

California weighs innovative community solar bill

August 21 2012, By Dana Hull

Rooftop solar power is growing like crazy in California. But there's a big problem: About 44 percent of California residents are renters, not homeowners. That means that nearly half the residents of the state can't purchase solar-generated electricity even if they want to.

Now the [solar industry](#), utilities, [environmentalists](#), financiers and legislative staffers in Sacramento are hashing out an innovative but controversial Senate bill that would allow people to join forces and collectively "buy" [solar power](#) from a shared facility.

The bill covers other forms of renewable energy, including wind, biomass, geothermal, and small hydropower. But [solar panels](#), which have seen a dramatic drop in price in recent years, are expected to make up the lion's share of new projects. [Senate Bill](#) 843 aims to bring an additional 2 [gigawatts](#) of renewable energy online within the territories of the state's three largest utilities: PG&E, Southern California Edison and San Diego Gas & Electric. Two gigawatts is nothing to sneeze at: One gigawatt is roughly the output of two coal-fired power plants and is enough energy to power 750,000 homes.

The bill would allow customers of the three utilities to "buy" renewable energy from, say, a solar array on the roof of a church, in the field of the local high school or at City Hall.

Customers would sign contracts with the developers of the solar projects and pay a monthly fee for the energy they buy. In exchange, they would

become "subscribers" of the project and receive a credit for their portion of the energy produced on their monthly utility bill.

Democrat Lois Wolk, whose 5th Senate District includes the city of Davis, is sponsoring the bill, which is winding its way through the Legislature. The concept is of great interest to Gov. Jerry Brown, who has made expanding access to "distributed generation" solar projects in urban areas a key platform of his energy agenda. The Assembly Appropriations Committee is scheduled to hold a hearing on the bill Aug. 16.

"This is the next step in terms of making solar available to the largest number of people possible, including small businesses who lease their buildings, renters and people who live in apartments," Wolk said in an interview. "In a collective and cooperative way, it allows people to take advantage of economies of scale."

But the state's three large utilities, as well as staff at the California Public Utilities Commission, have expressed reservations about the bill and are suggesting several amendments. One of the chief concerns is that utility customers who don't participate in the proposed program will effectively be subsidizing those who do because of the additional costs associated with bringing more renewables onto the electric grid.

Utilities are already under enormous pressure to buy 33 percent of their [electricity](#) from renewable sources by 2020, but the 2 gigawatts resulting from the bill would not count toward that goal. The three large utilities argue that the proposed program should apply to all utilities in the state, including municipal utilities in cities like Alameda, Palo Alto and Santa Clara. And some warn that the bill is far too complex and would be a nightmare for state regulators to fairly administer.

Southern California Edison is firmly opposed to the bill. San Diego Gas

& Electric generally support it but have proposed amendments. PG&E and a legislative committee of the CPUC both oppose the bill unless it is amended. A lot of negotiating is going on.

"PG&E strongly supports renewable energy, as well as additional renewable energy options for our customers," said David Rubin, director of service analysis at PG&E. "However, our key concern with this bill is that it creates a significant additional procurement obligation - at prices that exceed the value we are getting on behalf of all of our customers."

Among those actively lobbying on behalf of the bill is California Interfaith Power and Light, a coalition of religious groups responding to global warming through the promotion of energy conservation, energy efficiency and renewable energy. The group has 560 member congregations throughout the state.

"Many members of our congregations want renewable energy because it's the moral thing to do," said Rev. Sally Bingham, an Episcopal priest in San Francisco and the organization's founder. "It would be great to have a huge solar array on a big mega church, and then allow all of the members of the church to access that energy from the sun."

Tom Price, director of policy for CleanPath Ventures, a San Francisco-based [renewable energy](#) fund, has spent months promoting the bill because he wants to broaden access to solar. His interest was sparked when he was renting an apartment in San Francisco but couldn't install solar panels because his landlord didn't want them.

"The problem with solar is that you have to be a rich homeowner with excellent credit and a lot of equity in your home," said Price, who currently rents a home in Berkeley that does not have solar panels. "You also have to have a roof that faces south and isn't shaded by trees. The vast majority of Californians don't fall into this category. It's a

monstrous market failure."

California, where just 55 percent of residents own their homes, has one of the lowest homeownership rates in the country, according to 2011 data from the U.S. Census Bureau. Nationally, the homeownership rate is 66.1 percent.

Even some homeowners have been frustrated by road blocks to solar. David Ginsborg, a deputy to Santa Clara County Assessor Larry Stone, owns a townhouse in a 12-unit complex in the Willow Glen neighborhood of San Jose. Ginsborg serves on the board of his homeowners association and looked into putting solar panels on the roof of the buildings, with the idea that the homeowners association would incur the debt. But solar installers basically told him that it couldn't be done because of legal and logistical hurdles around metering and billing for a system on a shared roof.

"I was surprised and disappointed," he said. "Why shouldn't a homeowners association go solar? If we wanted to pave the street or build a swimming pool, we can incur debt for that. But we can't go solar. It's outrageous when you think of it. There are 80,000 condominiums and townhouses in Santa Clara County - that's 25 percent of all homeowners."

(c)2012 San Jose Mercury News (San Jose, Calif.)
Distributed by MCT Information Services

Citation: California weighs innovative community solar bill (2012, August 21) retrieved 26 April 2024 from <https://phys.org/news/2012-08-california-solar-bill.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.