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CHAPTER 864

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INTRODUCED BY Assembly Member Pavley

(Coauthors: Assembly Members Cohn, Frommer, Koretz, Levine,
Lieber, Ruskin, Saldana, and Shirley Horton)

(Coauthors: Senators Kehoe, Kuehl, and Murray)

FEBRUARY 24, 2006

An act to add Section 2852 of the Public Utilities Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 2723, Pavley Electricity: **solar** energy: low-income residential housing.

Under existing law, the Public Utilities Commission (PUC) has regulatory authority over public utilities, including electrical corporations and gas corporations, as defined. A decision of the PUC adopted the California **Solar** Initiative under which the PUC will oversee a program to promote **solar** energy technologies, administered by electrical corporations and gas corporations, for commercial and residential customers, funded through electrical corporation and gas corporation revenues and collected from gas and electric utility distribution rates.

This bill would prohibit the establishment of the California **Solar** Initiative from resulting in the diversion of any moneys from any existing programs for low-income ratepayers, or from cost-effective energy efficiency or demand response programs. The bill would require the PUC to ensure that not less than 10% of the funds for the California **Solar** Initiative are utilized for the installation of **solar** energy systems, as defined, on low-income residential housing, as defined. The bill would authorize the PUC to incorporate a revolving loan or loan guarantee program into the California **Solar** Initiative for low-income residential housing.

The bill would require that all moneys set aside for the purpose of funding the installation of **solar** energy systems on low-income residential housing, that are unexpended and unencumbered on January 1, 2016, and all unencumbered moneys thereafter repaid from loans made for the installation of **solar** energy systems on low-income residential housing, be utilized to augment existing cost-effective energy efficiency measures in low-income residential housing that benefit ratepayers.

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

SECTION 1. Section 2852 is added to Chapter 9 of Part 2 of Division 1 of the Public Utilities Code, to read:

2852. (a) As used in this section, the following terms have the following meanings:

(1) "California **Solar** Initiative" means the program providing ratepayer funded incentives for eligible **solar** energy systems adopted

by the Public Utilities Commission in Decision 05-12-044 and Decision 06-01-024.

(2) "Low-income residential housing" means either of the following:

(A) Residential housing financed with low-income housing tax credits, tax-exempt mortgage revenue bonds, general obligation bonds, or local, state, or federal loans or grants, and for which the rents of the occupants who are lower income households, as defined in Section 50079.5 of the Health and Safety Code, do not exceed those prescribed by deed restrictions or regulatory agreements pursuant to the terms of the financing or financial assistance.

(B) A residential complex in which at least 20 percent of the total units are sold or rented to lower income households, as defined in Section 50079.5 of the Health and Safety Code, and the housing units targeted for lower income households are subject to a deed restriction or affordability covenant with a public entity that ensures that the units will be available at an affordable housing cost, as defined in Section 50052.5 of the Health and Safety Code, or at an affordable rent, as defined in Section 50053 of the Health and Safety Code for a period of at least 30 years.

(3) "**Solar** energy system" means a **solar** energy device that has the primary purpose of providing for the collection and distribution of **solar** energy for the generation of electricity, that produces at least one kilowatt, and except for a **solar** energy device for a nonprofit building, produces not more than five megawatts, alternating current rated peak electricity, and that meets or exceeds the eligibility criteria established by the commission or the State Energy Resources Conservation and Development Commission.

(b) In establishing the California **Solar** Initiative, no moneys shall be diverted from any existing programs for low-income ratepayers, or from cost-effective energy efficiency or demand response programs.

(c) (1) The commission shall ensure that not less than 10 percent of the funds for the California **Solar** Initiative are utilized for the installation of **solar** energy systems on low-income residential housing. Notwithstanding any other law, the commission may modify the monetary incentives made available pursuant to the California **Solar** Initiative to accommodate the limited financial resources of low-income residential housing.

(2) The commission may incorporate a revolving loan or loan guarantee program into the California **Solar** Initiative for low-income residential housing. All loans outstanding as of January 1, 2016, shall continue to be repaid consistent with the terms and conditions of the program adopted and implemented by the commission pursuant to this subdivision, until repaid in full.

(3) All moneys set aside for the purpose of funding the installation of **solar** energy systems on low-income residential housing that are unexpended and unencumbered on January 1, 2016, and all moneys thereafter repaid pursuant to paragraph (2), except to the extent those moneys are encumbered pursuant to this section, shall be utilized to augment existing cost-effective energy efficiency measures in low-income residential housing that benefit ratepayers.