AMENDED IN SENATE APRIL 16, 2001

AMENDED IN SENATE MARCH 15, 2001

AMENDED IN SENATE FEBRUARY 13, 2001

CALIFORNIA LEGISLATURE—2001–02 FIRST EXTRAORDINARY SESSION

SENATE BILL No. 8

Introduced by Senator Alarcon
(Coauthors: Senators *Escutia,* Soto, and Vincent)
(Coauthors: Assembly Members Firebaugh ~~and~~, Koretz, *and Washington*)

January 18, 2001

An act to amend Sections 366 and 9601 of the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

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

(1) Existing law requires the Public Utilities Commission to take necessary action to facilitate direct transactions between electricity suppliers and end-use customers. Existing law requires the commission to authorize all customer classes to voluntarily aggregate their electrical loads. Existing law requires a public agency that seeks to serve as a community aggregator on behalf of residential customers to offer the opportunity to purchase electricity to all residential customers within its jurisdiction.

This bill would permit a public agency that seeks to serve as a community aggregator for direct access customers to provide aggregation service to all of the customers within its jurisdiction after a majority vote of its elected governing body. If a customer of the public agency desires to receive service from a different service provider, it may do so upon written notice to the public agency and pursuant to the opt out rules established by the public agency.

(2) Existing law 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 that proposes to sell electric power to the current retail customers of an electrical corporation if certain criteria are satisfied.

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

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

SECTION 1. Section 366 of the Public Utilities Code is amended to read:

366. (a) The commission shall take actions as needed to facilitate direct transactions between electricity suppliers and end use customers. Customers shall be entitled to aggregate their electric loads on a voluntary basis, provided that each customer does so by a positive written declaration. If no positive declaration is made by a customer, that customer shall continue to be served by the existing electrical corporation or its successor in interest.

(b) Aggregation of customer electrical load shall be authorized by the commission for all customer classes, including, but not limited to, small commercial or residential customers. Aggregation may be accomplished by private market aggregators, cities, counties, special districts or on any other basis made available by market opportunities and agreeable by positive written declaration by individual consumers.

(c) Notwithstanding any other provision of law, including, but not limited to, this chapter, a public agency that seeks to serve as a community aggregator for direct access customers of the electrical corporation may, after a majority vote of its elected governing body, provide aggregation service to all of the customers within its jurisdiction. If a customer of the public agency desires to receive service from a different service provider it may do so upon written notice to the public agency and pursuant to the opt-out rules established by the public agency. Chapter 3 (commencing with Section 56100) of Part 1 of Division 3 of the Government Code does not apply to aggregation service provided by a public agency under this section.

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

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

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

(c) (1) Except as specified in paragraph (2), no local publicly owned electric utility or electrical corporation shall sell 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.

(2) Paragraph (1) does not apply to a local publicly owned electric utility that proposes to sell electric power to the current

retail customers of an electrical corporation, if both of the following criteria are satisfied:

(A) The retail customers in the service area of the electrical corporation agree to switch to the local publicly owned electric utility.

(B) The local publicly owned electric utility that proposes to sell electric power to the retail customers of an electrical corporation provides low-income public benefit programs that provide benefits that are equal to or greater than those provided by the electrical corporation.

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