

AMENDED IN ASSEMBLY MARCH 28, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2334**

---

---

**Introduced by Assembly Member Gray**

February 21, 2014

---

---

An act ~~relating to public utilities~~ to add and repeal Section 740.45 of the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

AB 2334, as amended, Gray. ~~Public and privately owned utilities. Electricity rates: economic development pilot program: former military bases.~~

*Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, as defined. Existing law authorizes the commission to fix the rates and charges for every public utility, and requires that those rates and charges be just and reasonable. Existing law requires the commission to authorize public utilities to engage in programs to encourage economic development, including rate discounts to industries or business entities whose facilities are, or will be located, within the boundaries of enterprise zones, economic incentive areas, or recycling market development zones.*

*This bill would require the commission to direct and supervise the implementation and administration, by electrical corporations, of an economic development pilot program to encourage new business activity at 3 former military bases. The bill would require an electrical corporation to administer the pilot program for 7 years following its implementation at each former base and would require that the pilot program provide rates for new business activity that are discounted by*

40% from the otherwise applicable tariff of the electrical corporation for the service territory in which the former military base is located. The bill would require an electrical corporation to annually report specified information relative to each pilot program site to the commission and require the commission to compile the information and report the results to the Legislature. These provisions would be repealed on January 1, 2024.

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 the provisions of this bill are within the act and require action by the commission to implement 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.

~~Existing law provides that the Public Utilities Commission has regulatory authority over public utilities. Under existing law, various provisions are applicable to both privately owned and publicly owned utilities.~~

~~This bill would state the intent of the Legislature to enact legislation relating to privately owned and publicly owned public utilities.~~

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

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

- 1 SECTION 1. Section 740.45 is added to the Public Utilities
- 2 Code, immediately following Section 740.4, to read:
- 3 740.45. (a) The commission shall direct and supervise the
- 4 implementation and administration, by electrical corporations, of
- 5 an economic development pilot program to encourage new business
- 6 activity at three former military bases closed as a result of the
- 7 base realignment and closure process.

1 (b) *The pilot program shall be administered by an electrical*  
2 *corporation for seven years following its implementation at the*  
3 *former military base.*

4 (c) *The pilot program shall include one former military base in*  
5 *northern California, one former military base in central California,*  
6 *and one former military base in southern California. The bases*  
7 *shall be selected for participation in the pilot program based on*  
8 *local economic need, including, but not limited to, higher*  
9 *unemployment rates than the state average and median income*  
10 *that is lower than the state average.*

11 (d) *The discount provided pursuant to the pilot program shall*  
12 *be 40 percent of the otherwise applicable tariff of the electrical*  
13 *corporation for the service territory in which the former military*  
14 *base is located.*

15 (e) *Each electrical corporation shall annually report to the*  
16 *commission all of the following:*

17 (1) *The total amount of the annual discounts given at each pilot*  
18 *program site.*

19 (2) *The number and types of businesses created as a result of*  
20 *the pilot program during the prior year at each site.*

21 (3) *The total number of jobs created as a result of the pilot*  
22 *program during the prior year at each site.*

23 (4) *The average salary and benefits of the jobs created as a*  
24 *result of the pilot program during the prior year at each site.*

25 (f) *The commission shall annually compile the information and*  
26 *report the results of the pilot program to the Legislature. The*  
27 *report shall be submitted in compliance with Section 9795 of the*  
28 *Government Code.*

29 (g) *This section shall remain in effect only until January 1, 2024,*  
30 *and as of that date is repealed, unless a later enacted statute, that*  
31 *is enacted before January 1, 2024, deletes or extends that date.*

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

- 1 SECTION 1. It is the intent of the Legislature to enact legislation
- 2 relating to privately owned and publicly owned utilities.

O