

AMENDED IN ASSEMBLY JUNE 20, 2000

AMENDED IN SENATE MAY 30, 2000

SENATE BILL

No. 1345

Introduced by Senator Peace

January 10, 2000

An act to amend Section 801.5 of the Civil Code, to add Section ~~25260.92~~ 25620.11 to, and to add and repeal Sections 25619 and ~~25620.91~~ of 25620.10 of, the Public Resources Code, relating to energy programs.

LEGISLATIVE COUNSEL'S DIGEST

SB 1345, 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, ~~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.~~ This bill would declare that any action taken by an applicant to receive a grant award, including, but not limited to, satisfying conditions specified by the commission, would not constitute the rendering of any type of benefit to the commission.

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~~

The bill would authorize the commission to use up to a total of \$250,000 of the collective funds appropriated for the program above-referenced grant programs to fund the commission's costs in administering the program those programs.

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
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 powerplants, and
14 provide customers with improved reliability in the event
15 of an electricity outage.

16 SEC. 2. Section 801.5 of the Civil Code is amended to
17 read:

18 801.5. (a) The right of receiving sunlight as specified
19 in subdivision 18 of Section 801 shall be referred to as a
20 solar easement. "Solar easement" means the right of
21 receiving sunlight across real property of another for any
22 solar energy system.

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

25 (1) Any solar collector or other solar energy device
26 whose primary purpose is to provide for the collection,
27 storage, and distribution of solar energy for space heating,
28 space cooling, electric generation, or water heating.

29 (2) Any structural design feature of a building, whose
30 primary purpose is to provide for the collection, storage,
31 and distribution of solar energy for electricity generation,
32 space heating or cooling, or for water heating.

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

3 (1) A description of the dimensions of the easement
4 expressed in measurable terms, such as vertical or
5 horizontal angles measured in degrees, or the hours of the
6 day on specified dates during which direct sunlight to a
7 specified surface of a solar collector, device, or structural
8 design feature may not be obstructed, or a combination
9 of these descriptions.

10 (2) The restrictions placed upon vegetation,
11 structures, and other objects that would impair or
12 obstruct the passage of sunlight through the easement.

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

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

17 25619. (a) The commission shall develop a grant
18 program to offset a portion of the cost of eligible solar
19 energy systems. The goals of the program are all of the
20 following:

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

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

26 (3) To encourage the purchase by California residents
27 of California-made solar systems.

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

38 (2) An applicant who receives a grant for a
39 photovoltaic solar energy system from another program
40 administered by the commission, may also receive a grant

1 for that system pursuant to this section, if all of the
2 following conditions are met:

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

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

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

8 (c) Purchasers, sellers, owner-builders, or
9 owner-developers of the solar energy system may apply
10 for a grant under this section. An owner-builder or
11 owner-developer of a new single-family dwelling on
12 which a system is installed may elect not to apply for a
13 grant on a solar energy system installed on a new
14 single-family dwelling. If an owner-builder or
15 owner-developer of a new single-family dwelling on
16 which a system is installed elects not to apply for the grant
17 for a solar energy system, the purchaser of the dwelling
18 may apply for the grant. The seller, owner-builder, or
19 owner-developer shall reflect the amount of the grant
20 received on the purchaser's bill of sale.

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

35 (e) The commission shall require installers of solar
36 energy systems funded through grants under this section
37 to be properly licensed to do so by the Contractors' State
38 License Board. This requirement does not apply to the
39 owner of a single-family dwelling who installs a solar
40 energy system on his or her single-family dwelling.

1 (f) The award of a grant pursuant to this section is
2 subject to appeal to the commission upon a showing that
3 factors other than those described in the guidelines
4 adopted by the commission were applied in making the
5 award. Any action taken by an applicant to apply for, or
6 become or remain eligible to receive an award, including
7 satisfying conditions specified by the commission, does
8 not constitute the rendering of goods, services, or a direct
9 benefit to the commission. Awards made pursuant to this
10 section are not subject to any repayment requirements of
11 Chapter 7.4 (commencing with Section 25645).

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

18 ~~(h)–~~

19 (g) For the purposes of this section, the following
20 terms have the following meanings:

21 (1) “Cost” includes equipment, installation charges,
22 and all components necessary to carry out the intended
23 use of the system if those components are an integral part
24 of the system. In the case of a system that is leased, “cost”
25 means the principal recovery portion of all lease
26 payments scheduled to be made during the full term of
27 the lease, which is the cost incurred by the taxpayer in
28 acquiring the solar energy system, excluding interest
29 charges and maintenance expenses.

30 (2) (A) “Eligible solar energy system” means any
31 new, previously unused solar energy device whose
32 primary purpose is to provide for the collection,
33 conversion, transfer, distribution, storage, or control of
34 solar energy for water heating or electricity generation,
35 and that meets applicable standards and requirements
36 imposed by state and local permitting authorities,
37 including, but not limited to, the National Electric Code.
38 Eligible solar energy systems for water heating purposes
39 shall be certified by the Solar Rating and Certification
40 Corporation (SRCC) or any other nationally recognized

certification agency that certifies complete systems. Major components of eligible solar energy systems for electricity generation shall be listed by a certified testing agency, such as the Underwriters Laboratory.

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

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

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

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

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

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

~~(j) This section shall become operative on July 1, 2001, and~~

(h) This section shall remain in effect only until January 1, 2006, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2006, deletes or extends that date.

SEC. 4. Section ~~25620.91~~ 25620.10 is added to the Public Resources Code, to read:

~~25620.91.~~

25620.10. (a) The commission shall develop and implement a grant program to offset a portion of the costs of eligible distributed generation systems.

(b) A grant for an eligible distributed generation system shall be based on either the performance or type of distributed generation system, as determined by the commission. The amount of the grant shall not exceed the lesser of 10 percent of the costs of the eligible distributed generation system or two thousand dollars (\$2,000).

(c) An applicant who receives a grant for an eligible distributed generation system from another program administered by the commission may also receive a grant for that system pursuant to this section if the system

1 possesses adequate black-start capability, as determined
2 by the commission.

3 (d) Purchasers, sellers, owner-builders, or
4 owner-developers of the eligible distributed generation
5 system may apply for a grant under this section. If the
6 owner-developer or owner-builder of the property on
7 which a system is installed elects to not apply for a grant
8 under this section, the purchaser of the property may
9 apply for the grant. The seller, owner-builder, or
10 owner-developer shall reflect the amount of the grant
11 received on the purchaser's bill of sale.

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

24 (f) The commission shall require installers of eligible
25 distributed generation systems funded through grants
26 under this section to be properly licensed to do so by the
27 Contractors' State License Board.

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

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

~~purposes of this section in the annual Budget Act. The commission may expend up to two hundred fifty thousand dollars (\$250,000) of the funds available for this program to fund the commission's cost of administering this program.~~

~~(i)~~

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

~~(j)~~

(i) For purposes of this section, the following terms have the following meanings:

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

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

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

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

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

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

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) Electricity storage technologies in systems not
8 eligible for grants under Section 25619.

9 (E) Reciprocating internal combustion engines.

10 (5) "Installed" means placed in a functionally
11 operative state.

12 ~~(k) This section shall become operative on July 1, 2001,~~
13 ~~and~~

14 *(j) This section shall remain in effect only until*
15 *January 1, 2006, and as of that date is repealed unless a*
16 *later enacted statute, that is enacted before January 1,*
17 *2006, deletes or extends that date.*

18 SEC. 5. Section ~~25620.92~~ 25620.11 is added to the
19 Public Resources Code, to read:

20 ~~25620.92.~~

21 25620.11. (a) The Public Utilities Commission shall
22 establish appropriate interconnection and safety
23 requirements and operating agreements for distributed
24 generation by developing all of the following:

25 (1) Simplified, uniform interconnection requirements
26 that do both of the following:

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

30 (B) Do not provide for power sales.

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

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

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

38 (5) An expedited process whereby performance of
39 any necessary studies, safety inspections of the installed
40 system, and the signing of the operating agreement by

1 the utility distribution company are completed within a
2 prescribed period from the date of notification, which
3 shall not unduly or unnecessarily delay the
4 commencement of operation.

5 (b) The Public Utilities Commission shall establish fair
6 and reasonable standby rates ~~that do not discriminate~~
7 ~~against distributed generation.~~

8 (c) For purposes of this section, “distributed
9 generation” means any onsite generation,
10 interconnected and operating in parallel with the
11 electricity grid, that is used solely to meet onsite electric
12 load.

13 *SEC. 6. The commission shall only implement*
14 *Sections 25619 and 25620.10 to the extent that moneys are*
15 *appropriated for the purposes of those sections in the*
16 *annual Budget Act. The commission may expend up to a*
17 *total of two hundred fifty thousand dollars (\$250,000) of*
18 *the funds collectively available for those programs to*
19 *fund the commission’s cost of administering the*
20 *programs.*

