

AMENDED IN ASSEMBLY APRIL 22, 2014

AMENDED IN ASSEMBLY MARCH 28, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

## ASSEMBLY BILL

**No. 1935**

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**Introduced by Assembly Member Campos**

February 19, 2014

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An act to amend Section 321.7 of the Public Utilities Code, relating to electricity.

### LEGISLATIVE COUNSEL'S DIGEST

AB 1935, as amended, Campos. Electricity: clean distributed energy resources.

Existing law requires the Public Utilities ~~Commission~~ (PUC), *Commission*, on a biennial basis and in consultation with the Independent System Operator and the State Energy Resources Conservation and Development 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.

This bill would instead ~~requires~~ *require* the ~~PUC~~, *Public Utilities Commission*, on a biennial basis, to study and submit a report to the Legislature and the Governor on the impacts of *distributed generation, including* clean distributed energy resources, as defined, on the state's distribution and transmission grid.

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

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

SECTION 1. Section 321.7 of the Public Utilities Code is amended to read:

321.7. (a) On or before January 1st of every other year, the commission, in consultation with the Independent System Operator and the Energy Commission, shall study, and submit a report to the Legislature and the Governor, on the impacts of—clean distributed *generation, including clean distributed* energy resources on the state’s distribution and transmission grid.

(b) For the purposes of this section, “clean distributed energy resource” means any of the following:

(1) A clean energy generating technology that meets all of the following criteria:

(A) Produces electricity, or electricity and useful heat.

(B) Has a greenhouse gas emissions factor, including, when applicable, credit for waste heat recovery and savings on transmission and distribution losses, that is less than or equal to ~~the emission factor for electricity developed by the State Air Resources Board in the scoping plan adopted pursuant to Section 38561 of the Health and Safety Code.~~ *an emissions factor determined by the State Air Resources Board that represents the emissions of greenhouse gases that are displaced by the electricity generated by the distributed energy resource.*

(C) Has an oxide of nitrogen (*NOx*) emissions rate, including, when applicable, credit for waste heat recovery, that is less than or equal to ~~the standard set forth in Section 94203 of Title 17 of the California Code of Regulations: 0.07 pounds per megawatthour;~~ *or a lower *NOx* emissions rate that the State Air Resources Board determines reflects the best performance achieved in practice by existing electrical generation technologies pursuant to Section 41514.9 of the Health and Safety Code.*

(D) Has a nameplate rated generation capacity of 20 or less megawatts.

(2) An eligible renewable energy resource, as defined in Section 399.12, ~~that uses organic waste or biogas as its feedstock and has~~ a nameplate generation capacity of 20 or less megawatts.

(3) A demandside reduction resource.

(4) An energy storage technology that stores energy from a technology or resource specified in paragraph (1), (2), or (3).

1 (c) The study shall evaluate all of the following:

2 (1) Reliability and transmission issues related to connecting  
3 clean distributed energy resources to the local distribution networks  
4 and regional grid.

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

8 (3) The effect on overall grid operation of various clean  
9 distributed energy resources.

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

12 (5) Emerging technologies related to clean distributed energy  
13 resources interconnection.

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

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

17 (d) In addition, the commission shall specifically assess the  
18 impacts of the California Solar Initiative program, specified in  
19 Section 2851 and Section 25783 of the Public Resources Code,  
20 the self-generation incentive program authorized by Section 379.6,  
21 and the net energy metering pilot program authorized by Section  
22 2827.9.

23 (e) The report submitted to the Legislature pursuant to  
24 subdivision (a) shall be submitted in compliance with Section 9795  
25 of the Government Code.