

AMENDED IN ASSEMBLY AUGUST 30, 2016

AMENDED IN ASSEMBLY AUGUST 19, 2016

AMENDED IN ASSEMBLY JUNE 16, 2016

AMENDED IN SENATE MAY 31, 2016

AMENDED IN SENATE APRIL 27, 2016

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, 365.1, 454.1, 454.55, 454.56, 740.5, 846, 910.4, 913.2, 914.3, 918.1, 956, 958.5, 1046, 2870, 2872.5, 2892.1, 5371.4, 5381.5, and 7661 of, to amend and renumber Sections 913.4, 913.5, 913.7, and 5436 of, to amend, renumber, and add Section 913.10 of, to amend, renumber, add, and repeal Section 913.12 of, to repeal Sections 318, 350, 747.5, 910.5, 910.6, 913.3, 913.6, 913.13, 918.2, 2714.5, 2827.3, 2845, 2867.1, 3346, and 3368 of, and to repeal and add Sections 913.8 and 913.11 of, the Public Utilities Code, relating to the Public Utilities Commission.

LEGISLATIVE COUNSEL'S DIGEST

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

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, renumber various codified reporting provisions, ~~reassign to the State Energy Resources Conservation and Development Commission (Energy Commission) the PUC's duty to prepare a specified report,~~ and repeal the provisions requiring the PUC to submit specified reports. The bill would repeal a reporting 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 also requires the Legislative Counsel to annually prepare, publish, and maintain an electronic list of all reports that state and local agencies are required or requested by law to prepare and file with the Governor or the Legislature, or both, in the future or within the preceding year.

This bill would require the Legislative Counsel to revise the list by deleting specified reports from the list.

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 and local publicly owned electric utilities to review and consider the recommendations of the Energy Commission and, within 6 months after the date they receive them, to report to the Governor and the Legislature their actions and reasons therefor with respect to each recommendation.

This bill would repeal these requirements.

Existing law relative to restructuring of the electrical industry authorizes an electrical corporation to apply to the commission for a determination that certain transition costs, as defined, may be recovered through fixed transition amounts, which would constitute transition property, as defined, and provides, until December 31, 2016, for the issuance of financing orders and provides for the issuance of rate reduction bonds to be paid out of rates.

This bill would extend the authorization for the issuance of these financing orders from December 31, 2016, to June 30, 2022.

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 minor or nonsubstantive changes, including, but not limited to, shifts in the responsibilities of various divisions of the PUC.

This bill would incorporate additional changes to Sections 454.55 and 454.56 of the Public Utilities Code, proposed by AB 1330, that would become operative only if this bill and that bill are chaptered and become effective on or before January 1, 2017, and this bill is chaptered last.

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 and Operations Act
- 3 of 2016.
- 4 SEC. 2. The Legislative Counsel shall revise the list required
- 5 by Section 10242.5 of the Government Code by deleting all of the
- 6 following Public Utilities Commission reports from the list:

- 1 (a) Description: Report on the energy efficiency and
2 conservation programs the commission oversees through the
3 California Board for Energy Efficiency
4 Authority: Item 8660-001-0462 of Section 2.00 of the Budget Act
5 of 1999
6 Date Due: Beginning March 1, 2000, and by each December 1
7 thereafter
8 Recipient: Legislature
- 9 (b) Description: If the commission determines that allowing
10 electrical corporations to purchase from multiple qualified
11 exchanges is in the public interest, the commission shall submit
12 its findings and recommendations
13 Authority: Item 8660-001-0462 of Section 2.00 of the Budget Act
14 of 2000.
15 Date Due: By June 1, 2001
16 Recipient: Legislature
- 17 (c) Description: Report that details the commission's backlog
18 of audits, including audits in progress but not yet completed
19 Authority: Item 8660-001-0462 of Section 2.00 of the Budget Act
20 of 2002
21 Date Due: On or before September 1, 2002
22 Recipient: Joint Legislative Budget Committee and fiscal
23 committees of the Legislature
- 24 (d) Description: Report that lists all audits completed, pending,
25 and forthcoming at the commission
26 Authority: Item 8660-001-0462 of Section 2.00 of the Budget Act
27 of 2002
28 Date Due: On or before December 15, 2002, and annually thereafter
29 Recipient: Joint Legislative Budget Committee and fiscal
30 committees of the Legislature
- 31 (e) Description: Evaluation of the progress of the state's investor
32 owned electric utilities in complying with the Renewables Portfolio
33 Standard pursuant to Section 387 of the Public Utilities Code
34 Authority: Item 8660-001-0462 of Section 2.00 of the Budget Act
35 of 2006
36 Date Due: On or before October 1, 2006, and quarterly thereafter
37 Recipient: Legislature
- 38 (f) Description: Report on the commission's efforts to produce
39 a review of the High-Cost Fund-B program, an update on its

- 1 proceedings, and its efforts to comply with the statutorily mandated
2 sunset of the program
3 Authority: Item 8660-001-0470 of Section 2.00 of the Budget Act
4 of 2007
5 Date Due: Quarterly
6 Recipient: Legislature
7 (g) Description: Establishment of a project management office
8 within the Information Services Branch of the Management
9 Services Division
10 Authority: Item 8660-001-0462 of Section 2.00 of the Budget Act
11 of 2008
12 Date Due: On or before January 10, 2010
13 Recipient: Legislature Budget and fiscal committees of the
14 Legislature
15 (h) Description: Report on its activities related to community
16 choice aggregation that includes detailed information on the formal
17 procedures established by the commission in order to monitor and
18 ensure compliance by electrical corporations with Chapter 838,
19 Statutes of 2002
20 Authority: Item 8660-001-0462 of Section 2.00 of the Budget Act
21 of 2010
22 Date Due: On or before January 31, 2011, and quarterly thereafter
23 Recipient: Fiscal and policy committees of the Legislature
24 (i) Description: Report on the outcomes of the various audits
25 that are performed by positions approved in the 2015–16 budget
26 Authority: Item 8660-001 of Section 2.00 of the Budget Act of
27 2015 (LAO)
28 Date Due: By April 15, 2016
29 Recipient: Appropriate budget subcommittees of the Legislature
30 (j) Description: Report on the number of cases where resolution
31 exceeded the time periods prescribed in scoping memos and the
32 days that commissioners presided in hearings
33 Authority: Section 13 of Chapter 856 of the Statutes of 1996
34 Date Due: January 1, 1999, and annually thereafter
35 Recipient: Legislature
36 (k) Description: Cost-effectiveness criteria for programs funded
37 in order to achieve a total reduction in peak electricity demand
38 and to meet the needs of low-income households
39 Authority: Section 5 of Chapter 7 of the Statutes of 2001, First
40 Extraordinary Session

1 Date Due: Within 10 days from the date of adoption of
2 cost-effectiveness criteria

3 Recipient: Governor, Joint Legislative Budget Committee, and
4 appropriate policy and fiscal committees of the Legislature

5 (l) Description: Changes made by Chapter 552 of the Statutes
6 of 2008 to Sections 688.020 and 688.030 of the Code of Civil
7 Procedure and to Section 2104 of the Public Utilities Code, as they
8 pertain to the status of the Public Utilities Commission as a
9 judgment creditor

10 Authority: Section 15 of Chapter 552 of the Statutes of 2008

11 Date Due: On or before January 1, 2013

12 Recipient: Assembly Committee on Judiciary and Senate
13 Committee on Judiciary

14 (m) Description: Results of a study to determine who benefits
15 from the net energy metering program and the extent to which
16 each class of ratepayers and each region of the state receiving
17 service under the net energy metering program is paying the full
18 cost of the services

19 Authority: Section 2827.1 of the Public Utilities Code

20 Date Due: Within 30 days of completion of the study

21 Recipient: Legislature

22 (n) Description: Evaluation of information supplied by electrical
23 corporations and gas corporations relative to their comparative
24 energy usage disclosure programs and any action undertaken by
25 the Public Utilities Commission in response to the evaluation

26 Authority: Section 715 of the Public Utilities Code

27 Date Due: None

28 Recipient: Legislature

29 SEC. 3. Section 830.11 of the Penal Code is amended to read:

30 830.11. (a) The following persons are not peace officers but
31 may exercise the powers of arrest of a peace officer as specified
32 in Section 836 and the power to serve warrants as specified in
33 Sections 1523 and 1530 during the course and within the scope of
34 their employment, if they receive a course in the exercise of those
35 powers pursuant to Section 832. The authority and powers of the
36 persons designated under this section shall extend to any place in
37 the state:

38 (1) Persons employed by the Department of Business Oversight
39 designated by the Commissioner of Business Oversight, provided
40 that the primary duty of these persons shall be the enforcement of,

1 and investigations relating to, the provisions of law administered
2 by the Commissioner of Business Oversight.

3 (2) Persons employed by the Bureau of Real Estate designated
4 by the Real Estate Commissioner, provided that the primary duty
5 of these persons shall be the enforcement of the laws set forth in
6 Part 1 (commencing with Section 10000) and Part 2 (commencing
7 with Section 11000) of Division 4 of the Business and Professions
8 Code. The Real Estate Commissioner may designate persons under
9 this section, who at the time of their designation, are assigned to
10 the Special Investigations Unit, internally known as the Crisis
11 Response Team.

12 (3) Persons employed by the State Lands Commission
13 designated by the executive officer, provided that the primary duty
14 of these persons shall be the enforcement of the law relating to the
15 duties of the State Lands Commission.

16 (4) Persons employed as investigators of the Investigations
17 Bureau of the Department of Insurance, who are designated by the
18 Chief of the Investigations Bureau, provided that the primary duty
19 of these persons shall be the enforcement of the Insurance Code
20 and other laws relating to persons and businesses, licensed and
21 unlicensed by the Department of Insurance, who are engaged in
22 the business of insurance.

23 (5) Persons employed as investigators and investigator
24 supervisors by the Public Utilities Commission, who are designated
25 by the commission's executive director and approved by the
26 commission, provided that the primary duty of these persons shall
27 be the enforcement of the law as that duty is set forth in Section
28 308.5 of the Public Utilities Code.

29 (6) (A) Persons employed by the State Board of Equalization,
30 Investigations Division, who are designated by the board's
31 executive director, provided that the primary duty of these persons
32 shall be the enforcement of laws administered by the State Board
33 of Equalization.

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

36 (7) Persons employed by the Department of Food and
37 Agriculture and designated by the Secretary of Food and
38 Agriculture as investigators, investigator supervisors, and
39 investigator managers, provided that the primary duty of these
40 persons shall be enforcement of, and investigations relating to, the

1 Food and Agricultural Code or Division 5 (commencing with
2 Section 12001) of the Business and Professions Code.

3 (8) The Inspector General and those employees of the Office
4 of the Inspector General as designated by the Inspector General,
5 provided that the primary duty of those persons shall be the
6 enforcement of the law relating to the duties of the Office of the
7 Inspector General.

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

10 (c) Persons designated pursuant to this section shall be included
11 as “peace officers of the state” under paragraph (2) of subdivision
12 (c) of Section 11105 for the purpose of receiving state summary
13 criminal history information and shall be furnished that information
14 on the same basis as peace officers of the state designated in
15 paragraph (2) of subdivision (c) of Section 11105.

16 SEC. 4. Section 25403 of the Public Resources Code is
17 repealed.

18 SEC. 5. Section 308.5 of the Public Utilities Code is amended
19 to read:

20 308.5. Persons employed as investigators and investigator
21 supervisors by the commission, who are designated by the
22 commission’s executive director and approved by the commission,
23 have the authority of peace officers, as specified in paragraph (5)
24 of subdivision (a) of Section 830.11 of the Penal Code, while
25 engaged in exercising the powers granted to or performing the
26 duties imposed upon them in investigating the laws, orders, or
27 regulations administered by the commission or commencing
28 directly or indirectly any criminal prosecution arising from any
29 investigation conducted under these laws. All persons herein
30 referred to shall be deemed to be acting within the scope of
31 employment with respect to all acts and matters set forth in this
32 section.

33 SEC. 6. Section 309.7 of the Public Utilities Code is amended
34 to read:

35 309.7. (a) The division of the commission responsible for
36 railroad safety shall be responsible for inspection, surveillance,
37 and investigation of the rights-of-way, facilities, equipment, and
38 operations of railroads and public mass transit guideways, and for
39 enforcing state and federal laws, regulations, orders, and directives
40 relating to transportation of persons or commodities, or both, of

1 any nature or description by rail. The division of the commission
2 responsible for railroad safety shall advise the commission on all
3 matters relating to rail safety, and shall propose to the commission
4 rules, regulations, orders, and other measures necessary to reduce
5 the dangers caused by unsafe conditions on the railroads of the
6 state. The delegation of enforcement responsibility to the division
7 of the commission responsible for railroad safety shall not diminish
8 the power of other agencies of state government to enforce laws
9 relating to employee or environmental safety, pollution prevention,
10 or public health and safety.

11 (b) In performing its duties, the division of the commission
12 responsible for railroad safety shall exercise all powers of
13 investigation granted to the commission, including rights to enter
14 upon land or facilities, inspect books and records, and compel
15 testimony. The commission shall employ sufficient federally
16 certified inspectors to ensure at the time of inspection that railroad
17 locomotives and equipment and facilities located in class I railroad
18 yards in California are inspected not less frequently than every
19 180 days, and all main and branch line tracks are inspected not
20 less frequently than every 12 months. In performing its duties, the
21 division of the commission responsible for railroad safety shall
22 consult with representatives of railroad corporations, labor
23 organizations representing railroad employees, and the Federal
24 Railroad Administration.

25 (c) The general counsel shall assign to the division of the
26 commission responsible for railroad safety the personnel and
27 attorneys necessary to fully utilize the powers granted to the
28 commission by any state law and by any federal law relating to
29 rail transportation, to enforce safety laws, rules, regulations, and
30 orders, and to collect fines and penalties resulting from the
31 violation of any safety rule or regulation.

32 (d) The activities of the division of the commission responsible
33 for railroad safety that relate to safe operation of common carriers
34 by rail, other than those relating to grade crossing protection, shall
35 also be supported by the fees paid by railroad corporations, if any,
36 pursuant to Sections 421 to 424, inclusive. The activities of the
37 division of the commission responsible for railroad safety that
38 relate to grade crossing protection shall be supported by funds
39 appropriated therefor from the State Highway Account in the State
40 Transportation Fund.

1 SEC. 7. Section 318 of the Public Utilities Code is repealed.

2 SEC. 8. Section 350 of the Public Utilities Code is repealed.

3 SEC. 9. Section 353.13 of the Public Utilities Code is amended

4 to read:

5 353.13. (a) The commission shall require each electrical
6 corporation to establish new tariffs on or before January 1, 2003,
7 for customers using distributed energy resources, including, but
8 not limited to, those that do not meet all of the criteria described
9 in Section 353.1. However, after January 1, 2003, distributed
10 energy resources that meet all of the criteria described in Section
11 353.1 shall continue to be subject only to those tariffs in existence
12 pursuant to Section 353.3, until June 1, 2011, except that
13 installations that do not operate in a combined heat and power
14 application will be subject to those tariffs in existence pursuant to
15 Section 353.3 only until June 1, 2006. Those tariffs required
16 pursuant to this section shall ensure that all net distribution costs
17 incurred to serve each customer class, taking into account the actual
18 costs and benefits of distributed energy resources, proportional to
19 each customer class, as determined by the commission, are fully
20 recovered only from that class. The commission shall require each
21 electrical corporation, in establishing those rates, to ensure that
22 customers with similar load profiles within a customer class will,
23 to the extent practicable, be subject to the same utility rates,
24 regardless of their use of distributed energy resources to serve
25 onsite loads or over-the-fence transactions allowed under Sections
26 216 and 218. Customers with dedicated facilities shall remain
27 responsible for their obligations regarding payment for those
28 facilities.

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

34 SEC. 10. Section 353.15 of the Public Utilities Code is
35 amended to read:

36 353.15. (a) In order to evaluate the efficiency, emissions, and
37 reliability of distributed energy resources with a capacity greater
38 than 10 kilowatts, customers that install those resources pursuant
39 to this article shall report to the commission, on an annual basis,
40 all of the following information, as recorded on a monthly basis:

1 (1) Heat rate for the resource.
2 (2) Total kilowatthours produced in the peak and off-peak
3 periods, as determined by the ISO.

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

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

10 SEC. 11. Section 365.1 of the Public Utilities Code is amended
11 to read:

12 365.1. (a) Except as expressly authorized by this section, and
13 subject to the limitations in subdivisions (b) and (c), the right of
14 retail end-use customers pursuant to this chapter to acquire service
15 from other providers is suspended until the Legislature, by statute,
16 lifts the suspension or otherwise authorizes direct transactions. For
17 purposes of this section, “other provider” means any person,
18 corporation, or other entity that is authorized to provide electric
19 service within the service territory of an electrical corporation
20 pursuant to this chapter, and includes an aggregator, broker, or
21 marketer, as defined in Section 331, and an electric service
22 provider, as defined in Section 218.3. “Other provider” does not
23 include a community choice aggregator, as defined in Section
24 331.1, and the limitations in this section do not apply to the sale
25 of electricity by “other providers” to a community choice
26 aggregator for resale to community choice aggregation electricity
27 consumers pursuant to Section 366.2.

28 (b) The commission shall allow individual retail nonresidential
29 end-use customers to acquire electric service from other providers
30 in each electrical corporation’s distribution service territory, up to
31 a maximum allowable total kilowatthours annual limit. The
32 maximum allowable annual limit shall be established by the
33 commission for each electrical corporation at the maximum total
34 kilowatthours supplied by all other providers to distribution
35 customers of that electrical corporation during any sequential
36 12-month period between April 1, 1998, and the effective date of
37 this section. Within six months of the effective date of this section,
38 or by July 1, 2010, whichever is sooner, the commission shall
39 adopt and implement a reopening schedule that commences
40 immediately and will phase in the allowable amount of increased

1 kilowatthours over a period of not less than three years, and not
2 more than five years, raising the allowable limit of kilowatthours
3 supplied by other providers in each electrical corporation's
4 distribution service territory from the number of kilowatthours
5 provided by other providers as of the effective date of this section,
6 to the maximum allowable annual limit for that electrical
7 corporation's distribution service territory. The commission shall
8 review and, if appropriate, modify its currently effective rules
9 governing direct transactions, but that review shall not delay the
10 start of the phase-in schedule.

11 (c) Once the commission has authorized additional direct
12 transactions pursuant to subdivision (b), it shall do both of the
13 following:

14 (1) Ensure that other providers are subject to the same
15 requirements that are applicable to the state's three largest electrical
16 corporations under any programs or rules adopted by the
17 commission to implement the resource adequacy provisions of
18 Section 380, the renewables portfolio standard provisions of Article
19 16 (commencing with Section 399.11), and the requirements for
20 the electricity sector adopted by the State Air Resources Board
21 pursuant to the California Global Warming Solutions Act of 2006
22 (Division 25.5 (commencing with Section 38500) of the Health
23 and Safety Code). This requirement applies notwithstanding any
24 prior decision of the commission to the contrary.

25 (2) (A) Ensure that, in the event that the commission authorizes,
26 in the situation of a contract with a third party, or orders, in the
27 situation of utility-owned generation, an electrical corporation to
28 obtain generation resources that the commission determines are
29 needed to meet system or local area reliability needs for the benefit
30 of all customers in the electrical corporation's distribution service
31 territory, the net capacity costs of those generation resources are
32 allocated on a fully nonbypassable basis consistent with departing
33 load provisions as determined by the commission, to all of the
34 following:

35 (i) Bundled service customers of the electrical corporation.

36 (ii) Customers that purchase electricity through a direct
37 transaction with other providers.

38 (iii) Customers of community choice aggregators.

39 (B) If the commission authorizes or orders an electrical
40 corporation to obtain generation resources pursuant to subparagraph

1 (A), the commission shall ensure that those resources meet a system
2 or local reliability need in a manner that benefits all customers of
3 the electrical corporation. The commission shall allocate the costs
4 of those generation resources to ratepayers in a manner that is fair
5 and equitable to all customers, whether they receive electric service
6 from the electrical corporation, a community choice aggregator,
7 or an electric service provider.

8 (C) The resource adequacy benefits of generation resources
9 acquired by an electrical corporation pursuant to subparagraph (A)
10 shall be allocated to all customers who pay their net capacity costs.
11 Net capacity costs shall be determined by subtracting the energy
12 and ancillary services value of the resource from the total costs
13 paid by the electrical corporation pursuant to a contract with a
14 third party or the annual revenue requirement for the resource if
15 the electrical corporation directly owns the resource. An energy
16 auction shall not be required as a condition for applying this
17 allocation, but may be allowed as a means to establish the energy
18 and ancillary services value of the resource for purposes of
19 determining the net costs of capacity to be recovered from
20 customers pursuant to this paragraph, and the allocation of the net
21 capacity costs of contracts with third parties shall be allowed for
22 the terms of those contracts.

23 (D) It is the intent of the Legislature, in enacting this paragraph,
24 to provide additional guidance to the commission with respect to
25 the implementation of subdivision (g) of Section 380, as well as
26 to ensure that the customers to whom the net costs and benefits of
27 capacity are allocated are not required to pay for the cost of
28 electricity they do not consume.

29 (d) (1) If the commission approves a centralized resource
30 adequacy mechanism pursuant to subdivisions (h) and (i) of Section
31 380, upon the implementation of the centralized resource adequacy
32 mechanism the requirements of paragraph (2) of subdivision (c)
33 shall be suspended. If the commission later orders that electrical
34 corporations cease procuring capacity through a centralized
35 resource adequacy mechanism, the requirements of paragraph (2)
36 of subdivision (c) shall again apply.

37 (2) If the use of a centralized resource adequacy mechanism is
38 authorized by the commission and has been implemented as set
39 forth in paragraph (1), the net capacity costs of generation resources
40 that the commission determines are required to meet urgent system

1 or urgent local grid reliability needs, and that the commission
2 authorizes to be procured outside of the Section 380 or Section
3 454.5 processes, shall be recovered according to the provisions of
4 paragraph (2) of subdivision (c).

5 (3) Nothing in this subdivision supplants the resource adequacy
6 requirements of Section 380 or the resource procurement
7 procedures established in Section 454.5.

8 SEC. 12. Section 454.1 of the Public Utilities Code is amended
9 to read:

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

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

35 (1) The load is located within the boundaries of Merced
36 Irrigation District, as those boundaries existed on December 20,
37 1995, together with the territory of Castle Air Force Base which
38 was located outside the district on that date.

1 (2) For purposes of this section, a megawatt of load shall be
2 calculated in accordance with the methodology established by the
3 Energy Commission in its Docket No. 96-IRR-1890.

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

8 (d) If an electrical corporation seeks to apply the discounts
9 permitted under subdivision (a) within the geographic area
10 described in subdivision (b) of Section 9610, the electrical
11 corporation's resulting rate for distribution service may not be less
12 than 120 percent of the electrical corporation's marginal
13 distribution cost of serving that customer.

14 SEC. 13. Section 454.55 of the Public Utilities Code is
15 amended to read:

16 454.55. (a) (1) The commission, in consultation with the
17 Energy Commission, shall identify all potentially achievable
18 cost-effective electricity efficiency savings and establish efficiency
19 targets for an electrical corporation to achieve, pursuant to Section
20 454.5, consistent with the targets established pursuant to
21 subdivision (c) of Section 25310 of the Public Resources Code.

22 (2) By July 1, 2018, and every four years thereafter, each
23 electrical corporation shall report on its progress toward achieving
24 the targets established pursuant to subdivision (a).

25 (b) (1) By December 31, 2023, the commission shall, in a new
26 or existing proceeding, undertake a comprehensive review of the
27 feasibility, costs, barriers, and benefits of achieving a cumulative
28 doubling of energy efficiency savings and demand reduction by
29 2030 pursuant to subdivision (c) of Section 25310 of the Public
30 Resources Code.

31 (2) Notwithstanding subdivision (c) of Section 25310 of the
32 Public Resources Code, if the commission concludes the targets
33 established for electrical corporations to achieve pursuant to
34 subdivision (a) are not cost effective, feasible, or pose potential
35 adverse impacts to public health and safety, the commission shall
36 revise the targets to the level that optimizes the amount of energy
37 efficiency savings and demand reduction and shall modify, revise,
38 or update its policies as needed to address barriers preventing
39 achievement of those targets.

1 *SEC. 13.5. Section 454.55 of the Public Utilities Code is*
2 *amended to read:*

3 454.55. (a) (1) The commission, in consultation with the
4 Energy Commission, shall identify all potentially achievable
5 cost-effective electricity efficiency savings and establish efficiency
6 targets for an electrical corporation to achieve, pursuant to Section
7 454.5, consistent with the targets established pursuant to
8 subdivision (c) of Section 25310 of the Public Resources Code.

9 (1)

10 (2) By July 1, 2018, and every four years thereafter, each
11 electrical corporation shall report on its progress toward achieving
12 the targets established pursuant to subdivision (a).

13 ~~(2) By July 1, 2019, and every four years thereafter, the~~
14 ~~commission shall, pursuant to Section 9795 of the Government~~
15 ~~Code, report to the Legislature on the progress toward achieving~~
16 ~~the targets established pursuant to subdivision (a). The commission~~
17 ~~shall include specific strategies for, and an update on, progress~~
18 ~~toward maximizing the contribution of electricity efficiency savings~~
19 ~~in disadvantaged communities identified pursuant to Section 39711~~
20 ~~of the Health and Safety Code.~~

21 (b) (1) By December 31, 2023, the commission shall, in a new
22 or existing proceeding, undertake a comprehensive review of the
23 feasibility, costs, barriers, and benefits of achieving a cumulative
24 doubling of energy efficiency savings and demand reduction by
25 2030 pursuant to subdivision (c) of Section 25310 of the Public
26 Resources Code.

27 (2) Notwithstanding subdivision (c) of Section 25310 of the
28 Public Resources Code, if the commission concludes the targets
29 established for electrical corporations to achieve pursuant to
30 subdivision (a) are not cost effective, feasible, or pose potential
31 adverse impacts to public health and safety, the commission shall
32 revise the targets to the level that optimizes the amount of energy
33 efficiency savings and demand reduction and shall modify, revise,
34 or update its policies as needed to address barriers preventing
35 achievement of those targets.

36 (c) *The commission shall ensure that there are sufficient moneys*
37 *available to electrical corporations to meet the efficiency targets*
38 *established pursuant to subdivision (a). This subdivision shall not*
39 *be construed to authorize the commission to impose or increase*
40 *any tax.*

1 SEC. 14. Section 454.56 of the Public Utilities Code is
2 amended to read:

3 454.56. (a) The commission, in consultation with the Energy
4 Commission, shall identify all potentially achievable cost-effective
5 natural gas efficiency savings and establish efficiency targets for
6 the gas corporation to achieve, consistent with the targets
7 established pursuant to subdivision (c) of Section 25310 of the
8 Public Resources Code.

9 (b) A gas corporation shall first meet its unmet resource needs
10 through all available natural gas efficiency and demand reduction
11 resources that are cost effective, reliable, and feasible.

12 (c) By July 1, 2018, and every four years thereafter, each gas
13 corporation shall report on its progress toward achieving the targets
14 established pursuant to subdivision (a).

15 (d) Notwithstanding subdivision (c) of Section 25310 of the
16 Public Resources Code, if the commission concludes in its review
17 pursuant to paragraph (1) of subdivision (b) of Section 454.55 that
18 the targets established for gas corporations to achieve pursuant to
19 subdivision (a) are not cost effective, feasible, or pose potential
20 adverse impacts to public health and safety, the commission shall
21 revise the targets to the level that maximizes the amount of energy
22 efficiency savings and demand reduction and shall modify, revise,
23 or update its policies as needed to address barriers preventing
24 achievement of those targets.

25 *SEC. 14.5. Section 454.56 of the Public Utilities Code is*
26 *amended to read:*

27 454.56. (a) The commission, in consultation with the Energy
28 Commission, shall identify all potentially achievable cost-effective
29 natural gas efficiency savings and establish efficiency targets for
30 the gas corporation to achieve, consistent with the targets
31 established pursuant to subdivision (c) of Section 25310 of the
32 Public Resources Code.

33 (b) A gas corporation shall first meet its unmet resource needs
34 through all available natural gas efficiency and demand reduction
35 resources that are cost effective, reliable, and feasible.

36 (c) By July 1, 2018, and every four years thereafter, each gas
37 corporation shall report on its progress toward achieving the targets
38 established pursuant to subdivision (a).

39 ~~(d) By July 1, 2019, and every four years thereafter, the~~
40 ~~commission shall, pursuant to Section 9795 of the Government~~

1 ~~Code, report to the Legislature on the progress toward achieving~~
2 ~~the targets establish pursuant to subdivision (a). The commission~~
3 ~~shall include specific strategies for, and an update on, progress~~
4 ~~toward maximizing the contribution of energy efficiency savings~~
5 ~~in disadvantaged communities identified pursuant to Section 39711~~
6 ~~of the Health and Safety Code.~~

7 (e)

8 (d) Notwithstanding subdivision (c) of Section 25310 of the
9 Public Resources Code, if the commission concludes in its review
10 pursuant to paragraph (1) of subdivision (b) of Section 454.55 that
11 the targets established for gas corporations to achieve pursuant to
12 subdivision (a) are not cost effective, feasible, or pose potential
13 adverse impacts to public health and safety, the commission shall
14 revise the targets to the level that maximizes the amount of energy
15 efficiency savings and demand reduction and shall modify, revise,
16 or update its policies as needed to address barriers preventing
17 achievement of those targets.

18 (e) *The commission shall ensure that there are sufficient moneys*
19 *available to gas corporations to meet the efficiency targets*
20 *established pursuant to subdivision (a). This subdivision shall not*
21 *be construed to authorize the commission to impose or increase*
22 *any tax.*

23 SEC. 15. Section 740.5 of the Public Utilities Code is amended
24 to read:

25 740.5. (a) For purposes of this section, “21st Century Energy
26 System Decision” means commission Decision 12-12-031
27 (December 20, 2012), Decision Granting Authority to Enter Into
28 a Research and Development Agreement with Lawrence Livermore
29 National Laboratory for 21st Century Energy Systems and for
30 costs up to one hundred fifty-two million one hundred ninety
31 thousand dollars (\$152,190,000) or any subsequent decision in
32 Application 11-07-008 (July 18, 2011), Application of Pacific Gas
33 and Electric Company (U39M), San Diego Gas and Electric
34 Company (U902E), and Southern California Edison Company
35 (U338E) for Authority to Increase Electric Rates and Charges to
36 Recover Costs of Research and Development Agreement with
37 Lawrence Livermore National Laboratory for 21st Century Energy
38 Systems.

39 (b) In implementing the 21st Century Energy System Decision,
40 the commission shall not authorize recovery from ratepayers of

1 any expense for research and development projects that are not
2 for purposes of cyber security and grid integration. Total funding
3 for research and development projects for purposes of cyber
4 security and grid integration pursuant to the 21st Century Energy
5 System Decision shall not exceed thirty-five million dollars
6 (\$35,000,000). All cyber security and grid integration research
7 and development projects shall be concluded by the fifth
8 anniversary of their start date.

9 (c) The commission shall not approve for recovery from
10 ratepayers those program management expenditures proposed,
11 commencing with page seven, in the joint advice letter filed by
12 the state's three largest electrical corporations, Advice
13 3379-G/4215-E (Pacific Gas and Electric Company), Advice
14 2887-E (Southern California Edison Company), and Advice 2473-E
15 (San Diego Gas and Electric Company), dated April 19, 2013.
16 Project managers for the 21st Century Energy System Decision
17 shall be limited to three representatives, one representative each
18 from Pacific Gas and Electric Company, Southern California
19 Edison Company, and San Diego Gas and Electric Company.

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

28 SEC. 16. Section 747.5 of the Public Utilities Code is repealed.

29 SEC. 17. Section 846 of the Public Utilities Code is amended
30 to read:

31 846. The authority of the commission to issue financing orders
32 pursuant to Section 841 shall expire on June 30, 2022. The
33 expiration of the authority shall have no effect upon financing
34 orders adopted by the commission pursuant to this article or any
35 transition property arising therefrom, or upon the charges
36 authorized to be levied thereunder, or the rights, interests, and
37 obligations of the electrical corporation or a financing entity or
38 holders of transition bonds pursuant to the financing order, or the
39 authority of the commission to monitor, supervise, or take further

1 action with respect to the order in accordance with the terms of
2 this article and of the order.

3 SEC. 18. Section 910.4 of the Public Utilities Code is amended
4 to read:

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

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

17 (1) Any governance structure established for an entity or
18 program.

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

21 (3) Any staff or employees transferred or loaned internally or
22 interdepartmentally for the entity or program and their salaries and
23 expenses.

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

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

29 (b) Entities or programs established by the commission, other
30 than those expressly authorized by statute, under the following
31 sections:

32 (1) Section 379.6.

33 (2) Section 399.8.

34 (3) Section 739.1.

35 (4) Section 2790.

36 (5) Section 2851.

37 SEC. 19. Section 910.5 of the Public Utilities Code is repealed.

38 SEC. 20. Section 910.6 of the Public Utilities Code is repealed.

39 SEC. 21. Section 913.2 of the Public Utilities Code is amended
40 to read:

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

6 SEC. 22. Section 913.3 of the Public Utilities Code is repealed.

7 SEC. 23. Section 913.4 of the Public Utilities Code is amended
8 and renumbered to read:

9 913.3. (a) Notwithstanding subdivision (g) of Section 454.5
10 and Section 583, no later than May 1 of each year, the commission
11 shall release to the Legislature for the preceding calendar year the
12 costs of all electricity procurement contracts for eligible renewable
13 energy resources, including unbundled renewable energy credits,
14 and all costs for utility-owned generation approved by the
15 commission.

16 (1) For power purchase contracts, the commission shall release
17 costs in an aggregated form categorized according to the year the
18 procurement transaction was approved by the commission, the
19 eligible renewable energy resource type, including bundled
20 renewable energy credits, the average executed contract price, and
21 average actual recorded costs for each kilowatthour of production.
22 Within each renewable energy resource type, the commission shall
23 provide aggregated costs for different project size thresholds.

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

29 (b) The commission shall report all electrical corporation
30 revenue requirement increases associated with meeting the
31 renewables portfolio standard, as defined in Section 399.12,
32 including direct procurement costs for eligible renewable energy
33 resources and renewable energy credits.

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

37 (d) This section does not require the release of the terms of any
38 individual electricity procurement contracts for eligible renewable
39 energy resources, including unbundled renewable energy credits,
40 approved by the commission. The commission shall aggregate

1 data to the extent required to ensure protection of the confidentiality
2 of individual contract costs even if this aggregation requires
3 grouping contracts of different energy resource type. The
4 commission shall not be required to release the data in any year
5 when there are fewer than three contracts approved.

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

8 913.4. In order to evaluate the progress of the state's electrical
9 corporations in complying with the California Renewables Portfolio
10 Standard Program (Article 16 (commencing with Section 399.11)
11 of Chapter 2.3), the commission shall report to the Legislature no
12 later than November 1 of each year on all of the following:

13 (a) The progress and status of procurement activities by each
14 retail seller pursuant to the California Renewables Portfolio
15 Standard Program.

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

20 (c) The projected ability of each electrical corporation to meet
21 the renewables portfolio standard procurement requirements under
22 the cost limitations in subdivisions (c) and (d) of Section 399.15
23 and any recommendations for revisions of those cost limitations.

24 (d) Any renewable energy procurement plan approved by the
25 commission pursuant to Section 399.13, schedule, and status report
26 for all substantive procurement, transmission development, and
27 other activities that the commission has approved to be undertaken
28 by an electrical corporation to achieve the procurement
29 requirements of the renewables portfolio standard.

30 (e) Any barriers to, and policy recommendations for, achieving
31 the renewables portfolio standard pursuant to the California
32 Renewables Portfolio Standard Program.

33 (f) The efforts each electrical corporation is taking to recruit
34 and train employees to ensure an adequately trained and available
35 workforce, including the number of new employees hired by the
36 electrical corporation for purposes of implementing the
37 requirements of Article 16 (commencing with Section 399.11) of
38 Chapter 2.3, the goals adopted by the electrical corporation for
39 increasing women, minority, and disabled veterans trained or hired
40 for purposes of implementing the requirements of Article 16

1 (commencing with Section 399.11) of Chapter 2.3, and, to the
2 extent information is available, the number of new employees
3 hired and the number of women, minority, and disabled veterans
4 trained or hired by persons or corporations owning or operating
5 eligible renewable energy resources under contract with an
6 electrical corporation. This subdivision does not provide the
7 commission with authority to engage in, regulate, or expand its
8 authority to include, workforce recruitment or training.

9 SEC. 25. Section 913.6 of the Public Utilities Code is repealed.

10 SEC. 26. Section 913.7 of the Public Utilities Code is amended
11 and renumbered to read:

12 913.5. The commission shall submit a report to the Legislature
13 by July 15, 2009, and triennially thereafter, on the energy efficiency
14 and conservation programs it oversees. The report shall include
15 information regarding authorized utility budgets and expenditures
16 and projected and actual energy savings over the program cycle.

17 SEC. 27. Section 913.8 of the Public Utilities Code is repealed.

18 SEC. 28. Section 913.8 is added to the Public Utilities Code,
19 to read:

20 913.8. On or before July 30, 2020, and by July 30 of every
21 third year thereafter through 2029, the commission shall submit
22 to the Legislature an assessment of the Multifamily Affordable
23 Housing Solar Roofs Program. That assessment shall include the
24 number of qualified multifamily affordable housing property sites
25 that have a qualifying solar energy system for which an award was
26 made pursuant to Chapter 9.5 (commencing with Section 2870)
27 of Part 2 and the dollar value of the award, the electrical generating
28 capacity of the qualifying renewable energy system, the bill
29 reduction outcomes of the program for the participants, the cost
30 of the program, the total electrical system benefits, the
31 environmental benefits, the progress made toward reaching the
32 goals of the program, the program's impact on the CARE program
33 budget, and the recommendations for improving the program to
34 meet its goals. The report shall include an analysis of pending
35 program commitments, reservations, obligations, and projected
36 demands for the program to determine whether future ongoing
37 funding allocations for the program are substantiated. The report
38 shall also include a summary of the other programs intended to
39 benefit disadvantaged communities, including, but not limited to,
40 the Single-Family Affordable Solar Homes Program, the

1 Multifamily Affordable Solar Housing Program, and the Green
2 Tariff Shared Renewables Program (Chapter 7.6 (commencing
3 with Section 2831) of Part 2).

4 SEC. 29. Section 913.10 of the Public Utilities Code is
5 amended and renumbered to read:

6 913.6. (a) On or before February 1, 2010, and biennially
7 thereafter, the commission, in consultation with the Independent
8 System Operator and the Energy Commission, shall study and
9 submit a report to the Legislature and the Governor on the impacts
10 of distributed energy generation on the state's distribution and
11 transmission grid. The study shall evaluate all of the following:

12 (1) Reliability and transmission issues related to connecting
13 distributed energy generation to the local distribution networks
14 and regional grid.

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

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

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

22 (5) Emerging technologies related to distributed energy
23 generation interconnection.

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

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

27 (b) In addition, the commission shall specifically assess the
28 impacts of the California Solar Initiative program, specified in
29 Section 2851 and Section 25783 of the Public Resources Code,
30 the self-generation incentive program authorized by Section 379.6,
31 and the net energy metering program specified in Sections 2827
32 and 2827.1.

33 SEC. 30. Section 913.10 is added to the Public Utilities Code,
34 to read:

35 913.10. By July 1, 2019, and every four years thereafter, the
36 commission shall report to the Legislature on the progress toward
37 achieving the targets established pursuant to subdivision (a) of
38 Section 454.55. The commission shall include specific strategies
39 for, and an update on, progress toward maximizing the contribution

1 of electricity efficiency savings in disadvantaged communities
2 identified pursuant to Section 39711 of the Health and Safety Code.

3 SEC. 31. Section 913.11 of the Public Utilities Code is
4 repealed.

5 SEC. 32. Section 913.11 is added to the Public Utilities Code,
6 to read:

7 913.11. By July 1, 2019, and every four years thereafter, the
8 commission shall report to the Legislature on the progress toward
9 achieving the targets established pursuant to subdivision (a) of
10 Section 454.56. The commission shall include specific strategies
11 for, and an update on, progress toward maximizing the contribution
12 of energy efficiency savings in disadvantaged communities
13 identified pursuant to Section 39711 of the Health and Safety Code.

14 SEC. 33. Section 913.12 of the Public Utilities Code is
15 amended and renumbered to read:

16 913.7. On or before June 30 of each year, the commission shall
17 submit to the Legislature an assessment of the success of the
18 California Solar Initiative program. That assessment shall include
19 the number of residential and commercial sites that have installed
20 solar thermal devices for which an award was made pursuant to
21 subdivision (b) of Section 2851 and the dollar value of the award,
22 the number of residential and commercial sites that have installed
23 solar energy systems, the electrical generating capacity of the
24 installed solar energy systems, the cost of the program, total
25 electrical system benefits, including the effect on electrical service
26 rates, environmental benefits, how the program affects the
27 operation and reliability of the electrical grid, how the program
28 has affected peak demand for electricity, the progress made toward
29 reaching the goals of the program, whether the program is on
30 schedule to meet the program goals, and recommendations for
31 improving the program to meet its goals. If the commission
32 allocates additional moneys to research, development, and
33 demonstration that explores solar technologies and other distributed
34 generation technologies pursuant to paragraph (1) of subdivision
35 (c) of Section 2851, the commission shall include in the assessment
36 submitted to the Legislature, a description of the program, a
37 summary of each award made or project funded pursuant to the
38 program, including the intended purposes to be achieved by the
39 particular award or project, and the results of each award or project.

1 SEC. 34. Section 913.12 is added to the Public Utilities Code,
2 to read:

3 913.12. (a) The commission shall require each participating
4 electrical corporation to prepare and submit to the commission,
5 by 60 days following the conclusion of all research and
6 development projects, a joint report summarizing the outcome of
7 ~~all funded projects~~, *projects funded pursuant to Section 740.5*,
8 including an accounting of expenditures by the project managers
9 and grant recipients on administrative and overhead costs and
10 whether the project resulted in any technological advancements
11 or breakthroughs in promoting cyber security and grid integration.
12 The commission shall, within 30 days of receiving the joint report,
13 determine whether the report is sufficient or requires revision and,
14 upon determining that the report is sufficient, submit the report to
15 the Legislature.

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

19 SEC. 35. Section 913.13 of the Public Utilities Code is
20 repealed.

21 SEC. 36. Section 914.3 of the Public Utilities Code is amended
22 to read:

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

31 SEC. 37. Section 918.1 of the Public Utilities Code is amended
32 to read:

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

1 and no later than July 1, 2017, on enforcement matters. The report
2 shall contain an analysis of current capabilities and deficiencies,
3 and recommendations to overcome any deficiencies identified.

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

8 SEC. 38. Section 918.2 of the Public Utilities Code is repealed.

9 SEC. 39. Section 956 of the Public Utilities Code is amended
10 to read:

11 956. (a) On or before July 1, 2012, the commission shall open
12 an appropriate proceeding or expand the scope of an existing
13 proceeding to establish compatible emergency response standards
14 that owners or operators of commission-regulated gas pipeline
15 facilities shall be required to follow for intrastate transmission and
16 distribution lines. The commission shall establish the standards to
17 ensure that intrastate transmission and distribution lines have
18 emergency response plans that adequately prepare them for a
19 natural disaster or malfunction that could cause injury to human
20 life or property, with the purpose of minimizing the occurrence of
21 both.

22 (b) The commission shall establish the compatible emergency
23 response standards in consultation with the California Emergency
24 Management Agency, the State Fire Marshal, and members of
25 California’s first responder community including, but not limited
26 to, members of the California Fire Chiefs Association.

27 (c) The compatible emergency response standards shall require
28 owners or operators of intrastate transmission and distribution lines
29 to implement emergency response plans that are compatible with
30 the United States Department of Transportation, Pipeline and
31 Hazardous Materials Safety Administration’s regulations
32 concerning emergency plans contained in Section 192.615 of Title
33 49 of the Code of Federal Regulations, and those plans shall
34 include, but not be limited to, all of the following requirements:

35 (1) Emergency shutdown and pressure reduction shall be utilized
36 whenever deemed necessary and appropriate by the owners or
37 operators to minimize hazards to life or property. An owner or
38 operator shall notify appropriate first responders of emergency
39 shutdown and pressure reduction.

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

5 (3) Owners or operators of intrastate transmission and
6 distribution lines shall establish and maintain liaison with
7 appropriate fire, police, and other public officials to do all of the
8 following:

9 (A) Learn the responsibility and resources of each government
10 organization that may respond to a gas pipeline emergency,
11 including, but not limited to, the role of the incident commander
12 in an emergency.

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

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

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

19 (E) Identify and update information on individual personnel
20 responsible for the liaison with the appropriate first responder
21 organizations.

22 (4) Owners and operators of intrastate transmission lines shall
23 provide the State Fire Marshal and the chief fire official of the
24 applicable city, county, city and county, or fire protection district
25 with instructions on how to access and utilize the National Pipeline
26 Mapping System developed by the United States Department of
27 Transportation, Pipeline and Hazardous Materials Safety
28 Administration, utilizing data submitted pursuant to Section 60132
29 of Title 49 of the United States Code, to improve local response
30 capabilities for pipeline emergencies.

31 SEC. 40. Section 958.5 of the Public Utilities Code is amended
32 to read:

33 958.5. (a) Twice a year, or as determined by the commission,
34 each gas corporation shall file with the division of the commission
35 responsible for utility safety a gas transmission and storage safety
36 report. The division of the commission responsible for utility safety
37 shall review the reports to monitor each gas corporation’s storage
38 and pipeline-related activities to assess whether the projects that
39 have been identified as high risk are being carried out, and to track
40 whether the gas corporation is spending its allocated funds on these

1 storage and pipeline-related safety, reliability, and integrity
2 activities for which they have received approval from the
3 commission.

4 (b) The gas transmission and storage safety report shall include
5 a thorough description and explanation of the strategic planning
6 and decisionmaking approach used to determine and rank the gas
7 storage projects, intrastate transmission line safety, integrity, and
8 reliability, operation and maintenance activities, and inspections
9 of its intrastate transmission lines. If there has been no change in
10 the gas corporation's approach for determining and ranking which
11 projects and activities are prioritized since the previous gas
12 transmission and storage safety report, the subsequent report may
13 reference the immediately preceding report.

14 (c) If the division of the commission responsible for utility safety
15 determines that there is a deficiency in a gas corporation's
16 prioritization or administration of the storage or pipeline capital
17 projects or operation and maintenance activities, the division shall
18 bring the problems to the commission's immediate attention.

19 SEC. 41. Section 1046 of the Public Utilities Code is amended
20 to read:

21 1046. (a) For purposes of this section, the following terms
22 have the following meanings:

23 (1) "Bus" means a vehicle designed, used, or maintained for
24 carrying more than 10 persons, including the driver, which is used
25 to transport persons for compensation or profit.

26 (2) "Limousine" means any sedan or sport utility vehicle, of
27 either standard or extended length, with a seating capacity of not
28 more than 10 passengers including the driver, used in the
29 transportation of passengers for hire on a prearranged basis within
30 this state, and includes a modified limousine as defined in
31 subdivision (d) of Section 1042.

32 (3) "Peace officer" means a person who is designated as a peace
33 officer pursuant to Chapter 4.5 (commencing with Section 830)
34 of Title 3 of Part 2 of the Penal Code.

35 (b) A peace officer may, with respect to a passenger stage
36 corporation, enforce and assist in the enforcement of Sections 2110
37 and 2112, resulting from a violation of Section 1031, 1041, or
38 1045, or more than one of those sections. A peace officer may
39 additionally enforce and assist in the enforcement of Sections
40 1034.5 and 2119. In any case in which an arrest authorized by this

1 subdivision is made for an offense declared to be a misdemeanor,
2 and the person arrested does not demand to be taken before a
3 magistrate, the arresting peace officer may, instead of taking such
4 person before a magistrate, follow the procedure prescribed by
5 Chapter 5C (commencing with Section 853.5) of Title 3 of Part 2
6 of the Penal Code. The provisions of that chapter shall thereafter
7 apply with reference to any proceeding based upon the issuance
8 of a citation pursuant to this authority.

9 (c) A peace officer may impound a bus or limousine operated
10 by a passenger stage corporation pursuant to Section 14602.9 of
11 the Vehicle Code if the peace officer determines that any of the
12 following violations occurred while the driver was operating the
13 vehicle:

14 (1) The driver was operating the bus or limousine when the
15 passenger stage corporation did not have a certificate of public
16 convenience and necessity issued by the commission as required
17 pursuant to this article.

18 (2) The driver was operating the bus or limousine when the
19 operating rights or certificate of public convenience and necessity
20 of a passenger stage corporation was suspended, canceled, or
21 revoked pursuant to Section 1033.5, 1033.7, or 1045.

22 (3) The driver was operating the bus or limousine without having
23 a current and valid driver's license of the proper class.

24 (d) The commission shall coordinate enforcement of this section
25 with those peace officers likely to be involved in enforcing this
26 section, including undertaking both of the following:

27 (1) Educational outreach to promote awareness among those
28 peace officers about the requirements of Sections 1031, 1034.5,
29 1041, 1045, 2110, 2112, and 2119.

30 (2) Establishing lines of communication so that the commission
31 is notified if an action is commenced to enforce the requirements
32 of those sections specified in subdivision (b), so that the
33 commission may take appropriate action to enforce the fine and
34 penalty provisions of Chapter 11 (commencing with Section 2100).

35 (e) The Legislature finds and declares that this section is
36 intended to facilitate and enhance the commission's performance
37 of its functions pursuant to Section 2101 and not diminish the
38 commission's authority or responsibility pursuant to that section.

39 (f) This section does not authorize the impoundment of privately
40 owned personal vehicles that are not common carriers nor the

1 impoundment of vehicles used in transportation for compensation
2 by charter-party carriers of passengers that are not required to carry
3 individual permits.

4 SEC. 42. Section 2714.5 of the Public Utilities Code is
5 repealed.

6 SEC. 43. Section 2827.3 of the Public Utilities Code is
7 repealed.

8 SEC. 44. Section 2845 of the Public Utilities Code is repealed.

9 SEC. 45. Section 2867.1 of the Public Utilities Code is
10 repealed.

11 SEC. 46. 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) Every three years, the commission shall evaluate the
5 program’s expenditures, commitments, uncommitted balances,
6 future demands, performance, and outcomes and shall make any
7 necessary adjustments to the program to ensure the goals of the
8 program are being met. If, upon review, the commission finds
9 there is insufficient participation in the program, the commission
10 may credit uncommitted funds back to ratepayers pursuant to
11 Section 748.5.

12 (2) As part of the annual workplan required pursuant to Section
13 910, the commission shall provide an annual update of the
14 Multifamily Affordable Housing Solar Roofs Program that shall
15 include, but not be limited to, the number of projects approved,
16 number of projects completed, number of pending projects awaiting
17 approval, and geographic distribution of the projects.

18 SEC. 47. Section 2872.5 of the Public Utilities Code is
19 amended to read:

20 2872.5. The commission, in consultation with the Office of
21 Emergency Services, shall open an investigative proceeding to
22 determine whether standardized notification systems and protocol
23 should be utilized by entities that are authorized to use automatic
24 dialing-announcing devices pursuant to subdivision (e) of Section
25 2872, to facilitate notification of affected members of the public
26 of local emergencies. The commission shall not establish standards
27 for notification systems or standard notification protocol unless it
28 determines that the benefits of the standards exceed the costs.

29 SEC. 48. Section 2892.1 of the Public Utilities Code is
30 amended to read:

31 2892.1. (a) For purposes of this section, “telecommunications
32 service” means voice communication provided by a telephone
33 corporation as defined in Section 234, voice communication
34 provided by a provider of satellite telephone services, voice
35 communication provided by a provider of mobile telephony service,
36 as defined in Section 2890.2, and voice communication provided
37 by a commercially available facilities-based provider of voice
38 communication services utilizing Voice over Internet Protocol or
39 any successor protocol.

1 (b) The commission, in consultation with the Office of
2 Emergency Services, shall open an investigative or other
3 appropriate proceeding to identify the need for telecommunications
4 service systems not on the customer's premises to have backup
5 electricity to enable telecommunications networks to function and
6 to enable the customer to contact a public safety answering point
7 operator during an electrical outage, to determine performance
8 criteria for backup systems, and to determine whether the best
9 practices recommended by the Network Reliability and
10 Interoperability Council in December 2005, for backup systems
11 have been implemented by telecommunications service providers
12 operating in California. If the commission determines it is in the
13 public interest, the commission shall, consistent with subdivisions
14 (c) and (d), develop and implement performance reliability
15 standards.

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

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

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

26 SEC. 49. Section 3346 of the Public Utilities Code is repealed.

27 SEC. 50. Section 3368 of the Public Utilities Code is repealed.

28 SEC. 51. Section 5371.4 of the Public Utilities Code is
29 amended to read:

30 5371.4. (a) The governing body of any city, county, or city
31 and county may not impose a fee on charter-party carriers operating
32 limousines. However, the governing body of any city, county, or
33 city and county may impose a business license fee on, and may
34 adopt and enforce any reasonable rules and regulations pertaining
35 to operations within its boundaries for, any charter-party carrier
36 domiciled or maintaining a business office within that city, county,
37 or city and county.

38 (b) The governing body of any airport may not impose vehicle
39 safety, vehicle licensing, or insurance requirements on charter-party
40 carriers operating limousines that are more burdensome than those

1 imposed by the commission. However, the governing board of any
2 airport may require a charter-party carrier operating limousines to
3 obtain an airport permit for operating authority at the airport.

4 (c) Notwithstanding subdivisions (a) and (b), the governing
5 body of any airport may adopt and enforce reasonable and
6 nondiscriminatory local airport rules, regulations, and ordinances
7 pertaining to access, use of streets and roads, parking, traffic
8 control, passenger transfers, trip fees, and occupancy, and the use
9 of buildings and facilities, that are applicable to charter-party
10 carriers operating limousines on airport property.

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

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

18 (f) Notwithstanding subdivisions (a) to (e), inclusive, nothing
19 in this section prohibits a city, county, city and county, or the
20 governing body of any airport, from adopting and enforcing
21 reasonable permit requirements, fees, rules, and regulations
22 applicable to charter-party carriers of passengers other than those
23 operating limousines.

24 (g) Notwithstanding subdivisions (a) to (e), inclusive, a city,
25 county, or city and county may impose reasonable rules for the
26 inspection of waybills of charter-party carriers of passengers
27 operating within the jurisdiction of the city, county, or city and
28 county, for purposes of verifying valid prearranged travel.

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

34 SEC. 52. Section 5381.5 of the Public Utilities Code is
35 amended to read:

36 5381.5. (a) The commission shall, by rule or other appropriate
37 procedure, ensure that every charter-party carrier of passengers
38 operates on a prearranged basis within the state, consistent with
39 Section 5360.5. The commission shall require every charter-party

1 carrier of passengers to include on a waybill or trip report at least
2 all of the following:

3 (1) The name of at least one passenger in the traveling party,
4 or identifying information of the traveling party's affiliation, along
5 with the point of origin and destination of the passenger or traveling
6 party.

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

9 (b) A waybill or trip report may be kept in electronic or hardcopy
10 format. When requested by any commission or airport enforcement
11 officer or any official of a city, county, or city and county
12 authorized to inspect a waybill or trip report pursuant to subdivision
13 (g) of Section 5371.4, the waybill or trip report may be provided
14 in either electronic or hardcopy format.

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

19 SEC. 53. Section 5436 of the Public Utilities Code is amended
20 and renumbered to read:

21 918.2. The commission and the Department of Insurance shall
22 collaborate on a study of transportation network company insurance
23 to assess whether coverage requirements are appropriate to the
24 risk of transportation network company services in order to
25 promote data-driven decisions on insurance requirements, and
26 shall report the findings of this study to the Legislature no later
27 than December 31, 2017.

28 SEC. 54. Section 7661 of the Public Utilities Code is amended
29 to read:

30 7661. (a) The commission shall require every railroad
31 corporation operating in this state to develop, within 90 days of
32 the effective date of the act adding this section, in consultation
33 with, and with the approval of, the Office of Emergency Services,
34 a protocol for rapid communications with the Office of Emergency
35 Services, the Department of the California Highway Patrol, and
36 designated county public safety agencies in an endangered area if
37 there is a runaway train or any other uncontrolled train movement
38 that threatens public health and safety.

39 (b) A railroad corporation shall promptly notify the Office of
40 Emergency Services, the Department of the California Highway

1 Patrol, and designated county public safety agencies, through a
2 communication to the Warning Center of the Office of Emergency
3 Services, if there is a runaway train or any other uncontrolled train
4 movement that threatens public health and safety, in accordance
5 with the railroad corporation's communications protocol developed
6 pursuant to subdivision (a).

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

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

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

12 (3) In the event of an uncontrolled train movement or
13 uncontrolled movement of railcars, a track list or other inventory
14 document if available.

15 (d) The division of the commission responsible for railroad
16 safety shall investigate any incident that results in a notification
17 required pursuant to subdivision (b).

18 *SEC. 55. (a) Section 13.5 of this bill incorporates amendments*
19 *to Section 454.55 of the Public Utilities Code proposed by both*
20 *this bill and Assembly Bill 1330. It shall only become operative if*
21 *(1) both bills are enacted and become effective on or before*
22 *January 1, 2017, (2) each bill amends Section 454.55 of the Public*
23 *Utilities Code, and (3) this bill is enacted after Assembly Bill 1330,*
24 *in which case Section 13 of this bill shall not become operative.*

25 *(b) Section 14.5 of this bill incorporates amendments to Section*
26 *454.56 of the Public Utilities Code proposed by both this bill and*
27 *Assembly Bill 1330. It shall only become operative if (1) both bills*
28 *are enacted and become effective on or before January 1, 2017,*
29 *(2) each bill amends Section 454.56 of the Public Utilities Code,*
30 *and (3) this bill is enacted after Assembly Bill 1330, in which case*
31 *Section 14 of this bill shall not become operative.*