

CHAPTER IV

CSAC ENERGY POLICY GUIDELINES

The following policy guidelines cover a wide range of energy issues of significant interest to county governments. This policy direction will assist CSAC with its efforts to represent county interests on energy proposals moving through the legislative process.

Section 1: TAX AND REVENUE IMPACTS

- Legislative, Public Utility Commission (PUC), and State Board of Equalization (SBE) decisions concerning energy issues shall include provisions to avoid negative impacts on local government and schools.
- Local governments rely on property tax revenues and franchise fees from utilities to provide essential public services. These revenues must be protected to ensure that local governments can continue to provide essential services, and continue to address the current energy crisis by siting new power plants, bringing old power plants back on line and enacting long-term conservation measures.

Section 2: GENERATION

- Counties support efforts to ensure that California has an adequate supply of safe, reliable energy at the most competitive prices possible, while adhering to the state's expressed order of priorities of conservation, renewables, new generation and new transmission.
- Counties support establishing incentives that will encourage the development and use of alternative energy sources, such as wind, solar, biomass, hydropower, and geothermal resources. Counties also support promoting the timely development of new infrastructure, such as new electric transmission, needed to facilitate renewable energy development. Such efforts will lead to the state realizing its goal of having 20% of its electricity supply come from renewable sources by 2010.
- While CSAC supports a statewide assessment and planning for future transmission needs, we oppose transmission corridor designations that ignore the local land use decision-making process.
- Counties support the construction and operation of biomass facilities through the establishment of state policies that will ensure sustainable long-term commitments to resource supply and electrical generation purchases at a price that supports resource-to-energy conversion.

- Counties shall commit to examine their own policies on alternative energy for any potential impacts that discourage the use of such systems.
- Counties support efforts to allow local agencies to retain regulatory oversight over generators by statutorily changing the threshold from 50 megawatts to 100 megawatts.
- Counties support additional state grant funding for back-up generation for essential facilities.
- Counties support additional state grant funding for air quality compliance for emergency generation facilities.
- Provide Incentives to Local Agencies to Site Energy Facilities. Some of the financial incentives that would stimulate the development and siting of more energy generation facilities in California include:
 1. Funding to streamline the siting process at the local level. Funds would be available to reimburse cities and counties for the costs of permits, environmental review and other local expenses in order to expedite the process at the local level.
 2. Energy facility incentive payments to cities and counties that approve new generating facilities, and/or the expansion of existing generation facilities, to replace them with more efficient facilities, or to build renewable projects, including photovoltaics, fuel cells or cogeneration. Increased incentives would be given to those facilities that generate power beyond the demand of the host jurisdiction's facilities alone.
 3. Any city or county that approves siting of a privately developed generating facility should receive 100% of the property tax of that facility.
 4. To stimulate development of projects such as cogeneration facilities, standby charges for generating facilities should be waived.
 5. Streamlining of timeframes currently associated with the state and federal regulatory process for siting power generating facilities.
- Counties support an amendment to the California Integrated Waste Management Act to provide full diversion credit for cogeneration facilities to further encourage their development. The CIWM Act currently establishes a 10% limitation on solid waste diversion that occurs through transformation.
- Counties support streamlining the approval and environmental review process for new power plants and any building using alternative sources of energy.
- Counties support payments to qualified facilities consistent with state and federal standards for renewable energy sources.

- Counties oppose state ownership of power plants because of the impact on local government revenue streams, water rights, the re-operation of hydro facilities, and the efficient management of such systems, including the economic uncertainty associated with state ownership of power plants. In the event of state ownership, all impacts on local government shall be mitigated.

Section 3: PUBLIC POWER

- Counties support bills that enhance public power options available to local governments.
- Counties support bills that enhance local government's ability to become community aggregators of electricity.

Section 4: CONSERVATION

- CSAC and its member counties are committed to reducing electricity use in their facilities by 10%.
- Counties support development of a statewide grant program to fund energy conservation and energy management equipment in local government facilities.
- Counties support a rate structure that recognizes conservation efforts.
- Counties support grants and loans that promote energy efficiency among businesses and homeowners.
- Counties support the adoption of real-time metering and time-of-use metering, allowing consumers to make choices about their consumption of electrical energy based on the real-time price of electricity.
- Counties support providing incentives, including the use of new technologies, for businesses that generate their own energy, and support encouraging them to make their excess capacity available to the utilities.

Section 5: ECONOMIC DEVELOPMENT

- Counties support the development and implementation of a statewide "proactive" California business retention strategy, led by the California Business, Transportation and Housing Agency in partnership with local economic development organizations, including support of legislation that would provide funding for this effort through emergency legislation.
- Counties support the development and execution of a statewide, consistent and balanced message campaign that presents the true business climate in California.

- Counties support efforts to encourage alternative energy solutions to be instituted in businesses and residences.

Section 6: NOTIFICATION OF POWER OUTAGES

- Counties, as providers of essential services, must be provided with adequate notice regarding any planned rotating block outages.

Section 7: MISCELLANEOUS

- Counties support a utility market structure that ensures that energy supply and demand is not unreasonably constrained by artificially imposed price caps.