

AMENDED IN ASSEMBLY MARCH 20, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1779**

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**Introduced by Assembly Member Beth Gaines**

February 18, 2014

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An act to ~~amend~~ *add* Section ~~2827.3~~ of 25229 to the Public Utilities Resources Code, relating to ~~electricity~~ *energy*.

LEGISLATIVE COUNSEL'S DIGEST

AB 1779, as amended, Beth Gaines. ~~Net energy metering: study.~~  
*Energy resources: report.*

*Existing law requires the State Energy Resources Conservation and Development Commission to adopt, on a biennial basis, an integrated energy policy report, containing among other things, an overview of major energy trends and issues facing the state. Existing law requires the Public Utilities Commission, by February 1 of each year, to prepare and submit to the policy and fiscal committees of the Legislature a report on specified topics generally relating to the fiscal impact of renewable energy programs on electrical corporations.*

*This bill would require the State Energy Resources Conservation and Development Commission to prepare a report that assesses the effect in the aggregate of specified state policies on electricity reliability and rates and whether these policies are achieving the stated environmental and economic goals of these policies. In preparing the report, the bill would require the commission to consult with the Public Utilities Commission, the State Air Resources Board, the State Water Resources Control Board, and other appropriate executive branch organizations. The bill would require the commission to submit the report to the Legislature by June 30, 2015, and by June 30 annually thereafter. The*

*bill would require the commission to also post the report on its Internet Web site.*

~~Existing law requires all electric utilities to develop a standard contract or tariff providing for net energy metering, and to make this contract available to eligible customer generators, upon request, except as provided. Existing law requires the Public Utilities Commission to complete a study by October 1, 2013, to determine who benefits from, and who bears the economic burden, if any, of, the net energy metering program, and to determine the extent to which each class of ratepayers and each region of the state receiving service under the net energy metering program is paying the full cost of the services provided to them by electrical corporations, and the extent to which those customers pay their share of the costs of public purpose programs. Existing law requires the commission to report the results of the study to the Legislature within 30 days of its completion.~~

~~This bill would make a nonsubstantive change to the latter provision.~~

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

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

- 1     SECTION 1. Section 25229 is added to the Public Resources
- 2     Code, to read:
- 3     25229. (a) *The commission shall prepare a report that assesses*
- 4     *the effect in the aggregate of the policies specified in subdivision*
- 5     *(b) on electricity reliability and rates and whether these policies*
- 6     *are achieving the stated environmental and economic goals of*
- 7     *these policies. The commission shall identify and quantify any*
- 8     *trade-offs involved if an aspect of one goal conflicts with an aspect*
- 9     *of another goal.*
- 10    (b) *In the report required pursuant to subdivision (a), the*
- 11    *commission shall assess the following policies and their*
- 12    *implementing regulations, if any:*
- 13    (1) *The California Renewable Energy Resources Act of 2011*
- 14    *(Chapter 1 of the First Extraordinary Session of the Statutes of*
- 15    *2011), including renewable energy plant development costs,*
- 16    *transmission costs, and back-up generation costs resulting from*
- 17    *the implementation of the act.*

1 (2) *The California Global Warming Solutions Act of 2006*  
2 *(Division 25.5 (commencing with Section 38500) of the Health*  
3 *and Safety Code).*

4 (3) *The State Water Resources Control Board’s Policy on the*  
5 *Use of Coastal and Estuarine Waters for Power Plant Cooling.*

6 (4) *The Governor’s goal to build 12,000 megawatts of localized*  
7 *electricity generation as described in the Governor’s “Clean*  
8 *Energy Jobs Plan” issued in 2011.*

9 (5) *Additional major policies that affect electricity reliability*  
10 *and rates, as they are implemented, including, but not limited to,*  
11 *the State Water Resources Control Board’s new flow criteria for*  
12 *the Sacramento-San Joaquin Delta ecosystem developed pursuant*  
13 *Section 85086 of the Water Code.*

14 (c) *In preparing the report pursuant to subdivision (a), the*  
15 *commission shall consult with the Public Utilities Commission,*  
16 *the State Air Resources Board, the State Water Resources Control*  
17 *Board, and other appropriate executive branch organizations.*

18 (d) *The commission shall submit the report to the Legislature*  
19 *by June 30, 2015, and by June 30 annually thereafter. The*  
20 *commission shall also post the report on its Internet Web site.*

21 (e) *The report to be submitted to the Legislature pursuant to*  
22 *this section shall be submitted in compliance with Section 9795*  
23 *of the Government Code.*

24 ~~SECTION 1. Section 2827.3 of the Public Utilities Code is~~  
25 ~~amended to read:~~

26 ~~2827.3. (a) By October 1, 2013, the commission shall complete~~  
27 ~~a study to determine who benefits from, and who bears the~~  
28 ~~economic burden, if any, of, the net energy metering program~~  
29 ~~authorized pursuant to Section 2827, and to determine the extent~~  
30 ~~to which each class of ratepayers and each region of the state~~  
31 ~~receiving service under the net energy metering program is paying~~  
32 ~~the full cost of the services provided to them by electrical~~  
33 ~~corporations, and the extent to which those customers pay their~~  
34 ~~share of the costs of public purpose programs. In evaluating~~  
35 ~~program costs and benefits for purposes of the study, the~~  
36 ~~commission shall consider all electricity generated by renewable~~  
37 ~~electric generating systems, including the electricity used onsite~~  
38 ~~to reduce a customer’s consumption of electricity that otherwise~~  
39 ~~would be supplied through the electrical grid, as well as the~~  
40 ~~electrical output that is being fed back to the electrical grid for~~

1 ~~which the customer receives credit or net surplus electricity~~  
2 ~~compensation under net energy metering. The study shall quantify~~  
3 ~~the costs and benefits of net energy metering to participants and~~  
4 ~~nonparticipants and shall further disaggregate the results by utility,~~  
5 ~~customer class, and household income groups within the residential~~  
6 ~~class. The study shall further gather and present data on the income~~  
7 ~~distribution of residential net energy metering participants. In order~~  
8 ~~to assess the costs and benefits at various levels of net energy~~  
9 ~~metering implementation, the study shall be conducted using~~  
10 ~~multiple net energy metering penetration scenarios, including, at~~  
11 ~~a minimum, the capacity needed to reach the solar photovoltaic~~  
12 ~~goals of the California Solar Initiative pursuant to Section 25780~~  
13 ~~of the Public Resources Code, and the estimated net energy~~  
14 ~~metering capacity under the 5-percent minimum requirement of~~  
15 ~~paragraphs (1) and (4) of subdivision (c) of Section 2827.~~

16 ~~(b) (1) The commission shall report the results of the study to~~  
17 ~~the Legislature within 30 days of the study's completion.~~

18 ~~(2) The report shall be submitted in compliance with Section~~  
19 ~~9795 of the Government Code.~~

20 ~~(3) Pursuant to Section 10231.5 of the Government Code, this~~  
21 ~~section is repealed on July 1, 2017.~~