

**SB-288 Democratic Party of California: Peace and Freedom Party of California: county central committees.** (2019-2020)

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CALIFORNIA LEGISLATURE— 2019–2020 REGULAR SESSION

SENATE BILL**NO. 288**

**Introduced by Senators Wiener and Nielsen
(Coauthor: Senator Stone)
(Coauthors: Assembly Members Bloom, Friedman, Gallagher, and Robert Rivas)**

February 13, 2019

An act to add Sections 913.14, 2817, and 2829.5 to the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

SB 288, as introduced, Wiener. Electricity: self-generation and storage.

Existing law requires electrical corporations and local publicly owned electric utilities, among others, to develop, and make available to eligible customer-generators, standard contracts or tariffs for net energy metering if the total generation capacity used by eligible customer-generators exceeds 5% of those utilities' aggregate customer peak demand. Existing law requires the Public Utilities Commission (PUC) to develop a standard contract or tariff which may include net energy metering, for eligible customer-generators with a renewable electrical generation facility that are customers of a large electrical corporation, as defined, to be offered to eligible customer-generators beginning January 1, 2017, or prior to that date if ordered to do so by the PUC because the customer-generator has reached the 5% limit.

This bill would, by January 1, 2021, require the PUC and the governing board of each local publicly owned electric utility to, among other things, create one or more tariffs that offer fair compensation for customer-sited energy storage systems that export electricity to the electrical grid and to consider one or more tariffs for customer-sited energy storage and renewable energy systems to support grid reliability and community resiliency in the event of emergencies or grid outages. The bill would require the PUC to collaborate with the Independent System Operator to modify existing tariffs to remove barriers to the participation of customer-sited energy resources in programs intended to provide energy, capacity, and ancillary services for the bulk power system. The bill would require the PUC and the governing board of each local publicly owned electric utility to ensure that customers with onsite renewable energy or energy storage systems can take certain related actions and are not subject to discriminatory fees or charges. By imposing addition duties on local publicly owned electric utilities, this bill would impose a state-mandated local program.

This bill would require the PUC and State Energy Resources Conservation and Development Commission (Energy Commission) to establish for the electrical corporations and local publicly owned electric utilities, respectively, a streamlined and standardized process for reviewing by those utilities' interconnection requests for customers

seeking to install solar energy and energy storage devices on the customer side of the meter to minimize uncertainty and the time and cost of the review, as specified.

This bill would require the PUC and the Energy Commission, by June 1, 2020, and June 1 of each year thereafter, to submit a report to the Legislature on information regarding the interconnection of renewable energy and energy storage systems by the electrical corporations and the local publicly owned electric utilities, respectively, for purposes of evaluating the performance of those utilities in reviewing interconnection requests.

Under existing law, a violation or any rule, order, decision, or direction of the commission is a crime.

Because a violation of an order by the commission implementing the above requirements would be a crime, this bill would impose a state-mandated local program.

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 specified reasons.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

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

(a) All California residents, businesses, nonprofits, and government entities have the fundamental right to generate and store renewable energy and to reduce and shape their use of electricity obtained from the electrical grid, whether their facilities are off-grid or interconnected to the grid.

(b) These fundamental rights to self-generation and storage extend to all California consumers regardless of income level, geography, or property type.

(c) Residential customers have a right to consumer protections that ensure adequate transparency in sales and contracts for renewable energy and storage installations and services.

(d) Customer-sited solar and energy storage systems will play an essential role in helping the state to meet its greenhouse gases emissions and other environmental goals.

(e) Customer-sited solar and energy storage systems are valuable assets for managing the electrical grid efficiently and improving the reliability and resiliency of the grid.

(f) Removing barriers to the installation of customer-sited energy resources will help reduce costs and facilitate the deployment of these resources.

(g) The time required for utility review and approval of interconnection applications and the lack of transparency in interconnection costs has impeded customer adoption of solar and energy storage systems.

(h) Developing market mechanisms for energy and other services supplied by customer-sited energy resources can facilitate the adoption and deployment of renewable energy and energy storage technologies that will provide greater local reliability and resiliency benefits throughout the year, including during emergency conditions.

SEC. 2. Section 913.14 is added to the Public Utilities Code, to read:

913.14. (a) (1) On or before June 1, 2020, and on or before June 1 of each year thereafter, the commission shall submit an annual report evaluating electrical corporations' performance of interconnection review to the Legislature containing data of electrical corporations, compiled by year of initial interconnection request and segregated by market segment and technology type, for customer-sited electrical resources, including energy storage systems proposed for interconnection with the electrical grid and other information that the commission may require.

(2) On or before June 1, 2020, and on or before June 1 of each year thereafter, the Energy Commission shall submit a report evaluating local publicly owned electric utilities' performance of interconnection review to the Legislature containing data of local publicly owned electric utilities, compiled by year of initial interconnection request and segregated by market segment and technology type, for customer-sited electrical resources,

including energy storage systems proposed for interconnection with the electrical grid and other information that the Energy Commission may require.

(b) The reports required pursuant to this section shall include all of the following information:

(1) The amount of time that the electrical corporations or local publicly owned electric utilities have taken to complete each step in the review of interconnection requests.

(2) The number of interconnection requests initially received and the number of interconnection requests deemed complete.

(3) The amount of fees charged for processing the interconnection requests and the basis for those fees.

(4) A summary of challenges in reducing the amount of time for interconnection review and improvements to the interconnection review process that occurred in the previous year.

(c) The reports required pursuant to this section shall be submitted in compliance with Section 9795 of the Government Code.

SEC. 3. Section 2817 is added to the Public Utilities Code, to read:

2817. (a) (1) The commission shall establish a streamlined and standardized process for electrical corporations' review of interconnection requests for customers seeking to install solar energy and energy storage devices on the customer side of the point of interconnection to minimize uncertainty and the amount of time and cost of the review while maintaining electric system safety and reliability.

(2) The Energy Commission shall establish a streamlined and standardized process for local publicly owned electric utilities' review of interconnection requests for customers seeking to install solar energy and energy storage devices on the customer side of the point of interconnection to minimize uncertainty and the amount of time and cost of the review while maintaining electric system safety and reliability.

(b) In establishing the streamlined and standardized interconnection review processes pursuant to subdivision (a), the commission and the Energy Commission shall ensure that those processes reflect, at a minimum, all of the following principles:

(1) Minimization of the interconnection fees and timelines for processing and reviewing interconnection applications.

(2) Provision of certainty and transparency in interconnection review timelines, fees, distribution upgrade costs, project status, engineering analysis, and billing.

(3) Maintenance of a clear, efficient, and accessible process for resolving disputes.

(4) Recognition that equipment or systems certified to national standards will perform as certified.

(5) Keeping interconnection rules updated to adapt to changing circumstances and technological advances.

SEC. 4. Section 2829.5 is added to the Public Utilities Code, to read:

2829.5. (a) By January 1, 2021, the commission shall do all of the following:

(1) Create one or more tariffs that offer fair compensation for customer-sited energy storage systems that export electricity to the electrical grid.

(2) Consider one or more tariffs for customer-sited energy storage and renewable energy systems to support grid reliability and community resiliency in the event of emergencies or grid outages.

(3) Modify existing tariffs, interconnection rules, and programs to remove barriers to the participation of customer-sited energy resources intended to provide energy, capacity, and ancillary services. These barriers include, but are not limited to, prohibitions on exports for energy storage systems in commission interconnection rules and the lack of clear and consistent guidelines on quantifying the incremental capacity of customer-sited energy resources.

(4) Collaborate with the Independent System Operator to modify existing tariffs to remove barriers to the participation of customer-sited energy resources in programs intended to provide energy, capacity, and ancillary

services for the bulk power system. These barriers include, but are not limited to, prohibiting or disallowing any credit for discharges to the electric grid from solar energy and energy storage systems during demand response events.

(b) By January 1, 2021, the governing board of each local publicly owned electric utility shall perform those actions specified in paragraphs (1) to (3), inclusive, of subdivision (a).

(c) The commission and the governing board of each local publicly owned electric utility shall ensure all of the following:

(1) Customers with onsite renewable energy or energy storage systems can generate and store renewable energy for onsite consumption.

(2) Customers with onsite renewable energy or energy storage systems can interconnect to the electric grid in a timely and cost-effective manner if the system is in accordance with requirements established by the commission or the local publicly owned electric utility, as applicable, to ensure reliable grid operation and the safety of utility workers, and if the systems meet all applicable state and local safety and electrical code requirements.

(3) Customers with onsite renewable energy or energy storage systems are not subject to discriminatory fees or charges levied as a result of installing and using onsite renewable energy or energy storage systems.

SEC. 5. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act or because costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.