

Date of Hearing: April 27, 2022

ASSEMBLY COMMITTEE ON UTILITIES AND ENERGY

Eduardo Garcia, Chair

AB 2316 (Ward) – As Amended March 28, 2022

SUBJECT: Community Renewable Energy Program

SUMMARY: Mandates the California Public Utilities Commission (CPUC) establish a Community Renewable Energy Program (CREP), as specified, by July 1, 2023 for distribution customers of large investor-owned utilities (IOUs). Specifically, **this bill:**

- 1) Mandates the CPUC, by July 1, 2023, to establish the CREP and to require large IOUs to implement the program by October 1, 2023.
- 2) Requires the CPUC, in administering the program, to:
 - a. Ensure the creation and financing of viable CREP facilities.
 - b. Establish a tariff (contract) that:
 - i. Creates a bill credit rate that is differentiated based on the time of generation and the avoided costs of the facility.
 - ii. Provides bill credits to a subscriber for not less than 25 years from the date the facility is first interconnected.
 - iii. Ensures that renewable energy credits from generation by the CREP facility are retired on behalf of the subscribers and are not used to satisfy any compliance obligation of the load-serving entity (LSE).
 - c. Ensure the tariff is complementary and consistent with Title 24 of the California Building Standards Code.
 - d. Require any amount of the bill credit that exceeds the subscriber's monthly bill must be carried over and applied to the next month's bill in perpetuity.
 - e. Authorize a subscription to remain with the meter when the applicable customer account changes. But likewise, authorize the transfer and porting of subscriptions, including authorizing a subscriber to retain a subscription to a CREP facility if the subscriber moves within the same large IOU.
 - f. Allow the accumulation of bill credits on a generator account, that may be held for a maximum of two years, after which generator accounts will be compensated at a specified amount.
 - g. Provide for consumer protection, including requiring all subscriber organizations to register with the CPUC, to provide uniform disclosures, prohibit termination or exit fees from being assessed and prohibit collecting credit scores, and establish remedies for violations of the program's requirements.
 - h. Establish financial incentives—in addition to the bill credit—for facilities that have low-income customer or service organization subscribers if available; and to the extent feasible, identify incentive funding through non-ratepayer funding

- sources, use previously authorized ratepayer moneys, or ensure any new financial incentive funded through retail electricity rates is narrowly tailored to support low-income customers and minimize net costs to nonsubscribing customers.
- i. Issue guidelines to ensure at least 51% of the capacity of each facility is subscribed by low-income customers or service organizations, and provide on the CPUC's website a list of low-income service organizations and programs that may be used to qualify low-income customers.
 - j. Various other requirements related to customer communication, calculation of the bill credit, and monthly program reporting.
- 3) Permits the CPUC, in creating the time-differentiated bill credit rate, to:
 - a. Lock the rate to the forecasted values of avoided cost components for a duration of no less than 10 years and no longer than the expected life of the facility.
 - b. Incorporate actual wholesale market prices for the electrical supply portion of the avoided costs.
 - 4) Constitutes the construction of a CREP facility as a public works project.
 - 5) Defines a number of terms for the purposes of CREP, including a "community renewable energy facility" (CREP facility) as a facility that is located in the service territory of a large IOU, is connected to the electrical distribution grid serving the state, has at least three subscribers, has at least 50% of its capacity assigned to subscriptions of 25 kilowatts (kW) or less, is located on a single or contiguous parcel of land, is not co-located with another CREP facility, uses solar photovoltaic (PV) generation that includes energy storage or wind generation, and subscribes at least 51% of its capacity to low-income customers or low-income service organizations.
 - 6) Requires the CPUC to submit a report to the Legislature within 24 months of implementing CREP detailing the facilities deployed and customers subscribed to the program, including an analysis of low-income customers. Repeals this reporting requirement on January 1, 2033.
 - 7) Prohibits the CPUC from using any incentive provided to low-income customers participating in CREP to calculate the average effective California Alternate Rates for Energy (CARE) discount.
 - 8) Excludes from the utility calculation of "retail sales" in the Renewables Portfolio Standard (RPS) statute any generation attributable to customers participating in CREP.
 - 9) States the legislative intent to create community renewable energy to help Californians realize the benefits of distributed generation and to help cost-effectively meet the mandates of Title 24 in the Building Standards Code.

EXISTING LAW:

- 1) Establishes the GTSR program with 600 megawatts (MWs) of renewable resources available to customers of the IOUs. Requires IOUs to permit customers to subscribe to the GTSR program until the 600 MW cap is reached, with each utility responsible for its proportionate share of GTSR participation. Specifies IOUs that must participate are those with 100,000 or more California customer accounts; i.e. Pacific Gas & Electric (PG&E), Southern California Edison (SCE), and San Diego Gas & Electric (SDG&E). Also sets aside the following GTSR program components:
 - a. 100 MWs for facilities one MW or less located in areas identified by the California Environmental Protection Agency as the most impacted and disadvantaged communities;
 - b. 100 MWs for residential customers; and
 - c. 20 MWs for the City of Davis. (Public Utilities Code §§ 2831-2833)
- 2) Requires the CPUC to ensure that the GTSR charges and credits are set in a manner that ensures nonparticipant ratepayer indifference for the remaining bundled service, direct access, and community choice aggregation customers and ensures that no costs are shifted from participating customers to nonparticipating ratepayers. (Public Utilities Code § 2833(q))
- 3) Requires the IOUs, to the extent possible, to actively market the GTSR Program to low-income and minority communities and customers. (Public Utilities Code § 2833(j))
- 4) Defines “LSEs” as IOUs, electric service providers, and community choice aggregators. (Public Utilities Code § 380 (k))
- 5) Requires each electrical investor-owned utility (IOU) to offer a net energy metering (NEM) tariff with a credit for all electricity generated by a customer-owned renewable resource against the customer's usage of electricity sold by the utility, on a kWh basis. (Public Utilities Code §§ 2827, 2827.1)
- 6) Requires each IOU to offer a NEM tariff for fuel cells, defined as technologies that chemically convert fuel to electricity. The program has a 500 MW program cap with a five MW cap for each project and an overall sunset date of December 31, 2017. (Public Utilities Code § 2827.10)
- 7) Establishes program of assistance to low-income gas and electric customers in the CARE program to provide an average effective discount of 30 to 35% of bill usage of non-CARE customers. (Public Utilities Code § 739.1)
- 8) Requires that all low-rise residential subdivisions of ten or more units include solar in new construction starting in 2020. (Cal. Code Regulations Title 24, Part 6 § 150.1)

- 9) Allows participation in a community shared solar or battery storage system, approved by the California Energy Commission (CEC), as a compliance option to partially or totally meet the onsite solar electric generation system and/or battery storage system that is otherwise required by Title 24. (Cal. Code Regulations. Tit 24, Part 6 § 10-115)
- 10) Establishes the Green Tariff Shared Renewables Program (GTSR) with 600 MWs of renewable resources available to customers of the IOUs on a proportional basis to which a participating customer can subscribe. (Public Utilities Code § 2831, et seq.)
- 11) Prohibits the shifting of costs for the GTSR program to nonparticipating customers. (Public Utilities Code § 2832)
- 12) Requires the CPUC to ensure that charges and credits for the GTSR are set in a manner that ensures nonparticipant ratepayer indifference for the remaining bundled service, direct access, and community choice aggregation customers, and ensures that no costs are shifted from participating customers to nonparticipating ratepayers. (Public Utilities Code § 2833 (q))

FISCAL EFFECT: Unknown. This bill is keyed fiscal and will be referred to the Committee on Appropriations for its review.

BACKGROUND:

What is Community Solar? – The U.S. Department of Energy defines community solar as any solar project or purchasing program, within a geographic area, in which the benefits of a solar project flow to multiple customers such as individuals, businesses, nonprofits, and other groups.¹ They can be designed in several ways, but the ultimate goal is to provide the public more options to participate in solar projects. In most cases, customers are benefitting from energy generated by solar panels at an off-site array; however, there are also on-site multifamily community solar options where occupants of apartment and condominium buildings each benefit from the energy produced from the rooftop array. Additionally, who will pay to plan, construct, and operate the solar array varies across the different community solar models – such as when a utility may own or operate a project that is open to voluntary ratepayer participation, or when customers themselves may collectively sign a contract with a third-party developer and be treated as departing load from their utility.

Community solar customers typically receive a bill credit for electricity generated by their share of the community solar system—similar to someone who has rooftop panels installed on their home and receives the NEM subsidy. However, the value of that customer bill credit can also vary widely between community solar programs, with some more generous than others.

¹ DOE Office of Energy Efficiency & Renewable Energy; “Community Solar Basics”; <https://www.energy.gov/eere/solar/community-solar-basics>

Community solar can be a great option for people who don't own their homes, have financial constraints, or have insufficient roof conditions such as shading, roof size, or other factors.

Existing Community Solar Programs – There are four main community solar programs currently in place for eligible customers of California's large IOUs:² the Disadvantaged Communities-Green Tariff (DAC-GT) program, the Community Solar Green Tariff (CSGT) program, and the Green Tariff Shared Renewables (GTSR) program, which is comprised of two subprograms - the Green Tariff (GT) option and the Enhanced Community Renewables (ECR) option.³

AB 327 (Perea, Chapter 611, Statutes of 2013) directed the CPUC to develop specific alternatives designed to increase adoption of renewable generation in disadvantaged communities (DACs). In 2018, the CPUC created several programs (Decision 18-06-027) aimed at increasing access to solar PV systems for residents of DACs located in one of the three large electric IOU distribution service territories. These include:

- DAC-GT program:
 - Renewable facility is a utility-scale, utility-procured project.
 - Open to residential customers in DACs.
 - Customers receive a 20% bill discount.
 - As of the end of 2021, DAC-GT had 20, 721 residential customers enrolled across five LSEs.⁴ Interim RPS capacity may be used until new projects come online; currently, 80MWs serve such a role.
- CSGT program:
 - Renewable facility is a local solar project.
 - Open to residential customers in DACs.
 - Communities work with a local non-profit or government sponsor to organize community interest and present siting locations to their electric IOU or CCA.
 - Project sizes are capped at 4 MW.
 - Projects must be built in DACs within 5 miles of where DAC customers reside.
 - Customers receive a 20% bill discount.
 - The CSGT program does not yet have any customers enrolled, because newly procured projects must be built to begin enrollment (cannot use RPS projects as stop-gap). According to the CPUC, the first CSGT customers will likely be enrolled later this year.

² PG&E, SCE, and SDG&E

³ Other community solar programs include on-site community solar such as the Solar on Multifamily Affordable Housing (SOMAH) program, authorized by AB 693 (Eggman, Chapter 582, Statutes of 2015), which provides financial incentives for the installation of solar energy PV systems on multifamily affordable housing properties throughout California.

⁴ As reported to the Committee by the CPUC, March 2022. The LSEs that have customers enrolled in DAC-GT include - Clean Power Alliance, East Bay Community Energy, Marin Clean Energy, PG&E, and San Jose Clean Energy. Four other LSEs (CleanPowerSF, Peninsula Clean Energy, SCE and SDG&E) have DAC-GT programs with no customers enrolled.

Prior to the establishment of the DAC programs, SB 43 (Wolk, Chapter 413, Statutes of 2013) directed the CPUC to establish the GTSR program. GTSR has the overall objective of expanding customer access to renewable energy and to build up to 600 MW in additional renewable facilities. GTSR includes both a GT option and an ECR option. Pursuant to statute, the costs of GTSR may not be borne by nonparticipants. The two GTSR programs are similar in structure to the two DAC community solar programs mentioned previously.

- GT program:
 - Renewable facility is utility-scale and utility procured.
 - Open to all customers of state's three largest IOUs.
 - Customer pays the difference between their current charge for generation on their IOU bill and the cost of procuring either 50 or 100% renewables.
 - As of September 2019, 153 MW of new renewable capacity had been built.
- ECR program:
 - Renewable facility is a local solar project.
 - Project size limited to 20MW.
 - Facility developers must fulfill a "community interest requirement," where interested customers commit to enroll in 30% of the project's capacity or expressed interest to reach a 50% subscription rate ahead of time, and must have a minimum of three separate subscribers.⁵
 - Customers agree to purchase a share of a local solar project directly from a solar developer, and in exchange, the customer will receive a credit from their utility for the customer's avoided generation and for their share of the benefit of the solar development to the utility.
 - Customers, in buying the solar generation directly from a third party, are treated as departing load. When an ECR customer moves within the IOU's territory they can retain their ECR subscription at their new service address.
 - As of September 2019, 10MW of new renewable capacity had been built, 6 in SCE's territory and 4 in PG&E's.

Solar Ready Buildings in the Title 24 Regulations – In May of 2018, as part of its regulation of building energy efficiency, the CEC adopted a requirement for the installation of solar PV capacity on all new low-rise residential buildings. More specifically, the CEC regulations require (a) installation of a certain sized solar PV system on a newly constructed, low-rise residential building; (b) successful exemption from the installation requirement in the event of excessive shade, roof design or other defined factors; or (c) development of a community solar PV project that offsets the load of the newly constructed, low-rise residential building.

Builders are struggling to comply with the CEC's requirement. In particular, builders are looking to develop community solar PV projects as a means of compliance, which builders note are much cheaper to develop than rooftop solar PV. For a community solar project to comply with Title 24 it must (a) reduce the building's energy bill by an amount greater than the added

⁵ D. 15-05-051

cost to the building resulting in the building's share in the community solar project; (b) provide energy savings benefits dedicated to the building for no less than 20 years, and (c) be exclusively dedicated to the building.

The CEC's community PV compliance option is conceptually analogous to the ECR component of GTSR. Current statute requires IOUs to support ECR projects that allow customers to contract directly with a third-party participating renewable developer to subscribe to a specific local renewable facility. The ECR component of the GTSR has been unsuccessful, to date at least, with only 10 MW (of a possible 600 MW) developed. It would be worth examining the program holistically to learn whether such projects are feasible or whether there needs to be some other alternative for compliance with CEC's rooftop solar PV requirement, at least for customers of the IOUs.⁶

The Avoided Cost Calculator (ACC) and Cost Shifts – The ACC is a complex determination of the benefits resources provide to the grid and all ratepayers. It calculates a monetary amount in \$/kWh to value a resource. The ACC calculates the avoided costs of electricity resources based on generation energy, generation capacity, ancillary services, transmission and distribution capacity, greenhouse gases, and high global warming potential gases. For example, using PG&E's E-TOU-C residential rate for simplicity, the summer off-peak retail rate is \$0.42/kWh, which corresponds to the hours that solar-only systems would export to the grid. The generation-only portion of that is \$0.14/kWh. However, the avoided cost value for mid-day hours is closer to \$0.01/kWh. NEM relies on the generous retail rate to compensate owner-generators, while other CPUC programs provide a generation-only rate. This bill's program compensates based on the far-less generous avoided cost.

The ACC is updated annually to improve the accuracy of how benefits are calculated, taking inputs from various CPUC proceedings and CAISO wholesale market data. However, this annual updating may create volatility for programs relying on the ACC to determine credits or incentives values. For instance, the value of solar's avoided costs has declined over the last decade.⁷

A program's overall cost-effectiveness is then analyzed with the ACC as one of the inputs. Costs to administer the program (customer service, marketing, sales, IT, customer education), capital costs (equipment and build), and any offered incentives are weighed against the benefits of any tax credits, the ACC, reliability benefits, and any non-energy benefits. Cost shifts occur when the program's costs outweigh its benefits, and nonparticipants of the program are left covering the difference. This is the controversy associated with NEM – where customers with NEM are subsidized by customers without NEM.

⁶ The Sacramento Municipal Utility District (SMUD) has its community solar program certified under the CEC's solar PV regulations

⁷ E3 blog, "CPUC Approves 2021 Avoided Costs for Valuing Distributed Energy Resources," June 28, 2021; <https://www.ethree.com/cpuc-approves-2021-avoided-costs-for-valuing-distributed-energy-resources/>

COMMENTS:

- 1) *Author's Statement.* According to the author, "California has some of the most ambitious renewable energy goals in the world, including 60% renewable energy by 2030 and 100% carbon-free electricity by 2045. Unfortunately, for a majority of California households, local solar power is not financially and structurally feasible, especially in some of California's most disadvantaged communities. Assembly Bill 2316, would create a cost-effective community renewable energy program that leverages the ability to combine distributed renewable resources with energy storage to provide all Californians with an option to access the benefits of distributed generation."
- 2) *Summary of Program.* Under this bill, renewable energy projects—which are specified as solar plus storage or solar plus wind—interconnected to the distribution system will receive monetary credits that can be applied to the bills of customers who subscribe to the project. The bill credit rate would be based upon the project's value to the grid at the time of generation, and will be locked in for at least 10 years at a price forecasted from that calculated grid value. While the bill credit rate may be adjusted after 10 years, the bill credit itself would be guaranteed for at least 25 years. The program would be open to any distribution customer of an IOU, so both IOU and CCA customers could participate; which is a limitation with GTSR. Each eligible project would need to subscribe at least 51% of its capacity to low-income customers or service organizations, and have at least 50% of its subscribers receiving credits for 25 kW or less. Additionally, the program would seek financial incentives—either ratepayer funded or from an alternate source, if available—for low-income subscribers.

To ensure consumer protection, developers of projects would be required to register with the CPUC. Disclosure documents explaining the credits customers will receive and the contracts customers are signing shall be made available prior to enrollment. Moreover, developers would not be allowed to request credit scores, nor would customers be charged termination fees if they move outside of the utility service territory or otherwise decide to no longer participate in a particular developer's project. This program is marketed to those who cannot participate in traditional rooftop NEM, and also seeks to help builders comply with the CEC's Title 24 Solar Ready Buildings regulation.

- 3) *Program Duplication.* A program that allows customers to purchase a share of a community renewable project directly from a developer, and receive a bill credit from their utility, already exists in California – the ECR sub-program of GTSR. Moreover, the CPUC already provides subsidies for offsite solar PV systems that benefit low-income customers through the DAC-GT and CSGT programs. The subsidy equates to an additional 20% bill discount on these customers' otherwise applicable tariff. The low-income community solar PV program envisioned by this bill would be duplicative—in spirit—with these existing programs.

This bill's sponsors point to the lack of adoption in ECR (and yet-to-be-determined in CSGT) as evidence that those programs had failings in need of updating. They propose the program established under this bill as the appropriate alternative for spurring community renewable development, and balancing developer viability with customer and grid needs. Yet, a replacement for our existing community solar programs feels premature without a comprehensive evaluation of what went wrong and what the successes of the previous program were.

- 4) *Jumping Ahead of CPUC Process.* The three electric IOUs are expected to file applications (i.e. proposals) on June 1, 2022 for review of their community solar programs. The proceedings that will be initiated by these applications are expected to review the program's goals, budget, capacity, design, implementation, and consumer protections.⁸ It is also likely that the proceedings will draw upon the 2021 DAC-GT and CSGT Program Evaluation Report which was completed at the end of March 2022.

In June 2021, the Coalition for Community Solar Access (CCSA), the sponsors of this bill, filed a request with the CPUC to modify the GTSR's ECR program, including elements very similar to this bill in their request. The CPUC denied CCSA's request, directing them to raise these issues during future proceedings.⁹

CCSA likewise filed a proposal similar to what is included in this bill into the CPUC's NEM proceeding.¹⁰ The CPUC again declined to adopt CCSA's proposal, stating it was premature and reiterating the CPUC's intent to review the broader aspects of community solar across the various programs.¹¹

- 5) *Is there a Cost Shift?* Targeted in-front-of-the-meter electric distribution system connected community solar PV projects coupled with energy storage technologies have the potential to avoid utility scale generation and capacity, electric transmission and distribution system capacity, ancillary services, and greenhouse gas emissions and air pollution from fossil fueled electric generators (i.e. the project's avoided costs). Creating a credit for the program based on grid value is a much more equitable structure than program credits established at the retail rate; however, it does not guarantee nonparticipant indifference.

This bill's supporters characterize the program as avoiding any cost shift given its use of the avoided cost in determining the bill credit; while the bill's opposition says a cost shift is inevitable. Within the NEM proceeding at the CPUC, where a very similar proposal to the one in this bill was submitted, an analysis of the cost effectiveness of all the NEM-

⁸ per CPUC Decisions D.18-06-027 and D.21-12-036

⁹ D.21-12-036

¹⁰ R. 20-08-020; CCSA's proposal was filed March 15, 2020 in the docket.

¹¹ D. 21-12-036

reform proposals was conducted by the Energy + Environmental Economics consulting firm.¹² For the solar + storage proposal similar to this bill, the firm found it created the least pressure on rates; however, this was compared to the very generous subsidies currently debated in the NEM proceeding.¹³ Rather, the consulting firm characterized all the proposals as having a cost shift from participants to nonparticipants; CCSA's was just the smallest.¹⁴

Regardless, this bill provides no explicit protection for nonparticipating ratepayers regarding the bill credit. Moreover, this bill permits ratepayer dollars to be used for program incentives, which would be provided over-and-above the bill credit; a clear cost shift.¹⁵

- 6) *Program Mechanics: Do Customers Migrate?* Existing CPUC programs such as DAC-GT and CSGT require that an electric IOU sign an agreement directly with a solar PV system developer to serve eligible customer's load. Customers sign up through their utility. GTSR's ECR is the exception, permitting customers to directly buy from a generator, and thus are treated as departing load by their utility and subject to a charge.¹⁶ This bill seems to allow customers of an electric IOU or CCA to "subscribe" to receive output from a solar PV system not contracted with the IOU or CCA. It is unclear how subscription enrollment would occur.

Under GTSR's ECR the CPUC requires facility developers to fulfill a "community interest requirement," where interested customers commit to enroll in 30% of the project's capacity or expressed interest to reach a 50% subscription rate ahead of time. Presumably, under this bill, the building developer or facility developer would market to and sign-up customers directly, especially if the goal is to meet Title 24 requirements. However, the community solar PV system must also have an agreement with the electric IOU in order to export the electricity over their distribution systems. The mechanics are unclear, and conspicuously so in a bill that is so prescriptive with other details.

- 7) *Prevailing Wage.* All workers employed on public works projects must be paid the prevailing wage determined by the Director of the Department of Industrial Relations, according to the type of work and location of the project. Public works projects of \$30,000 or more must also meet apprenticeship requirements. The policy behind paying a prevailing wage is to ensure that contractors are not awarded public works contracts by

¹² E3 "Cost-effectiveness of NEM Successor Rate Proposals under Rulemaking 20-08-020: A Comparative Analysis," May 28, 2021.

¹³; Pg. 21, *Ibid.*

¹⁴ First year cost-shift: \$114 for CCSA, \$1,791 for NEM 2.0

¹⁵ If a participating-ratepayer is receiving compensation for the output of the electric distribution system connected community solar PV project above its avoided cost without a non-ratepayer funding source, an unjust cost-shift would be created as non-participating ratepayers would be paying a higher cost for the energy than it would from other comparable and less-expensive energy resources.

¹⁶ The Power Charge Indifference Adjustment - PCIA

virtue of paying low wages and undercutting competitors who provide higher compensation. Prevailing wage creates a level playing field by requiring an across-the-board rate for all bidders on publically subsidized projects.

This bill defines the construction of a community renewable energy facility as a public works project. This Committee adopted a similar measure earlier this month that defined any renewable electrical generation facility greater than 15 kilowatts and on a net energy metering tariff as a public works project.¹⁷ However, unlike the earlier measure which was limited to only apply to NEM projects, this bill includes projects not on a NEM tariff. Unless this bill's program creates a cost shift or receives a Legislative appropriation for its incentives, this bill may be establishing a new standard for renewable public works projects—that they need not be publically subsidized.

- 8) *Need for Amendments.* This bill establishes a community solar program for electric distribution customers of IOUs. As mentioned above, the CPUC is actively engaged in proceedings re-evaluating their community solar programs and their NEM tariff broadly; proceedings where the sponsors of this bill have actively sought adoption of this proposal. Such a discussion is best suited to the CPUC where a consideration of not only this program's merits, but the broader context of existing programs and what is in the best interest of ratepayers statewide may develop. This bill, in overly prescribing many of the program's features limits the CPUC's flexibility to develop a community solar program that would maximize benefits and assist builders in complying with the Title 24 standards.

One of the starkest examples of this conflict is the provision allowing customers to transfer their subscription if they move within the same large IOU territory, while also authorizing that a subscription must remain with the customer meter. *Therefore, the author and committee may wish to amend the bill to:*

- *Require the CPUC to design and develop this program in tandem with their broader efforts of reforming and evaluating their existing community solar programs.*
- *Explicitly state that any financial incentives of the program will only benefit low-income customers or service organizations.*
- *Permit the CPUC to make exceptions to the customer portability requirement in order for a subscriber-builder to comply with Title 24.*
- *Make other clarifying changes.*

- 9) *Related Legislation.*

AB 2143 (Carrillo, 2022) defines any renewable electrical generation facility greater than 15 kilowatts and on a net energy metering tariff a public works project, and thus subject

¹⁷ AB 2143 (Carrillo, 2022); Passed out of this Committee on April 6th, 2022. Vote: 12 Ayes, 3 No Vote Recorded.

to prevailing wage. Additionally requires the CPUC to report on NEM adoption and distributed energy resource growth in disadvantaged communities. Status: *pending hearing* in the Assembly Committee on Appropriations. Passed out of this Committee on April 6th, 2022. Vote: 12-0-3.

AB 2838 (O'Donnell, 2022) permits the CPUC to authorize an IOU to terminate its GTSR program via an advice letter on or after April 1, 2023. Additionally permits any outstanding GTSR costs to be recovered by the IOU's nonparticipating ratepayers, should the CPUC terminate or suspend the IOU's GTSR program. Status: *pending hearing* in the Assembly Committee on Appropriations. Passed out of this Committee on April 6th, 2022. Vote: 12-0-3.

SB 1385 (Cortese, 2022) establishes, by January 1, 2024, a new 10-year, 3,000 MW multifamily housing local solar program that requires each large electrical corporation, as specified, to construct solar and storage systems in front of the customers' meters on or near multifamily housing. Status: *pending hearing* in the Senate Committee on Appropriations.

10) *Previous Legislation.*

AB 1139 (Lorena Gonzalez, Carrillo, 2021) would have directed the CPUC to adopt a new NEM standard contract or tariff, which the bill defines as the "replacement tariff," by August 1, 2022, and requires an electrical IOU to offer the replacement tariff to an eligible customer-generator by December 31, 2023. If the CPUC fails to act, the CPUC is required to adopt a new tariff under terms prescribed by this bill. Status: Died – Inactive File.

AB 801 (Levine, 2019) would have required the CPUC, in collaboration with the CEC, to assess the feasibility of expanding an existing tariff or program, or establishing a new tariff or program, to facilitate compliance with the requirement of the California Building Code, adopted by the CEC, that all new low-rise residential buildings include solar PV capacity. The assessment was to include whether the tariff or program could be implemented in a manner that ensures nonparticipating ratepayer indifference consistent with the requirement of the statutory GTSR program. Status: Died – Assembly Committee on Appropriations.

AB 2345 (Reyes, 2018) would have required the CPUC to require the IOUs to establish a tariff that provides for bill credits for electricity generated by eligible renewable generating facilities, particularly those on previously developed sites, to be credited to electrical accounts of IOU nonresidential customers. Status: Died – Senate Committee on Rules.

SB 1399 (Wiener, 2018) would have required the CPUC to require IOUs to create a tariff or multiple tariffs enabling commercial and industrial customers to obtain bill credits

generated by an eligible renewable generating facility and apply those credits to a benefiting account. Status: Died – Senate Committee on Appropriations.

SB 366 (Leyva, 2017) would have revised the GTSR program to permit the CPUC to increase the program cap from 600 MWs to 800 MWs to accommodate projects for low-income customers and projects located in disadvantaged communities. Would have allocated revenues from IOU greenhouse gas emission allowances to fund the Renewable Energy for All program. Status: Died – Assembly Committee on Utilities and Energy.

SB 43 (Wolk) established, until January 1, 2019, a Shared Renewable Self Generation Program allowing IOU customers to purchase an interest in a “community renewable energy facility” and receive a bill credit for the generation component of the customer’s electrical service. Status: Chapter 413, Statutes of 2013.

AB 327 (Perea) among other provisions, requires the CPUC to develop specific alternatives to the net energy metering tariff to ensure that customer-sited renewable distributed is available to residential customers in disadvantaged communities. Status: Chapter 611, Statutes of 2013.

REGISTERED SUPPORT / OPPOSITION:

Support

Asian Pacific Environmental Network
 California Environmental Voters (formerly CLCV)
 California Wind Energy Association
 Clean Air Task Force
 Coalition for Community Solar Access – Sponsor
 Coalition of California Utility Employees
 Environmental Defense Fund
 Grid Alternatives
 National Resources Defense Council
 Sierra Club California
 The Utility Reform Network (TURN)
 Union of Concerned Scientists
 Vote Solar

Opposition

Pacific Gas and Electric Company
 San Diego Gas & Electric
 Sempra Energy Utilities
 Southern California Edison

Oppose Unless Amended

California Solar & Storage Association

Analysis Prepared by: Laura Shybut / U. & E. / (916) 319-2083