



2011 Legislative Wrap-up



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-- PRESENTATION OUTLINE --

- LEGISLATIVE OVERVIEW
 - RPS & PGC BILLS
 - OTHER ENERGY BILLS
 - PIPELINE SAFETY BILLS
- TELECOMMUNICATIONS BILLS
 - MISCELLANEOUS BILLS
 - BUDGET
- INFORMATIONAL HEARINGS
 - TASKS





-- LEGISLATIVE OVERVIEW --





2011 Legislative Wrap-up PORTFOLIO AT A GLANCE

- ❖ 117 total bills monitored
 - ❖ 71 two-year bills (shelved temporarily)
 - ❖ Positions taken on 14
 - ❖ 11 held on suspense (deemed too expensive)
 - ❖ Positions taken on 2
 - ❖ 35 sent to the Governor (passed Legislature)
 - ❖ Positions taken on 18

- ❖ Positions taken on 34 bills total





2011 Legislative Wrap-up POSITION CHANGES

- ❖ 9 initial 'Support' positions
 - ❖ No position changes
- ❖ 11 initial 'Support if Amended' positions
 - ❖ 11 position changes: 11 'Support'
- ❖ 4 initial 'Oppose' positions
 - ❖ No position changes
- ❖ 10 initial 'Oppose Unless Amended' positions
 - ❖ 4 position changes: 3 'Neutral', 1 'Support'





2011 Legislative Wrap-up BILL OUTCOMES

- ❖ 21 final 'Support' positions
 - ❖ 6 defeated/delayed, 15 passed, 15 signed
- ❖ 3 final 'Neutral' positions
 - ❖ 0 defeated/delayed, 3 passed, 3 signed
- ❖ 10 final 'Oppose' positions
 - ❖ 10 defeated/delayed, 0 passed, 0 signed





-- RPS & PGC BILLS --





2011 Legislative Wrap-up

RPS

SBX1 2 (Simitian) – 33% RPS Mandate

- ❖ Codifies a 33% by 2020 RPS mandate
- ❖ Identical to SB 722 (Simitian) from 2010
- ❖ Passed without amendments
 - CPUC POSITION: SUPPORT
 - Governor Action: **Signed**

SB 23 (Simitian) – RPS Clean-up

- ❖ Would clarify key terms and provisions terms
- ❖ Would give the CPUC reporting flexibility and discretion
- ❖ Would extend numerous deadlines
- ❖ Was non-controversial and unopposed but failed on final day of session
 - CPUC POSITION: SUPPORT (Initial: SUPPORT IF AMENDED)
 - **This bill passed the Assembly (52-17) but was never transmitted to the Senate**





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PGC

AB 724 (Bradford) – PGC Reauthorization

- ❖ Would reauthorize PGC collections through January 1, 2020, and create new policy guidance on renewables and energy efficiency
- ❖ Was a 2/3 vote bill
 - CPUC POSITION: NONE
 - This bill failed (19-17) in the Senate

SB 870 (Padilla) – PIER Funding

- ❖ Would establish the California Energy Innovation Program for the purpose of funding energy-related RD&D
- ❖ Was contingent upon PGC reauthorization
 - CPUC POSITION: NONE
 - This bill passed the Assembly (50-18) but was held in the Senate





-- OTHER ENERGY BILLS --





2011 Legislative Wrap-up ENERGY EFFICIENCY (1 of 2)

AB 904 (Skinner) – Energy Efficiency

- ❖ TURN-sponsored bill that would require CPUC to focus on “real”, absolute reductions in energy consumption, to examine 3rd-party administration, and evaluate financing mechanisms
 - CPUC POSITION: NONE
 - Author decided not to move bill

AB 1124 (Skinner) – Low-Income Energy Efficiency

- ❖ Would authorize low-income multifamily buildings to receive subsidized HVAC and water heating systems up to \$2,700/unit
- ❖ Would lower eligibility criteria, required energy audit
- ❖ Sponsored by California Housing Partnership Corporation
 - CPUC POSITION: OPPOSE UNLESS AMENDED
 - Author decided not to move bill this year but intends to in 2012





2011 Legislative Wrap-up ENERGY EFFICIENCY (2 of 2)

SB 343 (de Leon) – Energy Efficiency Financing

- ❖ Would require the CPUC to determine energy efficiency financing measures and funding sources for the residential, commercial, and public building sectors consistent with the EE Strategic Plan
 - CPUC POSITION: NONE
 - This bill was held in the Assembly

SB 454 (Pavley) – Appliance and Rebate Standards

- ❖ Authorizes the California Energy Commission to impose civil penalties to enforce its appliance standards
- ❖ Requires IOUs to provide rebates or incentives only if the recipient certifies that applicable permitting requirements were followed and that any contractors hold appropriate license
 - CPUC POSITION: SUPPORT
 - Governor Action: Signed





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SELF-GENERATION INCENTIVE PROGRAM

AB 1150 (Perez, V.) – SGIP Extension

- ❖ Extends SGIP collections through 2014
 - CPUC POSITION: SUPPORT (Initial: OPPOSE UNLESS AMENDED)
 - Governor Action: Signed

AB 864 (Huffman) – Expansion of SGIP Incentives

- ❖ Would authorize an increase in project size to 10 MW (from 5 MW) and increase in incentives up to 5 MW (from 3 MW)
 - CPUC POSITION: OPPOSE
 - Author decided not to move bill





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NET ENERGY METERING

SB 489 (Wolk) – NEM Eligibility Expansion

- ❖ Expands NEM eligibility to include all RPS-eligible technologies
 - CPUC POSITION: SUPPORT
 - Governor Action: Signed

SB 370 (Blakeslee) – Agriculture NEM

- ❖ Would allow agricultural customers with solar or wind systems to offset load from multiple meters on the same property or adjacent properties
 - CPUC POSITION: OPPOSE UNLESS AMENDED
 - This bill was held in the Senate





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ELECTRIC VEHICLES

AB 631 (Ma) – EV Charging Stations

- ❖ Codifies the CPUC's Phase 1 PEV Decision that electric vehicle charging services are not public utilities pursuant to current law
- ❖ Was amended to highlight the CPUC's continuing authority to address potential impacts of electric vehicle charging services through public utilities' rate-setting process or other legislatively-authorized means
 - CPUC POSITION: SUPPORT (Initial: SUPPORT IF AMENDED)
 - Governor Action: Signed

SB 859 (Padilla) – EV Customer Privacy

- ❖ Allows confidential home address information in Department of Motor Vehicles records to be disclosed to an IOU
- ❖ Information is only to be used for the purpose of identifying where an electric vehicle is registered
 - CPUC POSITION: NONE
 - Governor Action: Signed





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SOLAR SITING

AB 982 (Skinner) – School Lands

- ❖ Facilitates land exchanges between State Lands Commission and Secretary of the Interior for purposes of creating contiguous parcels suitable for renewable energy development
 - CPUC POSITION: SUPPORT
 - Governor Action: Signed

SB 618 (Wolk) – Solar-use Easements

- ❖ Authorizes the conversion of a Williamson Act contract into a PV solar-use easement for a term no less than 20 years
 - CPUC POSITION: SUPPORT
 - Governor Action: Signed





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TRANSMISSION

AB 1214 (Skinner) – Transmission Planning

- ❖ Would require the CPUC and ISO, by March 31, 2012, to determine which new or upgraded transmission facilities in ISO's transmission plan would be "necessary or useful" to achieve 33% RPS for IOUs and POUs. Also required timeframes for obtaining all government approvals for construction and analysis of any permit barriers
- ❖ Essentially would codify existing MOU (May 2010) between CPUC and ISO to streamline transmission planning and permitting efforts
- ❖ Was opposed by TURN
 - CPUC POSITION: OPPOSE
 - Author decided not to move bill





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COMMUNITY CHOICE AGGREGATION

SB 790 (Leno) – CCA Formation and Operation

- ❖ Requires the CPUC to consider the impact of IOU noncooperation to CCA customers and establish a code of conduct governing IOU marketing against CCAs
- ❖ Requires the CPUC to proactively expedite CCA complaints against IOUs and facilitate CCA administration of energy efficiency and conservation funds
- ❖ Requires the CPUC to ensure that the cost of generation resources is allocated fairly and reduced exit fees for customers leaving bundled service in the event that those customers are entitled to any benefits that would otherwise remain with bundled service customers
- ❖ Prohibits the CPUC from requiring a CCA to procure resources, except where generation procurement arrangements are expressly authorized by statute
 - CPUC POSITION: NEUTRAL (Initial: OPPOSE UNLESS AMENDED)
 - Governor Action: Signed





2011 Legislative Wrap-up RES-BCT & CSI

AB 512 (Gordon) – RES-BCT Eligible Facilities

- ❖ Expands eligible facility size for the Renewable Energy System-Bill Credit Transport program from 1 MW to 5 MW
 - CPUC POSITION: SUPPORT
 - Governor Action: Signed

SB 585 (Kehoe) – CSI Funding

- ❖ Authorizes \$200 million in additional CSI collections to address funding shortfall
- ❖ Requires CPUC to reduce discount rate and set per unit cost caps
 - CPUC POSITION: SUPPORT
 - Governor Action: Signed





-- PIPELINE SAFETY BILLS --





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PIPELINE SAFETY BILLS (1 of 3)

SB 216 (Yee) – Shut-off Valves

- ❖ Directs the CPUC to require utilities to install remote controlled or automatic shut-off valves on gas pipelines in high-consequence areas or on pipelines that traverse an earthquake fault if the CPUC finds them necessary
 - CPUC POSITION: SUPPORT (Initial: SUPPORT IF AMENDED)
 - Governor Action: Signed

SB 705 (Leno) – Safety Planning

- ❖ Requires each gas corporation to develop a plan for the safe and reliable operation of its pipeline facilities, and require the CPUC to approve the initial plans by December 31, 2012
 - CPUC POSITION: SUPPORT (Initial: SUPPORT IF AMENDED)
 - Governor Action: Signed





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PIPELINE SAFETY BILLS (2 of 3)

SB 44 (Corbett) – Emergency Response Standards

- ❖ Requires the CPUC to set emergency response standards for gas pipeline and distribution systems
 - CPUC POSITION: SUPPORT (Initial: SUPPORT IF AMENDED)
 - Governor Action: Signed

SB 879 (Padilla) – Balancing Account and Fining Authority

- ❖ Requires the gas utilities to establish a balancing account for the collection and expenditures of funds used for the maintenance and upgrade of the intrastate pipeline system
- ❖ Increases the maximum penalty from \$20,000 to \$50,000 for any public utility that fails or neglects to comply with any order, decision, decree, rule, direction, demand, or requirement of the CPUC
 - CPUC POSITION: SUPPORT (Initial: SUPPORT IF AMENDED)
 - Governor Action: Signed





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PIPELINE SAFETY BILLS (3 of 3)

AB 56 (Hill) – Penalty Recovery Prohibition

- ❖ Prohibits a gas corporation from recovering any fine or penalty in any rate approved by the CPUC
- ❖ Codifies a number of procedures imposed by the CPUC, including requiring the utilities to test pipelines to measure the maximum amount of gas pressure, install automatic or remote controlled shut-off valves, and submit a gas transmission and storage safety report to the CPUC
 - CPUC POSITION: SUPPORT (Initial: SUPPORT IF AMENDED)
 - Governor Action: Signed





-- TELECOMMUNICATIONS BILLS --





2011 Legislative Wrap-up VOIP & CHCF

AB 841 (Buchanan) – VoIP Collections

- ❖ Requires the collection of universal service surcharges by interconnected Voice over Internet Protocol service providers
- ❖ Service providers currently only collecting on a voluntarily basis
- ❖ CPUC has an open proceeding to consider this issue further
 - CPUC POSITION: NEUTRAL (Initial: OPPOSE UNLESS AMENDED)
 - Governor Action: Signed

SB 3 (Padilla) – CHCF Extension

- ❖ Extends the sunset on funding for both the California High-Cost Fund A and California High-Cost Fund B programs to January 1, 2015
- ❖ Contains same VoIP provisions as AB 841
 - CPUC POSITION: NEUTRAL (Initial: OPPOSE UNLESS AMENDED)
 - Governor Action: Signed





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SPEECH-GENERATING DEVICES & PREPAID WIRELESS

AB 136 (Beall) – Speech-generating Devices

- ❖ Expands the Deaf and Disabled Telecommunication Program to include speech-generating devices
- ❖ May necessitate raising the DDTP surcharge to accommodate increased costs
 - CPUC POSITION: NONE
 - Governor Action: **Signed**

AB 1050 (Ma) – Prepaid Surcharge Collections

- ❖ Would establish a method for retail sellers of prepaid phone cards to collect CPUC communications surcharges and other local taxes and fees
- ❖ Would shift responsibility for paying communications taxes, fees and surcharges from the service provider to the customer
 - CPUC POSITION: OPPOSE
 - **Author decided not to move bill this year but will continue to work on the issue next year.**





-- MISCELLANEOUS BILLS --





2011 Legislative Wrap-up WATER & TRANSPORTATION

AB 19 (Fong) – Multi-unit Water Metering

- ❖ Would require water meters for each individual dwelling unit in newly-constructed multi-unit residential structures or mixed-use residential and commercial structures as a condition for water service
- ❖ Would exempt low-income housing, student dormitories, long-term health care facilities, and time-share properties
 - CPUC POSITION: NONE
 - This bill was held in the Assembly

AB 45 (Hill) – Charter-party Alcohol Restrictions

- ❖ Would extend to all charter-party carrier vehicles the protections against underage drinking of alcoholic beverages that currently apply only to limousines
- ❖ Would make a third or subsequent offense by a driver or carrier official of the prohibition against carrying an open container of alcoholic beverage in a vehicle when a minor is on board a misdemeanor
 - CPUC POSITION: SUPPORT (Initial: SUPPORT IF AMENDED)
 - Author decided not to move bill





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REPORTING REQUIREMENTS

AB 1055 (Hill) – CPUC Solicitation of Contributions

- ❖ Would have prohibited CPUC commissioners and other certain CPUC employees from knowingly soliciting charitable contributions from regulated utilities and also requires a report detailing all the organizations for which certain Commission employees serve as an officer or member of the board of directors
- ❖ Was a response to CPUC Foundation
 - CPUC POSITION: NONE
 - Governor Action: **Vetoed**





-- BUDGET --





2011 Legislative Wrap-up BUDGET (RPS)

❖ RPS

- ❖ Requested and received 10 PYs to implement RPS, renewable DG programs and renewable transmission and permitting.
- ❖ Senate Budget Committee included control language limiting use of new PYs for work on DG. Governor blue-penciled that control language.





2011 Legislative Wrap-up BUDGET (PIPELINE SAFETY)

❖ Pipeline Safety

- ❖ In the May Revise, Governor's Budget requested 4 PYs for a new risk assessment unit.
- ❖ The Legislature expressed concern that the budget did not request additional inspectors post-San Bruno above and beyond the 4 PYs approved in the wake of the tragedy.
- ❖ In response to a request from Senator Padilla, we estimated that 5.5 PYs would be necessary for the state to reach parity with the national rate of inspectors per 1,000 miles of pipeline in 2009.
- ❖ Mirroring this estimate, the Legislature approved in the budget an additional 5 pipeline safety inspectors.





2011 Legislative Wrap-up BUDGET (GAS PUBLIC PURPOSE PROGRAMS)

❖ Gas Public Purpose Programs

- ❖ Transfer of \$155 million from the gas Public Purpose Program surcharge fund to balance the state budget this fiscal year.
- ❖ The budget included language authorizing the CPUC to seek other funding sources for the PPP program or suspend Public Purpose Programs and relieved gas corporations from program obligations to the extent that alternative sources of funding, approved by the CPUC, were not found.





-- INFORMATIONAL HEARINGS --





2011 Legislative Wrap-up

INFORMATIONAL HEARINGS (1 of 2)

❖ **Senate Energy, Utilities and Communications Committee Hearings**

- ❖ October 19, 2010 Joint Informational Hearing with the Senate Public Safety Committee: 'The San Bruno Explosion: Pipeline Safety in California'
- ❖ February 1, 2011 Informational Hearing: 'Overview and Status Report on Renewable Portfolio Standards'
- ❖ February 4, 2011 Informational Hearing in Los Angeles: 'Telephone Service Outages and Infrastructure Needs'
- ❖ March 1, 2011 Informational Hearing: 'Public Interest Energy Research Program – Part 2'
- ❖ March 29, 2011 Informational Hearing: 'The Public Goods Charge & the Renewable Resources Trust Fund'
- ❖ April 14, 2011 Informational Hearing: 'After Japan: Nuclear Power Plant Safety in California'
- ❖ May 17, 2011 Informational Hearing: 'Energy Efficiency: Is California's Top Energy Strategy Working?'
- ❖ August 16, 2011 Informational Hearing: 'California Public Utilities Commission Annual Update'
- ❖ August 31, 2011 Joint Informational Hearing: 'Clean Energy Jobs & Investment Act (PGC)'
- ❖ October 19, 2011 Informational Hearing: 'Advanced Transportation and Alternative Sources Manufacturing Sales and Use Tax Exclusion Program'





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INFORMATIONAL HEARINGS (2 of 2)

- ❖ **Assembly Utilities and Commerce Committee Hearings**
 - ❖ March 7, 2011 Informational Hearing: 'Overview and Status of the California Solar Initiative'
 - ❖ March 14, 2011 Informational Hearing: 'California Public Utilities Commission Annual Update'

- ❖ **Additional Informational Hearings**
 - ❖ October 5, 2010 Assembly Select Committee on California's Green Economy: 'Growing the Green Economy'
 - ❖ March 21, 2011 Senate Select Committee on Earthquake Safety and Preparedness: 'The Japan Earthquake: The Impact and Lessons for California'
 - ❖ July 20-21, 2011 Senate Select Committee on Energy Efficiency (San Francisco, Silicon Valley, and Los Angeles): 'Stakeholder Meetings on Energy Efficiency Financing'
 - ❖ August 17, 2011 Assembly Committee on Accountability and Administrative Review: 'Natural Gas Pipeline Oversight'
 - ❖ September 27, 2011 Little Hoover Commission: 'Energy Governance'





-- TASKS --





2011 Legislative Wrap-up

TASKS (1 of 2)

Legislation enacted this session requires the CPUC to:

>>> Adopt rules to integrate speech-generating devices into the DDTP.

- ❖ Source: AB 136 (Beall)
- ❖ Deadline: January 1, 2014

>>> Revise the RES-BCT tariff to expand allowable project cap to 5 MW.

- ❖ Source: AB 512 (Gordon)
- ❖ Deadline: None

>>> Adopt rules to ensure VoIP carrier compliance with surcharge collections.

- ❖ Source: AB 841 (Buchanan)
- ❖ Deadline: None

>>> Open rulemaking to establish compatible emergency response standards for CPUC-regulated gas pipeline facilities.

- ❖ Source: SB 44 (Corbett)
- ❖ Deadline: July 1, 2012 (to open OIR); Jan 1, 2013 (to report progress)

>>> Open rulemaking to require the installation of automatic shutoff or remote controlled sectionalized block valves on transmission lines located in a high consequence areas.

- ❖ Source: SB 216 (Yee)
- ❖ Deadline: None





2011 Legislative Wrap-up

TASKS (2 of 2)

>>> Establish and impose CSI project cost caps for residential and nonresidential projects.

- ❖ Source: SB 585 (Kehoe)
- ❖ Deadline: December 8, 2011

>>> Accept, modify, or reject each gas corporation's new safety plan.

- ❖ Source: SB 705 (Leno)
- ❖ Deadline: December 31, 2012

>>> Open rulemaking to consider code of conduct, rules, and enforcement procedures governing conduct of electrical corporations relative to formation of CCAs.

- ❖ Source: SB 790 (Leno)
- ❖ Deadline: March 1, 2012 (to open OIR); January 1, 2013 (to close OIR)

>>> Annually report to the Legislature the costs of all renewable procurement contracts and costs of utility-owned generation approved by the CPUC.

- ❖ Source: SB 836 (Padilla)
- ❖ Deadline: February 1, 2012

In total, legislation approved this year requires 22.5 new PYs.





Team Effort

❖ Thank you!

- Dan Chia
- Nick Zanjani
- Gina Adams
- Yvonne Wilson
- Jaimie Thai
- All the Division staff and Advisors that worked on legislation this year





Thank you!
For Additional Information:
www.cpuc.ca.gov/PUC/legislation/

