

AMENDED IN SENATE AUGUST 29, 2002  
AMENDED IN ASSEMBLY AUGUST 12, 2002  
AMENDED IN ASSEMBLY AUGUST 7, 2002

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

**Assembly Joint Resolution**

**No. 45**

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**Introduced by Assembly Members Canciamilla and Florez**  
**(Coauthors: Assembly Members Aanestad, Alquist, Aroner, Ashburn, Bates, Briggs, Calderon, Bill Campbell, Cardenas, Cardoza, Cedillo, Chan, Chavez, Chu, Cogdill, Cohn, Corbett, Correa, Cox, Daucher, Diaz, Dutra, Firebaugh, Frommer, Harman, Havice, Hollingsworth, Horton, Keeley, Kehoe, Kelley, Koretz, La Suer, Leach, Leonard, Leslie, Liu, Longville, Maddox, Maldonado, Matthews, Migden, Mountjoy, Nakano, Nation, Negrete McLeod, Oropeza, Robert Pacheco, Papan, Pavley, Pescetti, Richman, Runner, Salinas, Shelley, Simitian, Steinberg, Strickland, Thomson, Vargas, Washington, Wesson, Wright, Wyman, and Zettel)**

(Coauthors: Senators Costa, Machado, and Torlakson)

April 17, 2002

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

LEGISLATIVE COUNSEL'S DIGEST

AJR 45, as amended, 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 does 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 FERC to reject the *cost allocation provisions of the ISO's proposed gross metering policy as well as other policies detrimental to the further development of customer generation in California, provided that the reliability standards, established by an official determination of the Western Electricity Coordinating Council, do not require the ISO to procure ancillary services according to the gross load of customer generators.*

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

6 WHEREAS, Both the California legislative and executive  
7 branches of government have consistently supported the  
8 development of customer generation; and

9 WHEREAS, Customer generation promotes energy  
10 self-sufficiency through private capital investment; and

11 WHEREAS, These resources assist in relieving transmission  
12 congestion and enhancing the reliability of the electric system by  
13 local deployment of generating resources; and

14 WHEREAS, The Independent System Operator (ISO) is  
15 currently pursuing unnecessary and burdensome changes to the  
16 metering, scheduling, and operational requirements of customer  
17 generation and cogeneration resources in tariff proposals before  
18 the Federal Energy Regulatory Commission (FERC); and

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



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

4 *Resolved by the Assembly and the Senate of the State of*  
5 *California, jointly* That the Legislature of the State of California  
6 urges FERC to do all of the following:

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

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

14 *Resolved, That the Legislature urges FERC to reject the ISO's*  
15 ~~proposed gross metering policy as well as other policies~~  
16 ~~detrimental to the further development of customer generation in~~  
17 ~~California; and be it further~~ *cost allocation provisions of the ISO's*  
18 *proposed gross metering policy, provided that the reliability*  
19 *standards, established by an official determination of the Western*  
20 *Electricity Coordinating Council, do not require the ISO to*  
21 *procure ancillary services according to the gross load of customer*  
22 *generators; and be it further*

23 *Resolved, That the Chief Clerk of the Assembly transmit copies*  
24 *of this resolution to the author for appropriate distribution.*

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