

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: June 30, 2008
POSITION: Neutral
SPONSOR: Chabot Las-Positas Community College

BILL NUMBER: AB 2804
AUTHOR: M. Hayashi

BILL SUMMARY: Renewable Energy Resources: Solar Initiative

Existing law requires the California Public Utilities Commission (PUC) to undertake certain steps in implementing the California Solar Initiative (CSI), including authorizing the award of monetary incentives for up to the first megawatt of energy generated by a solar energy system.

This bill would provide California schools additional time to complete projects under the CSI in order to receive rebate incentives.

FISCAL SUMMARY

The PUC indicates the costs associated with this bill would be minor and absorbable.

There are over 9,000 schools in California. Increasing solar energy by allowing schools extra time to participate in this program could reduce energy consumption and encourage the use of renewable energy.

COMMENTS

Finance is neutral on this bill as it could increase the use of solar energy systems in schools by defining and accommodating the district's procurement and installation process.

Existing law creates the CSI, a \$3.3 billion 10-year rebate program. The program's goals are to install 3,000 megawatts of solar power in California and to create a self-sustaining solar industry that can operate without subsidies by 2017. Under the CSI, tax-exempt entities, such as schools, are eligible for an up-front cash incentive of up to \$3.25 per watt, and a performance-based incentive of up to \$0.50 per kilowatt hour for installed solar systems.

Currently, in order for a school district to receive rebates from the CSI, a school must complete the installation of the solar energy system within 18 months from the time the application for the rebate is approved. Due to the complexity in the permitting and procurement processes involved in school construction projects, schools experience difficulty installing the energy systems within the 18-month window and could forfeit the rebate funding. This bill is intended to allow up to three 180 calendar day extensions for districts to complete the installation of the solar energy system, and would allow districts to reserve incentives from CSI until approval and installation of the system is complete.

(Continued)

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
		LA	PROP	2008-2009		2009-2010		2010-2011	
	CO	98	FC	FC	FC	FC	FC		
8660/PUC	SO	No							0995
<u>Fund Code</u>	<u>Title</u>								
0995	Reimbursements								

Analyst/Principal (0621) K. DaRosa	Date	Program Budget Manager Karen Finn	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

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