

AMENDED IN SENATE AUGUST 18, 2008

AMENDED IN SENATE JULY 14, 2008

AMENDED IN SENATE JULY 12, 2007

AMENDED IN ASSEMBLY JUNE 1, 2007

AMENDED IN ASSEMBLY APRIL 16, 2007

AMENDED IN ASSEMBLY APRIL 9, 2007

CALIFORNIA LEGISLATURE—2007—08 REGULAR SESSION

---

---

**ASSEMBLY BILL**

**No. 578**

**Introduced by Assembly Members Blakeslee and Levine**

February 21, 2007

---

---

An act to amend Section 25783 of the Public Resources Code, ~~to amend Sections 379.6, 2827.9, and 2851 of,~~ and to add Section 321.7 to; the Public Utilities Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 578, as amended, Blakeslee. Energy: distributed energy generation: study.

(1) Existing law requires the State Energy Resources Conservation and Development Commission (Energy Commission), in consultation with the Public Utilities Commission (*PUC*), to evaluate the costs and benefits of having an increased number of operational solar energy systems as part of the electrical system.

This bill would delete this requirement.

(2) Under the existing Public Utilities Act, the ~~Public Utilities Commission~~ *PUC* is required to report to the Legislature by July 15,

2009, and triennially thereafter, on the energy efficiency and conservation programs overseen by the ~~commission~~ PUC, as specified.

This bill would require the ~~commission~~ PUC, on or before January 1, 2010, and biennially thereafter, in consultation with the Independent System Operator and the Energy Commission, to study, and submit a report to the Legislature and the Governor, on the impacts of distributed energy generation on the state’s distribution and transmission grid. The bill would require the ~~commission~~ PUC to specifically assess the impacts of the California Solar Initiative program, the self-generation incentive program, and the biogas customer-generator net energy metering pilot program.

~~(3) Existing law requires the Energy Commission, on or before November 1, 2008, in consultation with the commission and the State Air Resources Board, to evaluate specified costs and benefits of providing ratepayer subsidies for renewable and fossil fuel “ultra-clean and low-emission distributed generation,” as defined.~~

~~This bill would delete from this requirement the evaluation of transmission and distribution system improvements.~~

~~(4) Existing law requires the commission, in collaboration with the state board, to report certain information relative to the biogas customer-generator net energy metering pilot program to the Legislature on or before December 31, 2008.~~

~~This bill would delete from the reporting requirement information relating to the impact of the pilot program on the reliability of the transmission and distribution grid.~~

~~(5) Existing law requires the commission, on or before June 30, 2009, and by June 30th of every year thereafter, to submit to the Legislature an assessment of the success of the California Solar Initiative program.~~

~~This bill would remove the requirement that the commission include in its assessment how the program affects the operation and reliability of the electrical grid and the peak demand for electricity.~~

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. Section 25783 of the Public Resources Code is
- 2 amended to read:
- 3 25783. The commission shall do all the following:

1 (a) Publish educational materials designed to demonstrate how  
2 builders may incorporate solar energy systems during construction  
3 as well as energy efficiency measures that best complement solar  
4 energy systems.

5 (b) Develop and publish the estimated annual electrical  
6 generation and savings for solar energy systems. The estimates  
7 shall vary by climate zone, type of system, size, life cycle costs,  
8 electricity prices, and other factors the commission determines to  
9 be relevant to a consumer when making a purchasing decision.

10 (c) Provide assistance to builders and contractors. The assistance  
11 may include technical workshops, training, educational materials,  
12 and related research.

13 (d) The commission shall annually conduct random audits of  
14 solar energy systems to evaluate their operational performance.

15 SEC. 2. Section 321.7 is added to the Public Utilities Code, to  
16 read:

17 321.7. (a) On or before January 1, 2010, and biennially  
18 thereafter, the commission, in consultation with the Independent  
19 System Operator and the State Energy Resources Conservation  
20 and Development Commission, shall study, and submit a report  
21 to the Legislature and the Governor, on the impacts of distributed  
22 energy generation on the state's distribution and transmission grid.  
23 The study shall evaluate all of the following:

24 (1) Reliability and transmission issues related to connecting  
25 distributed energy generation to the local distribution networks  
26 and regional grid.

27 (2) Issues related to grid reliability and operation, including  
28 interconnection, and the position of federal and state regulators  
29 toward distributed energy accessibility.

30 (3) The effect on overall grid operation of various distributed  
31 energy generation sources.

32 (4) Barriers affecting the connection of distributed energy to  
33 the state's grid.

34 (5) Emerging technologies related to distributed energy  
35 generation interconnection.

36 (6) Interconnection issues that may arise for the Independent  
37 System Operator and local distribution companies.

38 (7) The effect on peak demand for electricity.

39 (b) In addition, the commission shall specifically assess the  
40 impacts of the California Solar Initiative program, specified in

1 Section 2851 and Section 25783 of the Public Resources Code,  
2 the self-generation incentive program authorized by Section 379.6,  
3 and the net energy metering pilot program authorized by Section  
4 2827.9.

5  
6  
7  
8  
9  
10

**All matter omitted in this version of the bill  
appears in the bill as introduced/amended  
in Senate, July 14, 2008 (JR11)**