Introduced by Senator Wolk
(Coauthors: Senators Corbett and Pavley)
(Coauthors: Assembly Members Levine and Skinner)

December 11, 2012

An act relating to energy.

LEGISLATIVE COUNSEL’S DIGEST

SB 43, as introduced, Wolk. Shared renewable energy self-generation program.

Under existing law, the Public Utilities Commission has regulatory jurisdiction over public utilities, including electrical corporations, as defined. Existing law authorizes the commission to fix the rates and charges for every public utility, and requires that those rates and charges be just and reasonable. Under existing law, the local government renewable energy self-generation program authorizes a local government, as defined, to receive a bill credit, as defined, to be applied to a designated benefiting account for electricity exported to the electrical grid by an eligible renewable generating facility, as defined, and requires the commission to adopt a rate tariff for the benefitting account.

This bill would state various findings and declarations, and state the intent of the Legislature to enact legislation, relating to a shared renewable energy self-generation program.


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

1 SECTION 1. The Legislature finds and declares as follows:
(a) The creation of renewable energy within California provides significant financial, health, environmental, and workforce benefits to the state of California.

(b) The California Solar Initiative has been extremely successful, resulting in over 100,000 residential and commercial onsite installations of solar energy systems. However, it cannot reach all residents and businesses that want to participate. It is the intent of the Legislature to enact legislation that would build on the success of the California Solar Initiative by dramatically expanding the market for renewable energy resources to include all ratepayers who are currently unable to access the benefits of onsite generation.

(c) The Governor has proposed the Clean Energy Jobs Plan calling for the development of 12,000 megawatts of generation from distributed eligible renewable energy resources of up to 20 megawatts in size by 2020. There is widespread interest from many large institutional customers, including schools, colleges, universities, local governments, businesses, and the military, for development of distributed generation facilities to serve their energy needs. For these reasons, the Legislature agrees that the Governor’s Clean Energy Jobs Plan represents a desired policy direction for the state. It is the intent of the Legislature that distributed generation that comes online as part of a shared renewable energy self-generation program is counted toward an electrical corporation’s efforts to implement the Governor’s Clean Energy Jobs Plan.

(d) Properly designed shared renewable energy programs can provide access and cost savings to communities that have under participated previously, such as low- and moderate-income residents and renters, while not shifting costs to nonbeneficiaries.

(e) While municipal utilities already have the authority to create their own shared renewable energy programs, only an act of the Legislature can empower the vast majority of California residents to be able to create the significant systemic benefits of shared renewable energy systems, including, but not limited to, avoided transmission and distribution upgrades, avoided line loss, and cleaner air and water.

(f) Public institutions need the flexibility and opportunity to participate in shared renewable energy facilities to generate electricity. Electricity usage is one of the most significant cost pressures facing public institutions at a time when they have been
forced to cut essential programs, increase classroom sizes, and send pink slips to teachers throughout the state. Schools may use the savings for restoring funds for salaries, student achievement, facility maintenance, and other budgetary needs.

(g) Shared renewable energy self-generation creates jobs, reduces emissions of greenhouse gases, and promotes energy independence. Further, shared renewable energy self-generation will enable schools, colleges, universities, local governments, businesses, and consumers to save money on their electricity bills, thereby helping to fund educational programs, spur investments, and strengthen our communities.

(h) Many large energy users in California have pursued renewable energy programs of their own, but cannot make their goals due to seismic or land space limitations, or size limits on net metering. It is the intent of the Legislature to enact legislation that will create a mechanism whereby institutional customers, including military installations, universities, and local governments, as well as groups of individuals, can efficiently invest in generating electricity from eligible renewable energy resources.

(i) Therefore, it is the intent of the Legislature to enact legislation establishing a shared renewable energy self-generation program that will be implemented in such a manner as to broaden access to self-generation of renewable energy, while fairly compensating electrical corporations for the services they provide.

(j) It is the intent of the Legislature to enact legislation that would require the Public Utilities Commission to carefully consider regulatory barriers to distributed generation projects already identified and those not yet identified and quickly address those barriers in a manner that is conducive to the development of distributed generation projects consistent with appropriate ratepayer protections.

(k) It is the intent of the Legislature to enact legislation that would require the commission to minimize the rate impact of a shared renewable energy self-generation program on nonbeneficiaries, with a goal of ratepayer indifference. To the extent that a program would impose incremental increases in rates, it is the intent that the commission ensure that the cost increases are equitably allocated to all customers on a nonbypassable basis.
reflecting both the costs and benefits that shared renewable energy facilities provide to the residents of California.