

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: April 17, 2007
POSITION: Neutral

BILL NUMBER: SB 324
AUTHOR: C. Migden

BILL SUMMARY: Electricity: Solar Energy: Low-Income Housing

For purposes of CA Solar Initiative (CSI) eligibility, this bill would expand the definition of low-income residential housing to include residential housing that is occupied by individuals eligible for the Public Utilities Commission's California Alternative Rates for Energy (CARE) program or the Low-Income Energy Efficiency (LIEE) program.

FISCAL SUMMARY

The cost to the PUC would be minor and absorbable within existing resources.

COMMENTS

Finance is neutral on this bill because the costs are minor and should be absorbable by the PUC.

Current law establishes a \$3.4 billion cost cap for the CSI, of which \$800 million comes from municipal utilities.

Current law requires the CPUC to ensure that not less than 10 percent of the CSI funds are utilized for the installation of solar energy systems on low-income housing properties that meet specified criteria.

Current law allows the CPUC to incorporate a revolving loan or loan guarantee program into the CSI for low-income residential housing and to modify the monetary incentives to accommodate the limited financial resources of low-income residential housing. Current law establishes the California Alternative Rates for Energy (CARE) program that provides a 20 percent discount on monthly bills for qualified low or fixed income households and housing facilities. Current law establishes the Low-Income Energy Efficiency (LIEE) program to provide energy education, minor home repairs and weatherization to low-income households. Current law establishes the Family Energy Rate Assistance (FERA) program to provide a discount on electricity for households of three or more when energy usage reaches a certain level.

This bill expands the housing properties that would be eligible for the CSI low income funding by including any single or multi-family housing that is wholly occupied by individuals enrolled in the CARE, LIEE or FERA programs. The bill also requires the CPUC, no later than January 1, 2009, to develop mechanisms and safeguards to ensure that the primary beneficiaries of the PV installations are the low-income occupants of the eligible housing

Analyst/Principal (0621) D. Harper	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 _____

BILL ANALYSIS Form DF-43 (Rev 03/95 Buff)

BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)

AUTHOR

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SB 324

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
	LA	(Dollars in Thousands)							
	CO	PROP							
	RV	98	FC	2006-2007	FC	2007-2008	FC	2008-2009	
8660/PUC	SO	No		-----	No/Minor	Fiscal Impact	-----		0462
<u>Fund Code</u>	<u>Title</u>								
0462	Publ Utilities Comm Utilities Reimb Acct								