

Introduced by Senator CannellaFebruary 17, 2016

An act to amend Section 2869 of the Public Utilities Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

SB 1124, as introduced, Cannella. Electrical corporations: independent solar energy producers.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations. Existing law requires an independent solar energy producer, as defined, contracting for the use or sale of electricity or the lease of a solar energy system, as defined, to an entity or person for use in a residence to make certain disclosures to the buyer or lessee, including a plain language explanation of the contract provisions regulating the disposition or transfer of the contract in the event of a transfer of ownership of the residence, as well as the costs or potential costs associated with the disposition or transfer of the contract.

This bill would make nonsubstantive changes to those provisions.

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 2869 of the Public Utilities Code is
- 2 amended to read:
- 3 2869. (a) (1) An independent solar energy producer
- 4 contracting for the use or sale of electricity or the lease of a solar
- 5 energy ~~system~~, *system* to an entity or ~~person~~, *person* for use in a

1 residence shall include a disclosure to the buyer or lessee that, at
2 a minimum, includes all of the following:

3 (A) A good faith estimate of the kilowatthours to be delivered
4 by the solar energy system.

5 (B) A plain language explanation of the terms under which the
6 pricing will be calculated over the life of the contract and a good
7 faith estimate of the price per kilowatthour.

8 (C) A plain language explanation of operation and maintenance
9 responsibilities of the contract parties.

10 (D) A plain language explanation of the contract provisions
11 regulating the disposition or transfer of the contract in the event
12 of a transfer of ownership of the residence, as well as the costs or
13 potential costs associated with the disposition or transfer of the
14 contract.

15 (E) A plain language explanation of the disposition of the solar
16 energy system at the end of the term of the contract.

17 (2) The commission may require, as a condition of receiving
18 ratepayer funded incentives, that an independent solar energy
19 producer provide additional ~~disclosure~~ *disclosures* to the buyer or
20 lessee, the commission, or both.

21 (b) An independent solar energy producer contracting for the
22 use or sale of electricity or the lease of a solar energy ~~system~~,
23 ~~system~~ to an entity or ~~person~~, *person* for use in a residence shall
24 record a Notice of an Independent Solar Energy Producer Contract,
25 within 30 days of the signing of the contract, against the title to
26 the real property on which the electricity is generated, and against
27 the title to any adjacent real property on which the electricity will
28 be used, in the office of the county recorder for the county in which
29 the real property is located. The notice shall include all of the
30 following and may include additional information:

31 (1) (A) If the solar energy system is located on the real property,
32 a prominent title at the top of the document in 14-point type stating
33 “Notice of an Independent Solar Energy Producer Contract” and
34 the following statement:

35 “This real property is receiving part of its electric service from
36 an independent solar energy producer that has retained ownership
37 of a solar electric generation system that is located on the real
38 property. The independent solar energy producer provides electric
39 service to the current owner of this real property through a
40 long-term contract for electric service. The independent solar

1 energy producer is required to provide a copy of the contract to a
2 prospective buyer of the real property within ten (10) days of the
3 receipt of a written request from the current owner of this real
4 property.”

5 (B) If the solar energy system is located on an adjacent real
6 property, a prominent title at the top of the document in 14-point
7 type stating “Notice of an Independent Solar Energy Producer
8 Contract” and the following statement:

9 “This real property is receiving part of its electric service from
10 an independent solar energy producer that has retained ownership
11 of a solar electric generation system that is located on an adjacent
12 real property. The independent solar energy producer provides
13 electric service to the current owner of this real property through
14 a long-term contract for electric service. The independent solar
15 energy producer is required to provide a copy of the contract to a
16 prospective buyer of this real property within ten (10) days of the
17 receipt of a written request from the current owner of this real
18 property.”

19 (2) The address and assessor’s parcel number of the real property
20 against which the notice is recorded.

21 (3) The name, address, and telephone number of the independent
22 solar energy producer, and any other contact information deemed
23 necessary by the independent solar energy producer.

24 (4) A statement identifying whether the contract is a contract
25 for the sale of electricity or for the lease of a solar energy system,
26 and providing the dates on which the contract commences and
27 terminates.

28 (5) A plain language summary of the potential costs,
29 consequences, and assignment of responsibilities, if any, that could
30 result in the event the contract is terminated.

31 (c) (1) The recorded Notice of an Independent Solar Energy
32 Producer Contract does not constitute a title defect, lien, or
33 encumbrance against the real property, and the independent solar
34 energy producer shall be solely responsible for the accuracy of the
35 information provided in the notice and for recording the document
36 with the county recorder.

37 (2) The independent solar energy producer shall record a
38 subsequent document extinguishing the Notice of an Independent
39 Solar Energy Producer Contract if the contract is voided,
40 terminated, sold, assigned, or transferred. If the independent solar

1 energy producer transfers its obligation under the contract or
2 changes its contact information, it shall record a new notice
3 reflecting these changes within 30 days of their occurrence.

4 (3) Within 30 days of the termination of a contract for the use
5 or sale of electricity or the lease of a solar energy system, the
6 independent solar energy producer shall record a subsequent
7 document extinguishing the Notice of an Independent Solar Energy
8 Producer Contract from the title to the real property on which the
9 electricity is ~~generated~~, *generated* and from the title to any adjacent
10 real property on which the electricity was ~~used~~, *used* in the office
11 of the county recorder for the county in which the real property is
12 located.

13 (d) An independent solar energy producer contracting for the
14 use or sale of electricity or the lease of a solar energy system shall
15 provide a copy of the existing contract to a prospective buyer of
16 the real property where the electricity is used or generated within
17 ten (10) days of the receipt of a written request from the current
18 owner of the real property.

19 (e) (1) All contracts for the sale of electricity by an independent
20 solar energy producer to an entity or ~~person~~, *person* for use in a
21 residential dwelling shall be made available to the commission
22 upon its request, and shall be confidential, except as provided for
23 in this subdivision. The disclosures required by subdivision (a)
24 may be made open to public inspection or made public by the
25 commission.

26 (2) A contract provided to the commission pursuant to this
27 subdivision shall not be open to public inspection or made public,
28 except on order of the commission, or by the commission or a
29 commissioner in the course of a hearing or proceeding.

30 (3) This subdivision does not eliminate or modify any rule or
31 provision of law that provides for the confidentiality of information
32 submitted to the commission in the course of its proceedings.

33 (f) A master-meter customer of an electric utility who purchases
34 electricity or leases a solar energy system from an independent
35 solar energy producer, and who provides electric service to users
36 who are tenants of a mobilehome park, apartment building, or
37 similar residential complex, shall do both of the following:

38 (1) Charge each user of the electric service that is under a
39 submetered system a rate for the solar generated electricity not to
40 exceed the rate charged by the independent solar energy producer

1 or the electric utility's rate for an equivalent amount of electricity,
2 whichever is lower.

3 (2) Comply with the provisions of Section 739.5 or 12821.5,
4 and any rules set forth by an electric utility for master-meter
5 customers.

6 (g) No transfer of real property subject to this article shall be
7 invalidated solely because of the failure of any person to comply
8 with any provision of this article. Any person who willfully or
9 negligently violates or fails to perform any duty prescribed by any
10 provision of this article shall be civilly liable in the amount of
11 actual damages suffered by a transferee or transferor of the real
12 property as a consequence of that violation or failure.

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