

AMENDED IN SENATE APRIL 5, 1999

SENATE BILL

No. 655

Introduced by Senator Peace

February 24, 1999

An act to *amend Section 801.5 of the Civil Code, and 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 amended, Peace. State Energy Resources Conservation and Development Commission: grant program: solar energy systems.

Existing law, for purposes of provisions governing property rights, defines the term "solar energy system" to mean any solar collector or other solar energy device whose primary purpose is to provide for the collection, storage, and distribution of solar energy for space heating or cooling, or for water heating, or any structural design feature of a building, whose primary purpose is to provide for the collection, storage, and distribution of solar energy for space heating or cooling, or for water heating.

This bill would revise that definition of "solar energy system" to additionally include within that definition of a "solar energy system" any solar collector or other solar energy device whose primary purpose is to provide for electricity generation, or any structural design feature of a building whose primary purpose is to provide for electricity generation.

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



1 the world's largest concentration of solar energy
2 companies.

3 (b) High-efficiency, low polluting distributed
4 generation resources, installed on customer sites, can
5 reduce customer costs of energy, reduce environmental
6 pollution associated with central station powerplants, and
7 provide customers with improved reliability in the event
8 of an electricity outage.

9 SEC. 2. *Section 801.5 of the Civil Code is amended to*
10 *read:*

11 801.5. (a) The right of receiving sunlight as specified
12 in subdivision 18 of Section 801 shall be referred to as a
13 solar easement. "Solar easement" means the right of
14 receiving sunlight across real property of another for any
15 solar energy system.

16 As used in this section, "solar energy system" means
17 either of the following:

18 (1) Any solar collector or other solar energy device
19 whose primary purpose is to provide for the collection,
20 storage, and distribution of solar energy for *electricity*
21 *generation*, space heating or cooling, or for water heating;
22 ~~or~~

23 (2) Any structural design feature of a building, whose
24 primary purpose is to provide for the collection, storage,
25 and distribution of solar energy for *electricity*
26 *generation*, space heating or cooling, or for water heating.

27 (b) Any instrument creating a solar easement shall
28 include, at a minimum, all of the following:

29 (1) A description of the dimensions of the easement
30 expressed in measurable terms, such as vertical or
31 horizontal angles measured in degrees, or the hours of the
32 day on specified dates during which direct sunlight to a
33 specified surface of a solar collector, device, or structural
34 design feature may not be obstructed, or a combination
35 of these descriptions.

36 (2) The restrictions placed upon vegetation,
37 structures, and other objects which would impair or
38 obstruct the passage of sunlight through the easement.

39 (3) The terms or conditions, if any, under which the
40 easement may be revised or terminated.

1 SEC. 3. Section 25619 is added to the Public Resources
2 Code, to read:

3 25619. (a) The commission shall develop a grant
4 program to offset a portion of the cost of eligible solar
5 energy systems. The goals of the program are all of the
6 following:

7 (1) To make solar energy systems cost competitive
8 with alternate forms of energy.

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

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

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

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

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

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

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

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

37 (c) Only the owner of the solar energy system may
38 apply for a grant under this section. An owner-builder or
39 owner-developer of a new single-family dwelling on
40 which a system is installed may elect not to apply for a

1 grant on a solar energy system installed on a new
2 single-family dwelling. If an owner-builder or
3 owner-developer of a new single-family dwelling on
4 which a system is installed irrevocably elects not to apply
5 for the grant for a solar energy system, the original
6 purchaser of the dwelling may apply for the grant if a
7 written document conveying entitlement to the grant is
8 provided by the owner-builder or owner-developer to the
9 original purchaser of the dwelling.

10 (d) The commission shall develop and adopt
11 guidelines to provide appropriate consumer protection
12 under the grant program and to govern other aspects of
13 the grant program. The guidelines shall be adopted at a
14 publicly noticed meeting and all interested parties shall
15 be provided an opportunity to comment either orally or
16 in writing. Not less than 30 days notice shall be provided
17 for the public meeting. Subsequent substantive changes
18 to adopted guidelines shall be adopted by the commission
19 at a public meeting upon written notice to the public of
20 not less than 10 days. The guidelines adopted pursuant to
21 this subdivision are not subject to the requirements of
22 Chapter 3.5 (commencing with Section 11340) of
23 Division 3 of Title 2 of the Government Code.

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

27 (f) The award of a grant pursuant to this section is
28 subject to appeal to the commission upon a showing that
29 factors other than those described in the guidelines
30 adopted by the commission were applied in making the
31 award. Any action taken by an applicant to apply for, or
32 become or remain eligible to receive an award, including
33 satisfying conditions specified by the commission, does
34 not constitute the rendering of goods, services, or a direct
35 benefit to the commission. Awards made pursuant to this
36 section are not subject to any repayment requirements of
37 Chapter 7.4 (commencing with Section 25645).

38 (g) The commission shall only implement this section
39 to the extent that moneys are appropriated for the
40 purposes of this section in the annual Budget Act. The

1 commission may expend up to 3 percent of the funds
2 available for this program each year to fund the
3 commission's costs of administering the program.

4 (h) For the purposes of this section, the following
5 terms have the following meanings:

6 (1) "Cost" includes equipment, installation charges,
7 and all components necessary to carry out the intended
8 use of the system if those components are an integral part
9 of the system. In the case of a system that is leased, "cost"
10 means the principal recovery portion of all lease
11 payments scheduled to be made during the full term of
12 the lease, which is the cost incurred by the taxpayer in
13 acquiring the solar energy system, excluding interest
14 charges and maintenance expenses.

15 (2) (A) "Eligible solar energy system" means any
16 new, previously unused solar energy device whose
17 primary purpose is to provide for the collection,
18 conversion, transfer, distribution, storage, or control of
19 solar energy for water heating or electricity generation,
20 and that meets applicable standards and requirements
21 imposed by state and local permitting authorities,
22 including, but not limited to, the National Electric Code.
23 Eligible solar energy systems for water heating purposes
24 shall be certified by the Solar Rating and Certification
25 Corporation (SRCC) or any other nationally recognized
26 certification agency that certifies complete systems.
27 Major components of eligible solar energy systems for
28 electricity generation shall be listed by a certified testing
29 agency, such as the Underwriters Laboratory.

30 (B) "Eligible solar energy system" does not include
31 any of the following:

32 (i) Wind energy devices that produce electricity or
33 provide mechanical work.

34 (ii) Additions to or augmentation of existing solar
35 energy systems.

36 (iii) A device that produces electricity for a structure
37 unless the device is interconnected and operates in
38 parallel with the electric grid.

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

1 (3) “Installed” means placed in a functionally
2 operative state.

3 (j) 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.

7 ~~SEC. 3.~~

8 SEC. 4. Section 25620.91 is added to the Public
9 Resources Code, to read:

10 25620.91. (a) The commission shall develop and
11 implement a grant program to offset a portion of the costs
12 of eligible distributed generation systems.

13 (b) A grant for an eligible distributed generation
14 system shall be based on either the performance or type
15 of distributed generation system, as determined by the
16 commission. The amount of the grant shall not exceed
17 ~~seven hundred fifty dollars (\$750);~~ *the lesser of 10 percent*
18 *of the costs of the eligible distributed generation system*
19 *or two thousand dollars (\$2,000).*

20 (c) An applicant who receives a grant for ~~a~~ *an eligible*
21 distributed generation system from another program
22 administered by the commission, may also receive a grant
23 for that system pursuant to this section if the system
24 possesses adequate black-start capability, as determined
25 by the commission.

26 (d) Only the owner of the *eligible* distributed
27 generation system may apply for a grant under this
28 section. If the owner-developer or owner-builder of the
29 property on which a system is installed irrevocably elects
30 to not apply for a grant under this section, the purchaser
31 of the property may apply if the original
32 owner-developer or owner-builder conveys entitlement
33 to the grant in a written document.

34 (e) The commission shall develop and adopt
35 guidelines to provide appropriate consumer protection
36 under the grant program and to govern other aspects of
37 the grant program, which shall be made available to the
38 public. Not less than 30 days’ notice shall be provided for
39 a public meeting to adopt the guidelines. Public meetings
40 to adopt subsequent substantive guideline changes

1 require written public notice of not less than 10 days. The
2 guidelines adopted pursuant to this subdivision are not
3 subject to the requirements of Chapter 3.5 (commencing
4 with Section 11340) of Part 1 of Division 3 of Title 2 of the
5 Government Code.

6 (f) The person who provides the *eligible* distributed
7 generation system shall be properly licensed to do so by
8 the Contractors' State License Board.

9 (g) The award of a grant pursuant to this section is
10 subject to appeal to the commission upon a showing that
11 factors other than those adopted by the commission were
12 applied in making the award.

13 (h) The commission shall only implement this section
14 to the extent that moneys are appropriated for the
15 purposes of this section in the annual Budget Act. The
16 commission may expend up to 3 percent of the funds
17 available for this program to fund the commission's cost
18 of administering this program.

19 ~~(i) The commission shall develop appropriate safety~~
20 ~~and interconnection standards for distributed generation~~
21 ~~systems.~~

22 ~~(j)~~

23 (i) The commission shall establish appropriate
24 interconnection and safety requirements and operating
25 agreements for distributed generation by developing all
26 of the following:

27 (1) Simplified, uniform interconnection requirements
28 that do both of the following:

29 (A) Take into account generator size and interconnect
30 technology (e.g. synchronous, inductive, or solid state).

31 (B) Do not provide for power sales.

32 (2) Simplified, nonburdensome, uniform operating
33 agreements and reasonable insurance requirements.

34 (3) Interconnection standards for solid-state power
35 conditioning systems.

36 (4) A process to precertify specific hardware and
37 software configurations for interconnection with the
38 electric grid.

39 (5) A process, not lasting more than 14 calendar days
40 from notification, whereby the utility distribution

1 company within whose service territory the system is
2 located, performs any necessary studies, inspects the
3 installation and safety of the installed system and signs the
4 operating agreement.

5 (j) The commission shall establish fair and reasonable
6 standby rates that do not discriminate against generated
7 distribution.

8 (k) Eligible distributed generation systems shall have
9 a warranty of not less than three years.

10 (l) For purposes of this section, the following terms
11 have the following meanings:

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

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

24 (3) "Distributed generation" means any onsite
25 generation, interconnected and operating in parallel
26 with the electricity grid, that is used solely to meet onsite
27 electric load.

28 (4) "Eligible distributed generation system" means
29 any new, previously unused distributed generation
30 system, interconnected and operating in parallel with the
31 electricity grid, certified by the commission to provide
32 environmental and system reliability benefits ~~greater~~
33 ~~than those achievable from commercially available,~~
34 ~~natural gas fueled central state powerplants. Potentially~~
35 ~~equal to or greater than the following specifications:~~

36 (A) Forty percent total fuel efficiency for any
37 nonrenewable fuel system.

38 (B) Thirty-five percent total fuel efficiency for any
39 renewable fueled system.

40 (C) Less than 10 percent NOX emissions.

- 1 (D) *Ninety percent total system reliability.*
2 (4) Potentially certifiable technologies include all of
3 the following:
4 (A) Microcogeneration.
5 (B) Gas turbines.
6 (C) Fuel cells.
7 (D) Wind turbines.
8 (E) Electricity storage technologies in systems not
9 eligible for grants under Section 25619.
10 (F) Solar Dish Stirling Engine.
11 (G) Reciprocating internal combustion engines.
12 ~~(4)~~
13 (5) “Installed” means placed in a functionally
14 operative state.
15 ~~(k) Eligible distributed generation systems shall have~~
16 ~~a warranty of not less than three years.~~
17 ~~(f)~~
18 (m) This section shall remain in effect only until
19 January 1, 2007, and as of that date is repealed unless a
20 later enacted statute, that is enacted before January 1,
21 2007, deletes or extends that date.

