

AMENDED IN ASSEMBLY JUNE 30, 2008

AMENDED IN SENATE APRIL 17, 2008

AMENDED IN SENATE APRIL 7, 2008

SENATE BILL

No. 1512

Introduced by Senator Wiggins

February 21, 2008

An act to amend Section ~~25782~~ of the ~~Public Resources~~ 2827 of the *Public Utilities* Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

SB 1512, as amended, Wiggins. ~~Renewable energy resources: California Solar Initiative. Private energy producers: agricultural customer-generators.~~

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations. ~~In a decision, the commission adopted the California Solar Initiative to provide incentives to customer-side photovoltaics and solar thermal electric projects under one megawatt. Existing law requires the commission, in implementing the California Solar Initiative, as defined, to authorize the award of monetary incentives for up to the first megawatt of alternating current generated by a solar energy system, as defined, that meets eligibility criteria established by the State Energy Resources Conservation and Development Commission (Energy Commission). The eligibility requirements established by the Energy Commission include requirements that the solar energy system is 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. Existing law~~

relative to private energy producers requires every electric service provider, as defined, to develop a standard contract or tariff providing for net energy metering, and to make this contract available to eligible customer-generators, upon request, on a first-come-first-served basis until the total rated generating capacity used by eligible customer-generators exceeds 2.5% of the electric service provider's aggregate customer peak demand. Among other things, this provision includes a procedure for calculating whether an eligible customer-generator is a net consumer or a net producer of energy during a 12-month period.

~~This bill would instead require that the eligibility requirements established by the Energy Commission include requirements that the solar energy system is intended primarily to offset part or all of the consumer's own electricity demand and be located on, and is used to offset the consumer's own demand for electricity on, contiguous property owned or leased by the consumer, for the purpose of determining whether an agricultural customer-generator using wind or solar electric generation was a net consumer or a net producer of electricity during a 12-month period, require that the electrical corporation aggregate the electrical load of the agricultural customer-generator under the same ownership located on property adjacent or contiguous to the generation facility. The bill would further require that each aggregated account be billed and measured according to a time-of-use rate schedule.~~

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

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

1 SECTION 1. Section 2827 of the Public Utilities Code is
2 amended to read:
3 2827. (a) The Legislature finds and declares that a program
4 to provide net energy metering for eligible customer-generators is
5 one way to encourage substantial private investment in renewable
6 energy resources, stimulate in-state economic growth, reduce
7 demand for electricity during peak consumption periods, help
8 stabilize California's energy supply infrastructure, enhance the
9 continued diversification of California's energy resource mix, and
10 reduce interconnection and administrative costs for electricity
11 suppliers.

1 (b) As used in this section, the following definitions apply:

2 (1) “Electric service provider” means an electrical corporation,
3 as defined in Section 218, a local publicly owned electric utility,
4 as defined in Section 9604, or an electrical cooperative, as defined
5 in Section 2776, or any other entity that offers electrical service.
6 This section ~~shall~~ *does* not apply to a local publicly owned electric
7 utility, as defined in Section 9604 of the ~~Public Utilities Code~~, that
8 serves more than 750,000 customers and that also conveys water
9 to its customers.

10 (2) “Eligible customer-generator” means a residential, small
11 commercial customer as defined in subdivision (h) of Section 331,
12 commercial, industrial, or agricultural customer of an electric
13 service provider, who uses a solar or a wind turbine electrical
14 generating facility, or a hybrid system of both, with a capacity of
15 not more than one megawatt that is located on the customer’s
16 owned, leased, or rented premises, is interconnected and operates
17 in parallel with the electric grid, and is intended primarily to offset
18 part or all of the customer’s own electrical requirements.

19 (3) “Net energy metering” means measuring the difference
20 between the electricity supplied through the electric grid and the
21 electricity generated by an eligible customer-generator and fed
22 back to the electric grid over a 12-month period as described in
23 subdivision (h). Net energy metering shall be accomplished using
24 a single meter capable of registering the flow of electricity in two
25 directions. An additional meter or meters to monitor the flow of
26 electricity in each direction may be installed with the consent of
27 the customer-generator, at the expense of the electric service
28 provider, and the additional metering shall be used only to provide
29 the information necessary to accurately bill or credit the
30 customer-generator pursuant to subdivision (h), or to collect solar
31 or wind electric generating system performance information for
32 research purposes. If the existing electrical meter of an eligible
33 customer-generator is not capable of measuring the flow of
34 electricity in two directions, the customer-generator shall be
35 responsible for all expenses involved in purchasing and installing
36 a meter that is able to measure electricity flow in two directions.
37 If an additional meter or meters are installed, the net energy
38 metering calculation shall yield a result identical to that of a single
39 meter. An eligible customer-generator who already owns an
40 existing solar or wind turbine electrical generating facility, or a

1 hybrid system of both, is eligible to receive net energy metering
2 service in accordance with this section.

3 (4) “Wind energy co-metering” means any wind energy project
4 greater than 50 kilowatts, but not exceeding one megawatt, where
5 the difference between the electricity supplied through the electric
6 grid and the electricity generated by an eligible customer-generator
7 and fed back to the electric grid over a 12-month period is as
8 described in subdivision (h). Wind energy co-metering shall be
9 accomplished pursuant to Section 2827.8.

10 (5) “Co-energy metering” means a program that is the same in
11 all other respects as a net energy metering program, except that
12 the local publicly owned electric utility, as defined in Section 9604,
13 has elected to apply a generation-to-generation energy and
14 time-of-use credit formula as provided in subdivision (i).

15 (6) “Ratemaking authority” means, for an electrical corporation
16 as defined in Section 218, or an electrical cooperative as defined
17 in Section 2776, the commission, and for a local publicly owned
18 electric utility as defined in Section 9604, the local elected body
19 responsible for regulating the rates of the local publicly owned
20 utility.

21 (c) (1) Every electric service provider shall develop a standard
22 contract or tariff providing for net energy metering, and shall make
23 this contract available to eligible customer-generators, upon
24 request, on a first-come-first-served basis until the time that the
25 total rated generating capacity used by eligible customer-generators
26 exceeds 2.5 percent of the electric service provider’s aggregate
27 customer peak demand.

28 (2) On an annual basis, beginning in 2003, every electric service
29 provider shall make available to the ratemaking authority
30 information on the total rated generating capacity used by eligible
31 customer-generators that are customers of that provider in the
32 provider’s service area. For those electric service providers who
33 are operating pursuant to Section 394, they shall make available
34 to the ratemaking authority the information required by this
35 paragraph for each eligible customer-generator that is their
36 customer for each service area of an electric corporation, local
37 publicly owned electric utility, or electrical cooperative, in which
38 the customer has net energy metering. The ratemaking authority
39 shall develop a process for making the information required by
40 this paragraph available to energy service providers, and for using

1 that information to determine when, pursuant to paragraph (3), a
2 service provider is not obligated to provide net energy metering
3 to additional customer-generators in its service area.

4 (3) Notwithstanding paragraph (1), an electric service provider
5 is not obligated to provide net energy metering to additional
6 customer-generators in its service area when the combined total
7 peak demand of all customer-generators served by all the electric
8 service providers in that service area furnishing net energy metering
9 to eligible customer-generators exceeds 2.5 percent of the aggregate
10 customer peak demand of those electric service providers.

11 (4) By January 1, 2010, the commission, in consultation with
12 the State Energy Resources Conservation and Development
13 Commission, shall submit a report to the Governor and the
14 Legislature on the costs and benefits of net energy metering, wind
15 energy co-metering, and co-energy metering to participating
16 customers and nonparticipating customers and with options to
17 replace the economic costs and benefits of net energy metering,
18 wind energy co-metering, and co-energy metering with a
19 mechanism that more equitably balances the interests of
20 participating and nonparticipating customers, and that incorporates
21 the findings of the report on economic and environmental costs
22 and benefits of net metering required by subdivision (n).

23 (d) Electric service providers shall make all necessary forms
24 and contracts for net metering service available for download from
25 the Internet.

26 (e) (1) Every electric service provider shall ensure that requests
27 for establishment of net energy metering are processed in a time
28 period not exceeding that for similarly situated customers
29 requesting new electric service, but not to exceed 30 working days
30 from the date the electric service provider receives a completed
31 application form for net metering service, including a signed
32 interconnection agreement from an eligible customer-generator
33 and the electric inspection clearance from the governmental
34 authority having jurisdiction. If an electric service provider is
35 unable to process the request within the allowable timeframe, the
36 electric service provider shall notify both the customer-generator
37 and the ratemaking authority of the reason for its inability to
38 process the request and the expected completion date.

39 (2) Electric service providers shall ensure that requests for an
40 interconnection agreement from an eligible customer-generator

1 are processed in a time period not to exceed 30 working days from
2 the date the electric service provider receives a completed
3 application form from the eligible customer-generator for an
4 interconnection agreement. If an electric service provider is unable
5 to process the request within the allowable timeframe, the electric
6 service provider shall notify the customer-generator and the
7 ratemaking authority of the reason for its inability to process the
8 request and the expected completion date.

9 (f) (1) If a customer participates in direct transactions pursuant
10 to paragraph (1) of subdivision (b) of Section 365 with an electric
11 supplier that does not provide distribution service for the direct
12 transactions, the service provider that provides distribution service
13 for an eligible customer-generator is not obligated to provide net
14 energy metering to the customer.

15 (2) If a customer participates in direct transactions pursuant to
16 paragraph (1) of subdivision (b) of Section 365 with an electric
17 supplier, and the customer is an eligible customer-generator, the
18 service provider that provides distribution service for the direct
19 transactions may recover from the customer's electric service
20 provider the incremental costs of metering and billing service
21 related to net energy metering in an amount set by the ratemaking
22 authority.

23 (g) Except for the time-variant kilowatthour pricing portion of
24 any tariff adopted by the commission pursuant to paragraph (4) of
25 subdivision (a) of Section 2851, each net energy metering contract
26 or tariff shall be identical, with respect to rate structure, all retail
27 rate components, and any monthly charges, to the contract or tariff
28 to which the same customer would be assigned if the customer did
29 not use an eligible solar or wind electrical generating facility,
30 except that eligible customer-generators shall not be assessed
31 standby charges on the electrical generating capacity or the
32 kilowatthour production of an eligible solar or wind electrical
33 generating facility. The charges for all retail rate components for
34 eligible customer-generators shall be based exclusively on the
35 customer-generator's net kilowatthour consumption over a
36 12-month period, without regard to the customer-generator's choice
37 of electric service provider. Any new or additional demand charge,
38 standby charge, customer charge, minimum monthly charge,
39 interconnection charge, or any other charge that would increase
40 an eligible customer-generator's costs beyond those of other

1 customers who are not customer-generators in the rate class to
2 which the eligible customer-generator would otherwise be assigned
3 if the customer did not own, lease, rent, or otherwise operate an
4 eligible solar or wind electrical generating facility are contrary to
5 the intent of this section, and shall not form a part of net energy
6 metering contracts or tariffs.

7 (h) For eligible residential and small commercial
8 customer-generators, the net energy metering calculation shall be
9 made by measuring the difference between the electricity supplied
10 to the eligible customer-generator and the electricity generated by
11 the eligible customer-generator and fed back to the electric grid
12 over a 12-month period. The following rules shall apply to the
13 annualized net metering calculation:

14 (1) The eligible residential or small commercial
15 customer-generator shall, at the end of each 12-month period
16 following the date of final interconnection of the eligible
17 customer-generator's system with an electric service provider, and
18 at each anniversary date thereafter, be billed for electricity used
19 during that period. The electric service provider shall determine
20 if the eligible residential or small commercial customer-generator
21 was a net consumer or a net producer of electricity during that
22 period.

23 (2) At the end of each 12-month period, where the electricity
24 supplied during the period by the electric service provider exceeds
25 the electricity generated by the eligible residential or small
26 commercial customer-generator during that same period, the
27 eligible residential or small commercial customer-generator is a
28 net electricity consumer and the electric service provider shall be
29 owed compensation for the eligible customer-generator's net
30 kilowatthour consumption over that same period. The compensation
31 owed for the eligible residential or small commercial
32 customer-generator's consumption shall be calculated as follows:

33 (A) For all eligible customer-generators taking service under
34 tariffs employing "baseline" and "over baseline" rates, any net
35 monthly consumption of electricity shall be calculated according
36 to the terms of the contract or tariff to which the same customer
37 would be assigned to or be eligible for if the customer was not an
38 eligible customer-generator. If those same customer-generators
39 are net generators over a billing period, the net kilowatthours
40 generated shall be valued at the same price per kilowatthour as the

1 electric service provider would charge for the baseline quantity of
2 electricity during that billing period, and if the number of
3 kilowatthours generated exceeds the baseline quantity, the excess
4 shall be valued at the same price per kilowatthour as the electric
5 service provider would charge for electricity over the baseline
6 quantity during that billing period.

7 (B) For all eligible customer-generators taking service under
8 tariffs employing “time of use” rates, any net monthly consumption
9 of electricity shall be calculated according to the terms of the
10 contract or tariff to which the same customer would be assigned
11 to or be eligible for if the customer was not an eligible
12 customer-generator. When those same customer-generators are
13 net generators during any discrete time of use period, the net
14 kilowatthours produced shall be valued at the same price per
15 kilowatthour as the electric service provider would charge for retail
16 kilowatthour sales during that same time of use period. If the
17 eligible customer-generator’s time of use electrical meter is unable
18 to measure the flow of electricity in two directions, paragraph (3)
19 of subdivision (b) shall apply.

20 (C) For all residential and small commercial customer-generators
21 and for each billing period, the net balance of moneys owed to the
22 electric service provider for net consumption of electricity or credits
23 owed to the customer-generator for net generation of electricity
24 shall be carried forward as a monetary value until the end of each
25 12-month period. For all commercial, industrial, and agricultural
26 customer-generators the net balance of moneys owed shall be paid
27 in accordance with the electric service provider’s normal billing
28 cycle, except that if the commercial, industrial, or agricultural
29 customer-generator is a net electricity producer over a normal
30 billing cycle, any excess kilowatthours generated during the billing
31 cycle shall be carried over to the following billing period as a
32 monetary value, calculated according to the procedures set forth
33 in this section, and appear as a credit on the customer-generator’s
34 account, until the end of the annual period when paragraph (3)
35 shall apply.

36 (3) (A) At the end of each 12-month period, where the electricity
37 generated by the eligible customer-generator during the 12-month
38 period exceeds the electricity supplied by the electric service
39 provider during that same period, the eligible customer-generator
40 is a net electricity producer and the electric service provider shall

1 retain any excess kilowatthours generated during the prior
2 12-month period. The eligible customer-generator shall not be
3 owed any compensation for those excess kilowatthours, unless the
4 electric service provider enters into a purchase agreement with the
5 eligible customer-generator for those excess kilowatthours.

6 *(B) For purposes of determining whether an agricultural*
7 *customer-generator using wind or solar electric generation was*
8 *a net consumer or a net producer of electricity during that period,*
9 *the electrical corporation shall aggregate the electrical load of*
10 *the agricultural customer under the same ownership located on*
11 *property adjacent or contiguous to the generation facility. Each*
12 *aggregated account shall be billed and measured according to a*
13 *time-of-use rate schedule. Each aggregated account shall not*
14 *exceed the capacity of the eligible customer-generator specified*
15 *in paragraph (2) of subdivision (b).*

16 (4) The electric service provider shall provide every eligible
17 residential or small commercial customer-generator with net
18 electricity consumption information with each regular bill. That
19 information shall include the current monetary balance owed the
20 electric service provider for net electricity consumed since the last
21 12-month period ended. Notwithstanding this subdivision, an
22 electric service provider shall permit that customer to pay monthly
23 for net energy consumed.

24 (5) If an eligible residential or small commercial
25 customer-generator terminates the customer relationship with the
26 electric service provider, the electric service provider shall
27 reconcile the eligible customer-generator's consumption and
28 production of electricity during any part of a 12-month period
29 following the last reconciliation, according to the requirements set
30 forth in this subdivision, except that those requirements shall apply
31 only to the months since the most recent 12-month bill.

32 (6) If an electric service provider providing net metering to a
33 residential or small commercial customer-generator ceases
34 providing that electrical service to that customer during any
35 12-month period, and the customer-generator enters into a new
36 net metering contract or tariff with a new electric service provider,
37 the 12-month period, with respect to that new electric service
38 provider, shall commence on the date on which the new electric
39 service provider first supplies electric service to the
40 customer-generator.

1 (i) Notwithstanding any other provisions of this section, the
2 following provisions shall apply to an eligible customer-generator
3 with a capacity of more than 10 kilowatts, but not exceeding one
4 megawatt, that receives electrical service from a local publicly
5 owned electric utility, as defined in Section 9604, that has elected
6 to utilize a co-energy metering program unless the electric service
7 provider chooses to provide service for eligible customer-generators
8 with a capacity of more than 10 kilowatts in accordance with
9 subdivisions (g) and (h):

10 (1) The eligible customer-generator shall be required to utilize
11 a meter, or multiple meters, capable of separately measuring
12 electricity flow in both directions. All meters shall provide
13 “time-of-use” measurements of electricity flow, and the customer
14 shall take service on a time-of-use rate schedule. If the existing
15 meter of the eligible customer-generator is not a time-of-use meter
16 or is not capable of measuring total flow of energy in both
17 directions, the eligible customer-generator shall be responsible for
18 all expenses involved in purchasing and installing a meter that is
19 both time-of-use and able to measure total electricity flow in both
20 directions. This subdivision shall not restrict the ability of an
21 eligible customer-generator to utilize any economic incentives
22 provided by a government agency or the electric service provider
23 to reduce its costs for purchasing and installing a time-of-use meter.

24 (2) The consumption of electricity from the electric service
25 provider shall result in a cost to the eligible customer-generator to
26 be priced in accordance with the standard rate charged to the
27 eligible customer-generator in accordance with the rate structure
28 to which the customer would be assigned if the customer did not
29 use an eligible solar or wind electrical generating facility. The
30 generation of electricity provided to the electric service provider
31 shall result in a credit to the eligible customer-generator and shall
32 be priced in accordance with the generation component, established
33 under the applicable structure to which the customer would be
34 assigned if the customer did not use an eligible solar or wind
35 electrical generating facility.

36 (3) All costs and credits shall be shown on the eligible
37 customer-generator’s bill for each billing period. In any months
38 in which the eligible customer-generator has been a net consumer
39 of electricity calculated on the basis of value determined pursuant
40 to paragraph (2), the customer-generator shall owe to the electric

1 service provider the balance of electricity costs and credits during
2 that billing period. In any billing period in which the eligible
3 customer-generator has been a net producer of electricity calculated
4 on the basis of value determined pursuant to paragraph (2), the
5 electric service provider shall owe to the eligible
6 customer-generator the balance of electricity costs and credits
7 during that billing period. Any net credit to the eligible
8 customer-generator of electricity costs may be carried forward to
9 subsequent billing periods, provided that an electric service
10 provider may choose to carry the credit over as a kilowatthour
11 credit consistent with the provisions of any applicable tariff,
12 including any differences attributable to the time of generation of
13 the electricity. At the end of each 12-month period, the electric
14 service provider may reduce any net credit due to the eligible
15 customer-generator to zero.

16 (j) A solar or wind turbine electrical generating system, or a
17 hybrid system of both, used by an eligible customer-generator shall
18 meet all applicable safety and performance standards established
19 by the National Electrical Code, the Institute of Electrical and
20 Electronics Engineers, and accredited testing laboratories such as
21 Underwriters Laboratories and, where applicable, rules of the
22 Public Utilities Commission regarding safety and reliability. A
23 customer-generator whose solar or wind turbine electrical
24 generating system, or a hybrid system of both, meets those
25 standards and rules shall not be required to install additional
26 controls, perform or pay for additional tests, or purchase additional
27 liability insurance.

28 (k) If the commission determines that there are cost or revenue
29 obligations for an electric corporation, as defined in Section 218,
30 that may not be recovered from customer-generators acting
31 pursuant to this section, those obligations shall remain within the
32 customer class from which any shortfall occurred and may not be
33 shifted to any other customer class. Net-metering and co-metering
34 customers shall not be exempt from the public benefits charge. In
35 its report to the Legislature, the commission shall examine different
36 methods to ensure that the public benefits charge remains a
37 nonbypassable charge.

38 (l) A net metering customer shall reimburse the Department of
39 Water Resources for all charges that would otherwise be imposed
40 on the customer by the commission to recover bond-related costs

1 pursuant to an agreement between the commission and the
2 Department of Water Resources pursuant to Section 80110 of the
3 Water Code, as well as the costs of the department equal to the
4 share of the department's estimated net unavoidable power
5 purchase contract costs attributable to the customer. The
6 commission shall incorporate the determination into an existing
7 proceeding before the commission, and shall ensure that the charges
8 are nonbypassable. Until the commission has made a determination
9 regarding the nonbypassable charges, net metering shall continue
10 under the same rules, procedures, terms, and conditions as were
11 applicable on December 31, 2002.

12 (m) In implementing the requirements of subdivisions (k) and
13 (l), a customer-generator shall not be required to replace its existing
14 meter except as set forth in paragraph (3) of subdivision (b), nor
15 shall the electric service provider require additional measurement
16 of usage beyond that which is necessary for customers in the same
17 rate class as the eligible customer-generator.

18 (n) On or before January 1, 2005, the commission shall submit
19 a report to the Governor and the Legislature that assesses the
20 economic and environmental costs and benefits of net metering to
21 customer-generators, ratepayers, and utilities, including any
22 beneficial and adverse effects on public benefit programs and
23 special purpose surcharges. The report shall be prepared by an
24 independent party under contract with the commission.

25 (o) It is the intent of the Legislature that the Treasurer
26 incorporate net energy metering and co-energy metering projects
27 undertaken pursuant to this section as sustainable building methods
28 or distributive energy technologies for purposes of evaluating
29 low-income housing projects.

30 ~~SECTION 1. (a) It is the intent of the Legislature that the~~
31 ~~California Solar Initiative permit a property owner with multiple~~
32 ~~meters providing service to their property, to install a solar energy~~
33 ~~system that is large enough to offset all of the electrical demand~~
34 ~~for the entire property, provided that in order to be eligible for net~~
35 ~~energy metering, the property is rewired or otherwise metered so~~
36 ~~that it complies with paragraph (3) of subdivision (b) of Section~~
37 ~~2827 of the Public Utilities Code.~~

38 ~~(b) It is the further intent of the Legislature that any additional~~
39 ~~costs to rewire or alter the metering of the property to comply with~~
40 ~~paragraph (3) of subdivision (b) of Section 2827 of the Public~~

1 Utilities Code, and additional costs to upgrade the electrical service
2 to the property to accommodate the solar energy system that are
3 not currently allowed or offered by the California Solar Initiative,
4 are the responsibility of the eligible customer-generator and shall
5 not be passed on to other ratepayers.

6 ~~SEC. 2. Section 25782 of the Public Resources Code is~~
7 ~~amended to read:~~

8 ~~25782. (a) The commission shall, by January 1, 2008, in~~
9 ~~consultation with the Public Utilities Commission, local publicly~~
10 ~~owned electric utilities, and interested members of the public,~~
11 ~~establish eligibility criteria for solar energy systems receiving~~
12 ~~ratepayer funded incentives that include all of the following:~~

13 ~~(1) Design, installation, and electrical output standards or~~
14 ~~incentives.~~

15 ~~(2) The solar energy system is intended primarily to offset part~~
16 ~~or all of the consumer's own electricity demand on contiguous~~
17 ~~property owned or leased by the consumer.~~

18 ~~(3) All components in the solar energy system are new and~~
19 ~~unused, and have not previously been placed in service in any~~
20 ~~other location or for any other application.~~

21 ~~(4) The solar energy system has a warranty of not less than 10~~
22 ~~years to protect against defects and undue degradation of electrical~~
23 ~~generation output.~~

24 ~~(5) The solar energy system is located on, and is used to offset~~
25 ~~the consumer's own demand for electricity on, contiguous property~~
26 ~~owned or leased by the consumer.~~

27 ~~(6) The solar energy system is connected to the electrical~~
28 ~~corporation's electrical distribution system within the state.~~

29 ~~(7) The solar energy system has meters or other devices in place~~
30 ~~to monitor and measure the system's performance and the quantity~~
31 ~~of electricity generated by the system.~~

32 ~~(8) The solar energy system is installed in conformance with~~
33 ~~the manufacturer's specifications and in compliance with all~~
34 ~~applicable electrical and building code standards.~~

35 ~~(b) The commission shall establish conditions on ratepayer~~
36 ~~funded incentives that require all of the following:~~

37 ~~(1) Appropriate siting and high quality installation of the solar~~
38 ~~energy system by developing installation guidelines that maximize~~
39 ~~the performance of the system and prevent qualified systems from~~
40 ~~being inefficiently or inappropriately installed. The conditions~~

- 1 established by the commission shall not impact housing designs
- 2 or densities presently authorized by a city, county, or city and
- 3 county. The goal of this paragraph is to achieve efficient
- 4 installation of solar energy systems to promote the greatest energy
- 5 production per ratepayer dollar.
- 6 (2) ~~Optimal solar energy system performance during periods of~~
- 7 ~~peak electricity demand.~~
- 8 (3) ~~Appropriate energy efficiency improvements in the new or~~
- 9 ~~existing home or commercial structure where the solar energy~~
- 10 ~~system is installed.~~
- 11 (e) ~~The commission shall set rating standards for equipment,~~
- 12 ~~components, and systems to assure reasonable performance and~~
- 13 ~~shall develop standards that provide for compliance with the~~
- 14 ~~minimum ratings.~~
- 15 (d) ~~Upon establishment of eligibility criteria pursuant to~~
- 16 ~~subdivision (a), no ratepayer funded incentives shall be made for~~
- 17 ~~a solar energy system that does not meet the eligibility criteria.~~