



2021 LEGISLATIVE OUTCOMES REPORT

Office of Governmental Affairs

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**California Public
Utilities Commission**

Office of Governmental Affairs

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This document can be found online at:

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Acronyms

AB = Assembly Bill

Cal OES = California Office of Emergency Services

CARB = California Air Resources Board

CASF = California Advanced Services Fund

CCA = Community Choice Aggregator

CEC = California Energy Commission

CPED = (California Public Commission) Consumer Protection and Enforcement Division

CPUC = California Public Utilities Commission

DER = Distributed Energy Resources

GHG = Greenhouse Gas

IOU = Investor-Owned Utility

IRP = Integrated Resources Plan

LSE = Load-Serving Entity

MW = Megawatt

OGA = (California Public Utilities Commission) Office of Governmental Affairs

OEIS = Office of Energy Infrastructure Safety

PSP = Preferred System Portfolio

PSPS = Public Safety Power Shutoff

RDOF = Rural Digital Opportunity Fund

RFP = Reference System Plan

SB = Senate Bill

TE = Transportation Electrification

TNC = Transportation Network Company

Legislative Overview

This year marked the beginning of the 2021-22 biennial legislative session. Each year, the California Public Utilities Commission (CPUC), through the Office of Governmental Affairs (OGA), actively engages the Legislature in the legislative and budget processes, providing essential insight, perspective, and information about the organization’s regulatory activities. This engagement helps shape proposed policies and budget appropriations contained in legislation (bills) so that they are designed as the most effective solutions toward addressing important and identifiable public problems.

Like last year, this legislative year was unusual. The global coronavirus - SARS-CoV-2 (COVID-19) – pandemic and its impacts continued to linger and impose numerous challenges on the activities of the legislative and budget processes. However, unlike last year, the Legislature was more prepared and better able to adapt the legislative and budget processes to these challenges. The Legislature continued to employ COVID-19 safety measures throughout the legislative year, including in-person social distancing, viral testing and tracking, utilizing personal protective equipment and enabling a largely hybrid remote/in-person work environment for staff. The widespread availability of the COVID-19 vaccine in the second quarter of this calendar year also enabled the Legislature to safely return some staff to an in-person work environment in time to complete the 2021 legislative year in August and September.

Rather than reacting and responding to the uncertainty of the pandemic, the Legislature and Governor Gavin Newsom focused most of their governor this legislative year on not only bolstering pandemic related health and safety measures, but on rebuilding and transforming the state’s economy to address other pressing and interrelated issues plaguing the state, such as affordable housing, homelessness, broadband service access, drought, climate change, and energy reliability. The projected state budget deficit of \$54 billion in May 2020 caused by the contraction of the state’s economy due to the pandemic, significantly influenced the Governor’s proposed 2021-22 state budget in January 2021. The proposed 2021-22 state budget reflected the principle that maintaining a balanced budget and strong budget resiliency was necessary for sustaining critical state programs, especially during the pandemic related economic downturn.

However, by time the Governor’s state budget revision was introduced in May 2021, the state was projecting a \$75.7 billion one-time revenue surplus. The availability and use of the COVID-19 vaccine in the first and second quarter of 2021 made it safer for many economic sectors to reopen and resume “normal” operations but with new and improved viral prevention practices. This resumption of “business-as-usual” for many economic sectors significantly changed the projected economic growth and employment assumptions originally used for the introduced 2021-22 state budget. In addition, the state collected more tax revenue than anticipated from high-income earners in the early part of 2021. These major changes, along with over \$25 billion in direct federal relief from the American Rescue Plan Act of 2021 provided the Governor and the Legislature with \$100 billion in surplus monies and a historic opportunity to not only speed the state's recovery from the pandemic, but to address long-standing challenges and provide opportunity for every California family—regardless of their income, race, or ZIP code.

The one-time availability of significant state and federal funds provided the opportunity to link large funding appropriations with complementary policy proposals through the budget process. Of particular interest to

the CPUC, was the \$6 billion appropriation for the development of broadband infrastructure to address the accessibility gap in key regions of the state. This included \$3.25 billion for a new open-access publicly owned middle-mile broadband infrastructure program, \$2 billion for last-mile broadband infrastructure deployment through the California Advanced Services Fund and \$750 million for the creation of a new loan-loss reserve financing mechanism to assist local governments interested in developing broadband infrastructure. Enacted budget and policy proposals across all areas, such as the broadband infrastructure initiative, reduced the need for state legislators to advance policy proposals through the legislative process. The 12-bill limit legislative leadership imposed on each state legislator in June 2021 for bills moving to the second house also significantly reduced the number of bills moving through the legislative process this year.

Despite the challenges and new opportunities this legislative year presented, the OGA continued efforts to engage in the budget and legislative processes through various channels and at all stages to ensure the perspectives of the CPUC were shared, recognized, and used to inform legislation. Over the course of this legislative year, the OGA formally tracked 146 budget and policy bills of interest to the CPUC. Each of the CPUC's divisions provided invaluable insight on the potential impacts of each bill on the agency's existing policies, practices, procedures, and objectives.

Throughout each legislative year, the CPUC may take formal public positions on bills of particular interest or concern to the organization. The CPUC may also sponsor and/or initiate legislation needed to carry out the agency's responsibilities effectively and efficiently. This legislative year, the CPUC initiated several bills and took a formal public support position on its sponsored bill, SB 599 (Hueso): Public Utilities Commission: proceedings. Unfortunately, this bill did not move forward this legislative year due to the 12-bill limit, but it is still active and could move through the legislative process in 2022. The CPUC was also poised to take a formal public position on SB 28 (Caballero): Digital Infrastructure and Video Competition Act of 2006: deployment data, but ultimately did not move forward with this action due to shifting circumstances.

Of the 146 policy and budget bills formally tracked by the OGA, 24 passed the Legislature and were signed by the Governor. In addition, the CPUC participated in eight legislative committee informational, oversight and confirmation hearings focused on topics such as summer grid reliability, transportation electrification, utility wildfire prevention, and utility cybersecurity. The OGA, in close collaboration with CPUC subject matter experts, also organized and provided six formal legislative staff informational briefings on a variety of topics, such customer energy programs, the load-serving entity Resource Adequacy program and telecommunication system resiliency. These formal briefings were aimed at informing legislative staff about the CPUC's current regulatory activities and relevant policy actions as they prepared their bill portfolio for the 2021 legislative year.

The OGA also actively collaborated and coordinated with its primary sister agencies and organizations, including the California Energy Commission (CEC), California Independent System Operator (CAISO), California Air Resources Board (CARB), State Water Resources Control Board (SWRCB), California Office of Emergency Services (Cal OES), California Department of Forestry and Fire Protection (Cal FIRE), Office of Energy Infrastructure Safety (OEIS), Governor's Office of Business and Economic Development (GO-Biz), California Natural Resources Agency (CNRA), California Department of Transportation (Cal

Trans), California Department of Technology (CDT), Department of Finance and the California Department of Conservation, Geological Energy Management Division (Cal GEM) on its engagement with the Legislature this year. This collaboration allowed the agencies to actively communicate shared interests and concerns about legislation to the Legislature and stakeholders.

In many circumstances, leveraging each organization’s subject matter expertise was essential and helped lead to positive and important legislative outcomes. The proceeding sections of this report highlight these outcomes by subject area and provide a summary of topics that were a focus of introduced legislation and deliberated upon throughout the legislative process. The following sections also summarize the CPUC’s formal positions on legislation and other public forms of engagement in the legislative process. However, these sections are not fully indicative of the daily, ongoing engagement and conversations that the OGA has with legislative staff, including legislator personal staff and policy, fiscal, and budget committee consultants, as well as with stakeholders and the Governor’s Office. It is the combination of all these efforts that mold the evolution of legislation that affects the CPUC and its ability to ensure the safe, accessible, affordable, reliable, and environmentally responsible provision of critical services overseen by the agency.

Summary of Legislative Engagement

Total Policy & Budget Bills Tracked	146
Policy & Budget Bills Passed by the Legislature	25
AB 14 (Aguiar-Curry), AB 41 (Wood), AB 74 (Gonzalez), AB 128 (Ting), AB 135 (Committee on Budget), AB 137 (Committee on Budget), AB 148 (Committee on Budget), AB 164 (Ting), AB 242 (Holden), AB 525 (Chiu), AB 843 (Aguiar-Curry), AB 1058 (C. Garcia), AB 1250 (Calderon), SB 4 (Gonzalez), SB 28 (Caballero), SB 129 (Skinner), SB 155 (Committee on Budget and Fiscal Review), SB 156 (Committee on Budget and Fiscal Review), SB 341 (McGuire), SB 394 (Hueso), SB 423 (Stern), SB 479 (Laird), SB 556 (Dodd), SB 694 (Bradford), SB 756 (Hueso)	
Policy & Budget Bills Signed by the Governor	24
AB 14 (Aguiar-Curry), AB 41 (Wood), AB 74 (Gonzalez), AB 128 (Ting), AB 135 (Committee on Budget), AB 137 (Committee on Budget), AB 148 (Committee on Budget), AB 164 (Ting), AB 242 (Holden), AB 525 (Chiu), AB 843 (Aguiar-Curry), AB 1058 (C. Garcia), AB 1250 (Calderon), SB 4 (Gonzalez), SB 28 (Caballero), SB 129 (Skinner), SB 155 (Committee on Budget and Fiscal Review), SB 156 (Committee on Budget and Fiscal Review), SB 341 (McGuire), SB 394 (Hueso), SB 423 (Stern), SB 479 (Laird), SB 556 (Dodd), SB 694 (Bradford), SB 756 (Hueso)	
CPUC Formal Legislative Positions (Support)	1
SB 599 (Hueso): Public Utilities Commission: proceedings	

Legislative Committee Informational, Oversight & Confirmation Hearing Participation	8
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CPUC Formal Legislative Positions

SB 599 (Hueso): Public Utilities Commission: proceedings. (Version: As Introduced, February 18, 2021)

This bill would authorize the California Public Utilities Commission (CPUC) to deliberate on Resolutions in closed session and would also clarify statutory requirements relating to quiet periods and closed sessions.

Specifically, the bill –

1. Authorizes the CPUC to meet in closed session to deliberate on a Proposed Decision, Order, or Resolution after providing three-day advanced notice to the public, except in an adjudicatory or quasi-legislative proceeding.
2. Requires the CPUC to establish a quiet period during the three business days before the Commission’s scheduled vote on a Decision, during which oral or written communications shall not be permitted, except in an adjudicatory or quasi-legislative proceeding.

The ability of Commissioners to meet in closed session to discuss and deliberate the diverse public input they receive, and complex legal and technical issues that may arise, is a right that has been granted in statute. As recently as 2016 under the *Principles of Reform*, then Governor Edmund G. Brown Jr. and the Legislature affirmed the CPUC’s ability to discuss matters in closed session by authorizing the CPUC to consider administrative and managerial issues in closed session. This bill, by expanding closed session meetings to include deliberation of Resolutions after sufficient public notice, provides the CPUC with additional flexibility to consider these items before the body.

Additionally, the bill revises complicated language in Public Utilities Code Section 1701.3 and recasts the language in simplified terms in a new section (Public Utilities Code Section 1701.9). These changes will provide the CPUC with straight-forward direction on imposing quiet periods prior to CPUC voting meetings and the conditions for convening closed sessions meetings. Most importantly, the language in the bill makes all these changes while preserving due process for parties and public transparency.

The Office of Governmental Affairs (OGA) issued a support position memo on this bill and actively engaged stakeholders and the Legislature in the early months of the legislative process to ensure the CPUC’s perspective on this process modernization bill was widely understood. Unfortunately, this bill did not move forward this legislative year due to the 12-bill limit, but it is still active and could move through the legislative process in 2022.

CPUC Position: *Support*

Legislative Memo: [*April 28, 2021: SB 599 \(Hueso\)*](#)

Status: *In Assembly Rules Committee (June 17, 2021)*

Communications Bills

2021 was a watershed year for legislative action on broadband in California. The Legislature passed a historic \$6 billion broadband infrastructure package which combines Federal American Rescue Act Plan (ARPA) funds with General Fund allocations to deploy affordable, open-access broadband infrastructure statewide with a specific focus on municipal broadband. This package, summarized further in the Budget Overview section, includes \$3.25 billion for a statewide-middle mile network, \$2 billion for last-mile grants, \$50 million for technical assistance for local governments and \$750 million for a Loan Loss Reserve to bolster the ability of local governments and nonprofits to secure financing for broadband infrastructure.

In addition to new broadband funding programs and mechanisms passed in the budget, the Legislature also acted on bills to extend the surcharge for the California Advanced Services Fund (CASF) program and revise the funding cap for the Deaf and Disable Telecommunications Program (DDTP). These changes will allow the CASF program to continue and lay the foundation for the California Public Utilities Commission (CPUC) to adjust the funding mechanism for its six public purpose programs. Aside from these critical broadband efforts, several legislators also introduced bills on other telecommunications issues such as LifeLine, cable and video franchising, and resiliency. The Office of Governmental Affairs (OGA) was actively involved in providing technical feedback and guidance to legislative staff on these topics throughout the legislative year.

The nine telecommunications bills that passed this legislative year significantly expanded the scope and responsibility of the CPUC's Communications Division, who will be standing up several new programs and modifying existing programs in the coming year. These bills are summarized further below.

In the next legislative year, the OGA anticipates there will be a heightened focus on tracking and demonstrating implementation progress on the broadband budget package. In addition, two of the CPUC's public purpose programs, High-Cost Fund A and High-Cost Fund B, are set to sunset on January 1, 2023. The OGA expects a great deal of interest from stakeholders and legislators to extend and modify these programs.

BROADBAND INFRASTRUCTURE DEPLOYMENT

AB 14 (Aguiar-Curry): Communications: California Advanced Services Fund: deaf and disabled telecommunications program: surcharges.

This bill authorizes the CPUC to impose a surcharge to fund CASF starting January 1, 2022, until December 31, 2032. This bill authorizes the CPUC to require each internet service provider to report specified information regarding each free, low-cost, income-qualified, or affordable internet service plan advertised by the provider. This bill removes the methodologies Voice over Internet Providers (VoIP) providers can utilize to identify their intrastate revenues subject to CPUC surcharges to support its public purpose programs. This bill removes the surcharge cap of 0.500 percent for DDTP program and instead requires the CPUC to administer a surcharge to collect revenues of up to \$100,000,000 per year until January 1, 2025.

Status: Signed, Chapter 658, October 8, 2021

SB 4 (Gonzalez): Communications: California Advanced Services Fund.

This bill extends the goal achievement date for the CASF Infrastructure Grant Account from December 31, 2026, to December 31, 2032. It allows CASF money to be used to fund projects that deploy broadband infrastructure to unserved nonresidential facilities used for local and state emergency response activities, including, but not limited to, fairgrounds. This bill removes the previous CASF subaccount funding allocations established by AB 1665 (E. Garcia, Chapter 851, Statutes of 2017.) Instead, it provides for the CPUC to make recommendations to the Legislature regarding appropriations from CASF to the CASF subaccounts. Finally, this bill raises the annual collection cap from \$66,000,000 to \$150,000,000.

Status: Signed, Chapter 671, October 8, 2021

AB 41 (Wood): Broadband infrastructure deployment.

This bill requires the CPUC, in collaboration with other relevant state agencies and stakeholders, to maintain and update a statewide, publicly accessible, and interactive map showing the accessibility of broadband service in the state. This interactive map includes, but is not limited to, information identifying the percentage of each census block that has broadband service meeting federal and state standards. It also requires the CPUC create a notification feature on the map for individuals to notify them of map updates. Finally, this bill requires the California Department of Transportation (Caltrans), in consultation with CPUC, to install conduit for fiber communications lines as part of projects to build a state-owned middle-mile broadband network.

Status: Signed, Chapter 659, October 8, 2021

LOW-INCOME ASSISTANCE PROGRAMS

AB 74 (Gonzalez): Communications: universal service: lifeline program.

This bill requires the CPUC to adopt updated rules for the Lifeline program establishing a modified recertification process that minimizes barriers to Lifeline subscriber recertification and reduces the burden and cost of recertification on the Lifeline program as part of an existing proceeding before March 1, 2022. It also requires the CPUC, as part of an existing proceeding and in consultation with Lifeline service providers, the Federal Communications Commission (FCC), and the Universal Service Administrative Company (USAC), to adopt updated rules for the Lifeline program with the goal of achieving recertification rates at least equivalent to those rates achieved by USAC as the administrator for the federal Lifeline program. In terms of the renewal process, this bill requires the CPUC to allow Lifeline subscribers to recertify their eligibility for the program electronically without the use of personal identification number (PIN) and requires the CPUC to allow Lifeline subscribers to enroll in the program directly online using an electronic signature. Lastly, it requires the CPUC to provide an option for Lifeline subscribers to receive electronic communications regarding their subscription.

Status: Signed, Chapter 410, September 30, 2021

SB 394 (Hueso): Telecommunications: Moore Universal Telephone Service Act.

This bill revises the definition of a “household” for the California Lifeline program to mean any group of individuals, including the subscriber, who are living together at the same address and as one economic unit and would authorize multiple Lifeline service telephone subscribers to maintain the same address if they are not members of the same household. Both of these statutory changes align with currently California Lifeline program rules and FCC rules for the federal Lifeline program.

Status: Signed, Chapter 765, October 9, 2021

TELECOMMUNICATION SERVICE RESILIENCY

SB 341 (McGuire): Telecommunications service: outages.

This bill requires the CPUC and the Governor’s Office of Emergency Services (Cal OES), before July 1, 2022, to establish requirements for public telecommunication service outage maps posted by providers on their internet websites. It requires Cal OES to share telecommunications outage data submitted by providers with the CPUC.

This bill also mandates the CPUC to require providers of telecommunications service to submit resiliency plans and to maintain backup electricity for their telecommunications infrastructure sufficient to maintain telecommunications service for at least 72 hours. It explicitly does not require the CPUC to modify the telecommunications resiliency requirements adopted in CPUC Decision 20-07-011 (July 16, 2020) or Decision 21-02-029 (February 11, 2021).

Finally, this bill requires the CPUC to include in its annual report to the Legislature, based on the information provided to it by Cal OES, a summary of deenergization event trends and the effect of deenergization events on telecommunications service and public safety, and an analysis of how the impacts of deenergization events on telecommunications service could be mitigated.

Status: Signed, Chapter 425, September 30, 2021

VIDEO & CABLE FRANCHISING

SB 28 (Caballero): Digital Infrastructure and Infrastructure and Video Competition Act of 2006: deployment data.

This bill repeals previous Digital Infrastructure and Video Competition Act (DIVCA) data reporting requirements. Instead, it requires the CPUC to collect granular data on the actual locations served by the holder of a state video and cable franchise. This bill also requires the CPUC adopt customer service requirements for a holder of a state video and cable franchise and to adjudicate any customer complaints.

Status: Signed, Chapter 673, October 8, 2021

Energy Bills

At the beginning of this legislative year the Office of Governmental Affairs (OGA) was tracking roughly 90 energy (electricity and gas) bills. These bills proposed a multitude of new policies largely focused on mitigating the impacts of Public Safety Power Shutoffs on customers in electric investor-owned utility (IOUs) territory through the deployment of distributed energy resources (DERs) in either microgrid configurations, or as standalone behind-the-meter resources, to ensure power reliability during these events. Some bills also sought to improve the vegetation management practices utilized by the electric IOUs to reduce wildfire risk, as well as provide clarity on how the costs of these activities on private property are to be addressed.

Other bills focused on creating new value streams, such as the through the Resource Adequacy program, for DERs to encourage additional deployment and subsidies for green hydrogen production and use. In addition, there were numerous bills focused on restructuring the states clean energy procurement policies, namely the Renewables Portfolio Standard and Integrated Resource Planning programs and provide procurement preferences for specific types of clean energy resources. There were also bills aimed at advancing numerous approaches to decarbonize new and existing buildings throughout the state.

Finally, there were several bills aimed at expanding low-income energy efficiency programs, modifying bioenergy procurement programs, creating complementary clean energy development plans, and expanding access to existing behind-the-meter electric generation programs. The latter bills largely passed the Legislature and are summarized below, along with Governor Newsom’s final action on these policies. Many of the key energy policies enacted this legislative year were advanced through the legislative budget process and are highlighted in the proceeding Budget Overview section.

ZERO-CARBON ENERGY RESOURCE PLANNING & DEVELOPMENT

AB 525 (Chiu): Energy: offshore wind generation.

This bill requires the California Energy Commission (CEC) to establish 2030 and 2045 planning goals, as specified, for electricity generated by offshore wind (OSW) resources. Additionally, this bill requires the CEC, in coordination with specified agencies including the CPUC to develop a five-part strategic plan for OSW development and to submit the plan to the California Natural Resources Agency (CNRA) and the Legislature by June 30, 2023.

Status: Signed, Chapter 231, September 23, 2021

AB 843 (Aguiar-Curry): California Renewables Portfolio Standard Program: renewable feed-in tariff: Bioenergy Market Adjusting Tariff program: community choice aggregators

This bill authorizes Community Choice Aggregators (CCAs) to submit eligible bioenergy projects for cost recovery pursuant to the Bioenergy Market Adjusting Tariff (BioMAT) program, if open capacity exists within the 250-megawatt (MW) program limit. CCAs are allowed to request cost recovery provided they

utilize the same tariff and standard contract as the electric IOUs and follow all established program rules that are similarly applied to the electric IOUs.

Status: Signed, Chapter 234, September 23, 2021

SB 423 (Stern): Energy: firm zero-carbon resources.

This bill requires the CEC, in consultation with the CPUC, to submit to the Legislature an assessment, by December 31, 2023, of "firm zero-carbon resources" that support a clean, reliable, and resilient electric grid and that will achieve the existing statutory goal of ensuring eligible renewable energy resources and zero-carbon resources supply 100 percent of all retail sales of electricity to California end-use customers and 100 percent of electricity procured to serve all state agencies by December 31, 2045.

Status: Signed, Chapter 243, September 23, 2021

CUSTOMER & LOW-INCOME ASSISTANCE PROGRAMS

SB 479 (Laird): Local Government Renewable Energy Self-Generation Program.

This bill expands the state's local government renewable energy self-generation bill credit transfer program (RES-BCT) to include California Native American tribes as eligible benefiting accounts.

Status: Signed, Chapter 141, July 23, 2021

SB 756 (Hueso): Home weatherization services for low-income customers.

This bill expands the definition of low-income customers eligible for the Energy Savings Assistance (ESA) program to at or below 250 percent of the federal poverty level (FPL), instead of the current 200 percent.

Status: Signed, Chapter 248, September 23, 2021

UTILITY WILDFIRE SAFETY & WORKFORCE DEVELOPMENT

SB 694 (Bradford): Fire prevention: electrical corporations: wildfire mitigation: workforce diversity.

This bill requires an electric IOU to notify the CPUC via Advice Letter with a detailed summary of specified workforce development efforts completed in compliance with the Office of Federal Contract Compliance Program, including data regarding employment of former members of the California Conservation Corps crews, members of community conservation corps, and formerly incarcerated conservation crew members.

Status: Signed, Chapter 733, October 8, 2021

Transportation Bills

Outside of bills seeking to decarbonize the transportation sector, there were very few bills focused on expanding, modifying, or repealing the California Public Utilities Commission's (CPUC) oversight authority over Transportation Network Companies (TNC), public transit, rail corporations, and other private transportation companies regulated by the CPUC. However, the Office of Governmental Affairs (OGA) engaged several legislative offices and committee consultants throughout the year on various transportation related matters. Specifically, the OGA engaged on TNC passenger safety and at-grade rail crossing safety issues.

Water Bills

Relating to the California Public Utilities Commission (CPUC's) oversight of the private water investor-owned utilities (IOUs), the Legislature focused most of its attention on small water utility consolidations and service affordability. Depending on legislative capacity in future years, the CPUC expects that small water utility consolidation will continue to be a topic of interest for the Legislature.

BILL ASSISTANCE

AB 1058 (C. Garcia): Large water corporations: bill payment options.

This bill requires the CPUC to authorize a water IOU with 10,000 or more service connections, unrelated to its rate case cycle, to recover the reasonable expenses incurred by the water IOU in providing bill payment options to its customers, and not require the water IOU to impose a transaction fee on its customers. This bill also prohibits a water IOU from recovering the costs of offering the bill payment options to its customers from participants in a Customer Assistance Program (CAP).

Status: Signed, Chapter 269, September 23, 2021

WATER UTILITY CONSOLIDATION

AB 1250 (Calderon): Water and sewer system corporations: consolidation of service.

This bill requires the CPUC to approve or deny within 12 months Applications filed by water and sewer IOUs requesting to consolidate with a small community water system or a state small water system identified as failing or at risk of failing by the State Water Resources Control Board (SWRCB). It allows the CPUC to grant an extension of four months if it makes a written determination that the finding cannot be met.

For consolidations valued at \$5,000,000 or less, this bill requires the CPUC to approve or deny within 180 days an uncontested Advice Letter filed by water and sewer IOUs requesting to consolidate with a small community water system or a state small water system identified as failing or at risk of failing by the SWRCB, unless the CPUC Executive Director makes a written determination that the deadline cannot be met, and issues a response extending the deadline by up to 60 days. This bill allows the CPUC Executive Director to grant additional extensions of 60 days if necessary. For consolidations valued at less than \$5,000,000, this bill allows the CPUC to designate a different procedure than the Advice Letter process if it determines the consolidation warrants further review.

This bill establishes the Consolidation for Safe Drinking Water Fund with all moneys available, upon appropriation, to the CPUC in order to process the Applications and cover any associated regulatory costs. This bill requires a water or sewer system IOU to pay a fee of \$10,000 when filing an Application that meets the above criteria.

Status: Signed, Chapter 713, October 8, 2021

Legislative Committee Informational, Oversight & Confirmation Hearings

Assembly Utilities & Energy Committee

March 3, 2021 – The Execution and Regulation of Public Power Safety Shutoffs

The California Public Utilities Commission (CPUC) provided an overview of its electric investor-owned utility (IOU) Public Safety Power Shutoff event oversight and actions it's taken to date to reduce the scope, frequency, and duration of these events. Representatives from the electric IOUs also provided an update on their implementation of various customer impact mitigation measures and their plans to further reduce customer impacts of these events.

May 18, 2021 – Summer Readiness: Ensuring Reliability since the August 2020 Outages

The leaders of the CPUC, California Energy Commission (CEC) and California Independent System Operator (CAISO) provided a summary of the August 2020 planned rotating outages root-cause analysis and an overview of enacted and planned actions prevent similar outages from occurring throughout Summer 2021.

June 16, 2021 – Annual Review of California Public Utilities Commission and the Public Advocates Office

The CPUC and the Public Advocates Office presented an overview of their activities in the 2020 calendar year, and each organization's work plan for the 2021 calendar year.

Assembly Cybersecurity Select Committee

July 8th – State Coordination and Critical Infrastructure Protection: Local Government and Utilities Critical Infrastructure Control Systems

Various representatives from local government, water, electric and gas utilities as well as from state and federal agencies, including the CPUC, provided this committee with an overview of the cyberthreats facing the utility industry. The briefing included information on various actions underway to identify these threats as well as actions to counter and mitigate these threats while simultaneously deploying measures that prevent their systems, operations, and equipment from succumbing to the worst impacts of cyber-attacks.

Assembly California's Lithium Economy Select Committee

May 26, 2021 – An Introduction to Lithium and Its Opportunities

Representatives from local governments, resource and energy project developers, economic development organizations and from the CEC, CPUC and the Governor's Office of Business and Economic Development (GO-Biz) provided the committee with information about the role of lithium in California's

energy and transportation sectors, discussed challenges and opportunities in extracting lithium from deposits in the Imperial valley utilizing geothermal wells, presented new and updated lithium extraction technologies, and conversed about the importance of public engagement when recovering this resource from underground deposits.

Senate Energy, Utilities & Communications Committee

August 25, 2021 – Keeping the Power On: A Focus on Electricity Reliability and the California Public Utilities Commission and the Public Advocates Office Annual Report

The leaders of the CPUC, CEC and CAISO provided a summary of the August 2020 planned rotating outages root-cause analysis and an overview of enacted and planned actions prevent similar outages from occurring throughout Summer 2021. In addition, The CPUC and the Public Advocates Office presented an overview of their activities in the 2020 calendar year, and each organization’s work plan for the 2021 calendar year.

Senate Transportation Committee

April 9, 2021 – California’s Zero Emission Vehicle Strategy

A representative from the Legislative Analyst Office and witnesses from energy and environmental consulting and advocacy organizations provided a summary of the magnitude of zero-emission vehicle investments that must occur between now and 2030 to achieve the state’s transportation sector decarbonization goal. In addition, leadership from GO-Biz, CEC, CPUC and the California Air Resources Board (CARB) provided an overview of the complementary roles, programs, and regulatory tools the agencies are utilizing to encourage the deployment of zero-emission vehicles and supporting infrastructure.

Senate Rules Committee

June 23, 2021 – Governor Appointee Confirmation: CPUC Commissioner Darcie Houck

Governor appointee Darcie Houck appeared before this committee and provided opening remarks about her desire and qualifications for serving as a Commissioner at the CPUC. Ms. Houck also responded to committee member questions about her goals and vision for the CPUC, the impacts of COVID-19 on the CPUC’s operations, equity and diversity, utility wildfire prevention and Public Safety Power Shutoffs, the August 2020 planned rotating power outages, and electric IOU costs, rates and bills.

Formal Legislative Staff Informational Briefings

October 21, 2020 – Customer Energy Programs

The California Public Utilities Commission (CPUC) provided Senate and Assembly staff with an overview of dozens of customer energy storage and electric generation programs as well as bill assistance programs. The presentation included programs such as the Self-Generation Incentive Program, Net-Energy Metering tariffs, green tariffs, community solar, the California Alternate Rates for Energy and Energy Savings Assistance program.

November 11, 2020 – The Digital Divide

The CPUC provided Senate and Assembly staff with an overview of broadband policy in California, specifically focusing on CPUC universal service programs like the California Advanced Services Fund (CASF).

December 11, 2020 – Load-Serving Entity Resource Adequacy Program

The CPUC, California Energy Commission (CEC) and the California Independent System Operator (CAISO) provided Assembly and Senate staff with an overview of the state's load-serving entity Resource Adequacy program, which included the explanation of key concepts such as electric capacity versus energy, the existing requirement structure, and modifications underway to modernize the program and improve compliance amongst an ever-expanding number of load-serving entities throughout the state.

December 16, 2020 – Energy Efficiency Policies & Programs

The CPUC provided Senate and Assembly staff with a summary of the state's existing energy efficiency policies and goals as well as an overview of the general market energy efficiency programs overseen by the CPUC.

January 27, 2021 – Demand Response Policies & Programs

The CPUC provided Senate and Assembly staff with background on the various types of demand response programs overseen by the CPUC, their evolution and efforts underway to update the programs to better address the electric system's needs.

February 5, 2021 – California Telecommunications Resiliency Strategies

The CPUC provided Senate and Assembly staff with an overview of telecommunications network resiliency issues affecting California consumers and providers, including recent CPUC actions to ensure telecommunications resiliency during emergency events and outages.

Budget Overview

During the first half of every calendar year, the Legislature evaluates, modifies, and approves the California Public Utilities Commission's (CPUC) budget for the next fiscal year, beginning July 1 and ending June 30. For the 2021-22 fiscal year, the Legislature appropriated approximately \$2.8 billion to the CPUC for operations, universal access programs, and the Public Advocates Office. The development of the CPUC's budget is a time intensive process and requires active collaboration and engagement with the Department of Finance (DOF), Governor's Office, and the legislative budget committees and subcommittees.

This section summarizes the CPUC's engagement with the legislative budget process. Every fiscal year, the CPUC typically requests modifications to its budget through Budget Change Proposals, Legislative Budget Change Proposals, Spring Finance Letters, May Revisions, and Budget Bill Language. For the 2021-22 fiscal year, the Legislature approved seven Budget Change Proposals, two Legislative Budget Change Proposals, one Budget Bill Language provision, and multiple Budget Trailer Bills.

Most of these approvals and associated funding were appropriated primarily through AB 128 (Ting): Budget Act of 2021, with some refinements from AB 164 (Ting): Budget Act of 2021 and SB 129 (Skinner): Budget Act of 2021. By the end of the budget process, the Legislature and the Governor approved 15 new permanent positions and 18 limited-term positions for the CPUC. This approval reflects the CPUC's active participation in legislative budget committee and subcommittee hearings that took place throughout the legislative budget process, explaining and justifying the organization's Budget Change Proposals, Legislative Budget Change Proposals, May Revisions, Budget Bill Language, and Budget Trailer Bills.

Finally, the Legislature may amend existing statute (including Budget Bills) through Budget Trailer Bills to authorize the CPUC to carry out its responsibilities as it pertains to the organization's budget. Budget Trailer Bills are also used as mechanisms to clarify existing statute. This year, the Legislature approved multiple Budget Trailer Bills clarifying previous budget allocations that directly and indirectly affect the CPUC, including AB 148 (Committee on Budget): Public Resources Trailer Bill; SB 155 (Committee on Budget and Fiscal Review): Public Resources Trailer Bill; SB 156 (Committee on Budget and Fiscal Review): Communications: Broadband Trailer Bill; AB 135 (Committee on Budget): Human Services Omnibus; AB 137 (Committee on Budget): State Government Trailer Bill; and AB 148 (Committee on Budget): Public Resources Trailer Bill.

The unusually high number of Budget Trailer Bills affecting the CPUC this fiscal year was largely due to the major influx of federal funds to the state as well as higher than anticipated state tax revenue. These funds were largely earmarked for broadband infrastructure accessibility and clean energy initiatives and the CPUC, working collaboratively with the DOF, California Department of Technology (CDT), California Department of Transportation (Caltrans) and the California Energy Commission (CEC), received a significant fiscal boost for staff, contracts, and information technology products and services.

APPROVED BUDGET CHANGE PROPOSALS & MAY REVISIONS

Title	Positions		CPUC Division Lead
	Permanent	Limited-Term	
Action on Audit Findings and Recommendations for Accounts Receivable Unit (Chapter 21, Statutes of 2021 (AB 128))	3	-	Administrative Services
Funding for Program Claims Management System (PCMS) Project (Chapter 21, Statutes of 2021 (AB 128))	-	-	Communications
California LifeLine – State Operations and Local Assistance Estimate (Chapter 21, Statutes of 2021 (AB 128))	-	-	Communications
\$6 Billion Broadband Internet Service Access Modernization (Chapter 69, Statutes of 2021 (SB 129) and Chapter 84, Statutes of 2021 (AB 164))	-	-	Communications
Clean Resilient Energy Package – Energy Division Management and Support (Chapter 21, Statutes of 2021 (AB 128))	9	-	Energy
Clean Resilient Energy Package – SB 100 (Chapter 21, Statutes of 2021 (AB 128))	-	18	Energy
Clean Resilient Energy Package – Flex Alert (Chapter 21, Statutes of 2021 (AB 128))	-	-	Energy
Reauthorization of Appropriation for CPUC Response to Utility Bankruptcy (Chapter 21, Statutes of 2021 (AB 128))	-	-	Legal
Office of Energy Infrastructure Safety Establishment and Transfer of Wildfire Safety Division and Dig Safe Board (Chapter 21, Statutes of 2021 (AB 128))	-32	-	Wildfire Safety
Total	-20	18	

APPROVED LEGISLATIVE BUDGET CHANGE PROPOSALS

Title	Positions		Legislation
	Permanent	Limited-Term	
Transportation Electrification and School Energy Efficiency Stimulus Oversight (Chapter 21, Statutes of 2021 (AB 128))	2	-	AB 841 (Ting, Chapter 372, 2020)
Wildfire Forecast and Threat Intelligence Integration Center (Chapter 21, Statutes of 2021 (AB 128))	1	-	SB 209 (Dodd, Chapter 405, 2019)
Total	3	-	

ADDITIONAL BUDGET ACTIONS

Approved Budget Bill Language		
Title	Chapter/Section(s)	CPUC Division Lead
Public Purpose Program Loan Authority	Chapter 21, Statutes of 2021 (AB 128)	Communications

Budget Trailer Bill Actions		
Title	Chapter/Section(s)	CPUC Division Lead
\$6 Billion Broadband Internet Service Access Modernization	Chapter 112, Statutes of 2021 (SB 156): Sections 3, 7-10	Communications
Public Purpose Program Loan Authority	Chapter 115, Statutes of 2021 (AB 148): Sections 74, 75	Communications
Fuel Cell Net Energy Metering Eligibility Extension	Chapter 258, Statutes of 2021 (SB 155): Section 42	Energy
Commissioner Salary Adjustment	Chapter 258, Statutes of 2021 (SB 155): Section 2	Office of the Commission
Office of Energy Infrastructure Safety Establishment and Transfer of Wildfire Safety Division and Dig Safe Board	Chapter 115, Statutes of 2021 (AB 148): Sections 14-21, 77-82	Wildfire Safety

CPUC RELATED BUDGET BILLS

AB 128 (TING): BUDGET ACT OF 2021

Makes appropriations for the support of state government and the CPUC for the 2021-2022 fiscal year. Most notably, \$993.5 million to the California Department of Community Services and Development for the utility California Arrearage Payment Program and \$5 million to the Solar Energy System Restitution program at the California State Licensing Board.

Status: Signed, Chapter 21, June 28, 2021

AB 164 (TING): BUDGET ACT OF 2021

Makes appropriations for the support of state government and the CPUC for the 2021-2022 fiscal year. Most notably, the \$6 billion dollars broadband infrastructure package which combines Federal American Rescue Act Plan (ARPA) funds with General Fund allocations to deploy affordable, open access broadband infrastructure statewide with a specific focus on municipal broadband. This package includes \$3.25 billion for a statewide-middle mile network, \$2 billion for last-mile grants, \$50 million for technical assistance for local governments and \$750 million for a Loan Loss Reserve to bolster the ability of local governments and nonprofits to secure financing for broadband infrastructure.

Status: Signed, Chapter 84, July 16, 2021

SB 129 (SKINNER): BUDGET ACT OF 2021

Makes appropriations for the support of state government and the CPUC for the 2021-2022 fiscal year.

Status: Signed, Chapter 69, July 12, 2021

BUDGET TRAILER BILLS DIRECTLY AFFECTING THE CPUC

AB 148 (COMMITTEE ON BUDGET): PUBLIC RESOURCES TRAILER BILL

Several sections affect the CPUC:

- Sections 74 and 75 – CPUC Public Purpose Program Loan Authority
- Sections 14-21 and 77-82 – Office of Energy Infrastructure Safety Establishment and Transfer of Wildfire Safety Division and Dig Safe Board

Specifically, this bill does the following:

Sections 74 and 75 (CPUC Public Purpose Program Loan Authority) – amends Public Utilities Code sections 270 and 282 to add language authorizing loans to be made between the six existing CPUC public purpose program funds, upon approval of the Director of Finance.

Sections 14-21 and 77-82 (Office of Energy Infrastructure Safety Establishment and Transfer of Wildfire Safety Division and Dig Safe Board) – amends Public Utilities Code sections 8385, 8386, 8386.1, 8386.3, 8486.5, and 8389 to expand the powers, duties, and responsibilities of the Office of Energy Infrastructure Safety (OEIS) and its leadership. The bill requires that a regulated entity cooperate fully in any investigation conducted by the OEIS, including producing or allowing inspection of any books, accounts, papers, and records, including computer modeling, programs, and other digital records. Representatives of the OEIS are

authorized to enter and inspect regulated-entity property, records, and equipment at anytime and anywhere within the state, and the bill expands its enforcement authority including the authority to issue a notice of defect or violation to direct the regulated entity to correct any defect or noncompliance.

Status: Signed, Chapter 115, July 22, 2021

SB 155 (COMMITTEE ON BUDGET AND FISCAL REVIEW): PUBLIC RESOURCES TRAILER BILL

Several sections affect the CPUC:

- Section 2 – Commissioner Salary Adjustment
- Section 42 – Fuel Cell Net Energy Metering

Specifically, this bill does the following:

Section 2 (Commissioner Salary Adjustment) – amends Government Code section 11553.5 to provide for an additional 5 percent salary increase for CPUC Commissioners in each of the 2021-22, 2022-23, and 2023-24 fiscal years.

Section 42 (Fuel Cell Net Energy Metering) – amends Public Utilities Code section 2827.10 to direct the electric investor-owned utilities to file with the CPUC an amended net energy meeting for eligible fuel cell customer-generators tariff that extends the tariff from December 31, 2021 to fuel cell electrical generation facilities that commence operation on or before December 31, 2023.

Status: Signed, Chapter 258, September 23, 2021

SB 156 (COMMITTEE ON BUDGET AND FISCAL REVIEW): COMMUNICATIONS: BROADBAND TRAILER BILL

Several sections affect the CPUC:

- Sections 3 and 7-10 – Broadband Internet Service Access Modernization

Specifically, this bill does the following:

Sections 3 and 7-10 (Broadband Internet Service Access Modernization) – establishes the Office of Broadband and Digital Literacy, headed by a Deputy Director for Broadband, within the Department of Technology (CDT) to oversee the acquisition and management of contracts for the development and construction of a statewide open-access middle-mile broadband network, in collaboration with a California-based nonprofit entity as a third-party administrator. The bill requires the CPUC to provide to the office the locations for the broadband network, taking into account multiple considerations. The CDT will establish a broadband advisory committee that will include a representative of the CPUC. The bill also amends Public Utilities Code section 281 to extend the California Advanced Service Fund (CASF) Broadband Infrastructure Grant Account to December 31, 2026, prioritizing unserved and underserved areas. The bill directs the CPUC to provide technical assistance to local governments and providers and assist in developing grant applications, as well as in preparing plans for deploying necessary infrastructure in each county. Each entity that receives funding or financing will report monthly to the Commission on project progress. The bill creates the Broadband Loan Loss Reserve Fund in the State Treasury from which moneys are continuously appropriated to the CPUC to finance deployment of broadband infrastructure. The bill amends Public Utilities Code section 912.2, establishing dates by which fiscal and performance audits will be

performed on the effectiveness of CASF. Finally, the bill amends Public Utilities Code section 914.7 to provide the CPUC with an option to submit either a report or a biennial fiscal and performance audit to the Legislature.

Status: Signed, Chapter 112, July 20, 2021

BUDGET TRAILER BILLS INDIRECTLY AFFECTING THE CPUC

AB 135 (COMMITTEE ON BUDGET): HUMAN SERVICES OMNIBUS

- **Section 9** – California Arrearage Payment Program

Specifically, this bill does the following:

Section 9 (California Arrearage Payment Program (CAPP)) – adds Article 12 (commencing with Section 16429.5) to Chapter 2 of Part 2 of Division 4 of Title 2 of the Government Code) to establish CAPP within the Department of Community Services and Development to survey utility applicants to obtain data pertaining to the total number of residential and commercial customer accounts in arrears to determine the total statewide energy utility arrearage and develop an allocation formula for determining an individual utility applicant’s share of CAPP funds. Utilities would apply for CAPP funds, on behalf of their customers, to offset customer arrearages incurred during the COVID-19 pandemic bill relief period. The bill prohibits service from being discontinued due to nonpayment for those customers. There are reporting requirements and the program sunsets as of July 1, 2025.

Status: Signed, Chapter 85, July 16, 2021

AB 137 (COMMITTEE ON BUDGET): STATE GOVERNMENT TRAILER BILL

- **Section 1** – Solar Energy System Restitution Program

Specifically, this bill does the following:

Section 1 (Solar Energy System Restitution Program) – adds Article 6.5 (commencing with Section 7086) to Chapter 9 of Division 3 of the Business and Professions Code to establish the Solar Energy System Restitution Program to provide restitution to eligible consumers with a solar energy system installed by a contractor on a single-family residence. The Contractors State License Board will administer the program to expend up to \$1,000,000 in one-time resources appropriated to the program. The bill limits the amount paid to a consumer to \$40,000 and requires the board to deduct the amount the consumer recovered from other sources from the amount payable upon the consumer’s claim. The board is required to display a notice on its website regarding a licensee whose actions have caused the payment of an award to a consumer under the program for seven years from the date of the payment.

Status: Signed, Chapter 77, July 16, 2021

AB 148 (COMMITTEE ON BUDGET): PUBLIC RESOURCES TRAILER BILL

- **Section 61** – California Water and Wastewater Arrearage Payment Program

Specifically, this bill does the following:

Section 61 (California Water and Wastewater Arrearage Payment Program) – adds Chapter 4.7 (commencing with Section 116773) to Part 12 of Division 104 of the Health and Safety Code to establish the California

Water and Wastewater Arrearage Payment Program in the State Water Resources Control Board (SWRCB). The SWRCB is required to survey community water systems to determine statewide arrearages and water enterprise revenue shortfalls and adopt a resolution establishing guidelines for application requirements and reimbursement amounts for those arrearages and shortfalls. If there are sufficient funds, the SWRCB is to establish a similar program for funding wastewater treatment provider arrearages and shortfalls with the remaining funds. The bill prohibits a community water system from discontinuing water service due to nonpayment resulting from the COVID-19 pandemic bill relief period.

Status: Signed, Chapter 115, July 22, 2021

Fiscal Overview

When a piece of legislation is determined to have a fiscal impact on an agency, the Department of Finance (DOF) and the legislative appropriations committees request fiscal impact estimates to aid in their evaluation of the bill. The economic outlook for the state in the wake of the COVID-19 pandemic continued to be the main criterion employed to judge the necessity of each piece of legislation and any related costs resulting from its implementation. Restrictions laid on Senators and Assemblymembers by legislative leadership in 2020 to minimize the number of bills introduced were relaxed. The number of fiscal requests received in 2021 was more in line with the historical number of requests until legislative leadership imposed a 12-bill limit on legislators moving to the second house. Despite this requirement, the amount of scrutiny paid to the fiscal impacts of bills introduced remained high. During the 2021 legislative year, the CPUC received 131 fiscal impact estimate requests for 71 bills. As usual, dozens of conversations were held – by telephone, WebEx and via email – with the DOF and the appropriations committees of both the Assembly and Senate to further explain, discuss, and justify our fiscal impact analyses, as well as our policy concerns.

SIGNED LEGISLATION WITH FISCAL IMPACT

Title	Positions		Legislation
	Permanent	Limited-Term	
Communications: California Advanced Services Fund: deaf and disabled telecommunications program: surcharges	3	-	AB 14 (Aguiar-Curry)
Broadband infrastructure deployment	2	-	AB 41 (Wood)
Communications: universal service: lifeline program	-	1	AB 74 (Gonzalez)
California Renewables Portfolio Standard Program: renewable feed-in tariff; Bioenergy Market Adjusting Tariff program: community choice aggregators	4	-	AB 843 (Aguiar-Curry)
Water and sewer system corporations: consolidation of service	14	-	AB 1250 (Calderon)
Communications: California Advanced Services Fund	6	-	SB 4 (Gonzalez)

Digital Infrastructure and Video Competition Act of 2006: deployment data	4	-	SB 28 (Caballero)
<i>Total</i>	33	1	

Appendix: 2021 New Legislative Responsibilities

Division	Bill	Author	Subject	Code	Notable Dates
Energy Division	SB 479	Laird	Renewable Energy Self-Generation Bill Credit Transfer (RES-BCT) Program	Amend Public Utilities Code Section 2830	Effective 1/1/2022
Expands the local government RES-BCT definition of a benefiting account to include accounts meeting specified requirements located within the geographical boundaries of a California Native American tribe.					
Energy Division	SB 756	Hueso	Energy Savings Assistance Program (ESAP)	Amends Public Utilities Code Section 2790	Effective 1/1/2022
From January 1, 2022, to June 30, 2022, inclusive, defines “low-income customers” for purposes of the ESAP as customers with annual household incomes that are no greater than 200 percent of the federal poverty guideline levels. On and after July 1, 2022, defines “low-income customers” for those purposes as persons and families whose household income is at or below 250 percent of the federal poverty level, and prohibits the California Public Utilities Commission (CPUC) from increasing the authorized budgets for the ESAP based on that expansion of income eligibility.					
Energy Division	AB 843	Aguiar-Curry	Bioenergy Market Adjusting Tariff (BioMAT)	Amends Public Utilities Code Section 399.20	Effective 1/1/2022
Authorizes a community choice aggregator (CCA) to submit eligible bioenergy projects for cost recovery pursuant to the BioMAT program, if open capacity exists within the 250-megawatt BioMAT program limit, as specified. Additionally requires that every kilowatt-hour of electricity purchased from a bioenergy electric generation facility count toward both the CCA’s Renewable Portfolio Standard (RPS) procurement requirements and the bioenergy project procurement requirements of the electric investor-owned utility (IOU) whose service territory encompasses the CCA, and that the physical generating					

capacity of a bioenergy electric generation facility count toward the CCAs Resource Adequacy (RA) requirements.					
Energy Division	AB 242	Holden	Public Utilities Commission	Amends Public Utilities Code Sections 398.4, 854, 913.5, 913.6, 1701.8, 2790, and 3280 and Repeals Sections 913.2, 913.10, and 913.11	Effective 1/1/ 2022
<p>Changes the date, from the end of the first billing cycle for the third quarter of each year to October 1 of each year, by when the retail sellers through the Power Disclosure program, must disclose electricity sources is made by every entity that offers an electricity product for sale to retail consumers in California. Consolidates three of the required energy efficiency reports of the CPUC into a single report and, in doing so, would increase the frequency with which certain energy efficiency information would be reported from every four years to every three years. Repeals the reporting requirement on the CPUC to annually report recommendations for a smart grid, the plans and deployment of smart grid technologies by the state’s electrical corporations, and the costs and benefits of smart grids to ratepayers. Requires the CPUC to instead, on or before February 1, 2023, and biennially thereafter, report on the progress made toward modernizing the state’s distribution and transmission grid and the impacts of distributed energy resources on the state’s distribution and transmission grid, as specified. Expands the definition of “covered wildfires” to include those wildfires determined by a court of competent jurisdiction to be caused by an electric investor-owned utility (IOU), and those wildfires asserted to have been caused by an electric IOU that result in a court-approved dismissal resulting from the settlement of third-party damage claims. Specifies that the annual contribution of an electric IOU be made of 10 installments.</p>					
Safety & Enforcement Division	SB 694	Bradford	Utility Wildfire Mitigation and Workforce Development	Amends Public Utilities Code Section 8386.3	Effective 1/1/ 2022

<p>This bill requires electrical IOU to notify the CPUC, by advice letter, with a detailed summary of specified workforce development efforts completed in compliance with the Office of Federal Contract Compliance Programs, including data on the extent to which the electrical corporation and its contractors employ former members of California Conservation Corps crews, members of community conservation corps, and formerly incarcerated conservation crew members.</p>					
Communications Division	AB 14	Aguiar-Curry	California Advanced Services Fund (CASF), Deaf and Disabled Telecommunications Program (DDTP) and Surcharges	Amends Public Utilities Code Sections 285, 914.7, 2881 and adds section 281.1 and 884.2.	Effective Upon Governor's Signature (urgency statute)
<p>Authorizes the CPUC to impose a surcharge to fund CASF until December 31, 2032. Authorizes the CPUC to require each internet service provider to report specified information regarding each free, low-cost, income-qualified, or affordable internet service plan advertised by the provider. Removes the methodologies that Voice over Internet Protocol (VoIP) providers can utilize to identify their intrastate revenues subject to CPUC surcharges to support its public purpose programs. Removes the surcharge cap of 0.500 percent for DDTP and instead require the CPUC to administer a surcharge to collect revenues of up to \$100,000,000 per year until January 1, 2025.</p>					
Communications Division	AB 41	Wood	Broadband Infrastructure Deployment.	Amends Government Code section 14051 and adds Public Utilities Code section 281.6	Effective 1/1/22
<p>Requires the CPUC in collaboration with other relevant state agencies and stakeholders, to maintain and update a statewide, publicly accessible, and interactive map showing the accessibility of broadband service in the state, including, but not limited to, information identifying the percentage of each census block that has broadband service meeting federal and state standards. Requires the CPUC create a notification feature on the map for individuals to notify them of map updates. Requires the California Department of Transportation (Caltrans), in consultation with CPUC, to install conduit for fiber communications lines as part of projects to build a state-owned middle-mile broadband network.</p>					

Communications Division	AB 74	Gonzalez	Lifeline Program	Adds Public Utilities Code 878.6.	Effective 1/1/22
<p>Requires the CPUC to adopt updated rules for the lifeline program establishing a modified recertification process that minimizes barriers to lifeline subscriber recertification and reduces the burden and cost of recertification on the lifeline program as part of an existing proceeding before March 1, 2022. Requires the CPUC, as part of an existing proceeding and in consultation with lifeline service providers, the Federal Communications Commission (FCC), and the Universal Service Administrative Company (USAC), to adopt updated rules for the lifeline program with the goal of achieving recertification rates at least equivalent to those rates achieved by USAC as the administrator for the federal lifeline program. Requires the CPUC to allow Lifeline subscribers to recertify their eligibility for the program electronically without the use of personal identification number (PIN). Requires the CPUC to allow lifeline subscribers to enroll in the lifeline program directly online using an electronic signature. Requires the CPUC to provide an option for lifeline subscribers to receive electronic communications regarding their lifeline subscription.</p>					
Communications Division	AB 164	Ting	Budget Act of 2021 – Broadband Infrastructure Development	N/A	Effective 7/16/21
<p>Specific to the CPUC, provides the following funding amounts over two years - \$3.25 billion for a publicly owned open-access statewide broadband middle-mile infrastructure, \$2 billion for the broadband last-mile infrastructure through the CASF program and \$750 million for a loan loss reserve to support local government broadband infrastructure development.</p>					
Communications Division	SB 4	Gonzalez	CASF Program	Amends Public Utilities Code 281	Effective 1/1/2022
<p>Extends the goal achievement date for the CASF Infrastructure Grant Account from December 31, 2026, to December 31, 2032. Allows CASF money to be used to fund projects that deploy broadband infrastructure to unserved nonresidential facilities used for local and state emergency response activities, including, but not limited to, fairgrounds. Removes the previous CASF subaccount funding allocations previously established by AB 1665 (E. Garcia, Chapter 851, Statutes of 2017.) Allows the CASF to make recommendations to the Legislature regarding appropriations from CASF to the CASF subaccounts. Raises the annual collection cap from \$66 million to \$150 million.</p>					

<p>Communications Division</p>	<p>SB 28</p>	<p>Caballero</p>	<p>Digital Infrastructure and Video Competition Act (DIVCA) of 2006 Deployment Data</p>	<p>Adds Public Utilities Code 4895 and repeals PU code 5960.</p>	<p>Effective 1/1/22</p>
<p>Repeals previous DIVCA data reporting requirements. Requires the CPUC to collect granular data on the actual locations served by the holder of a state franchise and adopt customer service requirements for a holder of a state franchise and adjudicate any customer complaints.</p>					
<p>Communications Division</p>	<p>SB 156</p>	<p>Committee on Budget and Fiscal Review</p>	<p>Broadband Infrastructure Development</p>	<p>Amends Government Code Sections 6547.7 and 53167. Adds Government Code 11549.50. Adds Public Resource Code 21080.51. Amends Public Utilities Code 281, 912.2 and 914.7. Adds Public Utilities Code 281.2.</p>	<p>Effective 1/1/22</p>
<p>Requires the CPUC, in collaboration with the third-party administrator, to provide to the California Department of Technology (CDT) the locations for the broadband statewide middle-mile network. Revises the CASF Broadband Infrastructure Account to define unserved as 25/3 mbps, prioritize 10/1 mbps, and require that projects be capable of delivering 100/20 mbps. Authorizes the CPUC to provide technical assistance to local governments. Requires moneys in the CASF Broadband Public Housing Account to be available for grants and loans to low-income communities to finance projects to connect broadband networks that offer free broadband service for residents of low-income communities. Requires each entity that receives funding or financing for a project pursuant to the CASF program to report specified information monthly to the CPUC, and for the CPUC to post that information on its internet website. Requires the CPUC to use state or federal infrastructure moneys deposited into the Federal Funding Account to implement a program to expeditiously connect unserved and underserved communities by applicable federal deadlines. Requires the CPUC to allocate the \$2 billion appropriated to the CPUC to fund last-mile infrastructure in the Budget Act of 2021 to applicants for the construction of last-mile broadband infrastructure. Establishes the Broadband Loan Loss Reserve Fund in the State Treasury and would continuously appropriate moneys in that fund to the CPUC to fund costs related to the financing of the deployment of broadband infrastructure by a local government agency or nonprofit organization, thereby making an appropriation.</p>					

Communications Division	SB 341	McGuire	Telecommunications service: outages.	Amends Government Code section 53122. Amends Public Utilities Commission section 910 and adds PU Code Section 776.2.	Effective 1/1/22
<p>Requires the CPUC and the Governor’s Office of Emergency Services (CalOES) before July 1, 2022, to establish requirements for public outage maps posted by providers on their internet websites. Requires CalOES to share telecommunications outage data submitted by providers with the CPUC. Requires the CPUC to establish back up power requirements to require providers of telecommunications service to submit resiliency plans and to maintain backup electricity for their telecommunications infrastructure sufficient to maintain telecommunications service for at least 72 hours. Requires that the CPUC include in its annual report a description of the actions taken by the CPUC using the information provided to it, a summary of deenergization event trends and the effect of deenergization events on telecommunications service and public safety, and an analysis of how the impacts of deenergization events on telecommunications service could be mitigated.</p>					
Communications Division	SB 394	Hueso	Telecommunications: Moore Universal Telephone Service Act	Amends Public Utilities Code 878 and repeals PU Code 872.	Effective 1/1/22
<p>Revises the definition of a “household” for the California Lifeline program to mean any group of individuals, including the subscriber, who are living together at the same address and as one economic unit and would authorize multiple Lifeline service telephone subscribers to maintain the same address if they are not members of the same household. Both of these statutory changes align with currently California Lifeline program rules and FCC rules for the Federal Lifeline program.</p>					
Water Division	AB 1058	C. Garcia	Large Water IOU Bill Payment Options	Amends Public Utilities Code 755.5	Effective 1/1/22
<p>Requires the CPUC to authorize a water IOU with 10,000 or more service connections, unrelated to its rate case cycle, to recover the reasonable expenses incurred by the water corporation in providing bill payment options to its customers, and not require the water corporation to impose a transaction fee on</p>					

its customers. Prohibits a water corporation from recovering the costs of offering the bill payment options to its customers from participants in the CAP program.					
Water Division	AB 1250	Calderon	Water and sewer system corporations: consolidation of service.	Adds Public Utilities Code 2721 and 2722.	Effective 1/1/22
<p>Requires the CPUC to approve or deny within 12-months Applications filed by water and sewer IOUs requesting to consolidate with a small community water system or a state small water system identified as failing or at risk of failing by the State Water Resources Control Board (SWRCB). Allows the CPUC to grant an extension of four months if it makes a written determination that the finding cannot be met. For consolidations valued at \$5 million or less, requires the CPUC to approve or deny within 180-days an uncontested advice letter filed by water and sewer corporations requesting to consolidate with a small community water system or a state small water system identified as failing or at risk of failing by the SWRCB, unless the executive director makes a written determination that the deadline cannot be met, and issues a response extending the deadline by up to 60 days. Allows the Executive Director to grant additional extensions of 60-days if necessary. For consolidations valued at less than \$5 million allows the CPUC to designate a different procedure than the advice letter process if it determines the consolidation warrants further review. Establishes the Consolidation for Safe Drinking Water Fund with all moneys available, upon appropriation, to the CPUC in order to process the Applications and cover any associated regulatory costs. Requires a water or sewer system IOU to pay a fee of \$10,000 when filing an Application that meets the above criteria.</p>					