum of money (whether or not based upon the investment
 23 performance of a segregated fund) either in a lump sum or
 24 periodically for life or some other specified period, or (4) any
 25 franchise subject to registration under the Franchise Investment
 26 Law (Division 5 (commencing with Section 31000)), or exempted
 27 from registration by Section 31100 or 31101, or (5) any right to
 28 a bill credit or interest of a participant in a community renewable
 29 energy facility pursuant to Chapter 7.5 (commencing with Section
 30 2830) of Part 2 of Division 1 of the Public Utilities Code.*

31 *SEC. 2. Section 216 of the Public Utilities Code is amended*
 32 *to read:*

33 216. (a) “Public utility” includes every common carrier, toll
 34 bridge corporation, pipeline corporation, gas corporation, electrical
 35 corporation, telephone corporation, telegraph corporation, water
 36 corporation, sewer system corporation, and heat corporation, where
 37 the service is performed for, or the commodity is delivered to, the
 38 public or any portion thereof.

39 (b) Whenever any common carrier, toll bridge corporation,
 40 pipeline corporation, gas corporation, electrical corporation,

1 telephone corporation, telegraph corporation, water corporation,
2 sewer system corporation, or heat corporation performs a service
3 for, or delivers a commodity to, the public or any portion thereof
4 for which any compensation or payment whatsoever is received,
5 that common carrier, toll bridge corporation, pipeline corporation,
6 gas corporation, electrical corporation, telephone corporation,
7 telegraph corporation, water corporation, sewer system corporation,
8 or heat corporation, is a public utility subject to the jurisdiction,
9 control, and regulation of the commission and the provisions of
10 this part.

11 (c) When any person or corporation performs any service for,
12 or delivers any commodity to, any person, private corporation,
13 municipality, or other political subdivision of the state, that in turn
14 either directly or indirectly, mediately or immediately, performs
15 that service for, or delivers that commodity to, the public or any
16 portion thereof, that person or corporation is a public utility subject
17 to the jurisdiction, control, and regulation of the commission and
18 the provisions of this part.

19 (d) Ownership or operation of a facility that employs
20 cogeneration technology or produces power from other than a
21 conventional power source or the ownership or operation of a
22 facility which employs landfill gas technology does not make a
23 corporation or person a public utility within the meaning of this
24 section solely because of the ownership or operation of that facility.

25 (e) Any corporation or person engaged directly or indirectly in
26 developing, producing, transmitting, distributing, delivering, or
27 selling any form of heat derived from geothermal or solar resources
28 or from cogeneration technology to any privately owned or publicly
29 owned public utility, or to the public or any portion thereof, is not
30 a public utility within the meaning of this section solely by reason
31 of engaging in any of those activities.

32 (f) The ownership or operation of a facility that sells compressed
33 natural gas at retail to the public for use only as a motor vehicle
34 fuel, and the selling of compressed natural gas at retail from that
35 facility to the public for use only as a motor vehicle fuel, does not
36 make the corporation or person a public utility within the meaning
37 of this section solely because of that ownership, operation, or sale.

38 (g) Ownership or operation of a facility that is an exempt
39 wholesale generator, as defined in the Public Utility Holding
40 Company Act of 2005 (42 U.S.C. Sec. 16451(6)), does not make

1 a corporation or person a public utility within the meaning of this
2 section, solely due to the ownership or operation of that facility.

3 (h) The ownership, control, operation, or management of an
4 electric plant used for direct transactions or participation directly
5 or indirectly in direct transactions, as permitted by subdivision (b)
6 of Section 365, sales into a market established and operated by the
7 Independent System Operator or any other wholesale electricity
8 market, or the use or sale as permitted under subdivisions (b) to
9 (d), inclusive, of Section 218, shall not make a corporation or
10 person a public utility within the meaning of this section solely
11 because of that ownership, participation, or sale.

12 (i) The ownership, control, operation, or management of a
13 facility that supplies electricity to the public only for use to charge
14 light duty plug-in electric vehicles does not make the corporation
15 or person a public utility within the meaning of this section solely
16 because of that ownership, control, operation, or management. For
17 purposes of this subdivision, “light duty plug-in electric vehicles”
18 includes light duty battery electric and plug-in hybrid electric
19 vehicles. This subdivision does not affect the commission’s
20 authority under Section 454 or 740.2 or any other applicable statute.

21 (j) *A corporation or person engaged directly or indirectly in*
22 *developing, owning, producing, delivering, participating in, or*
23 *selling interests in a shared renewable energy facility pursuant to*
24 *Chapter 7.5 (commencing with Section 2830) of Part 2, is not a*
25 *public utility within the meaning of this section solely by reason*
26 *of engaging in any of those activities.*

27 *SEC. 3. Section 218 of the Public Utilities Code is amended*
28 *to read:*

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

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

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

1 (2) The use of or sale to not more than two other corporations
2 or persons solely for use on the real property on which the
3 electricity is generated or on real property immediately adjacent
4 thereto, unless there is an intervening public street constituting the
5 boundary between the real property on which the electricity is
6 generated and the immediately adjacent property and one or more
7 of the following applies:

8 (A) The real property on which the electricity is generated and
9 the immediately adjacent real property is not under common
10 ownership or control, or that common ownership or control was
11 gained solely for purposes of sale of the electricity so generated
12 and not for other business purposes.

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

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

19 (3) Sale or transmission to an electrical corporation or state or
20 local public agency, but not for sale or transmission to others,
21 unless the corporation or person is otherwise an electrical
22 corporation.

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

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

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

31 (3) Sale or transmission to an electrical corporation or state or
32 local public agency.

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

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

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

1 (3) Sale or transmission to an electrical corporation or state or
2 local public agency, if the sale or transmission of the electricity
3 service to a retail customer is provided through the transmission
4 system of the existing local publicly owned electric utility or
5 electrical corporation of that retail customer.

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

9 (f) The amendments made to this section at the 1987 portion of
10 the 1987–88 Regular Session of the Legislature do not apply to
11 any corporation or person employing cogeneration technology or
12 producing power from other than a conventional power source for
13 the generation of electricity that physically produced electricity
14 prior to January 1, 1989, and furnished that electricity to
15 immediately adjacent real property for use thereon prior to January
16 1, 1989.

17 (g) *A corporation or person engaged directly or indirectly in*
18 *developing, owning, producing, delivering, participating in, or*
19 *selling interests in, a shared renewable energy facility pursuant*
20 *to Chapter 7.5 (commencing with Section 2830) of Part 2, is not*
21 *an electrical corporation within the meaning of this section solely*
22 *by reason of engaging in any of those activities.*

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

24 ~~2826.5.—(a) As used in this section, the following terms have~~
25 ~~the following meanings:~~

26 (1) ~~“Benefiting account” means an electricity account, or more~~
27 ~~than one account, mutually agreed upon by Pacific Gas and Electric~~
28 ~~Company and the City of Davis.~~

29 (2) ~~“Bill credit” means credits calculated based upon the~~
30 ~~electricity generation component of the rate schedule applicable~~
31 ~~to a benefiting account, as applied to the net metered quantities of~~
32 ~~electricity.~~

33 (3) ~~“PVUSA” means the photovoltaic electricity generation~~
34 ~~facility selected by the City of Davis, located at 24662 County~~
35 ~~Road, Davis, California, with a rated peak electricity generation~~
36 ~~capacity of 600 kilowatts, and as it may be expanded, not to exceed~~
37 ~~one megawatt of peak generation capacity.~~

38 (4) ~~“Net metered” means the electricity output from the PVUSA.~~

39 (5) ~~“Environmental attributes” associated with the PVUSA~~
40 ~~include, but are not limited to, the credits, benefits, emissions~~

1 ~~reductions, environmental air quality credits, and emissions~~
2 ~~reduction credits, offsets, and allowances, however entitled~~
3 ~~resulting from the avoidance of the emission of any gas, chemical,~~
4 ~~or other substance attributable to the PVUSA.~~

5 ~~(b) The City of Davis may elect to designate a benefiting~~
6 ~~account, or more than one account, to receive bill credit for the~~
7 ~~electricity generated by the PVUSA, if all of the following~~
8 ~~conditions are met:~~

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

11 ~~(2) The electricity output of the PVUSA is metered for time of~~
12 ~~use to allow allocation of each bill credit to correspond to the~~
13 ~~time-of-use period of a benefiting account.~~

14 ~~(3) All costs associated with the metering requirements of~~
15 ~~paragraphs (1) and (2) are the responsibility of the City of Davis.~~

16 ~~(4) All electricity delivered to the electrical grid by the PVUSA~~
17 ~~is the property of Pacific Gas and Electric Company.~~

18 ~~(5) PVUSA does not sell electricity delivered to the electrical~~
19 ~~grid to a third party.~~

20 ~~(6) The right, title, and interest in the environmental attributes~~
21 ~~associated with the electricity delivered to the electrical grid by~~
22 ~~the PVUSA are the property of Nuon Renewable Ventures USA,~~
23 ~~LLC.~~

24 ~~(e) A benefiting account shall be billed on a monthly basis, as~~
25 ~~follows:~~

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

32 ~~(2) The rate schedule for the benefiting account shall also~~
33 ~~provide credit for the generation component of the time-of-use~~
34 ~~rates for the electricity generated by the PVUSA that is delivered~~
35 ~~to the electrical grid. The generation component credited to the~~
36 ~~benefiting account may not include the surcharge, exit fee, or other~~
37 ~~cost recovery mechanism, as determined by the commission, to~~
38 ~~reimburse the Department of Water Resources for purchases of~~
39 ~~electricity, pursuant to Division 27 (commencing with Section~~
40 ~~80000) of the Water Code.~~

1 ~~(3) If in any billing cycle, the charge pursuant to paragraph (1)~~
2 ~~for electricity usage exceeds the billing credit pursuant to paragraph~~
3 ~~(2), the City of Davis shall be charged for the difference.~~

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

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

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

19 ~~(e) Pacific Gas and Electric Company shall file an advice letter~~
20 ~~with the Public Utilities Commission, that complies with this~~
21 ~~section, not later than 10 days after the effective date of this section,~~
22 ~~proposing a rate tariff for a benefiting account. The commission,~~
23 ~~within 30 days of the date of filing, shall approve the proposed~~
24 ~~tariff, or specify conforming changes to be made by Pacific Gas~~
25 ~~and Electric Company to be filed in a new advice letter.~~

26 ~~(f) The City of Davis may terminate its election pursuant to~~
27 ~~subdivision (b), upon providing Pacific Gas and Electric Company~~
28 ~~with a minimum of 60 days notice. Should the City of Davis sell~~
29 ~~its interest in the PVUSA, or sell the electricity generated by the~~
30 ~~PVUSA, in a manner other than required by this section, upon the~~
31 ~~date of either event, and the earliest date if both events occur, no~~
32 ~~further bill credit pursuant to paragraph (2) of subdivision (b) may~~
33 ~~be earned. Only credit earned prior to that date shall be made to a~~
34 ~~benefiting account.~~

35 ~~(g) The Legislature finds and declares that credit for a benefiting~~
36 ~~account for the electricity output from the PVUSA are in the public~~
37 ~~interest in order to value the production of this unique, wholly~~
38 ~~renewable resource electricity generation facility located in, and~~
39 ~~owned in part by, the City of Davis. Because of the unique~~
40 ~~circumstances applicable only to the PVUSA a statute of general~~

1 applicability cannot be enacted within the meaning of subdivision
2 (b) of Section 16 of Article IV of the California Constitution.
3 Therefore, this special statute is necessary.

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

6 *SEC. 6. Chapter 7.5 (commencing with Section 2830) is added*
7 *to Part 2 of Division 1 of the Public Utilities Code, to read:*

8
9 *CHAPTER 7.5. SHARED RENEWABLE ENERGY SELF-GENERATION*
10 *PROGRAM*

11
12 *2830. The Legislature finds and declares all of the following:*

13 *(a) The creation of renewable energy within California provides*
14 *significant financial, health, environmental, and workforce benefits*
15 *to the state of California.*

16 *(b) The California Solar Initiative has been extremely successful,*
17 *resulting in over 140,000 residential and commercial onsite*
18 *installations of solar energy systems. However, it cannot reach all*
19 *residents and businesses that want to participate and is limited to*
20 *solar. The Shared Renewable Energy Self-Generation Program*
21 *seeks to build on this success by expanding access to renewable*
22 *energy resources to all ratepayers who are currently unable to*
23 *access the benefits of onsite generation.*

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

38 *(d) Properly designed, shared renewable energy programs can*
39 *provide access and cost savings to underserved communities, such*

1 as low- to moderate-income residents, and residential and
2 commercial renters, while not shifting costs to nonbeneficiaries.

3 (e) While municipal utilities already have the authority to create
4 their own shared renewable energy programs, only an act of the
5 Legislature can empower the vast majority of California residents
6 to be able to enjoy the significant benefits of shared renewable
7 energy systems, while the state benefits from avoided transmission
8 and distribution upgrades, avoided line loss, and cleaner air and
9 water.

10 (f) Public institutions will benefit from the Shared Renewable
11 Energy Self-Generation Program's enhanced flexibility to
12 participate in shared renewable energy facilities. Electricity usage
13 is one of the most significant cost pressures facing public
14 institutions at a time when they have been forced to cut essential
15 programs, increase classroom sizes, and lay off teachers. Schools
16 may use the savings for restoring funds for salaries, facility
17 maintenance, and other budgetary needs.

18 (g) Shared renewable energy self-generation creates jobs,
19 reduces emissions of greenhouse gases, and promotes energy
20 independence.

21 (h) Many large energy users in California have pursued onsite
22 renewable energy generation, but cannot achieve their goals due
23 to rooftop or land space limitations, or size limits on net metering.
24 The enactment of this chapter will create a mechanism whereby
25 institutional customers such as military installations, universities,
26 and local governments, as well as commercial customers and
27 groups of individuals, can efficiently invest in generating electricity
28 from renewable generation.

29 (i) Therefore, it is the intent of the legislature that this program
30 be implemented in such a manner as to create a large, sustainable
31 market for the purchase of an interest in offsite renewable
32 generation, while fairly compensating electrical corporations for
33 the services they provide.

34 (j) It is the further intent of the Legislature to preserve a
35 thriving, sustainable agricultural industry, and to ensure that the
36 development of renewable energy does not remove prime farmland
37 from productive use without a comprehensive public review
38 process.

39 (k) It is further the intent of the Legislature that the commission
40 minimize the rate impact the Shared Renewable Energy

1 *Self-Generation Program has on nonbeneficiaries, with a goal of*
2 *ratepayer indifference. To the extent that the program imposes*
3 *incremental increases in rates, the commission shall determine*
4 *the appropriate way to allocate costs, which may include equitable*
5 *allocation of costs to all customers on a nonbypassable basis.*

6 2832. *As used in this chapter, the following terms have the*
7 *following meanings:*

8 (a) *“Benefitting account” means one or more electricity*
9 *accounts designated to receive a bill credit pursuant to Section*
10 *2834 and mutually agreed upon by the facility provider and an*
11 *electrical corporation.*

12 (b) *“Bill credit” means an amount of money credited each*
13 *month, or in an otherwise applicable billing period, to one or more*
14 *benefitting accounts based on the amount of the electrical output*
15 *of a shared renewable energy facility that is assigned to the*
16 *account pursuant to the methodology described in Section 2834.*

17 (c) *“Default load aggregation point price” means a*
18 *commission-determined day-ahead price for electricity.*

19 (d) *“Energy component” means the generation portion of a*
20 *customer’s otherwise applicable tariff and any other portion of*
21 *the customer’s charges that the commission determines may be*
22 *appropriate to offset without resulting in a net cost shift to*
23 *nonbeneficiaries.*

24 (e) *“Facility rate” means the per kilowatthour rate assigned to*
25 *each facility built under the program, used to calculate the bill*
26 *credit pursuant to the method described in subparagraph (A) of*
27 *paragraph (7) of subdivision (a) of Section 2834.*

28 (f) *“Interest” means a direct or indirect ownership, lease,*
29 *subscription, or financing interest in a shared renewable energy*
30 *facility that enables the participant to receive a bill credit for a*
31 *retail account with the electrical corporation.*

32 (g) *“Local government” means a city, county, city and county,*
33 *special district, school district, public water district, public*
34 *irrigation district, county office of education, political subdivision,*
35 *or other local governmental entity. For the purposes of this*
36 *chapter, “water district” has the same meaning as defined in*
37 *Section 20200 of the Water Code, and “irrigation district” means*
38 *an entity formed pursuant to the Irrigation District Law set forth*
39 *in Division 11 (commencing with Section 20500) of the Water*
40 *Code.*

- 1 (h) “Participant” means a retail customer of an electrical
 2 corporation who owns, leases, finances, or subscribes to an interest
 3 in a shared renewable energy facility and who has designated one
 4 or more of its own retail accounts as a benefitting account to which
 5 the interest shall be attributed.
- 6 (i) “Participant account” means a retail customer account with
 7 an electrical corporation to which a participant’s interest in a
 8 shared renewable energy facility shall be attributed.
- 9 (j) “Provider” means any entity whose purpose is to beneficially
 10 own or operate a shared renewable energy facility for the
 11 participants or owners of that facility, or to market an interest in
 12 the facility.
- 13 (k) “Program” means the Shared Renewable Energy
 14 Self-Generation Program established pursuant to this chapter.
- 15 (l) “Project” means the cumulative activities to build and make
 16 operational a shared renewable energy facility.
- 17 (m) “Renewable energy credit” has the same meaning as defined
 18 in Section 399.12.
- 19 (n) “Shared renewable energy facility” means a facility for the
 20 generation of electricity that meets all of the following
 21 requirements:
- 22 (1) Has a nameplate generating capacity of no more than 20
 23 megawatts of alternating current.
 - 24 (2) Is an eligible renewable energy resource pursuant to the
 25 California Renewables Portfolio Standard Program (Article 16
 26 commencing with Section 399.11) of Chapter 2.3 of Part 1).
 - 27 (3) Has its electrical output measured by a production meter
 28 owned by the electrical corporation, that meets the tariff
 29 requirements of the electrical corporation and the Independent
 30 System Operator, and that independently measures the electricity
 31 delivered to the grid by the facility.
 - 32 (4) Is located within the service territory of a California
 33 electrical corporation.
 - 34 (5) Has been interconnected with the electrical grid in
 35 compliance with the tariffs of the applicable interconnection
 36 authority.
 - 37 (6) Is either the PVUSA facility, meaning the photovoltaic
 38 electricity generation facility selected by the City of Davis and
 39 located at 24662 County Road, Davis, California, or is a newly

1 *constructed renewable facility constructed pursuant to this chapter,*
2 *beginning commercial operation on or after January 1, 2014.*

3 (7) *The provider has, where applicable, complied with all*
4 *program rules and written notice procedures that may be required*
5 *by the commission.*

6 2834. (a) (1) *A retail customer of an electrical corporation*
7 *having 100,000 or more service connections within the state may*
8 *acquire an interest in a shared renewable energy facility for the*
9 *purpose of becoming a participant and shall designate one or more*
10 *benefitting accounts to which the interest shall be attributed.*

11 (2) *To be eligible to be designated as a benefitting account, the*
12 *account shall be for service to premises located within the*
13 *geographical boundaries of the service territory of the electrical*
14 *corporation containing the shared renewable energy facility.*

15 (3) *The participating customer's bill credit may be used to offset*
16 *all or a portion of the energy component of that customer's*
17 *electrical service, as provided in this chapter and in accordance*
18 *with those rules that the commission may adopt.*

19 (4) *A participant shall not acquire an interest in a shared*
20 *renewable energy facility that represents more than two megawatts*
21 *of generating capacity or the equivalent amount, as denominated*
22 *in kilowatt hours of energy. This limitation does not apply to a*
23 *federal, state, or local government, school, school district, county*
24 *office of education, the California Community Colleges, the*
25 *California State University, or the University of California.*

26 (b) *The commission shall establish a facility rate for all shared*
27 *renewable energy facilities, as follows:*

28 (1) *The commission shall undertake a comprehensive analysis*
29 *of the costs and benefits associated with shared renewable energy*
30 *generation to determine a facility rate for all facilities participating*
31 *in the program that shall be based on the full value that the shared*
32 *renewable energy generation provides. No later than December*
33 *31, 2014, the commission shall adopt a methodology to calculate*
34 *a facility rate for shared renewable energy.*

35 (2) *In order to ensure that the program becomes effective on*
36 *January 1, 2014, an interim facility rate shall be set at the market*
37 *price referent, as currently determined by the commission.*

38 (3) *The facility rate shall be set annually as a price per*
39 *kilowatthour of electricity and shall be applied at the time the*
40 *provider receives an award of capacity. Once established, a facility*

1 rate shall be applicable to that facility for the operational life of
2 the facility, except as allowed in paragraph (1) of subdivision (c).

3 (4) The commission shall publish tariffs applicable to all
4 participants per electrical corporation, as necessary, no later than
5 90 days following the addition of this section.

6 (5) Any subsequent facility or a subsequent expansion of a
7 facility placed in service on or after the initial award of rated
8 generating capacity pursuant to paragraph (3) that results in an
9 increase in the facility's capacity to produce electricity shall be
10 subject to the facility rate in effect on the date the provider applied
11 for an award of rated generating capacity for the subsequent
12 facility or increase in the facility's capacity.

13 (6) The electrical corporation shall assign a monthly bill credit
14 equal to the facility rate for each kilowatt hour of energy received
15 to the benefitting account, as directed by the provider. The bill
16 credit shall be applied to the energy component of the benefitting
17 account.

18 (c) (1) The commission may revise the methodology for
19 calculating facility rates at any time that it concludes that the
20 existing mechanism does not provide program participants with
21 the fair value of electricity and other benefits produced by the
22 shared renewable energy facility or overvalues the benefits to
23 nonparticipating customers of the electrical corporation for the
24 electricity generated by a shared renewable energy facility. Any
25 revision to the methodology for calculating the facility rate shall
26 apply to all new program capacity and shall also apply to existing
27 program capacity provided the change results in an increase to
28 the facility rate.

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

1 *credit*” and *“renewables portfolio standard”* have the same
2 meanings as defined in Section 399.12.

3 (3) *For energy that is unallocated to a benefitting account*
4 *during the previous billing period, the recipient electrical*
5 *corporation shall pay the provider the current default load*
6 *aggregation point price plus the renewable energy credit value*
7 *and receive any renewable energy credits associated with that*
8 *energy.*

9 (d) (1) *A pilot program of 1000 megawatts of alternating*
10 *current rated nameplate generating capacity of shared renewable*
11 *energy facilities shall be made available during the 18-month*
12 *period beginning January 1, 2014, and ending July, 1 2015. Each*
13 *electrical corporation’s proportionate share of the program’s total*
14 *capacity shall be calculated based on the ratio of the electrical*
15 *corporation’s peak demand compared to the total statewide peak*
16 *demand.*

17 (2) *On or before March 1, 2014, each electrical corporation*
18 *shall submit a proposal to the commission for how to allocate the*
19 *initial available capacity. Within 60 days of receipt of these*
20 *proposals, the commission shall adopt rules for the allocation of*
21 *the initial available capacity amongst the electrical corporations*
22 *and to establish a transparent process for evaluating and ranking*
23 *applications for shared renewable energy facility projects and*
24 *awarding the initial capacity to those projects.*

25 (3) *Of the initial pilot program capacity:*

26 (A) *Twenty percent shall be reserved for projects of a size no*
27 *greater than one megawatt of alternating current, constructed in*
28 *areas previously identified by the California Environmental*
29 *Protection Agency as the most impacted and disadvantaged*
30 *communities for opportunities related to this chapter. These*
31 *communities shall be identified as census tracts that are identified*
32 *within the top 20 percent of results from the best available*
33 *cumulative impact screening methodology by considering the*
34 *following categories:*

35 (i) *Areas disproportionately affected by environmental pollution*
36 *and other hazards that can lead to negative public health effects,*
37 *exposure, or environmental degradation.*

38 (ii) *Areas with socioeconomic vulnerability.*

39 (B) *Twenty percent shall be reserved for initial subscription by*
40 *residential customers.*

1 (4) *No shared renewable energy facilities under this program*
2 *may be sited on lands that have held, within the previous five years,*
3 *a land use designation of prime farmland as defined by the*
4 *Department of Conservation’s Farmland Mapping and Monitoring*
5 *Program pursuant to Section 65570 of the Government Code,*
6 *except when the designation has been reclassified to one congruent*
7 *to the use of the site for the purposes of this chapter by either the*
8 *Farmland Mapping and Monitoring Program, or via a public*
9 *process conducted by the relevant local land use management*
10 *planning authority.*

11 (e) *Each electrical corporation shall make awards allocating*
12 *rated generating capacity pursuant to the program in the following*
13 *manner:*

14 (1) (A) *Each electrical corporation shall, by March 1, 2014,*
15 *submit a proposed standard contract with providers for commission*
16 *approval. The commission shall utilize the Tier 2 advice letter*
17 *procedure for approval of a standard contract submitted by an*
18 *electrical corporation.*

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

26 (2) *A provider wishing to build a shared renewable energy*
27 *facility shall remit a nonrefundable administrative fee of one dollar*
28 *and fifty cents (\$1.50) per kilowatt of rated generating capacity*
29 *to the electrical corporation with its application for an allocation*
30 *of capacity. At any time, the commission shall have the authority*
31 *to modify the rated generating capacity allocation mechanism,*
32 *including, but not limited to, creating project ranking criteria,*
33 *setting deposit requirements, and creating an award allocation*
34 *methodology for prospective projects.*

35 (3) *A provider shall meet the following benchmarks and*
36 *timelines for construction and operation of a shared renewable*
37 *energy facility. Failure to do so shall result in the provider*
38 *forfeiting the rated generating capacity awarded to it.*

39 (A) *The provider shall issue an unrestricted notice to proceed*
40 *with construction of the shared renewable energy facility within*

1 180 days of the provider receiving an award allocating rated
2 generating capacity from the electrical corporation.

3 (B) The shared renewable energy facility shall achieve
4 commercial operation within 24 months of receiving an award
5 allocating rated generating capacity pursuant to this subdivision.

6 (C) A provider shall receive an extension because of
7 interconnection delays that are outside the provider's control, for
8 a maximum extension of six months.

9 (D) A provider may receive a six-month extension for
10 noninterconnection factors outside the control of the provider.

11 (4) The electrical corporation shall ensure that no single entity
12 or its affiliates or subsidiaries is awarded more than 20 percent
13 of any single calendar year's total cumulative rated generating
14 capacity made available pursuant to this program.

15 (5) The commission shall maintain a public database of facility
16 rates for shared renewable energy facilities that have achieved
17 commercial operation.

18 (f) (1) Once the initial 1000 megawatts of cumulative rated
19 generating capacity has been awarded for shared renewable energy
20 facility projects, the commission shall evaluate the functioning of
21 the program.

22 (2) By July 1, 2015, the commission shall conclude an evaluation
23 of the program to date, to determine if the goals of the program
24 are being met, including, but not limited to, the goals of increasing
25 access to renewable power and ensuring nonbeneficiary ratepayer
26 indifference.

27 (3) Unless the commission determines that the program goals
28 are not being met per the goals and timetable identified in
29 paragraph (1) of subdivision (d), the commission shall authorize
30 additional capacity to be made available under this program in
31 keeping with the stated legislative intent, and determine the
32 capacity allocation and manner of participation by residential
33 customers and the capacity allocation for developing projects in
34 areas specified in subparagraph (A) of paragraph (3) of
35 subdivision (d).

36 (4) If the commission determines that one or more of the goals
37 are not being met, the commission shall revise the program prior
38 to authorizing additional capacity. Revisions may include
39 increasing customer disclosure information or other safeguards
40 to ensure customer protection, revising capacity set-asides for

1 *customer classes or project sizes to increase customer access to*
2 *the program, alterations in the bill credit mechanism in paragraph*
3 *(1) of subdivision (c) to ensure shared renewable energy facilities*
4 *are financially viable through this program while ensuring that*
5 *all ratepayers are paying for the benefits they receive from this*
6 *program, or other revisions the commission deems necessary to*
7 *ensure the program goals can be met. After the commission has*
8 *revised the program, the commission may authorize additional*
9 *capacity to be released provided in accordance with paragraph*
10 *(2) of subdivision (d).*

11 *(5) Following completion of the pilot program, the commission*
12 *may evaluate the program at any time, either on its own motion*
13 *or upon motion by an interested party, and may modify or adopt*
14 *any rules it determines to be necessary or convenient to ensure*
15 *that program goals can be met.*

16 *(6) An electrical corporation shall comply with the requirements*
17 *applicable to protection of the right to commercial free speech*
18 *described in Commission Decision 10-05-050 as applied to the*
19 *development, sale of subscriptions, and operation of shared*
20 *renewable energy facilities. Shared renewable energy facilities*
21 *may file a complaint with the commission for violation of this*
22 *paragraph.*

23 *(7) If requested by a city, county, or city and county, an*
24 *electrical corporation shall annually provide the city, county, or*
25 *city and county with the annual total generation of each shared*
26 *renewable energy facility in that local jurisdiction and the annual*
27 *aggregated total generation, by fuel type, allocated to benefitting*
28 *accounts in that local jurisdiction from all shared renewable*
29 *energy facilities, regardless of their location. The benefitting*
30 *account data shall be aggregated in a manner determined by the*
31 *commission to protect customer privacy and to provide a city,*
32 *county, or city and county with the information necessary to*
33 *calculate greenhouse gas emissions from energy consumption*
34 *within its jurisdiction supplied by shared renewable energy*
35 *facilities. The commission may develop alternative methods to*
36 *enable the sharing of annual total generation information.*

37 *(g) (1) The tariff applicable to a participant shall remain the*
38 *same, with respect to rate structure, all retail rate components,*
39 *and any monthly charges, to the charges that the participant would*
40 *be assigned if the participant did not receive a bill credit.*

1 *Participants shall not be assessed standby charges on the shared*
2 *renewable energy facility or the kilowatthour generation of a*
3 *shared renewable energy facility.*

4 *(2) Prior to the sale or resale of an interest in a shared*
5 *renewable energy facility, the provider or the participant, or both,*
6 *shall provide a disclosure to the potential participant that, at a*
7 *minimum, includes all of the following:*

8 *(A) A good faith estimate of the annual kilowatthours to be*
9 *delivered by the shared renewable energy facility based on the*
10 *size of the interest.*

11 *(B) A plain language explanation of the terms under which the*
12 *bill credits will be calculated.*

13 *(C) A plain language explanation of the contract provisions*
14 *regulating the disposition or transfer of the interest.*

15 *(D) A plain language explanation of the costs and benefits to*
16 *the potential participant based on its current usage and applicable*
17 *tariff, for the term of the proposed contract.*

18 *(3) Not more frequently than once per month, and upon*
19 *providing the electrical corporation with a minimum of 30 days'*
20 *notice, the participant organization may change, add, or remove*
21 *a benefitting account. If the owner of a benefitting account*
22 *transfers service to a new address or benefitting account, the*
23 *electrical corporation shall transfer any credit remaining from*
24 *the previous account to the new account.*

25 *(4) A provider shall be responsible for providing to the electrical*
26 *corporation, on a monthly basis, a statement of the kilowatthours*
27 *allocated to each participant to be used to determine the bill credit*
28 *to each benefitting account. If there has been no change in the*
29 *allocations from the previous submission, the provider is not*
30 *required to submit a new statement. An electrical corporation may*
31 *rely on the statement of kilowatthours allocated to each participant,*
32 *as provided by the provider, in implementing the requirements of*
33 *this chapter.*

34 *(5) The provider shall provide real-time meter data to the*
35 *electrical corporation and shall make the data available to a*
36 *participant upon request. A provider shall be responsible for all*
37 *costs of metering and shall retain production data for a period of*
38 *36 months.*

39 *(6) A provider shall provide to the electrical corporation*
40 *information on the identity of the benefitting accounts that will*

1 receive a bill credit pursuant to this section not less than 30 days
2 prior to the billing cycle for which the participant's account will
3 receive a bill credit.

4 (7) A provider shall provide not less than 60 days' notice to the
5 electrical corporation prior to the date the shared renewable
6 energy facility becomes operational and shall execute all necessary
7 interconnection agreements, participation, and surplus sale
8 agreements with the electrical corporation and the Independent
9 System Operator on a schedule required by those entities.

10 (8) Unless the electrical corporation will be registering
11 renewable energy credits on behalf of the participant, the provider
12 shall establish an account and register the shared renewable
13 energy facility with the Western Renewable Energy Generation
14 Information System or its successor.

15 (9) The provider's interconnection process and cost allocation
16 for facilities built under this section shall be determined by
17 applicable rules for interconnection established by the commission
18 and the Independent System Operator.

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

23 (11) An electrical corporation shall cooperate fully with shared
24 renewable energy facilities to implement this chapter.

25 (12) The commission shall not regulate the prices paid by the
26 participant for an interest in a shared renewable energy facility,
27 but may enforce the required disclosures, and may establish rules
28 applicable to providers to ensure consumer protection. Any
29 interested person or corporation may file a complaint with the
30 commission contending that a provider or electrical corporation
31 is not complying with any requirement of this chapter and seek an
32 order of the commission to enforce the requirements of this chapter
33 and to take whatever steps are necessary to ensure consumer
34 protection and compliance with the requirements of this chapter.

35 (h) (1) The electrical corporation may petition the commission
36 to incorporate in its bill those charges by the provider to
37 participants, provided that the electrical corporation recovers all
38 incremental costs of providing that service and provided that the
39 provider elects to use this service.

1 (2) Unless the electrical corporation elects to provide the service
2 of incorporating in its bill those charges by the provider to the
3 participant pursuant to paragraph (3), the following process shall
4 be used when billing and crediting a benefitting account:

5 (A) An electrical corporation shall bill a benefitting account
6 for all electricity usage, and for each applicable bill component,
7 including, but not limited to, transmission and distribution charges,
8 at the rate schedule applicable to the benefitting account, including
9 any cost-responsibility surcharge or other cost recovery
10 mechanism, as determined by the commission, to reimburse the
11 Department of Water Resources for purchases of electricity
12 pursuant to Division 27 (commencing with Section 80000) of the
13 Water Code. Participants shall not be subject to any departing
14 load charge.

15 (B) An electrical corporation shall subtract the bill credit
16 applicable to the benefitting account monthly. The electrical
17 corporation shall ensure that the participant receives the full bill
18 credit to which it is entitled. The information and line items on a
19 participant's bill statement will be unchanged, except one or more
20 entries detailing the bill credit that shall be added to a participant's
21 bill.

22 (C) If, at the end of each billing cycle, the total otherwise
23 applicable energy component of the bill exceeds the bill credit,
24 the benefitting account shall be billed for the difference.

25 (D) If, at the end of a billing cycle, the bill credit exceeds the
26 energy component of the amount billed to the account, the
27 difference shall be carried forward as a dollar credit to the next
28 billing cycle. Any earned credit that exceeds the energy component
29 of the bill shall roll over to the subsequent billing period and shall
30 continue to roll over until used or until the annual anniversary
31 date of the participant's initial bill credit, whichever occurs first.
32 On the annual anniversary date of the participant's initial bill
33 credit, any remaining bill credit earned during the previous year
34 and that remains after the application of bill credits to the energy
35 component of a participant's bills shall cease to roll over and will
36 be subject to a default load aggregation point price true-up. The
37 default load aggregation point price true-up shall be calculated
38 by converting the remaining unused bill credits to kilowatthours,
39 by dividing the unused bill credits by the monetary value of a bill
40 credit, and then multiplying the kilowatthours by the default load

1 aggregation point price. The amount calculated doing the default
2 load aggregation point price true-up is owed by the electrical
3 corporation to the participant. The commission shall determine
4 whether the default load aggregation point price true-up is to be
5 paid to participants or credited to future billings and, if so, the
6 manner of crediting.

7 (3) If the electrical corporation elects to incorporate in its bill
8 those charges by the provider to the participant, the following
9 process shall be used for the bundled electric service customers
10 of the electrical corporation:

11 (A) The provider shall convey ownership of the electricity
12 generated by the shared renewable energy facility that passes
13 through the meter and is delivered to the transmission or
14 distribution grid (delivered electricity) to the electrical corporation
15 under terms and conditions determined between the provider and
16 the electrical corporation, pursuant to paragraph (6) of subdivision
17 (c).

18 (B) Unsubscribed delivered electricity shall be sold to the
19 electrical corporation at the default load aggregation point price
20 plus the renewable energy credit value. The electrical corporation
21 shall receive credit under the California Renewable Portfolio
22 Standard Program (Article 16 (commencing with Section 399.11)
23 of Chapter 2.3 of Part 1) for all delivered electricity purchased
24 pursuant to this subparagraph, without the need for further
25 qualifying action.

26 (C) The electrical corporation shall charge the participant for
27 service under each benefitting account at the electrical
28 corporation's otherwise applicable tariff.

29 (D) The electrical corporation shall provide the participant
30 with a bill credit based on the allocated share of delivered
31 electricity and shall collect revenue from the participant
32 commensurate with the participant's contract with the provider.

33 (E) The electrical corporation, within 60 days, shall remit to
34 the participant organization the revenue collected from participants
35 through billings pursuant to subparagraph (D).

36 (4) Nothing in paragraph (4) requires a particular bill format
37 or the inclusion of any specific separate billing line items.

38 (5) The commission shall, by January 1, 2015, determine
39 whether customers participating in direct transactions may receive
40 bill credits equivalent to what would be provided to bundled

1 *electric service customers of a participating electrical corporation*
2 *pursuant to this chapter, and, if so, shall implement rules and*
3 *procedures for enabling those transactions. These particular*
4 *transactions may include those with an electric service provider*
5 *that does not provide distribution services, customers receiving*
6 *electric service through a shared choice aggregation program,*
7 *and customers of a local publicly owned utility that receive*
8 *distribution service from an electrical corporation having 100,000*
9 *or more service connections in California.*

10 (i) (1) *To ensure the maximum systemic benefit from shared*
11 *renewable energy facilities under this chapter, electrical*
12 *corporations shall provide to the commission, prior to the release*
13 *of capacity, maps indicating locations in their service territory*
14 *where the addition of capacity would reduce line loss, lower*
15 *transmission capacity constraints, and defer or avoid transmission*
16 *and distribution network upgrades and construction. The*
17 *commission may adopt guidance in determining criteria for the*
18 *awarding of capacity in a manner as to reflect these benefits.*

19 (2) *Before December 31, 2015, the commission shall complete*
20 *an evaluation of whether the program causes any incremental rate*
21 *impacts. If the commission finds rate impacts, it will determine*
22 *whether and how to allocate these costs equitably to all program*
23 *participants, or instead recover on a fully nonbypassable basis*
24 *from all customers receiving distribution service from an electrical*
25 *corporation, including ratepayers with rates that are otherwise*
26 *subject to rate increase limitations pursuant to Section 739.9, but*
27 *excluding customers in the California Alternate Rates for Energy*
28 *(CARE) or family electric rate assistance (FERA) programs.*

29 (3) *On or before February 1, 2016, the commission shall require*
30 *each electrical corporation to file with the commission, for its*
31 *approval, any revisions to its tariffs, rates, and rate design as are*
32 *necessary to ensure an equitable allocation to all customers,*
33 *consistent with the commission's evaluation.*

34 (4) *The commission shall ensure full and timely recovery of all*
35 *reasonable costs incurred by an electrical corporation to*
36 *implement the program, including reasonable expenses for changes*
37 *to its billing system and handling of collections, and shall*
38 *determine the appropriate method of allocating those costs. The*
39 *commission shall approve a memorandum account to track billing*
40 *system and implementation costs, as well as revenue from provider*

1 *project applications, and may not direct an electrical corporation*
2 *to conduct any billing system work prior to approval of the*
3 *memorandum account.*

4 *(5) In calculating its procurement requirements to meet the*
5 *requirements of the California Renewables Portfolio Standard*
6 *Program (Article 16 (commencing with Section 399.11) of Chapter*
7 *2.3 of Part 1), an electrical corporation may exclude from total*
8 *retail sales the kilowatthours generated by a shared renewable*
9 *energy facility commencing with the point in time at which the*
10 *facility achieves commercial operation.*

11 *(6) The local and system resource adequacy value attributable*
12 *to a shared renewable energy facility, as determined by the*
13 *commission pursuant to Section 380, shall be assigned to the*
14 *electrical corporation to which the facility is interconnected.*

15 *SEC. 7. No reimbursement is required by this act pursuant to*
16 *Section 6 of Article XIII B of the California Constitution because*
17 *the only costs that may be incurred by a local agency or school*
18 *district will be incurred because this act creates a new crime or*
19 *infraction, eliminates a crime or infraction, or changes the penalty*
20 *for a crime or infraction, within the meaning of Section 17556 of*
21 *the Government Code, or changes the definition of a crime within*
22 *the meaning of Section 6 of Article XIII B of the California*
23 *Constitution.*

24 ~~SECTION 1. It is the intent of the Legislature to enact~~
25 ~~legislation establishing a shared renewable energy program to~~
26 ~~expand the ability of customers large and small, public and private,~~
27 ~~within investor owned utility service territory, to control their~~
28 ~~energy future through supplying all or a portion of the electricity~~
29 ~~they consume with clean electricity generated.~~