An act to add Sections 454.53, 455.6, 2836.1, and 9620.5 to the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL’S DIGEST

SB 886, as amended, Pavley. Electricity: energy storage systems. Existing law requires the Public Utilities Commission to determine appropriate targets for each load-serving entity to procure viable and cost-effective energy storage systems to be achieved by December 31, 2015, and December 31, 2020. Existing law requires the governing board of each local publicly owned electric utility to initiate a process to determine appropriate targets for the utility to procure viable cost-effective energy storage systems to be achieved by December 31, 2015, and December 31, 2020. Existing law requires the commission to adopt a process for each load-serving entity to file an integrated resource plan and a schedule for periodic updates to the plan to meet certain objectives. Existing law requires each publicly owned electric utility to prudently plan for and procure resources, including energy storage systems adequate to meet the 2015 and 2020 targets, to provide reliable electric service to its customers.

This bill would require load-serving entities, in developing and updating their integrated resource plans, to consider the full benefits of procuring energy storage systems and would require the commission,
in approving the plans, to require the procurement of energy storage systems before fossil-fuel-based generation in specified circumstances. The bill would require electrical corporations, by October 1, 2017, to develop appropriate tariffs or programs to provide incentives to customers to install grid-connected energy storage systems on the customer side of the electrical meter. The bill would require the commission to adopt determine appropriate targets, if any, for each load-serving entity to procure viable and cost-effective energy storage systems to be achieved by December 31, 2030, as specified. Because a violation of an order, decision, rule, direction, demand, or requirements of a commission is a crime, this bill would impose a state-mandated local program. The bill would require the governing board of each local publicly owned electric utility, in planning for future procurement of resources, to consider the benefits of procuring energy storage systems and to procure energy storage systems before fossil-fuel-based generation in specified circumstances. The bill would require the governing boards, by July 1, 2018, to adopt determine appropriate targets, if any, for the utility to procure viable and cost-effective energy storage systems to be achieved by December 31, 2030. Because this bill would impose additional requirements on the governing board of a local publicly owned electric utility, 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.


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

SECTION 1. Section 454.53 is added to the Public Utilities Code, to read:

454.53. The commission shall require load-serving entities, in developing and updating their integrated resource plans pursuant to Section 454.52, to consider the full benefits of procuring energy storage systems, as defined in Section 2835. In approving an integrated resource plan, the commission shall require that, to the extent energy storage systems can meet resource needs as well as
or better than fossil-fuel-based generation at reasonably equivalent
or lower costs, the plans provide for the procurement of energy
storage systems before fossil-fuel-based generation.

SEC. 2. Section 455.6 is added to the Public Utilities Code, to
read:

455.6. The commission shall, in a new or existing proceeding,
require each electrical corporation, by October 1, 2017, to propose
new tariffs or programs to provide incentives to customers of the
electrical corporation for installing energy storage systems on the
customer side of an electric meter that is connected to the electrical
grid.

SEC. 3. Section 2836.1 is added to the Public Utilities Code,
to read:

2836.1. (a) (1) On or before January 1, 2018, the commission
shall adopt appropriate targets, if any, for each
load-serving entity to procure viable and cost-effective energy
storage systems to be achieved by December 31, 2030. Energy
storage systems procured pursuant to the targets shall be limited
to those that reduce the need for fossil-fuel-based generation,
provide benefits to the electrical grid, or support the integration
of eligible renewable energy resources procured pursuant to the
California Renewables Portfolio Standard Program (Article 16
(commencing with Section 399.11) of Chapter 2.3 of Part 1).

(2) This subdivision does not prohibit the commission’s
evaluation and approval of any application for funding or recovery
for costs of any ongoing or new development, trial, or testing of
energy storage projects or technologies outside the targets required
by this chapter.

(b) On or before July 1, 2018, the governing board of each local
publicly owned electric utility shall adopt appropriate
targets, if any, for the utility to procure viable and
cost-effective energy storage systems to be achieved by December
31, 2030. The governing board may consider a variety of policies
to encourage the cost-effective deployment of energy storage
systems to reach the targets, including refinement of existing
procurement methods to properly value energy storage systems.

SEC. 4. Section 9620.5 is added to the Public Utilities Code,
to read:

9620.5. The governing board of each local publicly owned
electric utility, in planning for future procurement of resources,
shall consider the benefits of procuring energy storage systems, as defined in Section 2835, and, to the extent energy storage systems can meet resource needs as well as or better than fossil-fuel-based generation at reasonably equivalent or lower costs, procure energy storage systems before fossil-fuel-based generation.

SEC. 5. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act or because costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.