

AMENDED IN SENATE MAY 17, 2019

AMENDED IN SENATE MAY 1, 2019

AMENDED IN SENATE MARCH 28, 2019

SENATE BILL

No. 288

**Introduced by Senators Wiener and Nielsen
(Coauthor: Senator Stone)**

(Coauthors: Assembly Members Bloom, Flora, Friedman, Gallagher,
and Robert Rivas)

February 13, 2019

An act to add ~~Sections 913.14, 2817, and 2829.5~~ *Section 2817* to the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

SB 288, as amended, Wiener. Electricity: renewable resource self-generation and storage.

Existing law requires electrical corporations and local publicly owned electric utilities, among others, to develop, and make available to eligible customer-generators, standard contracts or tariffs for net energy metering if the total generation capacity used by eligible customer-generators exceeds 5% of those utilities' aggregate customer peak demand. Existing law requires the Public Utilities Commission (PUC) to develop a standard contract or tariff which may include net energy metering, for eligible customer-generators with a renewable electrical generation facility that are customers of a large electrical corporation, as defined, to be offered to eligible customer-generators beginning January 1, 2017, or prior to that date if ordered to do so by the PUC because the customer-generator has reached the 5% limit.

~~This bill would, by January 1, 2021, require the PUC and the governing board of each local publicly owned electric utility with an annual electrical demand exceeding 700 gigawatthours to, among other things, create one or more tariffs for customer-sited energy storage systems that export electricity to the electrical grid and to consider one or more tariffs for customer-sited renewable energy and energy storage systems to support grid reliability and community resiliency in the event of emergencies or grid outages. The bill would require the PUC and the governing board of each local publicly owned electric utility to ensure that customers with customer-sited renewable energy or energy storage systems can take certain related actions and are not subject to discriminatory fees or charges. The bill would require the PUC and the governing board of each local publicly owned electric utility *with an annual electrical demand exceeding 700 gigawatthours* to establish a streamlined and standardized process for the review of interconnection requests for customers seeking to install renewable energy and energy storage systems on the customer side of the point of interconnection to minimize uncertainty and the amount of time and cost of the review while maintaining electric system safety and reliability. By imposing additional duties on local publicly owned electric utilities, this bill would impose a state-mandated local program.~~

~~This bill would require the PUC and State Energy Resources Conservation and Development Commission (Energy Commission) to establish for the electrical corporations and local publicly owned electric utilities, respectively, a streamlined and standardized process for review by those utilities of interconnection requests for customers seeking to install renewable energy and energy storage systems on the customer side of the meter to minimize uncertainty and the time and cost of the review, as specified.~~

~~This bill would require the PUC and the Energy Commission, by June 1, 2020, and June 1 of each year thereafter, to submit a report to the Legislature on information regarding the interconnection of renewable energy and energy storage systems by the electrical corporations and the local publicly owned electric utilities, respectively, for purposes of evaluating the performance of those utilities in reviewing interconnection requests.~~

~~Under existing law, a violation of any rule, order, decision, or direction of the commission is a crime.~~

Because a violation of an order by the commission implementing the above requirements would be a crime, this bill would impose a state-mandated local program.

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 specified reasons.

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. The Legislature finds and declares all of the
- 2 following:
- 3 (a) All California residents, businesses, nonprofits, and
- 4 government entities have the ability to generate and store renewable
- 5 energy and to reduce and shape their use of electricity obtained
- 6 from the electrical grid, whether their facilities are off-grid or
- 7 interconnected to the grid.
- 8 (b) The ability to use self-generation and storage resources
- 9 extends to all Californians, inclusive of all income levels,
- 10 geographies, and property types.
- 11 (c) Residential customers have a right to consumer protections
- 12 that ensure adequate transparency in sales and contracts for
- 13 renewable energy and storage installations and services.
- 14 (d) Customer-sited renewable energy and energy storage systems
- 15 can play a role in helping the state to meet its targets for reducing
- 16 emissions of greenhouse gases and other environmental goals,
- 17 promoting equitable participation in the energy, health, safety,
- 18 career, and financial benefits of the clean energy economy.
- 19 (e) Customer-sited renewable energy and energy storage systems
- 20 can be valuable assets for managing the electrical grid efficiently
- 21 and improving the reliability and resiliency of the grid.
- 22 (f) Removing barriers to the installation of customer-sited
- 23 renewable energy and energy storage systems will help reduce
- 24 costs and facilitate the deployment of these resources.
- 25 (g) The time required for utility review and approval of
- 26 interconnection applications and the lack of transparency in

1 interconnection costs have, in some cases, impeded customer
2 adoption of renewable energy and energy storage systems.

3 (h) Developing mechanisms for energy and other services
4 supplied by customer-sited energy resources can facilitate the
5 adoption and deployment of renewable energy and energy storage
6 systems that have the potential to provide greater local reliability
7 and resiliency benefits to individuals and communities throughout
8 the year, including during emergency conditions.

9 (i) Customer-sited solar and energy storage systems can assist
10 customers in mitigating and adapting to some of the negative
11 impacts of climate change, including wildfires. Low-income and
12 disadvantaged communities are likely to bear the greatest burdens
13 of climate change, and stand to benefit significantly from solar
14 and energy storage solutions.

15 ~~SEC. 2. Section 913.14 is added to the Public Utilities Code,~~
16 ~~to read:~~

17 ~~913.14. (a) (1) On or before June 1, 2020, and on or before~~
18 ~~June 1 of each year thereafter, the commission shall submit an~~
19 ~~annual report evaluating electrical corporations' performance of~~
20 ~~interconnection review to the Legislature containing data of~~
21 ~~electrical corporations, compiled by year of initial interconnection~~
22 ~~request and segregated by market segment, including low-income~~
23 ~~customers and customers located in low-income and disadvantaged~~
24 ~~communities, and technology type, for customer-sited electrical~~
25 ~~resources, including energy storage systems proposed for~~
26 ~~interconnection with the electrical grid, and containing other~~
27 ~~information that the commission may require.~~

28 ~~(2) On or before June 1, 2020, and on or before June 1 of each~~
29 ~~year thereafter, the Energy Commission shall submit a report on~~
30 ~~local publicly owned electric utilities' performance of~~
31 ~~interconnection review to the Legislature containing data of local~~
32 ~~publicly owned electric utilities, compiled by year of initial~~
33 ~~interconnection request and segregated by market segment,~~
34 ~~including low-income customers and customers located in~~
35 ~~low-income and disadvantaged communities, and technology type,~~
36 ~~for customer-sited electrical resources, including energy storage~~
37 ~~systems proposed for interconnection with the electrical grid, and~~
38 ~~containing other information that the Energy Commission may~~
39 ~~require.~~

1 ~~(b) The reports required pursuant to this section shall include~~
2 ~~all of the following information:~~

3 ~~(1) The amount of time that the electrical corporations or local~~
4 ~~publicly owned electric utilities have taken to complete each step~~
5 ~~in the review of interconnection requests.~~

6 ~~(2) The number of interconnection requests initially received~~
7 ~~and the number of interconnection requests deemed complete.~~

8 ~~(3) The amount of fees charged for processing the~~
9 ~~interconnection requests and the basis for those fees.~~

10 ~~(4) A summary of challenges in reducing the amount of time~~
11 ~~for interconnection review and improvements to the interconnection~~
12 ~~review process that occurred in the previous year.~~

13 ~~SEC. 3.~~

14 *SEC. 2.* Section 2817 is added to the Public Utilities Code, to
15 read:

16 2817. (a) For purposes of this section, the following terms
17 have the following meanings:

18 (1) “Customer-sited renewable energy and energy storage
19 systems” means renewable energy systems and energy storage
20 systems located on a customer’s owned, leased, or rented premises,
21 interconnected and operating in parallel with the electrical grid.

22 (2) “Energy storage system” means commercially available
23 technology that is capable of absorbing energy, storing it for a
24 period of time, and thereafter dispatching the energy.

25 (3) “Local publicly owned electric utility” means a local publicly
26 owned electric utility, as defined in Section 224.3, with an annual
27 electrical demand exceeding 700 gigawatthours, as determined on
28 a three-year average commencing January 1, 2016.

29 (4) “Renewable energy system” means a renewable electrical
30 generation facility as defined in Section 25741 of the Public
31 Resources Code.

32 (b) (1) The commission shall establish a streamlined and
33 standardized process for electrical corporations’ review of
34 interconnection requests for customers seeking to install renewable
35 energy and energy storage systems on the customer side of the
36 point of interconnection to minimize uncertainty and the amount
37 of time and cost of the review while maintaining electric system
38 safety and reliability.

39 (2) The governing board of each local publicly owned electric
40 utility shall establish a streamlined and standardized process for

1 local publicly owned electric utilities' review of interconnection
2 requests for customers seeking to install renewable energy and
3 energy storage systems on the customer side of the point of
4 interconnection to minimize uncertainty and the amount of time
5 and cost of the review while maintaining electric system safety
6 and reliability.

7 (c) In establishing the streamlined and standardized
8 interconnection review processes pursuant to subdivision (b), the
9 commission and the governing boards of local publicly owned
10 electric utilities shall ensure that those processes reflect, at a
11 minimum, all of the following principles:

12 (1) Minimization of the interconnection fees and timelines for
13 processing and reviewing interconnection applications.

14 (2) Provision of certainty and transparency in interconnection
15 review timelines, fees, distribution upgrade costs, project status,
16 engineering analysis, and billing.

17 (3) Maintenance of a clear, efficient, and accessible process for
18 resolving disputes.

19 (4) Recognition that equipment or systems certified to national
20 standards will perform as certified when installed to applicable
21 codes.

22 (5) Keeping interconnection rules updated to adapt to changing
23 circumstances and technological advances.

24 (6) Recognition that a prioritization mechanism may be instituted
25 for responding to interconnection requests that require additional
26 engineering or circuit upgrades, or both types of upgrades, to the
27 grid to enable the interconnection.

28 ~~SEC. 4. Section 2829.5 is added to the Public Utilities Code,~~
29 ~~to read:~~

30 ~~2829.5. (a) For purposes of this section, the following terms~~
31 ~~have the following meanings:~~

32 ~~(1) "Customer-sited renewable energy and energy storage~~
33 ~~systems" means renewable energy systems and energy storage~~
34 ~~systems located on a customer's owned, leased, or rented premises,~~
35 ~~interconnected and operating in parallel with the electrical grid.~~

36 ~~(2) "Energy storage system" means commercially available~~
37 ~~technology that is capable of absorbing energy, storing it for a~~
38 ~~period of time, and thereafter dispatching the energy.~~

39 ~~(3) "Local publicly owned electric utility" means a local publicly~~
40 ~~owned electric utility, as defined in Section 224.3, with an annual~~

1 electrical demand exceeding 700 gigawatthours, as determined on
2 a three-year average commencing January 1, 2016.

3 (4) “Renewable energy system” means a renewable electrical
4 generation facility as defined in Section 25741 of the Public
5 Resources Code.

6 (b) By January 1, 2021, the commission shall do all of the
7 following:

8 (1) Consider whether to create one or more tariffs for
9 customer-sited energy storage systems that export electricity to
10 the electrical grid in a manner that ensures a reduction in emissions
11 of greenhouse gases and reduces overall costs to ratepayers served
12 by the electrical utility.

13 (2) Consider one or more tariffs for customer-sited renewable
14 energy and energy storage systems to support grid reliability and
15 community resiliency in the event of emergencies or grid outages
16 that ensure there are not cost shifts to nonparticipating customers.

17 (3) Assess whether to modify existing tariffs, interconnection
18 rules, and programs to remove barriers to the participation of
19 customer-sited renewable energy and energy storage systems
20 intended to provide energy, capacity, and ancillary services in a
21 manner that ensures a reduction in overall costs to ratepayers served
22 by the electrical utility. These barriers include, but are not limited
23 to, prohibitions on exports from energy storage systems in
24 commission interconnection rules and the lack of clear and
25 consistent guidelines on quantifying the incremental capacity of
26 customer-sited energy resources.

27 (e) By January 1, 2021, the governing board of each local
28 publicly owned electric utility shall perform those actions specified
29 in subdivision (b):

30 (d) The commission and the governing board of each local
31 publicly owned electric utility shall ensure all of the following:

32 (1) Customers with customer-sited renewable energy or energy
33 storage systems are not prohibited by the utility from generating
34 and storing electricity from the renewable energy system for onsite
35 consumption and are not charged for electricity from the renewable
36 energy system that is consumed onsite, whether it is used
37 simultaneously with its generation or stored and consumed at a
38 later time.

39 (2) Customers with customer-sited renewable energy or energy
40 storage systems can interconnect to the electric grid in a timely

1 and cost-effective manner if the system is in accordance with
 2 requirements established by the commission or the local publicly
 3 owned electric utility, as applicable, to ensure reliable grid
 4 operation and the safety of utility workers, and if the systems meet
 5 all applicable state and local safety and electrical code
 6 requirements.

7 (3) Customers with customer-sited renewable energy or energy
 8 storage systems are not subject to discriminatory fees or charges
 9 levied as a result of installing and using customer-sited renewable
 10 energy or energy storage systems.

11 (e) This section and Section 2817 do not limit the ability of the
 12 commission or the governing boards of local publicly owned
 13 electric utilities to alter the valuation of energy exported to the
 14 distribution grid from customer-sited renewable energy systems
 15 or to assign one-time fees based on the costs of connecting
 16 renewable energy or energy storage systems to the distribution
 17 grid.

18 ~~SEC. 5.~~

19 *SEC. 3.* No reimbursement is required by this act pursuant to
 20 Section 6 of Article XIII B of the California Constitution because
 21 a local agency or school district has the authority to levy service
 22 charges, fees, or assessments sufficient to pay for the program or
 23 level of service mandated by this act or because costs that may be
 24 incurred by a local agency or school district will be incurred
 25 because this act creates a new crime or infraction, eliminates a
 26 crime or infraction, or changes the penalty for a crime or infraction,
 27 within the meaning of Section 17556 of the Government Code, or
 28 changes the definition of a crime within the meaning of Section 6
 29 of Article XIII B of the California Constitution.