

AMENDED IN SENATE MAY 1, 2017

SENATE BILL

No. 584

Introduced by ~~Senator De León~~ *Committee on Budget and Fiscal Review*

February 17, 2017

~~An act to amend Section 399.11 of the Public Utilities Code, relating to energy. An act relating to the Budget Act of 2017.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 584, as amended, ~~De León~~ *Committee on Budget and Fiscal Review*. ~~California Renewables Portfolio Standard Program. Budget Act of 2017.~~

This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2017.

~~Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, while local publicly owned electric utilities, as defined, are under the direction of their governing boards. The California Renewables Portfolio Standard Program requires the Public Utilities Commission to establish a renewables portfolio standard requiring all retail sellers, as defined, to procure a minimum quantity of electricity products from eligible renewable energy resources, as defined, so that the total kilowatthours of those products sold to their retail end-use customers achieves 25% of retail sales by December 31, 2016, 33% by December 31, 2020, 40% by December 31, 2024, 45% by December 31, 2027, and 50% by December 31, 2030. The program additionally requires each local publicly owned electric utility, as defined, to procure a minimum quantity of electricity products from eligible renewable energy resources to achieve the procurement requirements established by the program.~~

The Legislature has separately declared that its intent in implementing the program is to attain, among other targets for sale of eligible renewable resources, the target of 50% of total retail sales of electricity by December 31, 2030.

This bill would revise those legislative findings and declarations to state that the goal of the program is to achieve that 50% target by December 31, 2025, and for all electricity sold at retail to be generated by eligible renewable energy resources by December 31, 2045.

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

The people of the State of California do enact as follows:

- 1 ~~SECTION 1. It is the intent of the Legislature to enact statutory~~
2 ~~changes relating to the Budget Act of 2017.~~
3 ~~SECTION 1. Section 399.11 of the Public Utilities Code is~~
4 ~~amended to read:~~
5 ~~399.11. The Legislature finds and declares all of the following:~~
6 ~~(a) In order to attain a target of generating 20 percent of total~~
7 ~~retail sales of electricity in California from eligible renewable~~
8 ~~energy resources by December 31, 2013, 33 percent by December~~
9 ~~31, 2020, 50 percent by December 31, 2025, and 100 percent by~~
10 ~~December 31, 2045. it is the intent of the Legislature that the~~
11 ~~commission and the Energy Commission implement the California~~
12 ~~Renewables Portfolio Standard Program described in this article.~~
13 ~~(b) Achieving the renewables portfolio standard through the~~
14 ~~procurement of various electricity products from eligible renewable~~
15 ~~energy resources is intended to provide unique benefits to~~
16 ~~California, including all of the following, each of which~~
17 ~~independently justifies the program:~~
18 ~~(1) Displacing fossil fuel consumption within the state.~~
19 ~~(2) Adding new electrical generating facilities in the~~
20 ~~transmission network within the Western Electricity Coordinating~~
21 ~~Council service area.~~
22 ~~(3) Reducing air pollution, particularly criteria pollutant~~
23 ~~emissions and toxic air contaminants, in the state.~~
24 ~~(4) Meeting the state's climate change goals by reducing~~
25 ~~emissions of greenhouse gases associated with electrical generation.~~
26 ~~(5) Promoting stable retail rates for electric service.~~

1 ~~(6) Meeting the state’s need for a diversified and balanced~~
2 ~~energy generation portfolio.~~

3 ~~(7) Assistance with meeting the state’s resource adequacy~~
4 ~~requirements.~~

5 ~~(8) Contributing to the safe and reliable operation of the~~
6 ~~electrical grid, including providing predictable electrical supply,~~
7 ~~voltage support, lower line losses, and congestion relief.~~

8 ~~(9) Implementing the state’s transmission and land use planning~~
9 ~~activities related to development of eligible renewable energy~~
10 ~~resources.~~

11 ~~(e) The California Renewables Portfolio Standard Program is~~
12 ~~intended to complement the Renewable Energy Resources Program~~
13 ~~administered by the Energy Commission and established pursuant~~
14 ~~to Chapter 8.6 (commencing with Section 25740) of Division 15~~
15 ~~of the Public Resources Code.~~

16 ~~(d) New and modified electric transmission facilities may be~~
17 ~~necessary to facilitate the state achieving its renewables portfolio~~
18 ~~standard targets.~~

19 ~~(e) (1) Supplying electricity to California end-use customers~~
20 ~~that is generated by eligible renewable energy resources is~~
21 ~~necessary to improve California’s air quality and public health,~~
22 ~~particularly in disadvantaged communities identified pursuant to~~
23 ~~Section 39711 of the Health and Safety Code, and the commission~~
24 ~~shall ensure rates are just and reasonable, and are not significantly~~
25 ~~affected by the procurement requirements of this article. This~~
26 ~~electricity may be generated anywhere in the interconnected grid~~
27 ~~that includes many states, and areas of both Canada and Mexico.~~

28 ~~(2) This article requires generating resources located outside of~~
29 ~~California that are able to supply that electricity to California~~
30 ~~end-use customers to be treated identically to generating resources~~
31 ~~located within the state, without discrimination.~~

32 ~~(3) California electrical corporations have already executed,~~
33 ~~and the commission has approved, power purchase agreements~~
34 ~~with eligible renewable energy resources located outside of~~
35 ~~California that will supply electricity to California end-use~~
36 ~~customers. These resources will fully count toward meeting the~~
37 ~~renewables portfolio standard procurement requirements.~~