



2020 LEGISLATIVE OUTCOMES REPORT

Office of Governmental Affairs

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California Public
Utilities Commission

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This document can be found online at:

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Acronyms

AB = Assembly Bill

Cal OES = California Office of Emergency Services

CARB = California Air Resources Board

CASF = California Advanced Services Fund

CCA – Community Choice Aggregator

CEC = California Energy Commission

CPED = (California Public Commission) Consumer Protection and Enforcement Division

CPUC = California Public Utilities Commission

DER = Distributed Energy Resources

EVITP = Electric Vehicle Infrastructure Training Program

GHG = Greenhouse Gas

IOU = Investor Owned Utility

IRP = Integrated Resources Plan

LSE = Load-Serving Entity

MW = Megawatt

OGA = (California Public Utilities Commission) Office of Governmental Affairs

PSP = Preferred System Portfolio

PSPS = Public Safety Power Shutoff

RDOF = Rural Digital Opportunity Fund

RFP = Reference System Plan

SB = Senate Bill

TE = Transportation Electrification

TNC = Transportation Network Company

Legislative Overview

This year marked the end of the 2019-20 biennial legislative session. Each year, the California Public Utilities Commission (CPUC), through the Office of Governmental Affairs (OGA), actively engages the Legislature through the legislative process, providing essential insight, perspective and information about the organization's regulatory activities. This engagement helps shape proposed policies contained in legislation (bills) so that they are designed as the most effective solutions toward addressing important and identifiable public problems.

This legislative year proved to be one of the most unusual and challenging due to the sudden, uncertain, and sometimes frightening impacts of the global coronavirus - SARS-CoV-2 (COVID-19) - pandemic on all those who call California their home. California took early action to combat the spread of the virus, including issuing stay at home orders, closing public and private gathering spaces, ramping up healthcare capacity, instituting viral testing and tracking, and providing guidance to all Californians on everyday actions and precautions they could take to reduce the spread of the virus. Following this guidance, the Legislature recessed in mid-March until May. This gap in the legislative process significantly shortened the amount of time in which introduced bills could be analyzed and deliberated upon through the legislative process. However, the truncated legislative process, along with direction from legislative leadership, also encouraged legislators to reduce their portfolio of introduced bills and refocus their legislative efforts on immediate issues related to the health, safety, and economic impacts of the coronavirus. In addition, the new social distancing, remote voting, and personal protective equipment rules and requirements for legislators and their staff slowed the pace of the legislative process until the end of the legislative year, when all participants had largely adapted to the new procedures.

Unfortunately, the health, safety, and economic effects of the coronavirus pandemic continued to persist through the legislative year. The lingering effects of the virus were also coupled with protests throughout the state, and the country. These activities seemed to have largely been caused by public displays of police brutality, the recognition of growing inequalities, as well as job loss resulting from the COVID-19 pandemic and frustration with an uncoordinated and sometimes confusing response, from the federal government, to reduce the spread of the virus and address its immediate economic fallout. In addition, California experienced intense lightning storms, unprecedented heat waves, extreme wind events, and devastating wildfires in August that seemed to have been caused by lightning strikes and human error. These compounding catastrophes added urgency and renewed focus by the Legislature in the last month of the legislative year to prioritize efforts aimed at mitigating these events and to table non-urgent matters to the next legislative year. Despite the swirling real-world challenges and the shortened legislative year, the Legislature finished off the 2020 legislative year by passing meaningful and impactful legislation with the intent of addressing not only immediate crises, but also looming challenges, while paving a path for a brighter, more optimistic future.

Despite the new challenges this legislative year presented, the OGA continued its long-standing efforts to engage in the legislative process and ensure the perspectives of the CPUC were shared, recognized, and used to inform legislation. Over the course of this legislative year, the OGA formally tracked 124 bills of interest

to the CPUC. Each of the CPUC's Divisions provided invaluable insight on the potential impacts of each bill on the agency's existing policies, practices, procedures, and objectives.

Throughout each legislative year, the CPUC may take formal public positions on bills of particular interest or concern to the organization. The CPUC may also initiate legislation needed to carry out the agency's responsibilities effectively and efficiently. This year, the CPUC took a public oppose position on Assembly Bill (AB) 1720 (Carrillo): Energy: long-duration energy storage: procurement (as amended July 27, 2020), a bill aimed at forcing the procurement of pumped hydro-electric energy storage projects that would have undermined the CPUC's Integrated Resource Planning process and compromised the state's ability to achieve its greenhouse gas reduction goals, at least cost to ratepayers, while maintaining electric service reliability.

Of the 124 bills formally tracked by the OGA, nine passed the Legislature and nine were signed by Governor Gavin Newsom. In addition, the CPUC participated in nine legislative committee oversight hearings and provided four formal legislative staff briefings on a variety of topics. These formal briefings were aimed at informing legislative staff about the CPUC's regulatory activities and policy actions.

The OGA also actively collaborated and coordinated with its primary sister agencies and organizations, including the California Energy Commission (CEC), California Independent System Operator (CAISO), California Air Resources Board (CARB), State Water Resources Control Board (SWRCB), California Office of Emergency Services (Cal OES), California Department of Forestry and Fire Protection (Cal FIRE), and California Department of Conservation, Geological Energy Management Division (Cal GEM) on its engagement with the Legislature this year. This collaboration was critical for the agencies to communicate shared interests and concerns about legislation to the Legislature and stakeholders.

In many circumstances, leveraging each organization's subject matter expertise was essential and helped lead to positive and important legislative outcomes. The proceeding sections of this report highlight these outcomes by subject area and provide a summary of topics that were a focus of introduced legislation and deliberated upon throughout the legislative process. The following sections also summarize the CPUC's formal positions on legislation and other public forms of engagement in the legislative process. However, these sections are not fully indicative of the daily, ongoing engagement and conversations that the OGA has with legislative staff, including legislator staff and policy, fiscal, and budget committee consultants, as well as with stakeholders and the Governor's Office. It is the combination of all these efforts that mold the evolution of legislation that affects the CPUC and its ability to ensure the safe, accessible, affordable, reliable, and environmentally responsible provision of critical services overseen by the agency.

Summary of Legislative Engagement

Total Bills Tracked	124
Bills Passed by the Legislature	9
AB 82 (Committee on Budget), AB 841 (Ting), AB 913 (Calderon), AB 2421 (Quirk), AB 2788 (Gloria), AB 3163 (Salas), SB 350 (Hill), SB 702 (Hill), SB 1117 (Monning)	
Bills Signed by the Governor	9
AB 82 (Committee on Budget), AB 841 (Ting), AB 913 (Calderon), AB 2421 (Quirk), AB 2788 (Gloria), AB 3163 (Salas), SB 350 (Hill), SB 702 (Hill), SB 1117 (Monning)	
CPUC Formal Legislative Positions (Oppose)	1
AB 1720 (Carrillo): Energy: long-duration energy storage: procurement.	
Legislative Committee Oversight Hearing Participation	4
Formal Legislative Staff Briefings Provided	3

CPUC Formal Legislative Positions

AB 1720 (Carrillo): Energy: long-duration energy storage: procurement. (As amended July 27, 2020)

This bill proposed to require the CPUC to direct load-serving entities (LSEs) – electric investor owned utilities (IOU), community choice aggregators (CCA) and electric service providers (ESP) – procurement of long-duration energy storage, namely two proposed pumped hydro-electric storage projects, by March 1, 2021 using a lower greenhouse gas (GHG) emission reduction planning target than what was adopted in the 2019-20 Integrated Resource Planning (IRP) Reference System Portfolio (RSP) Decision (D. 20-03-028). The bill included provisions that if the CPUC did not order the procurement of specified long-duration energy storage by LSEs then the Department of Water Resources (DWR) would be required to procure an amount of long-duration energy storage on behalf of all LSEs.

This bill sought to undermine the goals of the IRP process and compromise its holistic approach by favoring a specific clean energy resource. Senate Bill (SB) 350 (de Leon, 2015), requires the CPUC to adopt an IRP process that identifies a balanced energy resource portfolio that meets California’s GHG emission reduction goals, while maintaining electric service reliability, at the lowest possible cost to ratepayers. On March 26, 2020, the CPUC adopted the 2019-20 IRP Reference System Portfolio Decision (D. 20-03-028). Specifically, D. 20-03-028:

- Adopted an optimal portfolio of energy resources for use in long-term electricity planning, known as the RFP, to be used as guidance by all LSEs required to file individual IRPs in 2020;
- Indicated 14,500 megawatts (MW) of new supply-side renewables, 8,900 MW of new battery storage, and 973 MW of new long-duration energy storage resources would be needed by 2030 to stay on track to meet the state’s GHG emission reduction target, which is also consistent with new near-term procurement of 3,300 MWs ordered in IRP Procurement Track Decision (D. 19-11-016); and
- Maintained a 2030 GHG planning target of 46 million metric ton carbon dioxide equivalent (MMTCO_{2e}) for the electric sector. The 46 MMTCO_{2e} target is within the 30–53 MMTCO_{2e} range established by the CARB for the electric sector and is 26 percent below the actual GHG emissions for the electric sector in 2017. It is also 56 percent below GHG emissions for the electric sector in the year 2000, which represents the equivalent of taking 12.5 million passenger vehicles off the road each year. This GHG target was previously adopted in the prior IRP cycle via a Decision (D.18-02-018), and the target is still on track to meet the state’s statutory goal of reducing economy-wide GHG emissions to 40 percent below 1990 levels by 2030. LSEs are required to present portfolios based on their respective share of this adopted 46 MMTCO_{2e} target, as well as for a 38 MMTCO_{2e} scenario target.

A critical outcome of the IRP process is to better optimize clean energy resources so that GHG emission reduction targets are met at the lowest possible cost to ratepayers. Indeed, the IRP process aims to move away from a siloed procurement strategy based on specific energy resource types or program targets. An IRP, in its most basic form, represents a technology-neutral analysis leading to an optimized portfolio of energy resources to serve load constrained by certain factors. Granting certain types of energy resources

(e.g., long-duration energy storage) procurement priority is contrary to the statutory objective of the IRP process, specifically the requirement that the CPUC identify a “diverse and balanced portfolio of resources” (Public Utilities Code Section 454.51). Creating a pool of clean energy resources and making it as inclusive as possible is important in achieving the legislative requirements embodied in SB 350 (de Leon, 2015).

LSEs submitted their individual IRPs to the CPUC on September 1, 2020. Each individual IRP proposes how it will meet its share of the 2030 46 MMTCO₂e GHG target, and other policy goals, given its unique resources and local community preferences, as well as address expected impacts on disadvantaged communities. The CPUC will review, approve, and aggregate these individual portfolios into a Preferred System Portfolio (PSP). Once the PSP is adopted by the CPUC, likely by the first or second quarter of 2021, it will serve as the primary energy resource guidance plan for each LSE’s procurement decisions over the next 10 years until further updates and modifications are made in future IRP future cycles. Importantly, the PSP will also serve as a guide for any potential new resource procurement the CPUC determines necessary for achieving the state’s goals across the IRP planning horizon.

The new legislative energy resource procurement requirement mandate in this bill would have short circuited and undermined this process and could have resulted in an energy resource mix that falls significantly short of meeting the goals established in SB 350 (de Leon, 2015). Finally, the new legislative energy resource procurement requirement in this bill would likely have led to hundreds of millions, if not billions, of dollars in additional, unnecessary, and avoidable long-term costs that would ultimately have been shouldered by all LSE ratepayers.

The OGA issued an oppose position memo on this bill, actively engaged stakeholders and the Legislature in the waning weeks of the legislative process to ensure the CPUC’s concerns with this new legislative energy resource procurement mandate were widely understood. Shortly thereafter, the oppose position memo was unanimously adopted by the Commission, and the bill was ultimately pulled from a policy committee hearing and did not advance.

CPUC Position: *Oppose*

Legislative Memo: *[August 3, 2020: AB 1720 \(Carrillo\)](#)¹*

Status: *In Senate Energy, Utilities & Communications committee: Hearing postponed by committee (August 3, 2020)*

¹https://www.cpuc.ca.gov/uploadedFiles/CPUCWebsite/Content/About_Us/Organization/Divisions/Office_of_Governmental_Affairs/Legislation/2020/Final%20AB%201720%20Position%20Memo%20-%20OPPOSE%20Aug.%203.pdf

Communications Bills

In light of COVID-19, the Legislature expressed a heightened interest in broadband service and closing the digital divide. There were many different policy priorities but they primarily centered around modifications to the CPUC's California Advanced Services Fund (CASF). Legislatively, these concerns coalesced into two major broadband bills, one from each house: AB 570 (Aguiar-Curry) and SB-1130 (Gonzalez). While these bills ultimately did not end up passing the Floor in their opposite house, the OGA provided significant technical feedback and guidance to both authors as well as other stakeholders and members of the Legislature. The pandemic has highlighted the necessity of broadband service for essential activities such as teleworking, telehealth, and distance learning. As a result, the Legislature will likely continue to be engaged on broadband accessibility during the 2021 legislative year, and the policy proposals encapsulated in the two bills noted above will likely resurface.

Aside from these efforts, several legislators also introduced bills on other telecommunications issues such as universal service, consumer protection, and resiliency to name a few. The OGA was also actively involved in providing technical feedback and guidance to legislative staff on these topics throughout the legislative year. For example, there were two bills that proposed changes to the California Lifeline program, one of which would have significantly changed the administration of the program. On safety and resiliency, there were three significant pieces of legislation that were intended to complement the CPUC's efforts in the Emergency Disaster Preparedness proceeding, none of which ultimately passed. Two of the bills that focused on disaster preparedness for telecommunications providers were held in their house of origin, and the most significant bill, which would have codified the CPUC's back-up power supply rules for telecommunication service, was held in the second house. The OGA also spent considerable time and attention engaging on a bill that would have completely changed the General Rate Case process for small independent telephone corporations, the second year in a row this legislation has been introduced. Ultimately, almost no highly significant telecommunications legislation was passed by the Legislature this year. However, looking to next year, there is a high likelihood that we will see significant legislative efforts to address telecommunications issues such as broadband quality, access, affordability, resiliency, and reliability.

AB 82 (Committee on Budget): State Government

This budget trailer bill makes various changes to the CASF program to improve the state's ability to compete for federal broadband funding, especially the Rural Digital Opportunity Fund (RDOF) program. In particular, this bill permits CASF funds to be awarded to projects that also receive RDOF funds, changes the speed threshold for awarding CASF funds for projects that also receive an RDOF award, and provides additional flexibility for the Commission to undertake new activities to leverage federal funds.

Status: Signed, Chapter 14, June 29, 2020

AB 2421 (Quirk): Land use: permitting: wireless communications: emergency standby generators.

This bill requires, until January 1, 2024, a city or county to expedite permitting of emergency standby generators for macro cell tower sites. Additionally, the bill limits reviews of permit applications to non-discretionary, ministerial reviews only. The final version of the bill does not implicate the CPUC's existing siting authority over telecommunications facilities or create a conflict between local governments' land use authority and CPUC jurisdiction.

Status: Signed, Chapter 255, September 29, 2020

Energy Bills

At the beginning of this legislative year the OGA was tracking roughly 80 energy (electricity and gas) bills. These bills proposed a multitude of new policies largely focused on preventing electric utility equipment from igniting wildfires including, but not limited to, requiring additional electric system hardening, limiting the scope and magnitude of Public Safety Power Shutoffs (PSPS), and increasing vegetation management and situational awareness activities by the electric investor owned utilities. There were also several bills aimed at mitigating the effects of PSPS events, such as compensating customers that incurred economic losses as a result of a PSPS event and deploying distributed energy resources (DER) in either microgrid configurations, or as standalone behind-the-meter resources, to ensure power reliability during a PSPS event.

Other bills focused on creating new value streams for DERs to encourage additional deployment and subsidies for renewable natural gas (i.e., biomethane and hydrogen gas) production and use. In addition, there were numerous bills focused on consolidating energy resource procurement and mandating the procurement of specific energy resources. Some bills were introduced to expand and modify rate and bill assistance programs for customers experiencing income losses or reductions due to the COVID-19 pandemic. Finally, there were a number of bills aimed at expanding consumer protections, modifying renewable resource contracting rules, improving electric utility regulatory oversight, mitigating immediate electric rate impacts, changing regulatory definitions, encouraging the expeditious deployment of transportation electrification infrastructure, and providing incentive programs to capture non-energy benefits in K-12 schools. The latter bills largely passed the Legislature and are summarized below, along with Governor Newsom's final action on these policies.

ZERO-CARBON RESOURCE DEVELOPMENT

SB 702 (Hill): California Renewables Portfolio Standard Program: procurement.

This bill authorizes a retail seller to rely on contracts of ten years or more in duration or ownership agreements entered into before January 1, 2019, directly by its direct access nonprofit educational institution end-use customer for eligible renewable energy resources located in front of the customer meter to satisfy the portion of the Renewables Portfolio Standard 65 percent long-term contracting requirement attributable to the retail sales of that end-use customer.

Status: Signed, Chapter 305, September 29, 2020

TRANSPORTATION ELECTRIFICATION & ENERGY EFFICIENCY

AB 841 (Ting): Energy: transportation electrification: energy efficiency programs: School Energy Efficiency Stimulus Program.

This bill requires that not less than 35 percent of electric IOU transportation electrification (TE) infrastructure investments authorized by the CPUC are located in underserved communities, as defined. Additionally, this bill requires the CPUC to use a modified oversight process for electric IOU TE infrastructure investments, but authorizes the CPUC to revise these modifications after the completion of an electric IOU's General Rate Case cycle in effect on January 1, 2021 if a determination is made that a change in the modified oversight process is necessary to ensure just and reasonable rates for ratepayers. To this effect, the bill requires each electric IOU, by February 28, 2021, to file an Advice Letter and requires the CPUC to approve, by June 30, 2021, a new tariff or rule that authorizes each electric IOU to design and deploy all TE infrastructure on the utility side of the customer meter for all customers installing a separately metered infrastructure to support electric vehicle charging stations, and provide for cost recovery, subject to a reasonableness review. Furthermore, the bill requires the CPUC, on or before March 1, 2021, to issue Decisions concerning two specific pending electric IOU TE infrastructure applications.

This bill requires, with exceptions, for work performed on and after January 1, 2022, that all TE infrastructure and equipment located on the customer side of the electric meter that is funded or authorized, in whole or in part, by the CPUC, the CEC, and the CARB to be installed by a contractor with the appropriate license classification, as determined by the Contractors' State License Board, and at least one electrician on each crew, at any given time, who holds an Electric Vehicle Infrastructure Training Program (EVITP) certification or to require projects funded or authorized, in whole or in part, by these state agencies, that install an EV charging port supplying 25 kilowatts or more to a vehicle to have at least 25 percent of the total electricians working on the crew for the project, at any given time, to hold EVITP certification. The bill requires the CEC, no later than May 1, 2021 and periodically thereafter, in consultation with the CPUC, to conduct joint public workshops to determine if the EVITP curriculum and testing should be supplemented to include updated or additional topics necessary to ensure safe installation of TE infrastructure. The bill also requires the EVITP curriculum to offer courses in an online format that would remain available through December 31, 2024.

This bill requires the CPUC to require the large electric and gas IOUs to establish the joint School Energy Efficiency Stimulus Program within each of its energy efficiency portfolios to consist of: (1) the School Reopening Ventilation and Energy Efficiency Verification and Repair Program to provide grants to local educational agencies to reopen schools with functional ventilation systems that are tested, adjusted, and, if necessary or cost effective, repaired, upgraded, or replaced to increase efficiency and performance, and (2) the School Noncompliant Plumbing Fixture and Appliance Program to provide grants to local educational agencies to replace noncompliant plumbing fixtures and appliances that fail to meet water efficiency standards and waste potable water and the energy used to convey that water, with water-conserving plumbing fixtures and appliances. The large electric and gas IOUs are required to file a joint Advice Letter by February 1, 2021, to fund a joint School Energy Efficiency Stimulus Program as part of each of their energy efficiency portfolios. The bill specifies that the School Energy Efficiency Stimulus Program be a joint program among all the electric and gas IOUs, consistent across their service territories, and designed, administered, and implemented by the CEC as the program administrator. The bill further requires the CPUC to approve the Advice Letter by March 1, 2021. The bill also specifies that the large electric and gas IOUs are to allocate a specific portion of their energy efficiency portfolio budgets for program years 2021,

2022, and 2023 to fund the School Energy Efficiency Stimulus Program. All allocated funds unspent by December 1, 2026 are to be returned to the large electric and gas IOUs, and the CEC is required, in collaboration with the large electric and gas IOUs, to develop and administer the School Reopening Ventilation and Energy Efficiency Verification and Repair Program and the School Noncompliant Plumbing Fixture and Appliance Program as components of the School Energy Efficiency Stimulus Program. The bill further requires that not less than 25 percent of projects funded by these programs be in underserved communities, as defined, and requires that these programs prioritize underserved communities by ensuring that all schools that are in an underserved community are offered the opportunity to apply for and receive grants before those schools that are not in an underserved community. The bill additionally requires that the School Reopening Ventilation and Energy Efficiency Verification and Repair Program prioritize schools with a boundary that is within 500 feet of the edge of the closest traffic lane of a freeway or other busy traffic corridor, as defined, or within 1,000 feet of a facility holding a specified permit issued pursuant to the federal Clean Air Act. The bill requires the CEC to ensure that moneys from each large electric and gas IOU for the School Energy Efficiency Stimulus Program are used, to the maximum extent feasible, for projects located in their service territory from which the moneys are received. Finally, the bill repeals these provisions on January 1, 2027.

Status: Signed, Chapter 372, September 30, 2020

ELECTRIC RATES

AB 913 (Calderon): Electrical corporations: wildfire and undercollection.

This bill authorizes the CPUC to order an electric IOU to issue securitized debt to address an undercollection in revenue for the year 2020.

Status: Signed, Chapter 253, September 29, 2020

CUSTOMER PROTECTION

SB 1117 (Monning): Master-meter customers: electrical or gas service.

This bill extends most of the consumer protections provided to sub-metered customers of a master-meter mobile/manufactured home park operator when electric service is provided by an electric IOU to now also apply when service is provided by other LSEs, including CCAs.

Status: Signed, Chapter 164, September 25, 2020

AB 2788 (Gloria): Public utilities: cooperation with immigration authorities.

This bill prohibits an electric or gas IOU, and local publicly owned electric utility from sharing, disclosing, or otherwise making accessible to any immigration authority a customer’s electrical or gas consumption data without a court-ordered subpoena or judicial warrant.

Status: Signed, Chapter 188, September 27, 2020

BIOMETHANE PRODUCTION

AB 3163 (Salas): Energy: biomethane: procurement.

This bill expands the definition of “biomethane” to include methane that is produced from the non-combustion thermal conversion of eligible biomass feedstock, for purposes of CPUC consideration of adopting biomethane procurement targets.

Status: Signed, Chapter 358, September 30, 2020

ELECTRIC UTILITY OVERSIGHT

SB 350 (Hill): The Golden State Energy Act.

This bill authorizes the CPUC to petition a court to appoint a receiver to assume possession of Pacific Gas and Electric Company’s property and to operate its electric and gas systems if the CPUC determines in a proceeding that the appointment of a receiver is warranted pursuant to the processes or procedures set forth in a specified CPUC investigation. The bill authorizes a court to appoint such a receiver and requires the receiver to control and operate Pacific Gas and Electric Company upon such terms and conditions as the court prescribes. This bill additionally authorizes the Governor, or the Governor’s designee, to incorporate Golden State Energy as a nonprofit public benefit corporation for the purpose of owning, controlling, operating, or managing electric and gas services for its ratepayers and for the benefit of all Californians. The bill establishes a nine-member board of directors for Golden State Energy and provides for the appointment of the initial board members. Furthermore, the bill requires the initial board to amend Golden State Energy’s bylaws to include procedures for the transition to a board consisting of six board members who are elected by Golden State Energy’s customers and three board members who are appointed.

This bill expressly provides that Golden State Energy is a nonprofit public benefit corporation, subject to all statutory provision and regulatory authority of the CPUC as an electrical and gas IOU, except as specified. The bill requires the CPUC, upon a specified event occurring, to initiate a proceeding to modify the rules and processes that apply to Pacific Gas and Electric Company as necessary to reflect the differences in Golden State Energy’s capital structure to ensure continued regulation of rates, electric and gas safety, wildfire mitigation, climate change mitigation and adaption, public purpose programs, and any other CPUC requirements applicable to an electric and gas IOU.

This bill also requires Golden State Energy, in each General Rate Case or attrition year adjustment application, to apply for a revenue requirement sufficient to pay for operations and maintenance costs, pay

for administrative and general expenses, service debt, pay the costs of CPUC approved capital expenditures not funded from debt, and fund and maintain necessary financial and operating reserves. The bill requires the CPUC, in each Golden State Energy General Rate Case or attrition year adjustment, to consider, modify if necessary, and adopt a General Rate Case revenue requirement adequate to furnish and maintain efficient, just, and reasonable service; instrumentalities, equipment, and facilities to promote the safety, health, comfort, and convenience of Golden State Energy's customers, employees, and the public, and to authorize Golden State Energy to issue debt as necessary to maintain and operate its assets consistent with the applicable revenue requirement.

This bill authorizes Golden State Energy to additionally issue debt to facilitate the acquisition of the property, as defined, of Pacific Gas and Electric Company, as specified, and would allow Golden State Energy to recover fines and penalties through rates approved by the CPUC. This bill authorizes Golden State Energy to commence an eminent domain action to acquire Pacific Gas and Electric Company if the CPUC determines that Pacific Gas and Electric Company's certificate of public convenience and necessity for the provision of electric or gas service should be revoked pursuant to any processes or procedures adopted by the CPUC in a specified CPUC investigation. The bill also authorizes Golden State Energy to take possession of Pacific Gas and Electric Company upon deposit in court, and prompt release, of an amount determined by the court to be the probable amount of just compensation. This bill authorizes Golden State Energy to similarly participate in the fund following the closing of its acquisition of Pacific Gas and Electric Company, as specified.

This bill specifies that the financing of energy and project costs on behalf of Golden State Energy is in the public interest and eligible for financing by the state Infrastructure Bank (I-Bank) or by a special purpose trust, as specified. The bill authorizes the I-Bank to issue bonds and loan the proceeds to Golden State Energy, as specified, and specifies that bonds or other indebtedness issued pursuant to this financing do not constitute a debt or liability of the state or of any political subdivision of the state other than the I-Bank or the special purpose trust, and are payable solely from the funds of and any security provided by Golden State Energy. This bill provides that any and all Golden State Energy indebtedness, their transfer, and the payments or income therefrom are at all times free from income taxation of every kind by the state. Finally, this bill exempts the acquisition of Pacific Gas and Electric Company by Golden State Energy from the above prohibitions if Golden State Energy, or its subsidiary, agrees to assume, take assignment of, and be bound by all collective bargaining agreements and related obligations, assume any obligations for funding under pension plans then in effect, and, in the event the transfer is made as part of Pacific Gas and Electric Company's and Pacific Gas and Electric Corporation's bankruptcy cases, adopt and be bound by the terms and provisions set forth in a specified reorganization plan.

Status: Signed, Chapter 27, June 30, 2020

Transportation Bills

The OGA participated in shaping two Assembly bills pertaining to the CPUC's regulatory authority over several transportation services, as well as an oversight hearing. In particular, the regulation of Transportation Network Companies (TNC) was the primary focus of the legislature's attention this year, although there was one bill that proposed to change the process for approving licenses to operate vessel common carriers. The bill regarding TNC regulation aimed to strike a different balance between keeping TNC user trip data private and regulator's ability to collect such data. This topic was also the subject of an informational hearing held by the Senate Transportation Committee. Lastly, the OGA shared regular updates with key legislative staff regarding the implementation of AB 5 (Gonzalez, 2019).

Water Bills

There was minimum legislative activity pertaining to CPUC jurisdictional water companies this year. At the beginning of the legislative year, prior to the outbreak of COVID-19, there were two pieces of active legislation pertaining to the topic of water system consolidation. However, neither of those bills were ever heard in their respective policy committee due to the bills' authors choosing to hold them. This was largely due to the reduced capacity of the Legislature to consider bills not focused on the impacts of the coronavirus. Depending on legislative capacity in future years, the OGA expects that water system consolidation will continue to be a topic of interest for the Legislature.

Legislative Committee Oversight Hearings

Assembly Utilities & Energy Committee

January 22, 2020 – Annual Review of California Public Utilities Commission and the Public Advocates Office

The CPUC and the Public Advocates Office presented an overview of their activities in the 2019 calendar year, and each organization’s work plan for the 2020 calendar year.

February 19, 2020 – Electricity Prices Matter

Multiple experts provided an overview of their concerns regarding the increase in electric IOU rates and offered their perspective on the driving factors and the consequences of high electric rates.

March 4, 2020 – Investor Owned Utility Wildfire Mitigation Plans: Will the Plans Reduce the Risk and Occurrence of Catastrophic Wildfires

The electric IOUs provided an overview of their 2020 Wildfire Mitigation Plans, including all their investments and efforts to mitigate the risk of their equipment igniting catastrophic wildfires.

Senate Energy, Utilities & Communications Committee

January 8, 2020 – Telecommunications Service Outages: Ensuring Reliable Lifeline for Californians

CPUC President Marybel Batjer and Commissioner Cliff Rechtschaffen testified before this oversight hearing focused on the widespread communications outages experiences in California caused by wildfires and PSPSs in late 2019. The Public Advocates Office and the Cal OES also participated in the hearing.

June 4, 2020 – The California Public Utilities Commission and the Public Advocates Office Annual Report to the Legislature

The CPUC and the Public Advocates Office presented an overview of their activities in the 2019 calendar year and each organization’s work plan for the 2020 calendar year. The hearing was largely focused on utility wildfire and PSPS mitigation efforts during the COVID-19 pandemic.

Senate Transportation Committee

February 25, 2020 – More Mobility Options, More Data: Transportation and Privacy Issues in Shared Mobility Data Use

The Consumer Protection and Enforcement Division Director Doug Ito testified before a joint informational hearing of the Senate Transportation Committee and Senate Judiciary Committee. The focus of the hearing was to inform the committee members and the public about the balance of effective regulation of the mobility sector, including TNCs, and protecting customer privacy. Director Ito provided an overview of the Commission’s regulation of TNCs operating in California, and how TNC customer data helps inform Commission rulemakings and enforcement actions.

Formal Legislative Staff Briefings

November 21, 2019 – CPUC Distributed Energy Resource Cost-Effectiveness Tests

The CPUC provided the Senate Energy, Utilities & Communications Committee and Assembly Utilities & Energy Committee consultants with an overview of the CPUC’s distributed energy resource cost-effectiveness tests, including the rationale for their use, the types of tests, what inputs are included in these tests, how and when they are applied, and how these tests have morphed and evolved over the last ten years.

December 10, 2020 – Electric Investor Owned Utility Ratemaking & Rates

The CPUC provided Senate and Assembly staff with background and an overview of the CPUC’s ratemaking authority and how electric IOU rates are developed, trends in electric IOU rates, and the cost drivers increasing electric IOU rates.

February 28, 2020 – CPUC: 2019-2030 Integrated Resource Plan Reference System Plan Proposed Decision

The CPUC provided Senate and Assembly staff with a summary of the 2019-2020 IRP RFP Proposed Decision, including background on the IRP, the elements of the RFP Proposed Decision, the IRP proceeding newly created procurement track, and next steps in the 2019-20 IRP process.

Fiscal Overview

When a piece of legislation is determined to have a fiscal impact on an agency, the Department of Finance and the legislative appropriations committees request fiscal impact estimates to aid in their evaluation of the bill. The economic outlook for the state in the wake of the COVID-19 pandemic became the main criterion employed to judge the necessity of each piece of legislation and any related costs resulting from its implementation. Restrictions laid on Senators and Assemblymembers by legislative leadership to minimize the number of bills introduced reduced the number of fiscal requests received in 2020, at the same time as they increased the amount of scrutiny paid to the fiscal impacts of the bills that were introduced. During the 2020 legislative year, the CPUC received 67 fiscal impact estimate requests for 35 bills. Despite the reduced number of bills affecting the CPUC, dozens of conversations were held – by telephone and via email – with the Department of Finance and the appropriations committees of both the Assembly and Senate to further explain, discuss, and justify our fiscal impact analyses, as well as our policy concerns.

SIGNED LEGISLATION WITH FISCAL IMPACT

Title	Positions		Legislation
	Permanent	Limited-Term	
Energy: transportation electrification: energy efficiency programs: School Energy Efficiency Stimulus Program	2	-	AB 841 (Ting)
<i>Total</i>	2	-	

Appendix: 2020 New Legislative Responsibilities

Division	Bill	Author	Subject	Code	Notable Dates
Energy Division	SB 702	Hill	California Renewables Portfolio Standard Program: procurement.	Amends Public Utilities Code Sections 399.13, 399.30, and 454.52	Effective 1/1/2021
<p>Authorizes a retail seller to rely on contracts of 10 years or more in duration or ownership agreements entered into before January 1, 2019 directly by its direct access nonprofit educational institution end-use customer for eligible renewable energy resources located in front of the customer meter to satisfy the portion of the Renewables Portfolio Standard 65 percent long-term contracting requirement attributable to the retail sales of that end-use customer.</p>					
Energy Division	AB 913	Calderon	Electrical corporations: wildfire and undercollection	Amends Public Utilities Code Sections 850 and 3280	Effective 1/1/2021
<p>Authorizes the CPUC to order an electric investor owned utility to issue securitized debt to address an under-collection in revenue for the year 2020.</p>					
Energy Division	SB 1117	Monning	Master-meter customers: electrical or gas service	Amends Public Utilities Code Section 739.5	Effective 1/1/2021
<p>Extends most of the consumer protections provided to sub-metered customers of a master-meter mobile/manufactured home park operator when electric service is provided by an electric investor owned utility to now also apply when service is provided by other electric load serving entities, including community choice aggregators.</p>					
Energy and Legal Divisions	AB 2788	Gloria	Public utilities: cooperation with immigration authorities	Amends Civil Code Section 1798.98	Effective 1/1/2021

				Amends Public Utilities Code Section 8380 and 8381	
Prohibits an electric or gas investor owned utility, and local publicly owned electric utility from sharing, disclosing, or otherwise making accessible to any immigration authority a customer’s electrical or gas consumption data without a court-ordered subpoena or judicial warrant.					
Energy Division	AB 3163	Salas	Energy: biomethane: procurement	Amends Public Utilities Code Section 650	Effective 1/1/2021
Expands the definition of “biomethane” to include methane that is produced from the non-combustion thermal conversion of eligible biomass feedstock, for purposes of the CPUC’s consideration of adopting biomethane procurement targets.					
Energy Division	SB 350	Hill	The Golden State Energy Act	Amends Civil Procedures Code Section 564 Adds Civil Procedures Code Sections 568.6 and 1240.655 Amends Public Utilities Code Sections 748.1, 3289, and 3292 Renumbers Public Utilities Code Section 855 Adds Public Utilities Code Sections 222.5 and 713, and Commencing with Section 3400 of Division 1, Part 1, Chapter 9, Article 7; and Commencing with Section 1825 of Division 1.7, Part 1, Chapter 9, Article 7	Effective 1/1/2021

Authorizes the CPUC to petition a court to appoint a receiver to assume possession of Pacific Gas and Electric Company's property and to operate its electric and gas systems if the CPUC determines in a proceeding that the appointment of a receiver is warranted pursuant to the processes or procedures set forth in a specified CPUC investigation. The bill authorizes a court to appoint such a receiver and requires the receiver to control and operate Pacific Gas and Electric Company upon such terms and conditions as the court prescribes. Additionally authorizes the Governor, or the Governor's designee, to incorporate Golden State Energy as a nonprofit public benefit corporation for the purpose of owning, controlling, operating, or managing electric and gas services for its ratepayers and for the benefit of all Californians. Establishes a nine-member board of directors for Golden State Energy and provides for the appointment of the initial board members. Furthermore, requires the initial board to amend Golden State Energy's bylaws to include procedures for the transition to a board consisting of six board members who are elected by Golden State Energy's customers and three board members who are appointed.

Expressly provides that Golden State Energy is a nonprofit public benefit corporation, subject to all statutory provision and regulatory authority of the CPUC as an electrical and gas IOU, except as specified. Requires the CPUC, upon a specified event occurring, to initiate a proceeding to modify the rules and processes that apply to Pacific Gas and Electric Company as necessary to reflect the differences in Golden State Energy's capital structure to ensure continued regulation of rates, electric and gas safety, wildfire mitigation, climate change mitigation and adaption, public purpose programs, and any other CPUC requirements applicable to an electric and gas IOU.

Requires Golden State Energy, in each General Rate Case or attrition year adjustment application, to apply for a revenue requirement sufficient to pay for operations and maintenance costs, pay for administrative and general expenses, service debt, pay the costs of CPUC approved capital expenditures not funded from debt, and fund and maintain necessary financial and operating reserves. Requires the CPUC, in each Golden State Energy General Rate Case or attrition year adjustment, to consider, modify if necessary, and adopt a General Rate Case revenue requirement adequate to furnish and maintain efficient, just, and reasonable service; instrumentalities, equipment, and facilities to promote the safety, health, comfort, and convenience of Golden State Energy's customers, employees, and the public, and to authorize Golden State Energy to issue debt as necessary to maintain and operate its assets consistent with the applicable revenue requirement.

Authorizes Golden State Energy to additionally issue debt to facilitate the acquisition of the property, as defined, of Pacific Gas and Electric Company, as specified, and would allow Golden State Energy to recover fines and penalties through rates approved by the CPUC. Authorizes Golden State Energy to commence an eminent domain action to acquire Pacific Gas and Electric Company if the CPUC determines that Pacific Gas and Electric Company's certificate of public convenience and necessity for the provision of electric or gas service should be revoked pursuant to any processes or procedures adopted by the CPUC in a specified CPUC investigation. Also authorizes Golden State Energy to take possession of Pacific Gas and Electric Company upon deposit in court, and prompt release, of an amount determined by the court to be the probable amount of just compensation. Authorizes Golden State

Energy to similarly participate in the fund following the closing of its acquisition of Pacific Gas and Electric Company, as specified.

Specifies that the financing of energy and project costs on behalf of Golden State Energy is in the public interest and eligible for financing by the state Infrastructure Bank (I-Bank) or by a special purpose trust, as specified. Authorizes the I-Bank to issue bonds and loan the proceeds to Golden State Energy, as specified, and specifies that bonds or other indebtedness issued pursuant to this financing do not constitute a debt or liability of the state or of any political subdivision of the state other than the I-Bank or the special purpose trust, and are payable solely from the funds of, and any security provided by, Golden State Energy. Provides that any and all Golden State Energy indebtedness, their transfer, and the payments or income therefrom are at all times free from income taxation of every kind by the state. Finally, exempts the acquisition of Pacific Gas and Electric Company by Golden State Energy from the above prohibitions if Golden State Energy, or its subsidiary, agrees to assume, take assignment of, and be bound by all collective bargaining agreements and related obligations, assume any obligations for funding under pension plans then in effect, and, in the event the transfer is made as part of Pacific Gas and Electric Company's and Pacific Gas and Electric Corporation's bankruptcy cases, adopt and be bound by the terms and provisions set forth in a specified reorganization plan.

Energy Division	AB 841	Ting	Energy: transportation electrification: energy efficiency programs: School Energy Efficiency Stimulus Program	Amends Public Utilities Code Section 740.12 Adds Public Utilities Code Sections 740.18, 740.19, and 740.20 Adds Public Utilities Code Section Commencing with 1600 of Division 1, Part 1, Chapter 8.7	Effective 1/1/2021
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Requires that not less than 35 percent of IOU TE infrastructure investments authorized by the CPUC are located in underserved communities, as defined. Additionally, this bill requires the CPUC to use a modified oversight process for electric IOU TE infrastructure investments, but authorizes the CPUC to revise these modifications after the completion of an electric IOU's General Rate Case cycle in effect on January 1, 2021 if a determination is made that a change in the modified oversight process is necessary to ensure just and reasonable rates for ratepayers. To this effect, requires each electric IOU, by February 28, 2021, to file an Advice Letter and requires the CPUC to approve, by June 30, 2021, a new tariff or rule that authorizes each electric IOU to design and deploy all TE infrastructure on the utility side of the customer meter for all customers installing a separately metered infrastructure to support electric vehicle charging stations, and provide for cost recovery, subject to a reasonableness review. Furthermore,

requires the CPUC on or before March 1, 2021 to issue Decisions concerning two specific pending electric IOU TE infrastructure applications.

Requires, with exceptions, for work performed on and after January 1, 2022, that all TE infrastructure and equipment located on the customer side of the electric meter that is funded or authorized, in whole or in part, by the CPUC, the CEC, and the CARB to be installed by a contractor with the appropriate license classification, as determined by the Contractors' State License Board, and at least one electrician on each crew, at any given time, who holds an EVITP certification or to require projects funded or authorized, in whole or in part, by these state agencies, that install an EV charging port supplying 25 kilowatts or more to a vehicle to have at least 25 percent of the total electricians working on the crew for the project, at any given time, to hold EVITP certification. Requires the CEC, no later than May 1, 2021, and periodically thereafter, in consultation with the CPUC, to conduct joint public workshops to determine if the EVITP curriculum and testing should be supplemented to include updated or additional topics necessary to ensure safe installation of TE infrastructure. The bill also requires the EVITP curriculum to offer courses in an online format that would remain available through December 31, 2024.

Requires the CPUC to require the large electric and gas IOUs to establish the joint School Energy Efficiency Stimulus Program within each of its energy efficiency portfolios to consist of: (1) the School Reopening Ventilation and Energy Efficiency Verification and Repair Program to provide grants to local educational agencies to reopen schools with functional ventilation systems that are tested, adjusted, and, if necessary or cost effective, repaired, upgraded, or replaced to increase efficiency and performance, and (2) the School Noncompliant Plumbing Fixture and Appliance Program to provide grants to local educational agencies to replace noncompliant plumbing fixtures and appliances that fail to meet water efficiency standards and waste potable water and the energy used to convey that water, with water-conserving plumbing fixtures and appliances. The large electric and gas IOUs are required to file a joint Advice Letter by February 1, 2021 to fund a joint School Energy Efficiency Stimulus Program as part of each of their energy efficiency portfolios. The bill also specifies that the School Energy Efficiency Stimulus Program be a joint program among all the electric and gas IOUs, be consistent across their service territories, and be designed, administered, and implemented by the CEC as the program administrator. Further requires the CPUC to approve the Advice Letter by March 1, 2021. Also specifies that the large electric and gas IOUs are to allocate a specific portion of their energy efficiency portfolio budgets for program years 2021, 2022, and 2023 to fund the School Energy Efficiency Stimulus Program. All allocated funds unspent by December 1, 2026 are to be returned to the large electric and gas IOUs and the CEC is required, in collaboration with the large electric and gas IOUs, to develop and administer the School Reopening Ventilation and Energy Efficiency Verification and Repair Program and the School Noncompliant Plumbing Fixture and Appliance Program as components of the School Energy Efficiency Stimulus Program. Further requires that not less than 25 percent of projects funded by these programs be in underserved communities, as defined, and requires that these programs prioritize underserved communities by ensuring that all schools that are in an underserved community are offered the opportunity to apply for and receive grants before those schools that are not in an underserved community. Additionally requires that the School Reopening Ventilation and Energy Efficiency

Verification and Repair Program prioritize schools with a boundary that is within 500 feet of the edge of the closest traffic lane of a freeway or other busy traffic corridor, as defined, or within 1,000 feet of a facility holding a specified permit issued pursuant to the federal Clean Air Act. Requires the CEC to ensure that moneys from each large electric and gas IOU for the School Energy Efficiency Stimulus Program are used, to the maximum extent feasible, for projects located in their service territory from which the moneys are received. Finally, repeals these provisions on January 1, 2027.

Communications Division	AB 82	Committee on Budget	California Advanced Services Fund	Amends Public Utilities Code Section 281	Effective 7/1/2020
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This bill conferred no additional responsibilities to the Commission; however, it changed some of the program criteria of the CASF and provided additional flexibility for using CASF funds to increase California’s ability to compete for federal broadband funding.