

PUBLIC UTILITIES COMMISSION

Office of Governmental Affairs

770 L Street, Suite 1050
Sacramento, CA 95814
(916) 327-3277

May 12, 2009

The Honorable Kevin de Leon
Chair, Assembly Committee on Appropriations
State Capitol, Room 2114
Sacramento, CA 95814

RE: AB 920 (Huffman) – As Introduced – Oppose Unless Amended
Status: Assembly Committee on Appropriations

Dear Assemblymember de Leon:

On May 7, 2009, the California Public Utilities Commission (CPUC) voted unanimously to oppose AB 920 unless amended. AB 920 requires electric utilities to provide compensation for the value of net surplus electricity provided to the grid over a twelve-month period, or a credit in kilowatt-hours against future consumption.

This bill fundamentally changes the intent of the net energy metering (NEM) statute from a program that facilitates onsite electricity generation and consumption to a program that supports onsite customer generators to be paid as wholesale power producers. Customers currently receive significant ratepayer support to be onsite customer generators, and net surplus compensation would add another benefit to solar customers before the completion of the Commission's report on the costs and benefits of NEM, due to the legislature January 1, 2010.

Please see the attached analysis for a detailed explanation of the Commission's position.

If you have any questions or wish to discuss this matter further, please do not hesitate to call me at (916) 327-8858.

Sincerely,

A handwritten signature in blue ink that reads "Alicia Priego".

ALICIA PRIEGO
Legislative Liaison

Attachment

cc: The Honorable Jared Huffman, Member, California State Assembly
Members, Assembly Committee on Appropriations
Chuck Nicol, Assembly Committee on Appropriations
Anthony Archie, Assembly Republican Caucus/Policy
Kathy Madison, Department of Finance
John Moffatt, Chief Deputy Legislative Secretary, Office of Governor Arnold Schwarzenegger