

AMENDED IN ASSEMBLY MARCH 22, 2001

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, Jackson, 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 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 commission to expand existing programs to promote clean distribution generation technologies, ~~as defined~~. The bill would transfer ~~\$50,000,000~~ \$30,000,000 from the ~~General Fund~~ Renewable Resource Trust 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 commission, of which ~~\$36,500,000~~ \$22,000,000 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~~ \$8,000,000 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: ²/₃. 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

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1 electricity reliability, this act authorizes the State Energy
2 Resources Conservation and Development Commission to
3 increase financial assistance for small renewable energy systems
4 under the commission’s existing programs.

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

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

23 (b) The sum of fifty million dollars (\$50,000,000) is hereby
24 transferred from the General Fund

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

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

38 ~~(1) Thirty six million five hundred thousand dollars~~
39 ~~(\$36,500,000)~~



1 (1) *Twenty-two million dollars (\$22,000,000)* for an increase in
2 the rebate amount available for small distributed emerging
3 technologies that are eligible for funding pursuant to subdivision
4 (d) of Section 383.5 of the Public Utilities Code that have a peak
5 generating capacity of 10 kilowatts or less. The commission shall
6 determine the maximum rebate level for small systems to be
7 awarded pursuant to this paragraph. Within the maximum rebate
8 level, the commission may provide for different rebate levels, such
9 as higher rebate levels for systems installed and operational within
10 a specified timeframe, or for targeted end-use customers that need
11 additional financial support, such as for public schools and state
12 and local governmental facilities.

13 ~~(2) Thirteen million five hundred thousand dollars~~
14 ~~(\$13,500,000)~~

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

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

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

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

7 In order to address the rapid, unforeseen shortage of electric
8 power and energy available in the state and rapid and substantial
9 increases in wholesale energy costs and retail energy rates, which
10 endanger the health, welfare, and safety of the people of this state,
11 it is necessary for this act to take effect immediately.

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