AMENDED IN SENATE JUNE 27, 2005

AMENDED IN ASSEMBLY MAY 27, 2005

AMENDED IN ASSEMBLY APRIL 27, 2005

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

# ASSEMBLY BILL No. 1547

**Introduced by Assembly Member Levine**

February 22, 2005

~~An act to amend Section 25744 of, to add Section 25402.10 to, and to add Division 16.7 (commencing with Section 26421) to, the Public Resources Code, and to amend Sections 399.6, 399.8, 2827, 3345, and 3370 of, to add Sections 385.1 and 760 to, and to add Chapter 8 (commencing with Section 2830) to Part 2 of Division 1 of, the Public Utilities Code, relating to solar energy.~~ *An act to add Section 709.1 to the Public Utilities Code, relating to telecommunications.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1547, as amended, Levine. ~~Energy: renewable energy: solar generation of electricity.~~ *Telecommunications: communications companies: state policies.*

~~(1) The existing Public Utilities Act requires the Public Utilities Commission (CPUC) to require Pacific Gas and Electric Company, San Diego Gas and Electric, and Southern California Edison to identify a separate electrical rate component to fund programs that enhance system reliability and provide in-state benefits. This rate component is a nonbypassable element of local distribution and collected on the basis of usage. The funds are collected to support cost-effective energy efficiency and conservation activities, public interest research and development not adequately provided by~~

~~competitive and regulated markets, and renewable energy resources. Existing commission resolutions refer to the nonbypassable rate component as a "Public Goods Charge" (PGC). Existing law requires the State Energy Resources Conservation and Development Commission (Energy Commission) to transfer funds collected by electrical corporations for in-state operation and development of existing and new and emerging renewable resources technologies into the Renewable Resource Trust Fund, to fund specified programs. Existing law requires that 17.5% of the money collected under the renewable energy PGC be used to fund the Emerging Renewable Resources Account within the Renewable Resource Trust Fund for the purpose of a multiyear, consumer-based program to foster the development of emerging renewable technologies in distributed generation applications.~~

~~Under the Reliable Electric Service Investments Act, the Energy Commission was required to hold moneys collected for renewable energy and deposited in the Renewable Resource Trust Fund until further action by the Legislature. The act requires the Energy Commission to create an initial investment plan, in accordance with specified objectives, to govern the allocation of funds in the Renewable Resource Trust Fund collected between January 1, 2002, and January 1, 2007, in order to ensure a fully competitive and self-sustaining California renewable energy supply. Existing law requires the Energy Commission, on or before March 31, 2006, to prepare an investment plan proposing the application of moneys collected between January 1, 2007, and January 1, 2012, and prohibits expenditures from the accounts within the Renewable Resource Trust Fund without further legislative action.~~

~~This bill would enact the Solar Energy Peak Procurement Act. The bill would except moneys expended through the Emerging Renewable Resources Account from the requirement that the Energy Commission prepare an investment plan on or before March 31, 2006, and would authorize the commission to advance moneys to the Emerging Renewable Resources Account and to transfer those moneys to the Solar Energy Peak Procurement Fund, without further legislative action, subject to certain existing repayment provisions. The bill would require the Energy Commission to ensure proportional program support through the Emerging Renewable Resources Account, for affordable housing units, within certain limits.~~

~~(2) Existing law requires the Public Utilities Commission, in consultation with the Independent System Operator and the Energy Commission, to adopt initiatives, on or before March 7, 2001, to reduce demand for electricity and reduce load during peak demand periods, including differential incentives for renewable or super clean distributed generation resources. Existing law requires the commission, in consultation with the Energy Commission, to administer, until January 1, 2008, a self-generation incentive program for distributed generation resources in the same form that exists on January 1, 2004.~~

~~Existing law requires the Energy Commission to expand and accelerate development of alternative sources of energy, including solar resources. Existing law requires the Energy Commission, until January 1, 2006, and to the extent that funds are appropriated for that purpose in the annual Budget Act, to implement a grant program to accomplish specified goals, including making solar energy systems cost competitive with alternate forms of energy.~~

~~This bill would create the Solar Energy Peak Procurement Fund for expenditure, upon appropriation, for a state program for subsidizing all customer classes for the installed cost of grid-connected solar energy systems in the service territory of investor-owned utilities. The bill would require the Energy Commission, not later than July 1, 2006, to award rebates to support the installation of grid-connected solar energy systems, subject to a prescribed declining schedule terminating as of January 1, 2015. The bill would require the Energy Commission to ensure proportional program support for affordable housing units, within certain limits.~~

~~The bill would require the CPUC to open a proceeding to examine the relative costs and benefits between solar rebate programs and commission-administered interruptible demand reduction programs.~~

~~The bill would require the CPUC to make certain reports to the Legislature.~~

~~(3) Existing law requires that the PGC be adjusted annually at a rate equal to the lesser of the annual growth in electric commodity sales or inflation, as defined.~~

~~This bill would require that the amounts collected to fund energy efficiency, renewable energy, and research, development, and demonstration during 2006 and 2007, be set at the levels established by the CPUC for 2005, and would require that any moneys collected~~

~~above the level for a specific year during the years 2006 and 2007, be transferred to the Solar Energy Peak Procurement Fund.~~

~~(4) Existing law requires each local publicly owned electric utility to establish a nonbypassable usage-based charge to fund investments in specified public purpose programs, including energy efficiency and conservation, investment in renewable energy resources, research, development and demonstration programs, and providing services for low-income electricity customers. The charge is required to be not less than the lowest expenditure of the 3 largest electrical corporations in California based on a percentage of revenue.~~

~~This bill would require every local publicly owned electric utility, as defined, to establish a solar program consistent with the Solar Energy Peak Procurement Program. Each local publicly owned electric utility would be required to report, on an annual basis, to its customers and to the Energy Commission, information relative to the utility's solar program and would authorize the Energy Commission to establish guidelines for the information to be included in the annual report. By imposing additional requirements on local publicly owned electric utilities, the bill would impose a state-mandated local program.~~

~~(5) Existing law requires a solar energy system to meet applicable standards and requirements imposed by state and local permitting authorities.~~

~~This bill would require that beginning January 1, 2010, a seller of production homes, as defined, offer a solar energy system, as defined, option to all customers negotiating to purchase a new production home and to disclose certain information.~~

~~(6) Existing law 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. Existing law requires every electric service provider, upon request, to make available to eligible customer generators contracts for net energy metering on a first-come-first-served basis until the time that the total rated generating capacity used by eligible customer generators exceeds 0.5% of the electric service provider's aggregate customer peak demand.~~

~~This bill would require that every electric service provider, upon request, make available to eligible customer generators contracts for net energy metering on a first-come-first-served basis until the time that the total rated generating capacity used by eligible customer~~

~~generators exceeds 1.5% of the electric service provider's aggregate customer peak demand.~~

~~(7) Existing law authorizes the CPUC to fix the rates and charges for every public utility, and requires that those rates and charges be just and reasonable.~~

~~This bill would require the CPUC, in collaboration with the Energy Commission, to develop optional time-variant electricity pricing tariffs for all customers that are not subject to mandatory time-variant pricing.~~

~~(8) Under existing law, a violation of the Public Utilities Act or an order or decision of the commission is a crime.~~

~~Certain provisions of this bill would be part of the act and an order or other action of the commission would be required to implement certain of the provisions. Because a violation of the bill's provisions or of an order or decision of the commission implementing those provisions would be a crime, this bill would impose a state-mandated local program by creating new crimes.~~

~~(9) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that no reimbursement is required by this act for a specified reason.~~

*Existing law, the Public Utilities Act, sets forth the findings and declarations of the Legislature regarding described policies for telecommunications in California.*

*This bill would include within those policies the promotion of the rapid deployment of new communication technologies, the creation of fair and balanced rules for all communications companies in order to encourage competition, the provision of fair treatment of consumers by providing information so that consumers may make informed decisions, the promotion of long-term investment in the infrastructure of communication technologies resulting in corresponding economic and social benefits to society, and the assurance that local governments continue to be the stewards of the public's right-of-way.*

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

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

*SECTION 1. The Legislature finds and declares all of the following:*

*(a) California's regulatory paradigm for telephone services and for video services has been in place for over 50 years and does not account for new technologies that allow video, voice, and data to be delivered using a number of different technologies.*

*(b) Today, traditional cable companies provide voice and data services along with video service; traditional telephone companies provide video and data service along with voice service; and new companies can use electric power lines, satellites, and wireless technologies to deliver video, voice, and data services.*

*(c) With these changes in technology, companies can no longer be considered telephone companies, cable companies, and data providers, but instead need to be labeled as communications companies.*

*(d) The public interest is served when there is widespread access to multiple providers that are competing fairly to offer communication services to consumers.*

*(e) Fair competition requires a level playing field with respect to state-mandated obligations.*

*(f) It is the intent of the Legislature to establish rules for the provision of communications services that encourage fair competition.*

*SEC. 2. Section 709.1 is added to the Public Utilities Code, to read:*

*709.1. The Legislature hereby finds and declares that the policies for telecommunications in California are as follows:*

*(a) To promote the rapid deployment of new communication technologies, but to create fair and balanced rules for all communications companies that do not act as barriers for new entrants into communications markets.*

*(b) To maintain the state's commitment to public goods programs, including universal service and access to public, educational, and governmental video programming.*

*(c) To encourage the fair treatment of consumers through the provision of sufficient information to make informed choices, the*

*establishment of reasonable service quality standards, and the establishment of processes for equitable resolution of billing and service problems.*

*(d) To ensure that consumers have access to basic services, without having to purchase bundled products and service they do not want.*

*(e) To promote economic growth, job creation, and substantial social benefits that will result from the rapid implementation of advanced information and communication technologies by adequate long-term investment in necessary infrastructure.*

*(f) To promote lower prices, broader consumer choice, and the avoidance of noncompetitive conduct.*

*(g) To remove the barriers to open and competitive markets and promote fair product and price competition in a way that encourages greater efficiency, lower prices, and more consumer choice.*

*(h) To ensure that local governments are not harmed by advances in technology or changes in the regulatory structure.*

*(i) To ensure that local governments continue to be the stewards of the public's right-of-way.*

**All matter omitted in this version of the bill appears in the bill as amended in Assembly, May 27, 2005 (JR11)**

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