STATE POLICY WORKING GROUP MEETING
4/12/2024

Agenda

1. Support Legislation
2. Bills of interest
3. Budget

Notes

AB-1999 Introduced to Repeal the Income-Graduated Fixed Charge ("Utility Tax")

Recent Activity:

- CPUC Proposed Decision R.22-07-005 AddressingAssembly Bill 205 Requirements for Electric Utilities issued March 27,
- 18 Members of Congress Call Upon the CPUC to Reject The IGFC, March 25

Support Legislation

AB 1999 (Irwin) Electricity: fixed charges

The bill would permit the commission to authorize fixed charges that, as of January 1, 2015, do not exceed $5 per residential customer account per month for low-income customers enrolled in the California Alternate Rates for Energy (CARE) program and that do not exceed $10 per residential customer account per month for customers not enrolled in the CARE program. The bill would authorize these maximum allowable fixed charges to be adjusted by no more than the annual percentage increase in the Consumer Price Index for the prior calendar year, beginning January 1, 2016.

Status: Assembly Utilities & Energy Committee

AB 2891 (Friedman) Energy: electrical demand forecasts

Requires CEC to develop a set of upfront energy automation standards and performance criteria to systematically enable the reduction or modification of load forecasts; and encourages the CEC to use available funds appropriated by the Legislature to test the standards to maximize confidence in aggregated resource performance.

Status: Assembly Utilities & Energy Cmte 4/17/24

SB 1191 (Padilla) Personal Income Tax Law and Corporation Tax Law: exclusions: environmental credits

Would conform California's tax code to IRA provisions that provide tax incentives for the development of renewable energy in California

Status: Passed Senate Revenue & Taxation 4/10/24, Senate Appropriations

SB 1305 (Stern) Electricity: virtual power plant procurement

The bill would direct the CPUC to open a proceeding by March 1, 2026 to determine appropriate targets for each load serving entity to procure viable and cost-effective virtual power plants and, by October 1, 2026, to adopt a virtual power plant procurement target, if determined to be appropriate, to be achieved by each load-serving entity by December 31, 2028, and a 2nd target to be achieved by December 31, 2033. In the VPP proceeding, the CPUC shall coordinate with the California Energy Commission (CEC) and the California Independent System Operator (CAISO) to

a) estimate the size of resource potential of resource adequacy-qualifying VPP resources,

b) identify existing and potential regulatory barriers and opportunities for VPP resources to qualify for resource adequacy capacity, and c) accelerate where feasible the resolution of regulatory barriers in order to facilitate the growth of VPP resources.

Status: Senate Energy Cmte 4/22/24

Additional CEDMC Legislative efforts

Clean Transportation Program - program administrator eligibility expansion

Current Clean Transportation Program requirements permit only public and not-for-profit entities to bid into the vendor pool. Seeking to expand

the pool of potential vendors to include non-public vendors.

Benefits: 1) Increasing staffing and resource capacity to bid into and administer Program funds

2) Increase diversity in thought, innovation, and competitiveness.

Bills of interest

AB 691 (Ting) School Energy Efficiency Stimulus Program

This bill would revise and recast various definitions for purposes of the School Energy Efficiency Stimulus Program, including, among others, by defining “noncompliant appliance” to additionally include a commercial propane, natural gas, or oil water heater. The bill would extend the date by which all funds allocated pursuant to the program are required to be spent or returned to each utility by December 1, 2030, as specified. The bill would authorize the Energy Commission to set application and encumbrance deadlines to ensure that the reversion of these funds occurs instead by December 1, 2030. The bill would additionally authorize the Energy Commission to establish the timing of grant funding, as specified. The bill would require, for the first two program years, that 75% of these moneys are allocated to the SRVEVR Program and that 25% of these moneys are allocated to the SNPFA Program. The bill would, after the first two program years, instead authorize the Energy Commission to reallocate remaining moneys between the SRVEVR and SNPFA programs based on need. The bill would instead repeal these provisions on January 1, 2031.

Current status: Senate Energy

AB 2054 (Bauer-Kahan) Energy: employment, gifts, and rates.

Requires the California Public Utilities Commission (CPUC) to conduct a reasonableness review prior to a utility receiving rate recovery for any costs recorded in memorandum or balancing accounts above those authorized in a forecast. Mandates that any costs above the authorized forecast, regardless of reasonableness, shall be allocated between ratepayers and shareholders, with the ratepayers responsible for no more than 50% of the costs. Additionally includes requirements that all proposed public utility spending must include a cost-benefit analysis of at least three alternatives. Finally, prohibits leadership at the CPUC, Public Advocates Office (PAO), and California Energy Commission (CEC) from receiving gifts or employment (for at least 10 years) by any entity subject to regulation by their body.

Current status: Passes Assembly Utilities & Energy; Assembly Appropriations

AB 2256 (Friedman) Net energy metering

This bill would require the *commission, as appropriate,* to revise the standard contract or tariff to, among other *things:*

ensure that customer-sited renewable distributed generation continues to grow at a pace identified by the state as needed to meet the state’s climate goals, rather than sustainably;

ensure that the standard contract or tariff is based on an independent assessment of the cost of service analysis and the total benefits of the renewable electrical generation facility, including quantifiable nonenergy benefits, as defined;

and, ensure that the total benefits of the standard contract or tariff to all customers and the electrical system are approximately equal to or greater than the total costs.

The bill would prohibit that cost consideration from compromising the state’s climate goals or quantifiable nonenergy benefits, as specified.

The bill would require every large electrical corporation to make the standard contract or *tariff, as revised,* available to all new eligible customer-generators *upon that revision.*

Hearing: Assembly Utilities & Energy 4/17/24

AB 2329 (Muratsuchi) Low-income energy assistance programs. Energy: California Affordable Decarbonization Authority.

Would require the PUC and Energy Commission to jointly authorize the establishment of the California Affordable Decarbonization Authority as a nonprofit public benefit corporation and to take all necessary measures to create the authority.

The bill would establish the Climate Equity Trust Fund as a trust fund, separate and apart from all public moneys or funds of the state, and would, upon appropriation by the Legislature, require that the moneys in the trust fund be expended by the authority for the benefit of electricity customers and to promote affordable electricity rates, as specified.

The bill would authorize disbursements from the trust fund to be made through direct credits on ratepayer bills, direct rebates or incentives to market participants, technology vendors, technology installers, and end-use customers, and reimbursement of eligible costs, including costs for building electrification programs and incentives, incurred by an electrical corporation, electric service provider, community choice aggregator, or local publicly owned electric utility in the form of matching funds.

The bill would require the authority to submit annual and multiyear spending plans for review and approval to the PUC and the Energy Commission before disbursing trust fund moneys.

Hearing: Assembly Utilities & Energy 4/17/24

AB 2368 (Petrie-Norris) Independent System Operator: outage: review.

This bill would require the Independent System Operator, if it finds that the primary cause of the outage is the insufficient procurement of generation resources, to share the findings and recommendations for the procurement of necessary resources with the Public Utilities Commission, the State Energy Resources Conservation and Development Commission, and the Legislature.

Hearing: Assembly Utilities & Energy 4/24/24

AB 2462 (Calderon) Public Utilities Commission: written reports: energy.

Requires the California Public Utilities Commission (CPUC) to identify how current rate trends affect households across their energy uses and how electrification across more end-uses may reduce the total cost of energy for households over time in an existing annual written report to the Governor and the Legislature. Also requires the CPUC to annually provide recommendations for long-term (> 12 months) actions that can be undertaken to reduce utility costs, consistent with the state's carbon reduction, energy, and environmental goals.

Current Status: Passed Assembly Utilities & Energy; Assembly Appropriations

AB 2487 (Fong) Deputy Secretary for Climate

Requires the Deputy Secretary for Climate (Deputy Secretary) at the Labor and Workforce Development Agency (LWDA) to create and maintain a green jobs website that serves as the central hub for employment opportunities related to the transition to carbon-neutral jobs, and delays by one year, to January 1, 2026, the requirement for the Deputy Secretary to submit a report to the Legislature on key findings and recommendations regarding the development and implementation of the workforce transition to a sustainable and equitable clean energy economy.

Hearing: Assembly Utilities & Energy 4/17/24

AB 2619 (Connolly) Net energy metering

Require the CPUC develop a new solar tariff to replace the NEM 3.0 tariff

Require that the new tariff be structured to ensure that we stay on pace to build enough rooftop solar capacity to reach our targets for distributed solar generation by 2045, as part of the 100% clean energy resources outlined in the SB 100 Joint Agency Report

Not affect any customers operating under the NEM 2.0 tariff

Hearing: Assembly Utilities & Energy 4/17/24

AB 2672 (Petrie-Norris D) California Alternate Rates for Energy program: public housing authority owned or administered housing facilities.

This bill would delete the requirement that the above-described nonprofit group living facilities be group facilities. The bill would also require the CARE program to include public housing authority owned or administered housing facilities that the residents of which substantially meet the commission's low-income eligibility requirements, as identified by the commission, and would require the commission to authorize electrical corporations and gas corporations to offer discounts to those facilities and to establish a feasible process for certifying that the assistance is used for the direct benefit of the residents of those facilities.

Current Text: Amended: 4/8/2024 html pdf

Status: 4/9/2024-Re-referred to Com. on U. & E.

AB 2666 (Boerner) Public utilities: rate of return

This bill would require the commission, if it determines that an electrical corporation or a gas corporation has received revenues from its ratepayers that are in excess of its approved rate of return for a prior year, to require the electrical corporation or gas corporation to refund those excessive revenues from the prior year to its ratepayers.

Hearing: Assembly Utilities & Energy 4/24/24

AB 2779 (Petrie-Norris) Independent System Operator: transmission planning

This bill would require the Independent System Operator, upon approval of each transmission plan, to report to the Public Utilities Commission and to the relevant policy committees of each house of the Legislature any new use of any grid enhancing technology that is deemed reasonable by the Independent System Operator in that plan and the cost or efficiency savings of the deployment of that grid enhancing technology.

Hearing: Assembly Utilities & Energy 4/17/24

AB 2891 (Friedman) Energy: electrical demand forecasts

This bill would require the Energy Commission, on or before July 1, 2026, and in consultation with the Public Utilities Commission, Independent System Operator, load-serving entities, and resource aggregators, to adopt a set of upfront technical requirements and load automation standards to provide the option for a load-serving entity to reduce or modify its electrical demand forecast upon aggregated system operation, as specified.

Hearing: Assembly Utilities & Energy 4/17/24

AB 3107 (Connolly) Electrical corporations: definition.

This bill would revise and recast the definition of "electrical corporation" to, among other things, eliminate certain existing exceptions to the definition of "electrical corporation," thereby expanding the scope of that term and the entities over which the PUC has regulatory authority.

The bill would additionally exempt from that definition a corporation or person employing one or more distributed energy resources, as defined, that has the capacity to be coupled with one or more energy storage systems for the generation of electricity primarily for specified uses.

The bill would also exempt from the definition of "electrical corporation" a microgrid, as defined, that primarily serves the included load of the microgrid, as provided. The bill would also make various conforming changes.

The bill would require the PUC to retain jurisdiction over the interconnection of a microgrid to the distribution system of a large electrical corporation, as defined. The bill would also authorize the Energy Commission to develop safety standards for microgrids and to issue optional guidelines for the governance and oversight of microgrids to local governments, as provided.

Current status: referred to Assembly Utilities & Energy

AB 3111 (Calderon D) Distributed energy resources and aggregated distributed energy resources: reporting.

This bill would require, as part of an application submitted for a permit to install or interconnect a distributed energy resource or an aggregated distributed energy resource, or at the time an aggregator enrolls an aggregated distributed energy resource in an aggregation program, the applicant or aggregator to provide notice to the Energy Commission that contains specified information about the distributed energy resources or aggregated distributed energy resources, as provided, including, among other things, an attestation under penalty of perjury that any corporation or person owning, controlling, operating, or managing any electric plant, as defined, is an electrical corporation.

Current Text: Introduced: 2/16/2024 html pdf

Status: 4/2/2024-In committee: Hearing postponed by committee.

AB 3247(Irwin D) Public Advocate's Office: appointment of the director.

Current law requires the director of the Public Advocate's Office to be appointed by, and serve at the pleasure of, the Governor, subject to confirmation by the Senate. This bill would instead require the director of the Public Advocate's Office to be appointed for an initial 4-year term by the Speaker of the Assembly and for a consecutive 4-year term by the President pro Tempore of the Senate. Upon the expiration of those terms, the bill would require the authority to appoint the director to rotate every 4 years between the Speaker of the Assembly and the President pro Tempore of the Senate.

Current Text: Amended: 3/11/2024 html pdf

Status: 4/4/2024-From committee: Do pass and re-refer to Com. on APPR. with recommendation: To Consent Calendar. (Ayes 16. Noes 0.) (April 3). Re-referred to Com. on APPR.

AB 3256 (Irwin) Memorandum and balancing accounts: reports to the Legislature

This bill would require the commission to include, as part of its annual update to the Legislature on the status of its review of balancing accounts, the amount of funds in, and the expenditures from, the memorandum accounts and balancing accounts of each public utility.

The bill would require the commission to annually determine if each memorandum account and each balancing account has achieved its intended purpose in the previous year.

The bill would require the commission, if it determines that the intended purpose has not been achieved and those costs should not be subject to recovery in the next general rate case, to deny the public utility recovery of those costs and other expenses and to reduce the authority of the public utility to use, or close, the memorandum account or balancing account in order to limit future rate increases.

The bill would require the commission to make those determinations and take those actions in a manner that ensures that the rates are sufficient to enable the public utility to recover a just and reasonable rate of return.

Current status: referred to Assembly Utilities & Energy

AB 3263 (Calderon) Electrical corporations: financing orders: wildfire mitigation expenses

This bill would, in addition to expenses related to catastrophic wildfires, authorize the use of a financing order to recover the costs of wildfire mitigation efforts, operational and maintenance expenses related to an electrical corporation's wildfire mitigation plan, wildfire risk mitigation costs, and vegetation management costs and expenses.

Hearing: Assembly Utilities & Energy 4/24/24

SB 938 (Min D) Electrical and gas corporations: rate recovery: political activities and advertising.

Would prohibit, except as provided, an electrical or gas corporation from recording various expenses associated with political influence activities, as defined, or with advertising, as defined, to accounts that contain expenses that the electrical or gas corporation recovers from ratepayers. The bill also would require an electrical or gas corporation, for each business unit of the corporation that performs work associated with political influence activities or advertising, to annually file with the commission a report containing specified information. The bill would require the commission to make the report publicly available.

Current Text: Amended: 3/21/2024 html pdf

Status: 4/4/2024-Set for hearing April 16.

SB 1130 (Bradford D) Electricity: Family Electric Rate Assistance: reports.

Would require the Public Utilities Commission, by June 1, 2025, and each year thereafter, to review each electrical corporation's report to ensure it has sufficiently enrolled eligible households in the FERA program commensurate with the proportion of households the commission determines to be eligible within the electrical corporation's service territory. If the commission, in its review of a report, determines an electrical corporation has not sufficiently enrolled eligible households in the FERA program, the bill would require the commission to require the electrical corporation to develop a strategy and plan to sufficiently enroll eligible households within 3 years of the adoption of the strategy and plan.

SB 1210 (Skinner) New housing construction: electrical, gas, sewer, and water service: service connection information

This bill would impose a cap on the amount that may be recovered by utilities to provide service and upgrade capacity to serve new housing construction. This bill would also require utilities to provide financing over 10 years for any charges, prioritization of housing applications for service, and require specified transparency of utility fees/charges for new service and capacity upgrades.

Current status: Passed Senate Energy; Senate Local Government 4/17/24

SB 1292 (Bradford) Electricity: fixed charges: report.

This bill would require the commission, on or before July 1, 2027, but no sooner than 2 years after the adoption of the income-graduated fixed charge for default residential rates, to submit a report to the relevant policy committees of both houses of the Legislature on the electrical corporations' implementation of the fixed charge, as specified. The bill would prohibit the commission from authorizing a fixed charge other than the income-graduated fixed charge for default residential rates until 30 days after the report is submitted.

Hearing: Senate Energy 4/22/24

SB 1326 (Jones R) Electricity: fixed charges.

This bill would require the PUC to require each electrical corporation to offer default rates to residential customers with at least 2 usage tiers, as provided. The bill would eliminate the requirement that the fixed charges be established on an income-graduated basis as described above, repeal related findings and declarations of the Legislature, and authorize the commission to instead authorize fixed charges that, as of January 1, 2015, do not exceed $10 per residential customer account per month for customers not enrolled in the CARE program and $5 per residential customer account per month for customers enrolled in the CARE program.

Current Text: Introduced: 2/16/2024 html pdf

Status: 4/4/2024-Set for hearing April 22.

SB 1374(Becker D) Net energy metering.

This bill would require, no later than July 1, 2025, the commission to ensure that any contract or tariff established by the commission pursuant to the above described provisions for renewable electrical generation facilities configured to serve either multiple customers with meters on a single property, or multiple meters of a single customer on a property or a set of contiguous properties owned, leased, or rented by the customer, meets certain requirements, including that eligible customer-generators are authorized to elect to aggregate the electrical load, as specified.

Current Text: Amended: 3/18/2024 html pdf

Status: 4/4/2024-Set for hearing April 22.

Location: 2/29/2024-S. E. U., & C.

SB 1480 (Allen) Low-Income Oversight Board: membership and duties

Expands the duties and membership of the Low-Income Oversight Board (LIOB) at the California Public Utilities Commission (CPUC) and requires the CPUC to modify eligibility requirements and establish a new enrollment process for low-income water, energy, and telecommunications assistance programs.

Current status: Passed Senate Energy; Senate Appropriations 4/22/24

SB 1474 (Allen) Public utilities: intervenor compensation

This bill would add a participant representing patrons or employees of any electrical, gas, telephone, telegraph, or water corporation to the definition of “customer” for these purposes. The bill would expand the definition of “substantial contribution” to include situations in which the commission’s order or decision is informed by reasoned decisionmaking made possible by the customer’s presentation even if the customer’s contentions or recommendations are not adopted by the commission. The bill would deem a request for compensation granted if the commission fails to issue a decision within 75 days after the filing of the request or within 50 days after the filing of an audit report, whichever occurs later. The bill would require the commission, if it reduces or denies the requested compensation, to provide a written explanation of that decision.

Hearing: Senate Energy 4/22/24

Budget

Thursday, April 11, 2024

The Legislature passed an early action budget plan (AB 106), agreed to by Gov. Gavin Newsom, to reduce the state’s budget shortfall by $17 billion:

$3.6 billion in reductions, primarily to one-time funding
$5.2 billion in revenue and borrowing
$3.1 billion in delays
-Includes $50 Million delay to DEBA
$3.4 billion in funding shifts from the general to other state funds
$2.1 billion in deferrals

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AB 2891 (Friedman D) Energy: electrical demand forecasts.

Requires CEC to develop a set of upfront energy automation standards and performance criteria to systematically enable the reduction or modification of load forecasts; and encourages the CEC to use available funds appropriated by the Legislature to test the standards to maximize confidence in aggregated resource performance.

Current Text: Amended: 3/21/2024 html pdf

Status: 4/1/2024-Re-referred to Com. on U. & E.

SB 1191 (Padilla D) Personal Income Tax Law and Corporation Tax Law: exclusions: environmental credits.

Would conform California's tax code to IRA provisions that provide tax incentives for the development of renewable energy in California

Status: Passed Senate Revenue & Taxation 4/10/24, Senate Appropriations

SB 1305 (Stern) Electricity: resource adequacy requirements: virtual power plant procurement - as proposed to be amended

The bill would direct the CPUC to open a proceeding by March 1, 2026 to determine appropriate targets for each load serving entity to procure viable and cost-effective virtual power plants and, by October 1, 2026, to adopt a virtual power plant procurement target, if determined to be appropriate, to be achieved by each load-serving entity by December 31, 2028, and a 2nd target to be achieved by December 31, 2033. In the VPP proceeding, the CPUC shall coordinate with the California Energy Commission (CEC) and the California Independent System Operator (CAISO) to

a) estimate the size of resource potential of resource adequacy-qualifying VPP resources,

b) identify existing and potential regulatory barriers and opportunities for VPP resources to qualify for resource adequacy capacity, and c) accelerate where feasible the resolution of regulatory barriers in order to facilitate the growth of VPP resources.

Status: Senate Energy Cmte 4/22/24

Additional CEDMC Legislative efforts

Clean Transportation Program - program administrator eligibility expansion

Current Clean Transportation Program requirements permit only public and not-for-profit entities to bid into the vendor pool. Seeking to expand

the pool of potential vendors to include non-public vendors.

Benefits: 1) Increasing staffing and resource capacity to bid into and administer Program funds

2) Increase diversity in thought, innovation, and competitiveness.

Bills of interest

AB 691 (Ting D) School Energy Efficiency Stimulus Program.

This bill would revise and recast various definitions for purposes of the School Energy Efficiency Stimulus Program, including, among others, by defining “noncompliant appliance” to additionally include a commercial propane, natural gas, or oil water heater. The bill would extend the date by which all funds allocated pursuant to the program are required to be spent or returned to each utility by December 1, 2030, as specified. The bill would authorize the Energy Commission to set application and encumbrance deadlines to ensure that the reversion of these funds occurs instead by December 1, 2030. The bill would additionally authorize the Energy Commission to establish the timing of grant funding, as specified. The bill would require, for the first two program years, that 75% of these moneys are allocated to the SRVEVR Program and that 25% of these moneys are allocated to the SNPFA Program. The bill would, after the first two program years, instead authorize the Energy Commission to reallocate remaining moneys between the SRVEVR and SNPFA programs based on need. The bill would instead repeal these provisions on January 1, 2031.

Current status: Senate Energy

AB 2054 (Bauer-Kahan) Energy: employment, gifts, and rates.

Requires the California Public Utilities Commission (CPUC) to conduct a reasonableness review prior to a utility receiving rate recovery for any costs recorded in memorandum or balancing accounts above those authorized in a forecast. Mandates that any costs above the authorized forecast, regardless of reasonableness, shall be allocated between ratepayers and shareholders, with the ratepayers responsible for no more than 50% of the costs. Additionally includes requirements that all proposed public utility spending must include a cost-benefit analysis of at least three alternatives. Finally, prohibits leadership at the CPUC, Public Advocates Office (PAO), and California Energy Commission (CEC) from receiving gifts or employment (for at least 10 years) by any entity subject to regulation by their body.

Current status: Passes Assembly Utilities & Energy; Assembly Appropriations

AB 2205 (Patterson, Joe R) Electricity: mandatory rate reduction.

This bill would require the commission to reduce the kilowatt-per-hour rate for electricity charged to ratepayers by not less than 30%.

Current Text: Introduced: 2/7/2024 html pdf

Status: 2/26/2024-Referred to Com. on U. & E.

AB 2256 (Friedman) Net energy metering

This bill would require the *commission, as appropriate,* to revise the standard contract or tariff to, among other *things:*

ensure that customer-sited renewable distributed generation continues to grow at a pace identified by the state as needed to meet the state's climate goals, rather than sustainably;

ensure that the standard contract or tariff is based on an independent assessment of the cost of service analysis and the total benefits of the renewable electrical generation facility, including quantifiable nonenergy benefits, as defined;

and, ensure that the total benefits of the standard contract or tariff to all customers and the electrical system are approximately equal to or greater than the total costs.

The bill would prohibit that cost consideration from compromising the state's climate goals or quantifiable nonenergy benefits, as specified.

The bill would require every large electrical corporation to make the standard contract or *tariff, as revised,* available to all new eligible customer-generators *upon that revision.*

Hearing: Assembly Utilities & Energy 4/17/24

AB 2329 (Muratsuchi) Low-income energy assistance programs. Energy: California Affordable Decarbonization Authority.

Would require the PUC and Energy Commission to jointly authorize the establishment of the California Affordable Decarbonization Authority as a nonprofit public benefit corporation and to take all necessary measures to create the authority.

The bill would establish the Climate Equity Trust Fund as a trust fund, separate and apart from all public moneys or funds of the state, and would, upon appropriation by the Legislature, require that the moneys in the trust fund be expended by the authority for the benefit of electricity customers and to promote affordable electricity rates, as specified.

The bill would authorize disbursements from the trust fund to be made through direct credits on ratepayer bills, direct rebates or incentives to market participants, technology vendors, technology installers, and end-use customers, and reimbursement of eligible costs, including costs for building electrification programs and incentives, incurred by an electrical corporation, electric service provider, community choice aggregator, or local publicly owned electric utility in the form of matching funds.

The bill would require the authority to submit annual and multiyear spending plans for review and approval to the PUC and the Energy Commission before disbursing trust fund moneys.

Hearing: Assembly Utilities & Energy 4/17/24

AB 2368 (Petrie-Norris) Independent System Operator: outage: review.

This bill would require the Independent System Operator, if it finds that the primary cause of the outage is the insufficient procurement of generation resources, to share the findings and recommendations for the procurement of necessary resources with the Public Utilities Commission, the State Energy Resources Conservation and Development Commission, and the Legislature.

Hearing: Assembly Utilities & Energy 4/24/24

AB 2462 (Calderon) Public Utilities Commission: written reports: energy.

Requires the California Public Utilities Commission (CPUC) to identify how current rate trends affect households across their energy uses and how electrification across more end-uses may reduce the total cost of energy for households over time in an existing annual written report to the Governor and the Legislature. Also requires the CPUC to annually provide recommendations for long-term (> 12 months) actions that can be undertaken to reduce utility costs, consistent with the state's carbon reduction, energy, and environmental goals.

Current Status: Passed Assembly Utilities & Energy; Assembly Appropriations

AB 2487 (Fong) Deputy Secretary for Climate

Requires the Deputy Secretary for Climate (Deputy Secretary) at the Labor and Workforce Development Agency (LWDA) to create and maintain a green jobs website that serves as the central hub for employment opportunities related to the transition to carbon-neutral jobs, and delays by one year, to January 1, 2026, the requirement for the Deputy Secretary to submit a report to the Legislature on key findings and recommendations regarding the development and implementation of the workforce transition to a sustainable and equitable clean energy economy.

Hearing: Assembly Utilities & Energy 4/17/24

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Require the CPUC develop a new solar tariff to replace the NEM 3.0 tariff

Require that the new tariff be structured to ensure that we stay on pace to build enough rooftop solar capacity to reach our targets for distributed solar generation by 2045, as part of the 100% clean energy resources outlined in the SB 100 Joint Agency Report

Not affect any customers operating under the NEM 2.0 tariff

Hearing: Assembly Utilities & Energy 4/17/24

AB 2666 (Boerner) Public utilities: rate of return

This bill would require the commission, if it determines that an electrical corporation or a gas corporation has received revenues from its ratepayers that are in excess of its approved rate of return for a prior year, to require the electrical corporation or gas corporation to refund those excessive revenues from the prior year to its ratepayers.

Hearing: Assembly Utilities & Energy 4/24/24

AB 2779 (Petrie-Norris) Independent System Operator: transmission planning

This bill would require the Independent System Operator, upon approval of each transmission plan, to report to the Public Utilities Commission and to the relevant policy committees of each house of the Legislature any new use of any grid enhancing technology that is deemed reasonable by the Independent System Operator in that plan and the cost or efficiency savings of the deployment of that grid enhancing technology.

Hearing: Assembly Utilities & Energy 4/17/24

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This bill would require the Energy Commission, on or before July 1, 2026, and in consultation with the Public Utilities Commission, Independent System Operator, load-serving entities, and resource aggregators, to adopt a set of upfront technical requirements and load automation standards to provide the option for a load-serving entity to reduce or modify its electrical demand forecast upon aggregated system operation, as specified.

Hearing: Assembly Utilities & Energy 4/17/24

AB 3107 (Connolly) Electrical corporations: definition.

This bill would revise and recast the definition of “electrical corporation” to, among other things, eliminate certain existing exceptions to the definition of “electrical corporation,” thereby expanding the scope of that term and the entities over which the PUC has regulatory authority.

The bill would additionally exempt from that definition a corporation or person employing one or more distributed energy resources, as defined, that has the capacity to be coupled with one or more energy storage systems for the generation of electricity primarily for specified uses.

The bill would also exempt from the definition of “electrical corporation” a microgrid, as defined, that primarily serves the included load of the microgrid, as provided. The bill would also make various conforming changes.

The bill would require the PUC to retain jurisdiction over the interconnection of a microgrid to the distribution system of a large electrical corporation, as defined. The bill would also authorize the Energy Commission to develop safety standards for microgrids and to issue optional guidelines for the governance and oversight of microgrids to local governments, as provided.

Current status: referred to Assembly Utilities & Energy

AB 3256 (Irwin) Memorandum and balancing accounts: reports to the Legislature

This bill would require the commission to include, as part of its annual update to the Legislature on the status of its review of balancing accounts, the amount of funds in, and the expenditures from, the memorandum accounts and balancing accounts of each public utility.

The bill would require the commission to annually determine if each memorandum account and each balancing account has achieved its intended purpose in the previous year.

The bill would require the commission, if it determines that the intended purpose has not been achieved and those costs should not be subject to recovery in the next general rate case, to deny the public utility recovery of those costs and other expenses and to reduce the authority of the public utility to use, or close, the memorandum account or balancing account in order to limit future rate increases.

The bill would require the commission to make those determinations and take those actions in a manner that ensures that the rates are sufficient to enable the public utility to recover a just and reasonable rate of return.

Current status: referred to Assembly Utilities & Energy

AB 3263 (Calderon) Electrical corporations: financing orders: wildfire mitigation expenses

This bill would, in addition to expenses related to catastrophic wildfires, authorize the use of a financing order to recover the costs of wildfire mitigation efforts, operational and maintenance expenses related to an electrical corporation's wildfire mitigation plan, wildfire risk mitigation costs, and vegetation management costs and expenses.

Hearing: Assembly Utilities & Energy 4/24/24

SB 1210 (Skinner) New housing construction: electrical, gas, sewer, and water service: service connection information

This bill would impose a cap on the amount that may be recovered by utilities to provide service and upgrade capacity to serve new housing construction. This bill would also require utilities to provide financing over 10 years for any charges, prioritization of housing applications for service, and require specified transparency of utility fees/charges for new service and capacity upgrades.

Current status: Passed Senate Energy; Senate Local Government 4/17/24

SB 1292 (Bradford) Electricity: fixed charges: report.

This bill would require the commission, on or before July 1, 2027, but no sooner than 2 years after the adoption of the income-graduated fixed charge for default residential rates, to submit a report to the relevant policy committees of both houses of the Legislature on the electrical corporations' implementation of the fixed charge, as specified. The bill would prohibit the commission from authorizing a fixed charge other than the income-graduated fixed charge for default residential rates until 30 days after the report is submitted.

Hearing: Senate Energy 4/22/24

SB 1480 (Allen) Low-Income Oversight Board: membership and duties

Expands the duties and membership of the Low-Income Oversight Board (LIOB) at the California Public Utilities Commission (CPUC) and requires the CPUC to modify eligibility requirements and establish a new enrollment process for low-income water, energy, and telecommunications assistance programs.

Current status: Passed Senate Energy; Senate Appropriations 4/22/24

SB 1474 (Allen) Public utilities: intervenor compensation

This bill would add a participant representing patrons or employees of any electrical, gas, telephone, telegraph, or water corporation to the definition of "customer" for these purposes. The bill would expand the definition of "substantial contribution" to include situations in which the commission's order or decision is informed by reasoned decisionmaking made possible by the customer's presentation even if the customer's contentions or recommendations are not adopted by the commission. The bill would deem a request for compensation granted if the commission fails to issue a decision within 75 days after the filing of the request or within 50 days after the filing of an audit report, whichever occurs later. The bill would require the commission, if it reduces or denies the requested compensation, to provide a written explanation of that decision.

Hearing: Senate Energy 4/22/24

AB 2619 (Connolly D) Net energy metering.

This bill would require all eligible customer-generators of large electrical corporations receiving service under the 2nd standard contract or tariff to be subject to a specified version of the tariff developed by the commission in a specified rulemaking. The bill would require the commission to develop a new standard contract or tariff providing for net energy metering for eligible customer-generators of large electrical corporations, and would require every other electric utility to revise its standard contract or tariff providing for net energy metering.

Current Text: Introduced: 2/14/2024 html pdf

Status: 3/4/2024-Referred to Com. on U. & E.

AB 2672 (Petrie-Norris D) California Alternate Rates for Energy program: public housing authority owned or administered housing facilities.

This bill would delete the requirement that the above-described nonprofit group living facilities be group facilities. The bill would also require the CARE program to include public housing authority owned or administered housing facilities that the residents of which substantially meet the commission's low-income eligibility requirements, as identified by the commission, and would require the commission to authorize electrical corporations and gas corporations to offer discounts to those facilities and to establish a feasible process for certifying that the assistance is used for the direct benefit of the residents of those facilities.

Current Text: Amended: 4/8/2024 html pdf

Status: 4/9/2024-Re-referred to Com. on U. & E.

AB 2891 (Friedman D) Energy: electrical demand forecasts.

Would require the Energy Commission, on or before December 1, 2026, and in consultation with the Public Utilities Commission, Independent System Operator, load-serving entities, and resource aggregators, to adopt a set of upfront technical requirements and load modification protocols, as defined, to provide the option for a load-serving entity to reduce or modify its electrical demand forecast upon aggregated system operation, as specified.

Current Text: Amended: 3/21/2024 html pdf

Status: 4/1/2024-Re-referred to Com. on U. & E.

AB 3111 (Calderon D) Distributed energy resources and aggregated distributed energy resources: reporting.

This bill would require, as part of an application submitted for a permit to install or interconnect a distributed energy resource or an aggregated distributed energy resource, or at the time an aggregator enrolls an aggregated distributed energy resource in an aggregation program, the applicant or aggregator to provide notice to the Energy Commission that contains specified information about the distributed energy resources or aggregated distributed energy resources, as provided, including, among other things, an attestation under penalty of perjury that any corporation or person owning, controlling, operating, or managing any electric plant, as defined, is an electrical corporation.

Current Text: Introduced: 2/16/2024 html pdf

Status: 4/2/2024-In committee: Hearing postponed by committee.

AB 3247(Irwin D) Public Advocate's Office: appointment of the director.

Current law requires the director of the Public Advocate's Office to be appointed by, and serve at the pleasure of, the Governor, subject to confirmation by the Senate. This bill would instead require the director of the Public Advocate's Office to be appointed for an initial 4-year term by the Speaker of the Assembly and for a consecutive 4-year term by the President pro Tempore of the Senate. Upon the expiration of those terms, the bill would require the authority to appoint the director to rotate every 4 years between the Speaker of the Assembly and the President pro Tempore of the Senate.

Current Text: Amended: 3/11/2024 html pdf

Status: 4/4/2024-From committee: Do pass and re-refer to Com. on APPR. with recommendation: To Consent Calendar. (Ayes 16. Noes 0.) (April 3). Re-referred to Com. on APPR.

SB 938 (Min D) Electrical and gas corporations: rate recovery: political activities and advertising.

Would prohibit, except as provided, an electrical or gas corporation from recording various expenses associated with political influence activities, as defined, or with advertising, as defined, to accounts that contain expenses that the electrical or gas corporation recovers from ratepayers. The bill also would require an electrical or gas corporation, for each business unit of the corporation that performs work associated with political influence activities or advertising, to annually file with the commission a report containing specified information. The bill would require the commission to make the report publicly available.

Current Text: Amended: 3/21/2024 html pdf

Status: 4/4/2024-Set for hearing April 16.

SB 1095 (Becker D) Cozy Homes Cleanup Act: building standards: gas-fuel-burning appliances.

The Manufactured Housing Act of 1980 (the "act"), requires the Department of Housing and Community Development to enforce various laws pertaining to the structural, fire safety, plumbing, heat-producing, or electrical systems and installations or equipment of a manufactured home, mobilehome, commercial coach, or special purpose commercial coach. The act specifies that it does not prohibit the replacement of water heaters or appliances for comfort heating in manufactured homes or mobilehomes with fuel-gas-burning water heaters or fuel-gas appliances for comfort heating that are not specifically listed for use in a manufactured home or mobilehome, as specified. This bill would extend those provisions to also apply to electric water heaters and electric appliances for comfort heating that are not specifically listed for use in a manufactured home or mobilehome.

Current Text: Amended: 4/8/2024

Status: 4/9/2024-Set for hearing April 15.

SB 1130 (Bradford D) Electricity: Family Electric Rate Assistance: reports.

Would require the Public Utilities Commission, by June 1, 2025, and each year thereafter, to review each electrical corporation's report to ensure it has sufficiently enrolled eligible households in the FERA program commensurate with the proportion of households the commission determines to be eligible within the electrical corporation's service territory. If the commission, in its review of a report, determines an electrical corporation has not sufficiently enrolled eligible households in the FERA program, the bill would require the commission to require the electrical corporation to develop a strategy and plan to sufficiently enroll eligible households within 3 years of the adoption of the strategy and plan.

Current Text: Introduced: 2/13/2024 html pdf

Status: 4/8/2024-April 8 hearing: Placed on APPR suspense file.

SB 1292 (Bradford D) Electricity: fixed charges: report.

Would require the Public Utilities Commission, on or before July 1, 2027, but no sooner than 2 years after the adoption of the income-graduated fixed charge for default residential rates, to submit a report to the relevant policy committees of both houses of the Legislature on the electrical corporations' implementation of the fixed charge, as specified. The bill would prohibit the commission from authorizing a fixed charge other than the income-graduated fixed charge for default residential rates until 30 days after the report is submitted.

Current Text: Introduced: 2/15/2024 html pdf

Status: 4/4/2024-Set for hearing April 22.

SB 1326 (Jones R) Electricity: fixed charges.

This bill would require the PUC to require each electrical corporation to offer default rates to residential customers with at least 2 usage tiers, as provided. The bill would eliminate the requirement that the fixed charges be established on an income-graduated basis as described above, repeal related findings and declarations of the Legislature, and authorize the commission to instead authorize fixed charges that, as of January 1, 2015, do not exceed $10 per residential customer account per month for customers not enrolled in the CARE program and $5 per residential customer account per month for customers enrolled in the CARE program.

Current Text: Introduced: 2/16/2024 html pdf

Status: 4/4/2024-Set for hearing April 22.

SB 1374(Becker D) Net energy metering.

This bill would require, no later than July 1, 2025, the commission to ensure that any contract or tariff established by the commission pursuant to the above described provisions for renewable electrical generation facilities configured to serve either multiple customers with meters on a single property, or multiple meters of a single customer on a property or a set of contiguous properties owned, leased, or rented by the customer, meets certain requirements, including that eligible customer-generators are authorized to elect to aggregate the electrical load, as specified.

Current Text: Amended: 3/18/2024 html pdf

Status: 4/4/2024-Set for hearing April 22.

Location: 2/29/2024-S. E. U., & C.

AB 1912 (Pacheco) Electricity: measures imposing mandated programs and requirements: third-party review

This bill would require, before holding a committee hearing on a measure, as defined, affecting electrical corporations, that a request be made to the University of California, Berkeley, to prepare a written analysis of the measure, as specified. The bill would request the University of California, Berkeley, to develop and implement conflict-of-interest provisions that would prohibit a person from participating in an analysis in which the person knows or has reasons to know that the person has a financial interest.

Hearing: 3/13/24 A-UTILITIES AND ENERGY

AB 2462 (Calderon) Public Utilities Commission: written reports: energy.

This bill would require the written report on the costs of programs and activities to also identify how the current rate trends affect households across their full portfolio of all energy uses, as provided, and how the adoption of electricity across more end-uses may reduce the total cost of energy for households over time. The bill would require the separate report to contain recommendations that may take longer than 12 months to implement, but could lead to substantial reductions in monthly electric bills, and would expand the above-described goals to additionally include goals for encouraging beneficial electrification.

Current Status: 2/26/24 Referred to Com. on U. & E.

AB 2619 (Connolly) Net energy metering

- require the CPUC develop a new solar tariff to replace the NEM 3.0 tariff
- require that the new tariff be structured to ensure that we stay on pace to build enough rooftop solar capacity to reach our targets for distributed solar generation by 2045, as part of the 100% clean energy resources outlined in the SB 100 Joint Agency Report
- not affect any customers operating under the NEM 2.0 tariff

Current Status: 3/4/24 Referred to Com. on U. & E.

AB 2891 (Friedman) Energy: electrical demand forecasts*

This bill would require the Energy Commission, on or before July 1, 2026, and in consultation with the Public Utilities Commission, Independent System Operator, load-serving entities, and resource aggregators, to adopt a set of upfront technical requirements and load automation standards to provide the option for a load-serving entity to reduce or modify its electrical demand forecast upon aggregated system operation, as specified.

Current Status: 3/4/24 Referred to Com. on U. & E.

AB 3011 (Bains) Electricity: rates: unreasonable hardship

This bill would require the commission to ensure that each electrical rate schedule does not cause an unreasonable hardship on senior citizens, renters, families with minor children, medically vulnerable customers, or economically vulnerable residential customers in hot climate zones, as specified. The bill would provide that any electrical rate schedule that imposes rates on those identified customers above baseline rates during any hour where the temperature is above 90 degrees Fahrenheit for the duration of the hour is considered an unreasonable hardship.

Current Status: 2/17/24 From printer. May be heard in committee March 18.

SB 1130 (Bradford) Electricity: Family Electric Rate Assistance: reports.

This bill would expand eligibility for the FERA program by eliminating the requirement that a household consist of 3 or more persons. The bill would require the commission, by March 1, 2025, and each year thereafter, to require the state's 3 largest electrical corporations to report on their efforts to enroll customers in the FERA program. The bill would require the commission, by June 1, 2025, and each year thereafter, to review each electrical corporation's report to ensure it has sufficiently enrolled eligible households in the FERA program commensurate with the proportion of households the commission determines to be eligible within the electrical corporation's service territory. If the commission, in its review of a report, determines an electrical corporation has not sufficiently enrolled eligible households in the FERA program, the bill would require the commission to require the electrical corporation to develop a strategy and plan to sufficiently enroll eligible households within 3 years of the adoption of the strategy and plan.

Hearing: 3/19/24 S-ENERGY, UTILITIES AND COMMUNICATIONS

SB 1292 (Bradford) Electricity: fixed charges: report.

This bill would require the commission, on or before July 1, 2027, but no sooner than 2 years after the adoption of the income-graduated fixed charge for default residential rates, to submit a report to the relevant policy committees of both houses of the Legislature on the electrical corporations' implementation of the fixed charge, as specified. The bill would prohibit the commission from authorizing a fixed charge other than the income-graduated fixed charge for default residential rates until 30 days after the report is submitted.

Current Status: 2/29/24 Referred to Com. on E., U. & C.

SB 1326 (Jones) Electricity: fixed charges.

This bill would require the PUC to require each electrical corporation to offer default rates to residential customers with at least 2 usage tiers, as provided. The bill would eliminate the requirement that the fixed charges be established on an income-graduated basis as described above, repeal related findings and declarations of the Legislature, and authorize the commission to instead authorize fixed charges that, as of January 1, 2015, do not exceed $10 per residential customer account per month for customers not enrolled in the CARE program and $5 per residential customer account per month for customers enrolled in the CARE program. The bill would authorize the maximum allowable fixed charge to be adjusted by no more than the annual percentage increase in the Consumer Price Index for the prior calendar year, as specified.

Current Status: 2/29/24 Referred to Com. on E., U. & C

SB 1312 (Nguyen) Electricity: fixed charges.

Repeal fixed charge provisions

SB 1314 (Nguyen) Electricity: fixed charges.

Repeal fixed charge provisions; urgency clause

Current Status: 2/29/24 Referred to Com. on E., U. & C.

2 Year Bills that Failed Deadline pursuant to Rule 61(a)(10).

- AB 593 (Haney D) Carbon emission reduction strategy: building sector.
- AB 691 (Ting D) Electricity: optional flexible interconnection tariff: onsite demand and distributed energy resources.
- AB 841 (Berman D) State Energy Resources Conservation and Development Commission: Industrial Heat Electrification Roadmap.
- AB 914 (Friedman D) Electrical infrastructure: California Environmental Quality Act: review time period.
- AB 1198 (Grayson D) GO-Biz: Energy Unit: equity.

Next Meeting

Our next State Policy WG meeting is scheduled for Friday, May10th

Zoom link

Call-in: +13092053325,,82500501190#
Passcode: cedmc

SB 938 Bill Text

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. The Legislature finds and declares that it is the policy of the state to protect ratepayers from funding the political influence activities of public utilities.

SEC. 2. Section 748.3 is added to the Public Utilities Code, to read:

748.3. (a) For purposes of this section the following definitions apply:

(1) â€œAbove-the-line accountâ€ means an account that contains expenses that an electrical or gas corporation recovers from ratepayers, including an account that contains expenses that the electrical or gas corporation used to calculate a revenue requirement request in its most recent general rate case.

(2) (A) â€œAdvertisingâ€ has the same meaning as ~~set forth~~ *described* in subdivision (a) of Section 796 and public messages that tend primarily to build the public image of an electrical or gas corporation.

(B) â€œAdvertisingâ€ does not include either of the following:

(i) Public messages that the electrical or gas corporation is directed to publish by a federal, state, or local agency.

(ii) Public messages providing information on safety measures, emergency conditions, or service interruptions.

(3) â€œBelow-the-line accountâ€ means an account that contains expenses that an electrical or gas corporation does not recover from ratepayers.

(4) â€œExpenseâ€ includes a payment to an external entity, a cost incurred by a parent company or corporate affiliate and invoiced to an electrical or gas corporation, and the salary paid to an employee of an electrical or gas corporation.

(5) â€œPolitical influence activityâ€ means any of the following:

(A) An activity for the purpose of directly or indirectly influencing either of the following:

(i) The possible adoption of federal, state, or local legislation, regulations, or ordinances.

(ii) The possible repeal or modification of federal, state, or local legislation, regulations, or ordinances.

(B) An activity for the purpose of directly or indirectly influencing elections or referenda, or appointments of public officials.

(C) An activity for the purpose of directly or indirectly influencing the approval, modification, or revocation of franchises of electrical or gas corporations.

(D) An activity for the purpose of directly or indirectly influencing public opinion with respect to any of the following:

(i) Legislation, regulations, or ordinances.

(ii) Elections.

(iii) Referenda.

(iv) Rate setting of the electrical or gas corporation.

(E) An activity for the purpose of directly or indirectly influencing the decisions of federal, state, or local government officials.

(6) â€œPublic officialâ€ means a decisionmaker within an administrative agency or legislative body at the local, state, or federal level, and the staff that support the decisionmakerâ€™s policy development.

(b) Except as provided in subdivision (c), an electrical or gas corporation shall not do any of the following:

(1) Record an expense associated with political influence activities or advertising to an above-the-line account.

~~(2)Record to above-the-line accounts any salary, bonus, benefits, or other consideration of any value for any employee, if any portion of that salary, bonus, benefits, or other consideration of any value supports political influence activities or advertising.~~

~~(3)~~

(2) Record to above-the-line accounts the cost of an advertisement if any portion of the message is advertising.

~~(4)~~

(3) Record to above-the-line accounts any expense associated with membership dues, sponsorships, or other contributions to an industry trade association, group, or related entity incorporated under Section 501 of the Internal Revenue Code of 1986, as amended, if any portion of those contributions supports political influence activities or advertising. *Fees for professional licenses necessary for employee job duties may be recorded to above-the-line accounts.*

(c) ~~Subdivision~~ *(1) Subject to paragraph (2), subdivision* (b) does not prohibit an electrical or gas corporation from recovering from ratepayers~~either of the following costs:~~ *the costs of appearing before governmental bodies, if these appearances are directly related to the electrical or gas corporationâ€™s existing or proposed operations.*

~~(1)(A)Subject to subparagraph (B), the costs of appearing before governmental bodies, when these appearances are directly related to the electrical or gas corporationâ€™s existing or proposed operations.~~

~~(B)For purposes of subparagraph (A), costs that are not directly related to the electrical or gas corporationâ€™s existing or proposed operations include, but are not limited to, engagement with government entities on any of the following:~~

~~(i)Except as provided in paragraph (2), actions, including, but not limited to, vehicle, appliance, or other equipment spending programs, incentives, or procurement requirements that would increase consumption of electricity or gas.~~

~~(ii)Rules or policies related to emissions of greenhouse gases or criteria air pollutants.~~

~~(iii)Appearances before regulatory bodies when the electrical or gas corporation is not the applicant or respondent in a proceeding, except in cases where the electrical or gas corporation has been specifically requested by the regulatory body to participate or the proceeding is directly related to rules or regulations regarding the safe operation of the electrical or gas system.~~

~~(2)The costs of the commission-approved energy efficiency codes and standards programs or any other commission-approved public purpose program in which electrical or gas corporations advocate for more stringent greenhouse gas emissions, criteria air pollutants, or public health standards.~~

(2) For purposes of paragraph (1), costs of appearances before regulatory or other governmental bodies are directly related to the electrical or gas corporationâ€™s existing or proposed operations if any of the following apply:

(A) The electrical or gas corporation is the applicant or respondent in the proceeding before the regulatory or other governmental body.

(B) The electrical or gas corporationâ€™s appearance has been specifically requested by the regulatory or other governmental body.

(C) The electrical or gas corporationâ€™s appearance directly relates to rules or regulations regarding the safe operation of the electrical or gas system.

(D) The electrical or gas corporationâ€™s appearance is for Energy Commission-approved energy efficiency codes and programs or any other Energy Commission-approved public purpose program in which electrical or gas corporations advocate for more stringent greenhouse gas emissions, criteria air pollutants, or public health standards if their participation has not otherwise been prohibited by the commission.

(d) (1) An electrical or gas corporation shall clearly and conspicuously disclose in all of its public messaging and advertising whether the costs of the public messaging or advertising are being paid for by the corporationâ€™s shareholders or ratepayers.

(2) A disclosure is not clear and conspicuous if the disclosure is difficult to hear or read, or if the placement of the disclosure is easily overlooked.

(e) (1) ~~An electrical or gas corporation shall provide to the commission all information determined necessary by the commission to monitor compliance with subdivision (b), including real-time access to digital records for any above-the-line account.~~ Moving an expense to a below-the-line account after it was booked to an above-the-line account does not protect that expense from being ~~disclosed to the commission.~~ *disclosed.*

(2) An electrical or gas corporation shall annually file with the commission, for each business unit of the corporation that performs work associated with political influence activities or advertising, a report containing all of the following information:

(A) A list of each employee job title.

(B) A job description of each listed employee job title sufficient to describe the employeeâ€™s responsibilities.

(C) The total annual compensation provided to each employee with a listed employee job title.

~~(D)The Uniform System of Accounts codes to which the compensation is recorded.~~

(D) The number of hours booked to an above-the-line account for each employee with a listed employee job title.

(E) The percent of total annual compensation booked to an above-the-line account for each employee with a listed job title.

(3) The commission shall make all reports filed with the commission pursuant to paragraph (2) publicly available.

(4) An electrical or gas corporation shall not recover through rates any costs associated with preparing the report filed with the commission pursuant to paragraph (2).

(f) (1) In addition to any refunds that the commission orders an electrical or gas corporation to pay ratepayers, the commission shall assess a civil penalty in accordance with paragraph (2) against an electrical or gas corporation that violates subdivision (b) or fails or neglects to comply with any part or provision of any order, decision, decree, rule, direction, demand, or requirement of the commission related to implementing subdivision (b).

(2) (A) An electrical or gas corporation that violates subdivision (b) or that fails or neglects to comply with any part or provision of any order, decision, decree, rule, direction, demand, or requirement of the commission related to implementing subdivision (b) is subject to a civil penalty of not less than ten thousand dollars ($10,000) and not more than one hundred thousand dollars ($100,000) for each violation.

(B) Each expense improperly recorded to an above-the-line account in violation of subdivision (b) is a separate and distinct violation. Violations of subdivision (b) are continuing violations. Each day that an expense remains in an above-the-line account in violation of subdivision (b) shall be a separate and distinct violation.

(3) Pursuant to Section 748.1, an electrical or gas corporation shall not recover any penalty assessed pursuant to this subdivision from ratepayers.

(g) (1) (A) Notwithstanding Section 2104, three-fourths of the moneys collected pursuant to any settlement or penalties collected by the commission for violations of

subdivision (b) shall be deposited ~~in~~ *into* the Zero-Emission Equity Fund, which is hereby established in the State Treasury.

(B) Upon appropriation by the Legislature, moneys in the Zero-Emission Equity Fund may be allocated for purposes of assisting low-income households in transitioning to zero-emission appliances to mitigate air quality and public health impacts of using combustion appliances.

(2) One-fourth of the moneys collected pursuant to any settlement or penalties collected for violations of subdivision (b) shall, upon appropriation by the Legislature, be used by the commission for purposes of increasing resources for the enforcement of this section.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIIIâ€‰B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIIIâ€‰B of the California Constitution.

Congress of the United States

Washington, DC 20515

March 25, 2024

The Honorable Alice Busching Reynolds
President, California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Dear Commissioner Reynolds,

We write to express concern about the Income Graduated Fixed Charge (IGFC) proceeding at the California Public Utilities Commission (CPUC). We are concerned that a high fixed charge could undercut investments in renewable energy and energy efficiency that Congress intended to encourage with the *Inflation Reduction Act*. We are further concerned that a high fixed charge could increase the electricity bills of millions of Californians, especially those who live in small homes, condos and apartments. Such setbacks could harm our progress on federal and state clean energy, climate, and equity goals.

Proponents of the IGFC rightly state that electricity bills are quickly becoming a major burden on household incomes. However, we worry that their proposed solution – to impose a high monthly fixed charge regardless of how much electricity households use – is not the best tool to keep costs down and meet our climate goals.

California has long been a leader in energy efficiency and conservation measures. Known as the Rosenfeld curve, California's per capita electricity consumption has stayed nearly flat since the 1970s thanks to these efforts. Imposing a high fixed charge may undercut these decades of progress by forcing people to pay their utility company before they even turn on the light switch.[1]

Congress passed the *Inflation Reduction Act* to make electrification, energy efficiency improvements, and distributed energy resources more affordable for Americans. These measures will help to bring down utility bills, lower greenhouse gas emissions, and combat climate change. We are concerned that imposing a high fixed charge could make it substantially more difficult for families to realize cost savings from electrifying their homes, improving their energy efficiency, or installing distributed energy resources such as rooftop solar.

Proponents of the IGFC claim that a high fixed charge will accelerate electrification. However, we are concerned that these proposals may slow, not hasten, the fight against climate change. Modeling has found that proposals before the CPUC could lead to greater adoption of high-efficiency gas appliances instead of electrification, like electric vehicles and heat pumps, that we desperately need to decarbonize our grid.[2]

[1] https://pirg.org/california/resources/new-proposed-income-based-fixed-charges-in-california-would-devalue-energy-conservation/

[2] https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/demand-response/demand-response-workshops/advanced-der---demand-flexibility-management/track-a-reply-testimony/r-2207005-clean-coalition-rebuttal-testimony.pdf

Proponents of the IGFC also claim that it will reduce the overall electric bills of lower-income families and that it will reduce the cost of each unit of electricity. However, it could also impose the highest monthly fixed charges in the United States—fees that customers would have to pay regardless of their energy usage.[3] The current average monthly fixed charge across U.S. investor-owned utilities is $11 per month.[4] Proposals under consideration include monthly fixed charges as high as $128 for some families. Even $33 per month would distinguish California as having a monthly fixed charge *three times* the national average. And there is little to stop utilities from continuing to increase electric rates once they secure the highest fixed charges in the country.

Many lower- and middle-class Californians would see their overall bills increase under a high fixed charge proposal.[5] For example, under the Joint Investor-Owned Utilities' proposal, a single parent with one child living in a small apartment in the expensive San Diego area earning just $40,000 per year would be forced to pay a new fixed charge of $73 each month—regardless of how much they try to reduce their energy usage.[6] This person could be one of the millions of Californians unduly harmed by this proposal.

We believe that a policy change of this magnitude requires thorough vetting and analysis. We urge the CPUC to ensure that any proposal it ultimately pursues neither inadvertently and disproportionately increases energy costs for low- and middle-income California families, nor slows down our efforts to address climate change through energy efficiency, conservation, or distributed energy resources. We encourage the Commission to fully consider any alternatives to lower California's unacceptably high electric bills and reduce the energy burdens of low-income families, fixed-income seniors, and those who do their part to conserve electricity, while keeping in line with our climate goals.

Thank you for your consideration of our concerns.

Sincerely,

Mike Levin
Member of Congress

Mike Thompson
Member of Congress

[3] https://eq-research.com/wp-content/uploads/2023/04/20230411-Residential-Fixed-Charges.pdf
[4] Ibid.
[5] https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/demand-response/demand-response-workshops/advanced-der---demand-flexibility-management/track-a-reply-testimony/r-2207005-clean-coalition-rebuttal-testimony.pdf
[6] https://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=ALL&DocID=520530748