

Assembly Joint Resolution No. 45

RESOLUTION CHAPTER 194

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

[Filed with Secretary of State September 18, 2002.]

LEGISLATIVE COUNSEL'S DIGEST

AJR 45, 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, 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.

WHEREAS, California has a long established policy of supporting customer generation resources; and

WHEREAS, Customer generation includes all manner of customer self-reliance, such as cogeneration, distributed generation, and self-generation; and

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

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

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

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

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

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

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

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

(2) 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 ISO; and be it further

Resolved, That the Legislature urges FERC to reject the cost allocation provisions of the ISO's proposed gross metering policy, 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; and be it further

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

