
Introduced by Senator Bowen

February 12, 1999

An act to amend Section 381 of the Public Utilities Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

SB 418, as introduced, Bowen. Electrical restructuring: funding of programs.

Existing law requires the Public Utilities Commission to require that each electrical corporation identify a separate rate component to collect revenues used to fund programs that enhance system reliability and provide in-state benefits, as specified, and low-income electricity customer programs.

This bill would make technical, nonsubstantive changes in those provisions.

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

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

1 SECTION 1. Section 381 of the Public Utilities Code
2 is amended to read:
3 381. (a) To ensure that the funding for the programs
4 described in subdivision (b) and Section 382 are not
5 commingled with other revenues, the commission shall
6 require each electrical corporation to identify a separate
7 rate component to collect the revenues used to fund these
8 programs. The rate component shall be a nonbypassable
9 element of the local distribution service and collected on

1 the basis of usage. This rate component shall fall within
2 the rate levels identified in subdivision (a) of Section 368.

3 (b) The commission shall allocate funds collected
4 pursuant to subdivision (a), and any interest earned on
5 collected funds, to programs ~~which~~ *that* enhance system
6 reliability and provide in-state benefits as follows:

7 (1) Cost-effective energy efficiency and conservation
8 activities.

9 (2) Public interest research and development not
10 adequately provided by competitive and regulated
11 markets.

12 (3) In-state operation and development of existing
13 and new and emerging renewable resource technologies
14 defined as electricity produced from other than a
15 conventional power source within the meaning of Section
16 2805, provided that a power source utilizing more than 25
17 percent fossil fuel may not be included.

18 (c) The Public Utilities Commission shall order the
19 respective electrical corporations to collect and spend
20 these funds, as follows:

21 (1) Cost-effective energy efficiency and conservation
22 activities shall be funded at not less than the following
23 levels commencing January 1, 1998, through December
24 31, 2001: for San Diego Gas and Electric Company a level
25 of thirty-two million dollars (\$32,000,000) per year; for
26 Southern California Edison Company a level of ninety
27 million dollars (\$90,000,000) for each of the years 1998,
28 1999, and 2000; fifty million dollars (\$50,000,000) for the
29 year 2001; and for Pacific Gas and Electric Company a
30 level of one hundred six million dollars (\$106,000,000) per
31 year.

32 (2) Research, development, and demonstration
33 programs to advance science or technology that are not
34 adequately provided by competitive and regulated
35 markets shall be funded at not less than the following
36 levels commencing January 1, 1998, through December
37 31, 2001: for San Diego Gas and Electric Company a level
38 of four million dollars (\$4,000,000) per year; for Southern
39 California Edison Company a level of twenty-eight
40 million five hundred thousand dollars (\$28,500,000) per

1 year; and for Pacific Gas and Electric Company a level of
2 thirty million dollars (\$30,000,000) per year.

3 (3) In-state operation and development of existing
4 and new and emerging renewable resource technologies
5 shall be funded at not less than the following levels on a
6 statewide basis: one hundred nine million five hundred
7 thousand dollars (\$109,500,000) per year for each of the
8 years 1998, 1999, and 2000, and one hundred thirty-six
9 million five hundred thousand dollars (\$136,500,000) for
10 the year 2001. To accomplish these funding levels over
11 the period described ~~herein~~ *in this section*, the San Diego
12 Gas and Electric Company shall spend twelve million
13 dollars (\$12,000,000) per year, the Southern California
14 Edison Company shall expend no less than forty-nine
15 million five hundred thousand dollars (\$49,500,000) for
16 the years 1998, 1999, and 2000, and no less than seventy-six
17 million five hundred thousand dollars (\$76,500,000) for
18 the year 2001, and the Pacific Gas and Electric Company
19 shall expend no less than forty-eight million dollars
20 (\$48,000,000) per year through the year 2001. Additional
21 funding not to exceed seventy-five million dollars
22 (\$75,000,000) shall be allocated from moneys collected
23 pursuant to subdivision (d) in order to provide a level of
24 funding totaling five hundred forty million dollars
25 (\$540,000,000).

26 (4) Up to fifty million dollars (\$50,000,000) of the
27 amount collected pursuant to subdivision (d) may be
28 used to resolve outstanding issues related to
29 implementation of subdivision (a) of Section 374. Moneys
30 remaining after fully funding the provisions of this
31 paragraph shall be reallocated for purposes of paragraph
32 (3).

33 (5) Up to ninety million dollars (\$90,000,000) of the
34 amount collected pursuant to subdivision (d) may be
35 used to resolve outstanding issues related to contractual
36 arrangements in the Southern California Edison service
37 territory stemming from the Biennial Resource Planning
38 Update auction. Moneys remaining after fully funding
39 the provisions of this paragraph shall be reallocated for
40 purposes of paragraph (3).

1 (d) Notwithstanding any other provisions of this
2 chapter, entities subject to the jurisdiction of the Public
3 Utilities Commission shall extend the period for
4 competition transition charge collection up to three
5 months beyond its otherwise applicable termination of
6 December 31, 2001, so as to ensure that the aggregate
7 portion of the research, environmental, and low-income
8 funds allocated to renewable resources shall equal five
9 hundred forty million dollars (\$540,000,000) and that the
10 costs specified in paragraphs (3), (4), and (5) of
11 subdivision (c) are collected.

12 (e) Each electrical corporation shall allow customers
13 to make voluntary contributions through their utility bill
14 payments as either a fixed amount or a variable amount
15 to support programs established pursuant to paragraph
16 (3) of subdivision (b). Funds collected by electrical
17 corporations for these purposes shall be forwarded in a
18 timely manner to the appropriate fund as specified by the
19 commission.

20 (f) The commission shall determine how to utilize
21 funds for purposes of paragraphs (1) and (2) of
22 subdivision (b), provided that only those research and
23 development funds for transmission and distribution
24 functions shall remain with the regulated public utilities
25 under the supervision of the commission. The
26 commission shall provide for the transfer of all research
27 and development funds collected for purposes of
28 paragraph (2) of subdivision (b) other than those for
29 transmission and distribution functions and funds
30 collected for purposes of paragraph (3) of subdivision (b)
31 to the California Energy Resources Conservation and
32 Development Commission pursuant to administration
33 and expenditure criteria to be established by the
34 Legislature.

35 (g) The commission's authority to collect funds
36 pursuant to this section for purposes of paragraph (3) of
37 subdivision (b) shall become inoperative on March 31,
38 2002.

39 (h) For purposes of this article, "emerging renewable
40 technology"—~~means~~ is a new renewable technology,



1 including, but not limited to, photovoltaic technology,
2 that is determined by the California Energy Resources
3 Conservation and Development Commission to be
4 emerging from research and development and that has
5 significant commercial potential.

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