

# CALIFORNIA PUBLIC UTILITIES COMMISSION

---

*Acting Executive Director: Rachel Peterson ♦ (415) 703-2782 ♦ Internet: <http://www.cpuc.ca.gov>*

The California Public Utilities Commission (CPUC) was created in 1911 to regulate privately-owned utilities and ensure reasonable rates and service for the public. Today, under the Public Utilities Act of 1951, Public Utilities Code section 201 et seq., the CPUC regulates energy, some aspects of transportation (rail, moving companies, limos, and shared-ride carriers), water/sewage, and limited aspects of communications. The CPUC licenses more than 1,200 privately-owned and operated gas, electric, telephone, water, sewer, steam, and pipeline utilities, in addition to 3,300 truck, bus, “shared ride,” railroad, light rail, ferry, and other transportation companies in California. The CPUC grants operating authority, regulates service standards, and monitors utility operations for safety.

A Commission consisting of five full-time members appointed by the Governor and subject to Senate confirmation directs the agency. The California Constitution directly authorizes the Commission and provides it with a mandate to balance the public interest—the need for reliable, safe utility services at reasonable rates—with the constitutional right of a utility to compensation for its “prudent costs” and a fair rate of return on “used and useful” investments.

The Commission has quasi-legislative authority to adopt regulations, some of which are codified in Chapter 1, Title 20 of the California Code of Regulations (CCR). The Commission also has quasi-judicial authority to take testimony, subpoena witnesses and records, and issue decisions and orders. The CPUC’s Administrative Law Judge (ALJ) Division supports the Commission’s

decision-making process and holds both quasi-legislative and quasi-judicial hearings when evidence-taking and findings of fact are needed. In general, the CPUC's ALJs preside over hearings and forward "proposed decisions" to the Commission for all final decisions. At one time, the CPUC decisions were solely reviewable by the California Supreme Court on a discretionary basis, but Public Utilities Code section 1756 permits courts of appeal to entertain challenges to most CPUC decisions. Still, judicial review remains discretionary, and most petitions for review are not entertained. The CPUC's decisions are effectively final in most cases.

The CPUC allows ratepayers, utilities, and consumer and industry organizations to participate in its proceedings. Non-utility entities may be given "party" status and, where they contribute to a beneficial outcome for the general public beyond their economic stake, may receive "intervener compensation." Such compensation facilitated participation in many Commission proceedings over the past twenty years by numerous consumer and minority-representation groups, including San Francisco-based TURN (The Utility Reform Network), San Diego-based UCAN (Utility Consumers' Action Network), and the Greenlining Institute, an amalgam of civil rights and community organizations in San Francisco.

The CPUC staff—which includes economists, engineers, ALJs, accountants, attorneys, administrative and clerical support staff, and safety and transportation specialists—is divided into 16 divisions.

In addition, the CPUC maintains services important to public access and representation. The San Francisco-based Public Advisor's Office and the Commission's outreach offices in Los Angeles and San Diego provide procedural information and advice to individuals and groups who want to participate in formal CPUC proceedings. Most importantly, under Public Utilities Code

section 309.5, a Public Advocate’s Office of the CPUC independently represents the interests of all public utility customers and subscribers in Commission proceedings in order to obtain “the lowest possible rate for service consistent with reliable and safe service levels.”

On November 22, 2021, Governor Gavin Newsom [announced](#) that CPUC President Marybel Batjer would retire effective December 31, 2021, and that he appointed Senior Advisor to the Governor for Energy, Alice Reynolds, as the new President of the Commission. On December 23, 2021, Governor Newsom [appointed](#) John Reynolds as a new CPUC Commissioner, after Commissioner Martha Guzman-Aceves’s term ended.

Per Public Utilities Code section 308(a), the five-member Commission appoints the Executive Director, who holds office during the Commissioners’ pleasure. Commissioners are appointed to the CPUC for six-year terms that require Senate confirmation.

During the entirety of the reporting period covered by this edition, the CPUC required remote participation by the public due to the ongoing COVID-19 pandemic.

## HIGHLIGHTS

### **Governor Newsom Appoints New President and New Commissioner of CPUC**

On November 22, 2021, Governor Gavin Newsom [announced](#) that the President of the CPUC, Marybel Batjer, would retire effective December 31, 2021, and that he appointed Senior Advisor to the Governor for Energy, Alice Reynolds, as the new President of the Commission. Batjer [announced](#) her resignation on September 28, 2021, even though her term as President was not set to expire until the end of 2026. Her resignation came only two years after Governor Newsom appointed her to the position on July 12, 2019. Governor Newsom explained his decision

to appoint Alice Reynolds as the new President, stating that as his lead energy policy expert, Reynolds was indispensable in work to move California toward a better energy future and to navigate the bankruptcy of the state's largest investor-owned utility (IOU), Pacific Gas and Electric (PG&E). He also stated that she helped accelerate the state's progress toward meeting its clean energy goals. Prior to serving as the Governor's Senior Advisor on Energy, she worked as General Counsel at the California Environmental Protection Agency from 2011 to 2017. She served as the Deputy Attorney General at the California Department of Justice from 2002–2011.

On December 23, 2021, Governor Newsom [appointed](#) John Reynolds as a new CPUC Commissioner after Commissioner Martha Guzman-Aceves's term ended. The five CPUC Commissioners each hold office for staggered six-year terms. [[26:1 CRLR 173](#)] Commissioner John Reynolds will now serve as Commissioner until 2028.

Commissioner Reynolds has [worked](#) as Managing Counsel at Cruise LLC since 2019 and held multiple positions in the CPUC before his appointment. Most notably, he was Interim Chief of Staff to Commissioner Genevieve Shiroma in 2018, Advisor to Commissioner Carla Peterman from 2015 to 2018, and CPUC Counsel from 2013 to 2015.

President Alice Reynolds and Commissioner John Reynolds will need to be confirmed by the California State Senate, which is set to occur at an unknown later date.

## **The CPUC Initiates Rulemaking Proceeding to Review the Tribal Land Transfer Policy Guidelines**

On February 10, 2022, the CPUC issued an Order Instituting Rulemaking (OIR) ([R.22-02-002](#)) to consider revisions to the Commission's Tribal Land Transfer Policy (TLTP) Implementation Guidelines. According to the OIR, the TLTP was developed to provide an

opportunity for Native American Tribes to regain lands within their ancestral territory that are currently owned by Commission jurisdictional utilities. The Commission initially adopted the guidelines on January 14, 2021, along with [Resolution E-5076](#), which ordered that, within two years of approval, the commission would initiate a rulemaking proceeding to consider revisions to the TLTP guidelines.

The guidelines recognize that Resolution E-5076, when Investor-Owned Utilities (IOUs), which the Commission regulates, own land located within Tribal ancestral territories, and encourages consultation and cooperation with Tribal governments to protect Tribal sacred places and cultural resources of historical, spiritual, and ceremonial importance to Tribes. The guidelines also set forth a series of policies that apply when IOUs seek to dispose of real property involving Tribal ancestral territories, including promoting Tribal ownership and access, returning the land to the Tribes for conservation, economic, and social purposes. Specifically, pursuant to section 851 of the Public Utilities Code, the TLTP Guidelines provide that IOUs should take affirmative steps to determine whether any California Native American Tribes are interested in purchasing the property and give California Native American Tribes a right of first offer on the property before placing the on the open market.

R.22-02-002 considers revisions to the TLTP Guidelines, such as: reviewing and updating requirements set out in the TLTP Implementation Guidelines; assessing data laid out in the TLTP Guidelines; identifying capacity building needs; and reviewing and updating the Tribal Consultation Policy. At this time, the CPUC is still in the process of taking public comment and initiating tribal consultation meetings. Many more steps need to be taken before a proposed decision will be placed on the CPUC's agenda for a vote. For example, the CPUC must hold a

prehearing conference, issue a scoping memo, and hold a workshop and tribal consultation on commission programs and proceedings, among other events. The Commission must also work through tribal participation in Commission proceedings and processes, the Tribal Consultation Policy, and the TLTP Implementation Guidelines before they issue a final proposed decision.

The TLTP was developed from June 2019 through October 2019 and was formally [adopted](#) by the Commission on December 5, 2019. The TLTP provides an opportunity for Native American Tribes to regain lands within their ancestral territory that are currently owned by CPUC jurisdictional utilities. On September 19, 2011, Governor Brown issued [Executive Order B-10-11](#), which committed California to strengthening and sustaining effective relationships between the State and the Tribes by identifying areas of mutual concern and developing partnerships and consensus. On June 18, 2019, Governor Newsom reaffirmed Governor Brown's Order with [Executive Order N-15-19](#).

According to the OIR, this rulemaking proceeding is intended to further recognize and respect Tribal sovereignty and prioritize the return of aboriginal lands to their rightful Tribal ownership. The OIR incorporates specific plans to consider the CPUC's Tribal Consultation Policy and mechanisms to enhance participation by Tribes in the CPUC's proceedings. Because of this goal, in the later stages of the rulemaking, the CPUC plans to conduct outreach and consult with California Tribes to seek input on the appropriate scope of the proceeding. The CPUC is currently accepting public comments on the proceeding.

## **Commission Issues Proposed Decision Revising Net Energy Metering Tariffs and Subtariffs – Net Energy Metering (NEM) 3.0**

On December 13, 2021, Administrative Law Judge Kelley Hymes issued a [proposed decision](#) “Revising Net Energy Metering Tariff and Subtariffs” in the CPUC’s ongoing rulemaking proceeding to revisit net energy metering tariffs ([R.20-08-020](#)). This proposed decision revisits the tariffs for customers who generate their own energy, which was previously adopted by the Commission in [D.16-01-044](#) (NEM 2.0).

“The NEM program is an electricity tariff-based billing mechanism designed to support the installation of customer-sited renewable generation.” (R.20-08-020 at 2) Currently, under NEM 2.0, customers receive full retail rate credit for energy exported to the grid up until the point they start receiving Net Surplus Compensation. *Id.* In support of its proposed decision, the Commission relies on a “[Lookback Study](#)” to evaluate NEM 2.0. The Commission finds that under NEM 2.0, “the tariff negatively impacts non-participating customers; is not cost-effective; and disproportionately harms low-income ratepayers.” (Proposed Decision at 2) The Commission further determines that the successor tariff (NEM 3.0) “should promote equity, inclusion, electrification, and paired storage and provide a glide path so that the industry can sustainably transition from the current tariff to the successor.” *Id.* According to the Commission, this successor tariff “ensures that all customers pay for their usage of the grid.” *Id.*

Nonetheless, multiple stakeholders find some fault with the Lookback Study. The Solar Energy Industries Association notes that the “Lookback Study [is] not useful in determining the scope and degree of the needed changes and the speed at which changes are implemented because

the study only looks at cost-effectiveness from a historical perspective (i.e., backwards looking) and does not look at the ‘many successes of the net energy metering program.’” (Proposed Decision at 35). The California Solar and Storage Association contends “that a number of the study’s assumptions are or appear flawed, and the source code necessary to investigate or replicate the study’s main conclusions is not provided.” *Id.* Contrary to the solar industry positions, the Public Advocates Office states that “the Lookback Study shows the NEM 2.0 tariff unreasonably burdens non-participants of net energy metering” (*id.* at 38) and notes that the “annual cost burden generated by the NEM 1.0 and 2.0 tariffs will be approximately \$3.37 billion in 2021.” *Id.* at 39.

As part of its new tariff structure the Commission has proposed a “Grid Participation Charge” of \$8.00 per kW for NEM customers. The Commission suggests this “will lead to just and reasonable rates for all customers.” *Id.* at 100. Supporting this charge, the Commission believes that NEM “customers cause costs even when not directly importing energy from the grid.” *Id.* The Commission is also proposing “highly differentiated” time-of-use-rates to incentivize NEM customers to divert energy use to lower-priced hours. *Id.* at 96. The successor tariff (as proposed) would be available to all customers and have a high time-of-use priced differential between summer weekday peak and summer weekday off-peak periods. *Id.* With regard to export rates, the Commission has determined that “export compensation should be based on values derived from the Avoided Cost Calculator.” *Id.* at 110. The Commission “recognize[s] adoption of the revised export compensation rates will lead to less export compensation for successor tariff customers as compared to NEM 1.0 and NEM 2.0 customers.” *Id.* at 116.

As this is only a proposed decision, it has no legal effect unless and until it is heard by the Commission and approved by a majority of the Commissioners. At this writing, this proposed



decision has not been placed on the agenda for an upcoming Commission meeting. As such, the contents of this proposed decision are subject to change and revision.

## **The CPUC Votes to Approve Decision Revising General Order 156, Supplier Diversity Program, Adopting a Voluntary Procurement Goal for Lesbian, Gay, Bisexual, and Transgender Business Enterprises**

On April 7, 2022, the CPUC [voted](#) 5–0 to approve [D.22-04-035](#). This decision, proposed by Commissioner Rechtschaffen, revised the Commission’s Supplier Diversity Program, set forth in General Order (GO) 156, to incorporate a voluntary procurement goal for Lesbian, Gay, Bisexual, and Transgender (LGBT) business enterprises. The decision also expands the Supplier Diversity Program to include a “Persons with Disabilities Business Enterprise.”

This decision was issued pursuant to an Order Instituting Rulemaking [R.21-03-010](#), opened in March 2021, for the purpose of considering revisions to the Commission’s Supplier Diversity Program—the Commission’s mechanism for implementing state policy encouraging award of utility procurement contracts to women and minority-owned business. In June 2015, the Commission approved [D.15-06-007](#), in response to [AB 1678 \(Gordon\) \(Chapter 633, Statutes of 2014\)](#), which extended the provisions of the utilities’ Supplier Diversity Program to LGBT business enterprises. That decision modified GO 156 to include LGBT business enterprises in the Supplier Diversity Program but did not include a voluntary procurement goal. Instead, the commission adopted a five-year framework, during which time the Commission was to gather data to support the eventual establishment of a meaningful target goal for LGBT business enterprise. This decision now adopts such a goal.

For 2022, the Commission adopted a 0.5% voluntary procurement goal for LGBT business enterprises. The goal increases by 0.5% each year, culminating in a 1.5% goal in 2024. As a point of comparison, the goal for women’s business enterprises is 5% and the goal for minority business enterprises is 15%. The decision recognizes opposition received and cites a letter from the California Legislative LGBTQ Caucus which expressed concern that “[s]etting the procurement goal for LGBTQ business so far below other participants sends a message that the CPUC does not value our community.” In arriving at its goals, the Commission recognized in its decision that “[h]istorical data reflects past barriers to full participation in the utility industry and may also reflect too little effort by some utilities to increase opportunities to contract with LGBT business enterprises.” The Commission suggests that the LGBT business enterprise goals in this decision successfully balance a reliance on historical data with an objective to increase procurement from LGBT business enterprises.

With respect to Persons with Disabilities business enterprises, the Commission did not adopt a voluntary procurement goal with this decision. Instead, the decision allows for the collection of additional data, with an expectation that voluntary procurement goals for Persons with Disabilities business enterprises will be added in approximately three years. [D.22-04-035](#) became effective on April 7, 2022. R.21-03-010 remains open as of the time of this publication.

## **Sempra Energy Pays Shareholders Record Dividend While Charging San Diego Ratepayers the Highest Rates in the Nation, Prompting Calls for Change at the CPUC from Consumer Advocates**

In March 2022, the U.S. Bureau of Labor Statistics [reported](#) that San Diego had the highest electricity prices in the nation, with an average rate of \$0.419 per kilowatt hour (kWh). The price

in San Diego was nearly 14% higher than that of the second highest area, urban Hawaii, which had a rate of \$0.369 per kWh. In comparison, the average electricity rate in San Francisco for March 2022 was \$0.310 per kWh, and the average rate in Los Angeles was \$0.258 per kWh. Against this backdrop, Sempra Energy, the parent company of San Diego Gas & Electric (SDG&E), paid shareholders a [record dividend](#) of \$1.145 in the most recent quarter.

Various consumer advocacy groups have taken notice and have urged action from the CPUC. Edward Lopez, Executive Director of the Utility Consumers Action Network (UCAN) [expressed concern](#), urging the CPUC to take note of these record payouts when considering IOU demands for higher rates. Professor Robert Fellmeth, Executive Director of the Centers for Public Interest Law at the University of San Diego School of Law, has suggested that it is time to change how CPUC board members are selected and appointed. Despite having oversight responsibility for public utilities throughout the entire state, there is no requirement that board members live in the communities they regulate. [AB 1471 \(Villapudua\)](#), as amended on April 26, 2021, would require the Governor and Senate to consider regional diversity when appointing CPUC members by selecting at least one candidate to the Commission with permanent residences in each of the northern California, central valley, southern California areas. That bill is currently pending in the Senate Appropriations Committee suspense file.

## **The CPUC Institutes a Formal Investigation of Uber and Certain Uber Black Sub-carriers (I.21-12-001)**

On March 23, 2022, the CPUC filed a [scoping memo and ruling](#) setting forth the issues, need for hearing, schedule, category, and other matters necessary to scope the proceeding relating to an investigation of Uber and certain Uber Black Sub-carriers.

On December 10, 2021, the CPUC initiated investigation [I.21-12-001](#) instituting a formal investigation of Uber and certain Uber Black Sub-carriers operating on the Uber Black Platform in violation of the Public Utilities Code, general orders, state laws, and other rules or requirements for the provision of charter-party carrier transportation services. The order instituting investigation (OII) also will consider whether Uber and its Uber Black Sub-carriers should be subject to monetary fines, penalties, and other remedies in association with providing transportation services without valid operating authority.

The investigative proceeding chiefly considers the CPUC's Consumer Protection and Enforcement Division's (CPED) [Investigative Report](#), which found Uber violated [General Order \(G.O.\) 157-E](#) and Public Utilities Code section 5413 by allowing carriers to operate without authority and finding Uber Black Sub-carriers violated numerous Public Utility Code sections, G.O. 157-E, [G.O. 115-G](#), and other state laws by operating without a valid permit. The CPED Investigative Report alleges the Uber Black Sub-carriers provided over 200,000 trips generating revenues in excess of ten million dollars, contributing to Uber profiting millions of dollars in 2019.

Therefore, the OII will review and determine, *inter alia*, (1) whether Uber hired unlicensed sub-carriers and/or procured, aided and abetted violations by sub-carriers who operated without legal authority; and (2) whether Uber Black Sub-carriers operated without legal authority and in defiance of applicable charter-party carrier requirements.

The CPUC regulates Transportation Network Companies (TNC), a subset of Charter-party Carriers (TCPs) that provide transportation services to the public through global positioning system (GPS) applications. On September 19, 2013, the CPUC issued Decision [D.13-09-045](#), adopting rules and regulations for TNCs to ensure that public safety was not compromised by the

operation of the new transportation business model. On April 26, 2018, the CPUC adopted [D.18-04-005](#), which reclassified Uber as both a TNC and TCP. [[24:2 CRLR 207–208](#)]

On January 6, 2022, Uber filed a [response](#) to the OII stating that in September 2019, Uber began implementing a two-step authentication process designed to ensure that Uber Black Sub-carriers (1) present current and valid TCP licenses and other documentation before gaining access to Uber’s platform and (2) ensuring the licenses and documents belong to the individual sub-carriers and affiliates submitting them. Also, Uber stated that they support the CPUC’s action against sub-carriers who violate the rules and regulations but do not believe a penalty to Uber would facilitate the shared enforcement goals to curb sub-carrier fraud. Uber characterized the scope of the issues for the investigation as (1) whether Uber Black Sub-carriers defrauded Uber and operated unlicensed sub-carrier services by presenting false or forged certification materials in violation of the Commission’s General Orders, the California Public Utilities Code, and Commission Rule 1.1, (2) whether the Commission should penalize the sub-carriers for these violations, (3) whether Uber, despite having been a target of this conduct, nevertheless bears any responsibility for it, and (4) whether Uber should be penalized for failing to prevent its sub-carriers’ misconduct in order to promote compliance with Commission rules, even if the misconduct already damages Uber and naturally presents that incentive.

On February 1, 2022, a [prehearing conference](#) (PHC) was held, and the scoping memo determined the issues and initial scheduling of the proceeding. The OII is adjudicatory in nature; Genevieve Shiroma is the assigned Commissioner, and Brian Stevens is the assigned ALJ and presiding officer for the proceeding.

## **The CPUC Issues First Autonomous Vehicle Drivered Deployment Permits**

On February 28, 2022, the CPUC [announced](#) the issuance of Drivered Deployment permits to Cruise LLC (Cruise) and Waymo LLC (Waymo) to allow for passenger service in autonomous vehicles (AVs). The Drivered Deployment permits are distinct because they allow for fare collection and shared rides and require a safety driver to be present in the vehicle.

Cruise and Waymo both held a CPUC Drivered Pilot permit and requested conversion of that permit into a Drivered Deployment permit. CPUC staff performed a ministerial review and determined that both carriers meet the program requirements set forth in [D.20-11-046](#) as modified by [D.21-05-017](#). Therefore, CPUC staff issued the converted permits. Both permits authorize a specific Operational Design Domain (ODD), which limits AV service to specific geographical constraints and operational conditions. Cruise's ODD allows for Drivered Deployment service on selected public roads in San Francisco from 10PM to 6AM at speeds up to 30 miles per hour. Waymo's ODD allows for Drivered Deployment service in designated parts of San Francisco and San Mateo counties at any time at speeds up to 65 miles per hour.

The CPUC will continue collecting [quarterly reporting data from pilot participants](#) and begin collecting expanded quarterly data from deployment participants.

Additionally, on November 5, 2021, Cruise submitted an [advice letter](#) requesting a driverless deployment permit, allowing Cruise to provide passenger service on a test basis in an AV without a safety driver present and without collecting fares. As of April 15, the advice letter is currently pending.

The CPUC addresses AV policy and regulatory issues under [R.12-12-011](#), which was originally initiated in December 2012 to assess the public safety risks of then-new rideshare technologies, now known as Transportation Network Companies (TNCs). The CPUC regulates the use of AVs in providing services in California through the permitting processes for the programs, data collection and analysis, and potential investigation or enforcement actions.

There are four AV passenger service programs that carriers can participate including (1) drivered pilot, (2) driverless pilot, (3) drivered deployment, and (4) driverless deployment. On November 19, 2020, the CPUC adopted D.20-11-046 which created two new AV deployment programs: one for drivered AVs and the other for driverless AVs. D.20-11-046 expanded upon [D.18-05-043](#), which created the framework for the two pilot programs for both drivered and driverless AVs. [[25:2 CRLR 167–68](#); [26:1 CRLR 190–92](#)]

Additionally, D.20-11-046 established four goals that apply to the four AV passenger service programs: (1) protect passenger safety; (2) expand the benefits of AV technologies to all of California’s communities; (3) improve transportation options for all, particularly for disadvantaged communities and low-income communities, and (4) reduce greenhouse gas emissions, criteria air pollutants, and toxic air contaminants, particularly in disadvantaged communities. [[26:1 CRLR 191](#)]

## **Despite Shortfalls PG&E Exits Criminal Probation and is Awarded Safety Certificate after Meeting Statutory Requirements**

On January 19, 2022, U.S. District Judge William Alsup of the Northern District of California issued his [final comments](#) upon the expiration of Pacific Gas and Electric’s (PG&E)

five-year criminal probation term in *United States v. Pacific Gas and Electric Co.*, Case No. CR 14-0175 WHA (N.D. Cal.). PG&E was placed on criminal [probation](#) in January 2017 after being convicted of six felonies in 2016, resulting from the 2010 gas pipeline explosion in San Bruno that killed eight people, injured 58 more, and destroyed 38 homes. [[24:1 CRLR 151](#)]

In his comments, Judge Alsup recommended that PG&E remain on probation as PG&E has started more than 30 fires in the interim, destroying more than 23,000 homes and killing more than 100 people. During this time, PG&E hired independent contractor arborists to conduct line inspection and hazard tree removal work. Time after time PG&E blamed the fires on the work of the independent contractors and continued to rely on the independent contractors until they were required to hire and train their own arborists as a condition of their probation. This repeated behavior of attempting to shift blame highlighted how PG&E was more concerned with minimizing its liability rather than making its power lines safer. Further, when the Dixie Fire started, PG&E had the opportunity to cut power when two of the three conductors shorted and blew their fuses, cutting power to some of the customers in the service area. Instead of cutting power to the line immediately, they left power running in the third phase of the circuit, so they could continue turning the meter on the one remaining customer with power while they were investigating the source of the blown fuses. By the time they could get to the remote section of line affected, the fire had already started, and the Dixie Fire was on its way to becoming the second largest wildfire in California history.

Even with PG&E's repeated failures at safely operating, the U.S. Attorney's office declined to seek an extension on PG&E's probation as there is no binding case law to extend a company's criminal probation period. Even though "part of the predicate of that holding has since been



eviscerated.” On this decision by the U.S. Attorney’s office, Judge Alsup remarked that “PG&E [in these five years] has gone on a crime spree and will emerge from probation as a continuing menace to California.”

Additionally, on January 31, 2022, the California Office of Energy Infrastructure Safety awarded PG&E a safety [certificate](#) pursuant to [AB 1035 \(Holden\) \(Chapter 79, Statutes of 2019\)](#), as PG&E had satisfied all the statutory requirements. The certificate is not an affirmation that PG&E has taken all possible steps to prevent its equipment from causing wildfires, nor does it shield PG&E from liability or litigation. However, the safety certificate allows investor-owned utilities, like PG&E, to recover their catastrophic wildfire costs from the California Wildfire fund and by passing the costs along to their California ratepayers. This safety certificate comes on the heels of PG&E being [penalized](#) \$125 million in December 2021 for its role in starting the 2019 Kincadee fire in Sonoma County. Additionally, Sonoma County prosecutors are preparing to criminally [charge](#) PG&E for their role in the 2019 fire. Additionally, California Fire Investigators determined that the 2021 Dixie Fire, the second largest in California history, was started by a tree coming into contact with a PG&E power line. The fire raged through Butte, Plumas, Lassen, Tehama, and Shasta counties, and they have since [filed](#) for civil damages.

The safety certificate PG&E received will last for the year. At the beginning of 2023, they will be reevaluated to determine whether or not they will receive the certificate for the following year.

## **State Auditor Releases Report Finding State Officials are Failing to Hold California's Electric Utility Companies Accountable for Wildfires**

On March 24, 2022, the Acting California State Auditor, Michael Tilden, released an [audit](#) finding that state officials are failing to hold California utility companies accountable for preventing fires started by those companies' equipment. The Audit found that the Office of Energy Safety (ESO) approved seriously deficient wildfire prevention plans.

The ESO was established under an Order Instituting Rulemaking [R.18-12-005](#) under the purview of the CPUC. On July 1, 2021, the ESO was transferred to the California Department of Natural Resources pursuant to sections 15470 and 15473 of the Government Code (part 7.3 of the California Energy Infrastructure Safety Act) to ensure that electric utility companies were taking the actions necessary to mitigate the risk of wildfire dangers in California effectively. [[27:1 CRLR 218-220](#)] The ESO oversees the six Investor-Owned Utilities (IOUs) in California.

According to the Audit, since 2015, power lines have been the source of 30% of the state's most destructive wildfires. The State's IOUs rely on Public Safety Power Shutoffs (PSPSs) to mitigate the potential harm from high wind events that have caused the destructive wildfires. However, auditor Tilden found that IOUs were using the PSPSs to shut off power to communities, putting their customers who rely on energy to power medical devices at risk without taking the necessary steps to mitigate wildfire dangers in the high-risk areas affected by PSPSs.

In January 2022, as a part of phase 3 of [R.18-12-005](#) IOUs are required to identify high risk circuits where wildfire danger is higher. However, auditor Tilden found that this requirement could be strengthened by further requiring IOUs to identify improvements necessary to mitigate

wildfire risk in areas of high wildfire danger in order to prevent future power shutoffs. Further, Auditor Tilden found the requirement insufficient as it does not change the standard to which the ESO is allowed to deny Safety Certificates based on IOUs' failure to implement safety mitigation plans that focus on high-risk areas. Rather, the IOU mitigation plans are not required to designate their area of focus, thus allowing IOUs to focus on relatively low-risk wildfire risk areas. In 2020 the ESO approved Safety Certificates for the three largest energy IOUs, despite serious deficiencies in the IOUs' safety mitigation plans. In 2021 these serious deficiencies were not present in the IOUs' safety mitigation plans. However, the current requirements do not allow the ESO to deny Safety Certificates based on the IOUs' failure to implement prior mitigation plans. The ESO is required to only consider whether an IOU is in the process of implementing its most recent mitigation plan.

Further, the 2022 standards for Safety Certificates do not require that IOUs delineate where the wildfire mitigation plans will occur. According to the Audit, this lack of specificity will allow IOUs to continue making improvements in relatively low-risk areas rather than doing the work necessary to mitigate the danger in high wildfire risk areas. In response to this deficiency, Auditor Tilden recommends that legislation amend the current shutoff reduction law to require that IOUs plan to prevent power shut-offs in circuits with higher probabilities of a PSPS occurring.

The process does include a required status update within 60 days to record responses and any actions taken regarding Auditor Tilden's recommendations.

## **MAJOR PUBLICATIONS**

The following reports have been conducted by or about the CPUC during this reporting period:

- [2021 Annual Report](#), CPUC, February 2022. (As mandated by [SB 512 \(Hill\) \(Chapter 808, Statutes of 2016\)](#), the Commission published its 2021 Annual Report highlighting its activities from the prior year and forecasting the work expected over the next 12 months).
- [2021 Report on Trusts and Entities Established by the California Public Utilities Commission](#), CPUC, February 2022. (Pursuant to [AB 1388 \(Huffman\) \(Chapter 760, Statutes of 2008\)](#), reports to the Joint Legislative Budget Committee all sources and amounts of funding and actual and proposed expenditures from two prior fiscal years and for the proposed new fiscal year. Reports that 6 entities have proposed expenditures of over \$10 million for the fiscal year 2021–22, and only 4 had actual expenditures of over \$10 million from 2019–21.)
- [Resolution of Proceedings, Disposition of Applications for Rehearing, and Commissioner Presence at Hearings 2021](#), CPUC Commissioners, January 2022. (As mandated by [SB 512 \(Hill\) \(Chapter 808, Statutes of 2016\)](#), which amended section 910.4 of the Public Utilities Code, provides the legislature with an annual report on the CPUC’s timeliness in resolving cases. Reports that all proceedings resolved by the Commission in 2021 that were subject to statutory deadlines were completed consistent with statutory timeframes.)

## Energy

- [2021 California Renewables Portfolio Standard Annual Report](#), CPUC, November 2021 (Pursuant to Public Utilities Code 913.4, [SB 1222 \(Hertzberg\) \(Chapter 842, Statutes of 2016\)](#), reports to the legislature each year on the progress of the Renewables Portfolio Standard (RPS) program. The report finds that California’s electricity retail sellers generally meet annual RPS targets. However, community choice aggregators and electric service providers must increase renewable procurement to meet long-term RPS requirements.)

- [Report to the Legislature: Report on Residential and Household Utility Service Disconnections Pursuant to Public Utilities Code Section 910.5 - 2017–2021 Results](#), CPUC, April 2022, (Pursuant to Public Utilities Code Section 910.5 [SB 598 \(Hueso\) \(Chapter 362, Statutes of 2017\)](#), summarizes actions taken by the CPUC to reduce customer disconnections of utility service by the four largest electric and gas companies in the state, PG&E, SDG&E, Southern California Edison (SCE), and Southern California Gas (SoCalGas), IOUs collectively, between the years 2017 and 2021. The findings indicate that disconnection rate rose steadily through 2018 and 2019. However, the disconnection rate took a sharp drop in 2020 and went to zero in 2021 due to [D.20-06-003](#), which made permanent, interim decision [D.18-12-013](#), banning IOUs collectively from disconnecting customers who were on a medical baseline or when they were experiencing extremely high or low temperatures.)
- [2021 California Electric and Gas Utility Costs Report, AB 67 Annual Report to the Governor and Legislature](#): CPUC, April 2022, (Pursuant to California Public Utilities Code Section 913 [AB 67 \(Levine\) \(Chapter 562, Statutes of 2005\)](#), summarizes the costs of programs and activities conducted by the IOUs in part to help determine the effect of various legislative and administrative mandates on electric and gas rates.)

## Wildfire

- [Electrical System Safety: California’s Oversight of the Efforts by Investor-Owned Utilities to Mitigate the Risk of Wildfires Needs Improvement](#), Auditor of the State of California, March 24, 2022, (Summarizes the State Auditor’s findings that the ESO approved seriously deficient wildfire mitigation plans of IOUs (see HIGHLIGHTS).)

## Telecommunications

- [\*Annual Report of Telephone Corporations' Customer, Employment, and Investment Information\*](#), CPUC, November 2021 (Pursuant to Public Utilities Code sections 914 and 7912 and [SB 697 \(Hertzberg\) \(Chapter 612, Statutes of 2015\)](#), provides an annual report to the legislature specified information relating to customers, employment, and capital investment of regulated telephone corporations with more than 750 employees; covers data from the 2020 calendar year; and tracks metrics including the number of wirelines and wireless customers subject to the statute and the total number of California residents employed by these companies.).
- [\*Deaf and Disabled Telecommunications Program \(DDTP\) Annual Report 2020-2021\*](#), CPUC, February 2022 (Pursuant to Public Utilities Code section 914.5(a) and [AB 497 \(Santiago\) \(Chapter 287, Statutes of 2019\)](#), provides an annual report to the legislature summarizing the accomplishments of the Deaf and Disabled Telecommunications Program during the fiscal year 2020-2021. The Deaf and Disabled Telecommunications Program is a state-mandated program that provides Californians who are deaf and disabled with specialized telephone equipment and relay services through the California Telephone Access Program, California Relay Service, and the Speech Generating Device program.).
- [\*California Advanced Services Fund \(CASF\) 2021 Annual Report\*](#), CPUC, April 2022 (Pursuant to Public Utilities Code section 914.7(a) and [AB 1665 \(Eduardo Garcia\) \(Chapter 851, Statutes of 2017\)](#), provides an annual report to the legislature presenting financial and programmatic highlights of the CASF program, including revenues, expenditures, approved projects, and expected benefits. The report also provides updates on unserved and served areas as well as broadband adoption in the state. The goal of the CASF program is to close the Digital

Divide in California by funding broadband projects in underserved areas of the state with a goal of making broadband available to 98 percent of households by 2032.).

## Transportation

- [Annual Railroad Safety Report](#), CPUC, November 30, 2021 (Pursuant to Public Utilities Code sections 916, 916.1, 916.2, and 916.3, provides an annual report to the legislature regarding rail safety activities, the results of investigations of certain incidents and the cause or causes of the incidents, any action undertaken by the CPUC in responses to these findings, the sites on railroad lines that the CPUC finds to be hazardous, and the CPUC's determination of the impact on competition, if any, of the regulatory fees assessed railroad corporations for the support of the CPUC's activities.).

## RULEMAKING

The following is a status update on recent rulemaking proceedings that the CPUC has initiated:

### Internal

- [R-20-07-013](#): **Order Instituting Rulemaking to Further Develop a Risk-Based Decision-Making Framework for Electric and Gas Utilities**: On April 13, 2022, the CPUC issued a scoping memo and ruling ([Phase II Scoping Memo](#)) that sets forth the issues to be determined in the rulemaking procedure, schedule, and other matters necessary to scope this proceeding pursuant to Public Utilities Code section 1701.1 and Article 7 of the Commission's Rules of Practice and Procedure. This Phase II Scoping Memo also extends the statutory deadline in this proceeding until December 31, 2023. After September 17, 2021, the CPUC decided to

initiate a rulemaking proceeding to develop further a risk-based framework for electric and gas utility decisions. [[27:1 CRLR 246-7](#)]

- **[R-20-05-003](#): Order Instituting Rulemaking to Continue Electric Integrated Resource Planning and Related Procurement Processes:** On February 10, 2022, an ALJ for the CPUC issued [D-22-02-004](#) adopting the 2021 preferred system plan. The decision evaluates the 2020 individual integrated resource plan (IRP) filings of all load serving entities (LSEs) under the CPUC’s purview. The decision also adopts a Preferred System Plan (PSP) portfolio that meets a statewide greenhouse gas target for the electric sector in 2030 and 2032. This rulemaking was originally initiated on May 7, 2020, and since the February 2022 decision, there have been many ex-parte communications between parties. [[26:2 CRLR 227](#)]; [27:1 CRLR 247](#)]

- **[R-22-02-002](#): Order Instituting Rulemaking to Implement Resolution E-5076 and Review of Tribal Policies:** On February 10, 2022, the CPUC initiated a rulemaking proceeding to consider revisions to the Commission’s Tribal Land Transfer Policy (TLTP) Implementation Guidelines. The Commission initially adopted the guidelines on January 14, 2021, along with Resolution E-5076, which ordered that, within two years of approval, the commission would initiate a rulemaking proceeding to consider revisions to the TLTP guidelines. The guidelines encourage consultation and cooperation with Tribal governments to protect Tribal sacred places and cultural resources of historical, spiritual, and ceremonial importance to Tribes (see HIGHLIGHTS).

## Energy

- **[R.20-08-020](#): Order Instituting Rulemaking to Revisit Net Energy Metering Tariffs Pursuant to Decision 16-01-044, and to Address Other Issues Related to Net Energy**



**Metering.** On December 13, 2021, ALJ Judge Kelley Hymes issued a [proposed decision](#), “Revising Net Energy Metering Tariff and Subtariffs” (see HIGHLIGHTS).

- **[R.19-09-009](#): Order Instituting Rulemaking Regarding Microgrids Pursuant to Senate Bill 1339 and Resiliency Strategies.** On December 2, 2021, the Commission approved [D.21-12-0004](#) by a vote of 5-0, adopting microgrid and resiliency solutions to enhance summer 2022 and summer 2023 reliability. This rulemaking was opened to facilitate the commercialization of microgrids and adopt resiliency strategies pursuant to [SB 1339 \(Stern\) \(Chapter 566, Statutes of 2018\)](#). *[25:1 CRLR 223]* This decision adopts enhanced summer 2022 and summer 2023 requirements for PG&E and SDG&E. PG&E was directed to submit a Tier 2 Advice Letter to study the potential to expand its temporary generation program for mitigating anticipated system capacity shortfalls in the summer of 2022. SDG&E was authorized to procure up to four circuit-level energy storage microgrid projects, providing a total of 40 megawatts/160 megawatt-hours of capacity to fill anticipated system capacity shortfalls in the summers of 2022 and/or 2023. The procurement of the SDG&E projects was conditioned on these projects providing “peak” and “net peak” grid reliability benefits in the summer of 2022 and/or 2023. Any project pursued by SDG&E must be online no later than August 1, 2023.

- **[R.20-05-012](#): Order Instituting Rulemaking Regarding Policies, Procedures and Rules for the Self-Generation Incentive Program (SGIP) and Related Issues.** On April 7, 2022, the Commission approved [D.22-04-036](#) by a vote of 5-0, establishing heat pump water heater (HPWH) program requirements. Previously the Commission approved [D.19-09-027](#) and [D.20-01-021](#), which authorized \$44.7 million in SGIP HPWH funds. Of that \$44.7 million, this decision allocates \$4.7 million towards the administration of the program and \$40 million towards HPWH

incentives. The \$40 million in HPWH incentives is further allocated, with \$19 million to each of the general market residential and equity residential customer segments and \$2 million for non-residential unitary HPWH incentives (e.g., small business incentives). Additionally, this decision adopts detailed appliance, installation, and load shifting requirements, and electric panel and electrical service upgrade incentives and requirements for these customer segments. This decision also allocates an additional \$40 million in 2023 gas Cap-and-Trade allowance proceeds to the SGIP HPHW program, resulting in a total program budget of \$84.7 million. Lastly, this decision adopts a single statewide HPWH program administrator/implementor, to be selected via a competitive proposal process administered by Southern California Edison

- **R.20-05-003: Order Instituting Rulemaking to Continue Electric Integrated Resource Planning and Related Procurement Processes.** On February 10, 2022, the Commission approved D.22-02-004 by a vote of 4-0. This decision evaluates the 2020 individual integrated resource plan (IRP) filings of the load serving entities (LSEs) under the Commission's IRP purview. The Commission determined that 8 LSEs were exempt from the requirement to file an IRP and approved 20 LRPs. Twenty-four LSEs did not provide all the required data- their IRPs were neither approved nor disapproved of in this decision. This decision adopts a Preferred System Plan (PSP) portfolio that meets a statewide 38 million metric ton (MMT) greenhouse gas (GHG) target for the electric sector in 2030 and 35 MMT for 2032. This decision also commits the Commission to additional analysis of local resources that will help reduce reliance on the Aliso Canyon natural gas storage facility. [see 23:1 CRLR 185–186]

- **R.11-05-005, R.15-02-020, R.18-07-003: Order Instituting Rulemaking to Continue Implementation and Administration of California Renewables Portfolio Standard**

**Program.** On January 13, 2022, the Commission approved [D.21-12-032](#) by a vote of 5-0, modifying the Renewable Market Adjusting Tariff (ReMAT) program. The ReMAT program is a feed in tariff program, with three different product categories: baseload, as-available peaking (AAP), and as-available non-peaking (AANP) electricity. [see [25:1 CRLR 272](#)] The three large IOUs each have specific procurement requirements under the program. Previously, [D.13-05-034](#) authorized the IOUs to close their ReMAT programs 24 months after any of the three product categories reached zero remaining megawatts (or a de minimis amount). Under that authority, SDG&E closed its ReMAT facility in 2016. In December 2017, the ReMAT program was suspended altogether due to ongoing litigation. [see [25:1 CRLR 272](#)] In June 2020, the Commission approved [D.20-10-005](#), resuming the ReMAT program. [see [26:1 CRLR 196](#)] D.20-10-005 required SCE and PG&E to take steps to enable a quick resumption of their respective ReMAT programs, but did not require SDG&E to resume its ReMAT program. This decision addresses issues that were not addressed in D.20-10-005. Specifically, SDG&E is directed to reopen its ReMAT program. Utilities are required to accept facilities with storage devices in their ReMAT programs (an issue not addressed in prior decisions). This decision also establishes a process for IOUs to aggregate remaining capacity across one or two of the three product categories (if necessary) to meet statewide ReMAT capacity targets and it establishes a de minimis threshold for each product category.

- [R.13-11-005](#): **Order Instituting Rulemaking Concerning Energy Efficiency Rolling Portfolios, Policies, Programs, Evaluation, and Related Issues:** On December 8, 2021, the CPUC issued [D.21-12-011](#) in response to Governor Newsom’s Proclamation of a State of Emergency due to the significant and accelerating impacts of global warming. The decision

approved \$180 million in incremental energy efficiency budgets for the program years 2022 and 2023. The funding is set to be used to accelerate plans for the construction, procurement, and rapid deployment of clean energy production and storage. Additionally, on March 21, 2022, issued [D.22-03-010](#), which was a Presiding Officer's Decision finding that SoCalGas had violated [D.18-05-041](#) by spending ratepayers funds on codes and standards activities. [[27:1 CRLR 248](#)]

- **[I.17-02-002](#): Order Instituting Investigation:** Pursuant to Senate Bill 380 to determine the feasibility of minimizing or eliminating the use of the Aliso Canyon natural gas storage facility located in the County of Los Angeles while still maintaining energy and electric reliability for the region.: On February 10, 2022, the CPUC issued [D.22-02-007](#) to extend the statutory deadline for the proceeding until February 11, 2023. [[27:1 CRLR 249](#)]

- **[R.13-02-008](#): Revisions to Order Instituting Rulemaking to Adopt Biomethane Standards and Requirements, Pipeline Open Access Rules, and Related Enforcement Provisions:** On February 25, 2022, the CPUC issued [D.22-02-025](#) to implement the [SB 1440 \(Hueso\) \(Chapter 739, Statutes of 2018\)](#) Biomethane Procurement Program in order to reduce the amount of short-lived climate pollutant emissions. The decision will implement a cost-effective means of procuring biomethane while giving timetables to California gas service companies to achieve specified procurement targets. [[26:2 CRLR 226](#)]

- **[R.18-12-006](#): Order Instituting Rulemaking to Continue the Development of Rates and Infrastructure for Vehicle Electrification:** On December 17, 2021, the CPUC issued [D.21-12-030](#) as a revision to [D.21-07-028](#) to revise two elements. This decision removes references to local building codes as a requirement for building construction in the investment

area. The second revises language in the requirements for the expedited review process. [[27:1 CRLR 251](#); [26:2 CRLR 225–226](#)]

## Wildfire

- **[R.21-03-001](#): Order Instituting Rulemaking to Set Wildfire Fund Non-Bypassable Charge in 2022 and 2023:** On December 6, 2021, the CPUC issued [D.21-12-006](#) pursuant to [AB 1054 \(Holden\) \(Chapter 79, Statutes 2019\)](#), to set the rate amount for the Wildfire Fund Non-Bypassable Charge to collect charges from January 1, 2022, to December 31, 2022.

- **[R.18-10-007](#): Order Instituting Rulemaking to Implement Electric Utility Wildfire Mitigation Plans Pursuant to Senate Bill 901:** On December 20, 2021, the CPUC issued [D.21-12-025](#) to close this proceeding pursuant to [AB 111 \(Committee on Budget\) \(Chapter 81, Statutes of 2019\)](#) as all duties, powers, and responsibilities of the CPUC Wildfire Safety Division were transferred to the ESO on July 1, 2021. This proceeding was originally established under [SB 901 \(Dodd\) \(Chapter 626, Statutes of 2018\)](#). [[25:1 CRLR 224-226](#); [24:2 CRLR 193–195](#)]

## Enforcement

- **CPUC Penalizes SCE for 2017-2018 Wildfires:** On December 16, 2021, the CPUC [approved](#) penalties and disallowances for SCE under [Resolution M-4846](#) for violations associated with the ignition of five southern California fires from 2017 to 2018. Under a proposed settlement with the CPUC’s Safety and Enforcement Division (SED), SCE shareholders will pay a \$110 million penalty to California’s General Fund and incur a \$375 million permanent disallowance for cost recovery, and contribute \$65 million in shareholder funds to safety measures, for a total of \$550 million.

- **CPUC Penalizes PG&E for 2019 Kincade Wildfire:** On December 2, 2021, the CPUC [approved](#) penalties and permanent disallowances for PG&E under [Resolution M-4846](#) for violations associated with the ignition of the 2019 Kincade Wildfire. In addition, under a settlement with the CPUC's SED, PG&E shareholders will pay a \$40 million penalty to California's General Fund and incur an \$85 million permanent disallowance for cost recovery for removing abandoned transmission facilities within its service territory for a total of \$125 million.

## Telecommunications

- **R.20-10-002 – OIR to Consider Regulating Telecommunications Services Used by Incarcerated People:** On April 11, 2022, the CPUC issued [D.22-04-038](#) denying a rehearing of [D.21-08-037](#) which adopted an interim cap on intrastate incarcerated persons calling services (IPCS) rates for seven cents (\$0.07) per minute for prepaid and collect calls. [see [26:1 CRLR 179–181, 201](#); [26:2 CRLR 222](#); [27:1 CRLR 254](#)] In the applications for rehearing, Securus Technologies, LLC (Securus) and Network Communications International Corporation (NCIC) respectively asserted that the Interim Rate Cap is not valid because it is erroneously based on a benchmark rate from a single, negotiated contract that has since been set aside and the benchmark rate does not factor in the economy of scale issue since that contract rate is based on a contract with state prisons and not local and county jails. However, the rehearing was denied as neither application could demonstrate any legal error.

- **A.20-11-001 – In the Matter of the Joint Application of TracFone Wireless, Inc. (U4321C), América Móvil, S.A.B. de C.V., and Verizon Communications, Inc. for Approval of Transfer of Control over Tracfone Wireless, Inc.:** On November 19, 2021, the CPUC issued [D.21-11-030](#) approving the joint application, [A.20-11-001](#), of TracFone Wireless,

Inc. (TracFone), América Móvil, and Verizon Communications, Inc. (Verizon) to transfer control of TracFone from América Móvil to Verizon, with conditions. The consumer protection measures include a series of requirements that should enhance service quality and benefits for impacted customers, including those participating in the [California LifeLine Program](#). [see [26:2 CRLR 223](#); [27:1 CRLR 241-42](#)]

- **R.20-08-021 – OIR Regarding Revisions to the California Advanced Service**

**Fund:** On April 13, 2022, the CPUC filed a [proposed decision](#) adopting modifications to the program rules for the California Advanced Services Fund Broadband Public Housing Account, Broadband Adoption Account, and Rural and Urban Regional Broadband Consortia Account. The proposed decision has no legal effect and can be heard, at the earliest, at the CPUC’s May 19, 2022, Business meeting. On February 25, 2022, the CPUC issued [D.22-02-026](#) establishing a Local Agency Technical Assistance (LATA) grant program to provide funding to eligible local agencies and sovereign tribal governments for work product(s) associated with advancing the goal of the [California Advanced Service Fund](#) (CASF). The CPUC [announced](#) that the LATA grant program would be used to leverage a total of \$50 million for eligible local governments and Tribal governments to facilitate the deployment of last-mile broadband infrastructure projects. Information about the related programs for federal funding of last-mile infrastructure and the loan loss reserve accounts can be found at [Broadband Implementation for California](#).

- **R.22-03-016 – OIR Proceeding to Consider Amendments to General Order**

**133:** On March 23, 2022, the CPUC issued [R.22-03-016](#), an order to institute a rulemaking proceeding to consider proposed amendments to the CPUC’s [General Order \(GO\) 133-D](#) in response to [P.21-10-003](#). The CPUC opened the rulemaking proceeding to assess whether the

existing GO 133-D service quality standards and measures meet the goals of the CPUC and remain relevant to the current regulatory environment and market, including consideration of service quality standards applicable to Voice over Internet Protocol (VoIP), wireless, and broadband service. Additionally, the CPUC will consider whether the existing enforcement framework in GO 133-D is adequate to improve substandard voice communications service. The OIR closed the docket for P.21-10-003.

- **R.20-09-001 – Proposed Decision Adopting Federal Funding Account Rules:**

On March 2, 2022, the CPUC filed a [proposed decision](#) to adopt rules for the Federal Funding Account (FFA) created by [SB 156 \(Committee on Budget and Fiscal Review\) \(Chapter 112, Statutes of 2021\)](#) and funded through the federal American Rescue Plan Act of 2021 ([Public Law No. 117-2](#)), and the rules issued by the U.S. Treasury Department. The proposed decision has no legal effect until and unless the CPUC hears the item and votes to approve it. The proposed decision is scheduled to be heard at the CPUC’s April 21, 2022, voting meeting. [*see* [26:2 CRLR 221](#); [27:1 CRLR 254](#)]

## **Transportation**

- [I.21-12-001](#) – OII on the Commission’s Own Motion Into the Operations, Policies and Practices of Uber Technologies, Inc. (TCP 38150) and Uber Black Sub-carriers Operating on the Uber Black Platform: n March 23, 2022, the CPUC filed a [scoping memo and ruling](#) setting forth the issues, need for a hearing, schedule, category, and other matters necessary to scope the proceeding. On December 10, 2021, the CPUC initiated investigation [I.21-12-001](#), instituting a formal investigation of Uber and certain Uber Black Sub-carriers operating on the Uber Black Platform in violation of the Public Utilities Code, general orders, state laws, and other rules or



requirements for the provision of charter-party carrier transportation services. The order instituting investigation (OII) will also consider whether Uber and its Uber Black Sub-carriers should be subject to monetary fines, penalties, and other remedies associated with providing transportation services without proper operating authority (see HIGHLIGHTS).

- **R.12-12-011 – OIR on Regulations Relating to Passenger Carriers, Ridesharing, and New Online-Enabled Transportation Services:** On December 3, 2021, the CPUC issued [D.21-12-003](#) adopting the settlement agreement between the CPUC’s Consumer Protection and Enforcement Division, Uber, and the Rape, Abuse & Incest National Network, Inc.. The settlement agreement resolves the order to show cause track of a proceeding as to whether Uber should be fined, penalized, or subject to other regulatory sanctions for refusing to provide information regarding sexual assaults and sexual harassment arising from Uber’s passenger services. On October 29, 2021, the CPUC initiated a rulemaking proceeding that would approve a settlement agreement with Uber on reporting of data on sexual harassment and assault. *[see [27:1 CRLR 225–27](#)]* Uber will pay \$9 million to support safety initiatives directly promoting public interest in passenger safety including: \$5 million to the Victims Compensation Board to be used for the victims of violence and sexual violence and \$4 million for efforts to address physical and sexual violence in the passenger carrier industry. Additionally, Uber will pay a \$150,000 fine to the state’s General Fund. Further, under the settlement, Uber will: (1) provide information on sexual assault and harassment to the CPUC on a going-forward basis and (2) create an opt-in process for survivors to make more of the information on their assault available to the CPUC.

- **R.19-02-012 – OIR to Implement Senate Bill 1376 Requiring Transportation**

**Network Companies to Provide Access for Persons with Disabilities, Including Wheelchair**

**Users who need a Wheelchair Accessible Vehicle:** On April 12, 2022, the CPUC issued [D.22-04-021](#) granting compensation to Center for Accessible Technology for substantial contribution to [D.20-03-007](#). On March 16, 2022, the CPUC issued a [proposed decision](#) to grant compensation to Disability Rights California for substantial contribution to D.20-03-007. Also, on March 16, 2022, the CPUC issued a [proposed decision](#) to grant compensation to Disability Rights Education & Defense Fund for substantial contribution to D.20-03-007. As of April 15, 2022, neither of these proposed decisions had been adopted, meaning they have no legal effect until and unless the CPUC approves the decisions. [see [25:1 CRLR 247-48](#); [25:2 CRLR 168](#); [26:1 CRLR 202](#); [26:2 CRLR 224](#); [27:1 CRLR 256](#)]

- **R.21-11-014 – OIR to Implement Senate Bill 1014 – The California Clean Miles Standard Program:** On November 23, 2021, the CPUC issued [R.21-11-014](#) to implement the California Clean Miles Standard and Incentive program, enacted through [SB 1014 \(Skinner\) \(Chapter 369, Statutes of 2018\)](#). The CPUC and California Air Resources Board (CARB) are to work jointly to lower greenhouse gas (GHG) emissions from transportation network companies that the CPUC regulates, including autonomous vehicles, charter-party carriers, and new modes of ridesharing technology that may arise through innovation and subsequent regulation. The proceedings will implement CARB’s targets and goals for SB 1014, ensure minimal negative impact on low-income and moderate-income drivers, support the goals of clean mobility for low- and moderate-income individuals, and ensure that the California Clean Miles Standard and Incentive Program complements and supports sustainable land-use objectives.

# LEGISLATION

## Internal

- [AB 1960 \(Villapudua\)](#), as introduced on February 10, 2022, would amend section 301 of the Public Utilities Code concerning the makeup of the Commission. Beginning January 1, 2024, this bill would change the commissioner appointment process so that when selecting and confirming commissioners, the Governor and Senate would consider regional diversity by selecting at least one candidate who lives in northern California, one candidate who lives in the central valley, and at least one candidate who lives in southern California. The author states that expanding the diversity within the CPUC would help represent the different energy needs of the regions in California. *[S. Rules]*

- [AB 2911 \(Muratsuchi\)](#), as introduced on February 18, 2022, would amend section 321 of the Public Utilities Code. This bill would require the public advisor of the CPUC to work with all of the divisions of the commission to ensure that the commission's website provides adequate and transparent information for the public. The public advisor would have the responsibility for ensuring that the activities of the CPUC are as transparent as reasonably possible and consistent with applicable law. The bill would state it is the intent of the legislature that greater transparency in the Independent System Operator (ISO) is in the public interest and would require specified information from the ISO and the CPUC to be published in a timely manner on the ISO website. This bill would also authorize an action to enforce the requirements of the Bagley-Keene Open Meeting Act or the California Public Records Act to be brought against the CPUC in the superior court. *[A. U&E]*

- [SB 1213 \(Hueso\)](#), as amended on March 16, 2022, would add section 242 to the Public Utilities Code to require the CPUC and the California Energy Commission (CEC) to collaborate to develop and maintain a list of community-based organizations to help ensure adequate public outreach to low-income, disadvantaged, rural, tribal, and unincorporated communities regarding available programs for which they may be eligible or from which they may benefit. The bill would also require that the CPUC and CEC work with existing committees, boards, and community-based organizations to develop the list. *[S. EU&C]*

## **Energy**

- [AB 2765 \(Santiago\)](#), as amended on April 7, 2022, and as it relates to the CPUC, would add section 318 to the Public Utilities Code relating to electricity. This bill would establish the Public Utilities Public Purpose Programs Fund and would require the CPUC to allocate the money for purposes of funding programs determined by the Board to provide public benefits, and programs that enhance electrical system reliability and provide in-state benefits, except the Family Electric Rate Assistance program and the CARE program. If the CPUC determines that the legislature has not appropriated sufficient funds for these purposes, the bill would allow the commission to authorize electrical corporations to recover the costs of those programs from ratepayers. The purpose of the bill, as stated in the text, is to provide some electricity rate relief and more equitably allocate the costs of programs that benefit all taxpayers. *[A. U&E]*

- [AB 1814 \(Grayson\)](#), as amended on March 28, 2022, would amend section 740.12 of the Public Utilities Code to authorize community choice aggregators to file applications with the CPUC for programs and investments to accelerate the widespread adoption of transportation

electrification. This would allow community choice aggregators to submit proposals for transportation electrification programs to the CPUC in the same manner as IOUs. *[A. U&E]*

- [AB 2143 \(Carrillo\)](#), as amended on March 24, 2022, would add sections 769.2 and 913.13 to the Public Utilities Code to expand the definition of “public works” to include the construction of any renewable electrical generation facility or any associated battery storage over 15 kilowatts (kW) installed by a customer of an electrical corporation with more than 100,000 service connections. The bill would not expand the definition of public works until after December 31, 2023. According to the author, this new definition of public works will require the payment of prevailing wages on solar projects over 15kW that opt-in to receive net energy metering. *[A. L&E]*

- [AB 2316 \(Ward\)](#), as amended on March 28, 2022, would amend sections 399.12 and 739.1 of, add section 2827.2 to, and add and repeal section 913.15 of the Public Utilities Code to establish a “Community Renewable Energy Program.” The bill would allow a customer of an IOU to receive bill credits for electricity generated by a community renewable energy facility in the IOU’s service area. The bill would also require the CPUC to submit an annual report to the legislature on facilities deployed, customers subscribed, and analysis of low-income customer participation under the program. According to the author, this bill would expand Californian’s access to solar energy, particularly for those unable to install solar technology in their home or business because of structural or financial constraints. *[A. U&E]*

- [AB 2587 \(Eduardo Garcia\)](#), as amended on March 28, 2022, as it applies to the CPUC, would add section 380.7 of the Public Utilities Code to require the CPUC to include findings and recommendations, from a separate Energy Commission assessment on firm renewable energy resources and firm zero-carbon resources, in the CPUC’s integrated resource

plan process. According to the author, this bill encourages the development of renewable energy and zero carbon resources that add reliability and diversity to the electrical grid while benefiting the environment and the economies of disadvantaged communities. *[A. NatRes]*

- [\*\*AB 2700 \(McCarty\)\*\*](#), as amended on April 7, 2022, would add sections 740.21 and 9625 to the Public Utilities Code to require the CPUC to ensure electric corporation investments in distribution systems needed to support electric vehicle (EV) charging systems are consistent with the state’s goals. Additionally, the bill would require the CPUC to expedite permitting and licensing process for grid upgrades necessary to support anticipated EV charging requirements. The bill would also require the CPUC to direct electrical corporations to develop an expedited process for grid interconnection for transportation electrification. According to the author, this bill aligns the state’s grid planning efforts with its zero-emission vehicle, air quality, and climate goals. *[A. U&E]*

- [\*\*AB 2838 \(O’Donnell\)\*\*](#), as introduced on February 18, 2022, would amend section 2833 of the Public Utilities Code to allow the CPUC to terminate a utility provider’s green tariff shared renewables (GTSR) program. The GTSR was established in 2013 to allow customers to purchase more of their electricity from utility-procured renewable sources. According to the bill’s author, the expansion of Community Choice Aggregation has resulted in an increase in the number of customers departing electric utility bundled services, negatively impacting GTSR enrollment and rates. Currently, the CPUC has no authority to terminate an IOU’s GTSR program. This bill would give the CPUC authority to terminate an IOU’s GTSR program through an advice letter beginning on April 1, 2023. *[A. Appr]*

- [AB 641 \(Holden\)](#), as amended on July 15, 2021, would add section 9624 to the Public Utilities Code to require all locally publicly owned electric utilities (POUs) to have at least one EV charging station in its service territory. According to the author, this bill would close the gap between IOUs which have transportation electrification plans in place and POUs which do not. *[A. U&E]*

- [SB 1109 \(Caballero\)](#), as amended on March 14, 2022, would amend sections 399.20 and 8388 of the Public Utilities Code as it relates to IOU procurement of bioenergy. Existing law requires IOUs to collectively procure, through financial commitments of five years, 125 megawatts of cumulative rated generating capacity from biomass energy projects. The bill would require IOUs to increase their rated generating capacity procured from bioenergy products to 225 megawatts and would require financial commitments of five to fifteen years. Existing law requires at least 80% of the feedstock of a bioenergy project to be the byproduct of sustainable forest management. An IOU that fails to meet that goal is paid a price set by existing law. This bill would revise the price paid to an IOU that fails to meet mandated feedstock targets. *[S. EU&C]*

- [SB 1383 \(Hueso\)](#), as amended on March 16, 2022, would amend section 761.3 of the Public Utilities Code to extend the CPUC's safety oversight of electrical generating facilities within the state to include electrical storage facilities as well. Given the state's increasing reliance on stored energy, the bill's author supports increasing the CPUC's oversight responsibility to include electrical storage facilities. *[S. EU&C]*

- [SB 1385 \(Cortese\)](#), as amended on March 24, 2022, would add sections 399.34 and 2827.5 to the Public Utilities Code to establish a new multifamily housing local solar program. This bill would require the CPUC to establish a new multifamily housing local solar program,

which in turn would require each electrical corporations with more than 100,000 service connections in California to construct solar and storage systems in front of customers' meters on or near multifamily housing, achieving a total of 3,000 MW of generating capacity. Revenue used to provide solar bill credits would be used to pay for construction and operating costs. *[S. EU&C]*

- [SB 1432 \(Hueso\)](#), as amended on March 16, 2022, would amend section 380 of the Public Utilities Code to maximize the ability of electric service providers to determine generation resources needed for their customers and allow for the incorporation of industry planning standards when the CPUC sets compliance obligations. Existing law requires the CPUC (in consultation with industry partners) to establish resource adequacy requirements for all load-serving entities. This bill would create specific objectives for the CPUC to consider in establishing resource adequacy requirements. *[S. EU&C]*

- [SB 1208 \(Hueso\)](#), as amended March 16, 2022, would add section 731, and Part 3 (commencing with section 9530) to the Public Utilities Code to require the CPUC, on or before June 30, 2023, to develop a universal application process to enable a customer to concomitantly apply for multiple commission-approved low-income customer assistance programs. The bill would also require each local publicly owned electricity utility that provides low-income customer assistance programs to streamline enrollment in those programs, including through collaboration with state and local agencies and other utilities that operate within the same service territory. *[S. EU&C]*

- [AB 2399 \(Maves\)](#), as introduced February 17, 2022, would add section 719 to the Public Utilities Code to authorize electrical companies that serve less than 30% of the service area's electrical load to voluntarily terminate their electrical services by submitting a joint



application with a load serving entity or entities proposing to transfer the customers to the new load serving entity or entities. This joint application would have to show that the receiving load serving entity or entities would be capable of handling the additional electrical load. *[A. U&E]*

- [AB 2864 \(Robert Rivas\)](#), as introduced on February 18, 2022, would amend section 2830 of the Public Utilities Code to remove the statewide 250-megawatts limit in the Local Government Renewable Energy Self-Generation Program. Under the program, local governments are authorized to receive bill credits for electricity exported to the grid by an eligible renewable energy generating facility. Currently, an electrical corporation is obligated to provide a bill credit to a designated benefiting account only until that corporation reaches its proportional share of the statewide 250-megawatts limit. *[A. U&E]*

- [SB 529 \(Hertzberg\)](#), as introduced February 17, 2021, would amend sections 365.1 and 380 of the Public Utilities Code to authorize the CPUC to consider a multiyear resource adequacy mechanism to ensure that the load-servicing entities are efficiently and equitably meeting resource adequacy objectives as it pertains to load requirements during peak demand. *[S. EU&C]*

- [SB 839 \(Dodd\)](#), as amended on March 21, 2022, would add section 380.6, and repeal section 740.10 from the Public Utilities Code to require electrical load bearing entities to implement the base interruptible program, which is currently a permissible reliability-based demand response program, rather than a required one. Further, the bill would repeal the Scheduled Load Reduction Program, which requires load bearing entities to develop and offer their customers the opportunity to participate in a demand reduction program. *[S. Appr]*

- [SB 881 \(Min\)](#), as introduced on January 26, 2022, would amend section 454.52 of the Public Utilities Code to require the CPUC to require load bearing entities to undertake sufficient actions to obtain a diverse, balanced, and reliable statewide portfolio. It would also require the CPUC to require load bearing entities to reduce specific electricity sector greenhouse gas emissions to specified levels. *[S. Appr]*
- [SB 887 \(Becker\)](#), as amended April 4, 2022, would add section 454.57 to the Public Utilities Code, to require the CPUC, on or before January 15, 2023, to require Independent Service Operators to identify the highest priority transmission facilities that would allow for greatest reduction in reliance on carbon emitting electrical generation resources by delivering renewable energy resources or zero admission resources to transmission constrained urban areas. *[S. Appr]*
- [SB 1119 \(Limón\)](#), as amended on March 31, 2022, would add section 1001.6 to the Public Utilities Code, to authorize the CPUC to take into consideration the need for a new gas plant or substantially modified gas plant in regard to the state’s greenhouse gas emissions target and the environmental impact of the construction while issuing a certificate for a new gas plant or substantially modified gas plant. *[S. EU&C]*
- [SB 1158 \(Becker\)](#), as introduced February 17, 2022, would amend sections 398.2, 398.4, 398.5, 454.52, and 9621 of the Public Utilities Code to require the State Energy Resources Conservation and Development Commission (Energy Commission), on or before January 1, 2024, to adopt guidelines on the reporting and disclosures of electricity sources by the hour. It would also require electricity suppliers to disclose the amount of its resource adequacy requirements that were met by eligible renewable energy resources or zero-carbon resources. It would also require retailers to report the amount of greenhouse gas emissions associated with the production of the

energy supplied. Additionally, it would require the CPUC to review the annual greenhouse gas emissions associated with load-servicing electric companies. *[S. EU&C]*

- [SB 1174 \(Hertzberg\)](#), as amended April 6, 2022, would amend sections 399.13, 454.52, 454.53, and 913.4 to the Public Utilities Code, to require each electrical corporation that owns an electrical transmission facility to annually prepare and submit a consolidated report to the CPUC regarding any delays to in-service dates of energy storage facilities or eligible renewable energy resources. This bill would also require the CPUC to include in their annual report to the legislature a system wide assessment of delays to interconnection or transmission approvals related to consolidated reports received by the CPUC from the electrical corporations. *[S. Appr]*

- [SB 1486 \(Stern\)](#), as amended April 7, 2022, would add sections 3186.5 and 3186.6 to the Public Resources Code, and add sections 350 and 9619 to, and to add Chapter 8 (commencing with Section 8400) to Division 4.1 of, the Public Utilities Code, to require that the Aliso Canyon Withdrawal Protocol to remain in effect until the CPUC closes down all natural gas operations at the facility no later than an unspecified date in 2027. This bill would also require the ESO to prepare a natural gas demand reduction plan in conjunction with the relevant IOUs that includes reduction targets for 2030 and 2035 in their service territories. This plan will also require the ISO to establish a local reliability plan for the areas that are serviced by the IOUs that are affected by the shutdown of Alison Canyon. *[S. EU&C]*

## **Wildfire**

- [AB 2070 \(Bauer-Kahan\)](#), as amended March 31, 2022, would add section 764.5 to the Public Utilities Code to change notice requirements for wildfire mitigation notification requirements for electrical corporations. They would be required to notify a fire protection district

at least 24 hours before performing scheduled nonemergency hot work, deploying a safety and infrastructure protection team, initiating a deenergization event, or performing a prescribed or controlled burn within the district's jurisdiction. *[A. U&E]*

- [AB 2283 \(Gallagher\)](#), as amended March 17, 2022, would add section 327.5 to the Public Utilities to require the CPUC to undertake a comprehensive review of actions taken by PG&E that materially and adversely affected the value of their stock as it pertains to the settlement agreement with victims of wildfires that were caused by PG&E's equipment. *[A. U&E]*

- [AB 2889 \(Wicks\)](#), as introduced February 18, 2022, would amend section 8386 of the Public Utilities Code to require that electrical corporations with more than 50% of their service territory located in a fire-risk district to additionally include on their 2023 Wildfire Mitigation plan, a multi-year plan to bury their power lines underground. *[A. U&E]*

- [AB 2937 \(Calderon\)](#), as amended April 7, 2022, would amend sections 850 and 850.1 of the Public Utilities Code to authorize electrical corporations to file an application with the CPUC requesting authorization to recover the costs and expenses arising from a catastrophic wildfire that ignited during the year 2018, and from costs and expenses related to the electrical corporation's wildfire mitigation plan. *[A. U&E]*

- [SB 884 \(McGuire\)](#), as amended April 7, 2022, would amend s 65943, and 65950 of, and add sections 65935 and 65960.7 to the Government Code, amend sections 21180 and 21183 of the Public Resources Code, and add section 563 to the Public Utilities Code, to require the CPUC to establish an expedited utility distribution infrastructure undergrounding program, and would authorize large electrical corporations to participate in the program to create a plan by July 1, 2023, that identifies undergrounding projects that it will take

on as a part of the program. If the electrical corporations are successfully able to not have the undergrounding project's equipment start a fire or cause a deenergization event for 60 months the electrical corporation will be allowed to pass its costs on to ratepayers once federal funding has been exhausted. *[S. Gov&Fin]*

## Telecommunications

- [AB 988 \(Bauer-Kahan\)](#), as amended June 22, 2021, would add section 324.9 to the Public Utilities Code to require the CPUC to publish on its website information regarding the Miles Hall Lifeline and Suicide Prevention Act. *[A. Health & C&C]*
- [AB 2066 \(Sevarto\)](#), as amended March 28, 2022, would amend various sections, and repeals sections 235, 236, and 617 of the Public Utilities Code to remove all references to telegraph corporations and, consequently, would repeal the CPUC's statutory authority to regulate telegraph corporations. *[A. Appr]*
- [AB 2252 \(Aguiar-Curry\)](#), as amended March 3, 2022, would add section 914.8 to the Public Utilities Code to require the CPUC to, within 12 months of a declaration of emergency from the Governor, collect information, as specified, from broadband service providers on infrastructure damaged by the disaster and share this information with the legislature annually. According to the author, "The wildfires of 2017 and 2018 caused massive devastation, from private property loss to telecommunications network damage. AB 2252 is needed to ensure that state regulators and public officials are informed of telecommunications service failures and network damage after a natural disaster. *[A. EM]*
- [AB 2635 \(Levine\)](#), as amended March 11, 2022, would amend section 5870 of the Public Utilities Code to require the public, educational, and governmental access (PEG)

channels be receivable by all subscribers of cable companies without the need for any equipment different from that equipment necessary to receive the highest quality broadcast television channels. According to the author, “AB 2635 would require that local public access channels be delivered to the public in High Definition (HD), or the most advanced technology used by local broadcast TV channels. PEG channels broadcasted in High Definition would allow for greater accessibility, ensure that any documents presented at government meetings are readable and would make captions available for those who are hearing impaired or deaf.” *[A. Appr]*

- [AB 2702 \(Gipson\)](#), as amended March 24, 2022, would amend sections 281 and 914.7, and adds section 281.3 to the Public Utilities Code to establish the goal of the Broadband Public Housing Account is to provide internet connectivity to all residents of publicly supported housing developments on or before December 31, 2025, and would require the CPUC to prioritize grants and loans from the account that benefit publicly supported housing developments. Additionally, the bill would require the CPUC to simplify and streamline the application processes for the fund and to enable an owner of a publicly supported housing development to submit a single application to the CPUC for purposes of applying for grants and loans from the fund for internet connectivity infrastructure, digital literacy training, and broadband adoption. *[A. C&C]*

- [AB 2748 \(Holden\)](#), as introduced February 18, 2022, would amend various sections, and adds section 5841 to the Public Utilities Code to revise and recast the Digital Infrastructure and Video Competition Act of 2006 to, among other things, (1) rename the act as the Digital Equity in Video Franchising Act of 2022, (2) revise the definition of “gross revenue” for purposes of calculating the franchise fee for a local jurisdiction, (3) require a franchise

applicant to submit a description of the households that are known to be unserved in the video service area footprint that is proposed by the applicant, (4) establish the policy of the state that subscribers and potential subscribers of a state video franchiseholder should benefit from equal access, as defined, to service within the service area and prohibit a cable operator or video service provider that has been granted a state franchise from denying equal access to service to any group of potential residential subscribers because of the income of the residents in the local area in which the group resides, and (5) repeal the maximum amount of fine that could be assessed for a violation of the equal access requirement. *[A. C&C]*

- [AB 2749 \(Quirk-Silva\)](#), as introduced February 18, 2022, would amend section 281 of the Public Utilities Code to expand the requirement requiring the CPUC to approve projects that provide last-mile broadband access to areas that include households that are unserved by an existing facility-based broadband provider. Additionally, the bill would require the CPUC to review applications within a specified period, document the basis for denial of an application, and authorize the amendment and resubmission of denied applications, and require that any ministerial review process developed by the CPUC include a streamlined application process and a reimbursement mechanism for predetermined project costs. *[A. C&C]*

- [AB 2752 \(Wood\)](#), as introduced February 18, 2022, would amend section 281.6 of the Public Utilities Code to require the CPUC, in collaboration with relevant state agencies and stakeholders, to additionally include all developed last-mile broadband service connections from the statewide open-access middle-mile broadband network on that interactive map. *[A. C&C]*

- [AB 2901 \(Patterson\)](#), as introduced February 18, 2022, would amend section 311.5 of the Public Utilities Code to require the CPUC to publish adopted decisions and

resolutions within 5 days of the adoption of each decision or resolution. *[A. U&E]*

- [AB 2906 \(Patterson\)](#), as introduced February 18, 2022, would amend section 2872 of the Public Utilities Code to exempt from CPUC control and regulation the use of an automatic dialing-announcing device for purpose of a school contacting parents or guardians of pupils regarding the health or safety of pupils. *[S. Rules]*

- [SB 857 \(Hueso\)](#), as amended March 21, 2022, would amend sections 275.6 and 276.5 of the Public Utilities Code to extend the sunsets for the California High Cost Fund programs (CHCF-A and CHCF-B) by five years. According to the author, “Recent wildfires and the Covid-19 pandemic have demonstrated the need to ensure that Californians have access to high-quality, affordable telecommunications services. . . . California’s high cost funds help ensure that residents in these communities can afford telephone service. SB 857 extends this sunset by five years to ensure that Californians in high cost areas can continue to access these essential telecommunications services.” *[S. Appr]*

## **Water**

- [SB 1469 \(Bradford\)](#), as introduced on February 18, 2022, would amend section 739.10 of the Public Utilities Code relating to water corporations. This bill would allow the CPUC to authorize the implementation of a mechanism that separates a water corporation’s revenues and its water sales. The bill would also require the CPUC to ensure that errors in estimates of demand elasticity or sales do not result in material over collections or under collections of water corporations. *[S. EU&C]*



## Transportation

- [AB 1919 \(Holden\)](#), as amended April 6, 2022, would add and repeal Chapter 2 (commencing with section 99100) of the Public Utilities Code, relating to transportation. This bill would require local authorities, school districts, and colleges to maintain their funding for free or reduced fare youth transit and impose a state-mandated local program. This bill would also create the Youth Transit Pass Pilot Program for purposes of offsetting the costs to transit agencies of offering free youth transit passes. According to the author, “[the] lack of statewide program leaves millions of low-income and diverse youth without affordable or accessible transportation options,” and this bill could help remedy that issue. *[A. Appr]*
- [AB 2015 \(Cooley\)](#), as amended on March 21, 2022, would amend and repeal multiple sections of the Public Utilities Code related to transportation. This bill would specify that only a member entity that is annexed after the initial formation of the Sacramento Regional Transit District would be authorized to make an appointment to the board for the district, in addition to the initial appointments made by the City and County of Sacramento governing boards. The bill would change existing law to no longer allow a majority vote to suffice for an official act of the board, and instead require an affirmative vote by the majority of board members, unless a higher vote threshold is required by law. The bill would also increase the monetary threshold for certain transit bids, establish a retirement board for its retirement system, and repeal other obsolete language. *[A. PE&R]*
- [AB 2181 \(Berman\)](#), as introduced on February 15, 2022, would amend, repeal, and add section 100060.2 of the Public Utilities Code relating to transportation. This bill, which would take effect on July 1, 2023, would revise the membership of the board of directors for the Santa

Clara Valley Transportation Authority to consist of 2 representatives of the county who are community members and appointed by the president of the board of supervisors with board approval, 5 representatives of the City of San Jose, including at least 2 city council members or the mayor and 2 community members, appointed by the mayor with city council approval, and 5 representatives of the other cities in the county, including at least 2 community members and 2 city council members or mayors of those cities, elected through a ranked choice voting process by the city councils of those cities. The bill would also authorize the board of directors to include ex officio nonvoting members from regional transportation or governmental bodies and would increase the directors' terms of office to 4 years. *[A. L. Gov]*

- [AB 2271 \(Gipson\)](#), as introduced on February 16, 2022, would amend section 130232 of the Public Utilities Code relating to transportation to authorize LA Metro to provide for a local small business preference of 5% of the lowest responsible bidder meeting specifications, with respect to different construction, procurement, and services contracts. The bill would also indefinitely extend this authorization to allow LA Metro to set aside work for competition among certified small business and medium business enterprises and award those contracts to those enterprises that are the lowest responsible bidders. The bill would revise the definitions of a small business enterprise and a medium business enterprise for these purposes. *[A. L. Gov]*

- [AB 2641 \(Gipson\)](#), as amended March 24, 2022, would add section 286 to the Public Utilities Code relating to telecommunications. This bill would require the CPUC to revise the focus of the California Emerging Technology Fund (CETF) to focus on digital equity by assisting nonprofit community-based organizations that provide services to help low-income residents get out of poverty partially through access to the internet and proficiency in digital

literacy skills. The bill would require the CPUC to prioritize funding through the CETF for nonprofit community-based organizations that provide specified services and reach the highest number of low-income residents. A violation of an order or decision of the commission implementing the bill's requirements would be a crime, and therefore this bill would impose a state-mandated local program by creating a new crime. *[A. C&C]*

- [AB 2753 \(Reyes\)](#), as amended March 24, 2022, would add Article 14 (commencing with section 930) to Chapter 4 of Part 1 of Division 1 to the Public Utilities Code relating to communications. This bill would establish the Digital Equity Bill of Rights, which pertains to broadband internet service and is applicable to all residents of California. This bill requires the CPUC to ensure that all residents of the state benefit from equal access to broadband. This bill makes findings and declarations regarding digital equity, establishes that California residents have a right to broadband, requires the CPUC by January 1, 2025 to adopt rules that facilitate equal access to broadband internet service, and requires the CPUC to develop model policies that local government entities may use to ensure that broadband providers do not engage in digital discrimination, among other things. The CETF, an organization, operated through the CPUC, supports the bill, and the author hopes that this bill would help remedy economic opportunities lost during COVID. *[A. Jud]*

- [AB 2763 \(Kalra\)](#), as introduced on February 18, 2022, would add Article 4.5 (commencing with section 100157) to the Public Utilities Code relating to transportation. This bill would authorize the Santa Clara Valley Transportation Authority to enter job order contracts with the lowest responsible and responsive bidders. The bill would prohibit a single job order contract from exceeding \$5,000,000 in its first term and, if extended or renewed, from exceeding

\$10,000,000 over the maximum of two extended terms. Job order contracts would be defined as indefinite-quantity contracts for repair, remodeling, or other repetitive work to be done according to unit price. *[A. LGov]*

- [SB 1161 \(Min\)](#), as amended on April 6, 2022, would add section 99177 to the Public Utilities Code relating to transportation. This bill would require the top ten public transit operators in the state to develop and implement a plan to reduce the street harassment experienced by its riders and to consider the safety concerns and needs of riders who have been victims of this kind of harassment when planning, designing, and operating their systems. It would require transit operators to perform outreach activities in order to collect survey data for the purpose of informing, developing, and implementing the plan. According to the author, “[t]his bill will help restore confidence in the safety of public transportation so that everyone—especially those most vulnerable to harassment—can ride from one place to the next without fear.” *[S. Trans]*

- [SB 1488 \(Glazer\)](#), as amended on March 16, 2022, would amend sections 28840, 28841, and 28844, add sections 28841.2, 28841.4, and 28841.6, and repeal section 28845 of the Public Utilities Code relating to transportation. This bill would revise the duties and responsibilities of the San Francisco Bay Area Rapid Transit District (BART) Inspector General (IG) and provide that the IG shall have the independence necessary to conduct all its audits and investigations in conformity with specified standards. The bill would clarify the IG’s access to BART operations as well as clarify the authority to examine records and other property. According to the author, “Inspector Generals are supposed to be independent watchdogs of the agency with which they serve. This bill would give new powers and protections to the BART Inspector General to ensure that the office is truly independent.” *[S. Jud]*

- [AB 1680 \(Lee\)](#), as amended March 24, 2022, would amend section 99171 of the Public Utilities Code to extend the effective date from 11 days to 12 days for a prohibition order issued by Sacramento Regional Transit District (SacRT), the Los Angeles County Metropolitan Transportation Authority (LA Metro), the Fresno Area Express, and the San Francisco Bay Area Rapid transit District (BART). [*A. Trans*]
- [AB 1833 \(Ward\)](#), as introduced February 7, 2022, would amend sections 120222, 125222, and 132352.4 of the Public Utilities Code to change various bidding thresholds for the San Diego Metropolitan Transit System (MTS), the North County Transit District (NCTD), and the San Diego Association of Governments (SANDAG) to align with the federal simplified acquisition threshold (SAT). [*A. Trans*]
- [AB 2716 \(Grayson\)](#), as amended March 17, 2022, would add section 5445.4 to the Public Utilities Code to require the CPUC in consultation with the Department of Motor Vehicles (DMV) to create a safety course on safe driving and passenger safety for drivers of transportation network companies. Additionally, the bill would require transportation network companies to require their participating drivers to complete the safety course once every two years as a condition of using the transportation network company's online-enabled application or platform to connect with passengers. [*A. C&C*]

## LITIGATION

- *Cannara v. Nemeth*, Case No. 20-16202 (9th Cir., Dec. 30, 2021). On December 30, 2021, the Ninth Circuit Court of Appeals issued a [decision](#) affirming the district court's [order](#) dismissing the action brought by public utility ratepayers against the CPUC for lack of subject matter jurisdiction. [[25:2 CRLR 180](#)] On July 19, 2019, the initial [complaint](#) for the case was filed,

asking for declaratory and injunctive relief for constitutional violations by the CPUC and electrical corporations. The complaint alleged that California IOU's were able to escape consequences from the California legislature in the aftermath of the many wildfires that have occurred in California due to their political and financial resources and [AB 1054 \(Chapter 79, Statutes of 2019\)](#). The complaint alleged that these reprieves from the legislature under AB 1054 are unconstitutional and the bill should be invalidated. On January 13, 2022, Appellants petitioned the panel for a rehearing en banc. On February 23, 2022, the petition was denied.

- [\*\*\*Rittiman v. Public Utilities Commission\*\*\*](#), Case No. S270145 (Cal. Sup. Ct. 2021).

On November 22, 2021, the court filed an order stating that the petition for review on the case was granted, and the matter was transferred to the Court of Appeal, First Appellate District, Division One. The Court of Appeal was given directions to vacate its order denying mandate and to issue an order directing the respondent, the CPUC, to show why the relief sought in the petition should not be granted. On July 30, 2021, Brandon Rittiman and Tegna Inc. filed a petition for review against the CPUC.

- [\*\*\*Alice Stebbins vs. California Public Utilities Commission\*\*\*](#), Case No. S273295 (Cal. Sup. Ct. 2022). On February 22, 2022, Alice Stebbins filed a petition for review against the CPUC and all its commissioners in the California Supreme Court regarding the Bagley-Keene Open Meeting Act. On April 14, 2022, the court extended the time for granting or denying review to May 23, 2022, and on April 15, 2022, the reply to the supplemental brief was filed with the court. No other information about the case is known at this time.

- ***Cal. PUC v. FERC***, Case. Nos. 19-72897, 20-71335 (9th Cir. 2022). On March 17, 2022, the CPUC et al. filed a [petition for review](#) against the Federal Energy Regulatory

Commission (FERC). The petition came after the 2018 case, *Cal. Pub. Utils. Comm’n v. FERC*, 879 F.3d 966 (9th Cir. 2018), in which FERC concluded that membership in the California independent system operator (CAISO) was voluntary under California law. California argued that FERC’s orders on remand disregarded and contradicted the holding of that opinion because it definitively held that California law prevented the utilities, who were or are also intervenors in the present case (PG&E, Southern California Edison Co., and San Diego Gas & Electric) from leaving CAISO without approval. However, the 2018 case did not resolve the state law issue present. On March 17, 2022, the court denied petitions for review and concluded that several FERC decisions, awarding adjustments to utilities’ rate of return on equity to three California-based public utilities upward, were lawful.

- ***Azevedo v. Public Utilities Commission*, Case No. CGC-22-598144 (Super. Ct. San Francisco County).** On February 14, 2022, Bernard Azevedo, the former Director of the CPUC’s Administrative Services Division, filed a [complaint](#) against the CPUC, alleging the Commission engaged in acts of reprisal against him in violation of section 8547 of the Government Code, the California Whistleblower Act. Azevedo also alleges the CPUC violated section 1102.5 of the labor code. At the time of this writing, a case management conference is scheduled for July 10, 2022.

- ***Southern California Gas Company v. Public Utilities Commission*, Case No: B310811 (Cal. Ct. App.).** On February 1, 2022, the Second District Court of Appeals granted

petitioner's writ of review<sup>1</sup>. At the time of this writing, oral arguments have not been placed on the court's calendar.

- ***United States v. Pacific Gas and Electric Co.*, Case No. CR 14-0175 WHA (N.D. Cal.)**. On January 19, 2022, U.S. District Judge William Alsup of the Northern District of California issued his [final comments](#) upon the expiration of Pacific Gas and Electric's (PG&E) five-year criminal probation term (see HIGHLIGHTS).

- ***Plumas County vs. Pacific Gas and Electric Co. et al.*, Docket No. CGC21596070 (Cal. Super. Ct. Oct 20, 2021)**. On April 11, 2022, the five counties that [filed](#) a civil suit against PG&E in Plumas County for its role in starting the 2021 Dixie Fire, along with Sonoma County who, filed in response to the 2019 Kincadee fire, reached a [settlement agreement](#) with PG&E. According to the terms of the settlement, PG&E has agreed to pay Sonoma County a \$7.5 million fine and a \$1 million fine to the five counties that were affected by the 2021 Dixie fire. Additionally, PG&E will pay \$35 million to fire departments, safety councils, and other non-profits. PG&E has also agreed to cover investigation costs, expedite victims' payments, and hire more workers to bolster safety coverage. The settlement is expected to cost PG&E \$55 million over five years.

- ***California Restaurant Association vs. City of Berkeley*, Case No. 21-16278 (9th Cir. Mar. 2022)**. On March 22, 2022, the American Gas Association filed an [Amicus Brief](#) in

---

<sup>1</sup> In May 2019, the Public Advocates Office (Cal Advocates) at the CPUC became concerned that Southern California Gas Company (SoCalGas) was wrongly using ratepayer funds to support funding of anti-decarbonization campaigns. Cal Advocates submitted various inquiries to SoCalGas. An Administrative Law Judge (ALJ) granted Cal Advocates motion to compel responses from SoCalGas. SoCalGas argued against disclosure and appealed the Administrative Law Judge's ruling to the Commission. On December 21, 2020, the CPUC voted 5-0 to approve [Resolution ALJ-391](#), denying SoCalGas's appeal and directing SoCalGas to produce the requested documents and information. On March 8, 2021, SoCalGas submitted a writ of review/mandate to the Second District Court of Appeals.



Support of the California Restaurant Association (CRA) against the City of Berkeley's ordinance banning new natural gas hookups within city limits. The CRA is arguing that the Energy Policy and Conservation Act preempts the action as the ordinance failed to fulfill a pressing public interest and is, therefore, a violation of state and federal law. Oral Argument is scheduled for May 12, 2022.