

AMENDED IN ASSEMBLY APRIL 11, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2381**

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**Introduced by Assembly Member Roger Hernández**

February 18, 2016

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An act to add Section 740.13 to the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

AB 2381, as amended, Roger Hernández. Electricity: power outages: bill credits.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations. 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.

*This bill would require electrical corporations to provide customers that experience outages for a continuous 24-hour period with a \$25 bill credit for each 24-hour period that they were without power. corporations, on or before July 1, 2017, to establish utility service guarantee programs. The bill would require the programs to automatically provide each customer that experiences an outage for a continuous 24-hour period a \$30 bill credit for each 24-hour period that the customer was without power, which would be borne exclusively by the shareholders of the electrical corporations. The bill would also require electrical corporations to engage in public outreach and educate the public about the program to increase public awareness.*

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 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. This act shall be known, and may be cited, as the*
- 2     *Consumers and Utilities Partnership Act of 2016.*
- 3     *SEC. 2. The Legislature finds and declares all of the following:*
- 4     *(a) Power outages lasting more than 24 hours have the potential*
- 5     *to significantly disrupt people’s lives.*
- 6     *(b) Problems that people may face during an extended outage*
- 7     *include loss of food, lost work productivity, and an inability to use*
- 8     *important medical devices.*
- 9     *(c) It is critical to ensure that individuals who suffer from an*
- 10    *extended outage, especially those who are unable to document*
- 11    *their losses, have the opportunity to receive financial remuneration*
- 12    *to compensate them for disruptions.*
- 13    *SEC. 3. Section 740.13 is added to the Public Utilities Code,*
- 14    *to read:*
- 15    *740.13. (a) An electrical corporation, on or before July 1,*
- 16    *2017, shall establish a utility service guarantee program. The*
- 17    *program shall do all of the following:*
- 18    *(1) Automatically provide each customer that experiences an*
- 19    *outage for a continuous 24-hour period a thirty-dollar (\$30) bill*
- 20    *credit for each 24-hour period that the customer was without*
- 21    *power.*

1 (2) *The commission shall, beginning January 1, 2018, adjust*  
2 *the amount of the bill credit by the annual percentage increase in*  
3 *the Consumer Price Index for the prior calendar year.*

4 (b) *Any expense incurred pursuant to this section shall not be*  
5 *recoverable either directly or indirectly in rates and shall be borne*  
6 *exclusively by the shareholders of the electrical corporation.*

7 (c) *An electrical corporation shall engage in public outreach*  
8 *and educate the public about the program to increase public*  
9 *awareness.*

10 (d) *An electrical corporation, on or before July 2, 2018, and*  
11 *annually thereafter, shall report to the Legislature on the number*  
12 *of customers provided a bill credit and the total amount credited*  
13 *to customers through this program.*

14 (e) *An electrical corporation that, on or before January 1, 2017,*  
15 *has a program that provides a bill credit to each customer that*  
16 *experiences an outage shall update that program to comply with*  
17 *the requirements of this section instead of creating a new program.*

18 (f) *This section does not apply to an outage under any of the*  
19 *following circumstances:*

20 (1) *The outage is planned and for maintenance.*

21 (2) *The outage is caused by a moderate, severe, or catastrophic*  
22 *storm condition.*

23 (3) *The facilities, lines, equipment, or other property necessary*  
24 *to restore power are unaccessible or are deemed unsafe to access.*

25 (4) *The outage occurs during a declared emergency event or*  
26 *cause related to force majeure.*

27 (5) *The affected service location is vacant.*

28 (g) *The bill credit provided by this section is not an exclusive*  
29 *remedy and does not affect any other relief or remedy provided*  
30 *by law.*

31 ~~SECTION 1. Section 740.13 is added to the Public Utilities~~  
32 ~~Code, to read:~~

33 ~~740.13. (a) An electrical corporation shall provide each~~  
34 ~~customer that experiences an outage for a continuous 24-hour~~  
35 ~~period a twenty-five-dollar (\$25) bill credit for each 24-hour period~~  
36 ~~that the customer is without power.~~

37 ~~(b) Any expense incurred pursuant to this section shall not be~~  
38 ~~recoverable either directly or indirectly in rates and shall be borne~~  
39 ~~exclusively by the shareholders of the electrical corporation.~~

1     ~~(e) The bill credit provided by this section is not an exclusive~~  
2 ~~remedy and does not affect any other relief or remedy provided~~  
3 ~~by law.~~

4     ~~SEC. 2.~~

5     *SEC. 4.* No reimbursement is required by this act pursuant to  
6 Section 6 of Article XIII B of the California Constitution because  
7 the only costs that may be incurred by a local agency or school  
8 district will be incurred because this act creates a new crime or  
9 infraction, eliminates a crime or infraction, or changes the penalty  
10 for a crime or infraction, within the meaning of Section 17556 of  
11 the Government Code, or changes the definition of a crime within  
12 the meaning of Section 6 of Article XIII B of the California  
13 Constitution.