

**Introduced by Senator Hertzberg**

February 18, 2016

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An act to amend Sections 910.4, 913.2, 913.4, 913.5, 913.10, 914.3, 914.7 of, and to repeal Sections 910.6, 913.3, 913.6, 913.8, 913.9, 913.11, and 913.13 of, the Public Utilities Code, relating to the Public Utilities Commission.

LEGISLATIVE COUNSEL'S DIGEST

SB 1222, as introduced, Hertzberg. Public Utilities Commission: reports.

The California Constitution establishes the Public Utilities Commission, with jurisdiction over all public utilities. The California Constitution grants the commission certain general powers over all public utilities, subject to control by the Legislature, and authorizes the Legislature to confer additional authority and jurisdiction upon the commission that is cognate and germane to the regulation of public utilities. Existing law requires the commission to submit various reports to the Legislature, legislative committees, and the Governor, as specified.

This bill would change the date by which the commission must submit specified reports, change the contents of specified reports, and repeal the provisions requiring the commission to submit specified reports.

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

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

- 1 SECTION 1. Section 910.4 of the Public Utilities Code is
- 2 amended to read:

1 910.4. By ~~January 10~~ *February 1* of each year, the commission  
2 shall report to the Joint Legislative Budget Committee and  
3 appropriate fiscal and policy committees of the Legislature, on all  
4 sources and amounts of funding and actual and proposed  
5 expenditures, both in the two prior fiscal years and for the proposed  
6 fiscal year, including any costs to ratepayers, related to both of the  
7 following:

8 (a) Entities or programs established by the commission by order,  
9 decision, motion, settlement, or other action, including, but not  
10 limited to, the California Clean Energy Fund, the California  
11 Emerging Technology Fund, and the Pacific Forest and Watershed  
12 Lands Stewardship Council. The report shall contain descriptions  
13 of relevant issues, including, but not limited to, all of the following:

14 (1) Any governance structure established for an entity or  
15 program.

16 (2) Any staff or employees hired by or for the entity or program  
17 and their salaries and expenses.

18 (3) Any staff or employees transferred or loaned internally or  
19 interdepartmentally for the entity or program and their salaries and  
20 expenses.

21 (4) Any contracts entered into by the entity or program, the  
22 funding sources for those contracts, and the legislative authority  
23 under which the commission entered into the contract.

24 (5) The public process and oversight governing the entity or  
25 program's activities.

26 (b) Entities or programs established by the commission, other  
27 than those expressly authorized by statute, under the following  
28 sections:

29 (1) Section 379.6.

30 (2) Section 399.8.

31 (3) Section 739.1.

32 (4) Section 2790.

33 (5) Section 2851.

34 SEC. 2. Section 910.6 of the Public Utilities Code is repealed.

35 ~~910.6. It is the intent of the Legislature that, commencing one~~  
36 ~~year from the date that the procedures described in subdivision (a)~~  
37 ~~of Section 311.4 are implemented, the commission annually review~~  
38 ~~the procedures and the technology involved to ensure the continued~~  
39 ~~effectiveness of the program, and report any findings to the~~  
40 ~~Legislature.~~

1 SEC. 3. Section 913.2 of the Public Utilities Code is amended  
2 to read:

3 ~~913.2. By January 1, 2011, and by January 1~~ *February 1* of  
4 ~~each year thereafter, year,~~ the commission shall report to the  
5 Governor and the Legislature on the commission's  
6 recommendations for a smart grid, the plans and deployment of  
7 smart grid technologies by the state's electrical corporations, and  
8 the costs and benefits to ratepayers.

9 SEC. 4. Section 913.3 of the Public Utilities Code is repealed.

10 ~~913.3. (a) By May 1 of each year, the commission shall prepare~~  
11 ~~and submit to the policy and fiscal committees of the Legislature~~  
12 ~~a written report summarizing the following information:~~

13 ~~(1) All electrical corporation revenue requirement increases~~  
14 ~~associated with meeting the renewables portfolio standard, as~~  
15 ~~defined in Section 399.12, including direct procurement costs for~~  
16 ~~eligible renewable energy resources and renewable energy credits,~~  
17 ~~administrative expenses for procurement, expenses incurred to~~  
18 ~~ensure a reliable supply of electricity, and expenses for upgrades~~  
19 ~~to the electrical transmission and distribution grid necessary to the~~  
20 ~~delivery of electricity from eligible renewable energy resources~~  
21 ~~to load.~~

22 ~~(2) All cost savings experienced, or costs avoided, by electrical~~  
23 ~~corporations as a result of meeting the renewables portfolio~~  
24 ~~standard.~~

25 ~~(3) All costs incurred by electrical corporations for incentives~~  
26 ~~for distributed and renewable generation, including the~~  
27 ~~self-generation incentive program, the California Solar Initiative,~~  
28 ~~and net energy metering.~~

29 ~~(4) All cost savings experienced, or costs avoided, by electrical~~  
30 ~~corporations as a result of incentives for distributed and renewable~~  
31 ~~generation.~~

32 ~~(5) All pending requests by an electrical corporation seeking~~  
33 ~~recovery in rates for renewable, fossil fuel, and nuclear~~  
34 ~~procurement costs, research, study, or pilot program costs.~~

35 ~~(6) The decision number for each decision of the commission~~  
36 ~~authorizing recovery in rates of costs incurred by an electrical~~  
37 ~~corporation since the preceding report.~~

38 ~~(7) Any change in the electrical load serviced by an electrical~~  
39 ~~corporation since the preceding report.~~

1     ~~(8) The efforts each electrical corporation is taking to recruit~~  
2     ~~and train employees to ensure an adequately trained and available~~  
3     ~~workforce, including the number of new employees hired by the~~  
4     ~~electrical corporation for purposes of implementing the~~  
5     ~~requirements of Article 16 (commencing with Section 399.11) of~~  
6     ~~Chapter 2.3, the goals adopted by the electrical corporation for~~  
7     ~~increasing women, minority, and disabled veterans trained or hired~~  
8     ~~for purposes of implementing the requirements of Article 16~~  
9     ~~(commencing with Section 399.11) of Chapter 2.3, and, to the~~  
10    ~~extent information is available, the number of new employees~~  
11    ~~hired and the number of women, minority, and disabled veterans~~  
12    ~~trained or hired by persons or corporations owning or operating~~  
13    ~~eligible renewable energy resources under contract with an~~  
14    ~~electrical corporation. This paragraph does not provide the~~  
15    ~~commission with authority to engage in, regulate, or expand its~~  
16    ~~authority to include, workforce recruitment or training.~~

17    ~~(b) The commission may combine the information required by~~  
18    ~~this section with the reports prepared pursuant to Article 16~~  
19    ~~(commencing with Section 399.11) of Chapter 2.3.~~

20    SEC. 5. Section 913.4 of the Public Utilities Code is amended  
21    to read:

22    913.4. (a) Notwithstanding subdivision (g) of Section 454.5  
23    and Section 583, no later than May 1 of each year, the commission  
24    shall release to the Legislature the costs of all electricity  
25    procurement contracts for eligible renewable energy resources,  
26    including unbundled renewable energy credits, and all costs for  
27    utility-owned generation approved by the commission. The first  
28    report shall include all costs commencing January 1, 2003.  
29    Subsequent reports shall include only costs for the preceding  
30    calendar year.

31    (1) For power purchase contracts, the commission shall release  
32    costs in an aggregated form categorized according to the year the  
33    procurement transaction was approved by the commission, the  
34    eligible renewable energy resource type, including bundled  
35    renewable energy credits, the average executed contract price, and  
36    average actual recorded costs for each kilowatthour of production.  
37    Within each renewable energy resource type, the commission shall  
38    provide aggregated costs for different project size thresholds.

39    (2) For each utility-owned renewable generation project, the  
40    commission shall release the costs forecast by the electrical

1 corporation at the time of initial approval and the actual recorded  
2 costs for each kilowatthour of production during the preceding  
3 calendar year.

4 *(b) The commission shall report all electrical corporation*  
5 *revenue requirement increases associated with meeting the*  
6 *renewables portfolio standard, as defined in Section 399.12,*  
7 *including direct procurement costs for eligible renewable energy*  
8 *resources and renewable energy credits.*

9 *(c) The commission shall report all cost savings experienced,*  
10 *or costs avoided, by electrical corporations as a result of meeting*  
11 *the renewables portfolio standard.*

12 ~~(b)~~

13 *(d) This section does not require the release of the terms of any*  
14 *individual electricity procurement contracts for eligible renewable*  
15 *energy resources, including unbundled renewable energy credits,*  
16 *approved by the commission. The commission shall aggregate*  
17 *data to the extent required to ensure protection of the confidentiality*  
18 *of individual contract costs even if this aggregation requires*  
19 *grouping contracts of different energy resource type. The*  
20 *commission shall not be required to release the data in any year*  
21 *when there are fewer than three contracts approved.*

22 ~~(e) The commission may combine the information required by~~  
23 ~~this section with the report prepared pursuant to Section 913.3.~~

24 SEC. 6. Section 913.5 of the Public Utilities Code is amended  
25 to read:

26 913.5. In order to evaluate the progress of the state’s electrical  
27 corporations in complying with the California Renewables Portfolio  
28 Standard Program (Article 16 (commencing with Section 399.11)  
29 of Chapter 2.3), the commission shall report to the Legislature ~~on~~  
30 ~~or before the first day of each quarter~~ *no later than November 1*  
31 *of each year on all of the following:*

32 ~~(a) The progress of each electrical corporation in meeting the~~  
33 ~~renewables portfolio standard, as defined in Section 399.12, and~~  
34 ~~status of procurement activities by each retail seller pursuant to~~  
35 ~~the California Renewables Portfolio Standard Program.~~

36 (b) For each electrical corporation, an implementation schedule  
37 to achieve the renewables portfolio standard procurement  
38 requirements, including all substantive actions that have been taken  
39 or will be taken to achieve the program procurement requirements.

1 (c) *The projected ability of each electrical corporation to meet*  
 2 *the renewables portfolio standard procurement requirements under*  
 3 *the cost limitations in subdivisions (c) and (d) of Section 399.15*  
 4 *and any recommendations for revisions of those cost limitations.*

5 (e)

6 (d) Any renewable energy procurement plan approved by the  
 7 commission pursuant to Section 399.13, schedule, and status report  
 8 for all substantive procurement, transmission development, and  
 9 other activities that the commission has approved to be undertaken  
 10 by an electrical corporation to achieve the procurement  
 11 requirements of the renewables portfolio standard.

12 (e) *Any barriers to, and policy recommendations for, achieving*  
 13 *the renewables portfolio standard pursuant to the California*  
 14 *Renewables Portfolio Standard Program.*

15 SEC. 7. Section 913.6 of the Public Utilities Code is repealed.

16 ~~913.6. The commission, in consultation with the Energy~~  
 17 ~~Commission, shall report to the Legislature by January 1 of every~~  
 18 ~~even-numbered year on all of the following:~~

19 ~~(a) The progress and status of procurement activities by each~~  
 20 ~~retail seller pursuant to the California Renewables Portfolio~~  
 21 ~~Standard Program (Article 16 (commencing with Section 399.11)~~  
 22 ~~of Chapter 2.3):~~

23 ~~(b) The status of permitting and siting eligible renewable energy~~  
 24 ~~resources and transmission facilities necessary to supply electricity~~  
 25 ~~generated to load, including the time taken to permit each eligible~~  
 26 ~~renewable energy resource and transmission line or upgrade,~~  
 27 ~~explanations of failures to meet permitting milestones, and~~  
 28 ~~recommendations for improvements to expedite permitting and~~  
 29 ~~siting processes.~~

30 ~~(c) The projected ability of each electrical corporation to meet~~  
 31 ~~the renewables portfolio standard procurement requirements under~~  
 32 ~~the cost limitations in subdivision (d) of Section 399.15 and any~~  
 33 ~~recommendations for revisions of those cost limitations.~~

34 ~~(d) Any barriers to, and policy recommendations for, achieving~~  
 35 ~~the renewables portfolio standard pursuant to the California~~  
 36 ~~Renewables Portfolio Standard Program (Article 16 (commencing~~  
 37 ~~with Section 399.11) of Chapter 2.3):~~

38 SEC. 8. Section 913.8 of the Public Utilities Code is repealed.

39 ~~913.8. In the report prepared pursuant Section 913.7, the~~  
 40 ~~commission shall include an assessment of each electrical~~

1 ~~corporation's and each gas corporation's implementation of the~~  
2 ~~program developed pursuant to Section 25943 of the Public~~  
3 ~~Resources Code.~~

4 SEC. 9. Section 913.9 of the Public Utilities Code is repealed.

5 ~~913.9. The commission shall report annually on its efforts to~~  
6 ~~identify ratepayer-funded energy efficiency programs that are~~  
7 ~~similar to programs administered by the Energy Commission, the~~  
8 ~~State Air Resources Board, and the California Alternative Energy~~  
9 ~~and Advanced Transportation Financing Authority in its annual~~  
10 ~~report prepared pursuant to Section 913 and to require revisions~~  
11 ~~to ratepayer-funded programs as necessary to ensure that the~~  
12 ~~ratepayer-funded programs complement and do not duplicate~~  
13 ~~programs of other state agencies.~~

14 SEC. 10. Section 913.10 of the Public Utilities Code is  
15 amended to read:

16 913.10. (a) On or before ~~January 1~~, *February 1*, 2010, and  
17 biennially thereafter, the commission, in consultation with the  
18 Independent System Operator and the State Energy Resources  
19 Conservation and Development Commission, shall study, and  
20 submit a report to the Legislature and the Governor, on the impacts  
21 of distributed energy generation on the state's distribution and  
22 transmission grid. The study shall evaluate all of the following:

23 (1) Reliability and transmission issues related to connecting  
24 distributed energy generation to the local distribution networks  
25 and regional grid.

26 (2) Issues related to grid reliability and operation, including  
27 interconnection, and the position of federal and state regulators  
28 toward distributed energy accessibility.

29 (3) The effect on overall grid operation of various distributed  
30 energy generation sources.

31 (4) Barriers affecting the connection of distributed energy to  
32 the state's grid.

33 (5) Emerging technologies related to distributed energy  
34 generation interconnection.

35 (6) Interconnection issues that may arise for the Independent  
36 System Operator and local distribution companies.

37 (7) The effect on peak demand for electricity.

38 (b) In addition, the commission shall specifically assess the  
39 impacts of the California Solar Initiative program, specified in  
40 Section 2851 and Section 25783 of the Public Resources Code,

1 the self-generation incentive program authorized by Section ~~379.6,~~  
2 ~~and the net energy metering pilot program authorized by Section~~  
3 ~~2827.9: 379.6.~~

4 SEC. 11. Section 913.11 of the Public Utilities Code is  
5 repealed.

6 ~~913.11. The commission shall provide a progress report to the~~  
7 ~~Legislature by January 30 of each odd-numbered year concerning~~  
8 ~~policies on rates, equipment, and infrastructure implemented by~~  
9 ~~the commission and other state agencies, federal and local~~  
10 ~~governmental agencies, and private industry to facilitate the use~~  
11 ~~of electricity to power, and natural gas to fuel, low-emission~~  
12 ~~vehicles.~~

13 SEC. 12. Section 913.13 of the Public Utilities Code is  
14 repealed.

15 ~~913.13. The commission shall annually report to the Legislature~~  
16 ~~on its implementation of Section 785.~~

17 SEC. 13. Section 914.3 of the Public Utilities Code is amended  
18 to read:

19 914.3. By ~~July 1~~ *December 31* of each year, the commission  
20 shall submit to the Governor and the Legislature a report that  
21 includes, based on yearend data, on an aggregated basis, the  
22 information submitted by holders pursuant to subdivision (b) of  
23 Section 5960. All information reported by the commission pursuant  
24 to this section shall be disclosed to the public only as provided for  
25 pursuant to Section 583. No individually identifiable customer or  
26 subscriber information shall be subject to public disclosure.

27 SEC. 14. Section 914.7 of the Public Utilities Code is amended  
28 to read:

29 914.7. (a) By ~~January 1~~ *April 1* of each year, the commission  
30 shall provide a report to the Legislature that includes all of the  
31 following information:

32 (1) The amount of funds expended from the California Advanced  
33 Services Fund in the prior year.

34 (2) The recipients of funds expended from the California  
35 Advanced Services Fund in the prior year.

36 (3) The geographic regions of the state affected by funds  
37 expended from the California Advanced Services Fund in the prior  
38 year.

39 (4) The expected benefits to be derived from the funds expended  
40 from the California Advanced Services Fund in the prior year.

1 (5) Actual broadband adoption levels from the funds expended  
2 from the California Advanced Services Fund in the prior year.

3 (6) The amount of funds expended from the California Advanced  
4 Services Fund used to match federal funds.

5 (7) An update on the expenditures from California Advanced  
6 Services Fund and broadband adoption levels, and an accounting  
7 of remaining unserved and underserved households and areas of  
8 the state.

9 (8) The status of the California Advanced Services Fund balance  
10 and the projected amount to be collected in each year through 2020  
11 to fund approved projects.

12 (b) Pursuant to Section 10231.5 of the Government Code, this  
13 section is repealed on January 1, 2021.

O