

AMENDED IN SENATE MAY 18, 1999

AMENDED IN SENATE MAY 6, 1999

AMENDED IN SENATE APRIL 21, 1999

SENATE BILL

No. 1217

Introduced by Senator Polanco

February 26, 1999

An act to add Sections 381.5, 382.5, and 382.7 to, and to add Chapter 1.5 (commencing with Section 270) to Part 1 of Division 1 of, the Public Utilities Code, relating to public utilities, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 1217, as amended, Polanco. Public Utilities Commission: advisory boards: electrical restructuring: public benefit programs.

(1) Existing law provides for various programs relating to telephone corporations to be administered by the Public Utilities Commission, and paid for in the utility rates authorized by the commission.

This bill would, under the Public Utilities Act, create 6 advisory boards to advise the commission regarding the implementation, development, and administration of specified programs, and to carry out the programs pursuant to the commission's direction, control, and approval. The bill would require the commission to determine the number and qualifications of the members of each advisory board, as specified, and would prescribe certain matters of organization and procedure for each advisory board. The bill would require

the boards to submit an annual budget to the commission for approval, and a report describing the activities of the board, as prescribed. The bill would create a fund in the State Treasury for each advisory board. The bill would require telephone corporations to submit to the commission approved rate revenues for transfer by the commission to the Controller for deposit in the appropriate fund as created by the bill. The bill would require any unexpended revenues collected prior to the operative date of the bill to be deposited in the appropriate fund, as specified. The bill would continuously appropriate the funds in each fund, as specified, thus making an appropriation. The bill would require the commission to conduct financial audits of the revenues for each of the funds, and to conduct compliance audits with regard to each program, as specified. Because, under the act, a violation of those provisions would be a crime, the bill would impose a state-mandated local program by creating new crimes.

(2) The act requires the commission to order specified electrical corporations to collect and spend certain funds for prescribed public benefit programs. The act specifically requires cost-effective energy efficiency and conservation activities to be funded by San Diego Gas and Electric Company, Southern California Edison Company, and Pacific Gas and Electric Company at specified levels, commencing January 1, 1998, through December 31, 2001.

~~The bill would require the Department of Community Services and Development, commencing June 1, 2000, to administer specified energy efficiency programs provided to low-income gas and electricity customers, as prescribed, and, for those purposes, to contract with the nonprofit and for-profit contractors under contract with the San Diego Gas and Electric Company, Southern California Edison Company, Pacific Gas and Electric Company, and Southern California Gas Company as of April 1, 1999. The bill would require the department, for the purpose of the California Alternative Rates for Energy Program, to contract with nonprofit and for-profit contractors, taking into account cost, experience, and other attributes of a contractor that the department determines will benefit local communities. The bill would require the Bureau of State Audits, on or before July 1, 2002,~~



~~and every 2 years thereafter, to conduct a performance and financial audit of the administration by the department of the low-income energy efficiency programs and the California Alternative Rates for Energy Program, as prescribed Bureau of State Audits to conduct a performance and financial audit of the administration by the Department of Community Services and Development of existing federal programs and assessing the operational and fiscal capacity of the Department of Community Services and Development to assume the administration of specified low-income energy efficiency programs. The bill would require the bureau, on or before July 1, 2000, to prepare and submit to the Governor and the Legislature a report of its audit findings. The bill would require the commission, if it requires low-income energy efficiency programs to be subject to competitive bidding, to consider as part of its bid evaluation criteria both cost-of-service and quality-of-service criteria. The bill would authorize the commission to modify its existing policies and procedures, and the entities with which it contracts, with regard to low-income energy efficiency programs, based on public input from a variety of sources, including, but not limited to, representatives from low-income communities. The bill would make related legislative findings and declarations and statements of Legislative legislative intent.~~

(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: yes. Fiscal committee: yes. State-mandated local program: yes.

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

- 1 SECTION 1. Chapter 1.5 (commencing with Section
- 2 270) is added to Part 1 of Division 1 of the Public Utilities
- 3 Code, to read:
- 4



CHAPTER 1.5. ADVISORY BOARDS

1
2
3 270. (a) The following funds are hereby created in
4 the State Treasury:
5 (1) The California High-Cost Fund-A Administrative
6 Committee Fund.
7 (2) The California High-Cost Fund-B Administrative
8 Committee Fund.
9 (3) The Universal Lifeline Telephone Service Trust
10 Administrative Committee Fund.
11 (4) The Deaf and Disabled Telecommunications
12 Program Administrative Committee Fund.
13 (5) The Payphone Service Providers Committee
14 Fund.
15 (6) The California Teleconnect Fund Administrative
16 Committee Fund.
17 (b) Moneys in the funds may only be expended
18 pursuant to this chapter.
19 (c) Moneys in each fund may not be appropriated, or
20 in any other manner transferred or otherwise diverted,
21 to any other fund or entity.
22 271. For each advisory board created pursuant to this
23 chapter all of the following are applicable:
24 (a) The commission shall establish the number of, and
25 qualifications for, persons to serve as members of each
26 board, and shall appoint the members of each board. In
27 determining the qualifications of persons who will serve
28 as members of each board, the commission shall consider
29 the purpose of the program, and shall attempt to achieve
30 balanced public participation, for each board. The
31 membership of each board shall reflect, to the extent
32 possible, and consistent with existing law, the ethnic and
33 gender diversity of the state.
34 (b) Each board shall determine, subject to approval by
35 the commission, the time, location, and number of
36 monthly meetings for each board.
37 (c) A majority of the number of members of each
38 board constitutes a quorum.
39 (d) A board cannot act at a meeting without the
40 presence of a quorum.



1 (e) The affirmative vote of a majority of those
2 members present at the meeting of a board is necessary
3 in order to pass any motion, resolution, or measure.

4 (f) The commission shall determine for each board
5 whether the board members shall receive expense
6 reimbursement pursuant to Section 19820 of the
7 Government Code and a per diem allowance, as specified
8 in Section 11564.5 of the Government Code, or as
9 established by the commission. Each member of a board
10 who is not a commission or public utility employee, or
11 who is not otherwise compensated by an employer for
12 service on the board, shall be entitled to make a claim for
13 and to receive a per diem allowance, if authorized by the
14 commission. Each member of a board who is not a public
15 utility employee, or who is not otherwise reimbursed by
16 an employer for expenses incurred when serving on the
17 board, shall be entitled to make a claim for and to receive
18 expense reimbursement, if authorized by the
19 commission. The commission shall allow all reasonable
20 expense and per diem claims. The payments in each
21 instance shall be made only from the fund that supports
22 the activities of the board and shall be subject to the
23 availability of money in that fund. The claims shall be filed
24 by the board with the commission.

25 273. Each advisory board created pursuant to this
26 chapter shall do both of the following:

27 (a) Submit an annual budget to the commission.
28 Within 90 calendar days after receiving a board's annual
29 budget, the commission shall either accept, accept with
30 conditions, or reject the submitted budget.

31 (b) Notwithstanding Section 7550.5 of the
32 Government Code, submit, in accordance with
33 procedures established by the commission, a report that
34 shall describe the activities of the board during the prior
35 reporting period. The report shall be submitted on an
36 annual or more frequent basis, as ordered by the
37 commission.

38 274. The commission may, whenever it determines it
39 to be necessary, conduct financial audits of the revenues
40 required to be collected and submitted to the commission



1 for each of the funds specified in Section 270. The
2 commission may, whenever it determines it to be
3 necessary, conduct compliance audits on the compliance
4 with commission orders with regard to each program
5 subject to this chapter. The commission shall conduct a
6 financial and compliance audit at least once every three
7 years. The first three-year period for a financial and
8 compliance audit commences on January 1, 2000. The
9 second and subsequent three-year periods for financial
10 audits commence three years after the completion of the
11 prior financial audit. The second and subsequent
12 three-year periods for compliance audits commence
13 three years after the completion of the prior compliance
14 audit. The commission may contract with the Bureau of
15 State Audits or the Department of Finance for all
16 necessary auditing services. All costs for audits shall be
17 paid from the fund that supports the activities of the
18 board audited and shall be subject to the availability of
19 money in that fund.

20 275. (a) There is hereby created the California
21 High-Cost Fund-A Administrative Committee, which is
22 an advisory board to advise the commission regarding the
23 development, implementation, and administration of a
24 program to provide for transfer payments to small
25 independent telephone corporations providing local
26 exchange services in high-cost rural and small
27 metropolitan areas in the state to create fair and equitable
28 local rate structures, as provided for in Section 739.3, and
29 to carry out the program pursuant to the commission's
30 direction, control, and approval.

31 (b) All revenues collected by telephone corporations
32 in rates authorized by the commission to fund the
33 program specified in subdivision (a) shall be submitted to
34 the commission pursuant to a schedule established by the
35 commission. The commission shall transfer the moneys
36 received to the Controller for deposit in the California
37 High-Cost Fund-A Administrative Committee Fund. All
38 interest earned by moneys in the fund shall be deposited
39 in the fund. Any unexpended revenues collected prior to
40 the operative date of this section shall be submitted to the



1 commission, and the commission shall transfer those
2 moneys to the Controller for deposit in the California
3 High-Cost Fund-A Administrative Committee Fund.

4 (c) Notwithstanding Section 13340 of the Government
5 Code, moneys in the California High-Cost Fund-A
6 Administrative Committee Fund are hereby
7 continuously appropriated to the commission, without
8 regard to fiscal years, to be utilized exclusively by the
9 commission for the program specified in subdivision (a),
10 including all costs of the board and the commission
11 associated with the administration and oversight of the
12 program and the fund.

13 276. (a) There is hereby created the California
14 High-Cost Fund-B Administrative Committee, which is
15 an advisory board to advise the commission regarding the
16 development, implementation, and administration of a
17 program to provide for transfer payments to telephone
18 corporations providing local exchange services in
19 high-cost areas in the state to create fair and equitable
20 local rate structures, as provided for in Section 739.3, and
21 to carry out the program pursuant to the commission's
22 direction, control, and approval.

23 (b) All revenues collected by telephone corporations
24 in rates authorized by the commission to fund the
25 program specified in subdivision (a) shall be submitted to
26 the commission pursuant to a schedule established by the
27 commission. The commission shall transfer the moneys
28 received to the Controller for deposit in the California
29 High-Cost Fund-B Administrative Committee Fund. All
30 interest earned by moneys in the fund shall be deposited
31 in the fund. Any unexpended revenues collected prior to
32 the operative date of this section shall be submitted to the
33 commission, and the commission shall transfer those
34 moneys to the Controller for deposit in the California
35 High-Cost Fund-B Administrative Committee Fund.

36 (c) Notwithstanding Section 13340 of the Government
37 Code, moneys in the California High-Cost Fund-B
38 Administrative Committee Fund are hereby
39 continuously appropriated to the commission, without
40 regard to fiscal years, to be utilized exclusively by the



1 commission for the program specified in subdivision (a),
2 including all costs of the board and the commission
3 associated with the administration and oversight of the
4 program and the fund.

5 277. (a) There is hereby created the Universal
6 Lifeline Telephone Service Trust Administrative
7 Committee, which is an advisory board to advise the
8 commission regarding the development,
9 implementation, and administration of a program to
10 ensure lifeline telephone service is available to the people
11 of the state, as provided for in Article 8 (commencing
12 with Section 871) of Chapter 4 of Part 1 of Division 1, and
13 to carry out the program pursuant to the commission's
14 direction, control, and approval.

15 (b) All revenues collected by telephone corporations
16 in rates authorized by the commission to fund the
17 program specified in subdivision (a) shall be submitted to
18 the commission pursuant to a schedule established by the
19 commission. The commission shall transfer the moneys
20 received to the Controller for deposit in the Universal
21 Lifeline Telephone Service Trust Administrative
22 Committee Fund. All interest earned by moneys in the
23 fund shall be deposited in the fund. Any unexpended
24 revenues collected prior to the operative date of this
25 section shall be submitted to the commission, and the
26 commission shall transfer those moneys to the Controller
27 for deposit in the Universal Lifeline Telephone Service
28 Trust Administrative Committee Fund.

29 (c) Notwithstanding Section 13340 of the Government
30 Code, moneys in the Universal Lifeline Telephone
31 Service Trust Administrative Committee Fund are
32 hereby continuously appropriated to the commission,
33 without regard to fiscal years, to be utilized exclusively by
34 the commission for the program specified in subdivision
35 (a), including all costs of the board and the commission
36 associated with the administration and oversight of the
37 program and the fund.

38 278. (a) There is hereby created the Deaf and
39 Disabled Telecommunications Program Administrative
40 Committee, which is an advisory board to advise the



1 commission regarding the development,
2 implementation, and administration of programs to
3 provide specified telecommunications services and
4 equipment to persons in this state who are deaf or
5 disabled, as provided for in Sections 2881, 2881.1, and
6 2881.2, and to carry out the programs pursuant to the
7 commission's direction, control, and approval.

8 (b) All revenues collected by telephone corporations
9 in rates authorized by the commission to fund the
10 programs specified in subdivision (a) shall be submitted
11 to the commission pursuant to a schedule established by
12 the commission. The commission shall transfer the
13 moneys received to the Controller for deposit in the Deaf
14 and Disabled Telecommunications Program
15 Administrative Committee Fund. All interest earned by
16 moneys in the fund shall be deposited in the fund. Any
17 unexpended revenues collected prior to the operative
18 date of this section shall be submitted to the commission,
19 and the commission shall transfer those moneys to the
20 Controller for deposit in the Deaf and Disabled
21 Telecommunications Program Administrative
22 Committee Fund. In addition, those revenues that are
23 collected pursuant to subdivision (d) of Section 2881 shall
24 be accounted for separately, as required by subdivision
25 (b) of Section 2881.2, and deposited in the fund created
26 by the commission pursuant to subdivision (b) of Section
27 2881.2.

28 (c) Notwithstanding Section 13340 of the Government
29 Code, moneys in the Deaf and Disabled
30 Telecommunications Program Administrative
31 Committee Fund are hereby continuously appropriated
32 to the commission, without regard to fiscal years, to be
33 utilized exclusively by the commission for the program
34 specified in subdivision (a), including all costs of the
35 board and the commission associated with the
36 administration and oversight of the program and the
37 fund.

38 279. (a) There is hereby created the Payphone
39 Service Providers Committee, which is an advisory board
40 to advise the commission regarding the development,



1 implementation, and administration of programs to
2 educate payphone service providers, ensure compliance
3 with the commission's requirements for payphone
4 operations, and educate consumers on matters related to
5 payphones, as provided for in commission Decision
6 90-06-018, and to provide for the placement of
7 telecommunications devices capable of servicing the
8 needs of the deaf or the hearing-impaired in existing
9 buildings and public accommodations, as specified in
10 subdivision (a) of Section 2881.2.

11 (b) All revenues collected by telephone corporations
12 in rates authorized by the commission to fund the
13 programs specified in subdivision (a) shall be submitted
14 to the commission pursuant to a schedule established by
15 the commission. The commission shall transfer the
16 moneys received to the Controller for deposit in the
17 Payphone Service Providers Committee Fund. All
18 interest earned by moneys in the fund shall be deposited
19 in the fund. Any unexpended revenues collected prior to
20 the operative date of this section shall be submitted to the
21 commission, and the commission shall transfer those
22 moneys to the Controller for deposit in the Payphone
23 Service Providers Committee Fund.

24 (c) Notwithstanding Section 13340 of the Government
25 Code, moneys in the Payphone Service Providers
26 Committee Fund are hereby continuously appropriated
27 to the commission, without regard to fiscal years, to be
28 utilized exclusively by the commission for the program
29 specified in subdivision (a), including all costs of the
30 board and the commission associated with the
31 administration and oversight of the program and the
32 fund.

33 280. (a) There is hereby created the California
34 Teleconnect Fund Administrative Committee, which is
35 an advisory board to advise the commission regarding the
36 development, implementation, and administration of a
37 program to advance universal service by providing
38 discounted rates to qualifying schools, libraries, hospitals,
39 health clinics, and community organizations, consistent
40 with Chapter 278 of the Statutes of 1994, and to carry out



1 the program pursuant to the commission's direction,
2 control, and approval.

3 (b) All revenues collected by telephone corporations
4 in rates authorized by the commission to fund the
5 program specified in subdivision (a) shall be submitted to
6 the commission pursuant to a schedule established by the
7 commission. The commission shall transfer the moneys
8 received to the Controller for deposit in the California
9 Teleconnect Fund Administrative Committee Fund. All
10 interest earned by moneys in the fund shall be deposited
11 in the fund. Any unexpended revenues collected prior to
12 the operative date of this section shall be submitted to the
13 commission, and the commission shall transfer those
14 moneys to the Controller for deposit in the California
15 Teleconnect Fund Administrative Committee Fund.

16 (c) Notwithstanding Section 13340 of the Government
17 Code, moneys in the California Teleconnect Fund
18 Administrative Committee Fund are hereby
19 continuously appropriated to the commission, without
20 regard to fiscal years, to be utilized exclusively by the
21 commission for the program specified in subdivision (a),
22 including all costs of the board and the commission
23 associated with the administration and oversight of the
24 program and the fund.

25 281. Any revenues that are deposited in funds created
26 pursuant to this chapter shall not be used by the state for
27 any purpose other than as specified in this chapter.

28 SEC. 2. Section 381.5 is added to the Public Utilities
29 Code, to read:

30 ~~381.5. (a) The Legislature finds and declares all of~~
31 ~~the following:~~

32 ~~(1) A low-income energy efficiency program,~~
33 ~~designed to assist low-income households, should serve as~~
34 ~~one of the many existing programs operated within the~~
35 ~~Department of Community Services and Development,~~
36 ~~including, but not limited to, food and nutrition, job~~
37 ~~training, employment, education, housing, and~~
38 ~~emergency assistance programs.~~

39 ~~(2) The Department of Community Services and~~
40 ~~Development, for many years, has administered~~



1 ~~low-income energy assistance and weatherization~~
2 ~~programs funded by the federal Department of Health~~
3 ~~and Human Services and the federal Department of~~
4 ~~Energy.~~

5 ~~(3) The stated mission of the Department of~~
6 ~~Community Services and Development is to develop~~
7 ~~resources that California's low-income communities need~~
8 ~~to move from poverty to self-sufficiency by collaboration~~
9 ~~with its network of community service providers and~~
10 ~~other public and private organizations. Those community~~
11 ~~service organizations and agencies have demonstrated~~
12 ~~their capacity to offer a variety of services to assist the~~
13 ~~Department of Community Services and Development~~
14 ~~in achieving its mission objectives.~~

15 ~~(b) It is the intent of the Legislature to do both of the~~
16 ~~following:~~

17 ~~(1) To protect and strengthen the current network of~~
18 ~~community service providers by transferring low-income~~
19 ~~energy efficiency programs and the California~~
20 ~~Alternative Rates for Energy Program to the~~
21 ~~Department of Community Services and Development;~~
22 ~~thereby integrating low income energy efficiency~~
23 ~~programs with the range of services presently~~
24 ~~administered by the Department of Community Services~~
25 ~~and Development.~~

26 ~~(2) To ensure that the administration of low-income~~
27 ~~energy efficiency programs is not accomplished through~~
28 ~~creation of an additional administrative entity, which~~
29 ~~would contribute to the needless growth of government.~~

30 ~~(e) It is the further intent of the Legislature that any~~
31 ~~evaluation of the effectiveness of low-income energy~~
32 ~~efficiency programs shall be based not solely on cost~~
33 ~~criteria, but also on the degree to which the provision of~~
34 ~~services allows maximum program accessibility to quality~~
35 ~~programs to low-income communities by agencies that~~
36 ~~have demonstrated performance in effectively~~
37 ~~delivering services to those communities.~~

38 ~~(d) (1) Commencing June 1, 2000, the Department of~~
39 ~~Community Services and Development shall administer~~
40 ~~the energy efficiency programs provided to low income~~



1 ~~gas and electricity customers, including, but not limited~~
2 ~~to, weatherization, appliance repair and replacement,~~
3 ~~energy education, and the California Alternative Rates~~
4 ~~for Energy Program.~~

5 ~~(2) The Department of Community Services and~~
6 ~~Development, for the purposes of administrating the~~
7 ~~programs described in paragraph (1), shall contract with~~
8 ~~the nonprofit and for-profit contractors under contract~~
9 ~~with the San Diego Gas and Electric Company, Southern~~
10 ~~California Edison Company, Pacific Gas and Electric~~
11 ~~Company, and Southern California Gas Company as of~~
12 ~~April 1, 1999. To ensure direct ratepayer benefit within~~
13 ~~each utility service area, the Department of Community~~
14 ~~Services and Development shall ensure that any funds~~
15 ~~collected by each utility in support of low-income energy~~
16 ~~efficiency programs are expended within the service~~
17 ~~territory of that utility.~~

18 ~~(3) Except as specified in paragraph (4), the policies~~
19 ~~and procedures, and program eligibility, for the~~
20 ~~low-income energy efficiency programs shall be those in~~
21 ~~effect on April 1, 1999.~~

22 ~~(4) The Department of Community Services and~~
23 ~~Development may modify the policies and procedures~~
24 ~~and program eligibility described in paragraph (3), and~~
25 ~~may select additional contractors to deliver program~~
26 ~~services, or discontinue contractors, after considering~~
27 ~~public input from a variety of sources, including, but not~~
28 ~~limited to, representatives of low-income populations and~~
29 ~~communities. The Department of Community Services~~
30 ~~and Development, with respect to the selection of new~~
31 ~~service providers, shall give special consideration to local~~
32 ~~public and private nonprofit organizations that receive~~
33 ~~federal Low Income Home Energy Assistance program~~
34 ~~funds or federal Department of Energy Low-Income~~
35 ~~Weatherization Assistance program funds, or that are~~
36 ~~currently providing service under the low-income~~
37 ~~energy efficiency programs described in paragraph (1).~~

38 ~~SEC. 3. Section 382.5 is added to the Public Utilities~~
39 ~~Code, to read:~~



1 ~~382.5. For the purposes of implementing the outreach~~
2 ~~portions of the California Alternative Rates for Energy~~
3 ~~Program, as required by the commission, the~~
4 ~~Department of Community Services and Development~~
5 ~~shall contract with nonprofit and for-profit contractors,~~
6 ~~taking into account cost, experience, and other attributes~~
7 ~~of a contractor that the Department of Community~~
8 ~~Services and Development determines will benefit local~~
9 ~~communities.~~

10 SEC. 4. ~~Section 382.7 is added to the Public Utilities~~
11 ~~Code, to read:~~

12 ~~382.7. On or before July 1, 2002, and every two years~~
13 ~~thereafter, the Bureau of State Audits shall conduct a~~
14 ~~performance and financial audit of the administration by~~
15 ~~the Department of Community Services and~~
16 ~~Development of the low-income energy efficiency~~
17 ~~programs and the California Alternative Rates for Energy~~
18 ~~Program pursuant to Sections 381.5 and 382.5. The audit~~
19 ~~shall consider all of the following:~~

20 ~~(a) The efficiency of program expenditures,~~
21 ~~including, but not limited to, an assessment of~~
22 ~~administrative costs.~~

23 ~~(b) An evaluation of the quality and efficiency of~~
24 ~~service delivered to low-income households.~~

25 ~~(c) Procedures for handling complaints, including, but~~
26 ~~not limited to, an inventory of inspection failures.~~

27 ~~(d) An assessment of the ratio of services delivered to~~
28 ~~the population of those persons eligible to receive~~
29 ~~services, including, but not limited to, an assessment of~~
30 ~~barriers to the receipt of service under the low-income~~
31 ~~energy efficiency programs.~~

32 ~~381.5. It is the intent of the Legislature to do all of the~~
33 ~~following:~~

34 ~~(a) To protect and strengthen the current network of~~
35 ~~community service providers by doing both of the~~
36 ~~following:~~

37 ~~(1) Establishing criteria for the selection of service~~
38 ~~delivery providers that recognizes the value of local~~
39 ~~public and private nonprofit organizations that have~~



1 *established relationships with low-income communities*
2 *across the state.*

3 (2) *Directing any evaluation of the effectiveness of*
4 *low-income energy efficiency programs shall be based*
5 *not solely on cost criteria, but also on the degree to which*
6 *the provision of services allows maximum program*
7 *accessibility to quality programs to low-income*
8 *communities by agencies that have demonstrated*
9 *performance in effectively delivering services to those*
10 *communities.*

11 (b) *To determine the feasibility of transferring the*
12 *administration of low-income energy efficiency*
13 *programs to the Department of Community Services and*
14 *Development, thereby preventing the creation of an*
15 *additional administrative entity, which would contribute*
16 *to the needless growth of government.*

17 (c) *To ensure that high quality low-income energy*
18 *efficiency programs are delivered to the maximum*
19 *number of eligible participants at the minimum cost.*

20 SEC. 3. *Section 382.5 is added to the Public Utilities*
21 *Code, to read:*

22 382.5. (a) *The Bureau of State Audits shall conduct a*
23 *performance and financial audit of the Department of*
24 *Community Services and Development, including both*
25 *of the following:*

26 (1) *Evaluating the quality and efficiency of the*
27 *administration by the Department of Community*
28 *Services and Development of services presently*
29 *delivered to low-income households using federal*
30 *Low-Income Home Energy Assistance program funds or*
31 *federal Department of Energy Low-Income*
32 *Weatherization Assistance program funds. The*
33 *evaluation shall include, but not be limited to, all of the*
34 *following:*

35 (A) *The efficiency of program expenditures,*
36 *including, but not limited to, an assessment of*
37 *administrative costs.*

38 (B) *Procedures for handling complaints, including,*
39 *but not limited to, an inventory of inspection failures.*



1 (C) An assessment of the ratio of services delivered to
2 the population of those persons eligible to receive
3 services, including, but not limited to, an assessment of
4 barriers to the receipt of service under the federal
5 Low-Income Home Energy Assistance program or
6 federal Department of Energy Low-Income
7 Weatherization Assistance program.

8 (2) Assessing the operational and fiscal capacity of the
9 Department of Community Services and Development
10 to assume the administration of the low-income energy
11 efficiency programs, including, but not limited to,
12 weatherization, appliance repair and replacement,
13 energy education, and the California Alternative Rates
14 for Energy Program.

15 (b) Notwithstanding Section 7550.5 of the
16 Government Code, on or before July 1, 2000, the Bureau
17 of State Audits shall prepare and submit to the Governor
18 and the Legislature, a report of its audit findings,
19 including, but not limited to, recommendations on the
20 feasibility of transferring the low-income energy
21 efficiency programs to the Department of Community
22 Services and Development.

23 SEC. 4. Section 382.7 is added to the Public Utilities
24 Code, to read:

25 382.7. (a) If the commission requires low-income
26 energy efficiency programs to be subject to competitive
27 bidding, the commission as part of its bid evaluation
28 criteria, shall consider both cost-of-service and
29 quality-of-service criteria. The quality-of-service criteria
30 shall include a recognition of an entity's experience and
31 effectiveness in doing similar work, its knowledge of the
32 targeted communities, and its ability to reach the
33 targeted communities.

34 (b) The commission may modify its existing policies
35 and procedures, and the entities with which it contracts,
36 with regard to low-income energy efficiency programs,
37 based on public input from a variety of sources, including,
38 but not limited to, representatives from low-income
39 communities.



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

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