

AMENDED IN ASSEMBLY MARCH 19, 2001

AMENDED IN ASSEMBLY FEBRUARY 27, 2001

CALIFORNIA LEGISLATURE—2001–02 FIRST EXTRAORDINARY SESSION

**ASSEMBLY BILL**

**No. 37**

---

---

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

February 9, 2001

---

---

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 amended, Frommer. Energy resources.

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

Under existing law, the Emerging Renewable Resources Account is created in the Renewable Resource Trust Fund and specified portions of revenues collected by electrical corporations for the benefit of in-state operation and development of existing and new and emerging renewable resource technologies are required to be transmitted to the State Energy Resources Conservation and Development Commission (~~energy commission~~) for deposit in the Renewable Resource Trust Fund. The money in the fund and the account is continuously appropriated to the energy commission for specified purposes, including a multiyear, consumer-based program to foster the development of emerging renewable technologies in distributed generation applications. Existing law requires this program to provide monetary rebates, buydowns, or equivalent incentives to purchasers,

lessees, lessors, or sellers of eligible electricity generating systems and limits the incentives to a maximum percentage of the system price, as defined by the energy commission.

This bill would require the ~~energy~~ commission to expand existing programs to promote clean distribution generation technologies, as defined. The bill would transfer \$50,000,000 from the General Fund to the Emerging Renewable Resources Account in the Renewable Trust Fund. The bill would continuously appropriate the money so transferred to that account to the ~~energy~~ commission, of which \$36,500,000 would be authorized to be expended for an increase in the rebate amount for small distributed emerging technologies meeting specified requirements and \$13,500,000 for rebates for small distributed emerging technologies that meet those requirements and are located at a customer site receiving distribution services from a local publicly owned electric utility.

The bill would authorize the commission to increase the maximum rebate levels for certain distributed emerging technologies that have a peak capacity greater than 10 kilowatts, if the commission makes a specified determination.

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 all of the
- 2 following:
- 3 (a) California is currently experiencing an energy crisis that
- 4 threatens the public health and safety and environmental
- 5 well-being of the state.
- 6 (b) The shortage of electrical supply and inadequacies in the
- 7 electric transmission and distribution systems is a detriment to the
- 8 economy. The installation of clean distributed generation can
- 9 increase the supply of electricity, increase self-sufficiency of
- 10 consumers, and improve system reliability.
- 11 (c) To encourage consumers to install renewable energy
- 12 systems that help reduce the state’s energy use and enhance
- 13 electricity reliability, this act authorizes the State Energy
- 14 Resources Conservation and Development Commission to



1 increase financial assistance for small renewable energy systems  
2 under the commission’s existing programs.

3 SEC. 2. (a) (1) The State Energy Resources Conservation  
4 and Development Commission shall expand programs to promote  
5 clean distributed generation technologies, as defined in  
6 ~~subparagraph (C) of paragraph (2) of subdivision (d) of Section~~  
7 ~~383.5 of the Public Utilities Code~~ *paragraph (2)*, neither owned  
8 nor controlled by electrical corporations. Pursuant to subdivisions  
9 (c) and (d), the incentives that the commission shall develop  
10 pursuant to this section shall address existing barriers to the  
11 increased use of these technologies, including, but not limited to,  
12 incentives to help reduce the initial system purchase price, develop  
13 low-cost financing mechanisms, ~~eliminate offset~~ interconnection  
14 fees charged by electrical corporations, and streamline the utility  
15 interconnection process by reducing administrative delay.

16 (2) *For purposes of this subdivision, “clean distributed*  
17 *generation technologies” means eligible distributed emerging*  
18 *technologies as described in subparagraph (C) of paragraph (2)*  
19 *of subdivision (b) of Section 383.5 of the Public Utilities Code.*  
20 *Notwithstanding any other provision “clean distributed*  
21 *generation technologies” does not mean geothermal energy.*

22 (b) The sum of fifty million dollars (\$50,000,000) is hereby  
23 transferred from the General Fund to the Emerging Renewable  
24 Resources Account in the Renewable Trust Fund established  
25 pursuant to Section 445 of the Public Utilities Code.  
26 Notwithstanding Section 13340 of the Government Code, the  
27 money transferred from the General Fund to the Emerging  
28 Renewable Resources Account by this subdivision is hereby  
29 continuously appropriated to the State Energy Resources  
30 Conservation and Development Commission, without regard to  
31 fiscal year, for the purposes specified in subdivision (c).

32 (c) The money appropriated pursuant to subdivision (b) may be  
33 expended by the commission only for the following purposes:

34 (1) Thirty-six million five hundred thousand dollars  
35 (\$36,500,000) for an increase in the rebate amount available for  
36 small distributed emerging technologies that are eligible for  
37 funding pursuant to subdivision (d) of Section 383.5 of the Public  
38 Utilities Code that have a peak generating capacity of 10 kilowatts  
39 or less. The commission shall determine the maximum rebate level  
40 for small systems to be awarded pursuant to this paragraph. Within



1 the maximum rebate level, the commission may provide for  
2 different rebate levels, such as higher rebate levels for systems  
3 installed and operational within a specified timeframe, or for  
4 targeted end-use customers that need additional financial support,  
5 such as for public schools and state and local governmental  
6 facilities.

7 (2) Thirteen million five hundred thousand dollars  
8 (\$13,500,000) for rebates for small distributed emerging  
9 technologies that are eligible for funding pursuant to subdivision  
10 (d) of Section 383.5 of the Public Utilities Code that have a peak  
11 generating capacity of 10 kilowatts or less and that are located at  
12 a customer site receiving distribution service from a local publicly  
13 owned electric utility, as defined in Section 9604 of the Public  
14 Utilities Code. The commission shall determine the maximum  
15 rebate level for small systems to be awarded pursuant to this  
16 paragraph. Within the maximum rebate level, the commission may  
17 provide for different rebate levels, such as higher rebate levels for  
18 systems installed and operational within a specified timeframe, or  
19 for targeted end-use customers that need additional financial  
20 support, such as for public schools and state and local  
21 governmental facilities.

22 (d) Notwithstanding subdivision (d) of Section 383.5 of the  
23 Public Utilities Code, the commission may increase the maximum  
24 rebate levels for distributed emerging technologies eligible for  
25 funding under subdivision (d) of Section 383.5 of the Public  
26 Utilities Code that have a peak generating capacity greater than 10  
27 kilowatts, if the commission determines that an increase is  
28 appropriate to further stimulate the installation of emerging  
29 renewable technologies in general or for targeted end-use  
30 customers that need additional financial support, such as public  
31 schools and state and local governmental facilities. The maximum  
32 incentive levels established by the commission may vary based on  
33 system size and type of end-use consumer.

34 (e) For purposes of this section, “commission” means the State  
35 Energy Resources Conservation and Development Commission.

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

[1]



1 In order to address the rapid, unforeseen shortage of electric  
2 power and energy available in the state and rapid and substantial  
3 increases in wholesale energy costs and retail energy rates, which  
4 endanger the health, welfare, and safety of the people of this state,  
5 it is necessary for this act to take effect immediately.

O

