

**CPUC Public Agenda 3324**  
**Thursday, October 17, 2013, 9:30 a.m.**  
**Redding, CA**



**Commissioners:**  
**Michael R. Peevey**  
**Michel Peter Florio**  
**Catherine J.K. Sandoval**  
**Mark J. Ferron**  
**Carla J. Peterman**

[www.cpuc.ca.gov](http://www.cpuc.ca.gov)

# Public Comment



- Per Resolution ALJ-252, any member of the public who wishes to address the CPUC about matters before the Commission must sign up with the Public Advisor's Office table before the meeting begins. If an individual has signed up using the electronic system on the Commission's website, they must check in with the Public Advisor's Office on the day of the meeting, by the sign-up deadline.
- Once called, each speaker has up to 3 minutes at the discretion of the Commission President, depending on the number of speakers the time limit may be reduced to 1 minute.
- A sign will be posted when 1 minute remains.
- A bell will ring when time has expired.
- At the end of the Public Comment Section, the Commission President will ask if there are any additional individuals who wish to speak. Individuals who wish to speak but did not sign up by the deadline, will be granted a maximum of one minute to make their comments.

## **The following items are NOT subject to Public Comment:**

- All items on the Closed Session Agenda

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- Once called, each speaker has up to 1 minute to address the Commission.
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# Agenda Changes



- Items shown on the Consent Agenda will be taken up and voted on as a group in one of the first items of business of each CPUC meeting.
- Items on Today's Consent Agenda are: 1, 2, 3, 7, 8, 9, 10, 12, 15, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, & 32
- Any Commissioner, with consent of the other Commissioners, may request an item from the Regular Agenda be moved to the Consent Agenda prior to the meeting.
- 30 & 32 from the Regular Agenda have been added to the Consent Agenda.
- Any Commissioner may request an item be removed from the Consent Agenda for discussion on the Regular Agenda prior to the meeting.  
Item: 5 & 13 have been moved to the Regular Agenda.
- None have been withdrawn.
- The following items have been held to future Commission Meetings:

Held to 10/31/13: 4, 6, 11, 14, 16, & 31

# Regular Agenda

- Each item on the Regular Agenda (and its alternate if any) will be introduced by the assigned Commissioner or CPUC staff and discussed before it is moved for a vote.
- For each agenda item, a summary of the proposed action is included on the agenda; the CPUC's decision may, however, differ from that proposed.
- The complete text of every Proposed Decision or Draft Resolution is available for download on the CPUC's website: [www.cpuc.ca.gov](http://www.cpuc.ca.gov).
- Late changes to agenda items are available on the Escutia Table.

## **Regular Agenda – Energy Orders**

### **Item #5 [12310] San Diego Gas & Electric Company's Permit to Construct the South Bay Substation Relocation Project**

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**A10-06-007 In The Matter of the Application of San Diego Gas & Electric Company for a Permit to Construct the South Bay Substation Relocation Project.**

**Ratesetting**

**Comr. Florio / Judge Yacknin**

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#### **PROPOSED OUTCOME:**

- **Grants the permit to construct.**
- **Closes the proceeding.**

#### **SAFETY CONSIDERATIONS:**

- **All safety considerations will be mitigated to less than significant pursuant to California Environmental Quality Act.**

#### **ESTIMATED COST:**

- **None.**

## **Commissioner Ferron's suggested changes to Agenda Item 5**

### **Change to last 2 paragraphs in Section 9 (pages 19 – 20):**

First, this project has been subject to environmental review pursuant to CEQA. In this context, while community values are an important and necessary consideration in selecting among project alternatives (*see, e.g., Application of SCE for CPCN for Tehachapi Renewable Transmission Project* (2009) D.09-12-044 at 47), they are not a basis under CEQA for imposing conditions that are not required to mitigate the project's significant environmental impacts. To the contrary, if the Proposed Project's impact on community values renders it infeasible, the remedy under CEQA is to select another alternative. As discussed previously, the Proposed Project's visual and aesthetic impacts are less than significant; they do not give cause under CEQA to either reject the Proposed Project or to condition it on measures to mitigate them.

Second, as between Inland Industries, whose participation in this proceeding is premised on its interest as the owner of land parcels adjacent to the Proposed Project that, according to Inland Industries, are ideally suited for redevelopment and will be negatively impacted by the Proposed Project,<sup>1</sup> and the City of Chula Vista and the Port District, who participated with numerous other federal, state and local agencies and environmental and civic organizations to develop the Chula Vista Bayfront Master Plan, we find that the City of Chula Vista and the Port District better represent the values and interests of the Chula Vista community. These parties have expressed their support for the

Proposed Project, even in the absence of additional measures that would enhance its aesthetics. As the Proposed Project is supported by the parties who best represent the Chula Vista community, we find that it is not infeasible under CEQA for reasons of community values and, furthermore, we do not find that we need to modify the project in the manner identified by Inland Industries.

### **Change to Section 13 (page 22):**

The proposed decision of ALJ Hallie Yacknin in this matter was mailed to the parties in accordance with Pub. Util. Code § 311 and comments were allowed pursuant to Rule 14.3 of the Commission's Rules of Practice and Procedure. SDG&E, the City of Chula Vista, the Port District, and Inland Industries filed opening comments on August 26, 2013, and SDG&E and Inland Industries filed reply comments on September 3, 2013. The ~~ALJ took the~~ comments were considered into account and ~~made non-substantive~~ revisions were made, as appropriate, to herthe proposed decision. ~~The Commission hereby adopts the ALJ's proposed decision as revised.~~

### **Deletion of Conclusion of Law 4 (p. 24, subsequent CoLs to be renumbered):**

~~4. Where a project has been subject to environmental review pursuant to CEQA, community values are not a basis for imposing conditions that are not required to mitigate the project's environmental impacts.~~

<sup>1</sup> See Inland Industries' July 8, 2012, Motion for Leave to Become a Party to the Proceedings.



## **Regular Agenda – Energy Orders**

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- **All safety considerations will be mitigated to less than significant pursuant to California Environmental Quality Act.**

#### **ESTIMATED COST:**

- **None.**

## **Regular Agenda – Communication Resolutions and Reports**

### **Item #13 [12399] Funding for Karuk Tribe's Klamath River Rural Broadband Initiative Project**

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**Res T-17418**

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#### **PROPOSED OUTCOME:**

- Approves funding for the Grant Application of the Karuk Tribe from the California Advanced Services Fund in the amount of \$6,602,422.
- Extends high-speed broadband service to 80 square miles covering the Karuk Tribe and Yurok Tribes.

#### **SAFETY CONSIDERATIONS:**

- Broadband will enable several anchor institutions within the project area to assist in communicating with first responders in the event of an emergency.
- The project area is also located in a high-risk fire area and improved broadband speeds will facilitate the transmission of data and communications amongst first responders and the public.

#### **ESTIMATED COST:**

- \$6,602,422

## **Item # 13 – Resolution T-17418**

### **Funding for the Kuruk Tribe's Klamath River Rural Broadband Initiative**

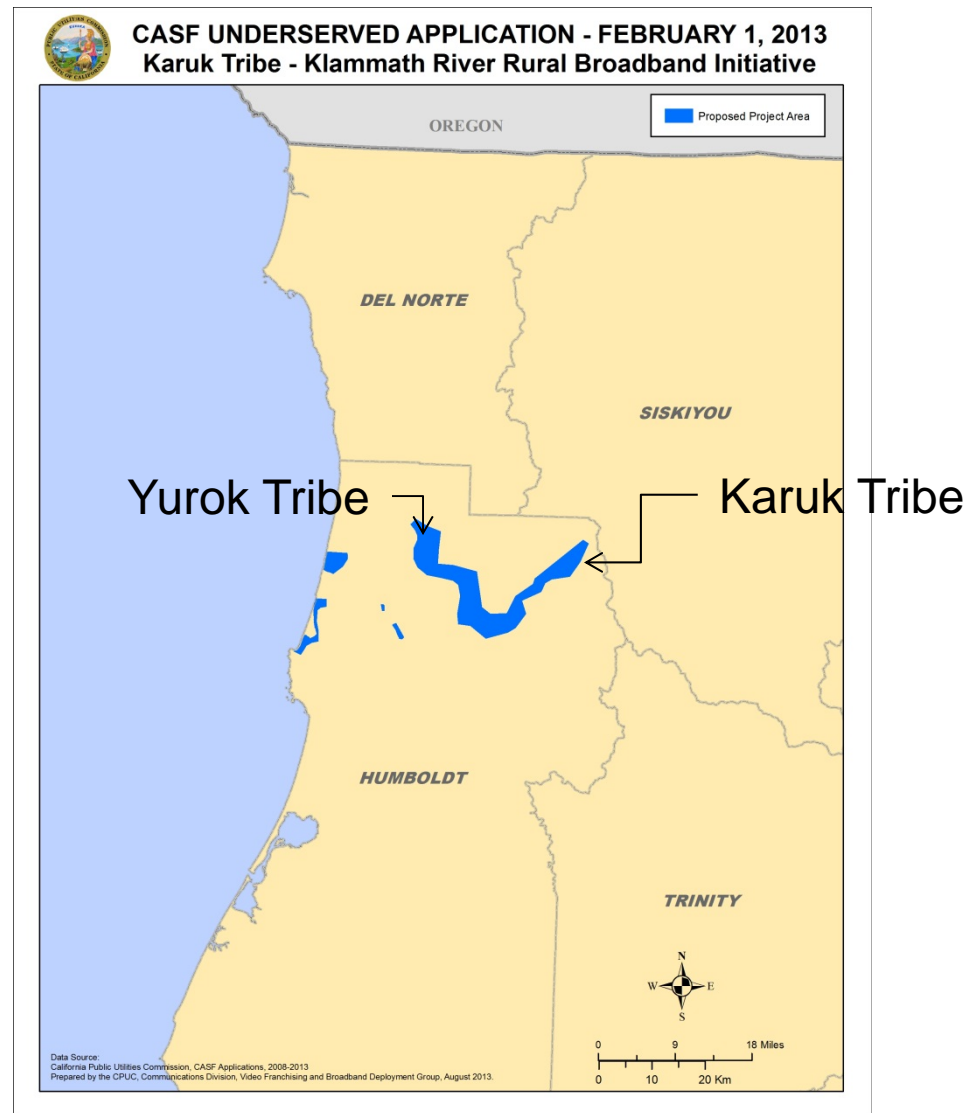
### **California Advanced Services Fund Application**

**Ryan Dulin**  
**Director, Communications Division**  
**October 17, 2013**

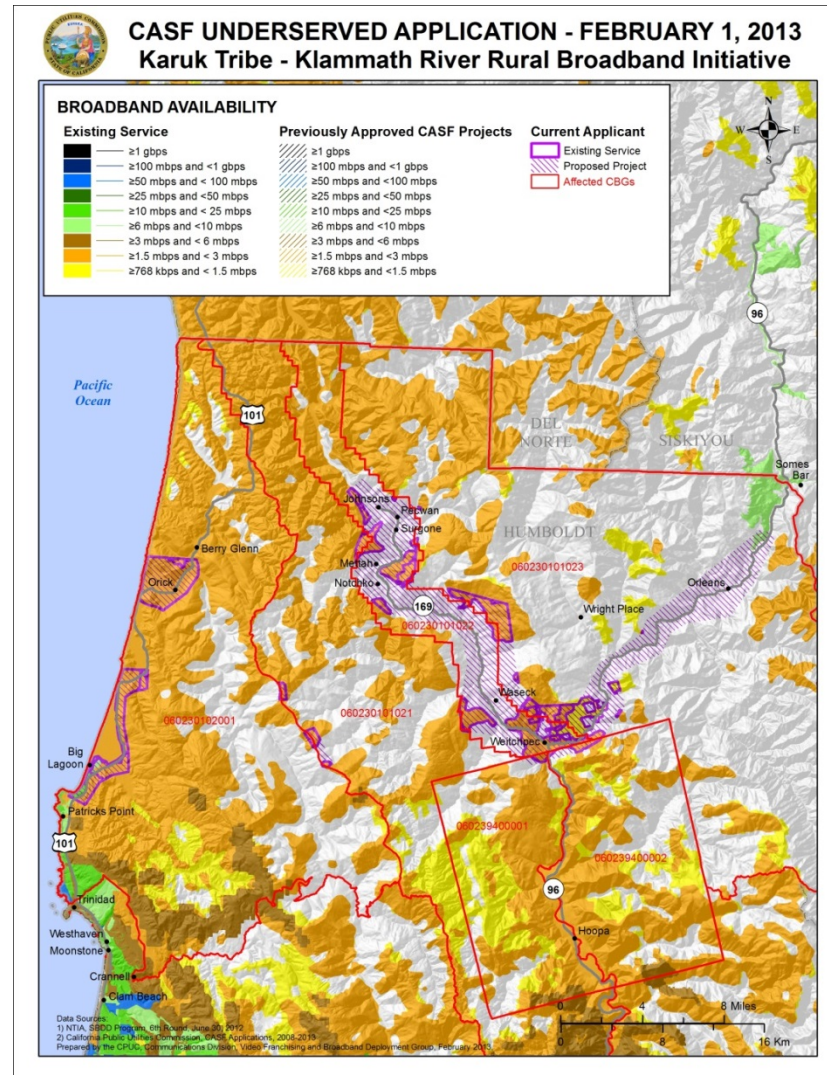
# California Advanced Service Fund

- Provides funding for the capital costs of broadband infrastructure projects in unserved and underserved areas in California.
- A maximum of 70 percent of project costs for unserved areas and 60 percent for underserved areas
  - The Klamath River Rural Broadband Initiative Project requests a grant for 51.5% of the total project cost.

# Proposed Project Area



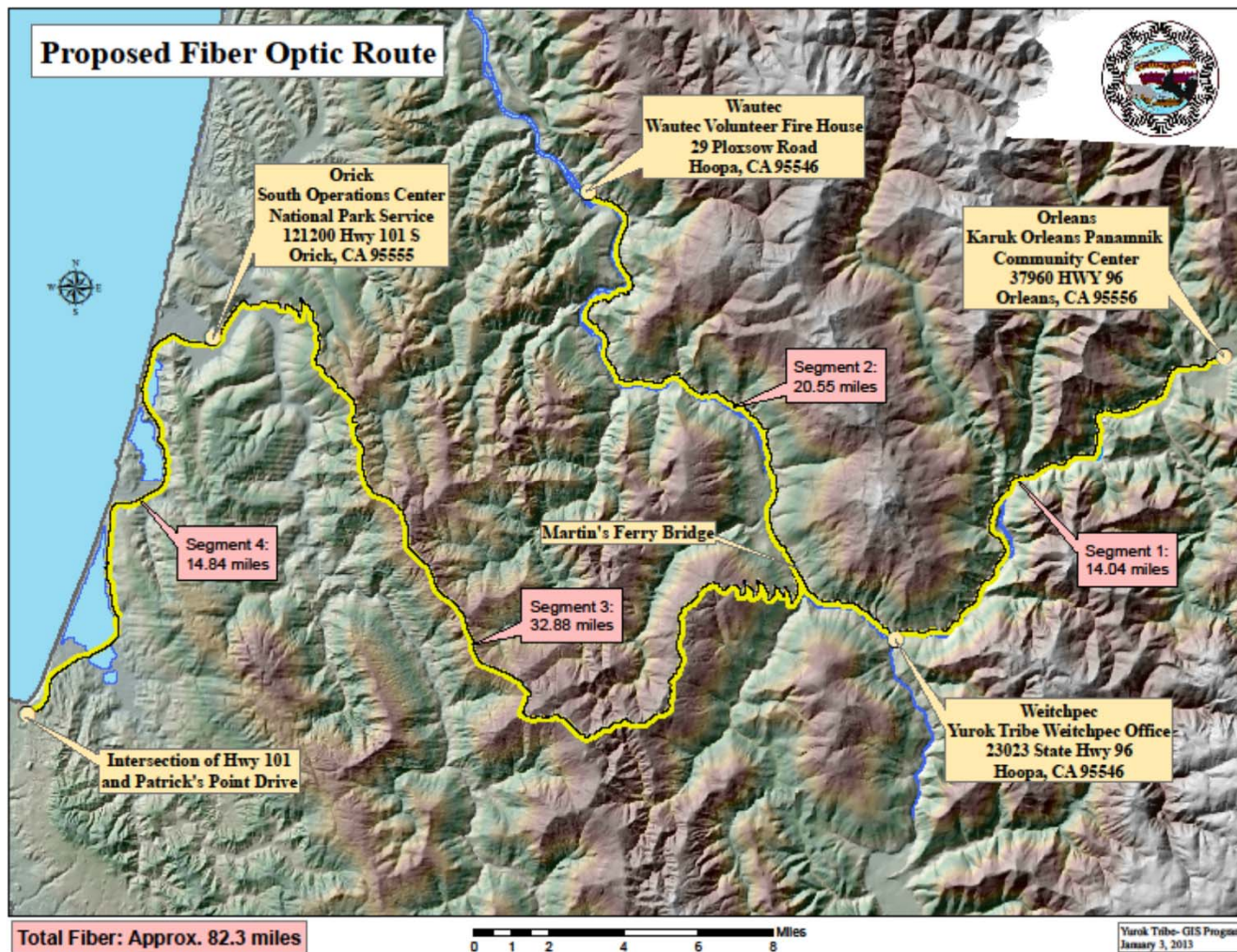
# Broadband Availability Map







## Detailed Area Planned to be Served by Project



# Klamath River Rural Broadband Initiative Project

- Install 82.3 mile middle mile fiber optic network
  - Connects with the Internet Backbone via Suddenlink's existing fiber network on U.S. Highway 101
  - Brings broadband east along California Route 96 to the Karuk Tribe in Orleans & north on California Route 169 to the Yurok Tribe in Wautech
- Extend broadband to 80 square miles of extremely rural and frontier areas
- Deploy last mile wireless broadband networks to 616 households (295 unserved, 321 underserved)



# Funding for Project

Funding Source	Amount
<b>California Advanced Services Fund</b>	<b>\$6.6 million</b>
U.S. Dept. of Agriculture – High Energy Cost Grant to the Yurok Tribe to fund utility pole infrastructure (Granted: Nov. 2011)	\$4.96 million
U.S. Dept. of Agriculture – Rural Utilities Service Community Connect Broadband Grant to the Karuk Tribe (Granted August 2011)	\$1.14 million
Karuk Tribe Contribution	\$112,000
<b>TOTAL PROJECT COST</b>	<b>\$12.8 million</b>

# Considerations

- Provides broadband to highly rural, isolated, unserved and underserved areas
- Serve the rural communities of Weitchpec, Wautec, Johnsons and Orick in addition to residents, businesses & anchor institutions along California Routes 96 & 169 and US Highway 101
- Benefits 616 Households, 8 first responder agencies & 14 anchor institutions
- The Hoopa Tribe and the community of Willow Creek may seek to connect to the middle mile network in the future to connect the 3,000+ households in their communities.

# Recommendation

- Adopt Resolution T-17418 to award \$6.6 million in funding to the Karuk Tribe for its Klamath River Rural Broadband Initiative Project

## **Regular Agenda – Communication Resolutions and Reports**

### **Item #13 [12399] Funding for Karuk Tribe's Klamath River Rural Broadband Initiative Project**

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**Res T-17418**

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- Extends high-speed broadband service to 80 square miles covering the Karuk Tribe and Yurok Tribes.

#### **SAFETY CONSIDERATIONS:**

- Broadband will enable several anchor institutions within the project area to assist in communicating with first responders in the event of an emergency.
- The project area is also located in a high-risk fire area and improved broadband speeds will facilitate the transmission of data and communications amongst first responders and the public.

#### **ESTIMATED COST:**

- \$6,602,422

# Regular Agenda – Energy Orders

## Item #29 [12370] Procurement Program for Energy Storage

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**R10-12-007 Order Instituting Rulemaking Pursuant to Assembly Bill 2514 to Consider the Adoption of Procurement Targets for Viable and Cost-Effective Energy Storage Systems.**

**Quasi-Legislative**

**Comr. Peterman / Judges Kersten and Yip-Kikugawa**

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### **PROPOSED OUTCOME:**

- Establishes policies and mechanisms for procurement of electric energy storage.
- Directs Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company to file applications for first energy storage solicitation by January 1, 2014.
- Closes the proceeding.

### **SAFETY CONSIDERATIONS:**

- Inclusion of energy storage in California's energy resource portfolio will assist in grid reliability and potentially reduce the need to construct some generation facilities.

### **ESTIMATED COST:**

- \$500,000 for program evaluation.
- Cost for procurement of energy storage systems shall be determined at time procurement contracts are approved (separate application).

# **Regular Agenda – Legislative and Other Matters**

**Item #33 [12452]**

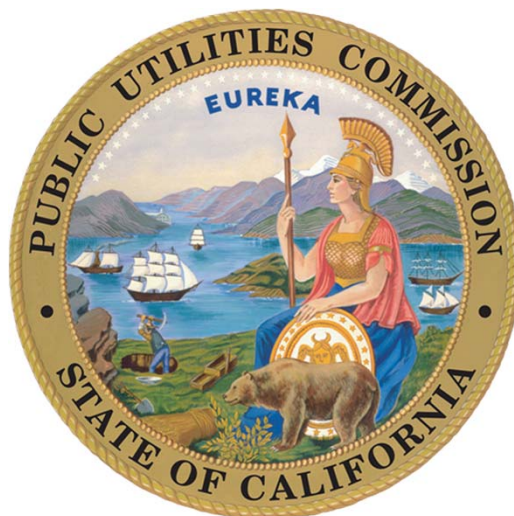
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**Office of Governmental Affairs Legislative Wrap Up**

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## 2013 Legislative Wrap-up



Lynn Sadler, Director

Nick Zanjani | Michael Minkus | Yvonne Wilson

Office of Governmental Affairs

October 17, 2013



# -- PRESENTATION OUTLINE --

- LEGISLATIVE OVERVIEW
  - SPONSORED BILLS
  - SAFETY BILL SPOTLIGHT
  - ENERGY BILL SPOTLIGHT
  - TELECOM BILL SPOTLIGHT
- MISCELLANEOUS BILL SPOTLIGHT
  - 2013-14 BUDGET ACTIONS
  - INFORMATIONAL HEARINGS
  - LEGISLATIVE ACTION ITEMS
- OTHER OGA ACCOMPLISHMENTS



## Legislative Overview

### PORTFOLIO AT A GLANCE

- ❖ 139 total bills monitored
  - ❖ 103 (74%) failed (defeated/delayed)
    - ❖ Position taken on 15
  - ❖ 37 (26%) sent to the Governor
    - ❖ Position taken on 16
- ❖ Position taken on 31 bills total

# Legislative Overview

## POSITION CHANGES

- ❖ 7 initial 'Support' positions
  - ❖ No position changes
- ❖ 14 initial 'Support if Amended' positions
  - ❖ 9 position changes: 9 'Support'
- ❖ 1 initial 'Neutral/None' positions
  - ❖ No position changes
- ❖ 2 initial 'Oppose Unless Amended' positions
  - ❖ 1 position change: 1 'Neutral/None'
- ❖ 7 initial 'Oppose' positions
  - ❖ 2 position changes: 2 'Neutral/None'

## Legislative Overview

### BILL OUTCOMES

- ❖ 16 final 'Support' positions
  - ❖ 4 defeated/delayed, 12 passed, 11 signed
- ❖ 8 final 'Neutral/None' positions
  - ❖ 2 defeated/delayed, 6 passed, 6 signed
- ❖ 6 final 'Oppose' positions
  - ❖ 4 defeated/delayed, 2 passed, 0 signed

# Sponsored Bills

## **SB 129 (Wright) – Deaf and Disabled Telecommunications Program (DDTP) Sunset Extension**

- ❖ Extends program sunset by 6 additional years.
- ❖ Cleans up DDTP-related code sections.
- ❖ Supported by consumer groups and carriers. No opposition.
  - CPUC POSITION: SUPPORT AS SPONSOR
  - Governor Action: Signed

## **SB 489 (Fuller) – Expedited Water Utility Receivership**

- ❖ Would have allowed CPUC to process receivership cases in-house.
- ❖ Would have improved public safety by transferring ownership to responsible owners.
- ❖ Supported by consumer groups and California Water Association. No opposition.
  - CPUC POSITION: SUPPORT AS SPONSOR
  - Missed policy committee hearing deadline

# Safety Bill Spotlight

## Limousine Safety

### **SB 109 (Corbett) – Vehicle Exits**

- ❖ Response to 2013 limousine fire incidents.
- ❖ Requires new stretched limousines to have two exit doors and push-out windows; phases-in rules for all stretched limousines (phased in).
- ❖ Requires drivers to provide safety instructions and unlock doors in an emergency.
  - CPUC POSITION: SUPPORT (Initial: SUPPORT IF AMENDED)
  - Governor Action: Signed

### **SB 338 (Hill) – Fire Extinguishers**

- ❖ Response to 2013 limousine fire incidents.
- ❖ Would have required stretched limousines to be equipped with fire extinguishers.
- ❖ Would have required the CHP to perform safety inspections on stretched limousines.
- ❖ Governor was hesitant to shift CHP resources away from other purposes.
- ❖ Governor asked Hill to bring bill back with inspection fee to cover costs.
  - CPUC POSITION: SUPPORT IF AMENDED (Initial: SUPPORT IF AMENDED)
  - Governor Action: Vetoed

# Safety Bill Spotlight

## Other Safety

### **AB 869 (Medina) – Emergency Response Measures**

- ❖ Response to Hurricane Sandy.
- ❖ Would have required detailed emergency response plans to be published online.
- ❖ Would have made emergency response plans part of the PU Code 961 safety plan.
  - CPUC POSITION: NEUTRAL (Initial: SUPPORT IF AMENDED)
  - Missed policy committee hearing deadline

### **SB 291 (Hill) – CPUC Penalty Programs**

- ❖ Response to previous resolution allowing staff gas citations.
- ❖ Requires the CPUC to allow staff to issue safety citations to gas and electric utilities.
- ❖ Requires the CPUC to consider lower penalties for utilities that self-report violations.
  - CPUC POSITION: NONE
  - Governor Action: Signed

# Energy Bill Spotlight

## Rate Reform

### **AB 327 (Perea) – Comprehensive Rate Reform**

- ❖ Gives the CPUC increased discretion when setting rates, including modifications to current rates, implementation of fixed charges, and introduction of default time-of-use rates for residential customers beginning January 1, 2018.
- ❖ Changes RPS from a ceiling to a floor.
- ❖ Codifies new NEM megawatt availability and requires a new customer generation program to become effective July 1, 2017.
- ❖ Modifies California Alternate Rates for Energy (CARE) to provide a 30-35% discount and limits CARE customer fixed charges to no more than \$5.
  - CPUC POSITION: NONE
  - Governor Action: Signed, with note to grandfather current NEM customers

### **SB 743 (Steinberg) – Limited Rate Reform**

- ❖ Would have allowed CARE rates to rise with the CPI instead of CalWORKs, not to exceed 4 percent per year.
- ❖ Would have provided limited relief to upper tier IOU customers.
  - CPUC POSITION: NONE
  - Gutted and amended to address a new topic

# Energy Bill Spotlight

## Community Solar

### AB 1295 (Hernandez) – ReMAT Community Solar

- ❖ Would have allowed participating customers to pay a community renewables rate for green power purchased from a community renewable facility.
- ❖ Eligible facilities would correspond with ReMAT facilities.
  - CPUC POSITION: NONE
  - Missed policy committee hearing deadline

### SB 43 (Wolk) – Green Tariff

- ❖ Creates a 600 MW pilot program for customers to purchase green power from renewables facilities without shifting costs to non-participating ratepayers.
- ❖ Codifies the basic outline of the PG&E Green Tariff settlement agreement.
  - CPUC POSITION: NONE
  - Governor Action: Signed



# Energy Bill Spotlight

## Solar Incentives

### **AB 217 (Bradford) – Low-income Solar**

- ❖ Authorizes low-income solar incentives beyond 2015 (through 2021).
- ❖ Authorizes \$108 million for the low-income solar programs.
  - CPUC POSITION: SUPPORT (Initial: SUPPORT IF AMENDED)
  - Governor Action: Signed

### **AB 792 (Mullin) – Distributed Generation UUTs**

- ❖ Prohibits local governments from levying taxes on electricity provided by clean energy resources through 2019.
- ❖ “Clean energy resources” include distributed generation technologies.
  - CPUC POSITION: NONE
  - Governor Action: Signed

# Energy Bill Spotlight

## Fuel Cells

### AB 796 (Muratsuchi) – Fuel Cell Incentives

- ❖ Extends eligibility for cogeneration natural gas rates to fuel cells for an additional 2 years.
- ❖ Issue will be addressed further next year.
  - CPUC POSITION: NONE
  - Governor Action: Signed

### AB 1228 (Perez) – Fuel Cell NEM

- ❖ Would have increased the maximum allowable size of customer-sited fuel cells which receive service under the NEM tariff from 1 megawatt to 3 megawatts.
- ❖ Would have required projects above 1 megawatt to pay interconnection costs.
  - CPUC POSITION: SUPPORT (Initial: SUPPORT IF AMENDED)
  - Missed policy committee hearing deadline

# Energy Bill Spotlight

## Hydroelectricity

### **AB 762 (Patterson) – RPS Eligibility**

- ❖ Would have qualified all hydroelectric generation facilities as RPS-eligible resources, regardless of size.
- ❖ Would have allowed hydroelectric facilities greater than 30 megawatts in size to generate RECs.
  - CPUC POSITION: OPPOSE
  - Defeated in the Assembly

### **SB 591 (Cannella) – New Exchequer Dam**

- ❖ Exempts POUs from procuring additional eligible renewable energy resources in excess of specified levels, if it receives 50% or greater of its annual retail sales from its own hydroelectric generation that is not an eligible renewable energy resource.
- ❖ Effectively limits the Merced Irrigation District's RPS obligation to the electricity demands that are unsatisfied by the New Exchequer Dam.
  - CPUC POSITION: NONE
  - Governor Action: Signed

# Energy Bill Spotlight

## RPS

### AB 177 (Perez) – 51% RPS

- ❖ Would have required IOUs to adopt a long-term plan for achieving 51% RPS by 2030.
- ❖ Would have required adoption of a long-term procurement strategy for meeting 2050 greenhouse gas emissions goals.
  - CPUC POSITION: NONE
  - Missed policy committee hearing deadline

### SB 767 (Lieu) – Biomethane

- ❖ Would have extended the deadline from April 1, 2014, to April 1, 2015, for biomethane to be injected into a common carrier pipeline in order for it to count towards the procurement requirements established by the RPS.
- ❖ Would have facilitated RPS eligibility under AB 2196's grandfathering standards for prospective landfill biomethane sources outside of California.
  - CPUC POSITION: NONE
  - Missed policy committee hearing deadline

# Energy Bill Spotlight

## Direct Access

### AB 687 (Hernandez) – Groundwater Remediation

- ❖ Would have required that entities that are currently treating and remediating groundwater that a federal, state, or local agency previously identified as contaminated have the highest priority in acquiring electric service by direct access.
- ❖ Would have required moneys saved to be used to remediate groundwater.
  - CPUC POSITION: NEUTRAL
  - Held on suspense in the Senate

### AB 1350 (Hernandez) – Direct Access Expansion

- ❖ Would have expanded direct access by specified amounts in each IOU service territory.
- ❖ Would have commenced program expansion by July 1, 2014.
  - CPUC POSITION: NONE
  - Missed policy committee hearing deadline

# Energy Bill Spotlight

## EE Financing

### AB 122 (Rendon) – Non-residential Building Retrofits

- ❖ Would have provided a financing method for owners to pay for energy improvements to existing nonresidential buildings at lower rates than are currently available.
- ❖ Would have provided financial assistance through CAEATFA revenue bonds.
  - CPUC POSITION: NEUTRAL (Initial: SUPPORT IF AMENDED)
  - Missed fiscal committee hearing deadline

### SB 37 (de Leon) – On-bill Repayment

- ❖ Would have authorized the CPUC to direct energy utilities with more than 250,000 service connections in the state to develop and implement an on-bill repayment program for eligible energy efficiency, renewable and distributed generation energy investments.
- ❖ Would have allowed shutoff for nonpayment of OBR for residential customers under certain circumstances
  - CPUC POSITION: NEUTRAL (Initial: SUPPORT IF AMENDED)
  - Defeated in the Senate

# Energy Bill Spotlight

## Utility Data

### **AB 270 (Bradford) – Energy Efficiency (EE) Data**

- ❖ Requires the CPUC to create a public web site for data-driven reports containing specified information regarding ratepayer-funded EE programs.
- ❖ Directs the CPUC to report annually on its efforts to identify and eliminate duplicity in EE programs among other state agencies.
  - CPUC POSITION: SUPPORT (Initial: SUPPORT IF AMENDED)
  - Governor Action: Signed

### **AB 1274 (Bradford) – Data Privacy**

- ❖ Prohibits a business from sharing, disclosing, selling, or otherwise making a customer's electrical and gas consumption data accessible to a third party, except as specified.
- ❖ Specifically targets data from home area network devices that read Smart Meters in real time and are accessible to parties other than IOUs.
  - CPUC POSITION: SUPPORT (Initial: SUPPORT IF AMENDED)
  - Governor Action: Signed

# Energy Bill Spotlight

## Consumer Protection

### **AB 415 (Garcia) – Solar Hot Water Heating**

- ❖ Requires the CPUC to allow for the certification of solar water heating systems by any accredited listing agency.
- ❖ Intended to enable an open and competitive market for certification services.
  - CPUC POSITION: NONE
  - Governor Action: Signed

### **SB 656 (Wright) – Core Transport Agents**

- ❖ Applies consumer protections similar to those currently applicable to the customers of Electric Service Providers (ESPs-direct access electricity providers) to Core Transport Agents (direct access gas providers).
- ❖ Temporarily suspends the requirement for the CPUC to compile and regularly update customer complaint numbers or official terms and conditions of registered ESPs.
  - CPUC POSITION: SUPPORT (Initial: SUPPORT IF AMENDED)
  - Governor Action: Signed



# Energy Bill Spotlight

## Review Requirements

### **SB 48 (Hill) – Peer Review**

- ❖ Would have required peer review of all research and development projects undertaken by an IOU on a three-year cycle except under certain circumstances.
- ❖ Would have required a report to the Legislature every three years detailing research and development activities.
  - CPUC POSITION: OPPOSE
  - Missed policy committee hearing deadline

### **SB 418 (Jackson) – Nuclear Plants**

- ❖ Would have required a detailed study of project needs and costs to be provided to the CPUC when requesting ratepayer funding for a nuclear power plant seeking relicensing from the Nuclear Regulatory Commission.
- ❖ Would have made study results public and required a cost effectiveness analysis.
  - CPUC POSITION: NONE
  - Defeated in the Assembly

# Energy Bill Spotlight

## Local Issues

### **AB 66 (Muratsuchi) – Reliability Issues in Rancho Palos Verdes**

- ❖ Requires IOUs to report annually on the frequency and duration of interruptions in services sorted by areas with both the most frequent and longest outages, and differentiating between momentary and sustained outages.
- ❖ Requires cost-effective remediation of repeated reliability deficiencies in the same local area.
  - CPUC POSITION: SUPPORT (Initial: SUPPORT IF AMENDED)
  - Governor Action: Signed

### **AB 719 (Hernandez) – Street Lighting in Baldwin Park**

- ❖ Establishes tariffs be used as a funding mechanism to allow participating local government to pay for street lighting efficiency upgrades.
- ❖ Requires new tariffs to be submitted no later than July 1, 2015.
  - CPUC POSITION: SUPPORT (Initial: SUPPORT IF AMENDED)
  - Governor Action: Signed

# Energy Bill Spotlight

## Other Energy

### **AB 628 (Gorell) – Port Electrification**

- ❖ Provides a framework for the development of energy management plans between specified port and harbor districts and IOUs, POUs, and CCAs.
- ❖ Meant to reduce air emissions and promote economic development of the district.
  - CPUC POSITION: NONE
  - Governor Action: Signed

### **SB 699 (Hill) – Clean Distributed Energy Resources**

- ❖ Would have requires IOUs to consider a procure clean distributed energy resources when making grid investments.
- ❖ Would have required annual reporting on IOUs' distribution project expenditures.
  - CPUC POSITION: NONE
  - Missed policy committee hearing deadline

# Energy Bill Spotlight

## Other Energy

### AB 340 (Bradford) – Electric Program Investment Charge (EPIC) contracting

- ❖ Would have required the CPUC to establish a program, consistent with General Order 156, to encourage the use of women, minority, and disabled veteran-owned businesses for funds administered through the EPIC.
- ❖ Would have required the CPUC to report on the status of the program in the GO 156 report.
  - CPUC POSITION: SUPPORT (Initial: SUPPORT with Technical Amendments)
  - Governor Action: Vetoed, because of language inadvertently jeopardizing the critical renewable programs funded by the charge.

# Telecom Bill Spotlight

## LifeLine

### AB 1407 (Bradford) – LifeLine Program Rules

- ❖ Would have eliminated the existing California LifeLine program effective January 1, 2015, and replaced it with a voucher program.
- ❖ Would have allowed the new LifeLine voucher to be used toward existing service options.
  - CPUC POSITION: OPPOSE
  - Held on suspense in the Senate

### AB 1409 (Bradford) – VoIP LifeLine

- ❖ Would have required the CPUC to conclude its LifeLine proceeding by June 1, 2014.
- ❖ Would have allowed non-telephone corporations to participate in LifeLine and draw subsidies.
  - CPUC POSITION: OPPOSE (Initial: Oppose Unless Amended)
  - Governor Action: Vetoed, to allow current proceeding to complete

# Telecom Bill Spotlight

## CASF

### **AB 1299 (Bradford) – Public Housing Developments**

- ❖ Makes low-income public housing with broadband service at the property line eligible for broadband infrastructure grants to provide broadband to residents.
- ❖ Authorizes collection of \$25 million for broadband in public housing (\$20 million for infrastructure and \$5 million for adoption).
  - CPUC POSITION: SUPPORT (Initial: SUPPORT IF AMENDED)
  - Governor Action: Signed

-JOINED-

### **SB 740 (Padilla) – CASF Program Eligibility**

- ❖ Expands CASF program eligibility to entities other than telephone corporations that meet other requirements.
- ❖ Provides additional funding (\$65 million) for broadband infrastructure grants.
  - CPUC POSITION: SUPPORT
  - Governor Action: Signed

# Telecom Bill Spotlight

## CTF

### **AB 876 (Bonta) – California Teleconnect Fund (CTF) Program Rules**

- ❖ Would have required a comparison of rates charged to schools with rates charged to for-profit entities.
- ❖ Would have prioritized funds for advanced communications services over legacy services.
  - CPUC POSITION: NEUTRAL (Initial: SUPPORT IF AMENDED)
  - Missed policy committee hearing deadline

### **AB 1100 (Levine) – California Community Colleges**

- ❖ Would have removed the CTF cost caps for California's community colleges.
- ❖ Would have prohibited limits on a single class of participants.
  - CPUC POSITION: NEUTRAL (Initial: OPPOSE UNLESS AMENDED)
  - Held on suspense in the Assembly

# Telecom Bill Spotlight

## Emergency Services/Safety

### AB 911 (Bloom) – Enhanced 911

- ❖ Response to National Emergency Number Association model 911 legislation
- ❖ Would have required multiline telephone service system operators to configure equipment to allow public safety officials to identify a caller's precise location.
  - CPUC POSITION: SUPPORT
  - Held on suspense in the Senate

### SB 380 (Padilla) – Service Disruptions

- ❖ Response to BART communication service shut down during protests.
- ❖ Prevents communication service shut-offs except in extraordinary cases, thus preserving 911 access.
  - CPUC POSITION: NONE
  - Governor Action: Signed



# Telecom Bill Spotlight

## Other Telecom

### **AB 300 (Perea) – Prepaid Wireless**

- ❖ Would have established a prepaid wireless surcharge to be levied at point of sale that would include State and local taxes, surcharges, and fees.
- ❖ Would have resulted in large revenue losses to State funds and smaller losses to local funds.
  - CPUC POSITION: OPPOSE
  - Governor Action: Vetoed, instructed to work with local government

### **SB 50 (Lieu) – Payphones**

- ❖ Response to credit card customers unknowingly being charged very high rates.
- ❖ Requires all payphone operators to disclose call rates regardless of payment type.
  - CPUC POSITION: SUPPORT (Initial: SUPPORT IF AMENDED)
  - Governor Action: Signed

# Miscellaneous Bill Spotlight

## **AB 995 (Frazier) – Intervenor Compensation**

- ❖ Would have restricted the CPUC from compensating intervenors that perform a similar function as DRA.
- ❖ Would have required the CPUC to verify that intervenors are legitimate representatives of the organizations they intervene on behalf of.
  - CPUC POSITION: NONE
  - Missed policy committee hearing deadline

## **SB 611 (Hill) – CPUC Governance**

- ❖ Would have removed all statutory authority of the PUC president
- ❖ Was later amended to grant DRA judicial review
  - CPUC POSITION: OPPOSE
  - Gutted and amended to address a new topic

## 2012-13 Budget Actions

The Governor's 2013-14 budget included 15.5 positions.  
8.5 positions were approved:

- ❖ 3 positions to SED for high-speed rail safety
- ❖ 1/2 limited-term position to ALJ to implement recently-enacted legislation
- ❖ 5 positions to ORA for energy financial examiners, water auditors and natural gas safety workload

## 2012-13 Budget Actions

Seven positions were denied:

- ❖ 2 ALJs to implement bills passed in 2012-13 session.
- ❖ 2 positions for oversight of EPIC and demand-side management program facilitation.
- ❖ 3 positions to augment the CPUC budget office- the legislature required establishment of these positions through redirection of internal resources.

# 2012-13 Budget Actions

## TRAILER BILL ACTIONS

- ❖ Established rules for Electric Program Investment Charge (EPIC).
- ❖ CES-21 research limited to cyber security and grid integration research and capped at \$35 million over five years.
- ❖ Eliminated non-state entity creation using ratepayer moneys, requires 30 day review by Joint Legislative Budget Committee (JLBC) for shareholder-funded created entities.
- ❖ Prohibited contracts to non-state entities when commissioners on Board of Directors of that entity.
- ❖ After June 1, 2014, prohibited Commissioners from sitting on the boards of entities created by the CPUC prior to January 2014.
- ❖ Renamed Division of Ratepayer Advocates 'Office of Ratepayer Advocates' and granted budget independence.
- ❖ Required zero-base budgeting by January 10, 2015.
- ❖ Required the CPUC to inform the Department of Finance (who must notify JLBC) before distributing, expending, or encumbering settlement monies.

# Informational Hearings

## ASSEMBLY AND SENATE

### ❖ **Assembly Utilities and Commerce Committee Hearings**

- ❖ March 6, 2013 'Energy Efficiency - Measuring for Success: Coordination, Collaboration, Transparency'
- ❖ March 11, 2013 'Bridging the Digital Divide in California: A Foundation for a Better Way of Life'
- ❖ June 17, 2013 'Local Electric Reliability and Once-Through Cooling'

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

- ❖ January 28, 2013 'Energy Efficiency'
- ❖ February 11, 2013 'Emerging Communications Technologies and Public Safety Networks'
- ❖ February 19, 2013 'Energy Efficiency in School Facilities: Are the Light Bulbs On or Off?'
- ❖ June 4, 2013 'Excavation Damage: A Safety Threat or Cost of Doing Business?'
- ❖ July 10, 2013 'Electrical System Stability and Reliability: Life After SONGs'
- ❖ August 13, 2013 'Life After SONGs: The Decommissioning of a Nuclear Power Plant'

### ❖ **Select Committee on California's Clean Energy Economy Committee Hearings**

- ❖ August 7, 2013 'Improving Energy Efficiency of Existing Buildings: Lessons Learned, Opportunities'

# Legislative Action Items

## Legislation enacted this session requires the PUC to:

- >> Designate a representative to serve on the new freight advisory committee to be established by the California State Transportation Agency, and to participate in committee activities.
  - ❖ Source: AB 14 (Lowenthal)
  - ❖ Deadline: Ongoing
  - ❖ PY Requirement: None
  
- >> Require IOUs to include additional information in their annual reliability reports and require cost-effective remediation of reliability deficiencies identified.
  - ❖ Source: AB 66 (Muratsuchi)
  - ❖ Deadline: Ongoing
  - ❖ PY Requirement: None
  
- >> Adopt a program to provide an additional \$108 million in monetary incentives for the installation of solar energy systems on low-income residential housing through December 31, 2021.
  - ❖ Source: AB 217 (Bradford)
  - ❖ Deadline: None
  - ❖ PY Requirement: 1 (ALJ) temporary and 2 (Energy Division) ongoing—1 of which is part part-time.

# Legislative Action Items

## (Continued)

- >> Establish a website containing energy efficiency program statistics and include in the CPUC annual report information on efforts to complement and not duplicate energy efficiency programs at other state agencies.
  - ❖ Source: AB 270 (Bradford)
  - ❖ Deadline: June 1, 2014
  - ❖ PY Requirement: None
  
- >> Implement comprehensive rate reform, including changes to NEM, CARE, tier pricing, fixed charges, etc.
  - ❖ Source: AB 327 (Perea)
  - ❖ Deadline: December 31, 2015, for a new standard contract or tariff for customer-generators
  - ❖ PY Requirement: 2 (ALJ) ongoing, 8 (Energy Division) ongoing, and 1 part-time temporary.
  
- >> Allow for certification of solar water heating systems by any accredited agency that meets established standards.
  - ❖ Source: AB 415 (Garcia)
  - ❖ Deadline: None
  - ❖ PY Requirement: 1 (Energy Division) part-time, temporary.



# Legislative Action Items

## (Continued)

- >> Facilitate the participation of IOUs jointly with local agencies in developing, implementing, and administering viable energy management plans for districts.
  - ❖ Source: AB 628 (Gorell)
  - ❖ Deadline: None
  - ❖ PY Requirement: 1 (Energy Division) part-time and ongoing.
  
- >> Direct IOUs to submit tariffs no later than July 1, 2015, to be used, at the discretion of local governments, to fund energy efficiency improvements in street light poles owned by the electrical corporations.
  - ❖ Source: AB 719 (Hernandez)
  - ❖ Deadline: March 1, 2014, to order IOU action
  - ❖ PY Requirement: 1 (ALJ) temporary and 1 (Energy Division) part-time and temporary.
  
- >> Allocate \$25 million from the CASF program to allow public housing projects to finance broadband projects and increase adoption rates.
  - ❖ Source: AB 1299 (Bradford)
  - ❖ Deadline: None
  - ❖ PY Requirement: 1 (Communications Division) ongoing and 1 (Legal Division) part-time and ongoing.

# Legislative Action Items

## (Continued)

- >> Require IOUs to implement a Green Tariff Shared Renewables Program that allows utility customers to voluntarily purchase electricity from renewable energy facilities.
  - ❖ Source: SB 43 (Wolk)
  - ❖ Deadline: July 1, 2014, to approve Green Tariff applications
  - ❖ PY Requirement: 1 (ALJ) part-time, temporary and 2 (Energy Division) ongoing.
  
- >> Beginning January 1, 2015, take all necessary enforcement action to ensure that all payphones, regardless of payment method, uphold consumer protections.
  - ❖ Source: SB 50 (Lieu)
  - ❖ Deadline: Ongoing
  - ❖ PY Requirement: None
  
- >> Implement limousine emergency exit rules.
  - ❖ Source: SB 109 (Corbett)
  - ❖ Deadline: July 1, 2015 for new stretched vehicles and January 1, 2016 for all stretched vehicles.
  - ❖ PY Requirement: 1 (ALJ) and 1 (Legal Division) both part-time and temporary.

# Legislative Action Items

## (Continued)

- >> Develop and implement a safety enforcement program applicable to gas corporations and electrical corporations which includes procedures for monitoring, data tracking and analysis, and investigations, as well as issuance of citations by CPUC staff.
  - ❖ Source: SB 291 (Hill)
  - ❖ Deadline: July 1, 2014, to implement a gas program and January 1, 2015, to implement an electric program
  - ❖ PY Requirement: 1 (Safety & Enforcement Division) ongoing.
  
- >> Require Core Transport Agents to register with the CPUC, develop uniform standards for proof of financial, technical, and operational ability, and develop registration standards.
  - ❖ Source: SB 656 (Wright)
  - ❖ Deadline: June 30, 2014, to develop uniform standards and publish for comment
  - ❖ PY Requirement: 1 (ALJ) temporary and 1 (Consumer Affairs Branch) part-time and temporary and 1 (Energy Division) ongoing.
  
- >> Expand the CASF program by \$90 million and allow non-telephone corporations to access funding for broadband projects if they adhere to program rules.
  - ❖ Source: SB 740 (Padilla)
  - ❖ Deadline: April 1, 2017, to submit a performance audit to the Legislature
  - ❖ PY Requirement: None.

# Legislative Action Items

## (Continued)

Complete Zero-base budgeting process. See Trailer bill for changes in Operating Procedures.

- ❖ Source: SB 96 (Trailer Bill)
- ❖ Deadline: January 10, 2015
- ❖ PY Requirement: None

**In total, legislation approved this year requires 20 new ongoing PYs and 9 new temporary PYs.**

## Other OGA Accomplishments 2013

- ❖ Launched new Leg Super Process
  - ❖ Bi-monthly briefings and updates
  - ❖ Mission-based analyses
  - ❖ Additional oversight for analyses
  - ❖ Stronger fiscal criteria
- ❖ Introduced “CPUC Academy”
- ❖ Convened briefings and presentations
- ❖ Fielded legislative inquiries
- ❖ Cooperated with JLAC and DoF on multiple audits
- ❖ Coordinated with Governor’s Office and other agencies

## Other OGA Priorities

### FUTURE

- ❖ Continue to offer and expand the CPUC Academy for legislative and administrative staff
- ❖ Improve Leg Super process
- ❖ Prepare for likely legislation in upcoming session, including many 'two-year' bills
- ❖ Sponsor an Executive Fellow
- ❖ Further automate administrative functions on our way to a true 'paperless office'
- ❖ Build partnerships with other agency staff
- ❖ Support all CPUC efforts to improve safety, reliability at just and reasonable rates

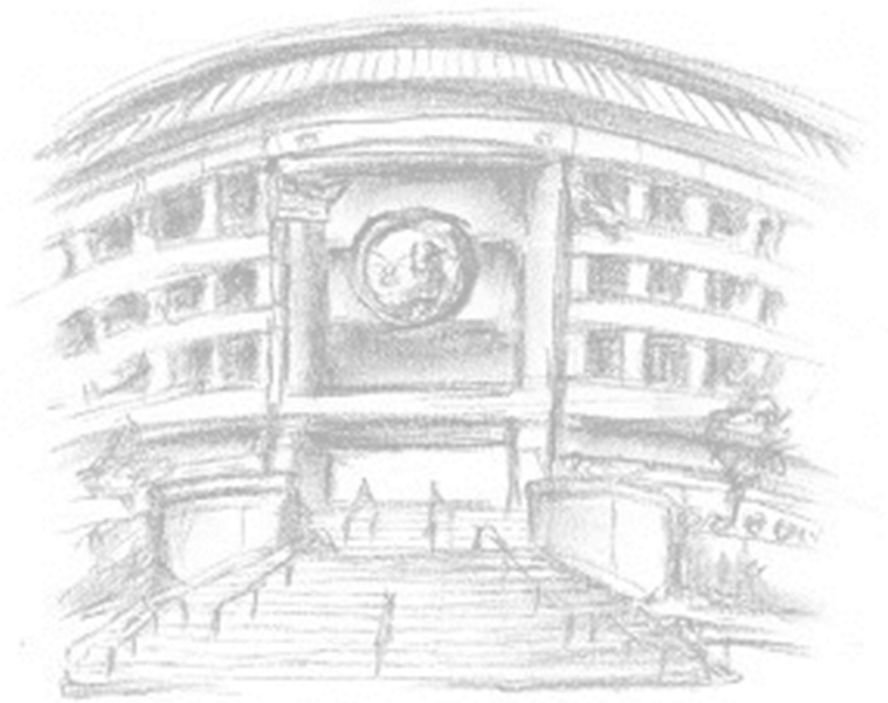
# Thank You

## ❖ Team Effort

- OGA staff
- OGA Liaisons, division staff and advisors
- Legislative partners and coalitions
- Agency partners
- Governor's Office



**For Additional Information:**  
[www.cpuc.ca.gov/PUC/legislation/](http://www.cpuc.ca.gov/PUC/legislation/)





# **Regular Agenda – Legislative and Other Matters**

**Item #33 [12452]**

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**Office of Governmental Affairs Legislative Wrap Up**

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# Commissioners' Reports



# Management Reports



# **Regular Agenda – Management Reports and Resolutions**

## **Item #34 [12436]**

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**Report and Discussion by Safety and Enforcement  
Division on Recent Safety Program Activities**

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# **Safety and Enforcement Division Risk Assessment and Enforcement**

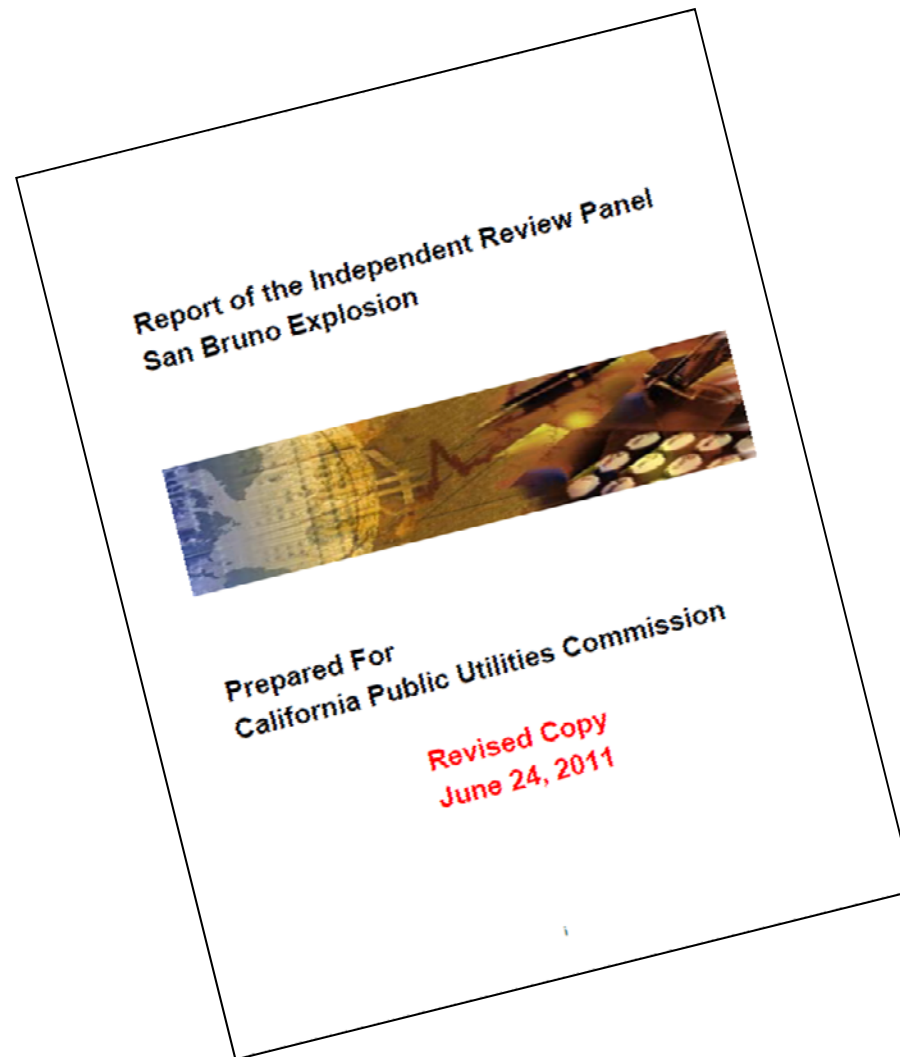


***Commission Meeting  
Redding, CA***

**October 17, 2013**



# **Risk Assessment & Enforcement Established in the Fall of 2011**



## **Risk Assessment & Enforcement Team**

Kenneth Bruno – Program and Project Supervisor

Bishu Chatterjee – PURA V

Steve Haine – Senior U.E. Specialist

Ken Koss – Retired Annuitant

Chuck Magee – Senior U.E. Specialist

Chris Parkes – Senior U.E. Specialist

## **Major Projects to Date**

- March 2012 – 17 Hazards Report released
- SB 705 Safety Plans
- Performance Metrics
- SED Standard Operating Procedure for Gas Citations
- Analysis of Risk Assessment underlying GRC Testimony
- NARUC Gas Pipeline Safety Committee



# Current Projects

- Action Report of Technical Findings from Liberty & Cyclone Reports
- Promote safety / emergency preparedness, break down silos within the Agency, and better define our role in statewide emergencies.
- Perform both qualitative and quantitative risk analysis to provide a risk informed basis for decision making.
- Promote continuous improvement to regulation / utility operations.

# Current Projects

- Gas Citation Program – ALJ-274
  - Program refinement and implementation
  - Encourage Self reporting
  - Encourage “Do It Right The First Time”
  - Identify systemic issues that require RCA to Identify corrective actions
  - Citations will be issued by SED

# Risk Assessment – True North

- Prevent Accidents & Instill Safety Culture
  - Identify and Implement Safety Barriers to Eliminate Root Causes of Accidents
    - Three Critical Components:
      - **Regulations**
      - **Risk Assessment / Risk Management**
      - **Root Cause Analysis / Investigations**

# Component 1: Regulations

- Regulations, if written adequately, are safety barriers.
- SED performs Audits and Inspections to ensure compliance.
- SED performs Investigations to enforce regulations.

## **Component 2: Risk Assessment / Risk Management**

- What is Risk? - One definition is the probability and consequences of a damaging event (accident).
- Risk Assessment is the analysis of data to identify which hazards present the greatest risk in the system. Attention and funds can then be directed to add or improve safety barriers to mitigate the highest risk hazards.

## **Component 2: Risk Assessment / Risk Management**

- Layers of Protection Analysis (LOPA) can be used to identify additional independent safety barriers to further reduce risk.
- Risk Assessments should typically be performed by the utility, then checked by SED.
- The accuracy of the data and methods used to perform the assessment must also be verified by the utility and SED.

# Risk Matrix

			PROBABILITY				
			Extremely Improbable Once in 35 years	Possible Once in 10 years	Remote Once every 1-2 years	Occasional 1-12 times per year	Frequent More often than Once a Month
CONSEQUENCE	Catastrophic	<u>Potential or actual occurrence of:</u> - Loss of life - Widespread and sustained (≥ 24 Hrs.) loss of service - Property damages of over \$ 1 million - Massive environmental effect	3	2	1	1	1
	Critical	<u>Potential or actual occurrence of:</u> - Numerous serious injuries - Localized and sustained(≥ 24 Hrs.) service disruption - Damages to critical assets - Property damages between \$500,000 - \$1 million - Significant local environmental effect	3	3	2	1	1
	Moderate	<u>Potential or actual occurrence of:</u> - Single serious injury - Multiple minor injuries - Service disruption(≤ 24 Hrs.) - Property damages between \$50,000 - \$500,000 - Some local environmental impact	4	4	3	3	2
	Minor	<u>Potential or actual occurrence of:</u> - Minor injury - Minimal service disruption - Asset damage - Property damage less than \$50,000	5	5	4	4	3 / 4
	Extremely Limited	<u>Extremely Limited</u> - Medical treatment for injuries limited to first aid - Extremely limited or non-existent damage to assets	5	5	5	5	4 / 5

**Risk Level (RL) Legend:** RL 1: Extreme Risk   RL 2: High Risk   RL 3: Moderate Risk   RL 4: Low Risk   RL 5 Negligible Risk

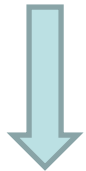
## **Component 3 – Root Cause Analysis (RCA) / Investigations**

- RCA is the investigation of actual accidents to determine cause and contributing factors.
- Corrective actions to re-establish safety barriers are identified and must be implemented to avoid the reoccurrence of the accident.
- Where possible, additional layers of safety barriers are added to further reduce the probability of reoccurrence of the accident.
- RCAs are also extremely important because the results provide information which can be used for the improvement of Regulations and Risk Assessments.



# Risk Management – Importance of Good Data

Department of Homeland Security's Continuum for Risk Management

- Ad hoc, disconnected, incomplete (Least Desirable)
  - Some structured collection and review
  - Data cataloging, some repeatable processes
  - Comprehensive, validated, integrated (Most Desirable)
- 

Most Desirable is Similar to NTSB / PHMSA Recommendation of  
*“Traceable, Verifiable, and Complete”*

# Risk Management

- **Risk management is a continuous process which:**
  - Identifies risk
  - Analyzes risk
  - Prioritizes risk (risk ranking)
  - Develops and implements risk mitigation or acceptance
  - Tracks risks and risk mitigation plans
  - Assures risk information is effectively incorporated into a continuous improvement process.



# Risk Management is a Continuous Process



## **Risk Assessment & Enforcement**

- Identify, analyze, mitigate present and potential risks in the gas & electric systems
- Suggest improvements in audits and inspections performed by SED
- Enhance the compliance regulatory model by performing risk assessment on “what could happen” in the systems.

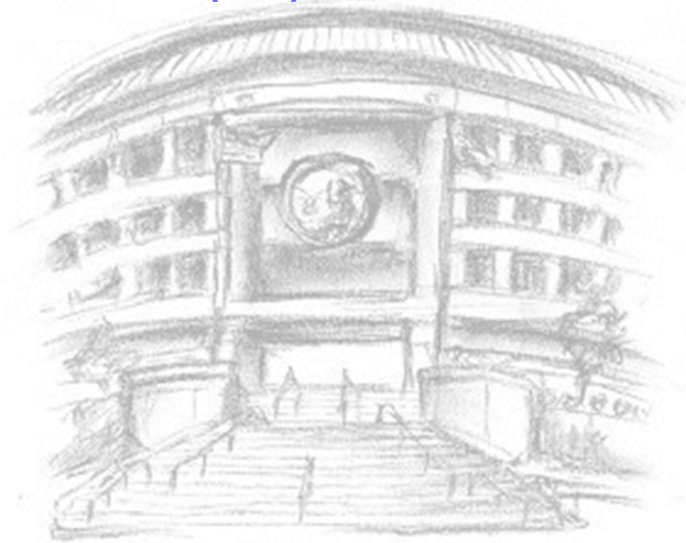
## **Risk Assessment & Enforcement**

- Ensure that sufficient Root Cause Analysis is conducted by utilities and staff to learn from incidents on “what happened” and incorporate this knowledge to prevent similar recurrences.
- Operators must have Robust Quality Assurance (QA) / Quality Control (QC) and Corrective Action Programs
- Promote continuous improvement in Risk Management



# Thank You!

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Safety and Enforcement Division  
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[www.cpuc.ca.gov](http://www.cpuc.ca.gov)



# **Regular Agenda – Management Reports and Resolutions**

## **Item #34 [12436]**

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**Report and Discussion by Safety and Enforcement  
Division on Recent Safety Program Activities**

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# Management Reports







# **The CPUC Thanks You For Attending Today's Meeting**

**The Public Meeting is adjourned.**

**The next Public Meeting will be:**

**October 31, 2013, at 9:30 a.m.  
in San Francisco, CA**

