

Introduced by Senator Peace

January 10, 2000

An act to amend Section 801.5 of the Civil Code, to add Section 25260.92 to, and to add and repeal Sections 25619 and 25620.91 of the Public Resources Code, relating to energy programs.

LEGISLATIVE COUNSEL'S DIGEST

SB 1345, as introduced, 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, beginning July 1, 2001, and until January 1, 2006, 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, beginning July 1, 2001, and until January 1, 2006, 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.

The bill would require the Public Utilities Commission to establish appropriate interconnection and safety requirements and operating agreements for distributed generation, as defined, in accordance with specified requirements.

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



1 manufacturing, contracting, and distribution industries,
2 and preserving California's preeminent role as home to
3 the world's largest concentration of solar energy
4 companies.

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

11 SEC. 2. Section 801.5 of the Civil Code is amended to
12 read:

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

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

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

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

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

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

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

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

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

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

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

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

(3) 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

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

9 (d) The commission shall develop and adopt
10 guidelines to provide appropriate consumer protection
11 under the grant program and to govern other aspects of
12 the grant program. The guidelines shall be adopted at a
13 publicly noticed meeting and all interested parties shall
14 be provided an opportunity to comment either orally or
15 in writing. Not less than 30 days notice shall be provided
16 for the public meeting. Subsequent substantive changes
17 to adopted guidelines shall be adopted by the commission
18 at a public meeting upon written notice to the public of
19 not less than 10 days. Any guidelines adopted pursuant to
20 this subdivision that are adopted on or before July 1, 2001,
21 are not subject to the requirements of Chapter 3.5
22 (commencing with Section 11340) of Division 3 of Title
23 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 become operative on July 1, 2001,
4 and shall remain in effect only until January 1, 2006, and
5 as of that date is repealed, unless a later enacted statute,
6 that is enacted before January 1, 2006, deletes or extends
7 that date.

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 the
17 lesser of 10 percent of the costs of the eligible distributed
18 generation system or two thousand dollars (\$2,000).

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

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

33 (e) The commission shall develop and adopt
34 guidelines to provide appropriate consumer protection
35 under the grant program and to govern other aspects of
36 the grant program, which shall be made available to the
37 public. Not less than 30 days’ notice shall be provided for
38 a public meeting to adopt the guidelines. Public meetings
39 to adopt subsequent substantive guideline changes
40 require written public notice of not less than 10 days. Any

1 guidelines adopted pursuant to this subdivision that are
2 adopted on or before July 1, 2001, are not subject to the
3 requirements of Chapter 3.5 (commencing with Section
4 11340) of Part 1 of Division 3 of Title 2 of the Government
5 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) Eligible distributed generation systems shall have
20 a warranty of not less than three years.

21 (j) For purposes of this section, the following terms
22 have the following meanings:

23 (1) "Black-start capability" means the capability to
24 provide electricity to the customer in the event of an
25 outage.

26 (2) "Cost" includes equipment, installation charges
27 and all components necessary to carry out the intended
28 use of the system if those components are an integral part
29 of the system. In the case of a system that is leased, "cost"
30 means the principal recovery portion of all lease
31 payments scheduled to be made during the full term of
32 the lease, which is the costs incurred by the customer in
33 acquiring the distributed generation system, excluding
34 interest charges and maintenance expenses.

35 (3) "Eligible distributed generation system" means
36 any new, previously unused distributed generation
37 system, interconnected and operating in parallel with the
38 electricity grid, certified by the commission to provide
39 environmental and system reliability benefits equal to or
40 greater than the following specifications:

1 (A) Forty percent total fuel-to-energy conversion
2 efficiency for any nonrenewable fuel system.

3 (B) Thirty-five percent total fuel-to-energy
4 conversion efficiency for any renewable fuel system.

5 (C) Emission of oxides of nitrogen and any other
6 applicable criteria pollutants that equal or exceed Best
7 Achievable Control Technology (BACT) for natural gas
8 fired central station power plants. The commission shall,
9 in consultation with the State Air Resources Board,
10 prepare and update specifications for those emissions and
11 other applicable criteria pollutants.

12 (D) Ninety percent total system reliability.

13 (4) Potentially certifiable technologies include all of
14 the following:

15 (A) Microcogeneration.

16 (B) Gas turbines.

17 (C) Fuel cells.

18 (D) Wind turbines.

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

21 (F) Solar Dish Stirling Engine.

22 (G) Reciprocating internal combustion engines.

23 (5) "Installed" means placed in a functionally
24 operative state.

25 (k) This section shall become operative on July 1, 2001,
26 and shall remain in effect only until January 1, 2006, and
27 as of that date is repealed unless a later enacted statute,
28 that is enacted before January 1, 2006, deletes or extends
29 that date.

30 SEC. 5. Section 25620.92 is added to the Public
31 Resources Code, to read:

32 25620.92. (a) The Public Utilities Commission shall
33 establish appropriate interconnection and safety
34 requirements and operating agreements for distributed
35 generation by developing all of the following:

36 (1) Simplified, uniform interconnection requirements
37 that do both of the following:

38 (A) Take into account generator size and interconnect
39 technology, including, but not limited to, synchronous,
40 inductive, or solid-state technology.

1 (B) Do not provide for power sales.

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

4 (3) Interconnection standards for solid-state power
5 conditioning systems.

6 (4) A process to precertify specific hardware and
7 software configurations for interconnection with the
8 electric grid.

9 (5) An expedited process whereby performance of
10 any necessary studies, safety inspections of the installed
11 system, and the signing of the operating agreement by
12 the utility distribution company are completed within a
13 prescribed period from the date of notification, which
14 shall not unduly or unnecessarily delay the
15 commencement of operation.

16 (b) The Public Utilities Commission shall establish fair
17 and reasonable standby rates that do not discriminate
18 against distributed generation.

19 (c) For purposes of this section, “distributed
20 generation” means any onsite generation,
21 interconnected and operating in parallel with the
22 electricity grid, that is used solely to meet onsite electric
23 load.

