

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: July 12, 2011
POSITION: Neutral
SPONSOR: California Agriculture and Climate Network

BILL NUMBER: SB 489
AUTHOR: L. Wolk
RELATED BILLS: SB 370 (Blakeslee), AB 1113 (Galgiani), AB 1361 (Perea), AB 1391 (Assembly Committee on Utilities and Commerce)

BILL SUMMARY: Electricity: Net Energy Metering

Existing law requires all utilities to offer net energy metering (NEM) to customers for solar and wind-energy systems up to one megawatt (MW). Investor owned-utilities also are required to offer net metering for biogas-electric systems and fuel cells.

This bill would expand renewable energy technologies eligible for net metering from solar, wind, and biogas digester generators to any renewable electrical generation facility, as defined.

FISCAL SUMMARY

The California Public Utilities Commission (PUC) and the California Energy Commission estimate this bill would create no additional costs because the bill simply expands the technologies eligible for the NEM and does not increase the associated program workload because any applicable program standards have already been developed and would address this expanded technology. The Department of Finance (Finance) concurs.

The California Constitution requires the state to reimburse local government for the costs of any program or increased level of service mandated by the Legislature or any state agency. Any local government costs resulting from the mandate in this measure would not be state reimbursable because the mandate only involves the definition of a crime.

COMMENTS

The Department of Finance is neutral on the bill. The bill would expand net metering to include all renewable technologies.

The bill intends to open the NEM program to all eligible forms of renewable energy and help reduce the need for new power plants and transmission infrastructure. The bill would allow agricultural businesses and homeowners to convert renewable byproducts (e.g., algae, rice hulls, charcoal, and wood scraps) into clean renewable energy and to offset electricity use and help reduce the need for new power plants and transmission infrastructure. The eligible technologies would be expanded to include biomass, solar thermal, photovoltaic, wind, geothermal, fuel cells using renewable fuels, small hydroelectric generation of 30 megawatts or less, digester gas, municipal solid waste conversion, landfill gas, ocean wave, ocean thermal, or tidal current.

(Continued)

Analyst/Principal Date Program Budget Manager Date
(0621) J. McGuinn Karen Finn

Department Deputy Director Date

Governor's Office: By: Date: Position Approved Position Disapproved

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

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**COMMENTS** (continued)

Other related bills include:

SB 370 (Blakeslee) – The bill would authorize an agricultural customer-generator with multiple meters to aggregate the electrical load of the meters located on the property where the generation facility is located.

AB 1113 (Galgiani) – The bill would establish a program for customer-generators converting biomass, including livestock and poultry waste, to provide power.

AB 1361 (Perea) - This bill would revise the definition of an eligible customer- generator to include a state agency and would require the generating capacity of a facility used by a state agency not exceed 5 megawatts pursuant to both the net energy metering requirements and the wind energy co-metering requirements.

AB 1391 (Assembly Committee on Utilities and Commerce) – The bill would delete the reporting requirement requiring the PUC, in consultation with the California Energy Commission, to submit a report to the Governor and the Legislature, by January 1, 2010, on the costs and benefits of net energy metering, wind energy co-metering, and co-energy metering.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							Fund Code
	LA	(Dollars in Thousands)							
	CO	PROP	2011-2012		2012-2013		2013-2014		
	RV	98	FC	FC	FC	FC			
3360/Energy Comm	SO	No	-----	No/Minor	Fiscal Impact	-----		0465	
8660/PUC	SO	No	-----	No/Minor	Fiscal Impact	-----		0462	
<u>Fund Code</u>	<u>Title</u>								
0462	Publ Utilities Comm Utilities Reimb Acct								
0465	Energy Resources Programs Account								