

ASSEMBLY BILL

No. 2593

Introduced by Assembly Member Calderon

February 20, 2004

An act to amend Section 379.6 of the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 2593, as introduced, Calderon. Self-generation incentive program.

Existing law requires the Public Utilities Commission, in consultation with the State Energy Resources Conservation and Development Commission (Energy Commission), to administer, until January 1, 2008, a self-generation incentive program for distributed generation resources in the same form that existed on January 1, 2004, except as specified.

This bill would require the commission, in any year that it determines that the self-generation incentive program has sufficient funds available to meet the reasonable anticipated demand for incentives for that year, to suspend for the year any further collection of funds from ratepayers to support the program.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

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

1 SECTION 1. Section 379.6 of the Public Utilities Code is
2 amended to read:

1 379.6. (a) The commission, in consultation with the State
2 Energy Resources Conservation and Development Commission,
3 shall until January 1, 2008, administer a self-generation incentive
4 program for distributed generation resources, in the same form as
5 exists on January 1, 2004.

6 (b) Notwithstanding subdivision (a), the self-generation
7 incentive program shall do all of the following:

8 (1) Commencing January 1, 2005, require all
9 combustion-operated distributed generation projects using fossil
10 fuels to meet an oxides of nitrogen (NO_x) emissions rate standard
11 of 0.14 pounds per megawatthour to be eligible for self-generation
12 rebates.

13 (2) Commencing January 1, 2007, require all
14 combustion-operated distributed generation projects using fossil
15 fuels to meet an oxides of nitrogen (NO_x) emissions rate standard
16 of 0.07 pounds per megawatthour and a minimum efficiency of 60
17 percent, to be eligible for self-generation rebates. A minimum
18 efficiency of 60 percent shall be measured as useful energy output
19 divided by fuel input. The efficiency determination shall be based
20 on 100 percent load.

21 (3) Combined heat and power units that meet the 60 percent
22 efficiency standard may take a credit to meet the applicable oxides
23 of nitrogen (NO_x) emission standard of 0.14 pounds per
24 megawatthour or 0.07 pounds per megawatthour. Credit shall be
25 at the rate of one megawatthour for each 3.4 million British
26 Thermal Units (BTUs) of heat recovered.

27 (4) Provide the commission with flexibility in administering
28 the self-generation incentive program, including, but not limited
29 to, flexibility with regard to the amount of rebates, inclusion of
30 other ultra clean and low emission distributed generation
31 technologies, and evaluation of other public policy interests,
32 including, but not limited to, ratepayers, and energy efficiency and
33 environmental interests.

34 (c) *Notwithstanding subdivision (a), in any year that the*
35 *commission determines that the self-generation incentive program*
36 *has sufficient funds available to meet the reasonable anticipated*
37 *demand for incentives for that year, the commission shall suspend*

- 1 *for the year any further collection of funds from ratepayers to*
- 2 *support the program.*

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