

AMENDED IN ASSEMBLY AUGUST 20, 2010

AMENDED IN ASSEMBLY AUGUST 2, 2010

AMENDED IN ASSEMBLY JUNE 22, 2010

AMENDED IN SENATE JUNE 1, 2010

AMENDED IN SENATE MAY 12, 2010

AMENDED IN SENATE APRIL 27, 2010

AMENDED IN SENATE APRIL 15, 2010

AMENDED IN SENATE MARCH 25, 2010

SENATE BILL

No. 837

Introduced by Senator Florez

January 5, 2010

~~An act to add Sections 779.3 and 8364.5 to the Public Utilities Code, relating to utility service.~~ *An act to add Section 32132.6 to the Health and Safety Code, relating to health care districts.*

LEGISLATIVE COUNSEL'S DIGEST

SB 837, as amended, Florez. ~~Utility service: disconnection: smart meters: privacy.~~ *Corcoran District Hospital: design-build.*

Existing law provides for local health care districts that are empowered to own and operate certain health facilities, including hospitals. Each health care district has specific duties and powers respecting the creation, administration, and maintenance of the districts, including to purchase, receive, take, hold, lease, use, and enjoy property of every kind and description of property within the district.

Existing law permits the Sonoma Valley Health Care District, upon the approval of its board of directors, to use a prescribed design-build procedure set forth in a specific code section when assigning contracts for the construction of a building and improvements directly related to a hospital or health facility building at the Sonoma Valley Hospital. Under existing law, that code section would be repealed on January 1, 2011, unless that date is deleted or extended.

This bill would also allow the Corcoran District Hospital, upon approval by its board of directors, to use the above-mentioned design-build procedure described in that code section to assign contracts for the construction of an outpatient facility building.

Existing law requires that, under the existing design-build procedure, a health care district would be required to pay a fee into the continuously appropriated State Public Works Enforcement Fund, the moneys in which are used by the Department of Industrial relations to enforce applicable prevailing wage and labor requirements.

Because this bill would authorize additional fees to be paid into a continuously appropriated fund, the bill would constitute an appropriation.

This bill would make legislative findings and declarations as to the necessity of a special statute for the Corcoran District Hospital.

~~(1) The federal Energy Independence and Security Act of 2007 states that it is the policy of the United States to maintain a reliable and secure electricity structure that achieves certain objectives that characterize a smart grid. Existing federal law requires each state regulatory authority, with respect to each electric utility for which it has ratemaking authority, and each nonregulated electric utility, to consider certain standards and to determine whether or not it is appropriate to implement those standards to carry out the purposes of the Public Utility Regulatory Policies Act. The existing standards include time-based metering and communications, consideration of smart grid investments, and providing purchases with smart grid information, as specified.~~

~~Under existing law, the Public Utilities Commission (CPUC) has regulatory authority over public utilities, including electrical corporations and gas corporations, as defined. Existing law requires the CPUC, by July 1, 2010, and in consultation with the State Energy Resources Conservation and Development Commission, the Independent System Operator, and other key stakeholders, to determine the requirements for a smart grid deployment plan consistent with certain policies set forth in state and federal law. Existing law requires that the~~

smart grid improve overall efficiency, reliability, and cost-effectiveness of electrical system operations, planning, and maintenance. Existing law requires each electrical corporation, by July 1, 2011, to develop and submit a smart grid deployment plan to the commission for approval.

This bill would require the CPUC to ensure that each smart grid deployment plan authorized by the CPUC after January 1, 2012, include testing and technology standards, as specified. The bill would require each electrical corporation to ensure that each metering technology works properly in a field test in a real home setting.

(2) Existing law authorizes the CPUC to fix the rates and charges for every public utility, and requires that those rates and charges be just and reasonable. Existing law requires certain notice be given before an electrical, gas, heat, or water corporation may terminate residential service for nonpayment of a delinquent account and prohibits termination of service for nonpayment in certain circumstances.

This bill would require the CPUC to evaluate the impact of advanced metering infrastructure technology, commonly referred to as smart meters, on the frequency of energy utility disconnections, adopt policies to minimize any adverse impacts, and consider requiring electrical corporations and gas corporations to evaluate their customer communication policies relative to disconnections of service and share unsuccessful and successful practices in their creation of best practices.

(3) Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because certain of the bill's provisions would be within the act and because the bill would require action by the commission to implement certain of its requirements, a violation of these provisions would impose a state-mandated local program by creating a new crime.

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~~yes. Fiscal committee: yes.
State-mandated local program: ~~yes~~no.

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

1 *SECTION 1. The Legislature finds and declares all of the*
2 *following:*

3 *(a) Corcoran District Hospital is an essential service to an*
4 *underprivileged population of approximately 50,000 residents in*
5 *the City of Corcoran and surrounding areas.*

6 *(b) This underprivileged population is 80 percent Latino,*
7 *unemployment is 16 percent, and Corcoran District Hospital is*
8 *the only medical care available within a distance of more than 20*
9 *miles.*

10 *(c) Corcoran District Hospital is also specially secured and*
11 *equipped to provide health care services to the 5,500 inmates and*
12 *2,300 personnel at Corcoran State Prison.*

13 *(d) Corcoran District Hospital is facing a 2013 deadline to*
14 *update its facility to comply with seismic safety requirements for*
15 *the facility.*

16 *(e) Corcoran District Hospital has undertaken a project to*
17 *expand its facility to include an outpatient care center that would*
18 *provide the necessary revenue stream to complete the mandated*
19 *seismic safety upgrades.*

20 *(f) To accomplish this urgent need, the Corcoran District*
21 *Hospital has applied for a United States Department of Agriculture*
22 *rural development loan funded with federal stimulus funds.*

23 *(g) These funds are in short supply and will likely be unavailable*
24 *after September 15, 2010.*

25 *(h) However, without legislative approval, the Corcoran District*
26 *Hospital cannot access these funds.*

27 *(i) The use of design-build process for Corcoran District*
28 *Hospital, which would be authorized by this act, pursuant to*
29 *Section 32132.6 of the Health and Safety Code, would be used*
30 *solely for buildings associated with hospitals and health care and*
31 *not for other infrastructure, including, but not limited to, streets,*
32 *highways, public rail transit, roads, bridges, other water resources*
33 *facilities, and related infrastructures.*

34 *SEC. 2. Section 32132.6 is added to the Health and Safety*
35 *Code, to read:*

36 *32132.6. (a) Notwithstanding Section 32132 or any other*
37 *provision of law, upon approval by the board of directors of the*
38 *Corcoran District Hospital, the design-build procedure described*

1 *in Section 20133 of the Public Contract Code may be used to assign*
2 *contracts to the construction of a building or improvements directly*
3 *related to construction of an outpatient facility building at the*
4 *Corcoran District Hospital.*

5 *(b) For purposes of this section, all references in Section 20133*
6 *of the Public Contract Code to “county” and “board of*
7 *supervisors” shall mean the Corcoran District Hospital and its*
8 *board of directors.*

9 *(c) A hospital building project utilizing the design-build process*
10 *authorized by subdivision (a) shall be reviewed and inspected in*
11 *accordance with the standards and requirements of the Alfred E.*
12 *Alquist Hospital Facilities Seismic Safety Act of 1983 (Chapter 1*
13 *(commencing with Section 129675) of Part 7 of Division 107).*

14 *SEC. 3. The Legislature finds and declares that a special law*
15 *is necessary and that a general law cannot be made applicable*
16 *within the meaning of Section 16 of Article IV of the California*
17 *Constitution because of the unique circumstances served by the*
18 *Corcoran District Hospital.*

19 ~~SECTION 1. Section 779.3 is added to the Public Utilities~~
20 ~~Code, to read:~~

21 ~~779.3. The Legislature finds and declares that, due to the~~
22 ~~importance of having electrical service to one’s residence, the issue~~
23 ~~of utility service disconnections requires careful scrutiny by the~~
24 ~~commission. The commission shall evaluate the impact of advanced~~
25 ~~metering infrastructure technology on the frequency of energy~~
26 ~~utility disconnections and adopt policies to minimize any adverse~~
27 ~~impacts. The commission shall also consider requiring electrical~~
28 ~~corporations and gas corporations to evaluate their customer~~
29 ~~communication policies relative to disconnections of service and~~
30 ~~share unsuccessful and successful practices in their creation of~~
31 ~~best practices.~~

32 ~~SEC. 2. Section 8364.5 is added to the Public Utilities Code,~~
33 ~~to read:~~

34 ~~8364.5. (a) The commission shall ensure that each smart grid~~
35 ~~deployment plan authorized by the commission after January 1,~~
36 ~~2012, includes testing and technology standards.~~

37 ~~(b) Testing standards shall include all of the following:~~

38 ~~(1) A requirement that the smart metering technology have a~~
39 ~~comprehensive security audit. The security auditing plan and the~~
40 ~~results of the comprehensive security audit shall be made publicly~~

1 available in a manner that protects the reasonable expectation of
 2 customers in the privacy of customer-specific or
 3 customer-identifiable records, upon approval by the commission.
 4 The commission shall ensure that any customer-specific or
 5 customer-identifiable information included in any submission by
 6 an electrical corporation or gas corporation is not disclosed in
 7 response to a request for public records pursuant to the California
 8 Public Records Act (Chapter 3.5 (commencing with Section 6250)
 9 of Division 7 of Title 1 of the Government Code).

10 (2) A requirement that the manufacturer disclose to the electrical
 11 corporation or gas corporation whether it created a cryptographic
 12 protocol for data encryption and specify the protocol used.

13 (3) A requirement that the manufacturer submit to the electrical
 14 corporation or gas corporation security audit results as part of a
 15 direct access meter project self-certification program.

16 (e) Technology standards shall do both of the following:

17 (1) Ensure that the particular smart metering technology is
 18 compatible with other smart technologies.

19 (2) Ensure that the particular smart metering technology is
 20 compatible with the electrical corporation's energy usage data
 21 collection and billing system.

22 (d) Each electrical corporation shall ensure that each metering
 23 technology works properly in a field test in a real home setting.

24 SEC. 3. No reimbursement is required by this act pursuant to
 25 Section 6 of Article XIII B of the California Constitution because
 26 the only costs that may be incurred by a local agency or school
 27 district will be incurred because this act creates a new crime or
 28 infraction, eliminates a crime or infraction, or changes the penalty
 29 for a crime or infraction, within the meaning of Section 17556 of
 30 the Government Code, or changes the definition of a crime within
 31 the meaning of Section 6 of Article XIII B of the California
 32 Constitution.

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35 CORRECTIONS:

36 Text—Pages 1, 2, and 3.

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