

California Public Utilities Commission

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CPUC RELEASES ANNUAL REPORT HIGHLIGHTING REFORMS AND CHARTING PATH FORWARD

SAN FRANCISCO, February 1, 2016 - The California Public Utilities Commission (CPUC) today delivered its Annual Report to Governor Edmund G. Brown Jr. and the California Legislature highlighting the CPUC's 2015 activities, including key reform measures implemented to build a solid foundation for regulatory success in the years ahead. The report also highlights the CPUC's 2016 work-plan to effectively implement legislation and continue to improve accountability and transparency.

The full report can be found at www.cpuc.ca.gov/AnnualReports/.

In response to internal and external comments, including feedback from the State Legislature, the CPUC implemented nine reform initiatives to improve the agency's administrative infrastructure and organizational management. A few of the key reform efforts implemented include the establishment of a database to track regulatory compliance, adoption of a new code of conduct for Commissioners, and formation of a new Internal Audit Unit that will perform regular management audits of the CPUC's internal controls and programs. A complete accounting of reform measures is detailed in chapter four of the report titled "2015 CPUC Reform Efforts".

CPUC President <u>Michael Picker</u> said, "We still have plenty of work to do. Our success in these many initiatives will be measured by the ability of Californians to enjoy safe, affordable, sustainable, and reliable utility service, today and far into the future. We will continue to improve."

The CPUC in 2015 implemented at least 15 different laws that were passed by the State Legislature and signed into law by Governor Brown. In 2015 the CPUC implemented Senate Bill 291 authored by Senator Jerry Hill (D-San Mateo) to create an electric safety citation program. The CPUC also completed deliberations on the implementation of Senate Bill 43 authored by Senator Lois Wolk (D-Davis) approving green tariff shared renewables programs for investor-owned electric utilities; a final decision is anticipated in the spring. Also, in 2015, the CPUC implemented Assembly Bill 327 authored by Assemblymember Henry Perea (D-Fresno) enacting residential electric rate reform. A complete accounting of legislation implemented in 2015 is detailed in chapter two of the report titled "Legislation Implemented in 2015".

Chapter five of the report highlights the CPUC's work-plan for 2016. The CPUC in 2016 will begin implementation of Senate Bill 350, the Clean Energy and Pollution Reduction Act of 2015, authored by Senate President Pro Tempore Kevin de León (D-Los Angeles) and Senator Mark Leno (D-San Francisco), which would mandate that California utilities generate and sell 50 percent of their electricity from renewable sources by 2030. In addition to beginning work on implementation of Senate Bill 350, the CPUC will focus on fire safety in a new proceeding, which will develop and adopt maps that depict areas of the State where there is an elevated risk of power-line fires. The California Department of Forestry and Fire Protection will have a primary role in the development of these fire-threat maps. In 2016, the CPUC also intends to look into the state of competition among telecommunication providers. The CPUC will gather data related to competition in the retail and wholesale telecommunications markets in California and comment on existing reports and studies (including by the CPUC's Communications Division) related to the price and availability of competing telecommunications services across California's diverse population and its large and diverse geography.

In addition to improving the CPUC's accountability and transparency through nine key reform measures, strengthening and enforcing the safe operation of California utilities through the implementation of key legislation, and continuing implementation of California's climate change initiatives, the CPUC adopted 584 decisions, held 307 days of Evidentiary Hearings in various proceedings, responded to more than 300,000 consumer calls and complaints, issued more than \$1.6



billion dollars in fines and penalties, and oversaw the addition of more than 1,770 megawatts of renewable generation. As it ramps up enactment of its 2016 work-plan, the CPUC will also focus on a follow-up to its first ever <u>Safety Action Plan</u>, which is anticipated to be approved at the CPUC's February 11, 2016, Voting Meeting.

"This is the first Annual Report documenting CPUC activities since President Picker took over as President and since I became the Executive Director in January 2015," said Executive Director Timothy Sullivan. "Our actions in 2015 and those we will take in 2016 are necessary and important and will help correct many of the regulatory shortcomings of the past."

For more information about the CPUC, please visit www.cpuc.ca.gov.

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