An act to add Sections 12803.2.5, 13295.6 to the Government Code, to amend Section 25751 of the Public Resources Code, and to amend Sections 306 and 309.5 of, and to add Sections 326.6, 307.1, 326.7, and 327.5 to, the Public Utilities Code, relating to the Public Utilities Commission, and making an appropriation therefor, to take effect immediately, bill related to the budget.

LEGISLATIVE COUNSEL’S DIGEST


The California Constitution establishes the Public Utilities Commission (PUC) with jurisdiction over all public utilities, authorizes the commission PUC to establish its own procedures, subject to statutory limitations or directions and constitutional requirements of due process, and authorizes the commission PUC to fix the rates and establish rules for public utilities, subject to control by the Legislature. The Public Utilities Act provides that the office of the PUC shall be in the City and County of San Francisco, requires that the PUC hold its sessions at least once in each calendar month in the City and County of San Francisco, and authorizes the PUC to also meet at those other times and places as may be expedient and necessary for the proper performance of its duties.
This bill would require that the PUC hold its sessions at least once in each calendar month in the City and County of San Francisco or the City of Sacramento.

The Public Utilities Act authorizes the PUC to appoint an attorney for the PUC who holds that office at the pleasure of the PUC. The act requires the PUC’s attorney to commence, prosecute, and expedite the final determination of all actions and proceedings directed or authorized by the president, except as otherwise directed or authorized by vote of the PUC, to advise the PUC and each commissioner in regard to all matters in connection with the powers and duties of the PUC or a commissioner, when requested, and generally to perform all duties and services as attorney to the PUC that the president, or vote of the PUC, may require of him or her.

This bill would require the PUC to notify the Joint Legislative Budget Committee when it enters into a contract for outside legal counsel to represent the PUC in any criminal investigation at an expense exceeding $1,000,000 and to provide a copy of the contract to that committee within 10 days of it being approved by the Department of General Services.

Existing law provides that upon request made in writing to a public entity, that public entity may, in its discretion, defend or indemnify or defend and indemnify any witness who has testified on behalf of the public entity in any criminal, civil, or administrative action, except as specified.

This bill would prohibit the PUC from including in a contract for outside legal counsel terms providing for the representation in any criminal matter of individual employees except as provided in the above-described law. The bill would require the PUC to supply the Joint Legislative Budget Committee with a copy of the contract to represent an individual employee in a criminal investigation pursuant to the above-described law within 10 days of the date the contract is approved by the Department of General Services.

The Public Utilities Act establishes an independent Office of Ratepayer Advocates within the Public Utilities Commission, PUC, to represent the interests of public utility customers and subscribers, with the goal of obtaining the lowest possible rate for service consistent with reliable and safe service levels. Existing law requires the director of the office to develop a budget for the office that is submitted to the Department of Finance for final approval. Existing law authorizes the director of the office to appoint a lead attorney to represent the office
and requires the lead attorney to obtain adequate legal personnel for
the work to be conducted by the office from the Public Utilities
Commission’s PUC’s attorney and requires the Public Utilities
Commission’s PUC’s attorney to timely and appropriately fulfill all
requests for legal personnel made by the lead attorney for the office,
provided the office has sufficient moneys and positions in its budget
for the services requested. Existing law requires the commission PUC
to develop appropriate procedures to ensure that the existence of the
office does not create a conflict of roles for any employee.

This bill would delete the requirement that the lead attorney obtain
adequate legal personnel for the work to be conducted by the office
from the Public Utilities Commission’s PUC’s attorney and the
requirement that the Public Utilities Commission’s PUC’s attorney
timely and appropriately fulfill all requests for legal personnel made
by the lead attorney for the office. The bill would require the
commission PUC to coordinate with the office in developing appropriate
procedures to ensure that the existence of the office does not create a
conflict of roles for any employee.

The California Constitution provides that the Legislature has plenary
power, unlimited by the other provisions of the constitution, to confer
additional authority and jurisdiction upon the commission that is cognate
and germane to the regulation of public utilities. The Public Utilities
Act authorizes the commission to supervise and regulate every public
utility and to do all things that are necessary and convenient in the
exercise of its power and jurisdiction whether specifically designated
in the act or in addition thereto:

This bill would prohibit the commission from funding any program
by a state entity using charges collected from public utility ratepayers
unless expressly authorized to do so by statute enacted by the
Legislature, including the annual Budget Act.

Existing law requires the commission PUC to submit to the Joint
Legislative Budget Committee reports on all sources and amount of
funding and actual and proposed expenditures for various activities.

This bill would require the commission, Department of Finance, on
a semiannual basis, to provide the Joint Legislative Budget Commission
a written notification of any redirection of funds and positions, positions
within the PUC, including any loaning of staff to other state agencies
or departments. The bill would require the California Research Bureau
to conduct a review of the organization of the commission PUC to
ensure that the commission PUC is the best governmental entity to
direct, regulate, and oversee specified public utility sectors.

Existing decisions of the commission PUC establish the California
Hub for Energy Efficiency Financing, or CHEEF, program, a 2-year
pilot program administered by the California Alternative Energy and
Advanced Transportation Financing Authority and funded through
charges collected by specified electrical corporations and gas
corporations from their ratepayers.

The bill would require the commission to report to the relevant policy
and fiscal committees of the Legislature on the outcomes of the CHEEF
program and would prohibit the commission PUC from approving any
extension of the program sooner than 30 days after making its report.

Existing law establishes the Government Operations Agency
consisting of certain state entities, including the Department of Human
Resources, which is governed by the Secretary of Government
Operations.

Existing law places various duties upon the PUC with respect to
distributed generation and requires each electrical corporation, as
defined, to submit to the PUC for its approval a distribution resources
plan proposal to identify optimal locations for the deployment of
distributed resources, as defined. Pursuant to existing law, the PUC
has established operational and metering requirements for a generation
facility to be interconnected to an electrical corporation’s distribution
grid.

This bill would require the PUC, by April 1, 2016, to establish an
expedited distribution grid interconnection dispute resolution process,
as specified, with the goal of resolving disputes over interconnection
applications within the jurisdiction of the PUC in no more than 60 days
from the time the dispute is formally brought to the PUC.

Decisions of the PUC adopted the California Solar Initiative
administered by electrical corporations and subject to the PUC’s
supervision. Existing law requires the PUC and the State Energy
Resources Conservation and Development Commission (Energy
Commission) to undertake certain steps in implementing the California
Solar Initiative and requires the PUC to ensure that the total cost over
the duration of the program does not exceed $3,550,800,000. Existing
law specifies that the financial components of the California Solar
Initiative include the New Solar Homes Partnership Program, which
is administered by the Energy Commission. Existing law requires the
program to be funded by charges in the amount of $400,000,000
collected from customers of the state’s 3 largest electrical corporations. If moneys from the Renewable Resource Trust Fund for the program are exhausted, existing law authorizes the PUC, upon notification by the Energy Commission, to require those electrical corporations to continue the administration of the program pursuant to the guidelines established by the Energy Commission for the program until the $400,000,000 monetary limit is reached. Existing law authorizes the PUC to determine if a 3rd party, including the Energy Commission, should administer the electrical corporations’ continuation of the program. Existing law makes the New Solar Homes Partnership Program inoperative on June 1, 2018, and requires any funding made available be encumbered no later than June 1, 2018, and disbursed no later than December 31, 2021.

If the PUC determines that the Energy Commission should be the 3rd-party administrator for the New Solar Homes Partnership Program, this bill would require that any additional moneys made available to fund the New Solar Homes Partnership Program be deposited into the Emerging Renewable Resources Account of the Renewable Resource Trust Fund and used for this purpose.

Existing law authorizes the Department of Finance to furnish services, or provide work for, any other state agency as requested by the Legislature and authorizes the department to charge an amount sufficient to recover the cost of furnishing services or the work performed.

The bill would require the Secretary of Government Operations to contract with an independent, 3rd-party consulting firm to Office of State Audits and Evaluations within the Department of Finance to assess the degree to which each activity and position related to the energy responsibilities of the commission PUC supports the core mission of the commission PUC and to make recommendations as to how resources might be better allocated to achieve the core mission objectives of the PUC. The bill would require the secretary, office, by April 1, 2016, to submit a report to the Legislature on the assessment. The bill would require the PUC to reimburse the department for the costs incurred by the office upon request by the department.

The bill would appropriate $5,000,000 to the commission PUC for the support of the commission PUC.

This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.
The people of the State of California do enact as follows:

SECTION 1. Section 12803.2.5 13295.6 is added to the Government Code, to read:

12803.2.5. 13295.6. (a) The Secretary of Government Operations shall contract with an independent, third-party consulting firm to Office of State Audits and Evaluations within the Department of Finance shall assess the degree to which each activity and position related to the energy responsibilities of the Public Utilities Commission, as identified in the commission’s zero-based budget conducted pursuant to Section 318 of the Public Utilities Code, supports the core mission of the commission and to make recommendations as to how resources might be better allocated to achieve the core mission objectives of the commission.

(b) The contracted consulting firm office shall provide to the Joint Legislative Budget Committee and the Department of Finance monthly updates on the progress of the assessment.

(c) (1) By April 1, 2016, the Secretary of Government Operations office shall, pursuant to Section 9795, submit to the Legislature a report on the assessment.

(2) Pursuant to Section 10231.5, this subdivision is inoperative on April 1, 2020.

(d) The Public Utilities Commission shall reimburse the Government Operations Agency Department of Finance for the costs incurred pursuant to this section upon request by the agency department and appropriation by the Legislature.

SEC. 2. Section 25751 of the Public Resources Code is amended to read:

25751. (a) The Renewable Resource Trust Fund is hereby created in the State Treasury.

(b) The Emerging Renewable Resources Account is hereby established within the Renewable Resources Trust Fund. Notwithstanding Section 13340 of the Government Code, the moneys in the account are hereby continuously appropriated to the commission without regard to fiscal years for the following purposes:
(1) To close out the award of incentives for emerging
technologies in accordance with former Section 25744, as this law
existed prior to the enactment of the Budget Act of 2012, for which
applications had been approved before the enactment of the Budget
Act of 2012.
(2) To close out consumer education activities in accordance
with former Section 25746, as this law existed prior to the
enactment of the Budget Act of 2012.
(3) To provide funding for the New Solar Homes Partnership
pursuant to paragraph (3) of subdivision (e) of Section 2851 of the
Public Utilities Code.
(c) The Controller shall provide to the commission funds
pursuant to the continuous appropriation in, and for purposes
specified in, subdivision (b).
(d) The Controller shall provide to the commission moneys
from the fund sufficient to satisfy all contract and grant awards
that were made by the commission pursuant to former Sections
25744 and 25746, and Chapter 8.8 (commencing with Section
25780), as these laws existed prior to the enactment of the Budget
Act of 2012.
(e) If the Public Utilities Commission determines that the State
Energy Resources Conservation and Development Commission
should be the third-party administrator for the New Solar Homes
Partnership Program pursuant to subparagraph (A) of paragraph
(3) of subdivision (e) of Section 2851 of the Public Utilities Code,
any additional moneys made available to fund the New Solar
Homes Partnership Program shall be deposited into the Emerging
Renewable Resources Account of the Renewable Resource Trust
Fund and used for this purpose.
SEC. 3. Section 306 of the Public Utilities Code is amended
to read:
306. (a) The office of the commission shall be in the City and
County of San Francisco. The office shall always be open, legal
holidays and nonjudicial days excepted. The commission shall
hold its sessions at least once in each calendar month in the City
and County of San Francisco or the City of Sacramento. The
commission may also meet at such other times and in such
other places as may be expedient and necessary for the proper
performance of its duties, and for that purpose may rent quarters
or offices.
(b) The meetings of the commission shall be open and public in accordance with the provisions of Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code.

In addition to the requirements of Section 11125 of the Government Code, the commission shall include in its notice of meetings the agenda of business to be transacted, and no item of business shall be added to the agenda subsequent to the notice in the absence of an unforeseen emergency situation. A rate increase shall not constitute an unforeseen emergency situation. As used in this subdivision, “meeting” shall include all investigations, proceedings, and showings required by law to be open and public.

(c) The commission shall have a seal, bearing the inscription “Public Utilities Commission State of California.” The seal shall be affixed to all writs and authentications of copies of records and to such other instruments as the commission shall direct.

(d) The commission may procure all necessary books, maps, charts, stationery, instruments, office furniture, apparatus, and appliances.

SEC. 4. Section 307.1 is added to the Public Utilities Code, to read:

307.1. (a) The commission shall notify the Joint Legislative Budget Committee when it enters into a contract for outside legal counsel to represent the commission in any criminal investigation at an expense exceeding one million dollars ($1,000,000) and shall provide a copy of the contract to that committee within 10 days of it being approved by the Department of General Services.

(b) A contract of any size entered into by the commission for outside legal counsel in any criminal investigation shall not include terms providing for the representation of individual employees except as provided in Section 995.9 of the Government Code. Copies of any contract for the representation of individual employees in a criminal investigation pursuant to Section 995.9 of the Government Code shall be provided to the Joint Legislative Budget Committee within 10 days of the date the contract is approved by the Department of General Services.

SEC. 5. Section 309.5 of the Public Utilities Code is amended to read:
309.5. (a) There is within the commission an independent Office of Ratepayer Advocates to represent and advocate on behalf of the interests of public utility customers and subscribers within the jurisdiction of the commission. The goal of the office shall be to obtain the lowest possible rate for service consistent with reliable and safe service levels. For revenue allocation and rate design matters, the office shall primarily consider the interests of residential and small commercial customers.

(b) (1) The director of the office shall be appointed by, and serve at the pleasure of, the Governor, subject to confirmation by the Senate.

(2) The director shall annually appear before the appropriate policy committees of the Assembly and the Senate to report on the activities of the office.

(c) The director shall develop a budget for the office that shall be subject to final approval of the Department of Finance. As authorized in the approved budget, the office shall employ personnel and resources, including attorneys and other legal support staff, at a level sufficient to ensure that customer and subscriber interests are effectively represented in all significant proceedings. The office may employ experts necessary to carry out its functions. The director may appoint a lead attorney who shall represent the office, and shall report to and serve at the pleasure of the director.

(d) The commission shall coordinate with the office to develop appropriate procedures to ensure that the existence of the office does not create a conflict of roles for any employee. The procedures shall include, but shall not be limited to, the development of a code of conduct and procedures for ensuring that advocates and their representatives on a particular case or proceeding are not advising decisionmakers on the same case or proceeding.

(e) The office may compel the production or disclosure of any information it deems necessary to perform its duties from any entity regulated by the commission, provided that any objections to any request for information shall be decided in writing by the assigned commissioner or by the president of the commission, if there is no assigned commissioner.

(f) There is hereby created the Public Utilities Commission Ratepayer Advocate Account in the General Fund. Moneys from the Public Utilities Commission Utilities Reimbursement Account in the General Fund shall be transferred in the annual Budget Act...
to the Public Utilities Commission Ratepayer Advocate Account.

The funds in the Public Utilities Commission Ratepayer Advocate
Account shall be a budgetary program fund administered and
utilized exclusively by the office in the performance of its duties
as determined by the director. The director shall annually submit
a staffing report containing a comparison of the staffing levels for
each five-year period.

(g) On or before January 10 of each year, the office shall provide
to the chairperson of the fiscal committee of each house of the
Legislature and to the Joint Legislative Budget Committee all of
the following information:

(1) The number of personnel years utilized during the prior year
by the Office of Ratepayer Advocates.

(2) The total dollars expended by the Office of Ratepayer
Advocates in the prior year, the estimated total dollars expended
in the current year, and the total dollars proposed for appropriation
in the following budget year.

(3) Workload standards and measures for the Office of
Ratepayer Advocates.

(h) The office shall meet and confer in an informal setting with
a regulated entity prior to issuing a report or pleading to the
commission regarding alleged misconduct, or a violation of a law
or a commission rule or order, raised by the office in a complaint.
The meet and confer process shall be utilized in good faith to reach
agreement on issues raised by the office regarding any regulated
entity in the complaint proceeding.

SEC. 3. Section 326.6 is added to the Public Utilities Code, to
read:

326.6. The commission shall not fund any program by a state
entity using charges collected from ratepayers unless expressly
authorized to do so by statute enacted by the Legislature, including
the annual Budget Act.

SEC. 4.
SEC. 6. Section 326.7 is added to the Public Utilities Code, to
read:

326.7. The commission, Department of Finance, on a
semiannual basis, shall provide to the Joint Legislative Budget
Committee a written notification of any redirection of funds and
positions, positions within the commission, including any loaning
of staff to other state agencies or departments.
SEC. 5.
SEC. 7. Section 327.5 is added to the Public Utilities Code, to read:
327.5. (a) The California Research Bureau shall conduct a review of the organization of the commission to ensure that the commission is the best governmental entity to continue to direct, regulate, and oversee activities under the commission’s jurisdiction, including safety enforcement, in energy, communications, transportation, and water sectors, to determine whether other governmental entities are duplicating the activities of the commission, and to determine whether other governmental entities are better situated to regulate and oversee those activities.
(b) In conducting the review, the California Research Bureau, in consultation with appropriate state entities, shall do all of the following:
(1) Make recommendations as to which state or local agencies are best suited to regulate and oversee those activities specified in subdivision (a).
(2) Make recommendations for improving oversight, regulation, and efficiency to best serve California’s ratepayers, businesses, and utilities.
(3) Estimate the costs associated with the implementation of its recommendations.
SEC. 8. Section 769.5 is added to the Public Utilities Code, to read:
769.5. (a) By April 1, 2016, the commission shall establish an expedited distribution grid interconnection dispute resolution process with the goal of resolving disputes over interconnection applications that are within the jurisdiction of the commission in no more than 60 days from the time the dispute is formally brought to the commission.
(b) The expedited distribution grid interconnection dispute resolution process shall include the following elements:
(1) A distribution grid interconnection technical advisory panel consisting of at least eight individuals selected by the commission. Four of the technical advisory panel members shall be from electrical corporations and four shall not be from electrical corporations. The commission shall determine the length of the term of each member. If any member of the panel is an employee of, or contractor to, an electrical corporation, an employee of a
vendor with an open application, or has a financial interest or financial relationship to a person or corporation with a financial interest in the outcome of the decision, that member shall not participate in any discussion involving that electrical corporation, vendor, or financially interested person or corporation.

(2) A review panel of four members shall be selected from the technical advisory panel for each dispute.

(3) If an applicant is unable to resolve an interconnection-related dispute after working with the electrical corporation operating the distribution grid, the applicant may seek resolution of the dispute using the commission’s expedited distribution grid interconnection dispute resolution process.

(4) Upon agreeing to a final settlement of the dispute, parties shall be free to withdraw from the dispute resolution process.

(5) If the dispute is filed with the commission, the commission shall ensure that a technical advisory panel shall review the dispute and make a recommendation to the executive director of the commission within 30 days of receiving the dispute.

(6) The commission shall establish a public process to allow the electrical corporation, the applicant, and other interested parties to file written comments on the recommendation of the technical advisory panel.

(7) The panel shall request appropriate documents from the electrical corporation involved in the dispute, including, but not limited to, interconnection application studies.

(8) The scope of the technical advisory panel’s review shall be limited to issues regarding compliance with the established interconnection rules. Any recommendations shall ensure safe and reliable interconnection.

(9) The scope of the technical advisory panel’s review is limited to making recommendations to resolve specific customer disputes and recommending associated corrective actions, and the panel shall have no authority to assess penalties.

(10) Upon receipt of the recommendation from the technical advisory panel, the executive director shall have 30 days to review the recommendation and to prepare an order to the electrical corporation resolving the dispute. If the review panel from the technical advisory panel cannot agree on recommendations, then each recommendation of a review panel member shall be submitted
to the executive director, who shall make the decision resolving
the dispute.

(11) Any interested person seeking commission review of the
executive director’s determination shall file the request for review
within 10 days of the determination. Upon receipt of the request
for review, the executive director or the energy division director
shall prepare a proposed resolution of the matter for approval by
the commission.

c) The commission shall provide the members of the technical
advisory panel that are not from electrical corporations with an
appropriate per diem compensation consistent with Section 19822.5

SEC. 6.

SEC. 9. The Public Utilities Commission shall report to the
relevant policy and fiscal committees of the Legislature on the
outcomes of the California Hub for Energy Efficiency Financing,
or CHEEF, program. The commission shall not approve any
extension of the CHEEF program sooner than 30 days after making
its report pursuant to this section.

SEC. 7.

SEC. 10. The sum of five million dollars ($5,000,000) is hereby
appropriated from the Public Utilities Commission Utilities
Reimbursement Account to the Public Utilities Commission for
the support of the commission.

SEC. 8.

SEC. 11. This act is a bill providing for appropriations related
to the Budget Bill within the meaning of subdivision (e) of Section
12 of Article IV of the California Constitution, has been identified
as related to the budget in the Budget Bill, and shall take effect
immediately.