

Date of Hearing: April 30, 2025

ASSEMBLY COMMITTEE ON UTILITIES AND ENERGY

Cottie Petrie-Norris, Chair

AB 1532 (Committee on Communications and Conveyance) – As Introduced March 28, 2025

SUBJECT: Public Utilities Commission

SUMMARY: Of relevance to this committee, this bill imposes new conditions on commissioners of the California Public Utilities Commission (CPUC), specifically around attendance at CPUC and legislative hearings, and requires the Little Hoover Commission to submit a report with recommendations to the Legislature related to commissioner attendance. Specifically, **this bill:**

- 1) Requires a CPUC commissioner, in order to receive their salary, to attend no less than 25% of the hearings that are part of a ratesetting proceeding in the preceding year, following their first year as a commissioner.
- 2) Requires the CPUC to adopt rules governing commissioner attendance at CPUC hearings.
- 3) Requires a commissioner to appear at a legislative hearing, at the request of the Chair of a Senate or Assembly committee with jurisdiction over budget or policy matters concerning the CPUC.
- 4) Requires on or before January 1, 2027, the Milton Marks “Little Hoover” Commission on California State Government Organization and Economy to submit a report with recommendations to the Legislature and the Governor for increasing commissioner attendance at CPUC hearings and improving the commission’s timelines in resolving proceedings.
- 5) Extends the requirement on the CPUC to collect the surcharge to fund the Deaf and Disabled Telecommunications Program (DDTP) until January 1, 2031.
- 6) Extends the requirement for the CPUC to establish the “Access for All” (AFA) program, the transportation network company (TNC) wheelchair-accessible vehicle (WAV) program, until January 1, 2032, including extending the \$0.05 charge for each completed TNC trip.

EXISTING LAW:

- 1) Establishes the membership of the CPUC, and the qualifications and tenure of the members of the commission. (California Constitution Article XII § 1)
- 2) Requires commissioners to be civil executive officers and requires their salaries to be fixed by law and paid in the same manner as the salaries of other state officers. (Public Utilities Code § 304)
- 3) Requires the president of the CPUC to annually appear before the appropriate policy committees of the Senate and Assembly to present the CPUC Annual Report. (Public Utilities Code § 321.6)

- 4) Requires the CPUC to report annually to the Legislature on the status of its proceedings, specifically, on timeliness in resolving cases, information on the disposition of applications for rehearing, and the number of days that Commissioners presided in hearings. (Public Utilities Code § 910.1)
- 5) Establishes the Milton Marks “Little Hoover” Commission on California State Government Organization and Economy. (Government Code § 8501)
- 6) Provides that the purpose of the Legislature in creating the Little Hoover Commission is to secure assistance for the Governor and itself in promoting economy, efficiency, and improved service in the transaction of the public business in the various departments, agencies, and instrumentalities of the executive branch of the state government, and in making the operation of all state departments, agencies, and instrumentalities, and all expenditures of public funds, more directly responsive to the wishes of the people as expressed by their elected representatives. (Government Code § 8521)
- 7) Establishes the Deaf and Disabled Telecommunications Program (DDTP) and requires the CPUC to administer a surcharge to collect revenues of up to \$100,000,000 per year until January 1, 2025, subject to an annual appropriation of moneys by the Legislature, to allow providers of equipment and service pursuant to the DDTP to recover their costs as they are incurred. (Public Utilities Code § 2881)
- 8) Requires the CPUC, until January 1, 2026, to establish the TNC-WAV program known as “Access for All” (AFA). Among other program requirements, AFA requires each TNC to pay to the CPUC an amount equivalent to, at a minimum, \$0.05 for each TNC trip completed using the TNC’s online-enabled application or platform to fund the program. (Public Utilities Code § 5440.5)

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

CONSUMER COST IMPACTS: As it relates to electricity and natural gas service, unknown or negligible cost impacts. As it relates to telecommunications and TNC service, slight increases to consumer costs for the fee extensions to support the DDTP and the AFA programs, respectively. According to the Legislative Counsel, the provisions of this bill relating to these surcharges are considered a tax. Thus, this bill would require the approval of 2/3 of the membership of each house of the Legislature for passage.

BACKGROUND:

CPUC History – In 1911, the California Railroad Commission was established by constitutional amendment. The Commission has since been renamed the CPUC and grown its regulatory authority since that time to include privately owned telecommunications, energy, water, passenger transportation and in-state moving companies. The CPUC is responsible for licensing, fixing rates, establishing rules and implementing safety regulations for these utilities. The CPUC presides over hearings in order to issue decisions and orders. These hearings are open to ratepayers, utilities, consumer advocacy and industry organizations.¹

¹ CPUC, 2021, *Rules of Practice and Procedure*

CPUC Commissioners – Pursuant to Section 1 of Article XII of the California Constitution, the CPUC has five commissioners appointed by the Governor, and confirmed by the Senate, with each commissioner serving six-year staggered terms. Commissioners cannot have an official relation to or a financial interest in anything regulated by the CPUC.² In addition, no executive of a public utility may serve as a commissioner within two years of working for a utility. Commissioners meet at monthly (often semi-monthly) business meetings to vote on pending items. Commissioners serve full-time and receive a salary as civil executive officers. The Governor designates the president of the CPUC, pursuant to Public Utilities Code § 305, among the five commissioners. The president presides at meetings and sessions of the CPUC and directs the executive director, the attorney, and other staff of the CPUC. The president of the CPUC is also required to annually appear before the appropriate policy committees of the Senate and Assembly to present its annual report, required pursuant to Public Utilities Code § 910.

DDTP – The Deaf and Disabled Telecommunications Program (DDTP), also known as California Connect, is a state-mandated program that provides accessible telecommunications services for individuals with disabilities. This program was first codified in 1982 and most recently was extended in 2019 by AB 497 (Santiago, Chapter 2019, Statutes of 2019). DDTP offers specialized equipment, relay services, and Augmentative and Alternative Communication (AAC) programs to support independent and functionally equivalent communication. The program helps people with disabilities stay connected with loved ones, complete daily tasks, and access emergency services. Relay Services and AAC devices facilitate communication with life-saving services such as 9-1-1 and 9-8-8. The funding authorization for the program expired on January 1, 2025.

According to the CPUC, in 2023-2024 DDTP provided specialized equipment for 6,170 new customers with specific needs.³ The relay services, which relay conversations back and forth over the telephone for disabled individuals, were used for 297,805 calls. The program also provided 885 long-term device iPads and 1,262 short-term device iPads to participants who needed assistance with speech related disabilities.

In fiscal year 2023-2024, the program generated \$68.5 million, with \$59.6 million in expenditures. The program's funding continues to be sustained through a dedicated surcharge, which is assessed and collected by telecommunications companies, including VoIP providers. This surcharge is presented on customer bills and applied to intrastate charges on customer bills of all telecommunication service providers. As of April 2023, California modified the surcharge collection methodology from six separate surcharges to one flat rate (\$1.11 per access line) to fund California's six universal service programs, including DDTP. The 2023-2024 ending fund balance was \$73.2 million.

AFA – The Access for All Program (AFA) was developed to implement SB 1376 (Hill, Chapter 701, Statutes of 2018). The program began implementation in the third quarter of 2019, and is designed to encourage growth in the availability of on-demand transportation that meets the mobility needs of persons with disabilities, including wheelchair users who need a WAV. This is

² Public Utilities Code § 303.

³ CPUC, *2023-2024 California Connect Annual Report*, March 1, 2025; <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/communications-division/documents/ddtp/ddtp-annual-reports/california-connect-annual-report--20232024--accessible-final-uploaded-onto-cpuc-website.pdf>

achieved by collecting a per-trip fee on all TNC (i.e., Uber and Lyft) trips that originate in California, which is then re-invested in WAV service.

Pursuant to existing law, the CPUC recently assessed whether WAV service is within service benchmarks established by the CPUC,⁴ which covers various features of service, including presence of WAVs across hours of the day, decrease in WAV-related expenditures, promotion of WAV service through outreach and engagement, and occurrence of complaints from WAV customers. The findings show that TNCs have the ability to meet and exceed program goals in most key performance areas in some counties, but there is still room for improvement and more to be learned about statewide feasibility of offering on-demand WAV service. The report did make recommendations to the Legislature to improve the program. Specifically, augmenting timelines for entities participating in the program to be disbursed funds on an annual basis, instead be biennial. The CPUC suggests that doing so may help resource constraints on the part of participants, but also could increase participation overall. The Legislature may wish to consider such program changes in the future. The statutory authorization for this program expires on January 1, 2026.

COMMENTS:

- 1) *Author's Statement.* This bill is a committee omnibus bill by the Assembly Committee on Communications and Conveyance (C&C). According to the Committee's Chair, "The content of this bill covers a scope of issues directly pertaining to the jurisdiction and experience of this [the Communications & Conveyance] committee. Specifically, it extends the state's ability to fund two programs administered by the CPUC that provide critical assistance to disabled Californians. The bill also includes new accountability measures for the CPUC based on this committee's experience in engaging in oversight of the CPUC's programs during a committee oversight hearing, wherein the committee discovered concerning trends about CPUC Commissioner attendance at hearings."
- 2) *Up for Consideration.* This bill has two broad categories of proposals: the first, related to CPUC commissioner attendance, is the primary jurisdiction of this committee and will be the focus of this analysis. The second, related to extensions of programs and associated fees for accessible telecommunications and rideshare services, is the primary jurisdiction of the C&C Committee and will be considered during that committee's hearing on the measure.
- 3) *Commissioner Attendance at the Legislature.* This bill would impose new conditions on commissioners of the CPUC. The authors of this measure intend for these new requirements to provide greater accountability and responsiveness by the CPUC to the Legislature. These new requirements all center on commissioner attendance, either at CPUC or legislative hearings. The bill proposes four solutions to increase commissioner attendance: 1) require a commissioner to be present at any legislative hearing of a Senate or Assembly committee with jurisdiction over budget or policy matters concerning the CPUC, if requested by the committee's chair; 2) require the CPUC to adopt rules governing commissioner attendance at hearings; 3) require the Little Hoover Commission

⁴ 2024 TNC Access for All Program Annual Report. https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/consumer-protection-and-enforcement-division/documents/tlab/accessforall/cpuc_legislative-report_access-for-all_dec-2023.pdf

to recommend improvements to commissioner attendance at CPUC hearings and timeliness in resolving proceedings; and 4) tie commissioner salary to hearing attendance, requiring commissioners to attend 25% of hearings of ratesetting proceedings or forfeit their annual salary.

The C&C Committee members authoring this measure motivate these requirements with direct experience, citing lack of presence of CPUC commissioners at legislative oversight and informational hearings of the C&C committee. According to C&C committee staff, CPUC commissioners declined to attend a joint oversight hearing of the committee in 2024, and again initially declined attendance in early 2025. The refusals escalated to the degree that the C&C Committee Members sent a letter to CPUC President Alice Reynolds in February 2025, noting their growing frustration and disappointment with the situation:

“We [Members of C&C] were elected to come to Sacramento to advance their [Californians] interest, and we are committed to doing so. While we do not question the qualifications or ability of your executive staff, and certainly the value in having them present, ultimately staff are not representatives with the constitutional and statutory authority to adopt the rules and regulations that govern implementation of the billions of dollars that the CPUC administers do.”⁵

Two days later, the CPUC responded to the letter, and Commissioner John Reynolds attended the February 12, 2025, C&C hearing.

- 4) *Commissioner Attendance at the CPUC.* Public Utilities Code § 910.1 requires the CPUC to report annually on the status of its proceedings, specifically, on timeliness in resolving cases, information on the disposition of applications for rehearing, and the number of days that Commissioners presided in hearings. There are four types of proceeding categories: adjudicatory, ratesetting, quasi-legislative, and catastrophic wildfire, as summarized in Table 1 below.

Table 1: Summary of CPUC Proceeding Categories and Associated Rules.⁶

Type of Proceeding	Purpose	Resolution Deadline	Extensions
Adjudicatory Proceedings	Investigate and adjudicate possible violations of state or Commission rules	12 months	Not specified
Ratesetting Proceedings	Set or investigate rates that regulated entities charge customers	18 months	Longer deadline possible via scoping memo or Commission order
Quasi-legislative Proceedings	Establish policies or rules affecting regulated entities	18 months	Longer deadline possible via scoping

⁵ C&C Committee letter to Alice Reynolds; February 10, 2025; regarding February 12th oversight hearing on “California’s Broadband Programs.”

⁶ CPUC; *Resolution of Proceedings, Disposition of Applications for Rehearing, and Commissioner Presence at Hearings*, 2024 Public Utilities Code § 910.1 Report. Submitted: January 31, 2025. <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/news-and-outreach/reports/annual-reports/2024-annual-report-with-assignment.pdf>

			memo or Commission order
Catastrophic Wildfire Proceedings	Address catastrophic wildfire issues (e.g., damages, recovery)	Proposed decision must be issued within 12 months	Not specified

CPUC proceedings are often complex and involve input from many stakeholders. Administrative Law Judges (ALJs) and Commissioners review testimony, comments, and other feedback before making decisions, while aiming to resolve issues on time. Stakeholders, who usually become official parties to the case, include utilities, industry groups, consumer advocates, nonprofits, local governments, and others. Their participation is essential to ensure decisions are well-informed and balanced. Proceedings traditionally have one ALJ and one assigned Commissioner. The ALJ, often jointly with the assigned Commissioner, will issue a proposed decision (PD) on matters with a proceeding; the PD is subject to party comment before a final vote and adoption by the full Commission. Not all proceedings have hearings, nor do the assigned commissioners attend all that do. For those that have hearings, the hearings may range from prehearing conferences (where the scope and focus of the hearing is discussed), evidentiary hearings (where discovery and disclosure of information occurs on the record), and oral arguments (where parties bring their final case before the CPUC). The CPUC also holds public workshops to discuss matters of policy or import; such workshops are not considered “hearings” for reporting purposes.

The 2024 attendance numbers, reported pursuant to Public Utilities Code § 910.1, note 216 proceedings in 2024 with 273 hearing days; at least 1 commissioner was present for 65 hearings, roughly 23% of total hearing days.⁷ It is unclear how many of these hearings were for the same or different proceedings, or the distribution of attendance amongst the four proceeding types. Nevertheless, the report does show Commissioners did not preside over a single hearing in 2024.

- 5) *Mounting Frustrations.* Members throughout the Legislature, and the public more broadly, have expressed concern with the CPUC’s performance and outcomes particularly as it relates to ratepayer costs, processes delays, commissioner presence, and general efficiency. The sentiment that some Members of C&C Committee have expressed, in authoring this measure, is that perhaps due to the agency’s vast regulatory purview of industries and responsibilities, the CPUC may benefit from reforms to focus its attention. Certainly, there is an interest in requiring greater attendance of commissioners; however, there may be legitimate structural reasons why attendance has been low. The data reported pursuant to Public Utilities Code § 910.1 does not paint a favorable light. But it may also be incomplete, and lacks adequate description. To put in legislative terms, are CPUC hearings like Legislative policy hearings where Member presence is always required to hear and act upon bills; or are they like stakeholder meetings held by Member staff to understand the scope of issues on a bill, and to inform a report to the Members, who then vote upon the related measure at a final hearing. Both are plausible analogies; but the nuance is missing in the reported numbers.

⁷ Appendix L; CPUC; *Resolution of Proceedings*, Submitted: January 31, 2025. *Ibid.*

It is unclear if the solutions presented in this bill to motivate commissioner presence will result in the desired outcome. For example, tying a commissioner's salary to attendance at certain hearings may be a reasonable mechanism to ensure their presence, but not one to ensure engagement nor more accountability. *Given these considerations, the committee recommends striking Sections 1 and 3 of the bill, related to commissioner salary and the Little Hoover report, and retaining the requirements that commissioners must appear before the Legislature when asked and that the CPUC shall adopt internal rules regarding hearing attendance.* Sections 5 and 6 of the bill, related to extensions of programs and associated fees for accessible telecommunications and rideshare services, will remain.

6) *Related Legislation.*

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: in the Assembly Committee on Appropriations, after passage in this committee on March 26, 2025, on a 18-0-0 vote.

7) *Prior Legislation.*

AB 497 (Santiago) extends the sunset date on the DDTP until January 1, 2025, and the date through which the CPUC must annually report on the Program until January 1, 2026. Status: Chapter 2019, Statutes of 2019.

SB 1376 (Hill) established the AFA program, including requiring the CPUC to assess a fee on TNC rides to fund AFA. Sunset the program in January 2026. Status: Chapter 701, Statutes of 2018.

SB 129 (Wright, Chapter 332, Statutes of 2013) extended the DDTP surcharge sunset date to January 1, 2020.

- 8) *Double Referral.* This bill is double referred. It is set for hearing in the Assembly Committee on Communications and Conveyance on April 30, 2025. Upon passage in that committee it will be immediately transmitted to this committee for its consideration.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file.

Opposition

None on file.

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