

AMENDED IN SENATE APRIL 12, 2016

AMENDED IN SENATE MARCH 29, 2016

SENATE BILL

No. 1222

Introduced by Senator Hertzberg

February 18, 2016

An act to amend Section 830.11 of the Penal Code, to repeal Section 25403 of the Public Resources Code, and to amend Sections 308.5, 309.7, 353.13, 353.15, 454.1, 740.5, 910.4, 913.2, 913.4, 913.5, 913.10, 914.3, 918.1, 956, 958.5, 2870, 2872.5, 2892.1, 3368, 5371.4, ~~and 5381.5 of, 5381.5, and 7661 of,~~ to add Section 913.14 to, to add and repeal Section 913.15 of, and to repeal Sections 318, 350, 747.5, 910.5, 910.6, 913.3, 913.6, 913.8, 913.9, 913.11, 913.13, 918.2, 2714.5, 2827.3, 2845, and 2867.1 of, the Public Utilities Code, relating to the Public Utilities Commission.

LEGISLATIVE COUNSEL'S DIGEST

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

The California Constitution establishes the Public Utilities Commission (PUC), with jurisdiction over all public utilities. The California Constitution grants the PUC 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 PUC that is cognate and germane to the regulation of public utilities. Existing law requires the PUC to submit various reports to the Legislature, legislative committees, and the Governor, as specified.

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

would repeal ~~certain a reporting requirements~~ *requirement* of electrical corporations and the PUC with respect to the 21st Century Energy System Decision, as defined. The bill would repeal a requirement that the PUC conduct a zero-based budget for all of its programs by January 10, 2015.

Existing law requires the State Energy Resources Conservation and Development Commission (Energy Commission) to submit to the PUC and to any local publicly owned electric utility recommendations designed to reduce wasteful, unnecessary, or uneconomic energy consumption resulting from specified practices, including differential rate structures, cost-of-service allocations, the disallowance of a business expense of advertising or promotional activities that encourage the use of electricity, peakload pricing, and other pricing measures. Existing law requires the PUC or local publicly owned electric utility to review and consider the recommendations of the Energy Commission and, within 6 months after the date it receives them, to report to the Governor and the Legislature its actions and reasons therefor with respect to each recommendation.

This bill would repeal these requirements.

The California Global Warming Solutions Act of 2006 establishes the State Air Resources Board (state board) as the state agency responsible for monitoring and regulating sources emitting greenhouse gases. Existing law requires the state board to report to the Governor and the Legislature by December 31, 2011, on the reduction in emissions of greenhouse gases resulting from the increase of new electrical generation that utilizes excess waste heat through combined heat and power systems and recommend policies that further the goals of the Waste Heat and Carbon Emissions Reduction Act.

This bill would repeal this reporting requirement.

This bill would also make various technical changes, including, but not limited to, changes to the responsibilities of various divisions of the PUC.

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. This act shall be known, and may be cited, as the
- 2 Public Utilities Commission Accountability Act of 2016.
- 3 SEC. 2. Section 830.11 of the Penal Code is amended to read:

1 830.11. (a) The following persons are not peace officers but
2 may exercise the powers of arrest of a peace officer as specified
3 in Section 836 and the power to serve warrants as specified in
4 Sections 1523 and 1530 during the course and within the scope of
5 their employment, if they receive a course in the exercise of those
6 powers pursuant to Section 832. The authority and powers of the
7 persons designated under this section shall extend to any place in
8 the state:

9 (1) Persons employed by the Department of Business Oversight
10 designated by the Commissioner of Business Oversight, provided
11 that the primary duty of these persons shall be the enforcement of,
12 and investigations relating to, the provisions of law administered
13 by the Commissioner of Business Oversight.

14 (2) Persons employed by the Bureau of Real Estate designated
15 by the Real Estate Commissioner, provided that the primary duty
16 of these persons shall be the enforcement of the laws set forth in
17 Part 1 (commencing with Section 10000) and Part 2 (commencing
18 with Section 11000) of Division 4 of the Business and Professions
19 Code. The Real Estate Commissioner may designate persons under
20 this section, who at the time of their designation, are assigned to
21 the Special Investigations Unit, internally known as the Crisis
22 Response Team.

23 (3) Persons employed by the State Lands Commission
24 designated by the executive officer, provided that the primary duty
25 of these persons shall be the enforcement of the law relating to the
26 duties of the State Lands Commission.

27 (4) Persons employed as investigators of the Investigations
28 Bureau of the Department of Insurance, who are designated by the
29 Chief of the Investigations Bureau, provided that the primary duty
30 of these persons shall be the enforcement of the Insurance Code
31 and other laws relating to persons and businesses, licensed and
32 unlicensed by the Department of Insurance, who are engaged in
33 the business of insurance.

34 (5) Persons employed as investigators ~~and investigator~~
35 ~~supervisors of the Consumer Services Division or the Rail Safety~~
36 ~~and Carrier Division of~~ by the Public Utilities ~~Commission~~
37 *Commission*, who are designated by the commission's executive
38 director and approved by the commission, *and their supervisors*
39 *up to the director level*, provided that the primary duty of these

1 persons shall be the enforcement of the law as that duty is set forth
2 in Section 308.5 of the Public Utilities Code.

3 (6) (A) Persons employed by the State Board of Equalization,
4 Investigations Division, who are designated by the board's
5 executive director, provided that the primary duty of these persons
6 shall be the enforcement of laws administered by the State Board
7 of Equalization.

8 (B) Persons designated pursuant to this paragraph are not entitled
9 to peace officer retirement benefits.

10 (7) Persons employed by the Department of Food and
11 Agriculture and designated by the Secretary of Food and
12 Agriculture as investigators, investigator supervisors, and
13 investigator managers, provided that the primary duty of these
14 persons shall be enforcement of, and investigations relating to, the
15 Food and Agricultural Code or Division 5 (commencing with
16 Section 12001) of the Business and Professions Code.

17 (8) The Inspector General and those employees of the Office
18 of the Inspector General as designated by the Inspector General,
19 provided that the primary duty of those persons shall be the
20 enforcement of the law relating to the duties of the Office of the
21 Inspector General.

22 (b) Notwithstanding any other provision of law, persons
23 designated pursuant to this section may not carry firearms.

24 (c) Persons designated pursuant to this section shall be included
25 as "peace officers of the state" under paragraph (2) of subdivision
26 (c) of Section 11105 for the purpose of receiving state summary
27 criminal history information and shall be furnished that information
28 on the same basis as peace officers of the state designated in
29 paragraph (2) of subdivision (c) of Section 11105.

30 ~~SEC. 2.~~

31 *SEC. 3.* Section 25403 of the Public Resources Code is
32 repealed.

33 *SEC. 4.* *Section 308.5 of the Public Utilities Code is amended*
34 *to read:*

35 308.5. Persons employed as investigators ~~and investigator~~
36 ~~supervisors of the Consumer Services Division or the Rail Safety~~
37 ~~and Carrier Division of by the commission~~ *commission*, who are
38 designated by the commission's executive director and approved
39 by the ~~commission~~ *commission*, *and their supervisors up to the*
40 *director level*, have the authority of peace officers, as specified in

1 paragraph (5) of subdivision (a) of Section 830.11 of the Penal
2 Code, while engaged in exercising the powers granted to or
3 performing the duties imposed upon them in investigating the ~~laws~~
4 *laws, orders, or regulations* administered by the commission or
5 commencing directly or indirectly any criminal prosecution arising
6 from any investigation conducted under these laws. All persons
7 herein referred to shall be deemed to be acting within the scope
8 of employment with respect to all acts and matters set forth in this
9 section.

10 *SEC. 5. Section 309.7 of the Public Utilities Code is amended*
11 *to read:*

12 309.7. (a) The division of the commission responsible for
13 ~~consumer protection and~~ *railroad* safety shall be responsible for
14 inspection, surveillance, and investigation of the rights-of-way,
15 facilities, equipment, and operations of railroads and public mass
16 transit guideways, and for enforcing state and federal laws,
17 regulations, orders, and directives relating to transportation of
18 persons or commodities, or both, of any nature or description by
19 rail. The division of the commission responsible for ~~consumer~~
20 ~~protection and~~ *railroad* safety shall advise the commission on all
21 matters relating to rail safety, and shall propose to the commission
22 rules, regulations, orders, and other measures necessary to reduce
23 the dangers caused by unsafe conditions on the railroads of the
24 state. The delegation of enforcement responsibility to the division
25 of the commission responsible for ~~consumer protection and~~
26 *railroad* safety shall not diminish the power of other agencies of
27 state government to enforce laws relating to employee or
28 environmental safety, pollution prevention, or public health and
29 safety.

30 (b) In performing its duties, the division of the commission
31 responsible for ~~consumer protection and~~ *railroad* safety shall
32 exercise all powers of investigation granted to the commission,
33 including rights to enter upon land or facilities, inspect books and
34 records, and compel testimony. The commission shall employ
35 sufficient federally certified inspectors to ensure at the time of
36 inspection that railroad locomotives and equipment and facilities
37 located in class I railroad yards in California are inspected not less
38 frequently than every 180 days, and all main and branch line tracks
39 are inspected not less frequently than every 12 months. In
40 performing its duties, the division of the commission responsible

1 for ~~consumer protection and~~ *railroad* safety shall consult with
2 representatives of railroad corporations, labor organizations
3 representing railroad employees, and the Federal Railroad
4 Administration.

5 (c) The general counsel shall assign to the division of the
6 commission responsible for ~~consumer protection and~~ *railroad*
7 safety the personnel and attorneys necessary to fully utilize the
8 powers granted to the commission by any state law, and by any
9 federal law relating to rail transportation, ~~including, but not limited~~
10 ~~to, the Federal Rail Safety Act (45 U.S.C. Sec. 421m et seq.);~~ to
11 enforce safety laws, rules, regulations, and orders, and to collect
12 fines and penalties resulting from the violation of any safety rule
13 or regulation.

14 (d) The activities of the division of the commission responsible
15 for ~~consumer protection and~~ *railroad* safety that relate to safe
16 operation of common carriers by rail, other than those relating to
17 grade crossing protection, shall also be supported by the fees paid
18 by railroad corporations, if any, pursuant to Sections 421 to 424,
19 inclusive. The activities of the division of the commission
20 responsible for ~~consumer protection and~~ *railroad* safety that relate
21 to grade crossing protection shall be supported by funds
22 appropriated therefor from the State Highway Account in the State
23 Transportation Fund.

24 ~~SEC. 3.~~

25 *SEC. 6.* Section 318 of the Public Utilities Code is repealed.

26 ~~SEC. 4.~~

27 *SEC. 7.* Section 350 of the Public Utilities Code is repealed.

28 ~~SEC. 5.~~

29 *SEC. 8.* Section 353.13 of the Public Utilities Code is amended
30 to read:

31 353.13. (a) The commission shall require each electrical
32 corporation to establish new tariffs on or before January 1, 2003,
33 for customers using distributed energy resources, including, but
34 not limited to, those that do not meet all of the criteria described
35 in Section 353.1. However, after January 1, 2003, distributed
36 energy resources that meet all of the criteria described in Section
37 353.1 shall continue to be subject only to those tariffs in existence
38 pursuant to Section 353.3, until June 1, 2011, except that
39 installations that do not operate in a combined heat and power
40 application will be subject to those tariffs in existence pursuant to

1 Section 353.3 only until June 1, 2006. Those tariffs required
2 pursuant to this section shall ensure that all net distribution costs
3 incurred to serve each customer class, taking into account the actual
4 costs and benefits of distributed energy resources, proportional to
5 each customer class, as determined by the commission, are fully
6 recovered only from that class. The commission shall require each
7 electrical corporation, in establishing those rates, to ensure that
8 customers with similar load profiles within a customer class will,
9 to the extent practicable, be subject to the same utility rates,
10 regardless of their use of distributed energy resources to serve
11 onsite loads or over-the-fence transactions allowed under Sections
12 216 and 218. Customers with dedicated facilities shall remain
13 responsible for their obligations regarding payment for those
14 facilities.

15 (b) In establishing the tariffs, the commission shall consider
16 coincident peakload, and the reliability of the onsite generation,
17 as determined by the frequency and duration of outages, so that
18 customers with more reliable onsite generation and those that
19 reduce peak demand pay a lower cost-based rate.

20 ~~SEC. 6:~~

21 *SEC. 9.* Section 353.15 of the Public Utilities Code is amended
22 to read:

23 353.15. (a) In order to evaluate the efficiency, emissions, and
24 reliability of distributed energy resources with a capacity greater
25 than 10 kilowatts, customers that install those resources pursuant
26 to this article shall report to the commission, on an annual basis,
27 all of the following information, as recorded on a monthly basis:

28 (1) Heat rate for the resource.

29 (2) Total kilowatthours produced in the peak and off-peak
30 periods, as determined by the ISO.

31 (3) Emissions data for the resource, as required by the State Air
32 Resources Board or the appropriate air quality management district
33 or air pollution control district.

34 (b) The commission shall release the information submitted
35 pursuant to subdivision (a) in a manner that does not identify the
36 individual user of the distributed energy resource.

37 ~~SEC. 7:~~

38 *SEC. 10.* Section 454.1 of the Public Utilities Code is amended
39 to read:

1 454.1. (a) Except as provided in subdivision (b), if a customer
2 with a maximum peak electrical demand in excess of 20 kilowatts
3 located or planning to locate within the service territory of an
4 electrical corporation receives a bona fide offer for electric service
5 from an irrigation district at rates less than the electrical
6 corporation's tariffed rates, the electrical corporation may discount
7 its noncommodity rates, but may not discount its noncommodity
8 rates below its distribution marginal cost of serving that customer.
9 For purposes of this subdivision, the costs of the electric
10 commodity shall be excluded from both the irrigation district and
11 electric corporation's rates. The electrical corporation may recover
12 any difference between its tariffed and discounted service from its
13 remaining customers, allocated as determined by the commission.
14 However, the reallocation may not increase rates to its remaining
15 customers by any greater amount than the rates would be increased
16 if the customer had taken electric distribution service from the
17 irrigation district and the irrigation district had paid the charge
18 established in subdivision (e) of Section 9607. Further, there shall
19 be a firewall preventing the reallocation of such differences
20 resulting from discounting to residential customers or to
21 commercial customers with maximum peak demands not in excess
22 of 20 kilowatts.

23 (b) Subdivision (a) does not apply to a cumulative 75 megawatts
24 of load served by the Merced Irrigation District, determined as
25 follows:

26 (1) The load is located within the boundaries of Merced
27 Irrigation District, as those boundaries existed on December 20,
28 1995, together with the territory of Castle Air Force Base which
29 was located outside the district on that date.

30 (2) For purposes of this section, a megawatt of load shall be
31 calculated in accordance with the methodology established by the
32 California Energy Resource Conservation and Development
33 Commission in its Docket No. 96-IRR-1890.

34 (c) Subdivision (a) applies to the load of customers that move
35 to the areas described in paragraph (1) of subdivision (b) after
36 December 31, 2000, and such load shall be excluded from the
37 calculation of the 75 megawatts in subdivision (b).

38 (d) If an electrical corporation seeks to apply the discounts
39 permitted under subdivision (a) within the geographic area
40 described in subdivision (b) of Section 9610, the electrical

1 corporation’s resulting rate for distribution service may not be less
2 than 120 percent of the electrical corporation’s marginal
3 distribution cost of serving that customer.

4 ~~SEC. 8.~~

5 *SEC. 11.* Section 740.5 of the Public Utilities Code is amended
6 to read:

7 740.5. (a) For purposes of this section, “21st Century Energy
8 System Decision” means commission Decision 12-12-031
9 (December 20, 2012), Decision Granting Authority to Enter Into
10 a Research and Development Agreement with Lawrence Livermore
11 National Laboratory for 21st Century Energy Systems and for
12 costs up to \$152.19 million, or any subsequent decision in
13 Application 11-07-008 (July 18, 2011), Application of Pacific Gas
14 and Electric Company (U39M), San Diego Gas and Electric
15 Company (U902E), and Southern California Edison Company
16 (U338E) for Authority to Increase Electric Rates and Charges to
17 Recover Costs of Research and Development Agreement with
18 Lawrence Livermore National Laboratory for 21st Century Energy
19 Systems.

20 (b) In implementing the 21st Century Energy System Decision,
21 the commission shall not authorize recovery from ratepayers of
22 any expense for research and development projects that are not
23 for purposes of cyber security and grid integration. Total funding
24 for research and development projects for purposes of cyber
25 security and grid integration pursuant to the 21st Century Energy
26 System Decision shall not exceed thirty-five million dollars
27 (\$35,000,000). All cyber security and grid integration research
28 and development projects shall be concluded by the fifth
29 anniversary of their start date.

30 (c) The commission shall not approve for recovery from
31 ratepayers those program management expenditures proposed,
32 commencing with page seven, in the joint advice letter filed by
33 the state’s three largest electrical corporations, Advice
34 3379-G/4215-E (Pacific Gas and Electric Company), Advice
35 2887-E (Southern California Edison Company), and Advice 2473-E
36 (San Diego Gas and Electric Company), dated April 19, 2013.
37 Project managers for the 21st Century Energy System Decision
38 shall be limited to three representatives, one representative each
39 from Pacific Gas and Electric Company, Southern California
40 Edison Company, and San Diego Gas and Electric Company.

1 (d) The commission shall require the Lawrence Livermore
2 National Laboratory, as a condition for entering into any contract
3 pursuant to the 21st Century Energy System Decision, and Pacific
4 Gas and Electric Company, Southern California Edison Company,
5 and San Diego Gas and Electric Company to ensure that research
6 parameters reflect a new contribution to cyber security and that
7 there not be a duplication of research being done by other private
8 and governmental entities.

9 ~~SEC. 9.~~

10 ~~SEC. 12.~~ Section 747.5 of the Public Utilities Code is repealed.

11 ~~SEC. 10.~~

12 ~~SEC. 13.~~ Section 910.4 of the Public Utilities Code is amended
13 to read:

14 910.4. By February 1 of each year, the commission shall report
15 to the Joint Legislative Budget Committee and appropriate fiscal
16 and policy committees of the Legislature, on all sources and
17 amounts of funding and actual and proposed expenditures, both
18 in the two prior fiscal years and for the proposed fiscal year,
19 including any costs to ratepayers, related to both of the following:

20 (a) Entities or programs established by the commission by order,
21 decision, motion, settlement, or other action, including, but not
22 limited to, the California Clean Energy Fund, the California
23 Emerging Technology Fund, and the Pacific Forest and Watershed
24 Lands Stewardship Council. The report shall contain descriptions
25 of relevant issues, including, but not limited to, all of the following:

26 (1) Any governance structure established for an entity or
27 program.

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

30 (3) Any staff or employees transferred or loaned internally or
31 interdepartmentally for the entity or program and their salaries and
32 expenses.

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

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

38 (b) Entities or programs established by the commission, other
39 than those expressly authorized by statute, under the following
40 sections:

1 (1) Section 379.6.

2 (2) Section 399.8.

3 (3) Section 739.1.

4 (4) Section 2790.

5 (5) Section 2851.

6 ~~SEC. 11.~~

7 *SEC. 14.* Section 910.5 of the Public Utilities Code is repealed.

8 ~~SEC. 12.~~

9 *SEC. 15.* Section 910.6 of the Public Utilities Code is repealed.

10 ~~SEC. 13.~~

11 *SEC. 16.* Section 913.2 of the Public Utilities Code is amended
12 to read:

13 913.2. By February 1 of each year, the commission shall report
14 to the Governor and the Legislature on the commission's
15 recommendations for a smart grid, the plans and deployment of
16 smart grid technologies by the state's electrical corporations, and
17 the costs and benefits to ratepayers.

18 ~~SEC. 14.~~

19 *SEC. 17.* Section 913.3 of the Public Utilities Code is repealed.

20 ~~SEC. 15.~~

21 *SEC. 18.* Section 913.4 of the Public Utilities Code is amended
22 to read:

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

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

1 (2) For each utility-owned renewable generation project, the
2 commission shall release the costs forecast by the electrical
3 corporation at the time of initial approval and the actual recorded
4 costs for each kilowatthour of production during the preceding
5 calendar year.

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

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

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

23 ~~SEC. 16.~~

24 *SEC. 19.* 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 no
30 later than November 1 of each year on all of the following:

31 (a) The progress and status of procurement activities by each
32 retail seller pursuant to the California Renewables Portfolio
33 Standard Program.

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

38 (c) The projected ability of each electrical corporation to meet
39 the renewables portfolio standard procurement requirements under

1 the cost limitations in subdivisions (c) and (d) of Section 399.15
2 and any recommendations for revisions of those cost limitations.

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

9 (e) Any barriers to, and policy recommendations for, achieving
10 the renewables portfolio standard pursuant to the California
11 Renewables Portfolio Standard Program.

12 ~~SEC. 17.~~

13 *SEC. 20.* Section 913.6 of the Public Utilities Code is repealed.

14 ~~SEC. 18.~~

15 *SEC. 21.* Section 913.8 of the Public Utilities Code is repealed.

16 ~~SEC. 19.~~

17 *SEC. 22.* Section 913.9 of the Public Utilities Code is repealed.

18 ~~SEC. 20.~~

19 *SEC. 23.* Section 913.10 of the Public Utilities Code is amended
20 to read:

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

28 (1) Reliability and transmission issues related to connecting
29 distributed energy generation to the local distribution networks
30 and regional grid.

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

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

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

38 (5) Emerging technologies related to distributed energy
39 generation interconnection.

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

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

4 (b) In addition, the commission shall specifically assess the
5 impacts of the California Solar Initiative program, specified in
6 Section 2851 and Section 25783 of the Public Resources Code,
7 the self-generation incentive program authorized by Section 379.6.

8 ~~SEC. 21.~~

9 ~~SEC. 24.~~ Section 913.11 of the Public Utilities Code is repealed.

10 ~~SEC. 22.~~

11 ~~SEC. 25.~~ Section 913.13 of the Public Utilities Code is repealed.

12 ~~SEC. 26.~~ *Section 913.14 is added to the Public Utilities Code,*
13 *to read:*

14 *913.14. On or before July 30, 2020, and by July 30 of every*
15 *third year thereafter through 2029, the commission shall submit*
16 *to the Legislature an assessment of the Multifamily Affordable*
17 *Housing Solar Roofs Program. That assessment shall include the*
18 *number of qualified multifamily affordable housing property sites*
19 *that have a qualifying solar energy system for which an award*
20 *was made pursuant to Chapter 9.5 (commencing with Section*
21 *2870) of Part 2 and the dollar value of the award, the electrical*
22 *generating capacity of the qualifying renewable energy system,*
23 *the bill reduction outcomes of the program for the participants,*
24 *the cost of the program, the total electrical system benefits, the*
25 *environmental benefits, the progress made toward reaching the*
26 *goals of the program, the program's impact on the CARE program*
27 *budget, and the recommendations for improving the program to*
28 *meet its goals. The report shall include an analysis of pending*
29 *program commitments, reservations, obligations, and projected*
30 *demands for the program to determine whether future ongoing*
31 *funding allocations for the program are substantiated. The report*
32 *shall also include a summary of the other programs intended to*
33 *benefit disadvantaged communities, including, but not limited to,*
34 *the Single-Family Affordable Solar Homes Program, the*
35 *Multifamily Affordable Solar Housing Program, and the Green*
36 *Tariff Shared Renewables Program (Chapter 7.6 (commencing*
37 *with Section 2831) of Part 2).*

38 ~~SEC. 27.~~ *Section 913.15 is added to the Public Utilities Code,*
39 *to read:*

1 913.15. (a) *The commission shall require each participating*
2 *electrical corporation to prepare and submit to the commission,*
3 *by 60 days following the conclusion of all research and*
4 *development projects, a joint report summarizing the outcome of*
5 *all funded projects, including an accounting of expenditures by*
6 *the project managers and grant recipients on administrative and*
7 *overhead costs and whether the project resulted in any*
8 *technological advancements or breakthroughs in promoting cyber*
9 *security and grid integration. The commission shall, within 30*
10 *days of receiving the joint report, determine whether the report is*
11 *sufficient or requires revision and, upon determining that the report*
12 *is sufficient, submit the report to the Legislature in compliance*
13 *with Section 9795 of the Government Code.*

14 (b) *This section shall remain in effect only until January 1, 2023,*
15 *and as of that date is repealed, unless a later enacted statute, that*
16 *is enacted before January 1, 2023, deletes or extends that date.*

17 ~~SEC. 23.~~

18 SEC. 28. Section 914.3 of the Public Utilities Code is amended
19 to read:

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

28 SEC. 29. Section 918.1 of the Public Utilities Code is amended
29 to read:

30 918.1. (a) The commission shall hire an independent entity
31 for not more than two hundred fifty thousand dollars (\$250,000)
32 to, in consultation with carrier trade associations for industries
33 under the jurisdiction of the commission, assess the ~~commission's~~
34 *capabilities of the commission's Transportation Enforcement*
35 *Branch to carry out the activities specified in subdivision (b) of*
36 *Section 5102*~~and~~ *and subdivision (b) of Section 5352. The*
37 *commission shall report to the Legislature no later than*~~January~~
38 *February 1, 2017. 2017, on licensing matters and no later than*
39 *July 1, 2017, on enforcement matters. The report shall contain an*

1 analysis of current capabilities and deficiencies, and
2 recommendations to overcome any deficiencies identified.

3 (b) The report shall be submitted in compliance with Section
4 9795 of the Government Code.

5 (c) Pursuant to Section 10231.5 of the Government Code, this
6 section shall remain in effect only until January 1, 2021, and as of
7 that date is repealed, unless a later enacted statute, that is enacted
8 before January 1, 2021, deletes or extends that date.

9 *SEC. 30. Section 918.2 of the Public Utilities Code is repealed.*

10 ~~918.2. (a) The commission shall hire an independent entity
11 for not more than two hundred fifty thousand dollars (\$250,000)
12 to, in consultation with carrier trade associations for industries
13 under the jurisdiction of the commission, assess the commission's
14 capabilities to carry out the activities specified in subdivision (b)
15 of Section 5352 and shall report to the Legislature no later than
16 January 1, 2017. The report shall contain an analysis of current
17 capabilities and deficiencies, and recommendations to overcome
18 any deficiencies identified.~~

19 ~~(b) The report shall be submitted in compliance with Section
20 9795 of the Government Code.~~

21 ~~(c) Pursuant to Section 10231.5 of the Government Code, this
22 section shall remain in effect only until January 1, 2021, and as of
23 that date is repealed, unless a later enacted statute, that is enacted
24 before January 1, 2021, deletes or extends that date.~~

25 ~~(d) The commission may combine the information required to
26 be reported by this section with the report prepared pursuant to
27 Section 918.1.~~

28 ~~SEC. 24.~~

29 *SEC. 31.* Section 956 of the Public Utilities Code is amended
30 to read:

31 956. (a) On or before July 1, 2012, the commission shall open
32 an appropriate proceeding or expand the scope of an existing
33 proceeding to establish compatible emergency response standards
34 that owners or operators of commission-regulated gas pipeline
35 facilities shall be required to follow for intrastate transmission and
36 distribution lines. The commission shall establish the standards to
37 ensure that intrastate transmission and distribution lines have
38 emergency response plans that adequately prepare them for a
39 natural disaster or malfunction that could cause injury to human

1 life or property, with the purpose of minimizing the occurrence of
2 both.

3 (b) The commission shall establish the compatible emergency
4 response standards in consultation with the California Emergency
5 Management Agency, the State Fire Marshal, and members of
6 California’s first responder community including, but not limited
7 to, members of the California Fire Chiefs Association.

8 (c) The compatible emergency response standards shall require
9 owners or operators of intrastate transmission and distribution lines
10 to implement emergency response plans that are compatible with
11 the United States Department of Transportation Pipeline and
12 Hazardous Materials Safety Administration’s regulations
13 concerning emergency plans contained in Section 192.615 of Title
14 49 of the Code of Federal Regulations, and those plans shall
15 include, but not be limited to, all of the following requirements:

16 (1) Emergency shutdown and pressure reduction shall be utilized
17 whenever deemed necessary and appropriate by the owners or
18 operators to minimize hazards to life or property. An owner or
19 operator shall notify appropriate first responders of emergency
20 shutdown and pressure reduction.

21 (2) During an emergency response effort, the incident
22 commander may direct coordination between first responders and
23 owners or operators to ensure timely and ongoing communication
24 on decisions for emergency shutdown and pressure reduction.

25 (3) Owners or operators of intrastate transmission and
26 distribution lines shall establish and maintain liaison with
27 appropriate fire, police, and other public officials to do all of the
28 following:

29 (A) Learn the responsibility and resources of each government
30 organization that may respond to a gas pipeline emergency,
31 including, but not limited to, the role of the incident commander
32 in an emergency.

33 (B) Acquaint the officials with the owner’s or operator’s ability
34 in responding to a gas pipeline emergency.

35 (C) Identify the types of gas pipeline emergencies of which the
36 owner or operator notifies the officials.

37 (D) Plan how the owner or operator and officials can engage in
38 mutual assistance to minimize hazards to life or property.

1 (E) Identify and update information on individual personnel
2 responsible for the liaison with the appropriate first responder
3 organizations.

4 (4) Owners and operators of intrastate transmission lines shall
5 provide the State Fire Marshal and the chief fire official of the
6 applicable city, county, city and county, or fire protection district
7 with instructions on how to access and utilize the National Pipeline
8 Mapping System developed by the United States Department of
9 Transportation, Pipeline and Hazardous Materials Safety
10 Administration, utilizing data submitted pursuant to Section 60132
11 of Title 49 of the United States Code, to improve local response
12 capabilities for pipeline emergencies.

13 *SEC. 32. Section 958.5 of the Public Utilities Code is amended*
14 *to read:*

15 958.5. (a) Twice a year, or as determined by the commission,
16 each gas corporation shall file with the division of the commission
17 responsible for ~~consumer protection and~~ utility safety a gas
18 transmission and storage safety report. The division of the
19 commission responsible for ~~consumer protection and~~ utility safety
20 shall review the reports to monitor each gas corporation's storage
21 and pipeline-related activities to assess whether the projects that
22 have been identified as high risk are being carried out, and to track
23 whether the gas corporation is spending its allocated funds on these
24 storage and pipeline-related safety, reliability, and integrity
25 activities for which they have received approval from the
26 commission.

27 (b) The gas transmission and storage safety report shall include
28 a thorough description and explanation of the strategic planning
29 and decisionmaking approach used to determine and rank the gas
30 storage projects, intrastate transmission line safety, integrity, and
31 reliability, operation and maintenance activities, and inspections
32 of its intrastate transmission lines. If there has been no change in
33 the gas corporation's approach for determining and ranking which
34 projects and activities are prioritized since the previous gas
35 transmission and storage safety report, the subsequent report may
36 reference the immediately preceding report.

37 (c) If the division of the commission responsible for ~~consumer~~
38 ~~protection and~~ utility safety determines that there is a deficiency
39 in a gas corporation's prioritization or administration of the storage
40 or pipeline capital projects or operation and maintenance activities,

1 the division shall bring the problems to the commission’s
2 immediate attention.

3 ~~SEC. 25.~~

4 *SEC. 33.* Section 2714.5 of the Public Utilities Code is repealed.

5 ~~SEC. 26.~~

6 *SEC. 34.* Section 2827.3 of the Public Utilities Code is repealed.

7 ~~SEC. 27.~~

8 *SEC. 35.* Section 2845 of the Public Utilities Code is repealed.

9 ~~SEC. 28.~~

10 *SEC. 36.* Section 2867.1 of the Public Utilities Code is repealed.

11 *SEC. 37.* *Section 2870 of the Public Utilities Code is amended*
12 *to read:*

13 2870. (a) As used in this section, the following terms have the
14 following meanings:

15 (1) “CARE program” means the California Alternate Rates for
16 Energy program established pursuant to Section 739.1.

17 (2) “Program” means the Multifamily Affordable Housing Solar
18 Roofs Program established pursuant to this chapter.

19 (3) “Qualified multifamily affordable housing property” means
20 a multifamily residential building of at least five rental housing
21 units that is operated to provide deed-restricted low-income
22 residential housing, as defined in clause (i) of subparagraph (A)
23 of paragraph (3) of subdivision (a) of Section 2852, and that meets
24 one or more of the following requirements:

25 (A) The property is located in a disadvantaged community, as
26 identified by the California Environmental Protection Agency
27 pursuant to Section 39711 of the Health and Safety Code.

28 (B) At least 80 percent of the households have incomes at or
29 below 60 percent of the area median income, as defined in
30 subdivision (f) of Section 50052.5 of the Health and Safety Code.

31 (4) “Solar energy system” means a solar energy photovoltaic
32 device that meets or exceeds the eligibility criteria established
33 pursuant to Section 25782 of the Public Resources Code.

34 (b) (1) Adoption and implementation of the Multifamily
35 Affordable Housing Solar Roofs Program may count toward the
36 satisfaction of the commission’s obligation to ensure that specific
37 alternatives designed for growth among residential customers in
38 disadvantaged communities are offered as part of the standard
39 contract or tariff authorized pursuant to paragraph (1) of
40 subdivision (b) of Section 2827.1.

1 (2) Nothing in this section shall preclude electrical corporations
2 from offering and administering a distributed energy resource
3 program, including solar energy systems, in disadvantaged
4 communities offered under current or proposed programs using
5 funds provided under subdivision (c) of Section 748.5 or programs
6 proposed to comply with paragraph (1) of subdivision (b) as
7 approved by the commission.

8 (c) The commission shall annually authorize the allocation of
9 one hundred million dollars (\$100,000,000) or 10 percent of
10 available funds, whichever is less, from the revenues described in
11 subdivision (c) of Section 748.5 for the Multifamily Affordable
12 Housing Solar Roofs Program, beginning with the fiscal year
13 commencing July 1, 2016, and ending with the fiscal year ending
14 June 30, 2020. The commission shall continue authorizing the
15 allocation of these funds through June 30, 2026, if the commission
16 determines that revenues are available after 2020 and that there is
17 adequate interest and participation in the program.

18 (d) The commission shall consider the most appropriate program
19 administration structure, including administration by a qualified
20 third-party administrator, selected by the commission through a
21 competitive bidding process, or administration by an electrical
22 corporation, in an existing or future proceeding.

23 (e) Not more than 10 percent of the funds allocated to the
24 program shall be used for administration.

25 (f) (1) By June 30, 2017, the commission shall authorize the
26 award of monetary incentives for qualifying solar energy systems
27 that are installed on qualified multifamily affordable housing
28 properties through December 31, 2030. The target of the program
29 is to install a combined generating capacity of at least 300
30 megawatts on qualified properties.

31 (2) The commission shall require that the electricity generated
32 by qualifying renewable energy systems installed pursuant to the
33 program be primarily used to offset electricity usage by low-income
34 tenants. These requirements may include required covenants and
35 restrictions in deeds.

36 (3) The commission shall require that qualifying solar energy
37 systems owned by third-party owners are subject to contractual
38 restrictions to ensure that no additional costs for the system be
39 passed on to low-income tenants at the properties receiving
40 incentives pursuant to the program. The commission shall require

1 third-party owners of solar energy systems to provide ongoing
2 operations and maintenance of the system, monitor energy
3 production, and, where necessary, take appropriate action to ensure
4 that the kWh production levels projected for the system are
5 achieved throughout the period of the third-party agreement. Such
6 actions may include, but are not limited to, providing a performance
7 guarantee of annual production levels or taking corrective actions
8 to resolve underproduction problems.

9 (4) The commission shall ensure that incentive levels for
10 photovoltaic installations receiving incentives through the program
11 are aligned with the installation costs for solar energy systems in
12 affordable housing markets and take account of federal investment
13 tax credits and contributions from other sources to the extent
14 feasible.

15 (5) The commission shall require that no individual installation
16 receive incentives at a rate greater than 100 percent of the total
17 system installation costs.

18 (6) The commission shall establish local hiring requirements
19 for the program to provide economic development benefits to
20 disadvantaged communities.

21 (7) The commission shall establish energy efficiency
22 requirements that are equal to the energy efficiency requirements
23 established for the program described in Section 2852, including
24 participation in a federal, state, or utility-funded energy efficiency
25 program or documentation of a recent energy efficiency retrofit.

26 (g) (1) Low-income tenants who participate in the program
27 shall receive credits on utility bills from the program. The
28 commission shall ensure that utility bill reductions are achieved
29 through tariffs that allow for the allocation of credits, such as
30 virtual net metering tariffs designed for Multifamily Affordable
31 Solar Housing Program participants, or other tariffs that may be
32 adopted by the commission pursuant to Section 2827.1.

33 (2) The commission shall ensure that electrical corporation tariff
34 structures affecting the low-income tenants participating in the
35 program continue to provide a direct economic benefit from the
36 qualifying solar energy system.

37 (h) Nothing in this chapter is intended to supplant CARE
38 program rates as the primary mechanism for achieving the goals
39 of the CARE program.

1 (i) The commission shall determine the eligibility of qualified
2 multifamily affordable housing property tenants that are customers
3 of community choice aggregators.

4 ~~(j) (1) On or before July 30, 2020, and by July 30 of every third~~
5 ~~year thereafter through 2029, the commission shall submit to the~~
6 ~~Legislature an assessment of the Multifamily Affordable Housing~~
7 ~~Solar Roofs Program. That assessment shall include the number~~
8 ~~of qualified multifamily affordable housing property sites that have~~
9 ~~a qualifying solar energy system for which an award was made~~
10 ~~pursuant to this chapter and the dollar value of the award, the~~
11 ~~electrical generating capacity of the qualifying renewable energy~~
12 ~~system, the bill reduction outcomes of the program for the~~
13 ~~participants, the cost of the program, the total electrical system~~
14 ~~benefits, the environmental benefits, the progress made toward~~
15 ~~reaching the goals of the program, the program's impact on the~~
16 ~~CARE program budget, and the recommendations for improving~~
17 ~~the program to meet its goals. The report shall include an analysis~~
18 ~~of pending program commitments, reservations, obligations, and~~
19 ~~projected demands for the program to determine whether future~~
20 ~~ongoing funding allocations for the program are substantiated. The~~
21 ~~report shall also include a summary of the other programs intended~~
22 ~~to benefit disadvantaged communities, including, but not limited~~
23 ~~to, the Single-Family Affordable Solar Homes Program, the~~
24 ~~Multifamily Affordable Solar Housing Program, and the Green~~
25 ~~Tariff Shared Renewables Program (Chapter 7.6 (commencing~~
26 ~~with Section 2831)).~~

27 ~~(2)~~

28 (j) (1) Every three years, the commission shall evaluate the
29 program's expenditures, commitments, uncommitted balances,
30 future demands, performance, and outcomes and shall make any
31 necessary adjustments to the program to ensure the goals of the
32 program are being met. If, upon review, the commission finds
33 there is insufficient participation in the program, the commission
34 may credit uncommitted funds back to ratepayers pursuant to
35 Section 748.5.

36 ~~(3)~~

37 (2) As part of the annual workplan required pursuant to Section
38 ~~321.6, 910~~, the commission shall provide an annual update of the
39 Multifamily Affordable Housing Solar Roofs Program that shall
40 include, but not be limited to, the number of projects approved,

1 number of projects completed, number of pending projects awaiting
2 approval, and geographic distribution of the projects.

3 ~~SEC. 29.~~

4 *SEC. 38.* Section 2872.5 of the Public Utilities Code is amended
5 to read:

6 2872.5. The commission, in consultation with the Office of
7 Emergency Services, shall open an investigative proceeding to
8 determine whether standardized notification systems and protocol
9 should be utilized by entities that are authorized to use automatic
10 dialing-announcing devices pursuant to subdivision (e) of Section
11 2872, to facilitate notification of affected members of the public
12 of local emergencies. The commission shall not establish standards
13 for notification systems or standard notification protocol unless it
14 determines that the benefits of the standards exceed the costs.

15 ~~SEC. 30.~~

16 *SEC. 39.* Section 2892.1 of the Public Utilities Code is amended
17 to read:

18 2892.1. (a) For purposes of this section, “telecommunications
19 service” means voice communication provided by a telephone
20 corporation as defined in Section 234, voice communication
21 provided by a provider of satellite telephone services, voice
22 communication provided by a provider of mobile telephony service,
23 as defined in Section 2890.2, and voice communication provided
24 by a commercially available facilities-based provider of voice
25 communication services utilizing voice over Internet Protocol or
26 any successor protocol.

27 (b) The commission, in consultation with the Office of
28 Emergency Services, shall open an investigative or other
29 appropriate proceeding to identify the need for telecommunications
30 service systems not on the customer’s premises to have backup
31 electricity to enable telecommunications networks to function and
32 to enable the customer to contact a public safety answering point
33 operator during an electrical outage, to determine performance
34 criteria for backup systems, and to determine whether the best
35 practices recommended by the Network Reliability and
36 Interoperability Council in December 2005, for backup systems
37 have been implemented by telecommunications service providers
38 operating in California. If the commission determines it is in the
39 public interest, the commission shall, consistent with subdivisions

1 (c) and (d), develop and implement performance reliability
2 standards.

3 (c) The commission, in developing any standards pursuant to
4 the proceeding required by subdivision (b), shall consider current
5 best practices and technical feasibility for establishing battery
6 backup requirements.

7 (d) The commission shall not implement standards pursuant to
8 the proceeding required by subdivision (b) unless it determines
9 that the benefits of the standards exceed the costs.

10 (e) The commission shall determine the feasibility of the use of
11 zero greenhouse gas emission fuel cell systems to replace diesel
12 backup power systems.

13 *SEC. 40. Section 3368 of the Public Utilities Code is amended*
14 *to read:*

15 ~~3368. (a) The commission, in consultation with the Energy~~
16 ~~Commission, shall prepare and submit to the authority and to the~~
17 ~~Legislature, within 90 days of the effective date of the act adding~~
18 ~~this section, a report on the present, planned, and required future~~
19 ~~capacity of the state's natural gas transportation and storage system~~
20 ~~to provide adequate, seasonally reliable amounts of competitively~~
21 ~~priced natural gas to residential, commercial, and industrial~~
22 ~~customers, including, but not limited to, electric generating plants.~~

23 ~~(b)~~

24 *3368. (a) The authority may provide financing for natural gas*
25 *transportation or storage projects recommended to it by the*
26 *commission. In recommending a project to the authority, the*
27 *commission shall ensure that the project is in the public interest.*

28 ~~(e)~~

29 *(b) Nothing in this section prevents the commission from acting*
30 *on its own authority to direct gas corporations within its jurisdiction*
31 *to construct, or facilitate the construction or operation, by the*
32 *owners or operators of pipelines not within the jurisdiction of the*
33 *commission, of, natural gas transportation and storage facilities*
34 *as the commission determines to be needed to provide adequate,*
35 *seasonally reliable amounts of competitively priced natural gas to*
36 *residential, commercial, and industrial customers, including, but*
37 *not limited to, electric generating plants.*

38 ~~SEC. 31.~~

39 *SEC. 41. Section 5371.4 of the Public Utilities Code is amended*
40 *to read:*

1 5371.4. (a) The governing body of any city, county, or city
2 and county may not impose a fee on charter-party carriers operating
3 limousines. However, the governing body of any city, county, or
4 city and county may impose a business license fee on, and may
5 adopt and enforce any reasonable rules and regulations pertaining
6 to operations within its boundaries for, any charter-party carrier
7 domiciled or maintaining a business office within that city, county,
8 or city and county.

9 (b) The governing body of any airport may not impose vehicle
10 safety, vehicle licensing, or insurance requirements on charter-party
11 carriers operating limousines that are more burdensome than those
12 imposed by the commission. However, the governing board of any
13 airport may require a charter-party carrier operating limousines to
14 obtain an airport permit for operating authority at the airport.

15 (c) Notwithstanding subdivisions (a) and (b), the governing
16 body of any airport may adopt and enforce reasonable and
17 nondiscriminatory local airport rules, regulations, and ordinances
18 pertaining to access, use of streets and roads, parking, traffic
19 control, passenger transfers, trip fees, and occupancy, and the use
20 of buildings and facilities, that are applicable to charter-party
21 carriers operating limousines on airport property.

22 (d) This section does not apply to any agreement entered into
23 pursuant to Sections 21690.5 to 21690.9, inclusive, between the
24 governing body of an airport and charter-party carriers operating
25 limousines.

26 (e) The governing body of any airport shall not impose a fee
27 based on gross receipts of charter-party carriers operating
28 limousines.

29 (f) Notwithstanding subdivisions (a) to (e), inclusive, nothing
30 in this section prohibits a city, county, city and county, or the
31 governing body of any airport, from adopting and enforcing
32 reasonable permit requirements, fees, rules, and regulations
33 applicable to charter-party carriers of passengers other than those
34 operating limousines.

35 (g) Notwithstanding subdivisions (a) to (e), inclusive, a city,
36 county, or city and county may impose reasonable rules for the
37 inspection of waybills of charter-party carriers of passengers
38 operating within the jurisdiction of the city, county, or city and
39 county, for purposes of verifying valid prearranged travel.

1 (h) For the purposes of this section, “limousine” includes any
2 sedan or sport utility vehicle, of either standard or extended length,
3 with a seating capacity of not more than 10 passengers including
4 the driver, used in the transportation of passengers for hire on a
5 prearranged basis within this state.

6 ~~SEC. 32.~~

7 *SEC. 42.* Section 5381.5 of the Public Utilities Code is amended
8 to read:

9 5381.5. (a) The commission shall, by rule or other appropriate
10 procedure, ensure that every charter-party carrier of passengers
11 operates on a prearranged basis within the state, consistent with
12 Section 5360.5. The commission shall require every charter-party
13 carrier of passengers to include on a waybill or trip report at least
14 all of the following:

15 (1) The name of at least one passenger in the traveling party,
16 or identifying information of the traveling party’s affiliation, along
17 with the point of origin and destination of the passenger or traveling
18 party.

19 (2) Information as to whether the transportation was arranged
20 by telephone, written contract, or electronic communication.

21 (b) A waybill or trip report may be kept in electronic or hardcopy
22 format. When requested by any commission or airport enforcement
23 officer or any official of a city, county, or city and county
24 authorized to inspect a waybill or trip report pursuant to subdivision
25 (g) of Section 5371.4, the waybill or trip report may be provided
26 in either electronic or hardcopy format.

27 (c) A charter-party carrier of passengers shall produce in its
28 office a hardcopy of any waybill or trip report when requested by
29 the commission or one of its authorized representatives pursuant
30 to Section 5389.

31 (d) This section shall become operative on January 1, 2014.

32 *SEC. 43.* Section 7661 of the Public Utilities Code is amended
33 to read:

34 7661. (a) The commission shall require every railroad
35 corporation operating in this state to develop, within 90 days of
36 the effective date of the act adding this section, in consultation
37 with, and with the approval of, the Office of Emergency Services,
38 a protocol for rapid communications with the Office of Emergency
39 Services, the Department of the California Highway Patrol, and
40 designated county public safety agencies in an endangered area if

1 there is a runaway train or any other uncontrolled train movement
2 that threatens public health and safety.

3 (b) A railroad corporation shall promptly notify the Office of
4 Emergency Services, the Department of the California Highway
5 Patrol, and designated county public safety agencies, through a
6 communication to the Warning Center of the Office of Emergency
7 Services, if there is a runaway train or any other uncontrolled train
8 movement that threatens public health and safety, in accordance
9 with the railroad corporation's communications protocol developed
10 pursuant to subdivision (a).

11 (c) The notification required pursuant to subdivision (b) shall
12 include the following information, whether or not an accident or
13 spill occurs:

14 (1) The information required by subdivision (c) of Section 7673.

15 (2) In the event of a runaway train, a train list.

16 (3) In the event of an uncontrolled train movement or
17 uncontrolled movement of railcars, a track list or other inventory
18 document if available.

19 (d) The division of the commission responsible for ~~consumer~~
20 ~~protection and~~ *railroad* safety shall investigate any incident that
21 results in a notification required pursuant to subdivision (b).