

Introduced by Senator PadillaFebruary 19, 2010

An act to repeal and add Section 393 to, and to add Section 387.7 to, the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

SB 1476, as introduced, Padilla. Public utilities: customer privacy.

(1) Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, as defined. The existing Public Utilities Act requires every public utility to furnish and maintain adequate, efficient, just, and reasonable service, instrumentalities, equipment, and facilities as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public.

Existing law requires the commission to conduct a pilot study of certain customers of each electrical corporation to determine the relative value to ratepayers of information, rate design, and metering innovations using specified approaches, but prohibits this data from being used for any commercial purpose, unless authorized by the customer.

This bill would repeal the provisions relating to the study, and would prohibit an electrical corporation, 3rd-party provider, or local publicly owned utility with access to the electrical usage information output of a residential or small business customer from using that information output for any commercial purpose unless specifically authorized by the customer.

(2) Under existing law, a violation of any provision of the Public Utilities Act, or of any of the rules or orders issued under the act, is a crime.

Because the provisions of this bill are within the act and require action by the commission to implement its requirements, a violation of these provisions would impose a state-mandated local program by creating a new crime.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 393 of the Public Utilities Code is
2 repealed.

3 ~~393. (a) The commission shall conduct a pilot study of the~~
4 ~~residential and small commercial customers of each electrical~~
5 ~~corporation, where the rate level established in subdivision (a) of~~
6 ~~Section 368 is no longer in effect, to determine the relative value~~
7 ~~to ratepayers of various information, rate design, and metering~~
8 ~~innovations for helping residential and small commercial customers~~
9 ~~better manage their electricity use. The commission shall compare~~
10 ~~the net benefits, including, but not limited to, all of the following~~
11 ~~approaches:~~

12 ~~(1) The retrofit or replacement of residential and small~~
13 ~~commercial meters to provide real-time usage information to a~~
14 ~~standard output interface that is connected to a visual display~~
15 ~~module within the customer's home or business that presents~~
16 ~~information, at minimum, on current usage and historic usage. The~~
17 ~~commission may also test the effects of providing greater amounts~~
18 ~~of information display capability including, but not limited to,~~
19 ~~historic usage and estimated aggregated costs for the billing period,~~
20 ~~associated with the customer's bundled rate structure. The standard~~
21 ~~output interface of the meter must be multiply accessible to allow~~
22 ~~the installation by the customer, an electrical corporation, or a~~
23 ~~registered energy service provider of energy information-based~~
24 ~~energy management applications.~~

25 ~~(2) The replacement of residential and small commercial meters~~
26 ~~with time-of-use meters that distinguish and measure peak and~~

1 off-peak energy use. Subject to the approval of the commission,
2 electrical corporations shall offer a rate schedule to customers that
3 differentially price seasonal on-peak, mid-peak, and off-peak
4 energy use that reflects the electrical corporation's actual energy
5 cost. The meters used shall have the same standard usage
6 information output interface as in paragraph (1).

7 (3) ~~The replacement of residential and small commercial meters
8 with meters that facilitate the offering of hourly real-time pricing.
9 Subject to the approval of the commission, electrical corporations
10 shall offer a rate schedule to customers that prices electricity usage
11 at the electrical corporation's hourly cost. The meters used shall
12 have the same standard usage information output interface as in
13 paragraph (1).~~

14 (b) ~~The commission shall ensure that sufficient valid randomized
15 customer use data, normalized for weather, occupancy, energy
16 cost differences and other potentially confounding factors, are
17 collected to respond to, but are not limited to, all of the following
18 questions:~~

19 (1) ~~To what extent is the real-time availability of customer usage
20 information to customers sufficient to bring about a significant
21 change in customer energy consumption behavior?~~

22 (2) ~~To what extent is the availability of customer usage
23 information to customers sufficient to stimulate innovation in
24 energy information-based energy management applications?~~

25 (3) ~~What is the difference in energy consumption behavior
26 between customers that have enhanced access to energy
27 consumption information and those who have time-of-use rates?~~

28 (4) ~~Do the differences in usage and net cost savings, if any,
29 between customers who have enhanced energy information and
30 those who have time-of-use rates justify the broader offering of
31 time-of-use metering capability?~~

32 (5) ~~What is the difference in energy consumption behavior
33 between customers who consume electricity under hourly real-time
34 pricing and customers who either have enhanced information access
35 or time-of-use pricing? Does the value of these differences justify
36 the broader offering of hourly real-time pricing?~~

37 (6) ~~What issues should be addressed prior to systemwide
38 deployment?~~

39 (e) ~~In conducting the pilot study, the commission shall ensure
40 that all of the following study conditions are observed:~~

1 ~~(1) No more than the minimum number of customers required~~
2 ~~to provide a statistically valid sample for a customer group in a~~
3 ~~pilot study as required by subdivision (a) are included. The~~
4 ~~aggregate total number of customers participating in a customer~~
5 ~~group in a pilot study may not exceed 3 percent of the electrical~~
6 ~~corporation's customers.~~

7 ~~(2) Customers from each electrical corporation are selected from~~
8 ~~comparable geographic areas, from a variety of climate zones, and~~
9 ~~from a range of socioeconomic circumstances. In addition, control~~
10 ~~groups of customers shall be established for each study against~~
11 ~~whom the behavior of the study group participants may be~~
12 ~~compared.~~

13 ~~(3) No customer is required to participate in a pilot study.~~
14 ~~However, customer rates of participation and reasons for~~
15 ~~nonparticipation for each study condition shall be monitored and~~
16 ~~incorporated in the study results, as appropriate.~~

17 ~~(4) The offerings for the customers in the service territories of~~
18 ~~each electrical corporation that participates in a pilot study required~~
19 ~~by subdivision (a) are identical among electrical corporations to~~
20 ~~allow the comparison of data and results. However, electrical~~
21 ~~corporations may test alternative technological solutions, not~~
22 ~~including those relating to the standard usage information output~~
23 ~~interface specified in subdivision (e), to offer hourly real-time~~
24 ~~pricing for the pilot study in paragraph (3) of subdivision (a).~~

25 ~~(5) Notwithstanding paragraph (4), the commission may waive~~
26 ~~the requirement imposed by that paragraph, or otherwise alter a~~
27 ~~pilot study, if the commission finds that it is in the public interest.~~

28 ~~(6) All interested energy service providers and equipment~~
29 ~~manufacturers are included in the design and implementation of~~
30 ~~the pilot study to ensure that its results may be used to guide the~~
31 ~~subsequent deployment of the appropriate customer usage~~
32 ~~information infrastructure.~~

33 ~~(d) The commission shall report to the Legislature on the initial~~
34 ~~results of the pilot study on or before March 31, 2002. The~~
35 ~~commission shall report on the results of the study for electrical~~
36 ~~corporations that continue to be under the rate level established in~~
37 ~~subdivision (a) of Section 368 at the effective date of this act within~~
38 ~~15 months from the time when that rate level is no longer in effect.~~

1 ~~(e) The study data shall be available to the public. The data shall~~
2 ~~be provided in a way that does not reveal customer-specific~~
3 ~~information.~~

4 ~~(f) The standard usage information output interface used in pilot~~
5 ~~study elements set forth in paragraphs (1) to (3), inclusive, of~~
6 ~~subdivision (a) shall meet all of the following specifications:~~

7 ~~(1) All electrical corporation retrofits or meter replacements~~
8 ~~shall conform to the same American National Standards Institute,~~
9 ~~Institute of Electrical and Electronics Engineers or other standard,~~
10 ~~as appropriate, and provide the same standard output interface.~~

11 ~~(2) The technology selected shall be the most cost-effective,~~
12 ~~including its use of electricity on a life-cycle basis.~~

13 ~~(3) The standard output interface selected shall allow a~~
14 ~~customer's data to be multiply accessed in a secure and protected~~
15 ~~manner.~~

16 ~~(4) The standard output interface shall be installed in a way that~~
17 ~~does not compromise customer or worker safety or the integrity~~
18 ~~or accuracy of the meter.~~

19 ~~(5) Because some older vintage meters cannot be readily~~
20 ~~retrofitted, the decision regarding whether to retrofit or replace a~~
21 ~~meter must be made on the basis of cost-effectiveness.~~

22 ~~(6) Access by electrical corporations and third-party providers~~
23 ~~to the usage information output interface shall be at the sole~~
24 ~~discretion of the customer, except to the extent that the customer~~
25 ~~enters into a billing relationship with an electrical corporation or~~
26 ~~energy service provider.~~

27 ~~(7) To ensure customer privacy, unless specifically authorized~~
28 ~~by the customer, information based upon customer data may not~~
29 ~~be used for any commercial purpose.~~

30 ~~(8) Customers receiving service under the California Alternative~~
31 ~~Rates for Energy program under Section 739.1 do not pay a higher~~
32 ~~distribution rate attributable to participating in any of the pilot~~
33 ~~studies in subdivision (a).~~

34 ~~(g) The commission shall allow electrical corporations to include~~
35 ~~in their distribution rates the reasonable investment and operating~~
36 ~~, installing, accounting, and evaluating costs of the pilot studies,~~
37 ~~those costs to be allocated only among the customer classes~~
38 ~~participating in the study.~~

39 SEC. 2. Section 393 is added to the Public Utilities Code, to
40 read:

1 393. To ensure customer privacy, an electrical corporation or
2 third-party provider with access to the electrical usage information
3 output of a residential or small business customer shall not use
4 that information output for any commercial purpose unless
5 specifically authorized by the customer.

6 SEC. 3. Section 387.7 is added to the Public Utilities Code, to
7 read:

8 387.7. To ensure customer privacy, a local publicly owned
9 electric utility or third-party provider with access to the electrical
10 usage information output of a residential or small business
11 customer shall not use that information output for any commercial
12 purpose unless specifically authorized by the customer.

13 SEC. 4. No reimbursement is required by this act pursuant to
14 Section 6 of Article XIII B of the California Constitution because
15 the only costs that may be incurred by a local agency or school
16 district will be incurred because this act creates a new crime or
17 infraction, eliminates a crime or infraction, or changes the penalty
18 for a crime or infraction, within the meaning of Section 17556 of
19 the Government Code, or changes the definition of a crime within
20 the meaning of Section 6 of Article XIII B of the California
21 Constitution.