

Date of Hearing: June 16, 2021

ASSEMBLY COMMITTEE ON UTILITIES AND ENERGY

Chris Holden, Chair

SB 479 (Laird) – As Amended June 3, 2021

**SENATE VOTE:** 39-0

**SUBJECT:** Local Government Renewable Energy Self-Generation Program

**SUMMARY:** Expands the state’s local government renewable energy self-generation bill credit transfer program (RES-BCT) to include California Native American tribes as eligible benefiting accounts.

**EXISTING LAW:**

- 1) 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 and requires the California Public Utilities Commission (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)
- 2) Defines an eligible "benefitting account" under the RES-BCT program to mean an electricity account, or more than one account, located within the geographical boundaries of a local government or, for a campus, within the geographical boundary of the city, county, or city and county in which the campus is located, that is mutually agreed upon by the local government or campus and an electrical corporation. (Public Utilities Code § 2830)
- 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 SB 18 (Burton, Chapter 905 of the Statutes of 2004). (Public Resources Code § 21073)

**FISCAL EFFECT:** This bill is keyed fiscal and will be referred to the Appropriations Committee for its review of the fiscal effect of this bill.

**BACKGROUND:**

*RES-BCT program* – The RES-BCT program was established by AB 2466 (Laird, Chapter 540, Statutes of 2008), and allows a local government with one or more eligible renewable generating facilities to export energy to the grid and receive generation credits to benefiting accounts of the same local government. Legislation has since expanded the program to allow university campuses and joint powers authorities as specified to receive credits as benefiting accounts.

Under the current program, local government and state-operated university entities can install up to 5 megawatts (MW) of renewable generation, offset electricity usage within their boundaries, and export excess electricity for bill credits to be shared across the multiple accounts in their entities. In other words, local government and state-operated entities with multiple electricity meters can generate renewable electricity in one location and have the utility credit the output of that facility against electricity consumed by the same entity at another location.

The RES-BCT program is capped at 250 MW and allocated proportionally across the State’s three largest investor-owned utilities (IOUs): 105.25 MW for Pacific Gas & Electric (PG&E), 124.59 MW for Southern California Edison (SCE), and 20.25 MW for San Diego Gas & Electric (SDG&E). As of this analysis, none of the IOUs have contracted out their maximum allotted program capacity (Table 1).

Table 1. RES-BCT participation data indicates that ~110 MW of the 250 MW program capacity remains open.

<b>Electric Utility</b>	<b>Allocated Program Capacity</b>	<b>Remaining Program Capacity</b>
PG&E	105.25 MW	54.682 MW ( <i>as of April 30, 2021</i> )
SCE	124.591 MW	53.7085 MW ( <i>as of June 1, 2021</i> )
SDG&E	20.25 MW	4.57 MW ( <i>as of June 1, 2021</i> )
<b>Total</b>	<b>250 MW</b>	<b>112.96 MW</b>

*California Native American Tribes and Energy* – There are 109 federally recognized Native American tribes in California, with several non-federally recognized tribes petitioning for federal recognition. According to the 2010 U.S. Census, California represents 12 percent of the total Native American population.<sup>1</sup> The California Energy Commission (CEC) Tribal Program participates in government-to-government cooperation, collaboration, communication, and other activities between the state and California Native American tribes.<sup>2</sup> In a summary report following the 2018 California Tribal Energy Summit, the CEC outlined short- and long-term recommendations for greater tribal and agency collaboration to support clean energy development, such as the expansion of programmatic eligibility criteria to include Native American tribes in the state’s energy programs.<sup>3</sup>

#### COMMENTS:

- 1) *Author’s statement.* “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

<sup>1</sup> <https://www.courts.ca.gov/3066.htm>

<sup>2</sup> <https://www.energy.ca.gov/programs-and-topics/programs/tribal-program>

<sup>3</sup> California Energy Commission, *Staff Report: California Tribal Energy Summit Summary Report*, November 26-28, 2018, <https://www2.energy.ca.gov/2019publications/CEC-700-2019-001/CEC-700-2019-001.pdf>.

their inclusion in the RES-BCT program. SB 479 will include tribal governments as eligible local governments under the RES-BCT program.”

- 2) *State and tribal collaboration towards renewable energy.* This bill builds off prior legislation expanding participation in the RES-BCT program. AB 1773 (Oberholte, Chapter 659, Statutes of 2016) and AB 1031 (Blumenfield, Chapter 380, Statutes of 2009) included joint powers authorities and state-operated university campuses in RES-BCT, respectively. This bill also addresses a need for greater inclusion of Native American tribes in the state’s clean energy programs. As noted in the CEC’s Tribal Summit, tribes are developing energy strategies and infrastructure at a rapid pace, and the state is seeking increased collaboration with tribes to achieve strategic energy goals.<sup>4</sup> Improving or clarifying tribal eligibility (as governments or ratepayers) within state energy programs is one such way to facilitate tribal and state energy collaboration in meeting shared energy goals. Proponents of the bill highlight that tribal access to RES-BCT will further incentivize and make renewable energy development economically feasible for tribal governments, which are largely located in rural areas where electricity generation and transmission is generally expensive. Given the available capacity of the RES-BCT program, expanding program eligibility to include Native American tribes is reasonable and consistent with state efforts to support and collaborate with Native American tribes to advance shared clean energy goals.

- 3) *Related/Prior Legislation.*

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

AB 512 (Gordon) expanded the RES-BCT program by increasing the capacity of eligible renewable generating facility from 1 MW to 5 MW, and limited the application of the program to electrical corporations with 60,001 or greater customer accounts. Status: Chapter 478, Statutes of 2011.

AB 1031 (Blumenfield) expanded the RES-BCT program to authorize a campus, defined as an individual community college campus, University of California campus, or California State University campus, to receive bill credits as a benefitting account with an electrical corporation for renewable energy exported to the electrical grid by an eligible renewable generating facility. Status: Chapter 380, Statutes of 2009.

AB 2466 (Laird) established the RES-BCT, a program for local governments who are customers of an electric utility company to generate and receive credits for renewable energy exported back to the electrical grid. Status: Chapter 540, Statutes of 2008.

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<sup>4</sup> p.1, *Ibid.*

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

California Tribal Business Alliance

**Opposition**

None on file.

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