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October 13, 2007

## **California Solar Water Heating Bill Signed into Law--Big Win for Fighting Global Warming, Reducing Dependence on Natural Gas, and Consumers**



*Bernadette Del Chiaro of Environment Californiawith Assemblymember Jared Huffman, and Don Miller of Conergy, a local installer and manufacturer of solar water heating systems in April promoting AB 1470, the Solar Hot Water and Efficiency Act of 2007, which just became law*

*By Frank D. Russo*

Yesterday, Governor Schwarzenegger signed into law the Solar Water Heating and Efficiency Act of 2007, AB 1470 by Assemblymember Jared Huffman, which provides incentives to attain the goal of installing 200,000 solar water heating systems in the state by 2017.

This represents another giant step, in addition to AB 1, Million Solar Roofs bill passed last year, toward bringing about a mainstream solar power market in California. The bill would launch the nation's largest solar water heating program, creating a \$250 million fund to provide rebates to homeowners and businesses who invest in solar water heating technologies. Hopefully was we go, so will the nation.

“Harnessing the sun to meet our daily energy needs is a no-brainer, especially in California,” said Bernadette Del Chiaro, Clean Energy Advocate for Environment California and sponsor of the bill. “Solar water heating is another way we can make California the Saudi Arabia of the sun.”

AB 1470 would provide consumer incentives, in the form of rebates, for solar water heating systems that displace natural gas. The fund would come from a small, 13 cent per month, surcharge on gas bills.

California relies predominately on natural gas to meet its water heating needs. This leads to a heavy dependence on imported fossil fuels and air pollution. Solar water heating can reduce the amount of gas needed to heat water in homes and businesses by 50-75%. A solar water heating system uses the sun to heat water. It commonly consists of two parts, a roof-mounted solar collector to heat the water and a storage tank. A typical residential solar water heating system does not replace the existing conventional water heating systems, though it reduces the need for conventional water heating by about two-thirds.

“Solar power represents a significant energy resource for California,” said Assemblymember Jared Huffman (Marin), author of AB 1470. “California can achieve greater energy independence, fight global warming, and save homeowners and businesses money by encouraging a mainstream market for solar water heating.”

A report by Environment California Research & Policy Center, “Solar Water Heating: How California Can Reduce Its Dependence on Natural Gas”, details the benefits of growing a market for solar water heating in California.

Solar water heating could reduce global warming pollution by 6.8 million tons of CO<sub>2</sub> per year. This represents 5% of the total reductions needed to meet the state’s greenhouse gas emissions cap by 2020.

As an added benefit, decreased demand for natural gas saves all ratepayers money. Studies have shown that a 5% reduction in demand could shave 25-35% off California’s wholesale natural gas prices.

“AB 1470 is a historic bill for California,” said Sue Kately, Executive Director of the California Solar Energy Industry Association. “The solar water industry is growing by leaps and bounds world-wide. With this bill, California can step back into the lead building stronger businesses and more jobs right here at home.”

AB 1470 passed both houses of the legislature without a single Republican vote. This despite the fact that it had the support of not only an impressive array of California's environmental groups, including Environment California which sponsored it, and the National Wildlife Federation, Natural Resources Defense Council, Planning and Conservation League, California League of Conservation Voters, Sierra Club California, and the Union of Concerned Scientists. It also had the backing of utilities, including the Pacific Gas and Electric Company and East Bay Municipal Utility District.

**The major features of this program are:**

1. A goal of installing 200,000 solar water heating systems by 2017.
2. Establishment of eligibility criteria for qualified solar water heating systems.
3. Establishment of installation guidelines.
4. A set aside of 10 percent of the funds for low-income and affordable housing projects.
5. A declining rebate program with performance-based incentives.
6. Funding through a surcharge on natural gas customers based on the amount of natural gas consumed, with exemptions for customers participating in specified programs.
7. Solar water heating systems for pools are ineligible for the subsidy.

It will take effect January 1, 2008 and implementation will largely be in the hands of the California Public Utilities Commission.