



SB 843 (Wolk) Community-Based Renewable Energy Self-Generation Program Bill Summary

SB 843 expands access to renewable energy by enabling all customers of SCE, SDG&E and PG&E access to virtual net-metered renewable electricity. Customers can purchase up to 100% renewable power with no state subsidies or costs burdens on non-participating customers.

Increases access to renewable energy

While rooftop solar is a strong and growing business in California, at least 75% of households cannot participate because (1) they are renters and don't own their roofs (44% of households), (2) they do not have strong enough credit ratings to finance the installation (28-31% of households), or (3) their roof is too small or doesn't receive enough sunlight (no estimate available). In addition, most businesses rent or lease their facilities and do not own their own roofs.

SB 843 allows all these California households and businesses the ability to voluntarily buy up to 100% renewable power from a shared facility in their utility's territory and receive a credit on their current utility bill. SB 843 is not limited to solar but rather applies to any new renewable facility up to 20MW in size.

Better Economics: Creates Jobs, New Tax Revenues, and Economic Development

A larger facility, typically mounted on the ground on degraded land near a substation with good resources is significantly less expensive to build and operate than a small facility. This results in lower costs per kilowatt generated, a savings that is passed through to the consumer.

SB 843 can create up to \$7.5 billion in economic activity from the construction of up to 2 gigawatts of new distributed solar facilities. The construction would generate up to \$230 million in state and local tax revenue while creating up to 12,000 jobs.

SB 843 brings more private capital into California projects, secured by the project developer, to build community renewable energy facilities. The increase in demand helps to drive down costs and increase competition for all renewables.

SB 843 reduces pressure for large scale, desert facilities by creating a market for distributed generation using small and mid-sized infill facilities located close to demand.

Economic Benefits for All Utility Customers

Participating customers **pay the full cost** of their renewable energy with **no state subsidy** and **no cost to non-participating utility customers**. Reduced energy demand lowers the renewable energy the utility needs to buy to meet the 33% RPS.

Facilities under contract to meet the 33% RPS tend to be very large and located away from demand in the southern portions of California. Renewables for SB 843 will be small to mid-sized facilities located close to the load and not require new transmission lines.

Distributed renewables provide location and resource adequacy benefits to all utility customers and reduce the need to purchase summer power from peaker plants. A recent study commissioned by the CPUC identified distributed solar sites that could supply up to 12 GW of renewable power with minimal changes to the grid.

The net benefits to all customers from location, resource adequacy, increased competition and avoided infrastructure outweigh the possible differences between the avoided cost of power and the bill credit given to the participating customers. The PUC is given oversight authority to insure fairness and benefits to all customers.

How It Works

SB 843 lets community renewable energy facilities sign agreements with utility customers to sell them renewable energy. Customers receive credit on their utility bill for their share of renewable electricity delivered to the grid. Allowing customers to subscribe to a system offsite simplifies the process of selecting renewable energy. These community facility arrangements will come in many different forms: a congregation could power their homes by sharing the electricity generated by a solar system on their church's roof. A school campus could subscribe to a portion of a system located at a different school to power their entire campus.

The community facility reports to the utility the percentage of its output attributable to each customer (kWh/month). The utility uses this information and the generation output of the facility to determine the credit due to each customer.

The customer's credit is determined using one of two methods. Initially, the credit is based on the CPUC's published delivered energy rate from the previous year for a similar renewable energy facility. By January 1, 2015, the CPUC will determine the value the renewable facility contributes to the grid. When the customer's post time of use generation rate (\$/kWh) plus that value added exceeds the initial credit amount, customer shifts over to the higher credit.

The bill credit value (\$/kWh) will be applied to offset only the generation component of a subscriber's electricity bill. If the bill credit exceeds the original generation portion of the utility bill, the excess credit is carried forward. The program is capped at 2GW of generation; at 1.5GW of installations the CPUC shall determine if the program should be continued as planned or expanded.

Support for SB 843

City of Davis (Co-sponsor)
Superintendent of Public Instruction, Tom
Torlakson (Co-sponsor)
Affordable Housing Alliance
Androit Solar Energy Design
American Lung Association of California
Blueray Curtiss
Breathe California
California Interfaith Power & Light
California League of Conservation Voters
California Native Plant Society
California School Board Association
California State Association of Electrical
Workers (IBEW)
Chapel of Peace Lutheran Church, Inglewood
Christiansen Consulting
City of Chula Vista
City of Ventura
Clean Path Ventures
Clean Tech Energy
CleanTECH San Diego
Coalition of California Utility Employee
County School Facilities Consortium (CASH)
County of Sonoma
Davis Joint Unified School District
Department of Defense
Division of Ratepayer Advocates (with
amendments)
Ella Baker Center
El Pico Energy LLC
Environment California
Environmental Defense Fund
Environmental Entrepreneurs (213 members)
Green Build Energy
Homeboy Enterprises
Jean Quan, Mayor, City of Oakland
Keith Carson, Supervisor 5th District Alameda
County
Kyoto USA
Lincoln Renewable Energy
LTS Energy
LMI of San Diego
Natural Resources Defense Counsel
Planning and Conservation League
Recurrent Energy
Renewable Funding
San Diego County Solar
San Diego Gas & Electric (with amendments)
Small Business California
Solar Mosaic
Solar Training Institute
Solar West Design
School Energy Coalition
Sierra Club California
Solar Energy Industries Association
Solar Pathways
Oakland Tech Green Academy
Oakland Unified School District
Octus Energy
Union of Concerned Scientists
Vote Solar
Winston Burton, ED, Workforce Collaborative
Yolo County Board of Education



SB 843 (Wolk) Community Based Self Generation Structure

