

Date of Hearing: April 2, 2025

**ASSEMBLY COMMITTEE ON UTILITIES AND ENERGY**

Cottie Petrie-Norris, Chair

AB 1273 (Patterson) – As Introduced February 21, 2025

**SUBJECT:** Public utilities: electricity rates

**SUMMARY:** This bill forbids the California Public Utilities Commission (CPUC) from placing applications for a rate increase from electrical corporations onto its consent calendar. The bill also requires at least 30 minutes of public comment at a hearing to consider an application for a rate increase from electrical corporations.

**EXISTING LAW:**

- 1) Mandates that items on the CPUC public agenda will be made subject to public review and comment before the commissioners can vote on the matter. (Public Utilities Code § 311(e))
- 2) Mandates the CPUC to adopt rules that provide for the time and manner of public review and comment (Public Utilities Code § 311(e))
- 3) Requires that before voting on a case, the CPUC must provide the decision to the parties involved and must be subject to public review and comment for 30 days (Public Utilities Code § 311(g))
- 4) Requires the CPUC to inform the Legislature whenever it reduces or waives the time for public review or comment (Public Utilities Code § 311(i))
- 5) Establishes the office of the public advisor at the CPUC, which helps members of the public and ratepayers communicate with the commission during any hearing or proceeding. This includes publicizing the commission's hearings and opportunities to comment on proceedings. (Public Utilities Code § 321)
- 6) Grants the CPUC authority to adopt rules of practice and procedure to be applied during CPUC hearings (Public Utilities Code § 1701)
- 7) Required the CPUC, where feasible and appropriate, to seek the participation of those who are likely to be affected by a proceeding prior to determining the proceeding's scope. Sunset this requirement on January 1, 2020. (Public Utilities Code § 1711)

**FISCAL EFFECT:** Unknown. This bill is keyed fiscal and will be referred to the Assembly Committee on Appropriations for its review.

**CONSUMER COST IMPACTS:** Unknown. This bill seeks transparency of CPUC actions that result in a utility rate increase. Increased transparency may result in a reduction in rate increases.

**BACKGROUND:**

*Rules Governing CPUC Proceedings* — Statute requires the CPUC to provide opportunities for public involvement during proceedings (see Existing Law) but the statutory requirements are minimal. Most of the rules dictating CPUC proceedings are defined by the CPUC *Rules of Practice and Procedure*.<sup>1</sup>

Rule 1.1. Existing *Rules of Practice and Procedure* governs public participation:

- 1) Allows any member of the public to submit written comment in any CPUC proceeding using the “Public Comment” tab of the online Docket Card.
- 2) Ensures that all written public comment submitted in a proceeding will be entered into the administrative record.
- 3) Ensures that relevant written comment submitted in a proceeding will be summarized in the final decision issued in that proceeding.
- 4) Allows for parties to respond to any public comment submitted in a proceeding.
- 5) Allows the assigned Commissioner and/or Administrative Law Judge to invite parties to a proceeding to comment on any matter identified in public comment.

*Ways for the Public to Participate in Review and Comment on Rate-Setting Proceedings* — Outlined below are the standard steps in a utility rate setting proceeding. There are three primary ways for the public to participate. (1) Submit comments on the proceeding’s Docket Card. (2) Request to become a formal party in a proceeding. (3) Speak at CPUC meetings where there are opportunities to make public comment. These three opportunities are outlined in the timeline of the proceeding below. The steps in the process where the public can participate are in bold.

- 1) Utilities submit an application.
  - **Interested parties can protest the application.**
- 2) A CPUC commissioner and Administrative Law Judge are assigned to the Proceeding.
- 3) A Pre-hearing Conference can be scheduled (45-60 days from the start of the proceeding).
  - A Scoping Memo is issued which defines the scope of the proceeding.
- 4) Evidentiary Hearing or submission of written comments in responses.
  - **Formal parties to the proceeding can provide evidence to the hearing.**
- 5) Administrative Law Judge writes a Proposed Decision

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<sup>1</sup> CPUC, Rules of Practice and Procedure, California Code of Regulations, Title 20, Division 1, Chapter 1, 2021

- 6) A closed door Rate-Setting Deliberative Meeting can be scheduled to discuss the proceeding.
- 7) **The public has 30 days to comment by submitting comment to the Docket Card.**
- 8) The Commissioners vote on the Proposed Decision at a public Voting Meeting.
  - **The public can make a comment at the Voting Meeting.**

*CPUC Standard Voting Meeting Agenda* — In a CPUC Voting Meeting, there are four parts of the agenda<sup>2</sup>: the Public Comment Period, the Consent Agenda, the Regular Agenda, and the Closed Session Agenda.

The Public Comment Period is the portion of the meeting where the CPUC allows for public comment. Members of the public may address the Commission CPUC about items on the agenda, except closed session matters and certain complaint and license cases. The instructions provided to the public are found below. The committee is not aware of a limit on the total time for this portion of the agenda. However, every speaker is limited to 1 minute. Currently, these rules are set by and could change at the discretion of the CPUC.

Items on the Consent Agenda are voted on as a group and are not discussed or considered individually. The CPUC considers Consent Agenda items to be non-controversial, of a routine nature, and/or not requiring subsequent Commission action. Consent Agenda items may be moved to the Regular Agenda for discussion at the request of a Commissioner or a Commission Division Director. They may also be held to a subsequent meeting for further consideration.

Items on the Regular Agenda are individually discussed and voted on. The Regular Agenda is divided into specific sections: Energy, Telecommunications, Water/Sewer, Transportation/Rail Safety, Other Utility, Legislative Matters, Commissioner Reports, Management Reports and Resolutions.

Items discussed in Closed or Executive Session include applications to rehear an issue, pending or threatened litigation, or personnel issues. This session is not open to the public.

*Instructions for Public Comment from the Public Advisor* — Below are the current instructions provided by the CPUC to members of the public who want to make comment at CPUC Voting Meetings.<sup>3</sup>

- *If you are attending in-person and wish to make a public comment, please sign-up at the Public Advisor's table.*
- *To make a comment by phone, dial 1-800-857-1917 and enter the passcode for the English or Spanish phone line, as indicated above. To make a public comment, unmute your phone, and press \*1 (star one) when prompted by the operator. Once*

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<sup>2</sup> CPUC, "Guide to the Commission Meeting and Meeting Agenda"

<sup>3</sup> <https://www.cpuc.ca.gov/about-cpuc/transparency-and-reporting/cpuc-voting-meetings>, Accessed March 23<sup>rd</sup>, 2025

*you press \*1 you will be prompted to state your name and/or organization, please do so slowly and clearly. The operator will call on you when it is your turn to speak.*

- *Wait times depend on the number of speakers in the public comment queue. During times of high call volumes, wait times will be long. The operator will call on you when it is your turn to speak.*
- *Each speaker will have 1 minute to speak. Commenters requiring a translator will have at least twice the amount of time allotted to English speakers.*
- *The President of the Commission maintains discretion on individual speaker time allocations, depending on the number of speakers. A speaker may not cede time to another speaker.*
- *In-person comments will generally be taken first, and the order of speakers will generally be based on the order in which speakers sign-up or call-in. The President of the Commission maintains the discretion to alter the order of speakers.*
- *At the end of Public Comment Session, the CPUC's President will ask if there any additional individuals who wish to speak. Anyone who has already made a public comment may not comment again at the same meeting.*

## COMMENTS:

- 1) *Author's Statement.* According to the author, "AB 1273 is a crucial step in ensuring that Californians have a voice in decisions that directly impact their wallets. By prohibiting the California Public Utilities Commission from adding rate increase applications to the consent calendar and requiring a minimum of 30 minutes of public comment at hearings, we are promoting transparency and accountability. It's vital that ratepayers are heard, and that these decisions are made with the utmost consideration of their concerns."
- 2) *Rate-cases and Other Ratepayer Costs on the Consent Agenda:* AB 1273 prohibits the CPUC from placing applications that increase rates on the consent calendar. It is unclear to the committee, based on the CPUC *Rules of Practice and Procedure*, how the Commission deems a case "non-controversial, of a routine nature, and/or not requiring subsequent Commission action,"<sup>4</sup> and thus worthy of inclusion on the Consent Agenda. Decisions that increase costs may be considered routine at the CPUC, since they happen frequently. As a result, the CPUC puts such items on the Consent Agenda to expedite business, where the Commissioners do not comment and vote on all Consent Agenda items together. By moving either Rate Cases or all cases that increase ratepayer costs off the Consent Agenda, Commission Voting Meetings would likely be longer.

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<sup>4</sup> CPUC, "Guide to the Commission Meeting and Meeting Agenda"

Cross-checking the published public agenda with updates on items that were withdrawn, held, or moved from the Consent to the Regular Agenda, the committee has found the following:

**Table 1: Rate Cases and Ratepayer Impacted Cases on the Consent Agenda**

<b>Voting Meeting Date</b>	<b>Rate Cases on Consent Agenda</b> (includes all types of utilities)	<b>Items that Increase Ratepayer Cost on Consent Agenda</b> (including Rate Cases)	<b>Total Items on Consent Agenda</b>
December 19 <sup>th</sup> , 2024 <sup>5,6</sup>	3	9	58
January 16 <sup>th</sup> , 2025 <sup>7,8</sup>	1	9	40
January 30 <sup>th</sup> , 2025 <sup>9,10</sup>	0	6	30
February 20 <sup>th</sup> , 2025 <sup>11,12</sup>	0	3	31
March 13 <sup>th</sup> , 2025 <sup>13,14</sup>	1	11	42

The number of Rate Cases on the Consent Agenda in the last five Voting Meetings was limited to five rate cases (including all types of utilities). All other proceedings that increase ratepayer costs, as identified in the CPUC's published agenda, would result in a total of 38 cases on the Consent Agenda. All 38 additional cases were regarding energy utilities. Most of the cases in this expanded category were Intervenor Compensation proceedings (the payment to consumer protection groups) and were each less than \$350,000 dollars. One of the cases in this expanded category was for \$36.4 million for Wildfire Mitigation Cost Recovery.<sup>15</sup> If the authors focus on just Rate Cases for energy utilities, this would have minimal impact on the length and efficiency of hearings. Including Rate Cases in the Regular Agenda provides an opportunity for the public to hear the Commissioners orally justify their thinking about rate-increases as growing energy bills has led to frustrations and concerns about cost of living.

- 3) *Public Comment:* AB 1273 mandates a minimum of a 30-minute public comment period. According to the current CPUC rules and the instructions provided above, the committee is not aware of an issue with access to public comment at CPUC Voting Meetings. However, because these rules are at the discretion of the CPUC, this could change at any

<sup>5</sup> CPUC Public Agenda 3556, Thursday, December 16, 2024, 11:00 a.m.

<sup>6</sup> CPUC Public Agenda 3556, Thursday, December 16, 2024, 11:00 a.m., Remote Presentation

<sup>7</sup> CPUC Public Agenda 3557, Thursday, January 16, 2025, 11:00 a.m.

<sup>8</sup> CPUC Public Agenda 3557, Thursday, January 16, 2025, 11:00 a.m., Remote Presentation

<sup>9</sup> CPUC, Public Agenda 3558, Thursday, January 30, 2025, 11:00 a.m.

<sup>10</sup> CPUC, Public Agenda 3558, Thursday, January 30, 2025, 11:00 a.m., Remote Presentation

<sup>11</sup> CPUC Public Agenda 3559, Thursday, February 20, 2025, 11:00 a.m.

<sup>12</sup> CPUC Public Agenda 3559, Thursday, February 20, 2025, 11:00 a.m., Remote Presentation

<sup>13</sup> CPUC Public Agenda 3560, Thursday, March 13, 2025, 11:00 a.m.

<sup>14</sup> CPUC Public Agenda 3560, Thursday, March 13, 2025, 11:00 a.m., Remote Presentation

<sup>15</sup> CPUC Public Agenda 3559, Thursday, February 20, 2025, 11:00 a.m.

time. This law would ensure a minimum comment period. Another way to achieve greater transparency in the process, would be to mandate a public hearing to receive feedback from ratepayers within the 30-day comment period prior to the Voting Meeting on any Rate Case proceeding.

- 4) *Definition of application and hearing to consider the application:* AB 1273 requires that “an application from an electrical corporation for a rate increase” is not placed on the consent calendar. “An application” is not sufficiently specific. Rate Cases are the primary proceeding for the CPUC to determine electricity rates and grant rate increases. In addition, the language in the bill requires 30 minutes of public commentary at “a hearing to consider the application.” There are many types of hearings in the process of a CPUC proceeding (see the rate-case timeline above). *The committee recommends striking “an application” and “a hearing to consider an application,” and replacing with “any general rate case proceeding” and “the hearing to consider and vote on the electrical corporation general rate case proceeding”, respectively.*

- 5) *Related Legislation.*

AB 1295 (Patterson, 2025) requires public utilities to include the costs of state-mandated programs on customer billing statements on a quarterly basis. Status: Assembly Committee on Utilities and Energy.

AB 705 (Boerner, 2025) establishes the Independent Office of Audits and Investigations at the CPUC, which would be led by the Inspector General. The new office would be responsible for assessing accounting practices, or any fraud or malfeasance among other responsibilities. Status: Assembly Committee on Utilities and Energy.

AB 13 (Ransom, 2025) establishes additional legislative oversight and proposes reform of the CPUC, to include, among other mandates, specific requirements for CPUC commissioner appointees and additional CPUC reporting requirements to the Legislature. Status: Heard in this Committee on March 26<sup>th</sup>, 2025, where it passed out 18-0-0.

SB 593 (Hurtado, 2025) requires, among many provisions, that the CPUC shall submit a report to the Legislature regarding the implementation and effectiveness of power surge notifications and impact of the bill on reducing damages from power surges. This is not directly related to subject matter but does require the generation of an additional report from the CPUC to the Legislature. Status: Senate Energy, Utilities and Communications Committee.

- 6) *Prior Legislation.*

AB 2205 (Patterson and Gallagher) required the commission to reduce the kilowatt-per-hour rate for electricity charged to ratepayers by at least 30%. Status: died in committee.

SB 215 (Leno) mandates a series of reforms over the rules and operations governing the CPUC. This in particular relates to laws and rules governing ex parte communications and recusal processes for commissioners. Status: Chapter 807, Statutes of 2016.

SB 512 (Hill) proposes a suite of reforms to the operations and governance of the CPUC, including removing the requirement that the CPUC monthly meetings be held in San Francisco; requiring the CPUC to solicit input from customers from diverse regions of the state, process that input into CPUC decision making, and report on the efforts to increase public participation; and requiring the CPUC to list the public meetings held outside San Francisco both for the previous year and anticipated in the coming year; report on timeliness of rate cases. Status: Chapter 808, Statutes of 2016.

AB 825 (Rendon, 2015) proposed a suite of reforms of the CPUC to make the agency more accessible and transparent to the public. Status: Vetoed by the Governor.

AB 1023 (Rendon, 2015) proposed to codify the summary log requirements currently required at the CPUC for ratesetting proceedings and extend those requirements to quasi-legislative proceedings. Status: Vetoed by the Governor.

SB 48 (Hill, 2015) proposed a suite of reforms of the governance and operations of the CPUC, including some of the same reforms in SB 611 (Hill, 2013). Status: Vetoed by the Governor.

SB 660 (Leno and Hueso, 2015) proposed many of the same reforms included in SB 215 of the ex parte communications laws related to ratesetting and quasi-legislative proceedings, addresses the process for disqualifying a commissioner from a proceeding, and other reforms of the CPUC. Status: Vetoed by the Governor.

SB 695 (Kehoe) among many provisions, the bill required the commission to report to the Governor and Legislature recommendations for actions that can be undertaken during the upcoming year to limit utility costs and rate increases. The bill would require the commission to annually require electrical and gas corporations to study and report to the commission on measures that they recommend be undertaken to limit costs and rate increases. Status: Chapter 337, Statutes of 2009.

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

Media Alliance

### **Opposition**

None on file.

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