

**Introduced by Senator Wolk**  
**(Coauthors: Senators Corbett and Pavley)**  
(Coauthors: Assembly Members Levine and Skinner)

December 11, 2012

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An act relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

SB 43, as introduced, Wolk. Shared renewable energy self-generation program.

Under existing law, the Public Utilities Commission has regulatory jurisdiction over public utilities, including electrical corporations, as defined. Existing law authorizes the commission to fix the rates and charges for every public utility, and requires that those rates and charges be just and reasonable. Under existing law, the local government renewable energy self-generation program authorizes a local government, as defined, to receive a bill credit, as defined, to be applied to a designated benefiting account for electricity exported to the electrical grid by an eligible renewable generating facility, as defined, and requires the commission to adopt a rate tariff for the benefiting account.

This bill would state various findings and declarations, and state the intent of the Legislature to enact legislation, relating to a shared renewable energy self-generation program.

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. The Legislature finds and declares as follows:

1 (a) The creation of renewable energy within California provides  
2 significant financial, health, environmental, and workforce benefits  
3 to the state of California.

4 (b) The California Solar Initiative has been extremely successful,  
5 resulting in over 100,000 residential and commercial onsite  
6 installations of solar energy systems. However, it cannot reach all  
7 residents and businesses that want to participate. It is the intent of  
8 the Legislature to enact legislation that would build on the success  
9 of the California Solar Initiative by dramatically expanding the  
10 market for renewable energy resources to include all ratepayers  
11 who are currently unable to access the benefits of onsite generation.

12 (c) The Governor has proposed the Clean Energy Jobs Plan  
13 calling for the development of 12,000 megawatts of generation  
14 from distributed eligible renewable energy resources of up to 20  
15 megawatts in size by 2020. There is widespread interest from many  
16 large institutional customers, including schools, colleges,  
17 universities, local governments, businesses, and the military, for  
18 development of distributed generation facilities to serve their  
19 energy needs. For these reasons, the Legislature agrees that the  
20 Governor's Clean Energy Jobs Plan represents a desired policy  
21 direction for the state. It is the intent of the Legislature that  
22 distributed generation that comes online as part of a shared  
23 renewable energy self-generation program is counted toward an  
24 electrical corporation's efforts to implement the Governor's Clean  
25 Energy Jobs Plan.

26 (d) Properly designed shared renewable energy programs can  
27 provide access and cost savings to communities that have under  
28 participated previously, such as low- and moderate-income  
29 residents and renters, while not shifting costs to nonbeneficiaries.

30 (e) While municipal utilities already have the authority to create  
31 their own shared renewable energy programs, only an act of the  
32 Legislature can empower the vast majority of California residents  
33 to be able to create the significant systemic benefits of shared  
34 renewable energy systems, including, but not limited to, avoided  
35 transmission and distribution upgrades, avoided line loss, and  
36 cleaner air and water.

37 (f) Public institutions need the flexibility and opportunity to  
38 participate in shared renewable energy facilities to generate  
39 electricity. Electricity usage is one of the most significant cost  
40 pressures facing public institutions at a time when they have been

1 forced to cut essential programs, increase classroom sizes, and  
2 send pink slips to teachers throughout the state. Schools may use  
3 the savings for restoring funds for salaries, student achievement,  
4 facility maintenance, and other budgetary needs.

5 (g) Shared renewable energy self-generation creates jobs,  
6 reduces emissions of greenhouse gases, and promotes energy  
7 independence. Further, shared renewable energy self-generation  
8 will enable schools, colleges, universities, local governments,  
9 businesses, and consumers to save money on their electricity bills,  
10 thereby helping to fund educational programs, spur investments,  
11 and strengthen our communities.

12 (h) Many large energy users in California have pursued  
13 renewable energy programs of their own, but cannot make their  
14 goals due to seismic or land space limitations, or size limits on net  
15 metering. It is the intent of the Legislature to enact legislation that  
16 will create a mechanism whereby institutional customers, including  
17 military installations, universities, and local governments, as well  
18 as groups of individuals, can efficiently invest in generating  
19 electricity from eligible renewable energy resources.

20 (i) Therefore, it is the intent of the Legislature to enact  
21 legislation establishing a shared renewable energy self-generation  
22 program that will be implemented in such a manner as to broaden  
23 access to self-generation of renewable energy, while fairly  
24 compensating electrical corporations for the services they provide.

25 (j) It is the intent of the Legislature to enact legislation that  
26 would require the Public Utilities Commission to carefully consider  
27 regulatory barriers to distributed generation projects already  
28 identified and those not yet identified and quickly address those  
29 barriers in a manner that is conducive to the development of  
30 distributed generation projects consistent with appropriate ratepayer  
31 protections.

32 (k) It is the intent of the Legislature to enact legislation that  
33 would require the commission to minimize the rate impact of a  
34 shared renewable energy self-generation program on  
35 nonbeneficiaries, with a goal of ratepayer indifference. To the  
36 extent that a program would impose incremental increases in rates,  
37 it is the intent that the commission ensure that the cost increases  
38 are equitably allocated to all customers on a nonbypassable basis

- 1 reflecting both the costs and benefits that shared renewable energy
- 2 facilities provide to the residents of California.

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