

SUBCOMMITTEE NO. 2

Agenda

Senator Lois Wolk, Chair
Senator Jim Nielsen
Senator Fran Pavley



Tuesday, May 17, 2016
10:00 a.m.
State Capitol - Room 112

Consultants: Catherine Freeman and Farra Bracht

Part B—Energy

VOTE-ONLY ISSUES

<u>Item</u>	<u>Department</u>	<u>Page</u>
3360	California Energy Commission	
Issue 1	Title 20 Appliance Efficiency Standards Compliance Assistance and Enforcement Program	3
8660	California Public Utilities Commission	
Issue 1	Implementation of SB 380 (Pavley)	3
Issue 2	Biogas Study-Trailer Bill Language	3
Issue 3	Funding for Network Engineer Consultants	4

DISCUSSION / VOTE ISSUES

<u>Item</u>	<u>Department</u>	<u>Page</u>
3360	California Energy Commission	
Issue 1	SB 350 and AB 802 Implementation	5
Issue 2	American Recovery and Reinvestment Act (ARRA) Investments	7
8660	California Public Utilities Commission	
Issue 1	California LifeLine Cost Estimates Update	8
Issue 2	Transportation Rate Fund Trailer Bill Language	11
Issue 3	Operations-Related Trailer Bill Language (Legislative Proposal)	13
Issue 4	Green Tariff SB 43 (Legislative Proposal)	14

VOTE-ONLY ISSUES**3360 CALIFORNIA ENERGY COMMISSION**

- 1. Spring Finance Letter—Title 20 Appliance Efficiency Standards Compliance Assistance and Enforcement Program.** The spring finance letter requests two permanent positions to support the Title 20 Appliance Efficiency Standards Compliance Assistance and Enforcement Program. Senate Bill 454 (Pavley), Chapter 591, Statutes of 2011, authorized the commission to establish an administrative enforcement process for violations of the commission's appliance efficiency standards, with penalties up to \$2,500 per violation. The requested staff resources will conduct investigations to uncover violations leading to penalties levied through a formal administrative adjudication, mutual settlement or litigation, and conduct compliance assistance, outreach and education to stakeholders on how to comply with the commission's regulations. Total funding request for this proposal is \$275,000 from the Appliance Efficiency Enforcement Subaccount.

Staff Recommendation: Approve as proposed

8660 CALIFORNIA PUBLIC UTILITIES COMMISSION (CPUC)

- 1. Implementation of SB 380 (Pavley).** SB 380 (Pavley), Chapter 14, Statutes of 2016, was chaptered on May 10. The bill requires \$2.7 million from the Public Utilities Commission Utilities Reimbursement Account to the CPUC for additional staffing and procurement of technical services to conduct public hearings, proceedings, analysis, complex modeling, staff training, equipment, and travel to perform analysis of the impacts of a full or partial closure of Aliso Canyon.

Staff Recommendation: Approve as proposed.

- 2. Trailer Bill Language: Biogas Study (previously heard on March 10, 2016).** The budget proposes trailer bill language that would request the California Council on Science and Technology conduct a study analyzing the regional and gas corporation specific issues relating to the minimum heating value specifications adopted by the CPUC for biomethane before it can be injected into common carrier gas pipelines. If the California Council on Science and Technology agrees to undertake and complete the study, the bill would require each gas corporation operating common carrier pipelines in California to proportionately contribute to the expenses to undertake the study with the cost recoverable in rates, but would authorize the CPUC to modify a specified decision to allocate money that would be made available for certain incentives to instead be made available to pay for costs of the study so as to not further burden ratepayers with additional expense. If the study is completed, the bill would require the CPUC to reevaluate requirements adopted by the CPUC for injection of biomethane into common carrier pipelines and, if appropriate, change those requirements or adopt new requirements, giving due deference to the conclusions and recommendations made in the study.

Staff Comment: At this time, there is a policy bill, AB 2206 (Williams) moving through the policy process on this topic.

Staff Recommendation: Approve as budgeted.

3. **Funding for Network Engineer Consultants (previously heard on March 10, 2016).** The budget proposes \$1 million in reimbursable authority for a one-time contract for network engineering consultants. It is expected that the total contract cost would be \$1.5 million, with \$1 million to be spent in 2016-17 and \$500,000 in 2017-18.

Currently, there are about 1.7 million wirelines, or landlines, in California, 7.4 percent of all telephone lines. CPUC's service quality program and contains five service quality measures and related standards for assessing the quality of telephone service. The out-of-service (OOS) metric is to repair 90 percent of outages of landlines within 24 hours. The results for this metric are collected monthly and reported quarterly. AT&T and Verizon, which have between 85 percent and 88 percent of the residential and small business wireline customers in the state, have consistently failed to meet this metric. Specifically, during the years 2010 through 2014, AT&T's average annual OOS repair results within 24 hours were: 50 percent, 67 percent, 71 percent, 67 percent, and 60 percent, respectively. For the same period, Verizon's average annual OOS repair results within 24 hours were: 76 percent, 73 percent, 72 percent, 70 percent, and 68 percent respectively.

Pursuant to a CPUC decision, CPUC staff is directed to retain a consulting firm with communications network experience to examine AT&T's and Verizon's network facilities, review company policies and procedures for network maintenance, repair and replacement; advise Communications Division management and CPUC decision makers' on technical telephone and communications network issues; prepare a report on the results of the examination and testify before the CPUC should hearings be held.

Staff Comment: At this time there is a proposed decision related to this issue under consideration by the CPUC. The request for this study may be unnecessary because it has already been established by the CPUC that providers of telephone services are not meeting the OOS metric.

Staff Recommendation. Reject the Governor's proposal.

DISCUSSION / VOTE ISSUES**3360 CALIFORNIA ENERGY COMMISSION (CEC)****Issue 1: SB 350 and AB 802 Implementation (Heard on March 10)**

Background: SB 350 (de León), Chapter 547, Statutes of 2015, requires the CEC to establish annual targets for statewide energy efficiency savings and demand reductions to achieve a cumulative doubling of energy efficiency savings in electricity and natural gas, final end uses of retail customers by January 1, 2030.

AB 802 (Williams), Chapter 590, Statutes of 2015, establishes a building energy use benchmarking and public disclosure program for nonresidential and multifamily buildings. The bill requires the CEC, in collaboration with the California Public Utilities Commission (CPUC), to implement a statewide public energy efficiency benchmarking program, establish statewide benchmarking and information technology reporting, conduct education and outreach, and assess progress toward efficiency goals and future energy consumption needs.

Governor's January Proposal: The Governor's budget requests 29.5 permanent positions, and ongoing contract funds of \$3.5 million, for a total request of \$7.6 million from the Cost of Implementation Account, Air Pollution Control Fund, to implement SB 350. The budget separately requests eight permanent positions, and \$500,000 in baseline technical support, for a total request of \$1.6 million from the Energy Resources Programs Account (ERPA), to implement AB 802.

Governor's May Revision Proposal. The Governor's May Revision adjusts the SB 350 proposal by shifting funding from the Cost of Implementation Account (\$7.6 million) to the Air Pollution Control Fund, on a one-time basis. Budget bill language provides the necessary authority for the use of penalty monies for this purpose on a one-time basis.

Staff Comments: Staff has further reviewed the proposals with the commission and recommends approval of the budget proposal with the May Revision adjustments. Additionally, following the subcommittee discussion, concerns were raised that the studies conducted by the Independent System Operator regarding regionalization of the electricity grid pursuant to SB 350 should be more adequately reviewed. Staff recommends a third party review these studies and report back to the Legislature. Further, concerns have been raised about the ability of the state to understand systemwide natural gas emissions for the purposes of tracking and ranking these emissions. Staff recommends directing CEC to track and rank natural gas emissions in order to provide the state with the information it needs to better evaluate the overall natural gas system.

Staff Recommendation: (1) Approve as proposed with the May Revision funding adjustments.
(2) Approve the following trailer bill language:

- (1) The studies conducted by the Independent System Operator pursuant to Section 359(e)(1) of the Public Utilities Code shall be reviewed by an independent third party, to be chosen by one representative each jointly appointed by the Assembly, the Senate, and the Governor, to determine whether the studies adequately consider the*

overall benefits to ratepayers, including the creation or retention of jobs and other benefits to the California economy, environmental impacts in California and elsewhere, impacts in disadvantaged communities, emissions of greenhouse gases and other air pollutants, and reliability and integration of renewable energy resources. The independent third party shall include its findings in a written report, to be submitted to the governor and the relevant fiscal and policy committees of both houses of the Legislature, by June 30, 2017.

- (2) *The California Energy Commission shall, utilizing the best management practices developed by the California Public Utilities Commission and DOGGR, develop a natural gas tracking and rating system that will enable natural gas purchasers in California to evaluate the environmental impact of the vented and fugitive emissions of the gas they procure.*

Vote:

Issue 2: American Recovery and Reinvestment Act (ARRA) Investments

Background: On February 17th, 2009, President Obama signed the American Recovery and Reinvestment Act (ARRA), otherwise known as the Stimulus Package, to restart the economy. The package contains extensive funding for science, engineering research and infrastructure, and more limited funding for education, social sciences and the arts. States received discretionary funding through the ARRA for a variety of programs, and certain programs received funding through block grants. Through 2013, the CEC administered \$314 million in energy efficiency and renewable energy pilot programs under ARRA. These pilot programs influenced the administration of current and ongoing programs, and budget proposals under other funding sources, such as the Greenhouse Gas Reduction Fund (GGRF).

When ARRA ended in 2013, over \$30 million of funds remained with sub-recipients who administer the programs, mainly in revolving loan funds. The CEC, as part of its evaluation of these programs, determined that certain programs were under-performing and is now proposing to use the funds for a different purpose.

Governor's Proposal: The CEC is requesting \$8 million in federal fund authority in the budget year, and \$2.5 million through 2026-27, to implement both voluntary and mandatory programs to increase energy efficiency in existing buildings, and to conduct a competitive grant program to facilitate more effective use of local government knowledge and authority to promote and conduct energy efficiency improvements in existing buildings. The proposal also requests federal fund transfer authority to shift \$5 million (ARRA funds) to the Department of General Services for the Energy Efficiency State Property Revolving Fund loan program.

Staff Comments: The need to promote energy efficiency at the local level is critical to making the state more energy efficient. The CEC has multiple programs that address this need, and the Legislature has weighed in on many through statute. Over the past year, several ideas have arisen including the idea that this type of program should be directed toward education of public and private entities, and with the idea of lasting benefits to a broad spectrum of the state's energy users. To that end, the Legislature should consider whether or not the CEC should create a new program to allocate the funding, or rather establish a legislatively-directed program that may be more cross-cutting across all aspects of the local jurisdictions, small and medium businesses, and state agencies.

Staff Recommendation: Approve as proposed.

Vote:

8660 CALIFORNIA PUBLIC UTILITIES COMMISSION**Issue 1: California LifeLine Cost Estimates Update (May Revision update and previously heard on March 10, 2016)**

Governor’s Proposal: The Governor's May Revision proposes to decrease the January budget request for the Universal LifeLine Telephone Service Trust Administrative Committee Fund by \$142.4 million. This is a reduction of \$134.3 million for local assistance (from a proposed augmentation of \$267.4 million for local assistance) and a reduction of \$8.1 million for state operations (from a proposed augmentation of \$14.2 million for state operations).

Background: The Moore Universal Telephone Service Act, in 1984, set the goal of providing high quality telephone service at affordable rates to eligible low-income households. The Act requires the PUC to annually designate a class of lifeline service necessary to meet minimum residential communications needs, develop eligibility criteria (currently 150 percent of the federal poverty level), and set rates for the lifeline services, which are required to be not more than 50 percent of the rate for basic telephone service. Over the years, the definition of a “basic service”, that has included only traditional wireline (landline), has been considered in a broader context of new technologies and trends towards voice, video, and data services.

Under federal and state LifeLine program rules, multiple participants are permitted at a single residential if the participants are separate households. A household includes adults and children who are living together at the same address as one economic unit. An economic unit consists of all adults (persons at least 18 years old unless emancipated) contributing to and sharing the household's income and expenses. Only one discount is provided per household.

For each household enrolled in the program, CPUC provides telephone companies (carriers) a maximum monthly state subsidy that is based on 55 percent of the most expensive basic landline service from the four largest carriers. The subsidy is meant to offset the lower rate charged to the consumer. In 2016, the maximum state subsidy is about \$13 a month. The federal government also administers the federal Lifeline program that provides a monthly discount of about \$9. In addition, the state provides (1) a per enrollee monthly payment to cover carriers’ administrative costs, (2) a one-time connection subsidy for new enrollees or enrollees that switch plans, and (3) a subsidy to cover other telephone taxes and surcharges for LifeLine enrollees.

The revenues to fund the program are collected from a surcharge on telephone bills for non-LifeLine customers. The CPUC adjusts the level of the surcharge based on its projections of the amount of revenue needed to cover the costs of the program.

Program Participation Dramatically Increased Since Expansion to Wireless Service. In January, 2014, the CPUC issued a decision authorizing voluntary participation in the program by wireless service providers to offer discounted wireless service plans to low-income households that include wireless voice, text, and data services. Since this change, there has been substantial growth in the program and the number of subscribers doubled from fiscal year 2013-14 to 2014-15—with all of the growth in the number of wireless subscribers and a reduction in the number of wireline subscribers. The table below shows the year over year growth in the number of subscribers since 2006-07. Program costs also have increased substantially over the same time period and the surcharge to fund the program was recently increased to 5.5 percent. This chart has been updated to reflect the information provided by CPUC at the May Revision.

Changes in the LifeLine Program Since 2006-07

Universal LifeLine										
A	B	C	D	E	F	G	H	I	J	K
Fiscal Year	Surcharge	State Operations including TPA	TPA	Carrier claims	Number of Applications	Wireline subscribers	Wireless subscribers	Total subscribers	Eligible Households (150% FPL)	Participation Rate
2006/07	1.29%	\$ 41,599,002	\$ 31,789,749.00	\$ 252,426,883	7,152,297	3,012,892	-	3,012,892	2,522,407	119%
2007/08	1.15%	\$ 39,466,669	\$ 34,868,887.00	\$ 224,944,358	9,497,381	2,371,842	-	2,371,842	2,468,051	96%
2008/09	1.15%	\$ 55,059,418	\$ 34,081,996.00	\$ 205,737,424	10,237,685	2,037,062	-	2,037,062	2,542,795	80%
2009/10	1.15%	\$ 38,954,760	\$ 28,661,742.25	\$ 203,572,985	6,909,963	1,846,711	-	1,846,711	2,649,959	70%
2010/11	1.15%	\$ 30,970,208	\$ 17,036,031.53	\$ 219,352,498	5,964,323	1,691,348	-	1,691,348	2,897,943	58%
2011/12	1.15%	\$ 23,940,469	\$ 16,160,291.00	\$ 231,848,942	6,886,264	1,518,763	-	1,518,763	3,063,944	50%
2012/13	1.15%	\$ 22,149,437	\$ 16,012,453.00	\$ 199,706,702	3,170,943	1,173,692	-	1,173,692	3,059,176	38%
2013/14	1.15%	\$ 20,896,962	\$ 13,780,816.00	\$ 172,014,995	2,740,319	947,959	90,656	1,038,615	3,085,547	34%
2014/15	2.40%	\$ 18,327,290	\$ 14,006,955.00	\$ 277,400,000	4,755,441	727,526	1,439,796	2,167,322	3,066,894	71%
2015/16 (Jul - Feb 2016)	3.80%	\$ 14,058,730	\$ 11,475,103	\$ 266,448,668	1,033,561	664,365	1,552,303	2,216,668	3,066,894	72%
FY 15/16	5.50%	\$ 21,483,000	\$ 16,935,138	\$ 462,046,748	4,425,506.00	599,248.00	1,392,230.00	1,991,478	3,066,894	65%
FY 16/17 (projection)	3.80%	\$ 25,777,892	\$ 18,586,271	\$ 457,345,097	6,654,542.00	672,206.00	2,322,338.00	2,994,544	4,170,115	72%

Source: CPUC

Below letters corresponds to the letters above.

- B: 1.15 percent effective April 1, 2007; 2.40 percent effective January 1, 2015; 3.80 percent effective August 1, 2015; and 5.50 percent effective October 1, 2015.
- C: State Operation increased in FY 2008/09 due to increased marketing costs.
- E: 2015/16 carrier claims are July - Jan 2016 and include \$53,204,069 of 2014/15 claims that were paid out of 2015/16.
- J: The number of eligible households in FY 2016/17 is 200 percent of the federal poverty level.

Wireless Plans Are Diverse, but Many Plans Are Free to Enrollees. A diverse set of wireless plans are available for LifeLine customers. Although all plans currently include at least 1,000 monthly voice minutes, plans offer different monthly rates, additional voice minutes, text messaging, and data. As of August 2015, there were 34 LifeLine wireless plans available and 21 of the available plans (62 percent) were offered at no cost to customers. Of the 21 plans that were offered for no cost:

- 14 plans included unlimited voice minutes.
- 14 plans included unlimited text messages.
- Seven plans included some data.

Ensuring Eligibility and Minimizing Fraud. Prior to 2007, participants self-certified their eligibility and carriers enrolled participants. The very high participation rate in 2006 triggered the CPUC and Federal Communications Commission to require a third-party administrator (TPA) to determine eligibility and manage the consumer participation in the program. Shortly after the introduction of a TPA, participation decreased sharply in 2007 and 2008. Today, participants establish eligibility either through evidence of participation in other federal public assistance programs (i.e. CalFresh, Medicare, Section 8 housing) or by submitting evidence of income. Applications include both applications to determine initial eligibility and annual renewals; however program eligibility does not require an annual verification of income eligibility. Applicants provide supporting documentation and information under penalty of perjury.

In addition to the automated, upfront fraud checks performed by the TPA, periodic detailed queries are conducted to detect and eliminate fraudulent behavior. As an example, the TPA, at the CPUC's request, examined all addresses where more than one participant receives discounts.

The CPUC is working with Federal Communications Commission to investigate the results of this analysis. Another example is an annual manual fraud analysis performed jointly by the TPA and the commission. A detailed manual comparison of all information submitted by consumers, including qualifying program documentation, is used along with results of identity verification to detect fraud. This process takes about three to four months to complete. The program removes activity determined to be fraudulent immediately. In addition, potential duplicates that are identified are removed.

In addition to automated and manual fraud preventions measures, carrier claims are periodically audited. The CPUC is currently in a procurement process to select auditors who will audit the wireless carriers claims submitted in 2014.

As a result of the automated anti-fraud mechanisms, applications are identified and rejected as being duplicative. These potential participants never receive discounts. Between September 2014 and today, approximately 2,920 of the 2.4 million California LifeLine participants have been identified and removed for fraudulent behavior. Very few of these participants have appealed.

May Revision: As part of the May Revision, at the Legislature's request, CPUC prepared a caseload and cost estimate package that provides revised projections of the current and budget year local assistance costs for the Universal Lifeline program. For 2015-16, CPUC estimates lifeline expenditures will total \$483.5 million, which is an increase of \$137.8 or 40 percent, compared to the 2016-17 Governor's Budget. This projected increase in expenditures is due to increased carrier claims from wireless service providers. In addition, \$53.2 million of the 2015-16 appropriation was used to pay 2014-15 carrier claims.

In 2016-17, the May Revision estimates total state operations and local assistance costs of \$483.1 million, which is a decrease of \$142.4 million from the January proposal. For the revised estimate, CPUC has had over a year of actual participation data allowing for more accurate forecasting.

Legislative Analyst's Office (LAO) Analysis: The LAO has raised no concerns with the revised estimate.

Staff Question for CPUC:

1. Please describe the primary drivers of changes in the estimate and uncertainties such as the impact of the elimination and reintroduction of the connection/ conversion subsidy.
2. Please discuss the fund balance and the surcharge rate reduction anticipated for 2016-17.

Staff Comment: The updated caseload estimates the Administration provided at the May Revision use more recent and complete data to provide a better estimate of program costs.

Staff Recommendation: Approve the May Revision caseload and cost estimates for the Lifeline program.

Vote:

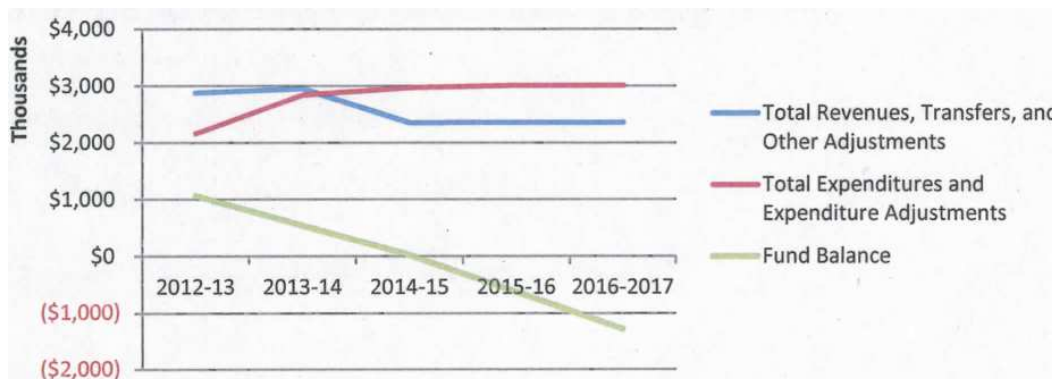
Issue 2: Transportation Rate Fund Trailer Bill Language (April Finance Letter)

Governor’s Proposal: The April finance letter requests the Public Utilities (PU) Code be amended to increase the maximum fee that can be charged to household goods movers from 0.7 percent to 1.0 percent to maintain solvency in the Transportation Rate Fund.

Background: The Public Utilities Commission Transportation Rate Fund (Fund 0412) is used to fund CPUC’s work to license and regulate household goods movers (1,045 movers as of March 31, 2016) that move household goods and personal belonging over the public highways in California. The fund supports 15 positions that perform this work. The fund’s main source of revenue is quarterly fees household goods movers pay to the CPUC. PU Code Section 5003.2 currently sets the maximum rate for this quarterly fee at 0.7 percent of household goods mover’s gross revenue (set in 2006), which is the rate the CPUC has charged since 2006.

Quarterly fees are based on gross reported household good’s movers’ incomes, and revenue has decreased in recent years. In addition, in 2013-14, expenditures increased significantly (by about \$650,000) due to a change in how CPUC overhead for increases in employee compensation and other adjustments is allocated, rather than as a result of program growth. As shown in the figure below, these changes are resulting in expenditures exceeding revenues.

Transportation Rate Fund Revenues Have Declined and Expenditures Have Increased



Staff Questions for CPUC

1. Please describe the enforcement activities that will be underway in the future, the timeline for this to occur, and discuss why past enforcement efforts may not have been adequately robust.

Staff Comments: Some portion of the household goods carrier market is unlicensed which may have contributed to the decline in revenues. According to CPUC, it is aware of some deficiencies in its enforcement activities and has efforts underway to improve enforcement, including an effort to reengage management at Yelp, Craigslist, and other online bulletin boards to reduce postings from unlicensed moving companies, to use these boards as leads to unlicensed carriers, and to increase litigation against such carriers. The CPUC will also provide additional tools to investigators to increase the number of sting operations, particularly in local jurisdictions where the district attorney is willing to prosecute criminal cases.

The subcommittee may want to consider not approving the Governor's proposal to raise the possible maximum fee at this time and instead have the CPUC report in January 2017 on the number of investigators conducting enforcement of household goods carriers; past and current efforts; future efforts; and options to provide adequate funding for this program.

Staff Recommendation: Reject the Governor's proposal and adopt supplemental reporting language that requires CPUC to report by January 1, 2017 on the number of investigators conducting enforcement of household goods carriers; past and current efforts; future efforts; and options to provide adequate funding for this program.

Vote:

Issue 3: Operations-Related Trailer Bill Language (Legislative Proposal)

Proposal: The Assembly adopted placeholder trailer bill language to do the following.

- Require CPUC to report on its business process inventory efforts in March of 2017.
- Require CPUC to report on options to expand its operations and staff outside of the San Francisco headquarters.

Background: In a prior hearing this year, the Subcommittee approved two proposals 1) \$5.3 million for eFiling administration support platform creation and business configuration projects and 2) information technology restructuring which provided CPUC 24 permanent positions for its information technology service branch. In part, the expectation is that these additional resources would be used to improve the effectiveness and internal operations of CPUC and help make CPUC a more modern and transparent entity overall.

Also, as part of its modernization efforts, CPUC is in the process of informally categorizing its business processes. Such an effort can provide the framework for future technology improvements or, the creation of performance metrics that will allow for greater transparency of the performance of the Commission.

In addition, the Subcommittee also approved in a prior hearing a request for six positions to work on workforce planning and development. Staff training and workforce planning have been identified as a central deficiency of the CPUC, which has resulted in staff turnover and uneven performance.

Staff Comment: The Assembly adopted placeholder trailer requiring CPUC to report on its business process inventory efforts in March of 2017. This report would allow the Subcommittee to assess the improvements of the operations at CPUC. The Assembly also adopted placeholder trailer bill language to require CPUC to report on options to expand its operations and staff outside of the San Francisco headquarters. The purpose of this report is to explore options for leveraging additional facilities in areas of the state, like Sacramento, which would allow the CPUC to collaborate with other departments and also allow staff more opportunities for growth in promotion in other state departments.

Staff Recommendation: Conform to the Assembly's adopted of placeholder trailer bill language requiring 1) CPUC to report on its business process inventory efforts in March of 2017 and 2) CPUC to report on options to expand its operations and staff outside of the San Francisco headquarters.

Vote:

Issue 4: Green Tariff SB 43 (Legislative Proposal)

Proposal: The proposed change would remove the sunset from SB 43 (Wolk), Chapter 413, Statutes of 2013 as follows.

SEC. 2. Section 2834 of the Public Utilities Code is repealed.

~~2834. This chapter shall remain in effect only until January 1, 2019, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2019, deletes or extends that date.~~

Background: SB 43 directed the CPUC to approve green tariff shared renewables (GTSR) programs ensuring that customers of Southern California Edison, San Diego Gas & Electric and Pacific Gas & Electric investor-owned utilities (IOUs) have the ability to subscribe to up to 600 megawatts of offsite renewable energy projects and receive utility bill credits in return. Shared renewables programs offer access to up to 100 percent renewable energy to the many Californians who cannot install renewables on their own property: renters, people whose homes are shaded or poorly oriented, small businesses who lease, space limited public entities, and consumers who lack sufficient credit, among others.

The CPUC adopted a decision implementing parts of SB 43 in mid-2015 that lays out the program design for the three IOU's green tariff programs. In April 2016, the CPUC issued a proposed decision for the enhanced community renewables portion of the GTSR proceeding. It is unknown when the CPUC will issue a final decision for this part of the proceeding. Given how long the rulemaking has taken at the CPUC, 2019 is not an appropriate date to sunset the program.

The sunset in current law would end the statutory requirement that the IOUs offer the Green Tariff Shared Renewable (GTSR) program to customers. This proposal would delete the program sunset of January 1, 2019. The program will now end when the 600 megawatt cap of the program is reached.

Staff Recommendation: Approve as proposed.

Vote: