

## Shared Renewables

This act enacts the Green Tariff Shared Renewables program. It requires a participating utility, defined as an electrical corporation with 100,000 or more customers in California, to file with the commission an application requesting approval of a green tariff shared renewables program to implement a program enabling ratepayers to participate directly in offsite electrical generation facilities that use eligible renewable energy resources, consistent with certain legislative findings and statements of intent. The act requires the commission to issue a decision concerning the participating utility's application, determining whether to approve or disapprove the application, with or without modifications. It also requires the commission, after notice and opportunity for public comment, to approve the application if the commission determines that the proposed program is reasonable and consistent with the legislative findings and statements of intent.

Submitted as:

California

[SB 43](#)

Status: Signed into law on September 23, 2013.

### Suggested State Legislation

(Title, enacting clause, etc.)

- 1 Section 1. [*Short Title*] Green Tariff Shared Renewables Program.  
2
- 3 Section 2. [*Findings.*]  
4
- 5 Section 3. [*Definitions.*]  
6 (1) "Eligible renewable energy resource," "renewable energy credit," and "renewables portfolio  
7 standard" have the same meaning as those terms have for [insert citation.]  
8 (2) "Participating utility" means an electrical corporation with 100,000 or more customer  
9 accounts in [state].  
10
- 11 Section 4. [*Green tariff shared renewables program.*]  
12 (a) On or before [insert date], a participating utility shall file with the commission an application  
13 requesting approval of a green tariff shared renewables program to implement a program that  
14 the utility determines is consistent with the legislative findings and statements of intent of  
15 [insert findings]. Nothing in this chapter limits an electrical corporation with less than  
16 100,000 customer accounts in California from filing an application with the commission to  
17 administer a green tariff shared renewables program that is consistent with the legislative  
18 findings and statements of intent of [insert findings].  
19 (b) On or before [Insert date], the commission shall issue a decision on the participating utility's  
20 application for a green tariff shared renewables program, determining whether to approve or  
21 disapprove it, with or without modifications.  
22 (c) After notice and an opportunity for public comment, the commission shall approve an  
23 application by a participating utility for a green tariff shared renewables program if the

1 commission determines that the program is reasonable and consistent with the legislative  
2 findings and statements of intent of [insert findings].

- 3 (d) The requirements of this chapter shall not apply to an electrical corporation that, prior to  
4 [insert date], filed an application with the commission to have a green tariff shared  
5 renewables program, or an equivalent program of whatever name, provided the commission  
6 approves the application with a determination that the program does not shift costs to  
7 nonparticipating customers and the application is consistent with this chapter. If the  
8 commission has approved a settlement agreement relative to parties contesting an application  
9 filed prior to [insert date], the requirements of this section shall not apply if the commission,  
10 within a reasonable period of time, requires revisions to the previously approved settlement  
11 agreement that requires the program to be consistent with this chapter.

12  
13 Section 5. [*Participating utilities.*]

- 14 (a) The commission shall require a green tariff shared renewables program to be administered by  
15 a participating utility in accordance with this section.
- 16 (b) Generating facilities participating in a participating utility's green tariff shared renewables  
17 program shall be eligible renewable energy resources with a nameplate rated generating  
18 capacity not exceeding 20 megawatts, except for those generating facilities reserved for  
19 location in areas identified by the [California Environmental Protection Agency] as the most  
20 impacted and disadvantaged communities pursuant to paragraph (1) of subdivision (d), which  
21 shall not exceed one megawatt nameplate rated generating capacity.
- 22 (c) A participating utility shall use commission-approved tools and mechanisms to procure  
23 additional eligible renewable energy resources for the green tariff shared renewables program  
24 from electrical generation facilities that are in addition to those required by the [California  
25 Renewables Portfolio Standard Program]. For purposes of this subdivision, "commission-  
26 approved tools and mechanisms" means those procurement methods approved by the  
27 commission for an electrical corporation to procure eligible renewable energy resources for  
28 purposes of meeting the procurement requirements of the [California Renewables Portfolio  
29 Standard Program].
- 30 (d) A participating utility shall permit customers within the service territory of the utility to  
31 purchase electricity pursuant to the tariff approved by the commission to implement the  
32 utility's green tariff shared renewables program, until the utility meets its proportionate share  
33 of a statewide limitation of 600 megawatts of customer participation, measured by nameplate  
34 rated generating capacity. The proportionate share shall be calculated based on the ratio of  
35 each participating utility's retail sales to total retail sales of electricity by all participating  
36 utilities. The commission may place other restrictions on purchases under a green tariff  
37 shared renewables program, including restricting participation to a certain level of capacity  
38 each year. The following restrictions shall apply to the statewide 600 megawatt limitation:
- 39 (1) (A) One hundred megawatts shall be reserved for facilities that are no larger than  
40 one megawatt nameplate rated generating capacity and that are located in areas  
41 previously identified by the [California Environmental Protection Agency] as the  
42 most impacted and disadvantaged communities. These communities shall be  
43 identified by census tract, and shall be determined to be the most impacted 20  
44 percent based on results from the best available cumulative impact screening  
45 methodology designed to identify each of the following:

- 1 (i) Areas disproportionately affected by environmental pollution and other  
2 hazards that can lead to negative public health effects, exposure, or  
3 environmental degradation.
- 4 (ii) Areas with socioeconomic vulnerability.
- 5 (B) (1) For purposes of this paragraph, “previously identified” means  
6 identified prior to commencing construction of the facility.  
7 (2) Not less than 100 megawatts shall be reserved for participation by  
8 residential class customers.
- 9 (e) To the extent possible, a participating utility shall seek to procure eligible renewable energy  
10 resources that are located in reasonable proximity to enrolled participants.
- 11 (f) A participating utility’s green tariff shared renewables program shall support diverse  
12 procurement and the goals of [insert citation].
- 13 (g) A participating utility’s green tariff shared renewables program shall not allow a customer to  
14 subscribe to more than 100 percent of the customer’s electricity demand.
- 15 (h) Except as authorized by this subdivision, a participating utility’s green tariff shared  
16 renewables program shall not allow a customer to subscribe to more than two megawatts of  
17 nameplate generating capacity. This limitation does not apply to a federal, state, or local  
18 government, school or school district, county office of education, community colleges, or  
19 state universities.
- 20 (i) A participating utility’s green tariff shared renewables program shall not allow any single  
21 entity or its affiliates or subsidiaries to subscribe to more than 20 percent of any single  
22 calendar year’s total cumulative rated generating capacity.
- 23 (j) To the extent possible, a participating utility shall actively market the utility’s green tariff  
24 shared renewables program to low-income and minority communities and customers.
- 25 (k) Participating customers shall receive bill credits for the generation of a participating eligible  
26 renewable energy resource using the class average retail generation cost as established in the  
27 participating utility’s approved tariff for the class to which the participating customer  
28 belongs, plus a renewables adjustment value representing the difference between the time-of-  
29 delivery profile of the eligible renewable energy resource used to serve the participating  
30 customer and the class average time-of-delivery profile and the resource adequacy value, if  
31 any, of the resource contained in the utility’s green tariff shared renewables program. The  
32 renewables adjustment value applicable to a time-of-delivery profile of an eligible renewable  
33 energy resource shall be determined according to rules adopted by the commission. For these  
34 purposes, “time-of-delivery profile” refers to the daily generating pattern of a participating  
35 eligible renewable energy resource over time, the value of which is determined by comparing  
36 the generating pattern of that participating eligible renewable energy resource to the demand  
37 for electricity over time and other generating resources available to serve that demand.
- 38 (l) Participating customers shall pay a renewable generation rate established by the commission,  
39 the administrative costs of the participating utility, and any other charges the commission  
40 determines are just and reasonable to fully cover the cost of procuring a green tariff shared  
41 renewables program’s resources to serve a participating customer’s needs.
- 42 (m) A participating customer’s rates shall be debited or credited with any other commission-  
43 approved costs or values applicable to the eligible renewable energy resources contained in a  
44 participating utility’s green tariff shared renewables program’s portfolio. These additional  
45 costs or values shall be applied to new customers when they initially subscribe after the cost  
46 or value has been approved by the commission.

- 1 (n) Participating customers shall pay all otherwise applicable charges without modification.
- 2 (o) A participating utility shall provide support for enhanced community renewables programs to  
3 facilitate development of eligible renewable energy resource projects located close to the  
4 source of demand.
- 5 (p) The commission shall ensure that charges and credits associated with a participating utility's  
6 green tariff shared renewables program are set in a manner that ensures nonparticipant  
7 ratepayer indifference for the remaining bundled service, direct access, and community  
8 choice aggregation customers and ensures that no costs are shifted from participating  
9 customers to nonparticipating ratepayers.
- 10 (q) A participating utility shall track and account for all revenues and costs to ensure that the  
11 utility recovers the actual costs of the utility's green tariff shared renewables program and  
12 that all costs and revenues are fully transparent and auditable.
- 13 (r) Any renewable energy credits associated with electricity procured by a participating utility  
14 for the utility's green tariff shared renewables program and utilized by a participating  
15 customer shall be retired by the participating utility on behalf of the participating customer.  
16 Those renewable energy credits shall not be further sold, transferred, or otherwise monetized  
17 for any purpose. Any renewable energy credits associated with electricity procured by a  
18 participating utility for the shared renewable energy self-generation program, but not utilized  
19 by a participating customer, shall be counted toward meeting that participating utility's  
20 renewables portfolio standard.
- 21 (s) A participating utility shall, in the event of participant customer attrition or other causes that  
22 reduce customer participation or electrical demand below generation levels, apply the excess  
23 generation from the eligible renewable energy resources procured through the utility's green  
24 tariff shared renewables program to the utility's renewable portfolio standard procurement  
25 obligations or bank the excess generation for future use to benefit all customers in  
26 accordance with the renewables portfolio standard banking and procurement rules approved  
27 by the commission.
- 28 (t) In calculating its procurement requirements to meet the requirements of the [California  
29 Renewables Portfolio Standard Program], a participating utility may exclude from total retail  
30 sales the kilowatt hours generated by an eligible renewable energy resource that is credited to  
31 a participating customer pursuant to the utility's green tariff shared renewables program,  
32 commencing with the point in time at which the generating facility achieves commercial  
33 operation.
- 34 (u) All renewable energy resources procured on behalf of participating customers in the  
35 participating utility's green tariff shared renewables program shall comply with the [State Air  
36 Resources Board's Voluntary Renewable Electricity Program]. [California-eligible]  
37 greenhouse gas allowances associated with these purchases shall be retired on behalf of  
38 participating customers as part of the board's [Voluntary Renewable Electricity Program].
- 39 (v) A participating utility shall provide a municipality with aggregated consumption data for  
40 participating customers within the municipality's jurisdiction to allow for reporting on  
41 progress toward climate action goals by the municipality. A participating utility shall also  
42 publicly disclose, on a geographic basis, consumption data and reductions in emissions of  
43 greenhouse gases achieved by participating customers in the utility's green tariff shared  
44 renewables program, on an aggregated basis consistent with privacy protections as specified  
45 in [insert citation.]

1 (w) Nothing in this section prohibits or restricts a community choice aggregator from offering its  
2 own voluntary renewable energy programs to participating customers of the community  
3 choice aggregation.

4  
5 Section 6. [*Severability.*] Insert severability clause.

6  
7 Section 7. [*Repealer.*] Insert repealer clause.

8  
9 Section 8. [*Effective Date.*] Insert effective date.