



WHAT HAPPENED TO THE ENERGY CRISIS?

Although rolling blackouts are no longer a threat, and wholesale electricity prices have returned to the two cent per kWh level, California is still recovering from last year's energy crisis. Retail electricity prices have increased 30 percent, and we will continue to pay for the losses incurred during the energy crisis for the next several years.

On a more positive note, energy conservation efforts last year reduced energy use by an astounding 10 percent and played a large role in averting blackouts last summer. The power supply situation has also improved in the state, with 2,000 MW of new capacity coming online in the past year and another 10,000 MW under construction.

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The state still has a number of big issues to resolve in order to move forward. Given the recent failure of the deregulated power markets to balance electric supply and demand, what type of long-term planning is needed in its place to prevent another crisis? What should the future role of the California Independent System Operator be? Will direct access (consumer choice) be restored and if so, how? How will the \$12 billion in utility debt obligations be repaid?

In response to the energy crisis and uncertainties about the State's energy situation, some local governments and public agencies are looking for ways to plan for their community's energy future. For example, the City of San Francisco recently released its draft Electricity Resource Plan, which considers options for the City to develop new distributed generation and renewable energy facilities.

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FINANCIAL ASSISTANCE AVAILABLE

One outcome of the energy crisis is an increase in funding for energy efficiency, renewable energy, and distributed generation programs in California. A number of different entities administer these programs.

The California Energy Commission (CEC). The CEC administers energy efficiency programs established by the legislature under SB 5, AB 29, and other legislation. Details about current programs that still have funding available are provided in the summary tables.

Investor-Owned Utilities. The investor-owned utilities administer programs that are funded by public goods charges collected through utility bills. These programs include incentives for energy efficiency and distributed generation projects, public education programs, and free technical assistance. The CPUC has not yet approved the 2002 programs, but some programs instituted in 2001 are still in effect, such as the Self-Generation Incentive Program. The summary tables provide pertinent details about this program. Check the utilities' Web sites (www.pge.com, www.SCE.com, www.sdge.com) for additional program descriptions.

Local Programs. Starting this year, the CPUC set aside \$100 million of public goods charge funding for energy efficiency programs to be run by parties other than the investor-owned utilities. The CPUC is reviewing more than 80 proposals for new programs from private companies, public agencies, associations, and non-profit groups. They will issue a decision on these programs by June 2002.

Municipal Utilities. Municipal utilities (SMUD, Roseville, Palo Alto, etc.) have energy efficiency and renewable energy programs which are paid for from their own public goods funds. Some of these programs parallel the programs offered by the investor-owned utilities; others are unique to their utility district. If you are a

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customer of a municipal utility, check with your account representative to find out more information about these programs.

California Consumer Power and Conservation Financing Authority (Power Authority). The Power Authority announced its energy resource investment plan in February 2002. They will issue bonds for up to \$5 billion to help finance the development and installation of renewable

energy, efficiency, and select gas technologies needed for local reliability or re-powering old dirty plants. CPA financing will likely be available to utilities, power plant developers, and public entities or through a loan pool to individual businesses and consumers for energy efficiency and distributed generation. See the Power Authority's Web site (www.cpowerauthority.ca.gov) for more information.

SUMMARY TABLE 1

Program Name	Eligible Applicants	Eligible Projects	Program Description
Battery Backup Systems for LED Traffic Signals	Cities and counties	Battery backups	Matching grants for battery backup systems (BBS) for traffic control signals retrofitted with light emitting diodes (LEDs)
Bright Schools Program	California schools K-12	Audits	No-cost or low-cost technical assistance for retrofitting non-energy-efficient schools
Bring Me a Watt—Innovative Peak Load Reduction Program	Facility owners or their representatives	General peak demand reduction projects (not funded by other programs)	Grant or contract funds for a broad range of projects that reduce peak demand or generate electricity using waste recovery
Cool Savings Program—Cool Roofs	Non-residential or multi-family buildings	Installation of cool (reflective) roofing materials	Incentives for cool roofing or other energy-saving materials such as insulation
Cool Savings Program - Solar Shade Screen Rebates	California residential or non-residential buildings	Solar shade screens	Rebates for solar shade screens
Efficiency Financing	Schools, hospitals, and local governments	Variety of general energy efficiency	4% loan financing for energy efficiency projects
Energy Partnership Program	Local governments, special districts, public or non-profit hospitals, public care facilities, and colleges/universities	Installation of efficient lighting, heating and cooling systems, and equipment controls	Subsidized technical assistance and detailed facility studies
Landfill Gas Electricity Generation Incentive	Landfill owners	Electricity generation from microturbines currently using flared landfill gas	Rebate against the purchase price of microturbines installed and operational by June 1, 2002 (with a possibility for extension)
Real Time or Time-of-Use Meters Program	Facilities with a peak demand of 200 kW or more	Installation of real-time meters and appropriate communications links	Funding given to utilities to defray cost of hardware and wiring
Renewable Energy Buydown Program	All project sites within the electric utility service area of PG&E, SDG&E, Southern California Edison, or Bear Valley Electric Company. For a limited time, sites within territories of municipal utilities are also eligible.	On-site and grid-connected photovoltaics, small wind turbines, and qualifying fuel cells and solar thermal electricity systems	Cash rebates for eligible renewable energy electricity-generating systems
Self-Generation Incentive Program	Any customer of PG&E, SCE, SoCalGas, or SDG&E that purchases electricity from the grid, focusing primarily on business or large institutional customers	Photovoltaics, wind turbines, fuel cells, microturbines, IC engines, and small gas turbines for 30 kW–1.5 MW in size	Incentive payments for qualifying renewable and distributed generation projects

SUMMARY TABLE 2

Program Name	Amount Funded Per Project	Status	Web Address	Phone
Battery Backup Systems for LED Traffic Signals	Depends on case	Applications will be available April 2002	www.energy.ca.gov/peakload/index.html	(916) 651-9857
Bright Schools Program	Up to \$20,000 of assistance from CEC selected consultant	Currently accepting applications. Open program until funds are depleted.	www.energy.ca.gov/efficiency/brightschools/index.html	(916) 654-4008
Bring Me a Watt—Innovative Peak Load Reduction Program	Up to \$250/kW saved for summer peak demand, for a maximum of \$1 million	Currently accepting applications	www.energy.ca.gov/peakload/bring_watt.html	(866) 732-5591
Cool Savings Program—Cool Roofs	\$0.15–\$0.25 per sq. ft. depending on specific measures	Currently accepting applications. Open program until Nov. 30, 2002 or until funds are depleted.	www.energy.ca.gov/peakload/cool_roofs.html	Local governments, call (916) 448-1198 ext. 320. Refer to the website for additional contact numbers.
Cool Savings Program—Solar Shade Screen Rebates	\$1 per sq. ft. for installed screens	Currently accepting applications	www.energy.ca.gov/peakload/solar_shade.html	(866) 921-7400
Efficiency Financing	\$2 million maximum per organization	Currently accepting applications. Open program until funds are depleted.	www.energy.ca.gov/efficiency/financing/index.html	(916) 654-4008
Energy Partnership Program	Up to \$10,000 of CEC-selected consultant's cost	Currently accepting applications. Open program until funds are depleted.	www.energy.ca.gov/efficiency/partnership/application.html	(916) 654-3838
Landfill Gas Electricity Generation Incentive	\$250 per net kW of microturbine generation capacity	Currently accepting applications	www.energy.ca.gov/peakload/landfill_gas_electricity.html	(562) 426-9544 (Jeff Pierce)
Real-Time or Time-of-Use Meters Program	Funding to utilities, not customers.	Facility owners should contact their utility to find out if their facility is eligible for free meter upgrades.	www.energy.ca.gov/peakload/real_time_meter.html	(800) 555-7794
Renewable Energy Buydown Program	\$4.50/watt or 50% (whichever is less)	Currently accepting applications	www.consumerenergycenter.org/buydown/	(800) 555-7794 or (916) 654-4058
Self-Generation Incentive Program	\$1.00–\$4.50 per watt up to 1 MW or 30%–50% of project cost	Currently accepting applications. Open program until funds are depleted on an annual basis.	www.cpuc.ca.gov/PUBLISHED/NEWS_RELEASE/8319.htm	
			www.pge.com/selfgen	PG&E customers, call (415) 973-6436
			www.sdenergy.org/selfgen	SDG&E customers, call (619) 595-5634
			www.socalgas.com	SoCalGas customers, call (800) GAS-2000
			www.sce.com	SCE customers, call (800) 736-4777