

AMENDED IN SENATE MAY 15, 2000

AMENDED IN SENATE MAY 3, 2000

AMENDED IN SENATE APRIL 13, 2000

AMENDED IN SENATE APRIL 5, 2000

AMENDED IN SENATE MARCH 28, 2000

SENATE BILL**No. 1939**

Introduced by Senators Alarcon, Hughes, *Polanco*, and Solis

February 24, 2000

An act to amend Section 385 of, ~~and to add Section 9607 to,~~ the Public Utilities Code, and to amend ~~Sections 21100 and 22120~~ *Section 21100* of the Water Code, relating to public utilities.

LEGISLATIVE COUNSEL'S DIGEST

SB 1939, as amended, Alarcon. Public utilities: electric power: irrigation districts.

(1) Existing law requires each local publicly owned utility to establish a nonbypassable usage based charge to fund investments in specified public purpose programs, including providing services for low-income electricity customers. The charge is required to be not less than the lowest expenditure of the 3 largest electrical corporations in California based on a percentage of revenue.

This bill would require a specified percentage of charge revenues to be invested in programs servicing low-income electricity customers. Because a violation of this provision

would be a crime, this bill would impose a state-mandated local program by creating a new crime.

(2) The Irrigation District Law generally requires a member of the board of directors of an irrigation district to be a voter and a freeholder of the district and a resident of the division that the director represents at the time of nomination or appointment and during the director's entire term. ~~That law authorizes an irrigation district that is governed under that law to sell, dispose of, and distribute electric power for use outside its boundaries.~~

This bill would remove that requirement that a director be a freeholder of the district, and would make a related change. ~~The bill would require the Public Utilities Commission to certify a district to sell electricity in the service territory of specified entities, as prescribed. Because this bill would increase the duties of local entities by requiring them to obtain commission certification in order to sell electricity, it would impose a state-mandated local program.~~

(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, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.~~

~~This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.~~

~~With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.~~

(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 385 of the Public Utilities Code
2 is amended to read:
3 385. (a) Each local publicly owned electric utility
4 shall establish a nonbypassable, usage based charge on
5 local distribution service of not less than the lowest
6 expenditure level of the three largest electrical
7 corporations in California on a percent of revenue basis,
8 calculated from each utility's total revenue requirement
9 for the year ended December 31, 1994, and each utility's
10 total annual expenditure under paragraphs (1), (2), and
11 (3) of subdivision (c) of Section 381 and Section 382, to
12 fund investments by the utility and other parties in the
13 low-income programs described in subdivision (b), and
14 in any or all of the following:
15 (1) Cost-effective demand-side management services
16 to promote energy efficiency and energy conservation.
17 (2) New investment in renewable energy resources
18 and technologies consistent with existing statutes and
19 regulations which promote those resources and
20 technologies.
21 (3) Research, development and demonstration
22 programs for the public interest to advance science or
23 technology which is not adequately provided by
24 competitive and regulated markets.
25 (b) Each local publicly owned electric utility shall
26 establish and fund programs servicing low-income
27 electricity customers comparable to those established
28 under Section 382. Those programs shall include, but are
29 not limited to, targeted energy efficiency services,
30 outreach and education, and rate discounts. The
31 percentage of the charge established under subdivision
32 (a) allocated to low-income programs shall be based on
33 an assessment of customer need, with a rate discount of
34 no less than 15 percent offered to those who qualify.
35 Unless a local publicly owned electric utility is providing

1 a rate discount of 15 percent or more for low-income
2 customers on or before January 1, 2001, that local publicly
3 owned electric utility shall conduct a needs assessment on
4 or before December 31, 2001.

5 ~~SEC. 2. Section 9607 is added to the Public Utilities~~
6 ~~Code, to read:~~

7 ~~9607. (a) Notwithstanding Section 9604, for purposes~~
8 ~~of this section, “district” means an irrigation district~~
9 ~~furnishing electric services formed pursuant to the~~
10 ~~Irrigation District Law as set forth in Division 11~~
11 ~~(commencing with Section 20500) of the Water Code.~~

12 ~~(b) Notwithstanding any other provision of law, a~~
13 ~~district may, to the extent consistent with subdivision (b)~~
14 ~~of Section 9605, construct, lease, acquire, or operate~~
15 ~~facilities for the purpose of serving retail electric~~
16 ~~customers located in the service territory of an electrical~~
17 ~~corporation providing electric distribution services as~~
18 ~~that territory existed on January 1, 2000, or in the service~~
19 ~~territory of a local publicly owned electric utility~~
20 ~~providing electric distribution services as of January 1,~~
21 ~~2000, if the district has obtained certification, as described~~
22 ~~in subdivision (c), that its public purpose, universal~~
23 ~~service, and consumer protections programs are~~
24 ~~comparable to those of the current distribution service~~
25 ~~provider.~~

26 ~~(c) The district shall request certification from the~~
27 ~~commission to serve retail customers located in the~~
28 ~~service territory of an electrical corporation and from the~~
29 ~~local regulatory body of the local publicly owned electric~~
30 ~~utility’s service territory. The commission, upon notice~~
31 ~~and with opportunity to be heard as provided in Article~~
32 ~~1 (commencing with Section 1701) of Chapter 9 of Part~~
33 ~~1, shall issue a decision or resolution certifying the~~
34 ~~district’s programs, if it determines all of the following:~~

35 ~~(1) The district has established and funded public~~
36 ~~purpose and low-income programs in accordance with~~
37 ~~Section 385.~~

38 ~~(2) The district will provide universal service to all~~
39 ~~retail customers who request service within the territory~~
40 ~~to be served, at published tariff rates and on a just,~~

1 ~~reasonable, and nondiscriminatory basis, comparable to~~
2 ~~that provided by the current distribution service~~
3 ~~provider.~~

4 ~~(3) The district will provide consumer protection and~~
5 ~~direct transaction provisions comparable to those~~
6 ~~established for the current distribution service provider~~
7 ~~and service by the district within the service territory will~~
8 ~~be consistent with the policies of this state to prevent or~~
9 ~~eliminate economic waste as set forth in Section 8101.~~

10 ~~SEC. 3.—~~

11 ~~SEC. 2.~~ Section 21100 of the Water Code is amended
12 to read:

13 21100. Each director , except as otherwise provided in
14 this division, shall be a voter of the district and a resident
15 of the division that he or she represents at the time of his
16 or her nomination or appointment and during his or her
17 entire term, except in the case of a director elected at a
18 formation election, he or she shall be a resident in the
19 proposed district at the time of his or her nomination and
20 a resident of the division that he or she represents during
21 his or her entire term.

22 ~~SEC. 4.~~ Section 22120 of the Water Code is amended
23 to read:

24 ~~22120. Except as provided in Section 9607 of the~~
25 ~~Public Utilities Code, a district may sell, dispose of, and~~
26 ~~distribute electric power for use outside of its boundaries.~~

27 ~~SEC. 5.~~ No reimbursement is required by this act
28 pursuant to Section 6 of Article XIII B of the California
29 Constitution for certain costs that may be incurred by a
30 local agency or school district because in that regard this
31 act creates a new crime or infraction, eliminates a crime
32 or infraction, or changes the penalty for a crime or
33 infraction, within the meaning of Section 17556 of the
34 Government Code, or changes the definition of a crime
35 within the meaning of Section 6 of Article XIII B of the
36 California Constitution.

37 ~~However, notwithstanding Section 17610 of the~~
38 ~~Government Code, if the Commission on State Mandates~~
39 ~~determines that this act contains other costs mandated by~~
40 ~~the state, reimbursement to local agencies and school~~

1 ~~districts for those costs shall be made pursuant to Part 7~~
2 ~~(commencing with Section 17500) of Division 4 of Title~~
3 ~~2 of the Government Code. If the statewide cost of the~~
4 ~~claim for reimbursement does not exceed one million~~
5 ~~dollars (\$1,000,000), reimbursement shall be made from~~
6 ~~the State Mandates Claims Fund.~~

7 *SEC. 3. No reimbursement is required by this act*
8 *pursuant to Section 6 of Article XIII B of the California*
9 *Constitution because the only costs that may be incurred*
10 *by a local agency or school district will be incurred*
11 *because this act creates a new crime or infraction,*
12 *eliminates a crime or infraction, or changes the penalty*
13 *for a crime or infraction, within the meaning of Section*
14 *17556 of the Government Code, or changes the definition*
15 *of a crime within the meaning of Section 6 of Article*
16 *XIII B of the California Constitution.*

