

Date of Hearing: August 10, 2022

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Chris Holden, Chair

SB 599 (Hueso) – As Amended June 13, 2022

Policy Committee:	Rules	Vote:	8 - 0
	Utilities and Energy		12 - 0

Urgency: No State Mandated Local Program: Yes Reimbursable: No

SUMMARY:

This bill revises and recasts provisions relating to activities of the California Public Utilities Commission (CPUC) including quiet periods and the authority for closed session meetings during certain proceedings as well as development programs and procurement contracts with women, minority, disabled veteran and lesbian, gay, bisexual and transgender (LGBT) business enterprises.

Specifically, this bill:

- 1) Authorizes the CPUC to meet in closed session to deliberate on a proposed decision, order or resolution after providing three-day advanced notice to the public, except in an adjudicatory or a quasi-legislative proceeding.
- 2) Requires the CPUC to establish a quiet period during the three business days before the scheduled vote on a decision, during which oral or written communications shall not be permitted, except in an adjudicatory or quasi-legislative proceeding.
- 3) Updates several Public Utilities Code sections for consistency with statutory changes made by SB 255 (Bradford, Chapter 407, Statutes of 2019) related to the CPUC's Supplier Diversity Program.
- 4) Places a January 1, 2024 sunset on a requirement for the CPUC to submit annually to the Legislature an assessment of the success of the California Solar Initiative (CSI) program, as specified.

FISCAL EFFECT:

This bill will result in no direct costs to the CPUC.

COMMENTS:

This bill deals with rules governing communications in CPUC proceedings and with the CPUC's Utility Supplier Diversity Program and the California Solar Initiative (CSI). The author describes this bill as "clarifying and clean up amendments related to CPUC statutes."

CPUC proceedings and communications. CPUC proceedings are formal judicial processes used to evaluate a variety of requests related to the industries that the CPUC regulates. A proceeding can be a request, complaint, or application, or it can be a CPUC-initiated investigation or

rulemaking. The purpose of a proceeding is to establish an evidentiary record on which to base CPUC decisions. Existing law directs the CPUC to identify each of its proceedings as follows: (1) adjudication; (2) quasi-legislative; (3) ratesetting; and (4) catastrophic wildfire. The law and CPUC regulations provide rules and restrictions regarding *ex parte* communications and quite periods relevant to each type of proceeding. This bill revises those *ex parte* and quite period requirements.

Supplier diversity programs. Pursuant to statute, (AB 3678 (Moore), Chapter 1259, Statutes of 1986), the CPUC long ago established the supplier diversity program, which requires each electrical, gas and telephone corporation with gross annual revenues exceeding \$25 million to annually submit a detailed, verifiable plan for increasing diverse business procurement from women, minority and disabled veteran-owned business enterprises. Subsequent legislation added wireless telecommunications service providers to the program, and encouraged providers with gross annual revenue less than \$25 million to voluntarily report procurement to the CPUC and encouraged cable television corporations and direct broadcast satellite providers to do so. In 2014, legislation added LGBT-owned business enterprises to the supplier diversity program and required the CPUC to adopt LGBT status qualifiers created by the National Gay and Lesbian Chamber of commerce with initially adopting eligibility criteria for LGBT business enterprises. SB 255 (Bradford), Chapter 407, Statutes of 2019, lowered the reporting threshold to utilities with gross annual California revenues over \$15 million and expanded the list of entities that are required to comply to include community choice aggregators. This bill updates various sections of existing law to make them consistent with one another.

California Solar Initiative. The CPUC's CSI is a state program that subsidized the installation of customer-sited solar electrical generation facilities. The program has closed, but state law requires the CPUC to submit an annual report to the Legislature assessing the program. This bill sunsets the requirement.

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