

AMENDED IN SENATE JUNE 29, 1999

AMENDED IN SENATE JUNE 16, 1999

AMENDED IN ASSEMBLY MAY 24, 1999

AMENDED IN ASSEMBLY APRIL 15, 1999

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

ASSEMBLY BILL

No. 1393

Introduced by Assembly Member Wright

February 26, 1999

An act to amend ~~Sections 382 and~~ *Section* 2790 of, and to add Section 327 to, the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

AB 1393, as amended, R. Wright. Low-income electric and gas customers.

(1) The Public Utilities Act requires the Public Utilities Commission to establish a program of assistance to low-income electric and gas customers, which is referred to as the California Alternate Rates for Energy or CARE program.

This bill would require the electric corporations and gas corporations that participate in the CARE program to administer low-income energy efficiency and rate assistance programs, as described, *subject to commission oversight*. The bill would require the administrators of the program to undertake certain functions and would allow the commission to require these participating corporations to competitively

bid, to the extent practical, service delivery components of these programs. The bill would require the bidding criteria to recognize specified factors, subject to commission modification. The bill would make conforming changes.

Because a violation of the act is a crime, this bill would impose a state-mandated local program by creating new crimes.

(2) Existing law requires the commission to require an electric or gas corporation to perform home weatherization services, as defined, for low-income customers, as determined by the commission.

This bill would revise the definition of “weatherization.”

(3) 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 327 is added to the Public
2 Utilities Code, to read:

3 327. (a) The *electric and* gas corporations that
4 participate in the California Alternative Rates for Energy
5 program, as established pursuant to Section 739.1, shall
6 administer low-income energy efficiency and rate
7 assistance programs described in Sections 739.1, 739.2,
8 ~~and 2790. In administering these programs the and 2790,~~
9 *subject to commission oversight. In administering the*
10 *programs described in Section 2790, the electric and gas*
11 *corporations, to the extent practical, shall do all of the*
12 *following:*

13 (1) Continue to leverage funds *collected to fund the*
14 *program* described in subdivision (a) with funds available
15 from state and federal sources.



1 (2) Work with state and local agencies ,
2 community-based organizations, and other entities to
3 ensure efficient and effective delivery of programs.

4 (3) Encourage local employment and job skill
5 development.

6 (4) Maximize the participation of eligible participants.

7 (5) Work to reduce consumers *electric and* gas
8 consumption, and bills.

9 (b) The commission may require the *electric and* gas
10 corporations described in subdivision (a) to
11 competitively bid, to the extent practical, service
12 delivery components of these programs. The bidding
13 criteria, at a minimum, shall recognize all of the following
14 factors:

15 (1) The bidder's experience in delivering programs
16 and services, including, but not limited to,
17 weatherization, appliance repair and maintenance,
18 energy education, outreach and enrollment services, and
19 bill payment assistance programs to targeted
20 communities.

21 (2) The bidder's knowledge of the targeted
22 communities.

23 (3) The bidder's ability to reach targeted
24 communities.

25 (4) The bidder's ability to utilize and employ people
26 from the local area.

27 (5) The bidder's ability to provide local job training.

28 (6) Other attributes that benefit local communities.

29 (c) Notwithstanding subdivision (b), the commission
30 may modify its bid criteria based upon public input from
31 a variety of sources, including representatives from
32 low-income communities and the program
33 administrators identified in subdivision (b), in order to
34 ensure the effective and efficient delivery of high quality
35 low-income energy efficiency programs.

36 ~~SEC. 2. Section 382 of the Public Utilities Code is~~
37 ~~amended to read:~~

38 ~~382. (a) Programs provided to low income~~
39 ~~electricity customers, including, but not limited to,~~
40 ~~targeted energy efficiency services and the California~~



1 ~~Alternative Rates for Energy program shall be funded at~~
2 ~~not less than 1996 authorized levels based on an~~
3 ~~assessment of customer need. The commission shall~~
4 ~~allocate funds necessary to meet the low-income~~
5 ~~objectives in this section.~~

6 ~~(b) The electric corporations that participate in the~~
7 ~~California Alternative Rates for Energy program shall~~
8 ~~administer the programs described in subdivision (a). In~~
9 ~~administering these programs, the electric corporations,~~
10 ~~to the extent practical, shall do all of the following:~~

11 ~~(1) Continue to leverage funds described in~~
12 ~~subdivision (a) with funds available from state and~~
13 ~~federal sources.~~

14 ~~(2) Work with state and local agencies,~~
15 ~~community based organizations, and other entities to~~
16 ~~ensure efficient and effective delivery programs.~~

17 ~~(3) Encourage local employment and job skill~~
18 ~~development.~~

19 ~~(4) Maximize the participation of eligible participants.~~

20 ~~(5) Work to reduce consumers electric consumption,~~
21 ~~and bills.~~

22 ~~(c) The commission may require the electric~~
23 ~~corporations described in subdivision (b) to~~
24 ~~competitively bid, to the extent practical, service~~
25 ~~delivery components of these programs. The bidding~~
26 ~~criteria, at a minimum, shall recognize all of the following~~
27 ~~factors:~~

28 ~~(1) The bidder's experience in delivering programs~~
29 ~~and services, including, but not limited to,~~
30 ~~weatherization, appliance repair and maintenance,~~
31 ~~energy education, outreach and enrollment services, and~~
32 ~~bill payment assistance programs to targeted~~
33 ~~communities.~~

34 ~~(2) The bidder's knowledge of the targeted~~
35 ~~communities.~~

36 ~~(3) The bidder's ability to reach targeted~~
37 ~~communities.~~

38 ~~(4) The bidder's ability to utilize and employ people~~
39 ~~from the local area.~~

40 ~~(5) The bidder's ability to provide local job training.~~



1 ~~(6) Other attributes that benefit local communities.~~
2 ~~(d) Notwithstanding subdivision (c), the commission~~
3 ~~may modify its bid criteria based upon public input from~~
4 ~~a variety of sources, including representatives from~~
5 ~~low-income communities and the program~~
6 ~~administrators identified in subdivision (b) in order to~~
7 ~~ensure the effective and efficient delivery of high quality~~
8 ~~low-income energy efficiency programs.~~

9 ~~SEC. 3.—~~

10 *SEC. 2.* Section 2790 of the Public Utilities Code is
11 amended to read:

12 2790. (a) The commission shall require an electrical
13 or gas corporation to perform home weatherization
14 services for low-income customers, as determined by the
15 commission under Section 739, if the commission
16 determines that a significant need for those services exists
17 in the corporation's service territory, taking into
18 consideration both the cost effectiveness of the services
19 and the policy of reducing the hardships facing
20 low-income households.

21 (b) (1) For purposes of this section, "weatherization"
22 may include, where feasible, any of the following
23 measures for any dwelling unit:

- 24 (A) Attic insulation.
- 25 (B) Caulking.
- 26 (C) Weatherstripping.
- 27 (D) Low flow showerhead.
- 28 (E) Waterheater blanket.
- 29 (F) Door and building envelope repairs that reduce
30 air infiltration.

31 (2) The commission shall direct any electrical or gas
32 corporation to provide as many of these measures as are
33 feasible for each eligible low-income dwelling unit.

34 (c) "Weatherization" may also include other building
35 conservation measures, energy-efficient appliances, and
36 energy education programs determined by the
37 commission to be feasible, taking into consideration for all
38 measures both the cost effectiveness of the measures as
39 a whole and the policy of reducing energy-related
40 hardships facing low-income households.



1 ~~SEC. 4.~~
2 *SEC. 3.* No reimbursement is required by this act
3 pursuant to Section 6 of Article XIII B of the California
4 Constitution because the only costs that may be incurred
5 by a local agency or school district will be incurred
6 because this act creates a new crime or infraction,
7 eliminates a crime or infraction, or changes the penalty
8 for a crime or infraction, within the meaning of Section
9 17556 of the Government Code, or changes the definition
10 of a crime within the meaning of Section 6 of Article
11 XIII B of the California Constitution.

