



**DIANNE JACOB**  
**VICE-CHAIRWOMAN**  
**SUPERVISOR, SECOND DISTRICT**  
**SAN DIEGO COUNTY BOARD OF SUPERVISORS**

**AGENDA ITEM**

**DATE:** November 18, 2008

**TO:** Board of Supervisors

**SUBJECT:** A FAIR PRICE FOR SURPLUS RESIDENTIAL SOLAR ENERGY  
(DISTRICT: TWO)

**SUMMARY:**

**Overview**

In 2007, the California Solar Initiative made available \$3.3 billion to subsidize solar installations, also called photo voltaic systems (PV). Citing a desire to lessen the nation's dependence on foreign oil and help the environment, more and more San Diego homes and businesses are taking advantage of solar incentives and buying PV systems. In recent months, increasing energy costs have made residential PV especially attractive.

Energy experts report that more San Diego homeowners would buy residential PV systems if allowed to sell surplus energy to San Diego Gas and Electric (SDG&E). Current law doesn't allow such sales. Right now, for systems up to one megawatt, net excess generation is carried forward on a customer's bill for 12 months. Any yearly excess goes to the utility.

Unfortunately, important legislation that would have removed this barrier did not make it through the California Legislature this year. Assembly Bill 1920 (Huffman) would have given so-called "net metered" utility customers the option to sell surplus generation to SDG&E. Similar legislation is expected to be reintroduced next year.

By changing the net metering policy for residential PV systems in California, the region will likely experience an increase in solar generation. As part of the County's ongoing efforts to promote a cleaner, greener San Diego, we should add this important goal to our legislative program.

**SUBJECT: A FAIR PRICE FOR SURPLUS RESIDENTIAL SOLAR ENERGY  
(DISTRICT: TWO)**

**Recommendation(s)**

**VICE-CHAIRWOMAN JACOB:**

Direct the Chief Administrative Officer to add to the County's legislative program as County-sponsored legislation a change in state law that would give residential PV customers the ability to sell surplus generation to the local utility at a fair price.

**Fiscal Impact**

There is no fiscal impact associated with this recommendation.

**Business Impact Statement**

N/A

**Advisory Board Statement**

N/A

**BACKGROUND:**

California is ushering in a new era of clean, renewable energy with solar as its cornerstone. Thanks to financial incentives for residential and business customers and aggressive policies aimed at promoting solar generation, California is now the leading producer of solar energy technologies in the United States and one of the largest solar markets in the world.

In 2007, the California Solar Initiative made available \$3.3 billion to subsidize solar installations, also called photo voltaic systems (PV). Citing a desire to lessen the nation's dependence on foreign oil and help the environment, more and more San Diego homes and businesses are taking advantage of solar incentives and buying PV systems. In recent months, increasing energy costs have made residential PV especially attractive.

Energy experts report that more San Diego homeowners would buy residential PV systems if allowed to sell surplus energy to San Diego Gas and Electric. Current law doesn't allow such sales. Right now, for systems up to 1 megawatt, net excess generation is carried forward on a customer's bill for 12 months. Any yearly excess goes to the utility.

Colorado, Connecticut, Maryland, New Jersey, Minnesota and many other states compensate residential PV customers for surplus power. In Oregon, credit from some surplus solar is granted to customers enrolled in the state's low income assistance programs.

Unfortunately, important legislation that would have removed this barrier did not make it through the California Legislature this year. Assembly Bill 1920 (Huffman) would have given so-called "net metered" utility customers the option to sell surplus generation to SDG&E. Similar legislation is expected to be reintroduced next year.

**SUBJECT: A FAIR PRICE FOR SURPLUS RESIDENTIAL SOLAR ENERGY  
(DISTRICT: TWO)**

By changing the net metering policy for residential PV systems in California, the region will likely experience an increase in solar generation. As part of the County's ongoing efforts to promote a cleaner, greener San Diego, we should add this important goal to our legislative program.

I urge your support.

**Linkage to the County of San Diego Strategic Plan**

N/A

Respectfully submitted,

DIANNE JACOB  
VICE-CHAIRWOMAN  
Supervisor, Second District

**SUBJECT: A FAIR PRICE FOR SURPLUS RESIDENTIAL SOLAR ENERGY  
(DISTRICT: TWO)**

**AGENDA ITEM INFORMATION SHEET**

**CONCURRENCE(S)**

<b>COUNTY COUNSEL REVIEW</b>	<input checked="" type="checkbox"/> Yes	
Written Disclosure per County Charter Section 1000.1 Required	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>GROUP/AGENCY FINANCE DIRECTOR</b>	<input type="checkbox"/> Yes	<input type="checkbox"/> N/A
<b>CHIEF FINANCIAL OFFICER</b>	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> N/A
Requires Four Votes	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<b>GROUP/AGENCY INFORMATION TECHNOLOGY DIRECTOR</b>	<input type="checkbox"/> Yes	<input type="checkbox"/> N/A
<b>COUNTY TECHNOLOGY OFFICE</b>	<input type="checkbox"/> Yes	<input type="checkbox"/> N/A
<b>DEPARTMENT OF HUMAN RESOURCES</b>	<input type="checkbox"/> Yes	<input type="checkbox"/> N/A
<b>Other Concurrence(s):</b>	N/A	

**ORIGINATING DEPARTMENT:** District Two

**CONTACT PERSON(S):**

Jennifer Stone	
_____ Name	_____ Name
(619) 531-4766	
_____ Phone	_____ Phone
_____ Fax	_____ Fax
_____ Mail Station	_____ Mail Station
_____ E-mail	_____ E-mail

**AUTHORIZED REPRESENTATIVE:** \_\_\_\_\_