

AMENDED IN ASSEMBLY APRIL 12, 2004

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

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 amended, 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 *incentives*. *The bill would make its provisions inapplicable to ratepayers of an electrical corporation that serves no more than 2 counties.*

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

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

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

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

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

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

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

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

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

(c) Notwithstanding subdivision (a), in any year that the commission determines that the self-generation incentive program has sufficient funds available to meet the reasonable anticipated

1 demand for incentives for that year, the commission shall suspend
2 for the year any further collection of funds from ratepayers to
3 support the program *incentives. This subdivision does not apply to*
4 *rate payers of an electrical corporation that serves no more than*
5 *two counties.*

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