
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anthony Portantino, Chair
2019 - 2020 Regular Session

SB 378 (Wiener) - Electrical corporations: deenergization events: procedures: allocation of costs: reports

Version: January 21, 2020

Urgency: No

Hearing Date: January 23, 2020

Policy Vote: E., U., & C. 10 - 1

Mandate: Yes

Consultant: Ashley Ames

******* ANALYSIS ADDENDUM – SUSPENSE FILE *******

The following information is revised to reflect author amendments crossed on January 21, 2020, while the bill was on the Suspense File.

Bill Summary: This bill would place several requirements on electrical investor-owned utilities (IOUs) that decide to shut off power to reduce wildfire risk, including requiring IOUs to reimburse specified costs, creating penalties for shutting off power, and requiring IOUs to report specified information to the California Public Utilities Commission (CPUC) and local governments, among others.

Fiscal Impact:

- The CPUC estimates costs of \$1.7 million annually (special fund) and nine positions to (1) establish a procedure for recovery of costs due to de-energization events, (2) conduct enforcement proceedings to penalize electric corporations, (3) perform audits, and (4) produce a biannual report on the economic, environmental, and public health and safety impacts of de-energization events.
- Unknown but potentially significant fee revenue, possibly in the hundreds of millions of dollars annually, for penalties levied on IOUs by the CPUC due to de-energization events that it determines were not justified.

Author Amendments: The author agreed to several amendments during the policy committee hearing, and these amendments were crossed while the bill was on the Suspense File. The amendments do the following:

- Remove provisions concerning establishing Code of Conduct Rules associated with marketing against the formation of local public owned utilities, microgrids, and distributed energy resources.
- Recast the section of the bill concerning compensation for affected customers and local governments.
- Adjust the penalty amounts and make penalties dependent on the CPUC finding that de-energization events are not reasonable.
- Apply provisions to all electric IOUs or all electric utilities regulated by the CPUC.
- Additional minor changes. Consistent with recent legislative efforts to establish a Wildfire Safety Division, the amendments require reporting to the new division responsible for oversight of electric IOU wildfire mitigation plans.

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