

# CALIFORNIA PUBLIC UTILITIES COMMISSION

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The California Public Utilities Commission (CPUC) was created in 1911 to regulate privately-owned utilities and ensure public access to reasonable rates and services. 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. Additionally, it licenses 3,300 trucks, buses, “shared rides,” railroads, light rail, ferries, and other transportation companies in California. The CPUC grants operating authority, regulates service standards, and monitors utility operations for safety.

The Governor appoints five full-time members to the Commission, subject to Senate confirmation, to direct the agency. The California Constitution directly authorizes the Commission and mandates that it balances 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 holds quasi-legislative authority, enabling it to adopt regulations, some of which are codified in Chapter 1, Title 20 of the California Code of Regulations (CCR). The Commission also possesses quasi-judicial authority, granting it the ability 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 conducts quasi-legislative and quasi-judicial hearings when evidence-taking and findings of fact are needed.

Generally, the CPUC’s ALJs preside over hearings and forward “proposed decisions” to the Commission for all final rulings. In the past, the California Supreme Court had sole discretion to review CPUC decisions. However, Public Utilities Code section 1756 now permits courts of appeal to entertain challenges to most CPUC decisions. Despite this change, judicial review remains discretionary, resulting in most petitions for review not being entertained. As a result, the CPUC’s decisions are effectively considered final in most cases.

The CPUC permits ratepayers, utilities, and consumer and industry organizations to participate actively in its proceedings. Non-utility entities can be granted “party” status and may receive “intervener compensation” if they contribute to a beneficial outcome for the general public beyond their economic interests. Over the past twenty years, this compensation has facilitated the participation of numerous consumer and minority-representation groups in Commission proceedings, 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 is comprised of economists, engineers, ALJs, accountants, attorneys, administrative and clerical support staff, and safety and transportation specialists. It is organized into 16 divisions.

In addition, the CPUC maintains essential services to ensure 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 seeking 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 to obtain “the lowest possible rate for service consistent with reliable and safe service levels.”

Per Public Utilities Code section 308(a), the five-member Commission appoints the Executive Director, who serves at the pleasure of the Commissioners. Commissioners are appointed to the CPUC for six-year terms, subject to Senate confirmation.

On February 16, 2024, Governor Newsom [appointed](#) Matt Baker to the Commission. Baker served as the Director of the Public Advocates Office since 2022 and Deputy Secretary for Energy at the California Natural Resources Agency from 2020 to 2022. He was also a Program Officer for the William and Flora Hewlett Foundation from 2012 to 2020, a Commissioner for the Colorado Public Utilities Commission from 2008 to 2012, Executive Director of Environment Colorado from 2004 to 2008, and Executive Director of the Colorado Public Interest Research Group from 2000 to 2003.

There are currently no commissioner vacancies at the time of this writing.

## HIGHLIGHTS

### **Pilot Program Launched to Help Clear Utility Bills and Regain Financial Stability**

On February 15, 2024, pursuant to [SB 598 \(Hueso\) \(Chapter 362, Statutes of 2017\)](#), the CPUC [approved](#) a decision on Rulemaking 18-07-005, a pilot program to use community-based organizations (CBOs) to address service disconnections and assist customers’ utility debts. The CPUC [initiated](#) the pilot program’s development in April 2022 to instruct utilities on creating proposals to help California communities with high electric bills following the first year of the COVID-19 pandemic. The new [Arrears Case Management Pilot Program](#) is designed to reduce

residential energy service disconnections and enhance reconnection processes for customers of Pacific Gas and Electric Company (PG&E), Southern California Edison (SCE), San Diego Gas & Electric (SDG&E), and Southern California Gas Company (SoCalGas).

The Arrears Case Management Pilot Program complements similar initiatives already underway, including the Arrearage Management Payment Plan and the Percentage of Income Payment Plan programs, all geared towards mitigating residential service disconnections. Under the new pilot program, utilities will contract with CBOs, such as Valley Clean Air Now and San Diego Community Power, to provide case management services to customers of the named utilities. These partnerships are estimated to assist up to 12,000 customers in managing unpaid bills, including arranging bill payment plans and enrolling in energy assistance and efficiency programs. The program requires utilities to award contracts to CBOs to assist customers within 180 days. The pilot program is expected to end in 790 days, or roughly 26 months, from its start date.

## MAJOR PUBLICATIONS

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

### General

- [CPUC 2023 Annual Report to the Legislature](#), the CPUC, January 31, 2024 (The CPUC issued an annual report to the legislature to provide a comprehensive overview of the organization's activities, achievements, and challenges during the previous fiscal year. The report covers all aspects of the CPUC's operations, including energy, water, transportation, and communications. Moreover, it highlights the organization's efforts to protect consumers, promote

competition, and support California’s transition to a cleaner, more reliable, and more affordable energy future).

- [\*The Public Advocate’s Office - The Consumer Advocate at the CPUC - 2023 Annual Report\*](#), The Public Advocates Office (the consumer advocate at the CPUC), Fall 2023 (provides an overview of the organization’s advocacy efforts and accomplishments to secure access to education and other public services for Californians who face discrimination or economic disadvantage. This report highlights energy, water, and communication issues, the organizations working in Sacramento, and a legislative report).

- [\*2023 Annual Report to Legislature on Trusts and Entities Created by the CPUC\*](#), the CPUC, February 1, 2024 (The CPUC submits this annual report to the legislature in accordance with [AB 1338 \(Committee on Budget\) \(Chapter 760, Statutes of 2008\)](#). The report provides an overview of the CPUC’s fiscal and governance information for the entities and programs it has established).

- [\*November 2023 Monthly Newsletter\*](#), the CPUC, November 2023 (the CPUC monthly newsletter introducing new Chief Administrative Law Judge, Michelle Cooke, highlights Administrative Law Judge Robyn C. Purchia, and lists proceedings filed by the CPUC in October 2023).

- [\*December 2023 Monthly Newsletter\*](#), the CPUC, December 2023 (the CPUC monthly newsletter, which includes an article on CPUC-provided grant funds for digital inclusion and proceedings filed by the CPUC in November 2023).

- [\*January 2024 Monthly Newsletter\*](#), the CPUC, January 2024 (the CPUC monthly newsletter that provides information on funding opportunities and how to apply for a CPUC Clean

Energy Grant, article on CPUC investment of more than \$6 million to close the digital divide, an article on utility rate information, and proceedings filed by the CPUC in December 2023).

## Energy

- [2023 California Renewables Portfolio Standard \(Annual Report\)](#), the CPUC, November 2023 (the CPUC submits this annual report to the legislature on the progress of the Renewables Portfolio Standard (RPS) program in accordance with [SB 1222 \(Hertzberg\) \(Chapter 842, Statutes of 2016\)](#). This report describes the progress of California’s electricity retail sellers in meeting their RPS requirements).

## Telecommunications

- [2023 California LifeLine Program Annual Report](#), the CPUC, March 2024 (this annual report summarizes the program’s key initiatives and accomplishments to ensure high-quality communications services for the approximately 1.2 million low-income Californian residents).

- [Deaf and Disabled Telecommunications Program \(DDTP\) California Connect Annual Report for Fiscal Year 2022–2023](#), the CPUC, February 2024 (the annual report issued by the DDTP provides an overview of the program’s activities, progress, and impact in ensuring access to telecommunication services and equipment for individuals who are deaf, hard of hearing, deaf-blind, or have difficulty speaking).

- [Annual Report of Telephone Corporations Customer, Employment and Investment, and Information \(Public Utilities Code 914\)](#), the Communications Division of the CPUC, January 2024 (Public Utilities Code sections 914 and 7912 mandate the CPUC submit an annual report to the Assembly Committee on Communications and Conveyance and the Senate Committee on

Energy, Utilities and Communications, containing specified information on regulated telephone corporations with over 750 employees, which includes customer data, employment statistics, and capital investments).

## Transportation

- [\*Annual Railroad Safety Report to the California State Legislature\*](#), Rail Safety Division of the CPUC, November 30, 2023 (the CPUC issued an annual Railroad Safety Report for fiscal year 2022–2023 in accordance with Public Utilities Code sections 916, 916.1, 916.2, and 916.3. The report covers the CPUC’s rail safety activities, findings, and actions in response to specific incidents, hazardous sites, and the impact of regulatory fees on competition, with a focus on the challenges presented by the COVID-19 pandemic as well as the CPUC’s innovative programs to ensure railroad safety beyond regulatory requirements).
- [\*2023 Access for All Legislative Report \(SB 1376\)\*](#), the CPUC, December 22, 2023 (this report presents an analysis of the Access for All (AFA) program’s performance from the 3<sup>rd</sup> quarter of 2019 through the 2<sup>nd</sup> quarter of 2023, in accordance with [SB 1376 \(Hill\) \(Chapter 701, Statutes of 2018\)](#). AFA was established to increase the availability of on-demand transportation for persons with disabilities).

## RULEMAKING

- **Cal Advocates/ CPUC, Petition of the Public Advocates Office to Adopt, Amend, or Repeal a Regulation Pursuant to Public Utilities Code section 1708 ([P.24-03-013](#)):** On March 18, 2024, the Public Advocates Office (PAO) filed this petition for the CPUC to commence a rulemaking proceeding to align demand side program designs and budgets with current electrification, decarbonization, equity, and reliability goals.

- **CPUC, Order Instituting Rulemaking to Continue Implementation and Administration, and Consider Further Development, of California Renewables Portfolio Standard Program ([R.24-01-017](#)):** On January 25, 2024, the CPUC initiated this rulemaking proceeding as a successor docket to R.18-07-003, to address ongoing oversight of the RPS program, which includes integrating new legislative mandates and administrative requirements to the RPS program. The rulemaking would also propose further developments to increase the percentage of RPS-eligible electricity sold to customers.

- **CPUC, Order Instituting Rulemaking to Establish Energization Timelines ([R.24-01-018](#)):** On January 25, 2024, the CPUC initiated this rulemaking proceeding to establish energization timelines pursuant to [SB 410 \(Becker\) \(Chapter 394, Statutes of 2023\)](#) and [AB 50 \(Wood\)\(Chapter 317, Statutes of 2023\)](#), which requires the CPUC and electrical corporations to undertake a variety of activities to promote timely energization of customer connection in the state and procedures for customers to report energization delays to the CPUC.

- **CPUC, Order Instituting Rulemaking Regarding Transportation Electrification Policy and Infrastructure ([R.23-12-008](#)):** On December 14, 2023, the CPUC initiated this rulemaking proceeding to continue overseeing the development of infrastructure to support the acceleration of transportation electrification and consider the development of rates if needed. This proceeding is a successor to R18-12-006 and closes the previous rulemaking proceeding.

- **Order Instituting Rulemaking on Regulations Relating to Passenger Carriers, Ridesharing, and New Online-Enabled Transportation Services ([R.12-12-011](#)):** On December 1, 2023, the Joint Assigned Commissioner and assigned ALJ ruled that Cruise LLC must show cause as to why it should not be sanctioned for failing to provide complete information and for



making misleading public comments regarding the October 2, 2023 Cruise-related incident and subsequent interactions with the CPUC. On January 12, 2024, the CPUC ALJ [denied](#) Cruise LLC's motion for an alternative dispute resolution.

- **Order Instituting Rulemaking to Update and Amend Commission General Order 131-D ([R.23-05-018](#))**: On December 18, 2023, the CPUC ALJ issued a decision to adopt modifications to Commission General Order 131-D to address the requirements of [SB 529 \(Hertzberg\) \(Chapter 357, Statutes of 2022\)](#) and correct outdated references. The rulemaking proceeding remains open following this decision.

## LEGISLATION

### Internal

- [AB 2683 \(Boerner\)](#), as amended March 21, 2024, would amend section 309.5 of the Public Utilities Code. This bill would require PAO to advocate for lower rates in every general rate case and service consistent with reliable and safe standards. *[A. U&E]*
- [AB 2764 \(Patterson\)](#), as introduced February 15, 2024, would add section 304.5 to the Public Utilities Code. This bill would prohibit the annual salary and any defined compensation paid to each commissioner from being funded with revenues collected from fees or other charges imposed on ratepayers. The funds to compensate the commissioners would be appropriated from the General Fund, or another source not collected from ratepayers. *[A. Appr]*
- [AB 3247 \(Irwin\)](#), as amended March 11, 2024, would amend section 309.5 of the Public Utilities Code. This bill would require the director of the PAO to be appointed for an initial 4-year term by the Speaker of the Assembly and a consecutive 4-year term by the President pro-

Tempore of the Senate. Subsequent appointments will rotate between these two authorities. [*A. Appr*]

- [AB 3256 \(Irwin\)](#), as amended March 21, 2024, would amend sections 792.5 and 910.7 and add section 739.17 to the Public Utilities Code. This bill would require the CPUC to include the amounts of funds in and expenditures from the memorandum accounts and balancing accounts of each public utility as part of its annual update to the legislature on the status of its review of balance accounts. [*A. U&E*]

- [SB 1474 \(Allen\)](#), as amended March 20, 2024, would amend sections 1801, 1801.3, 1802, and 1804 of the Public Utilities Code. This bill would add a participant representing patrons or employees of any electrical, gas, telephone, telegraph, or water corporation to the definition of “customer” for compensation of reasonable fees associated with substantial contributions. The definition of “substantial contribution” would include input from customers the CPUC had used to make reasoned decision-making even if the customer’s recommendations were not adopted directly by the CPUC. [*S. Appr*]

- [SB 1480 \(Allen\)](#), as amended April 9, 2024, would amend section 382.1 of, and add section 381.2 to, the Public Utilities Code. This bill would expand the membership of the Low-Income Oversight Board to 12 members by adding one member selected by the CPUC, who is a representative of a low-income telecommunications provider, and expand the general duties of the Board as a whole. This bill would further require the CPUC and the board to ensure the financial burden, not the energy burden, is reduced for low-income electricity, gas, water, and telecommunications customers. This bill would require the CPUC to provide notice to eligible customers. [*S. Appr*]

## Energy

- [AB 1999 \(Irwin\)](#), as introduced on January 30, 2024, would amend section 739.9 of the Public Utilities Code. This bill would permit the CPUC to authorize fixed charges not to exceed \$5 per residential customer account per month for low-income customers enrolled in the California Alternate Rates for Energy (CARE) program and not exceed \$10 per residential customer account per month for customers not enrolled in the CARE program, as of January 1, 2015. [*A. U&E*]
- [AB 2054 \(Bauer-Kahan\)](#), as amended on April 8, 2024, would amend sections 303 and 309.5 of, and add section 454.15 to, the Public Utilities Code. This bill would prohibit a CPUC commissioner from being employed by an entity subject to regulation by the CPUC for three years after the end of the commissioner's term. It would prohibit any commissioner from receiving gifts from such entities. This bill would also establish the same restrictions on the director of PAO. Further, in rate-setting proceedings, this bill would require the CPUC to determine if recovery costs above the authorized forecast are just and reasonable before a public utility can recover those costs. Any costs above the authorized forecast would be allocated between ratepayers and shareholders. The bill would require all proposed electrical corporation spending for wildfire expenses eligible for rate recovery to include a cost-benefit analysis of the costs proposed and at least one credible alternative. [*A. Appr*]
- [AB 2109 \(Carrillo\)](#), as introduced on February 5, 2024, would amend section 371 of and add section 451.7 to the Public Utilities Code. This bill would require industrial process heat recovery technology to be included with the enhancement or increased equipment efficiency in ordinary business. This bill would further prohibit electrical corporations from imposing non-bypassable or departing load surcharges on customers due to reduced kilowatt-hours of electricity

from the electrical grid within a metered interval due to industrial process heat recovery technology if it meets prescribed requirements. *[A. U&E]*

- [AB 2368 \(Petrie-Norris\)](#), as amended on March 21, 2024, would amend section 349 of the Public Utilities Code. This bill would require an Independent System Operator (ISO), following a major outage that affects at least ten percent of customers of their distribution service, to notify their findings and recommendations to the CPUC, State Energy Resource Conservation and Development Commission, and the legislature if the ISO concludes the primary cause of the outage is an insufficient procurement of general resources. *[A. U&E]*

- [AB 2666 \(Boerner\)](#), as amended on March 21, 2024, would add section 451.6 to the Public Utilities Code. This bill would require the CPUC to require a corporation that received revenues from its ratepayers over the approved rate of return for a previous year to refund those excess revenues to its ratepayers. *[A. U&E]*

- [AB 2779 \(Petrie-Norris\)](#), as amended on March 21, 2024, would add section 350 to the Public Utilities Code. This bill would require an ISO to report to the CPUC and relevant legislative policy committees any new grid-enhancing technology and its cost or efficiency savings upon approval of each transmission plan. *[A. U&E]*

- [SB 1305 \(Stern\)](#), as amended on March 18, 2024, would add section 380.6 to the Public Utilities Code. This bill would require the CPUC, in coordination with specified state agencies, to take specified actions in relation to virtual power plants. The CPUC is further required to determine targets for reaching electrical corporations to procure generation from cost-effective virtual power plants by March 1, 2026, and finalize the targets by October 1, 2026. The bill would

also require each electrical corporation to file a report to the CPUC on its progress toward compliance with the virtual power plant procurement targets by January 30, 2028. *[S. EU&C]*

- [AB 2092 \(Mathis\)](#), as amended on March 18, 2024, would add and repeal section 711 of the Public Utilities Code. This bill would require the CPUC to conduct a feasibility study on the use of small molecular reactors for energy generation in the state and compare it to other renewable resources in the state. *[A. Appr]*

- [AB 2205 \(Patterson\)](#), as introduced on February 7, 2024, would add section 739.14 to the Public Utilities Code. This bill would require the CPUC to reduce the kilowatt-per-hour rate to no less than 30% for electricity charged to ratepayers. *[A. U&E]*

- [AB 2256 \(Friedman\)](#), as amended on April 1, 2024, would amend section 2827.1 of and add section 2827.2 to the Public Utilities Code. This bill would require the CPUC to revise the 2<sup>nd</sup> standard contract (previously developed to ensure renewable distributed generation to grow sustainably in disadvantaged communities) or tariff for each large electrical corporation to include specified requirements related to the state’s climate goals rather than sustainability. *[A. U&E]*

- [AB 2462 \(Calderon\)](#), as amended on April 8, 2024, would amend section 913.1 of the Public Utilities Code. This bill would require the CPUC’s annual utility cost and rate increase recommendations report, as well as a consideration of how the adoption of electrification may impact total energy costs borne by consumers and recommendations for lowering monthly electricity bills. *[A. Appr]*

- [AB 2619 \(Connolly\)](#), as introduced on February 14, 2024, would amend sections 2827 and 2827.1 and add section 2827.2 to the Public Utilities Code. This bill would require the CPUC to develop a new standard contract or tariff to provide net energy metering for large electrical

corporations' eligible customer generators. Further, this bill would require the CPUC to design the standard tariff for large electrical corporations to achieve an annual rate of installation of solar renewable facilities sufficient to meet the state's anticipated solar energy goals. *[A. U&E]*

- [AB 2661 \(Soria\)](#), as amended on March 21, 2024, would amend section 454.57 of the Public Utilities Code. This bill would require the CPUC to perform a sensitivity analysis evaluating the potential for 10,000 to 30,000 megawatts of solar electrical generation located in the Central Valley and to transmit the analysis to an ISO for evaluation as part of the next transmission planning process. *[A. NatRes]*

- [AB 2672 \(Petrie-Norris\)](#), as amended on April 8, 2024, would amend section 739.1 of the Public Utilities Code. This bill would amend requirements for nonprofit living facilities participating in the CARE program. This bill would further require the CPUC to authorize electrical and gas corporations to offer discounts to eligible facilities and establish a feasible process for certifying the assistance directly benefits the residents of those facilities. *[A. U&E]*

- [AB 2805 \(Essayli\)](#), as introduced on February 15, 2024, would amend sections 739.9 and 2827.1 of the Public Utilities Code. This bill would repeal the provisions that allow the CPUC to authorize fixed charges for any rate schedule applicable to residential customers participating in the CARE program and the structure of fixed charges for default residential rates. *[A. U&E]*

- [AB 3011 \(Bains\)](#), as introduced on February 16, 2024, would add section 739.14 to the Public Utilities Code. This bill would require the CPUC to ensure that each electrical rate schedule does not cause an unreasonable hardship on senior citizens, renters, families with minor children, medically vulnerable customers, or economically vulnerable residential customers in hot climate zones, as specified. Further, the imposition of rates on those identified above where the

temperature is above 90 degrees Fahrenheit would be considered an unreasonable hardship for the hour rates. *[A. U&E]*

- [SB 938 \(Min\)](#), as amended on March 21, 2024, would amend section 748.3 of the Public Utilities Code. This bill would require the CPUC to assess a civil penalty against an electrical or gas corporation that violates the prohibition against corporations that record various expenses associated with political influence activities or advertising to accounts that contain expenses that such corporations recover from ratepayers. *[S. EU&C]*

- [SB 1054 \(Rubio\)](#), as amended on March 20, 2024, would add section 748.7 of the Public Utilities Code. This bill would authorize the CPUC to require gas corporations to use up to 15% of the revenues received under the California Global Warming Solutions Act of 2006 to fund the Climate Pollution Reduction Homes Initiative each year and to be credited directly to its residential customers. *[S. EU&C]*

- [SB 1130 \(Bradford\)](#), as introduced on February 13, 2024, would amend section 739.12 of the Public Utilities Code. This bill would expand eligibility for the Family Electric Rate Assistance (FERA) program by eliminating the requirement for three or more persons for household eligibility. The bill would require the CPUC to have the three largest electrical corporations report on their efforts to enroll customers in the FERA program and review each report for commensurability and compliance. *[S. Appr]*

- [SB 1237 \(Stern\)](#), as introduced on February 15, 2024, as it pertains to the CPUC, would amend several sections of various Codes. This bill would replace “natural gas” with “methane” within the California Codes. Further, this bill would make other relevant changes to the use of related funds and the applicability of various charges used to fund low-income assistance

programs since “natural gas” and “methane” are not always defined as the same substance. *[S. EU&C]*

- [\*\*SB 1292 \(Bradford\)\*\*](#), as introduced on February 15, 2024, would amend section 739.9 of and add and repeal section 913.7 of the Public Utilities Code. This bill would require the CPUC to submit a report to the legislature on the electrical corporations’ implementation of fixed charges that collect a reasonable portion of fixed costs from providing electrical service to residential customers. This bill would prohibit the CPUC from authorizing a fixed charge other than the income-graduated fixed charge for default residential rates until 30 days after such reports are submitted. *[S. EU&C]*

- [\*\*SB 1312 \(Nguyen\)\*\*](#), as introduced on February 16, 2024, would amend sections 739.1, 2827.1, and 2851 of and repeal section 739.9 of the Public Utilities Code. This bill would repeal specified provisions related to fixed charges and rates designed to collect a reasonable portion of fixed costs for electrical service to residential customers. *[S. EU&C]*

- [\*\*SB 1314 \(Nguyen\)\*\*](#), as introduced on February 16, 2024, would amend sections 739.1, 2827.1, and 2851 of and repeal section 739.9 of the Public Utilities Code. This bill would repeal specified provisions related to fixed charges and rate increases to collect a reasonable portion of fixed costs of providing electrical service to residential customers. This bill would take effect immediately as an urgency statute. *[S. EU&C]*

- [\*\*SB 1326 \(Jones\)\*\*](#), as introduced on February 16, 2024, would amend sections 739.1 and 2827.1 of the Public Utilities Code and repeal section 14 of Chapter 61 of the Statutes of 2022. This bill would require the CPUC to require each electrical corporation to offer default rates to residential customers with at least two usage tiers. This bill would further require the CPUC to



eliminate the requirement that the fixed charges be established on an income-graduated basis and instead authorize fixed charges that do not exceed \$10 per residential customer account per month for customers not enrolled in the CARE program, as well as fixed charges that do not exceed \$5 per residential customer account per month for customers enrolled in the CARE program.

*[S. EU&C]*

- [SB 1374 \(Becker\)](#), as amended on March 18, 2024, would add section 2827.1 of the Public Utilities Code. This bill would require the CPUC to ensure that any contract or tariff established by the CPUC pursuant to specified net energy metering provisions for renewable electric generation meets specified requirements. *[S. EU&C]*

- [SB 1508 \(Stern\)](#), as amended on March 18, 2024, would amend sections 2835, 2836, 2836.2, 2837, and 2838 of the Public Utilities Code. This bill would require the CPUC to adopt appropriate targets for each load-serving entity to procure viable and cost-effective energy storage systems and emerging energy storage technologies to be achieved by specified dates. *[S. EU&C]*

## **Telecommunications**

- [AB 2369 \(Patterson\)](#), as introduced on February 12, 2024, would add and repeal section 249 of the Public Utilities Code. This bill would require the Little Hoover Commission to conduct a study on using fixed wireless technologies to bridge the digital divide and submit a report to the legislature with the commission's recommendations on or before January 1, 2027.

*[A. Appr]*

- [AB 1826 \(Holden\)](#), as introduced on January 12, 2024, would amend and add various sections to the Public Utilities Code. This bill would rename the Digital Infrastructure and Video Competition Act of 2006 as the Digital Equity in Video Franchising Act of 2024, provided the Act

does not authorize the CPUC to regulate rates of video services and authorize the CPUC to exercise specified authority, jurisdiction, and powers. This bill would require the CPUC to hold specified avenues for public participation relating to applications for renewals of state franchises. The bill further details the CPUC's requirement to have video service providers make video service available to all residences within a designated service area and penalties for non-compliance. [A. C&C]

- [AB 2239 \(Bonta\)](#), as amended April 15, 2024, would add section 281.3 to the Public Utilities Code. This bill would require the CPUC to ensure that rules for California Advanced Services Fund grant programs prohibit digital access discrimination and that all grant applicants and grant recipients comply with the prohibition. [A. Jud]

## LITIGATION

- *Center for Biological Diversity v. Public Utilities Comm'n*, Docket No. A167721, 98 Cal. App. 5th 20 (Cal. Ct. App. 2023). On December 20, 2023, the Court of Appeal [held](#) the CPUC was not required to generally consider the cost and benefit of renewable energy when evaluating energy generated and exported by the owners of renewable energy systems.

Petitioners requested a writ review of CPUC's adoption of a successor to the net energy metering (NEM) tariff, alleging the tariff failed to comply with statutory objectives. The NEM tariff was designed to govern how owners of renewable energy systems are billed by their utility. The CPUC initiated changes to the tariff that would cause an increase in the energy bills for owners of renewable energy systems based on the peak period of electricity rates. However, the CPUC stated that ownership of residential solar power systems would still result in bill savings and, in turn, repay the cost of system installations.

The court ruled that the CPUC's decision to update the NEM tariff was reasonably related to the statutory goal of equity between utility customers. Further, the other challenges raised by the petitioners failed to prove the CPUC violated their statutory obligations to consumers with the changes made to the NEM tariff.

- ***Alice Stebbins v. California Public Utilities Comm'n*, No. CGC20588148 (San Francisco County Super. Ct.)**. On March 27, 2024, the Court of Appeal affirmed the lower court's judgment against appellant Stebbins. The appellant was the executive director of the CPUC from early 2018 until she was terminated in September 2020. The appellant then filed suit alleging that she was terminated in retaliation for whistleblowing. However, the jury rejected her claims and awarded no damages. The two issues on appeal were related to alleged jury instruction errors. One error concerned a jury instruction given by the trial court, which stated that the CPUC and State Personnel Board are separate legal entities. The second error concerned a jury instruction not given concerning the intentional destruction or suppression of evidence. The appellant conceded that the CPUC and State Personnel Board are separate legal entities and failed to show the instruction prejudiced her. Further, the Appellant was unable to show that her disclosure of assertedly improper fiscal activities of the CPUC contributed to the agency's decision to discharge her. [[26:1 CRLR 174–176](#); [26:2 CRLR 244](#); [27:2 CRLR 220–221](#)]

- ***Sierra Telephone Company, Inc. v. Alice B. Reynolds*, Case No. 1:23-cv-001143-BAM (E.D. Cal. 2023)**. On November 27, 2023, the Court [held](#) that the Plaintiffs failed to state a claim for violating the Dormant Commerce Clause, and the Federal Communications Commission's (FCC) previous order did not preempt the CPUC's ratemaking decision. Plaintiffs, a collection of telephone and internet service providers, filed its [complaint](#) on August 1, 2023,

against CPUC commissioners to challenge the application of CPUC's broadband imputation policy. The challenged policy imputed the revenues of internet service providers to affiliate telephone service providers, which Plaintiffs claim is an unconstitutional taking preempted by the FCC Restoring Internet Freedom Order and the Dormant Commerce Clause.

In its November order, the district court denied the Plaintiff's motion for a preliminary injunction and granted the Defendant's motion to dismiss in part and denied it in part. The Plaintiffs have 30 days from the electronic filing date to file an amended complaint.