

2008 Legislative Summary



California Public Utilities Commission

Office of Governmental Affairs
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SUMMARY OF 2008 LEGISLATION

INTRODUCTION

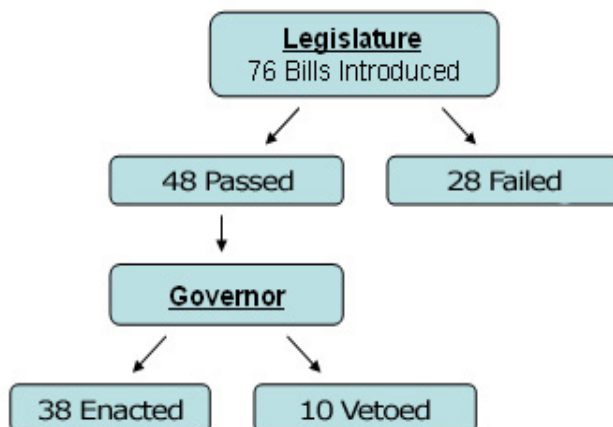
This Summary of Legislation is intended to provide a resource of 2008 legislation that either affects the California Public Utilities Commission (CPUC) or is of general concern to Commissioners and employees. The summary is divided into the following sections:

- Summary of 2008 Legislation
- Index of Legislation Listed by Bill Number
- Government Code Sections Affected
- Public Utilities Code Sections Affected
- Resources Code Sections Affected
- Water Code Sections Affected
- Veto/Died in Committee Measures

Weblink Information: To access a bill's history, text information and veto message, hold down the "Control" key and click on the bill number. It will take you to the legislative website: (www.leginfo.ca.gov/bilinfo.html). Enter the bill number in the "Search" box to access bill text, analyses and history. If you want to access the Veto Message directly, hold down the "Control" key and click "Veto Message."

If you would like additional information on these measures or any other legislation, please contact the Office of Governmental Affairs at 770 L Street, Suite 1050, Sacramento, California 95814 or call (916) 327-3277.

2008 Actions Taken on Legislative Bills Affecting the Public Utilities Commission



SUMMARY OF 2007 STATE LEGISLATION

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SUMMARY OF ENACTED LEGISLATION

I. ADMINISTRATION

- [SB 1472](#) Chapter #353 (Ashburn) Public employment.

CPUC Position: None.

Summary: This bill allows, until January 1, 2013, prior state employees who have had permanent civil service status, and former legislative or nonelected exempt employees with at least two years of consecutive service, to apply for and compete in "Career Executive Assignment" (CEA) examinations.

Purpose: Allowing former permanent state employees to compete in CEA examinations will enhance management talent, improve state services, and foster a high performance work environment because they bring with them a wealth of knowledge of state government.

Code Section: Government Code Sections 18546, 18990, 18992, 19889.3 and 20037.13.

- [SB 1772](#) Chapter #418 (Senate Rules Committee) 1974 Political Reform Act: behested payments.

CPUC Position: None.

Summary: This bill includes members of the California Public Utilities Commission (CPUC) in the Fair Political Practices Commission's (FPPC) reporting requirements for payments made at the behest of an elected officer for \$5,000 or more in the aggregate from the same source in the same calendar year. This bill does not limit the amount or frequency of behested payments or a Commissioner's ability to solicit them.

Purpose: Existing law allows members of the CPUC to solicit behested payments to nonprofit organizations without any disclosure to the public. In cases where the payments are made by regulated utilities, this may create a public perception of impropriety.

Code Section: Government Code Section 82015.

II. BUDGET

- [AB 88](#) Chapter #269 (Assembly Budget Committee) Supplemental Budget Act of 2008.

CPUC Position: None.

Summary: This bill revises the appropriations for state agencies, including the appropriations to the CPUC (Budget Item 8860-011-00001).

- [AB 1338](#) Chapter #760 (Assembly Budget Committee) Public resources.

CPUC Position: None.

Summary: This bill makes the following statutory changes that affect the CPUC practice, energy efficiency and water quality:

- Electricity Oversight Board Litigation Authority: Requires the State Attorney General to represent the Department of Finance and to be the successor to selected remaining claims, lawsuits, and petitions filed by the Electricity Oversight Board. The Electricity Oversight Board Litigation Authority sunsets on January 1, 2010.
- Greenhouse Gas Reporting: Requires the administration to annually submit to the Legislature a cross-cut budget of all statewide AB 32 (Nunez-2006) implementation budget proposals with five-year workload expectations for positions and contracts with their expected deliverables.
- Institute for Climate Solutions: Requires the Public Utilities Commission (PUC) to obtain legislative approval prior to establishing the Institute for Climate Solutions.
- PUC Reporting on Off-Budget Accounts: Requires the PUC to annually report to the legislature on various off-budget programs and their related accounts.
- Alternative Conveyance: Requires the Department of Water Resources (DWR) to use eight specified limited-term positions exclusively for conducting studies on options for conservation and restoration of the Sacramento/San Joaquin River Delta, consistent with the recommendations

of the Delta Blue Ribbon Task Force. These positions will be restricted to advance work on California Environmental Quality Act required studies and documentation for the Bay-Delta Conservation Plan.

- [**AB 1781**](#) Chapter #268 (Laird) Budget Act of 2008.

CPUC Position: None.

Summary: This bill enacts the statutory language in the area of the 2008 State Budget concerning general government issues, including the funding of the California Teleconnect Fund Administrative Committee, and a Budget Act which appropriates funding to various state departments, including the California Public Utilities Commission (CPUC) and other state programs.

III. ENERGY

- [**AB 578**](#) Chapter #627 (Blakeslee) Energy: distributed energy generation: study.

CPUC Position: None.

Summary: This bill requires the CPUC in consultation with the Independent System Operator (ISO) and the California Energy Commission (CEC) by January 1, 2010, and biennially thereafter, to report on the impacts of distributed energy generation on the state's distribution and transmission grid. The CPUC would be required to assess the impacts of the California Solar Initiative program (CSI), the self-generation incentive program, and the biogas customer-generator net energy metering pilot program.

Purpose: This bill will provide the Legislature and the Governor with an understanding of the pressures and effects that increased utilization of self-generation has on the distribution and transmission grid.

Code Section: Public Utilities Code Section 321.7 and Public Resources Code Section 25783.

- [**AB 811**](#) Chapter #159 (Levine) Contractual assessments: energy efficiency improvements.

CPUC Position: Support (March 13, 2008).

Summary: This bill authorizes all cities and counties in California to use contractual assessments to finance the installation of distributed generation renewable energy sources or energy efficiency improvements that are permanently fixed to residential, commercial, industrial, or other real property.

Purpose: This bill will provide local government the opportunity to promote energy efficiency and renewable energy generation at the local level.

Code Section: Streets and Highway Code 5898.12, 5898.14, 5898.20, 5898.21, 5898.22 and 5898.30.

- [**AB 1763**](#) Chapter #551 (Blakeslee) Energy: billing information

CPUC Position: Support with technical amendments (March 13, 2008).

Summary: This bill requires each electric and gas corporation to disclose and itemize the charges for each rate block (tier) above the baseline rate on customers' billing statements.

Purpose: The bill will provide utility customers with detailed information and monthly documents regarding the cost of their energy use by rate tier and potential positive financial gains from further conservation efforts.

Code Section: Public Utilities Code Section 739.

- [**AB 2176**](#) Chapter #229 (Cabellero) Energy: federal block grants.

CPUC Position: None.

Summary: This bill requires the CEC to administer federal funds received by the Federal Energy Independent Act for energy efficiency.

Purpose: The purpose of this bill is to help streamline the process of providing federal energy efficiency block grant funds to cities and counties with populations of 35,000 and below.

Code Section: Public Utilities Code Section 25450.

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- [AB 2267](#) Chapter #537 (Fuentes) California-based entities: self-generation incentive program.
CPUC Position: None.
Summary: This bill requires the California Public Utilities Commission to grant an additional 20 percent incentive to eligible California technology manufacturers under the Self Generation Incentive Program (SGIP), and require the California Energy Commission to give priority to California-based entities when making Public Interest Energy Research, Demonstration and Development awards.
Purpose: This bill will work toward a dual goal of meeting greenhouse gas emission (GHG) reduction targets and supporting economic development for California. The author refers to several states, including Massachusetts, Connecticut, and Washington, with programs that provide preferences for projects by companies based within the state. The author believes that these states are using public resources to build new industries and jobs to help their economies.
Code Section: Public Utilities Code Section 379.6 and Public Resources Code Sections 25620 & 25620.5.
- [AB 2404](#) Chapter #240 (Salas) Energy efficiency: water efficiency program.
CPUC Position: Support with amendments (April 24, 2008).
Summary: This bill requires the CPUC, in a report to the Legislature due by March 31, 2010 to describe the outcome of a pilot project the CPUC established to determine whether cost-effective energy efficiency improvements could be achieved by water conservation projects, and make recommendations as to whether the utilities would or could achieve cost-effective energy efficiency improvements through water conservation programs.
Purpose: This bill will provide legitimacy and accountability to the CPUC-established pilot programs and states legislative interest in the issue by requiring the CPUC to report to the Legislature on the results of the pilot programs.
Code Section: Not specified in the bill.
- [AB 2466](#) Chapter #540 (Laird) Local government renewable energy self-generation program.
CPUC Position: Support with technical amendments (May 29, 2008).
Summary: This bill authorizes a new form of generation-only net energy metering, available to “local governments” only. This bill would authorize all local governments in California to receive a bill credit on one or more designated “benefiting account(s)” for energy generated by one or more eligible city-owned or operated renewable generation facility (or facilities). The benefiting accounts must serve property that is owned or occupied by the same local government that owns the eligible renewable generating facility.
Purpose: This bill will allow local government entities to credit energy produced from renewable resources owned by the local entity against their electricity usage on more than just the facility where the renewable generator is located.
Code Section: Public Utilities Code Section 2830.
- [AB 2768](#) Chapter # 541 (Levine) Solar energy systems: pricing.
CPUC Position: Support (April 10, 2008).
Summary: This bill makes optional time-variant (TOU) pricing a permanent rate feature for California’s solar energy system owners. SB 1 (Murray, Ch. 132, Statutes of 2006) originally required all solar customers to be on a TOU rate when they installed solar. Emergency legislation in May 2007 delayed solar customers from the mandatory TOU rates until after the next general rate case in each IOU territory after 2009. This bill would make “optional TOU” permanent. The ratepayer installing a solar system will have the option of taking service under the new time-variant rate or a flat rate if there is a flat rate for which the ratepayer qualifies. This option allows residential solar energy system owners to choose whichever tariff would make solar the most economical, a flat rate or a TOU rate.
Purpose: The bill will eliminate mandated TOU rates for California Solar Initiative (CSI) systems and grant the California Public Utilities Commission (Commission) discretion to mandate those rates as long as those rates create the maximum incentive for ratepayers to install solar energy systems.

Code Section: Public Utilities Code Section 2851.

- **[AB 2791](#) Chapter #253 (Blakeslee) Waste Heat and Carbon Emissions Reduction Act.**
CPUC Position: Support (April 24, 2008).
Summary: This bill expands the definition of eligible customer under the Waste Heat and Carbon Emissions Reduction Act (AB 1613, Blakeslee, Chapter 713, Statutes of 2007) to include a federal, state, or local government facility. This bill prohibits any state agency's acquisition of a combined heat and power facility, financed pursuant to the Waste Heat and Carbon Emissions Reduction Act, until legislative notification, as specified, has been made by the Department of Finance.
Purpose: This bill will allow federal, state and local government to participate in the existing combined heat and power (CHP) generation financing program.
Code Section: Public Utilities Code Section 2842.4.
- **[AB 2804](#) Chapter #542 (Hayashi) Renewable energy resources: California Solar Initiative.**
CPUC Position: Oppose (May 15, 2008).
Summary: This bill authorizes a school district or community college district to request the extension of a reservation expiration date for monetary incentives for a solar energy system, up to a maximum of 3 extensions of 180 calendar days for each extension and the request be made in writing to the program administrators and contain specified information relating to the need for additional time.
Purpose: The California Solar Initiative (CSI) sets forth the procedures by which applicants, including school and community college districts that have committed to purchase and install a solar energy system may reserve funding to be made available upon installation of the system. This bill will address a perceived problem with the California Public Utilities Commission's implementation of the CSI.
Code Section: Public Utilities Code Section 2851.5.
- **[AB 2857](#) Chapter #536 (Lieber) California Alternative Rates for Energy: eligibility.**
CPUC Position: Support with technical amendments (May 15, 2008).
Summary: This bill prohibits CPUC from denying eligibility for the California Alternative Rates for Energy (CARE) program for a sub-metered resident or tenant of a master-metered mobilehome park, apartment building or similar residential complexes on the basis that some residential units in the complex receives gas or electric service through a submetered system.
Purpose: This bill will allow mobilehome park sub-metered tenants to participate in CARE discount program, except tenants who reside in qualified group living facilities or farm worker housing. This bill prohibits the California Public Utilities Commission (CPUC) from denying eligibility for the California Alternative Rates for Energy (CARE) program for a sub-metered resident or tenant of a master-metered mobilehome park, apartment building or similar residential complexes on the basis that some residential units in the complex receive gas or electric service through a submetered system.
Code Section: Public Utilities Code Section 739.5.
- **[AB 2863](#) Chapter #535 (Leno) Independent energy producers: master-meter customers.**
CPUC Position: Support with technical amendments (May 29, 2008).
Summary: This bill makes it explicitly legal for third party owners of solar generation, referred to as "independent solar energy producers" or power purchase agreements (PPAs) to own and operate solar systems and sell electricity to utility customers. This model of third party ownership based on PPAs is already common among commercial facilities, and is gaining popularity in the residential sector.
 - This bill creates a definition of "independent solar energy producer" in Public Utilities Code.
 - This bill would exempt an independent solar energy producer from the regulatory provisions governing "electrical corporations" and "electric service providers."
 - The bill requires that third party owners of solar generation provide certain disclosures to residential utility customers that buy or lease solar generation.**Purpose:** According to the author, the purpose of this bill is to clarify that companies offering solar power purchase agreements are not electrical corporations as defined in the Public Utilities Code and are not subject to the same level of regulation as monopoly electric utilities.

Code Section: Public Utilities Code Sections 218, 218.3, 739.5 and 2868.

- **[AB 3018](#) Chapter #312 (Nunez) California Green Collar Jobs Act of 2008: green jobs.**

CPUC Position: None.

Summary: This bill enacts the California Green Collar Act in order to address the state's green economy workforce needs. The bill requires the California Workforce Investment Board (CWIB), to establish the Green Collar Jobs Council (GCJC) comprised of the appropriate representatives from the CWIB existing membership, including K-12 representative, the California Community Colleges representative, the Business, Transpiration and Housing Agency representative, and other appropriate members.

Purpose: Public and private partnerships play an important role developing strategies, training programs and funding for workforce training and needs. With the "green" economy creating numerous job opportunities, there needs to be a public-partnership in place to address funding and linkages between state agencies, community colleges, the university systems.

Code Section: Unemployment Insurance Code Section 15000.

- **[AB 3048](#) Chapter #558 (Assembly Utilities & Commerce Committee) Local publicly-owned electric utilities: renewable energy resources.**

CPUC Position: None.

Summary: Among other things, this bill requires the CPUC to submit a report to the Governor and the Legislature on the separate cost of the individual elements that make up the investor-owned utilities' (IOUs) rates by February 1 of each year, and to post the report on its website. This bill will make numerous technical corrections to the code.

Purpose: This bill will make minor technical changes to clarify code to provide conformity when referencing the California Energy Commission, defines the terms "local publicly owned electric utility," "electric service provider," "eligible renewable energy resources," and "renewables portfolio standard, and eliminates references to the Public Utilities Holding Companies Act (PUCHA), which was repealed by the federal Energy Act of 2005.

Code Section: Public Utilities Code Sections 5, 20, 216, 224.3 renumber 228.5 & 399.25, 353.11, 366.2, 380, 387, 387.5, 394.5, 395.5, 399, 399.1, 399.12, 399.12.5, 701.8, 761.3, 747, 848, 2774.5, 2827, 2852, 3302, 7000, 8340, and 9604, Public Resources Code Sections 25302.5, 25534, 25741, and 25742, and Labor Code Section 3099.2.

- **[AB 3058](#) Chapter #693 (Assembly Utilities & Commerce Committee) Electric power contracts: just and reasonable charges.**

CPUC Position: Support (April 24, 2008).

Summary: This bill, an urgency measure, requires the CPUC to determine whether certain contracts for the purchase of electricity that are modified by the Department of Water Resources (DWR) are "just and reasonable". This bill also requires the Department of Water Resources (DWR) to provide the CPUC a written report justifying modifications of electricity contracts entered into by DWR. The CPUC, within 60 days, shall review the report and recommend whether the modifications should occur and make its findings public.

Purpose: The bill will ensure that electricity contracts modified by DWR are just and reasonable.

Code Section: Water Code Section 80110.

- **[SB 380](#) Chapter #544 (Kehoe) Renewable energy resources.**

CPUC Position: None.

Summary: This bill modifies the small renewable feed-in-tariff program that allows small-scale renewable generators to sell renewable electricity to electrical corporations under the CPUC jurisdiction, by expanding the eligible generators beyond water and wastewater facilities to include any customer that meets specific requirements. Every electrical corporation will be required to file with the CPUC a standard tariff for electricity generated by an electric generation facility with an effective capacity of not more than 1.5 megawatts that is located on property owned or under the control of a customer, and that meets other deliverability and interconnection requirements. The bill retains the renewable facility

capacity size limit of 1.5 megawatts, and increases the statewide generating capacity limit from 250 to 500 megawatts.

Purpose: The bill will codify the CPUC's implementation of the AB 1969 (Yee, 2006) small renewables feed-in-tariff program, expanding the program beyond water and wastewater facilities to all customers and requiring that all electrical corporations within CPUC jurisdiction offer the program. Specifically, Senator Kehoe, the author and sponsor of this bill, and who represents constituents of San Diego Gas and Electric (SDG&E), is seeking to ensure that SDG&E is included in the program as they previously did not participate.

Code Section: Public Utilities Code Section 399.20.

- **[SB 1754](#) Chapter #543 (Kehoe) Local publicly-owned electric utilities: renewable energy resources.**
CPUC Position: None.

Summary: This bill, sponsored by California State Treasurer Bill Lockyer, authorizes the California Alternative Energy and Advanced Transportation Financing Authority to enter into power purchase agreements with public and private entities for the purchase and sale of alternative source energy or projects.

Purpose: The Treasurer opines that the Power Purchase Agreements approach would provide a two-pronged benefit: It would curb climate change emissions by significantly increasing renewable energy generation in California and, for taxpayers, it would accomplish the state's goal in the most cost-effective way.

Code Section: Public Resources Code Sections 26001.5, 26003, 26011, 26011.6, and 26022.

- **[SJR 27](#) Resolution Chapter #118(Kehoe) Federal tax credits: production and investment for renewable energy technologies.**

CPUC Position: None.

Summary: This resolution encourages the President and the Congress of the United States to provide a long-term extension of the investment and production tax credit.

Purpose: According to the author, "SJR 27 urges the President and Congress to extend the production and investment tax credits for renewable energy."

Code Section: Not applicable.

IV. PUBLIC UTILITIES

- **[AB 873](#) Chapter #316 (Davis) Public utilities: procurement.**

CPUC Position: Support (March 13, 2008).

Summary: This bill would extend the minority-, women-, and disabled veteran-owned business enterprises procurement program to large water corporations and would encourage each electrical, gas, water, and telephone corporation not required to submit a plan to voluntarily adopt a plan for increasing women, minority, and disabled veteran business enterprise procurement in all categories. This bill allows the California Public Utilities Commission to use the Memorandum of Intent signed by water utilities in April of 2004 as the basis for the development of program guidelines to implement the requirements of the bill for water corporations.

Purpose: This bill includes the state's largest CPUC-regulated water corporations in the CPUC program intended to increase diversity in various utility operations. The author is concerned that the diversity variability with water corporation procurement is less than the diversity variability of the CPUC's other regulated utilities.

Code Section: Public Utilities Code Sections 8281, 8283, 8284, and 8285.

- **[AB 2578](#) Chapter #552 (Lieu) Public Utilities Commission: procedures and remedies.**

CPUC Position: CPUC-sponsored bill.

Summary: In response to recommendations made in the State Controller's 2007 audit, this bill would improve the CPUC's ability to collect fines, penalties and restitution from public utilities and common

carriers. Specifically, this bill would grant the Commission judgment creditor status, allow the Commission to collect fines and restitution from individuals who engaged in fraudulent activities, and permit the Commission to require companies to demonstrate their ability to pay fines and restitution. **Purpose:** In 2007, the Commission experienced some negative publicity about its failure to collect past due penalties and fines. The State Controller's Office performed an audit that recommended the Commission modify and strengthen its existing collection procedures. This bill will implement the State Controller's recommendations, as well as the Commission's recommended improvements. **Code Section:** Civil Procedure Sections 688.020, 688.030 and **Public Utilities Code Sections 1013, 1701.2, 2104, 5135, 5317 and 5374 and 5417.**

V. TELECOMMUNICATIONS

- **AB 2136 Chapter #739 (Mendoza) Prepaid calling cards.**
CPUC Position: Support if Amended (May 15, 2008).
Summary: This bill enacts additional standards and disclosure requirements relating to the advertising and sale of prepaid calling card services.
Purpose: This legislation would provide clearer disclosure requirements, improve prepaid calling card consumer protection against false and misleading advertising, as well as enable law enforcement agencies to pursue violators more effectively.
Code Section: Public Utilities Code Section 17538.9.
- **AB 2232 Chapter #195 (De La Torre) Telephone corporations: state video franchise holders: video providers: employee background checks.**
CPUC Position: None.
Summary: This bill would prohibit any individual from entering upon the premises of a customer on behalf of a telephone corporation, state video franchise holder, or video provider unless he or she has had a background check. The bill would require background checks be conducted for applicants for employment by a telephone corporation, state video franchise holder, or video provider if those applicants have direct contact with, or access to, the company's network or central office. The background check provisions apply only to applicants applying for employment on or after January 1, 2009, and contracts entered into on or after January 1, 2009.
Purpose: This bill will prohibit any individual who is working for or on behalf of a holder of a state video franchise holder or a telephone corporation from entering a customer's premises unless a background check has been conducted on that individual.
Code Section: Public Utilities Code Section 7910.
- **AB 2307 Chapter #162 (Price) Telephone services: change in telephone service provider.**
CPUC Position: Support if Amended (May 29, 2008).
Summary: This bill would allow telephone service subscribers to verify their decision to change residential telephone service by means of electronic signature or electronic authorization as long as it is in compliance with the Federal Communication Commission's regulation codified in CFR 64.1120.
Purpose: This bill would be an additional deterrent to combat the "slamming" issue. "Slamming" is the unauthorized changing of a customer's telephone company.
Code Section: Public Utilities Code Section 2889.5.
- **AB 2885 Chapter #745 (De La Torre) Mobile telephony service: prepaid service.**
CPUC Position: Support if amended (May 15, 2008).
Summary: This bill authorizes the California Public Utilities Commission (CPUC) to enforce existing law, Business & Professions Code section 17538.9, for undisclosed charges to consumers by sellers of prepaid calling cards.
Purpose: If the CPUC has the authority to enforce Business and Professions Code section 17538.9 against licensed telephone companies and registered calling card companies, it would be able to directly

pursue violations of the code against repeat offenders that are not large enough to warrant the Attorney General's or local district attorneys' attention.

Code Section: Public Utilities Code Section 887.

- **[SB 780](#) Chapter #342 (Wiggins) Telecommunications: universal service.**

CPUC Position: Support with amendments (March 13, 2008).

Summary: This bill extends the sunset date for the California High Cost Fund-A (CHCF-A) to January 1, 2013, and the sunset date for the California High Cost Fund-B (CHCF-B) to January 1, 2012. The CPUC would be required to conduct an affordability study on the affordability of basic phone service in areas funded by the CHCF-B and report to the Legislature by July 1, 2010.

Purpose: This bill will continue the CHCF-A & B programs that assure the availability of universal service support in rural and high cost areas at affordable rates before the program sunsets on January 1, 2009.

Code Section: Public Utilities Code 739.3 & 275.6.

- **[SB 1040](#) Chapter #17 (Kehoe) Telecommunications: Emergency Telephone Users Surcharge Act.**

CPUC Position: None.

Summary: This bill provides for a surcharge to be imposed on amounts paid by every person in California for Voice Over Internet Protocol (VOIP) service that provides access to the 911 emergency system by any service user in the state beginning January 1, 2009.

Purpose: This bill will require VOIP subscribers in the group of telephone users to be included to fund 911 emergency service.

Code Section: Revenue and Taxation Code Sections 41007, 41009, 41011, 41016, 41016.5, 41019.5, 41020, 41025, 41030, 41031, 41046, 41050 & 41152.

- **[SB 1149](#) Chapter #388 (Wiggins) Grants to areas not served by local exchange carriers.**

CPUC Position: Support (March 13, 2008).

Summary: This bill will extend the current sunset date for the Rural Telecommunications Infrastructure Grant Program (AB 140 program) from January 1, 2009 to January 1, 2013, and change the program as follows: (1) Increases the "per-project" cap from \$2.5 million to \$5 million; (2) allows unspent allocations to be rolled into the next fiscal year so that instead of limiting grants to \$10 million per year, the CPUC can issue grants for up to a total value of \$40 million over a 10-year period; and (3) allows the CPUC to allocate grants to communities to enable the area to communicate with essential emergency services.

Purpose: The bill will continue funding for telecommunications services projects in order to bring telecommunications service to qualifying communities not currently served by existing local exchange carriers.

Code Section: Public Utilities Code Section 276.5.

- **[SB 1193](#) Chapter #393 (Padilla) Universal service: California Advanced Services Fund.**

CPUC Position: CPUC-Sponsored bill.

Summary: This bill adds the California Advanced Services Fund (CASF) to the list of telecommunication funds in the State Treasury under Section 270 of the Public Utilities Code, requires deposit in the fund of any moneys collected pursuant to the CPUC authorized CASF surcharge, and limits the collection of funds through the CASF surcharge to \$100 million. This bill allocates \$25 million to the CPUC for implementation of this program in FY 2008-09 and requires a report on how this money was spent by May 15, 2009. This bill would also require the CPUC to audit the implementation and effectiveness of the CASF program and report its findings to the Legislature by December 31, 2010. The provisions of this bill would sunset on January 1, 2013.

Purpose: This bill is a CPUC-sponsored bill which will establish in statute the funding mechanism for the existing CASF program, which is designed to fund up to 40% of the costs of deploying broadband facilities to unserved and underserved areas of the state.

Code Section: Public Utilities Code Sections 270 and 281.

- **[SB 1437](#) Chapter #718 (Padilla) California Virtual Campus: pupils of public high schools: community college enrollment.**
CPUC Position: Support (May 15, 2008).
Summary: This bill establishes in statute the California Virtual Campus and deems the California Community Colleges to be qualifying schools for the California Teleconnect Fund program administered by the California Public Utilities Commission (CPUC).
Purpose: This bill will save community colleges \$8 million annually in telecommunications costs. These costs will be paid out of the CTF.
Code Section: Public Utilities Code Section 280.

VI. TRANSPORTATION

- **[AB 660](#) Chapter #315 (Galgiani) Railroad-highway grade separations.**
CPUC Position: Support (March 13, 2008).
Summary: This bill will streamline the current grade separation program by removing obsolete code sections and rarely used allocation categories
Purpose: This bill will clean up the grade separation program's governing code sections, simplify the program for applicants, and focus limited funds on existing crossings in need of separation.
Code Section: Streets and Highways Code Sections 190, 191, 2450, 2452, 2454, 2458 & 2460.5.
- **[SB 53](#) Chapter #612 (Ducheny) Department of Railroads.**
CPUC Position: Oppose (July 31, 2008).
Summary: This bill requires the California Research Bureau (CRB) to study the feasibility of consolidating various rail functions currently performed by several state agencies into a new state agency, the Department of Railroads. The study shall be performed in collaboration with the California Public Utilities Commission, the Business Transportation and Housing Agency, the Department of Transportation, the California Transportation Commission, the California High-Speed Rail Authority, and the Office of Legislative Analyst.
Purpose: This bill commissions research on how to eliminate duplication in rail planning, financing and construction responsibilities performed by different state agencies.
Code Section: An act relating to transportation (code section not referenced).
- **[SB 911](#) Chapter #706 (Wiggins) Hot air balloons.**
CPUC Position: None.
Code Section: Public Utilities Code Sections 5500, 5501 and 5513.
Summary: This bill extends the sunset date by four years to January 1, 2013 on the provisions regulating commercial balloon operators, which exempt hot air balloons from CPUC jurisdiction and place them under local government jurisdiction.
Purpose: If the sunset date is not extended, the current insurance coverage for commercial hot balloons would be adversely affected.
Code Section: Public Utilities Code Sections 5500, 5501 & 5513.

VII. WATER

- **[AB 2680](#) Chapter #643 (Adams) Counties: Water bond loans.**

CPUC Position: None.

Summary: This bill authorizes the State Controller to discharge Department of Water Resources (DWR) from accountability for collection of the loan issued to the Arrowhead Manor Water Company in 1980 under the California Safe Drinking Water Bond Law of 1976, but only if San Bernardino County or its county service area acquires the water system financed by the loan issued to the Arrowhead Manor Water Company (AMWC) and pays the amount of \$910,520 in complete satisfaction of that loan, on or before January 30, 2009.

Purpose: DWR made a loan to AMWC, an investor owned utility, in 1979 in the amount of \$910,520 from proceeds of the Safe Drinking Water Bond Law of 1976. The loan carried an interest rate of 7.4% per annum, plus compounding late payment penalty charges amounting to 1% per month. Due to the poor management practices of AMWC between 1979 and 2003, the loan has mushroomed to approximately \$1.9 million, including principal, interest, and late payment penalties. The author believes that since AMWC is no longer solvent, the state should have no expectation in recouping this outstanding loan balance.

Code Section: Government Code Section 13943.3.

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VETOED AND FAILED DEADLINE MEASURES

I. ENERGY

- [AB 94](#) (Assembly Utilities & Commerce Committee-Levine) – Renewable energy.
Failed Deadline pursuant to Rule 61(b)(17) – Died in Senate Energy Committee.
CPUC Position: None.
Code Section: Public Utilities Code Sections 5, 20, 216, 353.11, 366.2, 380, 387, 387.5, 394.5, 395.5, 399.12, 399.12.5, 701.8, 761.3, 848, 2774.5, 2827, 2852, 3302, 7000, 8340, 9604 and renumber Sections 228.5 and 399.25 and Public Resources Code Sections 25302.5k, 25534 and 25741.
Summary: This bill would have eliminated and amended sections of the Public Utilities Code that reference the Public Utilities Holding Company Act of 1935 (PUHCA), which was repealed by the federal Energy Policy Act of 2005 and make minor technical changes (i.e., defines the State Energy Resources Conservation and Development Commission as “Energy Commission” for purpose of the PU Code and “locally publicly owned electricity utility” within the Act (PUHCA)).
- [AB 746](#) (Krekorian) Energy conservation assistance: Local governments and public institutions.
Failed Deadline pursuant to Rules 61(b)(17) – Died in Senate Rules Committee.
CPUC Position: None.
Code Section: Public Resources Code Sections 25421 and 25449.4.
Summary: This bill would have reinstated the California Energy Commission’s (CEC) 2006 expedited six month siting process for powerplants fueled with renewable energy and for the repowering of existing powerplant.
Purpose: This bill would have expedited the powerplant siting process in order to meet the increase in energy shortage experienced in the summer of 2000 in San Diego.
- [AB 1077](#) (Lieber) State Air Resources Board: plug-in hybrid electric vehicles.
Failed Deadline pursuant to Rules 61(b)(17) – Died in the Senate Appropriations Committee.
CPUC Position: Support with technical amendments (April 12, 2007).
Code Section: Health and Safety Code.
Summary: This bill would have enacted the California Plug-In Hybrid Electric Vehicle Leadership Act of 2007. The bill would have established the California Plug-In Hybrid Electric Vehicle Coordinating Council to develop and carry out a strategy of coordination and collaboration between entities and organizations engaged in activities relating to plug-in hybrid electric vehicles. The bill required the Council, on or before October 1, 2008, to identify the percentage or number of plug-in hybrid vehicles that would reasonably be added to the state vehicle fleet in the future.
Purpose: In accordance with the state’s effort to promote energy efficiency and greenhouse gas emission, this bill would provide information on how to increase the state’s purchase and use of plug-in hybrid vehicles.
- [AB 1223](#) (Arambula) Public utilities: net energy metering.
Failed Deadline pursuant to Rule 61(b)(17) – Died on the Assembly Floor.
CPUC Position: Support with technical amendments (April 12, 2007).
Code Section: Public Utilities Code Section 2827.
Summary: The bill would have permitted agricultural wind and solar customer generators to aggregate accounts on adjacent or contiguous property for purposes of calculating net metering credits. The bill would also have required each aggregated account to be billed and measured according to a time of use (TOU) schedule.
Purpose: The bill would require each aggregated account to be billed and measured according to a time of use (TOU) schedule.

- [AB 1400](#) (Levine) CPUC: Energy: renewable energy resources: rates.**
Gut and amend (August 29, 2008); Failed Deadline pursuant to Rules 61(b)(17) – Died on the Senate Floor.
CPUC Position: None.
Code Section: Public Utilities Code Sections 305, 306, 307, 308, 327, 382, 399.11, 399.12, 399.13, 399.14, 399.15, 399.22, 454.5, 739.1, 747, 739.9, 745, and 1005.1; Public Resources Code Sections 25740 and 25741, and Water Code Section 80110.
Summary: This bill contains numerous provisions relating to the Public Utilities Commission, renewable energy resources, and rates. This bill contained provisions from SB 410 (Simitian), SB 1536 (Kehoe), AB 1489 (Levine), and AB 1973 (Ruskin).
Purpose: This bill was a last-minute effort to advance the Renewable Portfolio Standards goal to 33% by 2020, allow the AB1x cap to rise over time, and limit the CPUC's authority.
- [AB 1489](#) (Levine) Procurement: persons with developmental disabilities business enterprises.**
Utilities: CPUC: renewable energy resources: rates.
Gut and Amend (August 28, 2008); Failed Deadline pursuant to Rules 61(b)(17) – Died in the Senate Rules Committee.
CPUC Position: None.
Code Section: Public Utilities Code Sections 305, 306, 307, 308, 399.11, 399.12, 399.13, 399.14, 399.15 and 454.5, 399.22, 1005.1 and Public Resources Code Sections 25740 and 25741
Summary: The bill ended up with the same language from AB 1400 regarding the Governor appointment of CPUC President and the removal of the president's authority to direct CPUC staff.
Purpose: This bill was a last-minute effort to advance the Renewable Portfolio Standards goal to 33% by 2020, allow the AB1x cap to rise over time, and limit the CPUC's authority.
- [AB 1755](#) (Fuentes) Electricity: rates: plant held for future use account.**
Vetoed by the Governor September 28, 2008.
CPUC Position: Support if amended (May 15, 2008).
Code Section: Public Utilities Code Section 728.1.
Summary: This bill would have given the CPUC flexibility to establish appropriate new guidelines and policy regarding the time period over which utilities may carry in their rate base and thus recover from customers the cost of real property acquired for potential transmission development within transmission corridor zones designated by the State Energy Resources and Conservation Commission (CEC). The commission is directed to review its present guidelines and determine if such guideline revisions should be made.
Purpose: This bill would implement the CEC's recommendation in their 2007 Strategic Transmission Investment Plan. Under existing law the utilities are only allowed to keep the costs of maintaining corridor land in their rate-bases for only five years. This timeline has become problematic because the state used long-term planning horizons of 10-15 years. CEC's Plan recommended that in order to solve this problem, the time period should be extended in which an investor-owned utility may keep a transmission corridor investment in their rate base.
Veto Message: "The historic delay in passing the 2008-2009 State Budget has forced me to prioritize the bills sent to my desk at the end of the year's legislative session. Given the delay, I am only signing bills that are the highest priority for California. This bill does not meet that standard and I cannot sign it at this time..."
- [AB 1920](#) (Huffman) Solar and wind generating resources.**
Failed Deadline pursuant to Rule 61(b)(17) – Died in the Senate Rules Committee.
CPUC Position: Oppose unless amended (April 9, 2008).
Code Section: Public Utilities Code Section 2827.
Summary: This bill would have expanded net energy metering for solar and wind customer-generators and require electric utilities to offer a standard contract for the purchase of net surplus electricity provided to the grid. The CPUC was to establish a net surplus compensation rate by July 1, 2009. The Commission would determine the price paid for any net surplus electricity and include an evaluation of

net surplus electricity compensation in its January 1, 2010 report to the Governor and the Legislature on the costs and benefits of net energy metering (Public Utilities Code Section 2827(c)(4) requires this report).

Purpose: According to the author, this bill would allow electric utility customers who install solar or wind generators on their property to be paid by their electric utility for all the "surplus" electricity they produce. The author believes this will encourage homeowners and businesses to conserve more electricity (and thus have more surplus power they can sell to the utility) and will encourage property owners to install the maximum number of solar panels on their home, exceeding their onsite energy demand.

- **[AB 2224 \(De La Torre\) CA Clean Energy Curriculum & Training Initiative of 2008](#)**
Failed Deadline pursuant to Rule 61(b)(17) – Died in the Senate Appropriations Committee.
CPUC Position: Oppose unless amended (May 29, 2008).

Code Section: Public Utilities Code Section 326 and Labor Code Section 3100.

Summary: This bill would have established the California Clean Energy Curriculum and Training Initiative of 2008, which would require the Labor and Workforce Development Agency to develop a standardized training curriculum to help build a skilled workforce in the clean energy sector. The California Public Utilities Commission (CPUC) would be required to fund the California Clean Energy Curriculum and Training Initiative using moneys from the Research, Development and Demonstration (RD&D) budget of the California Solar Initiative (CSI). The CPUC would also be required to collaborate with industry stakeholders to provide information for the training initiative, provide technical assistance in the development and implementation of the training initiative, and connect industry stakeholders with training programs recognized by the Labor and Workforce Development Agency.

Purpose: According to the author, this bill would ensure California has enough workers to meet its clean energy goals.

[AB 2269 \(Fuentes\) Renewable energy resources: local publicly-owned electric utility: solar energy systems.](#)

Vetoed by the Governor September 28, 2008.

CPUC Position: None.

Code Section: Public Utilities Code Section 387.7.

Summary: This bill would have allowed the Los Angeles Department of Water and Power (LADWP) to use ratepayer funded incentives authorized by SB 1 (Murray, 2006) for solar electric generation that LADWP owns. SB 1 authorized all municipal utilities and investor owned utilities (IOU) to collect and spend ratepayer funds to incentivize distributed generation that is located on customer sites and is designed to offset customer loads.

Purpose: According to the sponsor (The City of Los Angeles Mayor Villaraigosa), this bill would give LADWP the flexibility needed to meet its share of the State's goal of installing 3,000 megawatts of distributed solar power.

Veto Message: "This bill would authorize a public utility to receive solar incentives authorized by the SB 1 (Murray). When I embarked on creating the Million Solar Roofs Plan, the goal was to get 3,000 megawatts of customer-generated solar power in an effort to encourage distributed generation to sustain our electrical grid and build a robust and commercially viable solar industry in California.

This bill undermines those goals by awarding solar incentives directly to the utility rather than to their customers. Although this bill is narrowly tailored, signing it would open the door for other utilities throughout the state that would seek similar treatment. If we wish to maintain this program, this cannot occur. I will not sign any bill that undermines this program by shifting the rebates it offers from customers to a publicly- or investor-owned utility..."

- **[AB 2309 \(DeSaulnier\) Energy conservation: residential energy efficiency audit.](#)**
Vetoed by the Governor September 28, 2008.

CPUC Position: Oppose (May 15, 2008).

Code Section: Public Utilities Code Section 2790.1.

Summary: This bill would have required the CPUC to determine whether to require electrical corporations to provide in-home owner-requested energy efficiency audits for owner occupied residential

buildings built before January 1, 2006. The CPUC would be required, in making its determination, to consider whether the benefits of providing in-home audits exceed the costs of providing those audits. The bill would have required the CPUC to develop a procedure to determine which recommendations have been completed by an owner receiving an energy efficiency audit. The CPUC, in consultation with the CEC, would be required to prioritize energy efficiency measures. The PUC would be required to provide a report to the Legislature and to the Energy Commission containing specified Information on a tri-annual basis.

Purpose: This bill will expand the ways that residential energy-efficiency programs available through IOUs can help inform owners and sellers of existing homes about efficiency improvements that, if made, can yield potentially significant savings on utility bills as well as greenhouse gas reduction benefits.

Veto Message: "...This bill is unnecessary as it would require the California Public Utilities Commission to determine whether to require corporations to provide owner-requested energy efficiency audits and make recommendations to the owner on cost-effective measures that would increase a building's energy efficiency. Although I am supportive of efforts to increase energy efficiency, utilities and private entities already conduct energy audits when requested by building owners. Home audits are already included in each utility's portfolio of programs and upon completion of audits, the utilities offer residential owners recommendations for achieving increased energy efficiency."

- **[AB 2678](#) (Nunez) Energy audit.**

Failed Deadline pursuant to Rule 61(b)(17) – Died in the Assembly Appropriations Committee.

CPUC Position: None.

Code Section: Public Utilities Code Section 381.2, 385.2 and Public Resources Code Section 25943.

Summary: This bill would have required the California Energy Commission (CEC), by March 1, 2009, to establish a regulatory proceeding to develop a comprehensive program to achieve greater energy savings in the state's existing residential and nonresidential building stock. In developing the requirements, the CEC would be required to coordinate with specified entities and to consider certain specified factors.

Purpose: This bill would bring energy efficiency improvements to existing residential and commercial buildings in California.

- **[SB 410](#) (Simitian) Energy renewable energy resources.**

Failed Deadline pursuant to Rule 61(b)(17) – Died on the Assembly Floor Inactive File.

CPUC Position: None.

Code Section: Public Utilities Code Sections 387, 399.12 and Public Resources Code Sections 25740.5, 25741, 25742, 25743.

Summary: This bill would have corrected the payment and reporting criteria for existing renewable energy facilities which were caused by the chaptering out of SB 107 [(Perata/Simitian/Levine), Chapter 464, Statutes of 2006] by SB 1250 [(Perata/Levine), Chapter 512, Statutes. 2006. SB 107 was to be signed last, however, the Governor signed the bills in reverse order.

Purpose: This bill will resolve the chaptering out debacle. The bill will enact provisions approved by the Legislature in 2006 in SB 107. The provisions (i.e., Section 25742) regarding existing renewable energy facilities were added to SB 107 at the end of session to revise amendments to the same section made by SB 1250. Since the bills were signed in reversed order, the intended provisions of SB 107 were chaptered out and did not take effect.

- **[SB 411](#) (Simitian) Energy: renewable energy resources.**

Failed Deadline pursuant to Rule 61(b)(17) – Died in the Assembly Appropriations Committee.

CPUC Position: Support if amended (May 24, 2007).

Code Section: Public Utilities Code Sections 399.15.

Summary: This bill would have allowed the CPUC to require investor-owned utilities (IOUs) and obligated load-serving entities (LSEs), known as "retail sellers" to meet a Renewables Portfolio Standard (RPS) of at least 33% percent by 2020. If the Commission determines that supplemental energy payments (SEPS) are insufficient to cover any above-market costs of electricity procured by retail seller,

the Commission will allow the retail seller to adjust the purchase contract in accordance with market conditions.

Purpose: This bill would increase the RPS targets to 33%.

- **[SB 412](#) (Simitian) State Energy Resources Conservation & Development Commission (CEC): natural gas.**

Failed Deadline pursuant to Rule 61(b)(17) – Died in the Assembly Appropriations Committee.

CPUC Position: None.

Code Section: Public Resources Code Sections 21090.2, 25250, & 25303.

Summary: This bill would have required the California Energy Commission (CEC) in consultation with other state agencies to prepare a report assessing the need for liquefied natural gas (LNG) import terminals and submit it to the Governor and Legislature by July 1, 2008. This measure also prohibits approval of LNG terminal by the Governor or any state or local entity until the CEC report is final or November 1, 2008, whichever is earlier.

Purpose: This bill would have established a comprehensive process for the state to evaluate the need for proposed LNG terminals.

- **[SB 463](#) (Negrete McLeod) Biogas digester customer-generator pilot program.**

Failed Deadline pursuant to Rule 61(b)(17) – Died in the Assembly Utilities & Commerce Committee.

CPUC Position: Support (May 24, 2007).

Code Section: Public Resources Code Section 2827.9.

Summary: This bill would have clarified that utilities may enter into a contract with eligible net metered biogas generating facilities to purchase their excess electricity production. The utilities are not required to purchase this power, it is optional. The price at which the utility may purchase the power shall not exceed the market price, as determined by the CPUC pursuant to PU Code 399.15.

Purpose: According to the author, this bill would have provided the option for investor-owned utilities to purchase any excess electricity generated by renewable biogas net metering customers. The author stated that this bill would have benefited the generators and the utilities by providing the utilities with more tools to meet the renewable portfolio standard (RPS), which requires utilities to purchase 20 percent of total retail sales of electricity from renewable sources by December 31, 2010.

- **[SB 980](#) (Kehoe) Energy: local publicly owned electricity utilities: adequacy of electric distribution system.**

Vetoed by the Governor September 28, 2008.

CPUC Position: None.

Code Section: Public Resources Code 25302.6.

Summary: This bill would have required the CPUC to assist the State Energy Resources Conservation and Development Commission (CEC) in the evaluation of the adequacy of the electric distribution system of specified local publicly-owned electric utilities in the state as part of its integrated energy policy report (IEPR) by November 1, 2009. The CPUC is to provide the CEC comparable information and technical support to review information provided by the publicly owned electric utilities. The bill would have sunset in 2011.

Purpose: The bill would provide data for understanding the investments made in the electric distribution system by the publicly-owned utilities.

Veto Message: "...This bill requires the Public Utilities Commission to assist the California State Energy Resources Conservation and Development Commission in the evaluation of the adequacy of the electric distribution system of specified local publicly-owned utilities.

Notwithstanding the merits of addressing problems with the electric distribution system throughout the state, this is an activity that public-owned utilities can undertake on their own. Indeed, they have a responsibility to evaluate their distribution systems as often as deemed appropriate by their elected governing boards.

Additionally, implementation of this bill would be funded from the Public Utilities Reimbursement Account and the Energy Resources Program Account. Because both of these accounts are funded by the ratepayers of the state's investor-owned utilities, this bill requires investor-owned utility ratepayers to pay for an evaluation of publicly owned utility distribution systems. This is an inappropriate use of ratepayer funds..."

- **[SB 1012](#) (Kehoe) Electricity: self-generation incentive program.**
Failed Deadline pursuant to Rule 61(b)(17) – Died on the Assembly Appropriations Committee.
CPUC Position: Support concept (January 10, 2008).
Code Section: Public Utilities Code Section 379.6.
Summary: This bill would have deleted the requirement that Self-Generation Incentive Program (SGIP) incentives only be awarded to projects using wind or fuel cell technologies. This bill would give the CPUC authority to determine eligible technologies for SGIP based on greenhouse gas emissions pursuant to the California Global Warming Solutions Act of 2006. This bill also includes a 20% incentive increase for SGIP technologies manufactured in California, and requires that SGIP incentives are available to all ratepayers.
Purpose: The bill would ensure that new emerging energy efficiency technologies are also considered by the CPUC to participate in the existing energy efficiency incentive program (SGIP).
- **[SB 1438](#) (Padilla) Electricity: smart grid systems.**
Failed Deadline pursuant to Rule 61(b)(17) – Died in the Assembly Appropriations Committee.
CPUC Position: Support if amended (May 15, 2008).
Code Section: Public Utilities Code Section 8360.
Summary: This bill would have required the CPUC, by July 1, 2010, and in consultation with the California Energy Commission (CEC), and the Independent System Operator (ISO), to determine the requirements for a “smart grid” deployment plan that is consistent with federal law and the policies set forth in the bill. Each electrical corporation with more than 100,000 service connections would be required to submit a smart grid deployment plan to the CPUC for approval by July 1, 2011.
Purpose: The intent of the bill was to provide a better understanding of the needs of the consumers of California, plans of the California utilities, California state policies that will impact the smart grid of the future, and finally, the current state of new and emerging smart grid (SG) technologies.
- **[SB 1460](#) (Wiggins) Solar energy projects: rented residential property.**
Failed Deadline pursuant to Rule 61(b)(17) – Died in the Assembly Appropriations Committee.
CPUC Position: Support with amendments (May 15, 2008).
Code Section: Public Utilities Code Section 2853 (creation of a new Section in PU Code).
Summary: This bill would have required the CPUC to develop and implement a cost-effective plan to expand the deployment of energy efficiency and solar in commercial and multi-unit residential apartment buildings by July 1, 2010. The planning process shall be funded through existing CPUC-energy efficiency resources and the California Solar Initiative, and not result in any increase in rates to the ratepayer.
Purpose: The author contended that a substantial portion of customers pay for the state's energy efficiency programs and the California Solar Initiative (CSI), but because of their housing status cannot participate in either. SB 1460 would be an attempt to focus the CPUC's effort in this area.
- **[SB 1491](#) (McClintock) Remotely controlled devices: programmable communicating thermostats.**
Vetoed by the Governor September 26, 2008.
CPUC Position: Oppose (July 31, 2008).
Code Section: Public Utilities Code 8370.
Summary: This bill would have prohibited an electric utility (investor-owned utility, public-owned utility and electrical cooperative) from operating a remotely controlled device that can control the functioning of a customer’s appliances or equipment without the customer’s consent. Additionally, the bill would authorize utility customers to revoke any prior consent given to the electric utility for operation of a remote controlled device.
Purpose: According to the author, the purpose of this bill is to stop programmable communicating thermostats (PCTs) and other remotely controlled devices from being mandated in California homes. The author intends to prohibit an unelected bureaucracy from requiring the installation of remotely controlled devices and leave those decisions to the Legislature.

Veto Message: "...Currently, all investor-owned utility load control programs are voluntary, opt-in programs. Current participants are subject to various agreements with their utilities and receive either a monetary or supply benefit in return. This bill is overly broad because it allows existing subscribers to opt-out of a program in which they have already voluntarily entered. This is problematic because it may cause a shortfall in utility demand reduction during periods of electricity peak demand. Load control programs are critical to averting rotating outages as they provide near immediate demand relief when the grid is reaching its capacity limits or if there is localized congestion caused by transmission line failure..."

- **[SB 1536 \(Dutton\) Energy Restructuring: Power Exchange.](#)**
Gut and Amend (see SB 1536 (Kehoe) below.)
CPUC Position: Support with amendments (April 24, 2008).
Summary: This bill would have eliminated the California Power Exchange which was established to function as the marketplace for electricity transactions.
Purpose: This bill would have dissolved an agency that no longer has a funding source.
- **[SB 1536 \(Kehoe\) Energy: rates.](#)**
Amended August 22, 2008.
CPUC Position: None.
Summary: This bill would have allowed the AB1x rate cap to be increased in phases until January 1, 2019, at which time the cap would be eliminated. This bill also would have affected the CARE program, the low-income energy efficiency program, Time-of-Use rates, and the reopening of direct access.
Purpose: This bill would have brought minor rate relief to ratepayers in tiers higher than 130% of baseline.
Code Section: Public Utilities code Sections 327, 382, 739.1, 939.9, 745, 747 and Water Code 80110.
- **[SB 1700 \(Steinberg\) Gas corporations: underground natural gas storage facilities.](#)**
Vetoed by the Governor September 28, 2008.
CPUC Position: None.
Code Section: Public Resources Code 2775.8.
Summary: This bill would have required the CPUC to determine the minimum levels of liability insurance, surety bonds, and performance bonds required for an underground natural gas storage facility. The bill also required a gas corporation commencing operation on or after January 1, 2009 of an underground natural gas storage facility located in an urban area under residential properties to be liable for any damages to persons or property resulting from the operation of the storage facility.
Purpose: According to the author, the bill would ensure that the public does not bear the risk of an inherently dangerous activity undertaken by a private company. Strict liability should be applied to a gas corporation that operates an underground natural gas storage facility located in an urban area.
Veto Message: "... Operators of underground natural gas storage facilities in California are required to obtain a Certificate of Public Convenience and Necessity from the California Public Utilities Commission (CPUC) before beginning operation. As part of this process, the CPUC conducts a health risk assessment and a safety study, in addition to an environmental analysis pursuant to the California Environmental Quality Act (CEQA). Natural gas storage facilities play an essential role in meeting the state's delivery requirements while moderating price swings. This bill imposes strict liability on any new natural gas storage facilities built in urban areas in the state after January 1, 2009. Protection of the public is important and the CPUC already has the authority to individually evaluate each project and determine the amount of liability insurance that is necessary. By imposing a strict liability standard on these facilities, this bill may chill the construction of new natural gas storage facilities in the state, negatively impacting both supply and natural gas prices..."

- [**SB 1714**](#) (Negrete McLeod) **Renewable electric generation facilities.**
Failed Deadline pursuant to Rule 61(b)(17) – Died on the Senate Floor.
CPUC Position: Support with amendments (May 15, 2008).
Code Section: Public Utilities Code Sections 387.6 & 399.20.
Summary: This bill would have required the CPUC to establish feed-in tariffs of 10, 15, or 20 years to be offered for energy generated by a renewable electric generation facility of no more than 3 megawatts (MW).
Purpose: According to the author, this bill would reduce the State’s reliance on an electricity transmission and distribution system that is already congested by encouraging renewable distributed generation development.
- [**SB 1760**](#) (Perata) **Greenhouse gas emissions.**
Vetoed by the Governor September 28, 2008.
CPUC Position: None.
Code Section: Government Code Sections 12891, 12892, 14033 and Public Resources Code Section 25620 & 71400.
Summary: This bill would have codified the structure, membership, and responsibilities of the Climate Action Team (CAT), an entity created by the governor by executive orders in 2005 and 2006 to review and compile information related to greenhouse gas reduction plans which are currently conducted as part of the implementation of the Global Warming Solutions Act (AB 32, Nunez, Ch. 488, Statutes of 2006) including preparation report card, and recommendations regarding technologically feasible portions that require statutory or regulatory change.
Purpose: The intent of this bill was to permanently place CAT’s structure into statute and the expenditures of hundreds of millions of state Research, Development and Demonstration dollars would be better coordinated through the CAT to focus on climate change issues.
Veto Message: “...This bill would codify the Climate Action Team (CAT) originally established by Executive Order S-3-05. The bill also directs CAT, beginning January 1, 2010, to prepare an annual strategic research, development, and demonstration plan and adopt a biennial climate change impact adaptation and protection plan. The CAT, under leadership from the Secretary of the California Environmental Protection Agency (EPA), has successfully coordinated the climate change activities of state agencies for three years. As we move forward, they will continue to play a greater role in the implementation of AB 32, the California Global Warming Solutions Act of 2006. That should be their main focus and to the extent that coordinating research falls within their responsibility, they should do so. But, placing this responsibility exclusively within CAT’s jurisdiction is not appropriate at this time...”
- [**SB 1762**](#) (Perata) **Greenhouse gas emissions.**
Vetoed by the Governor September 30, 2008.
CPUC Position: None.
Code Section: Public Utilities Code Sections 901 & 3400.
Summary: This bill would have authorized the University of California (UC) to create the California Climate Change Institute (CCCI) to identify and support climate change-related research and workforce development with funding up to \$42 million annually for ten years. As it relates to the California Public Utilities Commission (CPUC), this bill would authorize the CPUC to establish a surcharge on Investor Owned Utility (IOU) ratepayers not to exceed \$30 million annually for up to 10 years.
Purpose: This bill would create a new institute administered by the UC to coordinate and fund research, education and workforce development needed to meet California’s greenhouse gas (GHG) emission reduction goals.
Veto Message: “This bill would establish the California Climate Change Institute within the University of California (UC) to perform climate change research and develop educational and green workforce development strategies. Funding for the institute comes from a redirection of public interest energy research (PIER) funds and authorization of a new surcharge on electric service provided by investor- and publicly-owned utilities. Unfortunately, this bill is too limiting and is too premature to be signed this year. First, the bill places the institute entirely within the UC system. Doing so does not recognize the role that the other segments of California’s higher education system can provide, not only for climate change research, but for the development and deployment of new technologies that will reduce our greenhouse gas emissions and keep California at the forefront of these emerging

technologies. Additionally, this bill is premature because the Air Resources Board (ARB) is still developing the Scoping Plan required by the Global Warming Solutions Act of 2006. This plan should be in place prior to re-organizing the way climate change research in the state is conducted. Finally, the bill prohibits ratepayer-funded climate change research in other state agencies. This is ill-advised as it may deprive the state from being able to receive federal funding for projects that must be administered by particular state agencies. It would be a disservice to Californians if the state could not fully participate in federal funding paid for by their tax dollars..."

II. PUBLIC UTILITIES

- **[AB 1973](#) (Ruskin) Public Utilities Commission.**
Failed Deadline pursuant to Rule 61(b)(17) – Died on the Assembly Floor.
CPUC Position: Oppose (April 10, 2008).
Code Section: Public Utilities Code Sections 305, 306, 307, 308 & Government Code Sections 11351 & 11342.600.
Summary: AB 1973 would have made the president of the CPUC an appointee of the Governor subject to confirmation by the Senate. It also would have provided that the general counsel and the executive director of the CPUC shall both operate as directed by the CPUC rather than as directed by the president of the CPUC. Amendments in August would have required the CPUC to meet once a month in Sacramento, and subjected CPUC decisions to review by the Office of Administrative Law.
Purpose: According to the author's office, the purpose of this bill is "to reduce the direct intervention of the Governor in the internal workings of the PUC. This will assist the Legislature and the public with achieving greater independence and accountability from this crucial public agency. It will reduce the politicization of internal staffing and procedural decisions, while promoting collegiality and cooperation among commissioners."
- **[AB 2511](#) (Salas) Public utilities: bill payment.**
Failed Deadline pursuant to Rule 61(a)(11) – Died in Assembly Utilities & Commerce Committee.
CPUC Position: None.
Code Section: Public Utilities Code Section 640.
Summary: This bill would have prohibited utility payment locations from being housed within payday loan locations.
Purpose: The bill would act as a barrier for payday loan companies soliciting utility customers to pay their utility bills with the company's loan.
- **[SB 312](#) (Kehoe) Public Utilities Commission.**
Vetoed by the Governor September 28, 2008.
CPUC Position: Support (April 12, 2007).
Code Section: Public Utilities Code Section 311.5.
Summary: This bill would have required the CPUC to post on its Internet Web site, by December 31, 2010, all materials filed in formal rate setting and quasi-legislative proceedings and all utility Advice Letters. This bill would also require the CPUC to post on its Web site the tariffs of utilities with annual revenues of \$10 million or more that do not have their own Web sites.
Purpose: According to the author, the purpose of this bill would help make PUC proceedings more transparent and to help facilitate public discussion over PUC actions.
Veto Message: "...The historic delay in passing the 2008-2009 State Budget has forced me to prioritize the bills sent to my desk at the end of the year's legislative session. Given the delay, I am only signing bills that are the highest priority for California. This bill does not meet that standard and I cannot sign it at this time..."

III. TELECOMMUNICATIONS

- [AB 891](#) (De La Torre) Telecommunications: consumer protection.
Failed Deadline pursuant to Rules 61(b)(17) – Died on the Assembly Floor Inactive File.
CPUC Position: None.
Code Section: Public Utilities Code 905.
Summary: This bill would have enacted the Truth in Telecommunications Sales Act which requires among other things, a contract or agreement for telecommunications services to be provided in the language in which the contract was negotiated, and required the contract to clearly and conspicuously disclose key rates, terms, and conditions of service to be provided or product to be purchased.
Purpose: According to the author, the bill would protect the rights of limited English telephone consumers by assuring that when telephone corporations advertise in a language other than English that the telephone corporations clearly disclose the key rates, terms and conditions in the language used to market the services.
- [AB 2192](#) (Levine) Moore Universal Telephone Service Act.
CPUC Position: CPUC-Sponsored bill.
Code Section: Not specified in the bill.
Failed Deadline pursuant to Rules 61(b)(17) – Died in the Senate Energy Committee.
Summary: This bill would have modified the California Lifeline program (Public Utilities Code Section 871 et. seq.) to update the Moore Universal Telephone Service Act in order to preserve its universal service goals as communications service technologies expand.
Purpose: This bill would modernize the Lifeline program to reflect the modern technologies and emerging competitive markets for basic telephone service.
- [AB 2385](#) (Ruskin) Mobile telephony services: release of subscriber information.
Failed Deadline pursuant to Rule 61(b)(17) – Died in Senate Judiciary Committee.
CPUC Position: Support with amendments (April 16, 2008).
Code Section: Public Utilities Code Section 2891.3.
Summary: This bill would have prohibited a business entity in the business of aggregating or generating phone numbers into a directory or database from publishing or selling the telephone numbers of wireless subscribers without the expressed consent of the subscriber, similar to the expressed consent that a provider of mobile telephony service must obtain under Public Utilities Code Section 2891.1 (b) to publish a subscriber's telephone number.
Purpose: According to the author, this bill would ensure online directories operated by companies that compile and market phone numbers are subject to the same consumer privacy rules as mobile telephone companies. The author contends that there is a loophole in current statute that resulted in millions of cell phone numbers (nationally) being legally sold without the subscriber's consent as part of an online directory.

IV. TRANSPORTATION

- [AB 1407](#) (Lieu) Airports: delayed flights: runway incursions.
Vetoed by the Governor September 30, 2008.
CPUC Position: None.
Code Section: Public Utilities Code Section 21665.
Summary: This bill would have required certain airports to publish on their website information about airport and airline operations, specifically a list of all frequently delayed flights and runway incursions after the Federal Aviation Administration had categorized the severity of the incursion. AB 1407 requires the airline industry to disclose airline operations on their internet websites. The states are preempted from regulating airlines. The CPUC would have no enforcement responsibilities or powers.

Purpose: This bill would provide some basic information on the Internet to airline customers about frequently delayed flights and runway incursions at California's major commercial airports.

Veto Message: "... This bill is unnecessary in that it requires airports to place information or links to information on their Internet Web sites even though the information is readily available elsewhere including from the federal government. This bill simply creates redundant work for airport personnel whose time would be better spent on actual airport operations."

- **[AB 1845](#) (Duvall) Highway-railroad grade separations.**

Failed Deadline pursuant to Rule 61(b)(17) – Died in the Senate Transportation Committee.

CPUC Position: Oppose. (March 13, 2008).

Code Section: Streets and Highways Code Sections 190, 191, 2104.1, and 2107.6, 2450 and 2462.

Summary: This bill would have terminated the existing grade separation program.

Purpose: This bill was introduced based on the recommendations cited by the California State Auditor in its September 2007 report which concluded that the Legislature should either provide additional funding for the program or terminate it. Prior legislation to increase funding has either been vetoed or died in committees in the Legislature. The author believes the best course of action is to terminate the program since there is insufficient funding to operate it.

- **[AB 1943](#) (Leno) Commercial airlines: passenger rights.**

Failed Deadline pursuant to Rule 61(b)(17) – Died on the Senate Floor.

CPUC Position: None.

Code Section: Public Utilities Code Section 5515.

Summary: AB 1943 would have established rights for airlines passengers who are detained on an airline for over three hours. The states are preempted from regulating airlines. The specific matters addressed in the bill may be federally preempted – an interpretation that may end up being decided by the courts. AB 1943 does not require any action by the CPUC. The bill creates a separate, "stand alone" Article 2 under the Public Utilities Code (PU Code). Under the proposed PU Code Section 5515, violations of Article 2 may be brought under the Business and Professions Code by the Attorney General or a district attorney. The CPUC would have no enforcement responsibilities or powers.

Purpose: According to the author, this bill would establish standards and provide protection for passengers who are forced to remain on a plane for more than three hours by requiring airlines to provide water, food, fresh air, and functioning restrooms.

V. WATER

- **[AB 1435](#) (Salas) Water charges: conservation rate structure.**

Failed Deadline pursuant to Rule 61(b)(17) – Died in the Senate Natural Resources & Wildlife Committee.

CPUC Position: None.

Code Section: Water Code Section 390.

Summary: This bill would have required each local water purveyor that supplies water to retail customers to institute a conservation rate structure based on the amount of water used for other than agricultural purposes for each customer with a water meter.

Purpose: This bill would provide local water purveyors the flexibility in defining what kind of rate structure would encourage conservation.

- **[AB 2175](#) (Laird) Water conservation.**

Failed Deadline pursuant to Rule 61(b)(17) – Died in the Senate Natural Resources & Water Committee.

CPUC Position: None.

Code Section: Government Code Section 65595.5 of the Government Code and Water Code Sections 10608, 10631.5 and 10800.

Summary: This bill would have required the state to achieve a 20 percent (20%) reduction in urban per capita water use by December 31, 2020 and would also require agricultural water suppliers to implement water use efficiency best management practices by July 31, 2012.

Purpose: According to the author, "Growing population, local and regional water shortages, climate change, and the need to protect California's fish and wildlife make it imperative that we manage our water resources as efficiently as possible."

- **[AB 2501](#) (Wolk) Water resources.**

Failed Deadline pursuant to Rule 61(b)(17) – Died on the Senate Natural Resources & Water Committee.

CPUC Position: Support (April 10, 2008).

Code Section: Water Code Section 83001.

Summary: AB 2501 would require the Department of Water Resources (DWR) to produce a report that determines the energy savings and greenhouse gas emissions (GHG) reductions resulting from use of recycled water for nonpotable uses, and from water conservation, in consultation with the CPUC, along with several other state agencies.

Purpose: According to the author, "While water debates continue to rage, this bill will take the first step in addressing our water challenges - by doing the things that most water advocates agree should be done now. AB 2501's appropriations will fund the most urgent actions to protect California's water supply while addressing the critical environmental issues arising out of our water system."

FINAL ACTION of LEGISLATION

Bill Number	Author	Final Action	Page	Bill Number	Author	Final Action	Page
Regular Session							
AB 88	Asm Budget Committee	Ch. 269	4	AB 2678	Nunez	Failed	18
AB 94	Asm U&C Committee	Failed	15	AB 2680	Adams	Ch. 643	13
AB 578	Blakeslee	Ch. 627	5	AB 2768	Levine	Ch. 541	6
AB 660	Galgiani	Ch. 315	12	AB 2791	Blakeslee	Ch. 253	7
AB 746	Krekorian	Failed	15	AB 2804	Hayashi	Ch. 542	7
AB 811	Levine	Ch. 159	5	AB 2857	Lieber	Ch. 536	7
AB 873	Davis	Ch. 316	9	AB 2863	Leno	Ch. 535	7
AB 891	De La Torre	Failed	24	AB 2885	De La Torre	Ch. 745	10
AB 1077	Lieber	Failed	15	AB 3018	Nunez	Ch. 312	8
AB 1223	Arambula	Failed	15	AB 3048	Asm U&C Committee	Ch. 558	8
AB 1338	Asm Budget Committee	Ch. 760	4	AB 3058	Asm U&C Committee	Ch. 693	8
AB 1400	Levine	Failed	16	SB 0053	Ducheny	Ch. 612	12
AB 1407	Lieu	Vetoed	24	SB 0312	Kehoe	Vetoed	23
AB 1435	Salas	Failed	25	SB 0380	Kehoe	Ch. 544	8
AB 1489	Levine	Failed	16	SB 0410	Simitian	Failed	18
AB 1755	Fuentes	Vetoed	16	SB 0411	Simitian	Failed	18
AB 1763	Blakeslee	Ch. 551	5	SB 0412	Simitian	Failed	19
AB 1781	Laird	Ch. 268	5	SB 0463	Negrete McLeod	Failed	19
AB 1845	Duvall	Failed	25	SB 0780	Wiggins	Ch. 342	11
AB 1920	Huffman	Failed	16	SB 0911	Wiggins	Ch. 706	12
AB 1943	Leno	Failed	25	SB 0980	Kehoe	Vetoed	19
AB 1973	Ruskin	Failed	23	SB 1012	Kehoe	Failed	20
AB 2136	Mendoza	Ch. 739	10	SB 1040	De La Torre	Ch. 17	11
AB 2175	Laird	Failed	25	SB 1149	Wiggins	Ch. 388	11
AB 2176	Cabellero	Ch. 229	5	SB 1193	Padilla	Ch. 393	12
AB 2192	Levine	Failed	24	SB 1437	Padilla	Ch. 718	12
AB 2224	De La Torre	Failed	17	SB 1438	Padilla	Failed	20
AB 2232	De La Torre	Ch. 195	10	SB 1460	Wiggins	Failed	20
AB 2267	Fuentes	Ch. 537	6	SB 1472	Ashburn	Ch. 353	4
AB 2269	Fuentes	Vetoed	17	SB 1491	McClintock	Vetoed	20
AB 2307	Price	Ch. 162	10	SB 1536	Kehoe	Failed	20
AB 2309	DeSaulnier	Vetoed	17-18	SB 1536	Dutton	Failed	20
AB 2385	Ruskin	Failed	24	SB 1700	Steinberg	Vetoed	21
AB 2404	Salas	Ch. 240	6	SB 1714	Negrete McLeod	Failed	22
AB 2466	Laird	Ch. 540	6	SB 1754	Kehoe	Ch. 543	9
AB 2501	Wolk	Failed	26	SB 1760	Perata	Vetoed	22
AB 2511	Salas	Failed	23	SB 1762	Perata	Vetoed	22
AB 2578	Lieu	Ch. 552	9	SB 1772	Senate Rules Committee	Ch. 418	4
				SJR 27	Kehoe	Res #118	9

	GOVERNMENT CODE SECTIONS AFFECTED BY CHAPTERED LEGISLATION		
Code Section	Assembly	Senate	Final Action
18546		SB 1472	Amend/Repeal/Add
1890		SB 1472	Amend/Repeal/Add
18992		SB 1472	Amend/Repeal/Add
19889.3		SB 1472	Amend/Repeal/Add
20037.13		SB 1472	Amend/Repeal/Add
82015		SB 1772	Amend
13943.3	AB 2680		Add

	PUBLIC RESOURCES CODE SECTIONS AFFECTED BY CHAPTERED LEGISLATION		
Code Section	Assembly	Senate	Final Action
25620	AB 2267		Amend
25620.5	AB 3048		Amend
25302.5	AB 3048		Amend
25534	AB 3048		Amend
25741	AB 3048		Amend
25742	AB 3048		Amend
25783	AB 578		Amend
26001.5		SB 1754	Add
26003		SB 1754	Amend
26011		SB 1754	Amend
26011.6		SB 1754	Amend
26022		SB 1754	Amend

	PUBLIC UTILITIES CODE SECTIONS AFFECTED BY CHAPTERED LEGISLATION		
Section	Assembly	Senate	Final Action
5	AB 3048		Amend
20	AB 3048		Amend
216	AB 3048		Amend
224.3	AB 3048		Add
228.5	AB 3048		Renumber
270		SB 1193	Amend
280		SB 1437	Amend
276.5		SB 1149	
281		SB 1193	Repeal
321.7	AB 578		
353.11	AB 3048		Amend
366.2	AB 3048		Amend
379.6	AB 2267		
380	AB 3048		Amend
387	AB 3048		Amend
387.5	AB 3048		Amend
394.5	AB 3048		Amend
399	AB 3048		Amend
399.1	AB 3048		Repeal
399.12	AB 3048		Amend
399.20		SB 380	Amend
399.12.5	AB 3048		Amend
399.25	AB 3048		Renumber
399.5	AB 3048		Amend
701.8	AB 3048		Amend
739	AB 1763		Amend
739.5	AB 2857		Amend
747	AB 3048		Amend
761.3	AB 3048		Amend
848	AB 3048		Amend
887	AB 2885		Add
1013	AB 2578		Amend
1701.2	AB 2578		Amend
2104	AB 2578		Amend/Repeal/Add
2774.5	AB 3048		Amend
2827	AB 3048		Amend
2830	AB 2466		Add
2842.4	AB 2791		Amend
2851	AB 2768		Amend
2851.5	AB 2804		Add
2852	AB 3048		Amend

	PUBLIC UTILITIES CODE SECTIONS AFFECTED BY CHAPTERED LEGISLATION		
Section	Assembly	Senate	Final Action
2889.5	AB 2307		Amend
3302	AB 3048		Amend
5135	AB 2578		Amend
5317	AB 2578		Amend/Repeal/Add
5374	AB 2578		Amend
5417	AB 2578		Amend/Repeal/Add
5500		SB 911	Amend
5501		SB 911	Amend
5513		SB 911	Amend
7910	AB 2232		Amend
8281	AB 873		Amend
8283	AB 873		Amend
8284	AB 873		Amend
8285	AB 873		Amend
21665	AB 1407		Add

	WATER CODE SECTIONS AFFECTED BY CHAPTERED LEGISLATION		
Code Section	Assembly	Senate	Final Action
80110	AB 3058		Amend