

Senate Bill No. 2

CHAPTER 11

An act to amend Sections 382, 739.1, and 2790 of, and to add Sections 382.1 and 386 to, the Public Utilities Code, relating to public utilities.

[Approved by Governor October 8, 2001. Filed with
Secretary of State October 9, 2001.]

LEGISLATIVE COUNSEL'S DIGEST

SB 2, Alarcon. Public utilities.

(1) Existing law requires the Public Utilities Commission to establish a program of assistance to low-income electric and gas customers, which is referred to as the California Alternate Rates for Energy or CARE program.

This bill would establish the Low-Income Oversight Board for the purpose of advising the commission on low-income electric and gas customer issues and serving as a liaison for the commission to low-income ratepayers and representatives. The bill would require, beginning in 2002, the commission, with the assistance of the Low-Income Oversight Board, to conduct an assessment of the needs of low-income electricity and gas ratepayers. The bill would require the assessment to include an evaluation of the implementation of low-income programs and the effectiveness of weatherization services and energy efficiency measures in low-income households.

The bill would require the commission to ensure that the CARE discount correctly reflects the level of need of customers.

The bill would require the commission to work with public utility electrical and gas corporations to establish participation goals. The bill would require the commission to authorize recovery of administrative costs associated with the implementation of the CARE program.

The bill would require the commission to examine methods to improve CARE enrollment, including comparing information from CARE and the Universal Lifeline Telephone Service (ULTS) to determine the most effective means of utilizing that information to increase CARE enrollment, automatic enrollment of ULTS customers who are eligible for the CARE program, customer privacy issues, and alternative mechanisms for outreach to potential enrollees. The bill would require the commission to improve the CARE application process using the existing ULTS application process as a model.



The bill would require weatherization programs to use the needs assessment conducted by the Low-Income Oversight Board to maximize efficiency of delivery.

(2) Existing law requires each local publicly owned electric utility that has not implemented programs for low-income electricity customers or completed an assessment of need for those programs on or before December 31, 2000, to perform a needs assessment, as prescribed, and determine the amount of total funds collected to be allocated to low-income programs.

This bill would require a local publicly owned electric utility to consider increasing the level of discounts or raising the eligibility level of existing low-income programs to be reflective of customer need, to streamline enrollment, and to establish participation goals.

(3) A violation of the Public Utilities Act is a crime. This bill would change the definition of that crime by adding new requirements for electric utilities, thereby imposing a state-mandated local program.

(4) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The people of the State of California do enact as follows:

SECTION 1. Section 382 of the Public Utilities Code is amended to read:

382. (a) Programs provided to low-income electricity customers, including, but not limited to, targeted energy-efficiency services and the California Alternate Rates for Energy program shall be funded at not less than 1996 authorized levels based on an assessment of customer need.

(b) In order to meet legitimate needs of electric and gas customers who are unable to pay their electric and gas bills and who satisfy eligibility criteria for assistance, recognizing that electricity is a basic necessity, and that all residents of the state should be able to afford essential electricity and gas supplies, the commission shall ensure that low-income ratepayers are not jeopardized or overburdened by monthly energy expenditures. Energy expenditure may be reduced through the establishment of different rates for low-income ratepayers, different levels of rate assistance, and energy efficiency programs.

(c) Nothing in this section shall be construed to prohibit electric and gas providers from offering any special rate or program for low-income ratepayers that is not specifically required in this section.



(d) The commission shall allocate funds necessary to meet the low-income objectives in this section.

(e) Beginning in 2002, an assessment of the needs of low-income electricity and gas ratepayers shall be conducted periodically by the commission with the assistance of the Low-Income Oversight Board. The assessment shall evaluate low-income program implementation and the effectiveness of weatherization services and energy efficiency measures in low-income households. The assessment shall consider whether existing programs adequately address low-income electricity and gas customers' energy expenditures, hardship, language needs, and economic burdens.

SEC. 2. Section 382.1 is added to the Public Utilities Code, to read:

382.1. (a) There is hereby established a Low-Income Oversight Board that shall advise the commission on low-income electric and gas customer issues and shall serve as a liaison for the commission to low-income ratepayers and representatives. The Low-Income Oversight Board shall replace the Low-Income Advisory Board in existence on January 1, 2000. The Low-Income Oversight Board shall do all of the following to advise the commission regarding the commission's duties:

(1) Monitor and evaluate implementation of all programs provided to low-income electricity and gas customers.

(2) Assist in the development and analysis of any assessments of low-income electricity and gas customer need.

(3) Encourage collaboration between state and utility programs for low-income electricity and gas customers to maximize the leverage of state and federal energy efficiency funds to both lower the bills and increase the comfort of low-income customers.

(4) Provide reports to the Legislature, as requested, summarizing the assessment of need, audits, and analysis of program implementation.

(5) Assist in streamlining the application and enrollment process of programs for low-income electricity and gas customers with general low-income programs, including, but not limited to, the Universal Lifeline Telephone Service (ULTS) program.

(6) Encourage the usage of the network of community service providers in accordance with Section 381.5.

(b) The Low-Income Oversight Board shall be comprised of nine members to be selected as follows:

(1) Four members selected by the commission who have expertise in the low-income community and who are not affiliated with any state agency or utility group. These members shall be selected in a manner to ensure an equitable geographic distribution.

(2) One member selected by the Governor.



(3) One member selected by the commission who is a commissioner or commissioner designee.

(4) One member selected by the Department of Community Services and Development.

(5) One member selected by the commission who is a representative of private weatherization contractors.

(6) One member selected by the commission who is a representative of an electrical or gas corporation.

(c) The Low-Income Oversight Board shall alternate meeting locations between northern, central, and southern California.

(d) The Low-Income Oversight Board may establish a technical advisory committee consisting of low-income service providers, utility representatives, consumer organizations, and commission staff, to assist the board and may request utility representatives and commission staff to assist the technical advisory committee.

(e) The commission shall do all of the following in conjunction with the board:

(1) Work with the board, interested parties, and community-based organizations to increase participation in programs for low-income customers.

(2) Provide technical support to the board.

(3) Ensure that the energy burden of low-income electricity and gas customers is reduced.

(4) Provide formal notice of board meetings in the commissions' daily calendar.

(f) (1) Members of the board and members of the technical advisory committee shall be eligible for compensation in accordance with state guidelines for necessary travel.

(2) Members of the board and members of the technical advisory committee who are not salaried state service employees shall be eligible for reasonable compensation for attendance at board meetings.

(3) All reasonable costs incurred by the board, including, staffing, travel, and administrative costs, shall be reimbursed through the public utilities reimbursement account and shall be part of the budget of the commission and the commission shall consult with the board in the preparation of that portion of the commission's annual proposed budget.

SEC. 3. Section 386 is added to the Public Utilities Code, to read:

386. (a) Each local publicly owned electric utility shall ensure the following:

(1) Low-income families within the utility's service territory have access to affordable electricity.

(2) The current level of assistance reflects the level of need.



(3) Low-income families are afforded no-cost and low-cost energy efficiency measures that reduce energy consumption.

(b) The local publicly owned electric utility shall consider increasing the level of the discount or raising the eligibility level for any existing rate assistance program to be reflective of customer need.

(c) A publicly owned electric utility shall streamline enrollment for low-income programs by collaborating with existing providers for the Low-Income Home Energy Assistance Program (LIHEAP) and other electric or gas providers within the same service territory.

(d) A local publicly owned electric utility shall establish participation goals for its rate assistance program participation.

SEC. 4. Section 739.1 of the Public Utilities Code is amended to read:

739.1. (a) The commission shall establish a program of assistance to low-income electric and gas customers, the cost of which shall not be borne solely by any single class of customer. The program shall be referred to as the California Alternate Rates for Energy or CARE program. The commission shall ensure that the level of discount for low-income electric and gas customers correctly reflects the level of need.

(b) The commission shall work with the public utility electrical and gas corporations to establish penetration goals. The commission shall authorize recovery of all administrative costs associated with the implementation of the CARE program that the commission determines to be reasonable, through a balancing account mechanism. Administrative costs shall include, but are not limited to, outreach, marketing, regulatory compliance, certification and verification, billing, measurement and evaluation, and capital improvements and upgrades to communications and processing equipment.

(c) The commission shall examine methods to improve CARE enrollment and participation. This examination shall include, but need not be limited to, comparing information from CARE and the Universal Lifeline Telephone Service (ULTS) to determine the most effective means of utilizing that information to increase CARE enrollment, automatic enrollment of ULTS customers who are eligible for the CARE program, customer privacy issues, and alternative mechanisms for outreach to potential enrollees. The commission shall ensure that a customer consents prior to enrollment. The commission shall consult with interested parties, including ULTS providers, to develop the best methods of informing ULTS customers about other available low-income programs, as well as the best mechanism for telephone providers to recover reasonable costs incurred pursuant to this section.



(d) The commission shall improve the CARE application process. To the extent possible, the commission shall develop a CARE application process using the existing ULTS application process as a model. The commission shall work with public utility electrical and gas corporations and the Low-Income Oversight Board established in Section 382.1 to meet the low-income objectives in this section.

(e) The commission's program of assistance to low-income electric and gas customers shall, as soon as practicable, include nonprofit group living facilities specified by the commission, if the commission finds that the residents in these facilities substantially meet the commission's low-income eligibility requirements and there is a feasible process for certifying that the assistance shall be used for the direct benefit, such as improved quality of care or improved food service, of the low-income residents in the facilities. The commission shall authorize utilities to offer discounts to eligible facilities licensed or permitted by appropriate state or local agencies, and to facilities, including women's shelters, hospices, and homeless shelters, that may not have a license or permit but provide other proof satisfactory to the utility that they are eligible to participate in the program.

(f) It is the intent of the Legislature that the commission ensure CARE program participants are afforded the lowest possible electric and gas rates and, to the extent possible, are exempt from additional surcharges attributable to the current energy crisis.

SEC. 5. Section 2790 of the Public Utilities Code is amended to read:

2790. (a) The commission shall require an electrical or gas corporation to perform home weatherization services for low-income customers, as determined by the commission under Section 739, if the commission determines that a significant need for those services exists in the corporation's service territory, taking into consideration both the cost-effectiveness of the services and the policy of reducing the hardships facing low-income households.

(b) (1) For purposes of this section, "weatherization" may include, where feasible, any of the following measures for any dwelling unit:

(A) Attic insulation.

(B) Caulking.

(C) Weatherstripping.

(D) Low flow showerhead.

(E) Waterheater blanket.

(F) Door and building envelope repairs that reduce air infiltration.

(2) The commission shall direct any electrical or gas corporation to provide as many of these measures as are feasible for each eligible low-income dwelling unit.



(c) “Weatherization” may also include other building conservation measures, energy-efficient appliances, and energy education programs determined by the commission to be feasible, taking into consideration for all measures both the cost-effectiveness of the measures as a whole and the policy of reducing energy-related hardships facing low-income households.

(d) Weatherization programs shall use the needs assessment pursuant to Section 382.1 to maximize efficiency of delivery.

SEC. 6. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

