

**ASSEMBLY BILL**

**No. 2269**

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**Introduced by Assembly Member Fuentes**

February 21, 2008

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An act to amend Section 387.5 of the Public Utilities Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 2269, as introduced, Fuentes. Renewable energy resources: local publicly owned electric utility solar incentive programs.

Existing law requires all local publicly owned electric utilities, as defined, that sell electricity at retail, on or before January 1, 2008, to adopt, implement, and finance a solar initiative program, as prescribed, for the purpose of investing in, and encouraging the increased installation of, residential and commercial solar energy systems. Existing law requires, in part, that solar energy systems receiving monetary incentives are intended primarily to offset part or all of the consumer's own electricity demand and be located on the same premises of the end-use consumer where the consumer's own electricity demand is located.

This bill would authorize the electricity generated by a solar energy system located on the consumer's premises to be sold to the local publicly owned electric utility. The bill would provide that the requirement that the solar energy system be located on the same premises of the end-use consumer where the consumer's own electricity demand is located, does not require that the solar energy system be owned by the consumer.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 387.5 of the Public Utilities Code is  
2 amended to read:

3 387.5. (a) In order to further the state goal of encouraging the  
4 installation of 3,000 megawatts of photovoltaic solar energy in  
5 California within 10 years, the governing body of a local publicly  
6 owned electric utility, as defined in subdivision (d) of Section  
7 9604, that sells electricity at retail, shall adopt, implement, and  
8 finance a solar initiative program, funded in accordance with  
9 subdivision (b), for the purpose of investing in, and encouraging  
10 the increased installation of, residential and commercial solar  
11 energy systems.

12 (b) On or before January 1, 2008, a local publicly owned electric  
13 utility shall offer monetary incentives for the installation of solar  
14 energy systems of at least two dollars and eighty cents (\$2.80) per  
15 installed watt, or for the electricity produced by the solar energy  
16 system, measured in kilowatthours, as determined by the governing  
17 board of a local publicly owned electric utility, for photovoltaic  
18 solar energy systems. The incentive level shall decline each year  
19 thereafter at a rate of no less than an average of 7 percent per year.

20 (c) A local publicly owned electric utility shall initiate a public  
21 proceeding to fund a solar energy program to adequately support  
22 the goal of installing 3,000 megawatts of photovoltaic solar energy  
23 in California. The proceeding shall determine what additional  
24 funding, if any, is necessary to provide the incentives pursuant to  
25 subdivision (b). The public proceeding shall be completed and the  
26 comprehensive solar energy program established by January 1,  
27 2008.

28 (d) The solar energy program of a local publicly owned electric  
29 utility shall be consistent with all of the following:

30 (1) That a solar energy system receiving monetary incentives  
31 comply with the eligibility criteria, design, installation, and  
32 electrical output standards or incentives established by the State  
33 Energy Resources Conservation and Development Commission  
34 pursuant to Section 25782 of the Public Resources Code.

35 (2) That solar energy systems receiving monetary incentives  
36 are intended primarily to offset part or all of the consumer's own  
37 electricity demand. *The electricity generated by a solar energy*

1 *system located on the consumer's premises may be sold to the*  
2 *local publicly owned electric utility.*

3 (3) That all components in the solar energy system are new and  
4 unused, and have not previously been placed in service in any  
5 other location or for any other application.

6 (4) That the solar energy system has a warranty of not less than  
7 10 years to protect against defects and undue degradation of  
8 electrical generation output.

9 (5) That the solar energy system be located on the same premises  
10 of the end-use consumer where the consumer's own electricity  
11 demand is located. *This paragraph does not require that the solar*  
12 *energy system be owned by the consumer.*

13 (6) That the solar energy system be connected to the electric  
14 utility's electrical distribution system within the state.

15 (7) That the solar energy system has meters or other devices in  
16 place to monitor and measure the system's performance and the  
17 quantity of electricity generated by the system.

18 (8) That the solar energy system be installed in conformance  
19 with the manufacturer's specifications and in compliance with all  
20 applicable electrical and building code standards.

21 (e) A local publicly owned electric utility shall, on an annual  
22 basis beginning June 1, 2008, make available to its customers, to  
23 the Legislature, and to the State Energy Resources Conservation  
24 and Development Commission, information relating to the utility's  
25 solar initiative program established pursuant to this section,  
26 including, but not limited to, the number of photovoltaic solar  
27 watts installed, the total number of photovoltaic systems installed,  
28 the total number of applicants, the amount of incentives awarded,  
29 and the contribution toward the program goals.

30 (f) In establishing the program required by this section, no  
31 moneys shall be diverted from any existing programs for  
32 low-income ratepayers, or from cost-effective energy efficiency  
33 or demand response programs.

34 (g) The statewide expenditures for solar programs adopted,  
35 implemented, and financed by local publicly owned electric utilities  
36 shall be seven hundred eighty-four million dollars (\$784,000,000).  
37 The expenditure level for each local publicly owned electric utility  
38 shall be based on that utility's percentage of the total statewide  
39 load served by all local publicly owned electric utilities.  
40 Expenditures by a local publicly owned electric utility may be less

- 1 than the utility's cap amount, provided that funding is adequate to
- 2 provide the incentives required by subdivisions (a) and (b).

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