

SENATE BILL

No. 8

Introduced by Senator Alarcon

January 18, 2001

An act to amend Section 9601 of the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

SB 8, as introduced, Alarcon. Electric power: retail sales.

(1) The Public Utilities Act prohibits a local publicly owned electric utility or electrical corporation from selling electric power to the retail customers of another local publicly owned electric utility or electrical corporation unless the first utility has agreed to let the second utility make sales of electric power to the retail customers of the first utility.

This bill would exempt from that prohibition a local publicly owned electric utility or electrical corporation that proposes to sell electric power to the current retail customers of another local publicly owned electric utility or electrical corporation if certain criteria are satisfied. The bill would require a local publicly owned electric utility or electrical corporation that proposes to sell electricity to the retail customers of a local publicly owned electric utility or electrical corporation in accordance that exemption to give priority to new service areas that have a higher percentage of low-income residential and small business customers as compared with other potential service areas. Since a violation of the act is a crime, this bill would impose a state-mandated local program by creating a new crime.

(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state.

Statutory provisions establish procedures for making that reimbursement.

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

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

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

1 SECTION 1. Section 9601 of the Public Utilities Code is
2 amended to read:

3 9601. (a) Except with respect to supply options of the nature
4 specified in Section 218, with the exception of paragraph (3) of
5 subdivision (b) of that section, as it existed on December 20, 1995,
6 no person, corporation, electrical corporation, or local publicly
7 owned electric utility or other governmental entity other than a
8 retail customer’s existing electric service provider as of December
9 20, 1995, shall provide partial or full electric service to a retail
10 customer of a local publicly owned electric utility unless the
11 customer first confirms in writing an obligation to pay, through
12 tariff or otherwise, to the utility currently providing electric
13 service, a nonbypassable generation-related severance fee or
14 transition charge established by the regulatory body for that utility.
15 The severance fee or transition charge shall be paid directly to the
16 local publicly owned utility providing electricity service in the
17 service area in which the consumer is located.

18 (b) Except as provided in subdivision (a) of Section 374, no
19 local publicly owned electric utility or other governmental entity
20 shall provide partial or full electric service to a retail customer of
21 an electrical corporation unless the customer of that electrical
22 corporation first confirms in writing an obligation to pay, through
23 tariff or otherwise, to the electrical corporation currently
24 providing electric service, a nonbypassable generation-related
25 transition charge established by the regulatory body for that
26 electrical corporation. The charge shall be paid directly to the
27 electrical corporation providing electricity in the service area in
28 which the consumer is located.

29 (c) ~~No~~ (1) *Except as specified in paragraph (2), no* local
30 publicly owned electric utility or electrical corporation shall sell
31 electric power to the retail customers of another local publicly



1 owned electric utility or electrical corporation unless the first
2 utility has agreed to let the second utility make sales of electric
3 power to the retail customers of the first utility.

4 (2) Paragraph (1) does not apply to a local publicly owned
5 electric utility or electrical corporation that proposes to sell
6 electric power to the current retail customers of another local
7 publicly owned electric utility or electrical corporation, if both of
8 the following criteria are satisfied:

9 (A) The retail customers in the service area of the current local
10 publicly owned electric utility or electrical corporation agree to
11 switch to the local publicly owned electric utility or electrical
12 corporation that proposes to sell electric power.

13 (B) The local publicly owned electric utility or electrical
14 corporation that proposes to sell electric power to the retail
15 customers of a local publicly owned electric utility or electrical
16 corporation provides low-income public benefit programs that
17 provide benefits that are equal to or greater than those provided
18 by the current local publicly owned electric utility or electrical
19 corporation.

20 (3) A local publicly owned electric utility or electrical
21 corporation that proposes to sell electricity to the retail customers
22 of a local publicly owned electric utility or electrical corporation
23 in accordance with paragraph (2) shall give priority to new service
24 areas that have a higher percentage of low-income residential and
25 small business customers as compared with other potential service
26 areas.

27 SEC. 2. No reimbursement is required by this act pursuant to
28 Section 6 of Article XIII B of the California Constitution because
29 the only costs that may be incurred by a local agency or school
30 district will be incurred because this act creates a new crime or
31 infraction, eliminates a crime or infraction, or changes the penalty
32 for a crime or infraction, within the meaning of Section 17556 of
33 the Government Code, or changes the definition of a crime within
34 the meaning of Section 6 of Article XIII B of the California
35 Constitution.

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