

AMENDED IN ASSEMBLY MARCH 26, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1005

**Introduced by Assembly Members Gordon and Levine
(Coauthors: Assembly Members Patterson and Wilk)**

February 26, 2015

An act to amend Sections 740.2, 740.3, and 740.8 of the Public Utilities Code, relating to electric vehicles.

LEGISLATIVE COUNSEL'S DIGEST

AB 1005, as amended, Gordon. Electric vehicles: *infrastructure*: charging systems.

Existing law, the Electric Vehicle Charging Stations Open Access Act, prohibits the charging of a subscription fee on persons desiring to use an electric vehicle charging station, as defined, that requires payment of a fee and prohibits a requirement for persons to obtain membership in any club, association, or organization as a condition of using the station, except as specified.

This bill would state the intent of the Legislature to enact legislation to encourage and support the widespread deployment of electric vehicles, protect competitive markets for electric vehicle charging equipment and network charging services from unfair competition, support consumer choice, and encourage and support private investment in the equipment and services, and would make legislative findings and declarations in that regard.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations. Existing law requires the Public Utilities Commission, in consultation with the State Energy Resources Conservation and Development Commission,

the State Air Resources Board, electrical corporations, and the motor vehicle industry, to evaluate policies to develop infrastructure sufficient to overcome any barriers to the widespread deployment and use of plug-in hybrid and electric vehicles and, by July 1, 2011, to adopt rules that address specified matter.

This bill would delete the requirement that the Public Utilities Commission adopt the rules by July 1, 2011, and instead require the commission to adopt the rules as needed.

Existing law requires the Public Utilities Commission, in cooperation with the State Energy Resources Conservation and Development Commission, the State Air Resources Board, air quality management districts and air pollution control districts, electrical and gas corporations, and the motor vehicle industry, to evaluate and implement policies to promote the development of equipment and infrastructure needed to facilitate the use of electricity to power and natural gas to fuel low-emission vehicles. The Public Utilities Commission is required to consider certain matters in evaluating and implementing its policies authorizing utilities to develop equipment and infrastructure needed for electric-powered and natural gas-fueled low-emission vehicles and to ensure that those policies ensure that the costs and expenses of utility programs are not passed through to electric or gas ratepayers unless the commission finds and determines that those programs are in the ratepayers' interest. Existing law defines what is in the "interests" of ratepayers for this purpose. Existing law further requires the commission's policies authorizing utilities to develop equipment and infrastructure needed for electric-powered and natural gas-fueled low-emission vehicles ensure that utilities do not unfairly compete with nonutility enterprises.

This bill would require the Public Utilities Commission, when evaluating and implementing its policies authorizing utilities to develop equipment and infrastructure needed for electric-powered and natural gas-fueled low-emission vehicles, to additionally consider (1) authorizing electrical corporations to rate-base make-ready infrastructure needed to support and encourage investment in electric vehicle charging equipment by customers and other providers of electric vehicle charging services, and (2) authorizing electric corporations to rate-base electric vehicle charging equipment if specified requirements are met. The bill would require that the Public Utilities Commission's policies to ensure that utilities do not unfairly compete with nonutility enterprises include the policy that an electrical corporation not

constrain customer choice for electric vehicle service equipment, as defined, except when providing charging services at sites owned or operated by the electrical corporation for electric vehicles that are owned by the electrical corporation or by employees of the electrical corporation.

Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because the provisions of this bill would be a part of the act and because a violation of an order or decision of the commission implementing its requirements would be a crime, the bill would impose a state-mandated local program by expanding the application of a 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: ~~no~~-yes.
State-mandated local program: ~~no~~-yes.

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

- 1 SECTION 1. (a) The Legislature finds and declares all of the
- 2 following:
- 3 (1) California should encourage the expansion of investment
- 4 and usage of electric vehicles to protect the environment, stimulate
- 5 economic growth, and improve the quality of life in this state. All
- 6 Californians benefit from programs that support more widespread
- 7 adoption and usage of electric vehicles.
- 8 (2) ~~Availability~~*The availability* of electric vehicle charging
- 9 correlates directly with the rate of electric vehicle ~~adoption by the~~
- 10 ~~public~~*adoption*. In order to reach the goal 1.5 million electric
- 11 vehicles in ~~California~~*California by 2025*, electric vehicle
- 12 consumers need confidence that they can readily access electric
- 13 vehicle charging services at home, at the workplace, and at public
- 14 locations.
- 15 (3) “Smart” electric vehicle charging equipment and network
- 16 electric vehicle charging services are available on the ~~market~~,

1 *market* and enable the management of electric vehicle charging to
 2 avoid negative impacts on the distribution system, to coordinate
 3 electric vehicle charging with the operation of the ~~utility~~ *electrical*
 4 grid, and to minimize costs and maximize benefits to electric
 5 vehicle users and utility ratepayers.

6 (4) Encouraging private investment in “smart” electric vehicle
 7 charging equipment and network electric vehicle charging services
 8 will facilitate ~~consumer~~ *customer* choice, stimulate innovation and
 9 development of new business models, attract private capital
 10 investment, and create jobs for Californians.

11 ~~(b) It is the intent of the Legislature to enact legislation to (1)~~
 12 ~~encourage and support the widespread deployment of electric~~
 13 ~~vehicles, (2) protect competitive markets for electric vehicle~~
 14 ~~charging equipment and network charging services from unfair~~
 15 ~~competition, (3) support consumer choice in electric vehicle~~
 16 ~~charging equipment and network charging services, and (4)~~
 17 ~~encourage and support private investment in electric vehicle~~
 18 ~~charging equipment and network charging services.~~

19 *(b) It is the intent of the Legislature to do all the following:*

20 *(1) Encourage and support the widespread deployment of*
 21 *electric vehicles.*

22 *(2) Protect competitive markets for electric vehicle charging*
 23 *equipment and network charging services from unfair competition*
 24 *by clarifying that electrical corporations may only own electric*
 25 *vehicle service equipment used to charge electric vehicles owned*
 26 *by the electrical corporation and its employees, and that electrical*
 27 *corporations may not provide electric vehicle charging services.*

28 *(3) Support consumer choice in electric vehicle charging*
 29 *equipment and network charging services.*

30 *(4) Encourage and support private investment in electric vehicle*
 31 *charging equipment and network charging services.*

32 *SEC. 2. Section 740.2 of the Public Utilities Code is amended*
 33 *to read:*

34 740.2. The commission, in consultation with the Energy
 35 Commission, State Air Resources Board, electrical corporations,
 36 and the motor vehicle industry, shall evaluate policies to develop
 37 infrastructure sufficient to overcome any barriers to the widespread
 38 deployment and use of plug-in hybrid and electric vehicles. ~~By~~
 39 ~~July 1, 2011, the~~ *The* commission shall adopt rules, *as necessary*,
 40 to address all of the following:

1 (a) ~~The impacts upon~~ electrical infrastructure, including
2 infrastructure ~~upgrades~~ *upgrades*, necessary for widespread use
3 of plug-in hybrid and electric vehicles and the role and
4 development of public charging infrastructure.

5 (b) The impact of plug-in hybrid and electric vehicles on grid
6 stability and the integration of renewable energy resources.

7 (c) The technological advances that are needed to ensure the
8 widespread use of plug-in hybrid and electric vehicles and what
9 role the state should take to support the development of this
10 technology.

11 (d) The existing code and permit requirements that will impact
12 the widespread use of plug-in hybrid and electric vehicles and any
13 recommended changes to existing legal impediments to the
14 widespread use of plug-in hybrid and electric vehicles.

15 (e) The role the state should take to ensure that technologies
16 employed in plug-in hybrid and electric vehicles work in a
17 harmonious manner and across service territories.

18 (f) The impact of widespread use of plug-in hybrid and electric
19 vehicles on achieving the state's goals pursuant to the California
20 Global Warming Solutions Act of 2006 ~~and renewables portfolio~~
21 ~~standard program~~ (*Division 25.5 (commencing with Section 38500)*
22 *of the Health and Safety Code*) and the California Renewables
23 *Portfolio Standard Program (Article 16 (commencing with Section*
24 *399.11) of Chapter 2.3*) and what steps should be taken to address
25 possibly shifting emissions reductions responsibilities from the
26 transportation sector to the electrical industry.

27 *SEC. 3. Section 740.3 of the Public Utilities Code is amended*
28 *to read:*

29 740.3. (a) *For purposes of this section, "electric vehicle*
30 *charging equipment" means electric vehicle service equipment*
31 *and network charging services.*

32 (b) The commission, in cooperation with the ~~State Energy~~
33 ~~Conservation and Development~~ *Energy Commission*, the State Air
34 Resources Board, air quality management districts and air pollution
35 control districts, ~~regulated electrical and~~ *electrical corporations*,
36 gas corporations, and the motor vehicle industry, shall evaluate
37 and implement policies to promote the development of equipment
38 and infrastructure needed to facilitate the use of ~~electric~~ *electricity*
39 *to power and natural gas to fuel low-emission vehicles. Policies*
40 *to be considered shall include both all of the following:*

1 (1) The sale-for-resale and the rate-basing of low-emission
 2 vehicles and supporting equipment such as batteries for electric
 3 vehicles and compressor stations for natural gas fueled vehicles.

4 (2) The development of statewide standards for electric vehicle
 5 charger connections and compressed natural gas vehicle fueling
 6 connections, including installation procedures and technical
 7 assistance to installers.

8 (3) *Authorizing electrical corporations to rate-base make-ready*
 9 *infrastructure needed to support and encourage investment in*
 10 *electric vehicle charging equipment by customers and other*
 11 *providers of electric vehicle charging services. For these purposes,*
 12 *“make-ready infrastructure” means electrical infrastructure*
 13 *installed and owned by an electrical corporation that is required*
 14 *in order to interconnect and provide electric service to electric*
 15 *vehicle service equipment, including transformers, utility services*
 16 *and meters, panels, interconnection equipment, including conduits*
 17 *and wiring, and associated infrastructure. “Make-ready*
 18 *infrastructure” does not include electric vehicle service equipment*
 19 *or network charging services.*

20 (4) *Authorizing electrical corporations to rate-base electric*
 21 *vehicle charging equipment if all of the following requirements*
 22 *are met:*

23 (A) *The equipment is networked.*

24 (B) *The site hosts for the equipment are unconstrained with*
 25 *respect to choice of technology and services, beyond the*
 26 *requirement that the equipment be networked.*

27 (C) *The equipment provides electrical grid benefits, such as*
 28 *demand response.*

29 (D) *The electricity supplied by the equipment is not limited to*
 30 *utility-owned generation.*

31 ~~(b)~~

32 (c) *The commission shall hold public hearings as part of its*
 33 *effort to evaluate and implement the new policies and proposals*
 34 *considered in subdivision ~~(a)~~; (b), and shall provide a progress*
 35 *report to the Legislature by January 30, 1993, and every two years*
 36 *thereafter, concerning policies on rates, equipment, and*
 37 *infrastructure implemented by the commission and other state*
 38 *agencies, federal and local governmental agencies, and private*
 39 *industry to facilitate the use of electric electricity to power and*
 40 *natural gas to fuel low-emission vehicles.*

1 (e)

2 (d) The commission’s policies authorizing utilities to develop
3 equipment or infrastructure needed for electric-powered and natural
4 gas-fueled low-emission vehicles shall ~~ensure~~ *do both of the*
5 *following*:

6 (1) *Ensure* that the costs and expenses of those programs are
7 not passed through to electric or gas ratepayers unless the
8 commission finds and determines that those programs are in the
9 ratepayers’ interest. ~~The commission’s policies shall also ensure~~

10 (2) *Ensure* that utilities do not unfairly compete with nonutility
11 enterprises.

12 *SEC. 4. Section 740.8 of the Public Utilities Code is amended*
13 *to read:*

14 740.8. (a) As used in Section 740.3, “interests” of ratepayers,
15 short- or long-term, mean direct benefits that are specific to
16 ratepayers in the form of safer, more reliable, or less costly gas or
17 electrical service, consistent with Section 451, and activities that
18 benefit ratepayers and that promote energy efficiency, reduction
19 of health and environmental impacts from air pollution, and
20 ~~greenhouse gas~~ *emissions of greenhouse gases* related to electricity
21 and natural gas production and use, and increased use of alternative
22 fuels.

23 (b) *The commission’s policies to ensure that utilities do not*
24 *unfairly compete with nonutility enterprises pursuant to paragraph*
25 *(2) of subdivision (d) of Section 740.3 shall include the policy that*
26 *an electrical corporation shall not constrain customer choice for*
27 *electric vehicle service equipment, as defined in Section 44268 of*
28 *the Health and Safety Code, except when providing charging*
29 *services at sites owned or operated by the electrical corporation*
30 *for electric vehicles that are owned by the electrical corporation*
31 *or by employees of the electrical corporation.*

32 *SEC. 5. No reimbursement is required by this act pursuant to*
33 *Section 6 of Article XIII B of the California Constitution because*
34 *the only costs that may be incurred by a local agency or school*
35 *district will be incurred because this act creates a new crime or*
36 *infraction, eliminates a crime or infraction, or changes the penalty*
37 *for a crime or infraction, within the meaning of Section 17556 of*
38 *the Government Code, or changes the definition of a crime within*
39 *the meaning of Section 6 of Article XIII B of the California*
40 *Constitution.*

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