
UNFINISHED BUSINESS

Bill No: SB 479
Author: Laird (D)
Amended: 6/3/21
Vote: 21

SENATE ENERGY, U. & C. COMMITTEE: 14-0, 3/15/21

AYES: Hueso, Dahle, Becker, Borgeas, Bradford, Dodd, Eggman, Gonzalez, Grove, Hertzberg, McGuire, Min, Rubio, Stern

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

SENATE FLOOR: 39-0, 4/12/21

AYES: Allen, Archuleta, Atkins, Bates, Becker, Borgeas, Bradford, Caballero, Cortese, Dahle, Dodd, Durazo, Eggman, Glazer, Gonzalez, Grove, Hertzberg, Hueso, Hurtado, Jones, Kamlager, Laird, Leyva, McGuire, Melendez, Min, Newman, Nielsen, Ochoa Bogh, Pan, Portantino, Roth, Rubio, Skinner, Stern, Umberg, Wieckowski, Wiener, Wilk

NO VOTE RECORDED: Limón

ASSEMBLY FLOOR: 76-0, 7/8/21 (Consent) - See last page for vote

SUBJECT: Local Government Renewable Energy Self-Generation Program

SOURCE: Author

DIGEST: This bill expands the local government renewable energy self-generation program definition of benefiting account to include accounts meeting specified requirements located within the geographical boundaries of a California Native American tribe.

Assembly Amendments are technical in nature and remove a reference to “net surplus compensation” that no longer corresponds to this bill’s intent.

ANALYSIS:

Existing law:

- 1) Establishes the California Public Utilities Commission (CPUC) has regulatory authority over public utilities, including electrical corporations. (California Constitution Article XII)
- 2) Authorizes the CPUC to fix the rates and charges for every public utility and requires that those rates and charges be just and reasonable. (Public Utilities Code §451)
- 3) Defines “California Native American tribe” to mean a Native American tribe located in California that is on the contact list maintained by the Native American Heritage Commission (NAHC) for the purposes of Chapter 905 of the Statutes of 2004. (Public Resources Code §21073)
- 4) Establishes the local government renewable energy self-generation program which authorizes a local government, as defined, to elect to have a bill credit applied to a designated benefiting account, as defined, for electricity exported to the electrical grid by an eligible renewable generating facility, as defined, and requires the CPUC to adopt a rate tariff for the benefiting account. Exempts electrical corporations with 60,000 or fewer customer accounts in California from the requirements of the local government renewable energy self-generation program. (Public Utilities Code §2830)

This bill:

- 1) Expands the local government renewable energy self-generation program definition of benefiting accounts to include accounts belonging to a tribe and are located on land owned by or under the jurisdiction of the tribe, under specified conditions currently applied to local government entities. Specifically, requires the eligible renewable generating facility and electricity account or accounts are wholly located within a single county within which the tribe is located, and electrical service is provided by a single electrical corporation, with the account or accounts being mutually agreed upon by the tribe and the electrical corporation.
- 2) Defines “tribe” to mean a California Native American tribe, as defined in Section 21073 of the Public Resources Code.

Background

Renewable Energy Self-Generation Bill Credit Transfer (RES-BCT). RES-BCT was originally established by AB 2466 (Laird, Chapter 540, Statutes of 2008) and implemented via CPUC Resolution E-4243. The program is designed to allow local government entities and state-operated college and university campuses that could not fit, or site, solar photovoltaic systems on their side of the electric meter to instead site the solar systems in a nearby location, but still receive credit for the generation across their multiple utility customer accounts. Specifically, a RES-BCT program participant is allowed to share electricity generation credits from a qualifying renewable energy system located on one government-owned property with billing accounts for the same entity at other government-owned properties. Energy exported by the renewable generating facility to the grid is calculated into bill credits and applied monthly to the designated benefiting account(s). The generating system size limit under RES-BCT is five megawatts (MW), and bill credits are applied at the generation-only portion of a customer's retail rate. The RES-BCT, like the Net-Energy Metering (NEM) program, involves customers installing small-scale renewable energy power on the customer's side of the meter to offset their energy load, and, in some instances, generate excess power to send back to the electric grid. However, since the generation is not on the customer's side of the meter (and, therefore, not offsetting the customer's own load) customers are not eligible for full retail NEM, which is compensated at the retail rate.

RES-BCT current available capacity. The RES-BCT program is capped by statute at 250 MW, which is allocated proportionally among the state's three largest electric investor-owned utilities (IOUs): Pacific Gas & Electric (PG&E) is allocated 105.25 MW, Southern California Edison (SCE) is allocated 124.59 MW, and San Diego Gas & Electric (SDG&E) is allocated 20.25 MW. Per the table below, the RES-BCT program, each of the electric IOUs has remaining capacity and in the aggregate there is about 113 MW of available capacity.

RES-BCT CURRENT AVAILABLE CAPACITY				
Electric Utility	RES-BCT Capacity Cap	Number of Projects Approved*	Total Capacity of Projects Approved*	RES-BCT Remaining Capacity
PG&E	105.25 MW	58	50.568 MW (as of June 30, 2021)	54.682 MW
SCE	124.591 MW	43	70.8825 MW (as of July 1, 2021)	53.7085 MW
SDG&E	20.25 MW	6	15.68 MW (as of May 3, 2021)	4.57 MW

TOTAL	250.4 MW	107	137.1305 MW	112.9605 MW
<i>*Information collected from each electrical corporation's website as of the timing of this analysis, with specific dates of the data as noted on each respective electrical corporation's website.</i>				

SB 479. This bill proposes to expand the RES-BCT program eligibility to include Native American tribes, as identified by the NAHC. This bill would apply the same limitations placed on eligible entities participating in the RES-BCT program, including: (1) requiring eligible renewable generating facility and electricity account(s) are wholly located within a single county, and (2) electrical service is provided by a single electrical corporation, with a requirement for a mutual agreement between the entity and the electrical corporation.

Expanding the program to Native American tribes. Since the program was established in 2008, the RES-BCT program has been expanded to include additional eligible entities, including community colleges, universities (specifically University of California and California State Universities), and specified Joint Powers Authorities. Additionally, previous legislation increased the size limit of the generating facility from one MW to five MW which resulted in increased participation in the program, as the program initially had no participation. Currently, the NAHC maintains a list of California Native American tribes, which are either federally recognized tribes or a tribe not recognized by the federal government but is a Native American tribe located in California. The NAHC list is required to be utilized for purposes of project impacts to cultural and sacred sites as part of the California Environmental Quality Act (CEQA) review. According to a 2016 NAHC report, there are 164 Native American tribes in California, including 109 federally recognized tribes and 55 non-federally recognized tribes. According to the 2010 census data, California is home to more people of Native American/Alaska Native heritage than any other state. Tribes in California currently have nearly 100 separate reservations or Rancherias. There are also a number of individual Indian trust allotments. Given the available capacity of the RES-BCT program to just under half the authorized cap (113 MW of 250 MW), expanding the program to allow Native American tribes to participate seems reasonable and consistent with state efforts to seek increased collaboration with Native American tribes on strategic and shared clean energy goals.

Related/Prior Legislation

AB 1773 (Obernolte, Chapter 659, Statutes of 2016) expanded the RES-BCT program to allow participation by specified joint powers authority that are public agencies located within the same county and within the same electrical corporation service territory.

AB 512 (Gordon, Chapter 478, Statutes of 2011) expanded the RES-BCT program by increasing the capacity of a powerplant from one MW to five MW that would be eligible for the program at one location to offset electricity usage at another location. Limited the application of the program to electrical corporations with 60,001 or greater customer accounts.

AB 1031 (Blumenfield, Chapter 380, Statutes of 2009) expanded the RES-BCT program by authorizing a “campus,” defined as an individual community college campus, University of California campus, or California State University campus, to be an eligible entity to participate in the program.

AB 2466 (Laird, Chapter 540, Statutes of 2008) established a program for local governments who are customers of electrical corporations to produce renewable energy and sell that energy to the electric utility at the same rate as the generation portion of the electricity. The program is known as the RES-BCT.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

According to the Assembly Appropriations Committee, there are no additional state costs.

SUPPORT: (Verified 7/8/21)

350 Silicon Valley
California Tribal Business Alliance
Elders Climate Action NorCal Chapter
Elders Climate Action SoCal Chapter

OPPOSITION: (Verified 7/8/21)

None received

ARGUMENTS IN SUPPORT: According to the author:

Tribal governments are of a similar geographic size relative to currently eligible local governments and fulfill similar, and sometimes expanded, roles for local residents. The systematic disenfranchisement of tribal governments necessitates their inclusion in the RES-BCT program. SB 479 will include tribal governments as eligible local governments under the RES-BCT program.

ASSEMBLY FLOOR: 76-0, 7/8/21

AYES: Aguiar-Curry, Arambula, Bauer-Kahan, Bennett, Berman, Bigelow, Bloom, Boerner Horvath, Bryan, Burke, Calderon, Carrillo, Cervantes, Chau, Chiu, Choi, Cooley, Cooper, Megan Dahle, Daly, Davies, Flora, Fong, Frazier, Friedman, Gabriel, Gallagher, Cristina Garcia, Eduardo Garcia, Gipson, Lorena Gonzalez, Gray, Grayson, Holden, Irwin, Jones-Sawyer, Kalra, Kiley, Lackey, Lee, Levine, Low, Maienschein, Mathis, Mayes, McCarty, Medina, Mullin, Muratsuchi, Nazarian, O'Donnell, Patterson, Petrie-Norris, Quirk, Quirk-Silva, Ramos, Reyes, Luz Rivas, Robert Rivas, Rodriguez, Blanca Rubio, Salas, Santiago, Seyarto, Smith, Stone, Ting, Valladares, Villapudua, Voepel, Waldron, Ward, Akilah Weber, Wicks, Wood, Rendon

NO VOTE RECORDED: Chen, Cunningham, Nguyen

Prepared by: Nidia Bautista / E., U., & C. / (916) 651-4107
7/9/21 10:55:59

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