

**Assembly Bill No. 2672**

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Passed the Assembly August 27, 2014

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*Chief Clerk of the Assembly*

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Passed the Senate August 25, 2014

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*Secretary of the Senate*

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This bill was received by the Governor this \_\_\_\_\_ day  
of \_\_\_\_\_, 2014, at \_\_\_\_\_ o'clock \_\_\_\_M.

\_\_\_\_\_  
*Private Secretary of the Governor*

CHAPTER \_\_\_\_\_

An act to add Section 783.5 to the Public Utilities Code, relating to energy.

LEGISLATIVE COUNSEL’S DIGEST

AB 2672, Perea. Access to energy: disadvantaged communities: San Joaquin Valley.

(1) Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical and gas 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 establish various programs that provide assistance to low-income electric and gas customers.

This bill would require the commission, by March 31, 2015, to initiate a new proceeding to identify disadvantaged communities in the San Joaquin Valley meeting specified requirements and to analyze economically feasible options to increase access to affordable energy in those disadvantaged communities. The bill also would require the commission to determine whether the options analyzed would increase access to affordable energy to those disadvantaged communities in a cost-effective manner. The bill would require the commission, for those options, to take appropriate action and determine appropriate funding sources.

(2) This bill would make legislative findings and declarations as to the necessity of a special statute for the San Joaquin Valley.

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

SECTION 1. The Legislature finds and declares the following:

- (a) Many low-income communities throughout California’s San Joaquin Valley lack access to natural gas lines.
- (b) Increasing access to affordable energy can improve the health, safety, and air quality of these communities.

SEC. 2. Section 783.5 is added to the Public Utilities Code, to read:

783.5. (a) For purposes of this section, the following terms have the following meanings:

(1) “Disadvantaged community” means a San Joaquin Valley community that meets all of the following criteria:

(A) At least 25 percent of residential households with electrical service are enrolled in the CARE program pursuant to Section 739.1.

(B) Has a population greater than 100 persons within its geographic boundaries as identified by the most recent United States Census or a community survey.

(C) Has geographic boundaries no farther than seven miles from the nearest natural gas pipeline operated by a gas corporation.

(2) “San Joaquin Valley” means the counties of Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus, and Tulare.

(b) No later than March 31, 2015, the commission shall initiate a new proceeding to do all of the following:

(1) Identify disadvantaged communities based on the criteria specified in subdivision (a).

(2) Analyze the economic feasibility of the following options:

(A) Extending natural gas pipelines to those disadvantaged communities.

(B) Increasing subsidies for electricity for residential customers in those disadvantaged communities.

(C) Other alternatives that would increase access to affordable energy in those disadvantaged communities that the commission deems appropriate.

(c) The commission shall determine whether any of the options analyzed in the proceeding would increase access to affordable energy in a cost-effective manner. For these options, the commission shall take appropriate action and determine appropriate funding sources.

SEC. 3. The Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique circumstance that the San Joaquin Valley is home to many communities that lack access to natural gas service and it is necessary to ensure more affordable and cleaner alternatives are available.

Approved \_\_\_\_\_, 2014

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*Governor*