

**Introduced by Senator Peace**

February 24, 1999

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An act to add and repeal Sections 25619 and 25620.91 of the Public Resources Code, relating to energy programs.

LEGISLATIVE COUNSEL'S DIGEST

SB 655, as introduced, Peace. State Energy Resources Conservation and Development Commission: grant program: solar energy systems.

Existing law requires the State Energy Resources Conservation and Development Commission to expand and accelerate development of alternative sources of energy including solar resources.

This bill, until January 1, 2007, would require the commission, to the extent that funds are appropriated for that purpose in the annual Budget Act, to implement a grant program to accomplish specified goals including making solar energy systems cost competitive with alternate forms of energy. The bill would require the grants to be based on either the performance of, or the type of, the solar energy system, as determined by the commission, and would prohibit duplicate grants from other grant programs administered by the commission for solar systems that produce electricity, as specified. The bill would require the commission to develop and adopt guidelines, as specified. The bill would authorize the commission to use up to 3% of the funds appropriated for the program to fund the commission's costs in administering the program.

The bill, until January 1, 2007, would also require the commission, to the extent that funds are appropriated for that purpose in the annual Budget Act, to develop and implement a grant program to offset a portion of the costs of eligible distributed generation systems, as prescribed. The bill would authorize the commission to use up to 3% of the funds appropriated for the program to fund the commission's costs in administering 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. The Legislature finds and declares both  
2 of the following:

3 (a) Solar technologies produce clean, renewable  
4 energy while reducing California's energy deficit,  
5 creating in-state businesses and jobs in the  
6 manufacturing, contracting, and distribution industries,  
7 and preserving California's preeminent role as home to  
8 the world's largest concentration of solar energy  
9 companies.

10 (b) High-efficiency, low polluting distributed  
11 generation resources, installed on customer sites, can  
12 reduce customer costs of energy, reduce environmental  
13 pollution associated with central station power plants,  
14 and provide customers with improved reliability in the  
15 event of an electricity outage.

16 SEC. 2. Section 25619 is added to the Public Resources  
17 Code, to read:

18 25619. (a) The commission shall develop a grant  
19 program to offset a portion of the cost of eligible solar  
20 energy systems. The goals of the program are all of the  
21 following:

22 (1) To make solar energy systems cost competitive  
23 with alternate forms of energy.

24 (2) To reduce the cost of solar energy systems so that  
25 after four years these systems will not need state support  
26 to be cost competitive.

(3) To provide support for electricity storage capabilities in solar electric applications to facilitate enhanced reliability in the event of a power outage.

(4) To encourage the purchase by California residents of California-made solar systems.

(b) (1) The grant for an eligible solar energy system shall be based on either the performance of, or the type of, the solar energy system, as the commission determines, and the amount of the grant shall not exceed seven hundred fifty dollars (\$750). Except as provided in paragraph (2), if a grant is awarded pursuant to this section for an eligible solar energy system that produces electricity, no grant shall be made for that system from any other grant program administered by the commission.

(2) An applicant who receives a grant for a photovoltaic solar energy system from another program administered by the commission, may also receive a grant for that system pursuant to this section, if all of the following conditions are met:

(A) The system will accomplish the purpose specified in paragraph (3) of subdivision (a).

(B) The system is an eligible solar energy system.

(C) The system includes adequate battery storage, as determined by the commission.

(c) Only the owner of the solar energy system may apply for a grant under this section. An owner-builder or owner-developer of a new single-family dwelling on which a system is installed may elect not to apply for a grant on a solar energy system installed on a new single-family dwelling. If an owner-builder or owner-developer of a new single-family dwelling on which a system is installed irrevocably elects not to apply for the grant for a solar energy system, the original purchaser of the dwelling may apply for the grant if a written document conveying entitlement to the grant is provided by the owner-builder or owner-developer to the original purchaser of the dwelling.

(d) The commission shall develop and adopt guidelines to provide appropriate consumer protection

1 under the grant program and to govern other aspects of  
2 the grant program. The guidelines shall be adopted at a  
3 publicly noticed meeting and all interested parties shall  
4 be provided an opportunity to comment either orally or  
5 in writing. Not less than 30 days notice shall be provided  
6 for the public meeting. Subsequent substantive changes  
7 to adopted guidelines shall be adopted by the commission  
8 at a public meeting upon written notice to the public of  
9 not less than 10 days. The guidelines adopted pursuant to  
10 this subdivision are not subject to the requirements of  
11 Chapter 3.5 (commencing with Section 11340) of  
12 Division 3 of Title 2 of the Government Code.

13 (e) The person who provides the solar energy system  
14 shall be properly licensed to do so by the Contractors'  
15 State License Board.

16 (f) The award of a grant pursuant to this section is  
17 subject to appeal to the commission upon a showing that  
18 factors other than those described in the guidelines  
19 adopted by the commission were applied in making the  
20 award. Any action taken by an applicant to apply for, or  
21 become or remain eligible to receive an award, including  
22 satisfying conditions specified by the commission, does  
23 not constitute the rendering of goods, services, or a direct  
24 benefit to the commission. Awards made pursuant to this  
25 section are not subject to any repayment requirements of  
26 Chapter 7.4 (commencing with Section 25645).

27 (g) The commission shall only implement this section  
28 to the extent that moneys are appropriated for the  
29 purposes of this section in the annual Budget Act. The  
30 commission may expend up to 3 percent of the funds  
31 available for this program each year to fund the  
32 commission's costs of administering the program.

33 (h) For the purposes of this section, the following  
34 terms have the following meanings:

35 (1) "Cost" includes equipment, installation charges,  
36 and all components necessary to carry out the intended  
37 use of the system if those components are an integral part  
38 of the system. In the case of a system that is leased, "cost"  
39 means the principal recovery portion of all lease  
40 payments scheduled to be made during the full term of

1 the lease, which is the cost incurred by the taxpayer in  
2 acquiring the solar energy system, excluding interest  
3 charges and maintenance expenses.

4 (2) (A) “Eligible solar energy system” means any  
5 new, previously unused solar energy device whose  
6 primary purpose is to provide for the collection,  
7 conversion, transfer, distribution, storage, or control of  
8 solar energy for water heating or electricity generation,  
9 and that meets applicable standards and requirements  
10 imposed by state and local permitting authorities,  
11 including, but not limited to, the National Electric Code.  
12 Eligible solar energy systems for water heating purposes  
13 shall be certified by the Solar Rating and Certification  
14 Corporation (SRCC) or any other nationally recognized  
15 certification agency that certifies complete systems.  
16 Major components of eligible solar energy systems for  
17 electricity generation shall be listed by a certified testing  
18 agency, such as the Underwriters Laboratory.

19 (B) “Eligible solar energy system” does not include  
20 any of the following:

21 (i) Wind energy devices that produce electricity or  
22 provide mechanical work.

23 (ii) Additions to or augmentation of existing solar  
24 energy systems.

25 (iii) A device that produces electricity for a structure  
26 unless the device is interconnected and operates in  
27 parallel with the electric grid.

28 (C) Eligible solar energy systems shall have a warranty  
29 of not less than three years.

30 (3) “Installed” means placed in a functionally  
31 operative state.

32 (j) This section shall remain in effect only until  
33 January 1, 2007, and as of that date is repealed, unless a  
34 later enacted statute, that is enacted before January 1,  
35 2007, deletes or extends that date.

36 SEC. 3. Section 25620.91 is added to the Public  
37 Resources Code, to read:

38 25620.91. (a) The commission shall develop and  
39 implement a grant program to offset a portion of the costs  
40 of eligible distributed generation systems.

1 (b) A grant for an eligible distributed generation  
2 system shall be based on either the performance or type  
3 of distributed generation system, as determined by the  
4 commission. The amount of the grant shall not exceed  
5 seven hundred fifty dollars (\$750).

6 (c) An applicant who receives a grant for a distributed  
7 generation system from another program administered  
8 by the commission, may also receive a grant for that  
9 system pursuant to this section if the system possesses  
10 adequate black-start capability, as determined by the  
11 commission.

12 (d) Only the owner of the distributed generation  
13 system may apply for a grant under this section. If the  
14 owner-developer or owner-builder of the property on  
15 which a system is installed irrevocably elects to not apply  
16 for a grant under this section, the purchaser of the  
17 property may apply if the original owner-developer or  
18 owner-builder conveys entitlement to the grant in a  
19 written document.

20 (e) The commission shall develop and adopt  
21 guidelines to provide appropriate consumer protection  
22 under the grant program and to govern other aspects of  
23 the grant program, which shall be made available to the  
24 public. Not less than 30 days' notice shall be provided for  
25 a public meeting to adopt the guidelines. Public meetings  
26 to adopt subsequent substantive guideline changes  
27 require written public notice of not less than 10 days. The  
28 guidelines adopted pursuant to this subdivision are not  
29 subject to the requirements of Chapter 3.5 (commencing  
30 with Section 11340) of Part 1 of Division 3 of Title 2 of the  
31 Government Code.

32 (f) The person who provides the distributed  
33 generation system shall be properly licensed to do so by  
34 the Contractors' State License Board.

35 (g) The award of a grant pursuant to this section is  
36 subject to appeal to the commission upon a showing that  
37 factors other than those adopted by the commission were  
38 applied in making the award.

39 (h) The commission shall only implement this section  
40 to the extent that moneys are appropriated for the

1 purposes of this section in the annual Budget Act. The  
2 commission may expend up to 3 percent of the funds  
3 available for this program to fund the commission's cost  
4 of administering this program.

5 (i) The commission shall develop appropriate safety  
6 and interconnection standards for distributed generation  
7 systems.

8 (j) For purposes of this section, the following terms  
9 have the following meanings:

10 (1) "Black-start capability" means the capability to  
11 provide electricity to the customer in the event of an  
12 outage.

13 (2) "Cost" includes equipment, installation charges  
14 and all components necessary to carry out the intended  
15 use of the system if those components are an integral part  
16 of the system. In the case of a system that is leased, "cost"  
17 means the principal recovery portion of all lease  
18 payments scheduled to be made during the full term of  
19 the lease, which is the costs incurred by the customer in  
20 acquiring the distributed generation system, excluding  
21 interest charges and maintenance expenses.

22 (3) "Eligible distributed generation system" means  
23 any new, previously unused distributed generation  
24 system, interconnected and operating in parallel with the  
25 electricity grid, certified by the commission to provide  
26 environmental and system reliability benefits greater  
27 than those achievable from commercially available,  
28 natural gas fueled central state power plants. Potentially  
29 certifiable technologies include all of the following:

30 (A) Microcogeneration.

31 (B) Gas turbines.

32 (C) Fuel cells.

33 (D) Wind turbines.

34 (E) Electricity storage technologies in systems not  
35 eligible for grants under Section 25619.

36 (F) Solar Dish Stirling Engine.

37 (G) Reciprocating internal combustion engines.

38 (4) "Installed" means placed in a functionally  
39 operative state.

- 1 (k) Eligible distributed generation systems shall have  
2 a warranty of not less than three years.
- 3 (l) This section shall remain in effect only until  
4 January 1, 2007, and as of that date is repealed unless a  
5 later enacted statute, that is enacted before January 1,  
6 2007, deletes or extends that date.

