

**ASSEMBLY BILL**

**No. 37**

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**Introduced by Assembly Members Frommer, Wiggins, Alquist,  
Migden, Keeley, Thomson, and Calderon**

February 9, 2001

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An act relating to energy resources, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 37, as introduced, Frommer. Energy resources: energy generation measures.

Existing law imposes various requirements on various entities with regard to energy conservation, generation, and development in the state.

This bill would require the State Energy Resources Conservation and Development Commission, in cooperation with the Public Utilities Commission, to design a program to promote clean distribution generation technologies, as defined, and would appropriate \$50,000,000 from the General Fund to the Energy Commission for this purpose.

The bill would declare that it is to take effect immediately as an urgency statute.

Vote: <sup>2</sup>/<sub>3</sub>. Appropriation: yes. 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 that a  
2 shortage of electrical supply and inadequacies in the electric  
3 transmission and distribution systems is a detriment to the

1 economy. The installation of clean distributed generation can  
2 increase the supply of electricity, increase self-sufficiency of  
3 consumers, and improve system reliability.

4 SEC. 2. (a) The State Energy Resources Conservation and  
5 Development Commission (California Energy Commission), in  
6 cooperation with the Public Utilities Commission, shall design a  
7 program to promote clean distributed generation technologies, as  
8 defined in subparagraph (C) of paragraph (2) of subdivision (d) of  
9 Section 383.5 of the Public Utilities Code, neither owned nor  
10 controlled by electrical corporations. Incentives shall be  
11 developed to address existing barriers to the increased use of these  
12 technologies, including, but not limited to, incentives to help  
13 reduce the initial system purchase price, develop low cost  
14 financing mechanisms, eliminate interconnection fees charged by  
15 electrical corporations, and streamline the utility interconnection  
16 process by reducing administrative delay.

17 (b) The sum of fifty million dollars (\$50,000,000) is hereby  
18 appropriated from the General Fund to the Energy Commission to  
19 implement the program specified in subdivision (a).

20 (c) The Energy Commission may adopt regulations for  
21 purposes of this division as emergency regulations in accordance  
22 with Chapter 3.5 (commencing with Section 11340) of Part 1 of  
23 Division 3 of Title 2 of the Government Code. For purposes of that  
24 Chapter 3.5, including Section 11349.6 of the Government Code,  
25 the adoption of the regulations shall be considered by the Office  
26 of Administrative Law to be necessary for the immediate  
27 preservation of the public peace, health and safety, and general  
28 welfare. Notwithstanding subdivision (e) of Section 11346.1 of  
29 the Government Code, the regulations shall be repealed 180 days  
30 after their effective date, unless the adopting authority or agency  
31 complies with that Chapter 3.5, as provided in subdivision (e) of  
32 Section 11346.1 of the Government Code.

33 SEC. 3. This act is an urgency statute necessary for the  
34 immediate preservation of the public peace, health, or safety  
35 within the meaning of Article IV of the Constitution and shall go  
36 into immediate effect. The facts constituting the necessity are:

37 In order to address the rapid, unforeseen shortage of electric  
38 power and energy available in the state and rapid and substantial  
39 increases in wholesale energy costs and retail energy rates, which



- 1 endanger the health, welfare, and safety of the people of this state,
- 2 it is necessary for this act to take effect immediately.

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