

AMENDED IN ASSEMBLY MARCH 29, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 2450

Introduced by Assembly Member Hall

February 24, 2012

An act to ~~amend Section 739.1 of~~ *add Section 399.1* to the Public Utilities Code, relating to ~~electricity~~ *vehicles*.

LEGISLATIVE COUNSEL'S DIGEST

AB 2450, as amended, Hall. ~~Electrical rates.~~ *Electric Program Investment Charge: Clean Vehicle Rebate Project program.*

Under existing law, the Public Utilities Commission (*PUT*) has regulatory authority over public utilities, including electrical corporations, as defined. ~~Existing law authorizes the commission to fix the rates and charges for every public utility, and requires that those rates and charges be just and reasonable. Existing law requires the commission to designate a baseline quantity of electricity and gas necessary to supply a significant portion of the reasonable energy needs of the average residential customer, and requires that electrical and gas corporations file rates and charges, to be approved by the commission, providing baseline rates. Existing law requires the commission, in establishing the baseline rates, to avoid excessive rate increases for residential customers. Existing law requires the commission to establish a program of assistance to specified low-income electric and gas customers, referred to as the California Alternate Rates for Energy or CARE program. The Reliable Electric Service Investments Act required the PUC to require the state's 3 largest electrical corporations, until January 1, 2012, to identify a separate electrical rate component, commonly referred to as the "public goods charge," to collect specified~~

amounts to fund energy efficiency, renewable energy, and research, development, and demonstration programs that enhance system reliability and provide in-state benefits. An existing decision of the PUC institutes an Electric Program Investment Charge (EPIC), subject to refund, to fund renewable energy and research, development, and demonstration programs.

This bill would ~~make a technical, nonsubstantive change to that provision~~ establish the Clean Vehicle Rebate Project Fund in the State Treasury and require the PUC to allocate not less than \$15,000,000 from the moneys collected pursuant to the EPIC to the fund. The bill would authorize the State Air Resources Board, upon appropriation by the Legislature, to use moneys in the fund for distribution as rebates pursuant to the program criteria established pursuant to the state board’s Clean Vehicle Rebate Project program.

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

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

- 1 SECTION 1. Section 399.1 is added to the Public Utilities
- 2 Code, to read:
- 3 399.1. (a) The Clean Vehicle Rebate Project Fund is hereby
- 4 established in the State Treasury. Moneys in the account shall be
- 5 available to the State Air Resources Board, upon appropriation
- 6 by the Legislature, for purposes of providing rebates pursuant to
- 7 the state board’s Clean Vehicle Rebate Project program.
- 8 (b) Out of the moneys the commission otherwise orders to be
- 9 collected pursuant to Decision 11-12-035 (Phase 1 Decision
- 10 Establishing Interim Research, Development and Demonstration,
- 11 and Renewables Programs Funding Levels, dated December 15,
- 12 2011, in Rulemaking 11-10-003), the commission shall allocate
- 13 not less than fifteen million dollars (\$15,000,000) to the Clean
- 14 Vehicle Rebate Project Fund. Upon appropriation by the
- 15 Legislature, moneys in the fund may be used by the state board
- 16 for the Clean Vehicle Rebate Project program, for distribution as
- 17 rebates pursuant to the program criteria established by the state
- 18 board.
- 19 (c) Funding provided pursuant to this section shall supplement,
- 20 and not supplant, the funding of the Clean Vehicle Rebate Project
- 21 from all other sources, as described in the AB 118 Air Quality

1 *Improvement Program Funding Plan for Fiscal Year 2011–12,*
2 *adopted by the State Air Resources Board on July 21, 2011.*

3 *(d) Nothing in this section provides the commission with any*
4 *authority to order the collection of the moneys consistent with*
5 *Decision 11-12-035 or to increase the amount collected through*
6 *the Electric Program Investment Charge (EPIC).*

7 ~~SECTION 1. Section 739.1 of the Public Utilities Code is~~
8 ~~amended to read:~~

9 ~~739.1. (a) As used in this section, the following terms have~~
10 ~~the following meanings:~~

11 ~~(1) “Baseline quantity” has the same meaning as defined in~~
12 ~~Section 739.~~

13 ~~(2) “California Solar Initiative” means the program providing~~
14 ~~ratepayer funded incentives for eligible solar energy systems~~
15 ~~adopted by the commission in Decision 05-12-044 and Decision~~
16 ~~06-01-024, as modified by Article 1 (commencing with Section~~
17 ~~2851) of Chapter 9 of Part 2 and Chapter 8.8 (commencing with~~
18 ~~Section 25780) of Division 15 of the Public Resources Code.~~

19 ~~(3) “CalWORKs program” means the program established~~
20 ~~pursuant to the California Work Opportunity and Responsibility~~
21 ~~to Kids Act (Chapter 2 (commencing with Section 11200) of Part~~
22 ~~3 of Division 9 of the Welfare and Institutions Code).~~

23 ~~(4) “Public goods charge” means the nonbypassable separate~~
24 ~~rate component imposed pursuant to Article 7 (commencing with~~
25 ~~Section 381) of Chapter 2.3 and the nonbypassable system benefits~~
26 ~~charge imposed pursuant to the Reliable Electric Service~~
27 ~~Investments Act (Article 15 (commencing with Section 399) of~~
28 ~~Chapter 2.3).~~

29 ~~(b) (1) The commission shall establish a program of assistance~~
30 ~~to low-income electric and gas customers with annual household~~
31 ~~incomes that are no greater than 200 percent of the federal poverty~~
32 ~~guideline levels, the cost of which shall not be borne solely by any~~
33 ~~single class of customer. The program shall be referred to as the~~
34 ~~California Alternate Rates for Energy or CARE program. The~~
35 ~~commission shall ensure that the level of discount for low-income~~
36 ~~electric and gas customers correctly reflects the level of need.~~

37 ~~(2) The commission may, subject to the limitation in paragraph~~
38 ~~(4), increase the rates in effect for CARE program participants for~~
39 ~~electricity usage up to 130 percent of baseline quantities by the~~
40 ~~annual percentage increase in benefits under the CalWORKs~~

1 program as authorized by the Legislature for the fiscal year in
2 which the rate increase would take effect, but not to exceed 3
3 percent per year.

4 (3) Beginning January 1, 2019, the commission may, subject
5 to the limitation in paragraph (4), establish rates for CARE program
6 participants pursuant to this section and Sections 739 and 739.9,
7 subject to both of the following:

8 (A) The requirements of subdivision (b) of Section 382 that the
9 commission ensure that low-income ratepayers are not jeopardized
10 or overburdened by monthly energy expenditures.

11 (B) The requirement that the level of the discount for
12 low-income electricity and gas ratepayers correctly reflects the
13 level of need as determined by the needs assessment conducted
14 pursuant to subdivision (d) of Section 382.

15 (4) Tier 1, tier 2, and tier 3 CARE rates shall not exceed 80
16 percent of the corresponding tier 1, tier 2, and tier 3 rates charged
17 to residential customers not participating in the CARE program,
18 excluding any Department of Water Resources bond charge
19 imposed pursuant to Division 27 (commencing with Section 80000)
20 of the Water Code, the CARE surcharge portion of the public
21 goods charge, any charge imposed pursuant to the California Solar
22 Initiative, and any charge imposed to fund any other program that
23 exempts CARE participants from paying the charge.

24 (5) Rates charged to CARE program participants shall not have
25 more than three tiers. An electrical corporation that does not have
26 a tier 3 CARE rate may introduce a tier 3 CARE rate that, in order
27 to moderate the impact on program participants whose usage
28 exceeds 130 percent of baseline quantities, shall be phased in to
29 80 percent of the corresponding rates charged to residential
30 customers not participating in the CARE program, excluding any
31 Department of Water Resources bond charge imposed pursuant to
32 Division 27 (commencing with Section 80000) of the Water Code,
33 the CARE surcharge portion of the public goods charge, any charge
34 imposed pursuant to the California Solar Initiative, and any other
35 charge imposed to fund a program that exempts CARE participants
36 from paying the charge. For an electrical corporation that does not
37 have a tier 3 CARE rate that introduces a tier 3 CARE rate, the
38 initial rate shall be no more than 150 percent of the CARE baseline
39 rate. Any additional revenues collected by an electrical corporation
40 resulting from the adoption of a tier 3 CARE rate shall, until the

1 utility's next periodic general rate case review of cost allocation
2 and rate design, be credited to reduce rates of residential ratepayers
3 not participating in the CARE program with usage above 130
4 percent of baseline quantities.

5 (e) ~~The commission shall work with the public utility electrical
6 and gas corporations to establish penetration goals. The
7 commission shall authorize recovery of all administrative costs
8 associated with the implementation of the CARE program that the
9 commission determines to be reasonable, through a balancing
10 account mechanism. Administrative costs shall include, but are
11 not limited to, outreach, marketing, regulatory compliance,
12 certification and verification, billing, measurement and evaluation,
13 and capital improvements and upgrades to communications and
14 processing equipment.~~

15 (d) ~~The commission shall examine methods to improve CARE
16 enrollment and participation. This examination shall include, but
17 need not be limited to, comparing information from CARE and
18 the Universal Lifeline Telephone Service (ULTS) to determine
19 the most effective means of utilizing that information to increase
20 CARE enrollment, automatic enrollment of ULTS customers who
21 are eligible for the CARE program, customer privacy issues, and
22 alternative mechanisms for outreach to potential enrollees. The
23 commission shall ensure that a customer consents prior to
24 enrollment. The commission shall consult with interested parties,
25 including ULTS providers, to develop the best methods of
26 informing ULTS customers about other available low-income
27 programs, as well as the best mechanism for telephone providers
28 to recover reasonable costs incurred pursuant to this section.~~

29 (e) (1) ~~The commission shall improve the CARE application
30 process by cooperating with other entities and representatives of
31 California government, including the California Health and Human
32 Services Agency and the Secretary of California Health and Human
33 Services, to ensure that all gas and electric customers eligible for
34 public assistance programs in the state that reside within the service
35 territory of an electrical corporation or gas corporation, are enrolled
36 in the CARE program. To the extent practicable, the commission
37 shall develop a CARE application process using the existing ULTS
38 application process as a model. The commission shall work with
39 public utility electrical and gas corporations and the Low-Income~~

1 ~~Oversight Board established in Section 382.1 to meet the~~
2 ~~low-income objectives in this section.~~

3 ~~(2) The commission shall ensure that an electrical corporation~~
4 ~~or gas corporation with a commission-approved program to provide~~
5 ~~discounts based upon economic need in addition to the CARE~~
6 ~~program, including a Family Electric Rate Assistance program,~~
7 ~~utilize a single application form, to enable an applicant to~~
8 ~~alternatively apply for any assistance program for which the~~
9 ~~applicant may be eligible. It is the intent of the Legislature to allow~~
10 ~~applicants under one program, that may not be eligible under that~~
11 ~~program, but that may be eligible under an alternative assistance~~
12 ~~program based upon economic need, to complete a single~~
13 ~~application for any commission-approved assistance program~~
14 ~~offered by the public utility.~~

15 ~~(f) The commission's program of assistance to low-income~~
16 ~~electric and gas customers shall, as soon as practicable, include~~
17 ~~nonprofit group living facilities specified by the commission, if~~
18 ~~the commission finds that the residents in these facilities~~
19 ~~substantially meet the commission's low-income eligibility~~
20 ~~requirements and there is a feasible process for certifying that the~~
21 ~~assistance shall be used for the direct benefit, such as improved~~
22 ~~quality of care or improved food service, of the low-income~~
23 ~~residents in the facilities. The commission shall authorize utilities~~
24 ~~to offer discounts to eligible facilities licensed or permitted by~~
25 ~~appropriate state or local agencies, and to facilities, including~~
26 ~~women's shelters, hospices, and homeless shelters, that may not~~
27 ~~have a license or permit but provide other proof satisfactory to the~~
28 ~~utility that they are eligible to participate in the program.~~

29 ~~(g) It is the intent of the Legislature that the commission ensure~~
30 ~~CARE program participants are afforded the lowest possible~~
31 ~~electric and gas rates and, to the extent possible, are exempt from~~
32 ~~additional surcharges attributable to the energy crisis of 2000-01.~~

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