



California Energy Legislation

AB 1969 (Chavez/Yee) Renewable Energy Tariffs

OVERVIEW

This bill requires every investor-owned utility (IOU) to file with the California Public Utilities Commission (CPUC) a standard tariff that allows a wastewater or public water agencies to sell renewable energy to an IOU at a rate determined by the CPUC.

SECTIONS

This bill adds Section 399.20 to the Public Utilities Code, relating to energy.

MAIN PROVISIONS

- Renewable Energy Tariff – Every IOU must file with the CPUC a standard tariff that allows a wastewater or public water agencies to sell renewable energy to an investor-owned utility (IOU) at a rate determined by the CPUC.
- Total Statewide Capacity Limit – IOUs are required to offer the renewable energy tariff on a first-come-first-served basis to qualified customers until the cumulative state wide capacity equals 250 MW. Each individual utility is required to offer the tariff to its customers until the installed renewable energy generation capacity in its service territory reaches its proportionate share of the 250 MW limit. A utility's share is calculated by multiplying the 250 MW limit by the ratio of its peak demand to the total statewide peak demand of all investor owned utilities, as shown below.
$$[IOU \text{ Share} = 250 \text{ MW} \times (\text{each IOU peak demand} / \text{total statewide IOU peak demand})]$$
- Generator Eligibility – To be eligible for the renewable energy tariff, a generator must (1) have a generator capacity no greater than 1.5 MW, (2) be interconnected and operate in parallel with the utility distribution system, (3) be sized to offset part or all of its load, (4) be strategically located and interconnected to the electric distribution system, and (5) is an eligible renewable energy resource as defined by Section 399.12 of the Public Utilities Code.
- Applicability to Resource Adequacy and Renewable Portfolio Requirements – Energy purchased by the investor-owned utility is eligible to count toward both resource adequacy and renewable portfolio standard requirements under this bill.

TIMELINE OF IMPLEMENTATION

This bill does not include specific deadlines and its provisions will take effect on January 1, 2007.