

Assembly Joint Resolution

No. 45

Introduced by Assembly Members Canciamilla and Florez
(Coauthors: Senators Costa, Machado, and Torlakson)

April 17, 2002

Assembly Joint Resolution No. 45—Relative to the Independent System Operator.

LEGISLATIVE COUNSEL'S DIGEST

AJR 45, as introduced, Canciamilla. Independent System Operator.

This measure would urge the Federal Energy Regulatory Commission (FERC) to maintain long-standing federal policies to promote the development of customer generation resources and to ensure the California electricity load served by customer generation not incur costs for any transmission related service in excess of the transmission costs included in standby service rates developed using ratemaking principles that existed prior to the establishment of the Independent System Operator (ISO). The measure would also urge the FERC to reject the ISO's proposed gross metering policy as well as other policies detrimental to the further development of customer generation in California.

Fiscal committee: no.

- 1 WHEREAS, California has a long established policy of
- 2 supporting customer generation resources; and
- 3 WHEREAS, Customer generation includes all manner of
- 4 customer self-reliance, such as cogeneration, distributed
- 5 generation, and self-generation; and

1 WHEREAS, Both the California legislative and executive
2 branches of government have consistently supported the
3 development of customer generation; and

4 WHEREAS, Customer generation promotes energy
5 self-sufficiency through private capital investment; and

6 WHEREAS, These resources assist in relieving transmission
7 congestion and enhancing the reliability of the electric system by
8 local deployment of generating resources; and

9 WHEREAS, The Independent System Operator (ISO) is
10 currently pursuing unnecessary and burdensome changes to the
11 metering, scheduling, and operational requirements of customer
12 generation and cogeneration resources in tariff proposals before
13 the Federal Energy Regulatory Commission (FERC); and

14 WHEREAS, The ISO's proposed gross metering policy, that
15 would attribute a disproportionate share of ISO costs to electricity
16 load served by customer generation over private transmission or
17 distribution facilities, would result in substantially higher ISO fees
18 for electricity load served by customer generation without any
19 additional benefit for customers or for grid reliability; and

20 WHEREAS, The ISO's overhead costs and staffing are far in
21 excess of the average for other regional transmission
22 organizations; and

23 WHEREAS, The ISO's proposed policy is a major disincentive
24 to the successful development of customer generation in
25 California; now, therefore, be it

26 *Resolved by the Assembly and the Senate of the State of*
27 *California, jointly* That the Legislature of the State of California
28 urges FERC to do all of the following:

29 (1) Maintain long-standing federal policies to promote
30 development of customer generation resources.

31 (2) Ensure the California electricity load served by customer
32 generation not incur costs for any transmission related service in
33 excess of the transmission costs included in standby service rates
34 developed using ratemaking principles that existed prior to the
35 establishment of the ISO; and be it further

36 *Resolved*, That the Legislature urges FERC to reject the ISO's
37 proposed gross metering policy as well as other policies
38 detrimental to the further development of customer generation in
39 California; and be it further

- 1 *Resolved*, That the Chief Clerk of the Assembly transmit copies
- 2 of this resolution to the author for appropriate distribution.

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