Date of Hearing: July 12, 2023

### ASSEMBLY COMMITTEE ON UTILITIES AND ENERGY Eduardo Garcia, Chair SB 410 (Becker) – As Amended June 19, 2023

#### SENATE VOTE: 32-8

#### SUBJECT: Powering Up Californians Act

**SUMMARY:** Requires the California Public Utilities Commission (CPUC) to establish by September 30, 2024, reasonable average and maximum target energization time periods in order to connect new customers and upgrade the service of existing customers to the electrical grid. This bill also requires reporting by electrical corporations. Finally, the bill authorizes specified annual cost-recovery for the utilities to do this work, subject to a cap. Specifically, **this bill**:

- 1) Establishes the Powering Up Californians Act, which requires the CPUC to establish maximum target energization time periods to energize new customers and upgrade the service of existing customers and certain reporting requirements so that utility performance can be tracked and improved.
- 2) Requires the CPUC to require an electrical corporation to take any remedial actions necessary to achieve the CPUC's targets and requires all electrical corporations' reports to be publicly available.
- 3) Requires, as part of each report and in each general rate case application, each electrical corporation to include a detailed analysis of its current qualified staffing level and future required qualified staffing level for each job classification, as specified, among other requirements related to staffing and apprentice training.
- 4) Requires each electrical corporation to consider in its annual distribution planning process federal/state/local standards, plans, and regulations.
- 5) Requires the CPUC to ensure that electrical corporations have sufficient and timely recovery of costs, including authorizing the use of a one-way balancing account to track costs for energization projects that exceed those included in the electrical corporation's annual authorized revenue requirement for energization.
- 6) Requires the CPUC to establish an annual cap on the amount that each electrical corporation can recover within the balancing account. Requires the CPUC to authorize annual recovery of costs in the balancing account through an annual rate adjustment and specifies the costs are subject to refund based on a CPUC reasonableness review.

# **EXISTING LAW:**

- 1) Requires that all charges demanded or received by any public utility for any product, commodity or service be just and reasonable, and that every unjust or unreasonable charge is unlawful. (Public Utilities Code § 451)
- 2) Defines "electrical corporation" as every corporation or person owning or managing any electric plant for compensation within the state, except as specified. This definition would be inclusive of the three largest investor-owned utilities (IOUs) in the state—Pacific Gas & Electric Company (PG&E), Southern California Edison (SCE), and San Diego Gas & Electric (SDG&E)—but also smaller or multi-state IOUs and rural electric cooperatives. (Public Utilities Code § 218)
- 3) Authorizes the CPUC to establish an expedited distribution grid interconnection dispute resolution process with the goal of resolving disputes over interconnection applications within the jurisdiction of the CPUC in no more than 60 days from the time the dispute is formally brought to the CPUC. (Public Utilities Code § 769.5)
- 4) Requires an electrical corporation to permit any new or existing customer who applies for an extension of service from that electrical corporation to install an electric extension in accordance with the regulations of the CPUC and any applicable specifications of that electrical corporation. (Public Utilities Code § 783)
- 5) Establishes guidelines for the design, cost allocation, and responsibilities of a project applicant and a utility for electric distribution line extensions necessary to furnish permanent electric service. (Electric Rule 15)
- 6) Establishes guidelines for the design, cost allocation, and responsibilities of a project applicant and a utility for the extension of electric service from an IOU distribution line. (Electric Rule 16)

**FISCAL EFFECT**: According to the Senate Committee on Appropriations, this bill would result in unknown, ongoing costs to the CPUC to implement, and unknown costs to the state as an electric utility ratepayer, to the extent this bill results in higher electricity rates than what otherwise would occur.

## **BACKGROUND**:

*Connecting to the Distribution Grid* – Rules governing the ability of new buildings, electricity generation, and storage resources to connect to the electric distribution grid are generally

determined by statute, CPUC rules, and tariffs<sup>1</sup> for each of the IOUs. These service connections include:

- 1) Interconnections, which generally refer to the interaction of physical connection of an energy generation or storage device to the electric distribution system that is either in front of the meter or behind-the-meter. Interconnection is a defined term in utility tariff rules that generally describe an electric utility's physical connection to an external source of power. The interconnection process of generation resources is largely structured by Electric Tariff Rule 21.<sup>2</sup>
- 2) New service connections, also known as "energization", involve extending an electricity line or expanding distribution, or occasionally transmission, infrastructure to service new or expanded customer load. Energizations are subject to provisions specified in Electric Tariff Rule 15 and Electric Tariff Rule 16.

*Talking Tariffs* – Electric Tariff Rule 21 describes the interconnection, operating, and metering requirements for generation facilities to be connected to an electrical utility's distribution system. The tariff provides customers who would like to install generating or storage facilities on their premises with access to the electric grid while protecting the safety and reliability of the electric grid at the local and system levels. Each IOU is responsible for administration of the rule in its service territory and maintains its own version of the tariff.<sup>3</sup>

Electric Tariff Rule 15 relates to distribution line extensions. Specifically, new distribution facilities that are a continuation of, or branch from, the nearest available existing permanent distribution line (including any facility rearrangements and relocations necessary to accommodate the extension) to the point of connection of the last service. Rule 15 generally pertains to electric distribution grid equipment used by multiple customers, for example, a transformer serving multiple homes.

Electric Tariff Rule 16 relates to service line extensions. The overhead and underground primary or secondary facilities (including but not limited to utility-owned service facilities and applicant owned service facilities) extending from the point of connection at the distribution line to the service delivery point. Rule 16 generally pertains to network equipment used by just one customer.

Electric Tariff Rules 15 and 16 establish the guidelines for design, cost allocation, and responsibilities of a project applicant and a utility for electric distribution line extensions. The ability to connect to the larger electrical system can take months (or years, in some cases) as the process can require designs and assessments on cost allocations associated with improvements on the electric distribution system to allow for the connection, among other issues. In the case of

<sup>&</sup>lt;sup>1</sup> Documents that specify rates, charges, rules, and conditions under which an IOU will provide service.

<sup>&</sup>lt;sup>2</sup> CPUC; "Rule 21 Interconnection"; https://www.cpuc.ca.gov/rule21/

<sup>&</sup>lt;sup>3</sup> CPUC; "Rule 21 Interconnection"; https://www.cpuc.ca.gov/rule21/

new building developments, electric service extensions may be required in phases over the span of months or years, depending on the size of the development.

*Energization Lifecycle* – Customer energization processes and timelines can vary greatly depending on utility territory, project type (ranging in complexity from home panel upgrades to energizing a stadium), system upgrades necessitated by the energization request, or events outside the utilities' control such as supply chain delays, weather, or pending customer application information or permit completion, among others. The energization requests can take anywhere from a month to years depending on these various factors. As shown in Figure 1, there are many steps—and thus many opportunities for delay—in the customer energization lifecycle.

Figure 1: Customer Project Lifecycle (for complex projects)<sup>4</sup>



*Timelines for Electric Lines* – The demands for new service connections and/or upgrades to existing distribution lines have been increasing, especially as California advances policies to deploy more infrastructure to charge electric vehicles, shift from natural gas to electricity in buildings, and increase the housing supply.<sup>5</sup> These projects all rely on access to the electrical grid and often require upgrades to the distribution system. Additionally, the COVID-19 pandemic has created supply shortages and challenges affecting many sectors of the economy, including limiting access to electrical equipment needed to connect new customers or expand energy load, such as transformers.<sup>6</sup>

The challenges have been especially acute within the PG&E service territory as the backlog for energization projects has grown substantially and delays have increased.<sup>7,8</sup> The utility company has acknowledged the growing backlog of identified capacity work that has delayed, sometimes by years, the in-service dates for new business customers. PG&E has taken steps to attempt to

<sup>&</sup>lt;sup>4</sup> Example provided by SDG&E and representative of their territory. Timelines and activities reflect those for complex projects (e.g., subdivisions, developments involving design by SDG&E). Requests that do not involve SDG&E design tend to have shorter timelines. Duration of the project phases are estimates only and represent activities managed by SDG&E; i.e., do not include time for activities that are the customer responsibility.

<sup>&</sup>lt;sup>5</sup> California Energy Markets; "Interconnection Delays Disrupting Housing Markets, Causing 'Chaos'"; March 2023; https://www.newsdata.com/california\_energy\_markets/regional\_roundup/interconnection-delays-disrupting-housing-markets-causing-chaos/article\_a577776a-c4fc-11ed-9e15-5ffc130cbd98.html

<sup>&</sup>lt;sup>6</sup> Bakersfield Californian; "Power connection work delays local development projects"; November 2022; https://www.bakersfield.com/news/power-connection-work-delays-local-development-projects/article\_8bc9ed88-6d0f-11ed-b3ee-973f5213928a.html

<sup>&</sup>lt;sup>7</sup> Fresno Bee; "California homes face PG&E delays for power connections. Frustrated leaders seek options"; October 2022; https://www.fresnobee.com/news/local/article267995517.html

<sup>&</sup>lt;sup>8</sup> San Francisco Chronicle; "Big holdup for new Northern California housing? PG&E"; March 2023; https://www.sfchronicle.com/politics/article/california-housing-projects-pge-17828169.php

better manage their project queue. The utility recently formed a technical committee, led by representatives from labor groups and regional building association members, to work on technical issues in the energization process, evaluate the impact of recent process changes, and determine next steps. Nonetheless, the backlog is a growing frustration for the utility, project developers, customers, and others waiting to have their projects energized.

*An Effort to Address Energization Delays* – In response to a proposal from the IOUs, the CPUC issued Resolution E-5247 in December 2022, which establishes an interim 125-business day average timeline for the energization of projects under the Electric Vehicle (EV) Infrastructure Rules. This timeline excludes projects that must go through Rule 15 for distribution upgrades, projects above two megawatts, and projects that require upgrades to a substation, and applies only to EV infrastructure projects entering the queue. The CPUC cites lack of data as the rationale for setting an interim timeline requirement and directs the IOUs to collect one year of EV Infrastructure Rule implementation data to inform an updated proposal for a permanent service energization timeline.<sup>9</sup>

# **COMMENTS**:

- 1) Author's Statement. According to the author, "To connect a new appliance or provide an electrical upgrade to a building on the electricity distribution sometimes requires an electrical corporation, like PG&E, to upgrade the capacity of a distribution line or local substation capacity. These energization evaluations and upgrades are necessary for many new resources on the electricity grid, including EV chargers, and home electric appliance installation, but also for the addition of new housing or building developments. As more homes and businesses are built, as they switch over to climate-friendly electric appliances, and as they install EV chargers or rooftop solar, the upgrades needed to the electricity distribution system continue — and will continue — to grow. In the long run, planning for this increased electricity grid capacity will require planning and cost foresight from electrical utilities, in partnership with the Public Utilities Commission, to meet the SB 100 (de León, 2018) energy transition goals. However, recent complaints from customers around California indicate unreasonable response times to interconnect new resources or upgrade. The slow connection of critical climate appliances and resources could inhibit California's targets to decarbonize buildings and clean the grid. This legislation requires the PUC to improve existing delays in interconnections, as well as plan for future ones."
- 2) Need for Action. Broadly put, energization refers to when customer load, such as a house or EV charger, is connected to the electrical grid and begins to receive electrical service from it. Energization is always important to the utility customer awaiting electric service, and is a core utility function. Recently, backlogs for utilities to fulfill requests for energization have grown, especially—though not only—in the service territory of PG&E.

<sup>&</sup>lt;sup>9</sup> CPUC; "Resolution E-5247"; December 2022.

Unfortunately, the growing backlog of projects has led to frustrated customers, including affordable housing developers, local governments, and many others. These frustrations have sparked the desire for legislation to address the problem. As the process to energize entails many factors and stakeholders, it can be challenging to pinpoint the areas of delay and reasonable timelines for projects whose timing can be affected by many variables, including those outside the control of the utility. Moreover, the extensive backlog of capacity projects at PG&E may be unique to their service territory, the management of their project queue, and unique issues to their system. While this bill seems to be an effort to address these energization delays at PG&E, it is inclusive of other utilities throughout the state. Given the growing demands for EV charging infrastructure, increased electrification of buildings, and the need for more housing, especially affordable housing, and other demands on the electric distribution system, all utilities could begin to suffer energization backlogs like PG&E if they don't adequately plan and respond to customer requests.

This bill requires, by September 30, 2024, the CPUC to establish targets for reasonable average and maximum target energization time periods in order to provide customers with more certainty about the expected time period to connect to the electrical grid. By requiring the time periods and related reporting by the electric IOUs, this bill attempts to provide more accountability for the pace of these projects in the hopes of preventing future delays and backlogs.

3) Adequate Planning Yields Adequate Financing. This bill authorizes electric corporations to recover costs on an annual basis for energization projects that exceed the amount approved for energization work during their general rate case (GRC). As shared publicly with this committee during our May 24, 2023, informational hearing on distribution planning,<sup>10</sup> PG&E has in recent years spent more on customer energization than authorized in their GRCs. The GRCs are highly litigated proceedings at the CPUC where utilities must justify their cost needs for the subsequent four years. This requires the utilities to adequately forecast their customer energization needs for those years in order to make the most accurate and defensible request.

For distribution planning costs, the utilities use a combination of statewide customer demand forecasts provided by the California Energy Commission (CEC) adjusted against local variables specific to their service territory, such as historic usage, economic indicators, temperature data, and near real-time customer requests to connect. The IOUs typically focus on distribution grid needs on a 3-year time horizon, but also evaluate 5- to 10-years out. Once distribution grid needs are determined, the utilities weigh the various

<sup>10</sup> Electrical Distribution Planning: How Addressing Current Delays in Connecting to the Distribution Grid may Ensure Readiness for an Electrified Future. May 24, 2023; https://autl.assembly.ca.gov/content/informationaloversight-hearings

options to address those needs while considering customer cost, forecasted load growth, and impact on current operations.

Ongoing efforts by IOUs to improve their distribution planning process include more direct engagement with customers and communities to understand future electricity demand, with a specific focus on engagement with large fleet operators to obtain multi-year electrification plans from companies subject to the California Air Resources Board's (CARB) Advanced Clean Cars II, Advanced Clean Trucks, and Advanced Clean Fleets regulations, among others. Recently, AB 2700 (McCarty, Chapter 354, Statutes of 2022) sought to better inform this process by requiring the CEC to gather and report to the IOUs fleet data needed to support their plans for grid reliability and enhanced vehicle electrification.

For utilities, various challenges may arise despite their best efforts to plan for distribution system needs. Currently, supply issues for needed equipment, such as transformers, can delay project timelines and increase system upgrade costs. Much of the frustration in PG&E territory over the past few months has its origins in equipment supply issues. Other challenges include lack of visibility into distributed resources, making it hard for utilities to accurately forecast customer load; difficulty in accurately modeling customer behavior; rapid acceleration of statewide decarbonization goals, such as CARB's transit electrification rules mentioned above; and extreme weather events.

California is headed toward an electrified future. Much more electricity and electric system infrastructure will be necessary to accommodate the projected increases to electrical load. As such, distribution system upgrades are inevitable and will need to be planned for and invested in if California is to meet its ambitious climate goals. Traditionally, to the extent that energization upgrades are made, those costs get authorized during an IOU's GRC, added to an IOU's rate base as capital expenses, and the IOU receives profit on those investments. Yet through inadequate planning, unanticipated customer demand, or a combination of both, IOUs are facing a mismatch (in real-time for PG&E; anticipated for other IOUs) between authorized forecasted spending in their GRCs versus customer needs on the ground. Usually when there is a mismatch between authorized revenue from a GRC and actual work needs—such as an unanticipated influx of customer requests for energization—utilities can divert costs from other spending streams or from built-in headroom in order to cover the urgent need. Then, if the costs are capital expenses as is the case for energization costs, during the next GRC the utility can request those floating cost be covered in the rate base. This incentivizes utilities to forecast as realistically as possible during their GRC, to prevent their balance sheets from carrying too much outside their authorized rate base. Additionally, it incentivizes the utilities to consistently update their GRC forecasts against empirical data from past years.

4) Accounting Options. This bill authorizes a financial mechanism that allows electrical corporations to begin to collect ratepayer revenue for customer energization outside of what has been authorized during their GRC. This mechanism is known as a "one-way balancing account," and is specifically required by this bill to be authorized by the CPUC should the utility apply for such a tool. Currently, utilities can apply at any time to request that the CPUC authorize such accounts; which the CPUC routinely authorizes. As demonstrated in an older survey by the CPUC, electrical corporations had collectively 258 open balancing accounts for wildfire spending. This bill mandates the CPUC authorize balancing accounts for wildfire spending. This bill mandates the CPUC authorize balancing accounts for energization costs, a departure from traditional practice where the Legislature provides guidance to the CPUC on ratemaking decisions while affording discretion to the CPUC on how best to weigh what is appropriate for ratemaking purposes.

Writing in opposition, The Utility Reform Network (TURN) proposes an alternative financial mechanism, known as a "memorandum (memo) account," as the more appropriate tool to address customer energization spending outside the GRC. Rather than providing up-front access to ratepayer revenue, a memo account simply allows a utility to record various expenses it incurs. The utility may later seek authorization—often on a faster timeline than their GRC—to recover the recorded costs from ratepayers. The establishment of either account—memo or one-way balancing—does not guarantee that the utility will recoup the cost tracked, rather expenses in both account types are subject to a reasonableness review by the CPUC at later dates. The difference is that for a balancing account, the IOU has access to ratepayer revenue initially, and would have to refund any expenses deemed unreasonable; whereas with a memo account the IOU would have to float those costs until authorized by the CPUC to begin collecting revenue.

5) Show Me the Money. As mentioned above, the IOUs have traditionally maintained headroom in their financing to be able to quickly address customer needs or events outside of anticipated GRC expenses, recouping those costs later. However, as has been reported to the committee by PG&E, energization expenses have ballooned in their service territory in recent years making PG&E unable to address customer needs in real-time and leading to hundreds of millions of dollars per year in overspend. It is unclear whether PG&E's situation presents a systemic warning of potential cost overruns at other utilities, or is merely unique to PG&E—due to its service territory, the management of its project queue, system age, or financial constraints due to wildfire liability.

This bill provides a solution to PG&E's financial problem by accelerating their ability to recoup costs much sooner than afforded by their GRC. PG&E's current GRC has

<sup>&</sup>lt;sup>11</sup> "California Electric & Gas Utilities – Balancing Account Inventory" CPUC, 2018; https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/electric-costs/balancing-account-reports/balancing\_account\_inventory.xlsx

authorized spending for 2020-2022.<sup>12</sup> Its next GRC cycle is for 2023-2026 and was filed with the CPUC in June 2021.<sup>13</sup> So energization costs it incurred in 2022-2023 that were unanticipated would not only be excluded from its current rate base, but are unlikely to be recouped or forecasted in its next GRC cycle, as those applications are filed almost 1.5 years in advance. This could result in utilities potentially carrying costs for 5 or more years until inclusion in their rate base. (Although it is unclear to this committee why it is rare or difficult to adjust funding requests before a GRC is finalized, as has been suggested.) This bill in authorizing an annual rate adjustment for costs recorded in the balancing account, would accelerate a utility's ability to receive revenue for these costs, sometimes by 4 or more years.

Again, regardless of mechanism (GRC or balancing account), these costs would be subject to a CPUC reasonableness review; the account authorized in this bill would just accelerate when these costs would be available to the utility and would impact customer bills. The downside of authorizing the balancing accounts, however, is that it may be harder for regulators and stakeholders to track the multiple spending streams spread across various accounts and the GRC. The GRC is meant to be comprehensive and inclusive of utility needs across their various lines of business, so that the CPUC can have an accurate portrait of spending system-wide and the subsequent impact on customer bills. When certain lines of utility business (such as energization as proposed by this bill) are separated out into unique accounts it may be more difficult to track spending, or it may be less likely that regulators view the spending proposed in the balancing accounts in the context of the holistic, system-wide picture.

Moreover, while this bill seems to address a current problem experienced by PG&E, PG&E is poised to soon have access to new funding streams to address this very problem, even beyond what their 2023-2026 GRC requests. For instance, under SB 846 (Dodd, Chapter 239, Statutes of 2022) PG&E is authorized to collect \$13 per megawatt-hour for Diablo Canyon extended operations.<sup>14</sup> TURN has estimated these costs could sum to almost \$450 million between 2024-2026. According to SB 846, these funds must be dedicated to various "critical public purpose priorities" including "accelerating customer and generator interconnections."<sup>15</sup> It would seem reasonable that PG&E could use these funds to address their energization backlog, without the need for any unique account mechanism as authorized by this bill. However, statute dictates that PG&E cannot receive a profit off any expenditures from these Diablo Canyon funds,<sup>16</sup> likely disincentivizing PG&E from using these funds for energization projects where they would traditionally earn a profit.

<sup>&</sup>lt;sup>12</sup> A. 18-12-009

<sup>&</sup>lt;sup>13</sup> A. 21-06-021; https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M389/K956/389956574.PDF

<sup>&</sup>lt;sup>14</sup> Public Utilities Code § 712.8 (f)(5)

<sup>&</sup>lt;sup>15</sup> Public Utilities Code § 712.8 (t)(1)(A)

<sup>&</sup>lt;sup>16</sup> Public Utilities Code § 712.8 (t)(2)

Additionally, to address various outstanding wildfire costs, PG&E was recently authorized \$1.1 billion in interim rate relief,<sup>17</sup> with an additional \$900+ million from pending settlements awaiting authorization soon.<sup>18,19</sup> If PG&E had reassigned funding from energization to cover wildfire expenses in recent years, as they shared publicly with this committee during our May 24, 2023, informational hearing on distribution planning,<sup>20</sup> this injection of funding may help alleviate some of the financial constraints experienced with their energization work. However, it is currently unknown to this committee the true impact this rate relief would have on PG&E's backlog in energization costs when their outstanding wildfire costs are also large.

- 6) Additional Guardrails. This bill does attempt to limit impacts on electric ratepayers by affirming that costs recorded in the balancing account are subject to a refund back to ratepayers following a CPUC reasonableness review. The bill likewise requires the CPUC establish an annual cap on the amount that may be recovered within the account. Nonetheless, these costs are likely to result in increasing rates to electric ratepayers. The authorized balancing accounts could also lead the utilities to over-rely on the mechanism (up-front access to revenue without initial justification), while disincentivizing needed improvements to their planning and forecasting, further exacerbating the problem. As such, further guardrails may be appropriate to ensure this tool provides the needed revenue to get customers energized while not creating historical inequities or runaway costs. The author and committee may therefore wish to consider amendments to this bill that reaffirm the CPUC's just and reasonableness review of costs recorded in the balancing account, require electrical corporations to detail all energization costs approved or requested in other proceedings, prevent an electrical corporation from recovering any costs in the account until its authorized revenue requirement for energization projects is exceeded in that year, require electrical corporations to improve energization planning in their GRCs, and sunset the accounts on January 1, 2027.
- 7) Need for Further Amendments. The author and committee may also wish to consider clarifying amendments throughout that include striking the policy that electrical corporations preorder equipment, facilitate economic growth, or promptly energize bidirectional charging when many of these requirements are either nascent or temporary issues, or outside of a utility's core mandate; authorizing the CPUC to request changes

<sup>19</sup> Joint Motion of Pacific Gas and Electric Company and the Public Adovcates Office at the California Public Utilities Commission for Approval of a Settlement of Track 2 Issues; A. 21-06-021; filed January 6, 2023; https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M500/K761/500761887.PDF

<sup>20</sup> Electrical Distribution Planning: How Addressing Current Delays in Connecting to the Distribution Grid may Ensure Readiness for an Electrified Future. May 24, 2023;

<sup>&</sup>lt;sup>17</sup> D. 23-06-004; *Decision Granting Interim Rate Recovery;* A. 22-12-009; filed June 13, 2023; https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M511/K370/511370842.PDF

<sup>&</sup>lt;sup>18</sup> Joint Motion of the Public Advocates, the Utility Reform Network, and Pacific Gas and Electric Company for Approval of Settlement Agreements; A. 21-09-008; filed January 18, 2023;

https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M501/K425/501425593.PDF

https://autl.assembly.ca.gov/content/informationaloversight-hearings

to an IOU's strategy to meet deficient energization timelines pursuant to § 934 (b); and allowing the CPUC to modify or adjust the requirements of the bill for electrical corporations with fewer than 100,000 service connections, so that the CPUC may be flexible in implementing this bill for smaller IOUs and rural cooperatives.

# 8) Related Legislation.

AB 643 (Berman) allows the CPUC to impose fines for electrical corporations that routinely violate established interconnection timelines, and consider negligent exceedance of the timeline, as defined, as a violation of CPUC rules subject to a maximum \$100,000 penalty per offense. Additionally adds new reporting requirements for interconnections of customer-sited energy generation projects. Status: *Held* – Assembly Committee on Appropriations.

AB 1293 (Irwin) requires the CPUC to provide guidance to IOUs for the prioritization of interconnection projects, including that the project is shovel-ready, as determined by the CPUC. Status: *pending hearing* in the Senate Committee on Appropriations after passage in the Senate Committee Energy, Utilities, and Communications on July 3, 2023, on a 15-0-3 vote.

AB 1482 (Gabriel) would establish an average service energization time for electric vehicle charging infrastructure of 125 business days for publicly-owned utilities (POUs), and would require POUs to annually report certain information to the CEC regarding the service energization time for electric vehicle charging infrastructure projects. It would additionally require the CPUC and the CEC, in consultation with IOUs and POUs, to jointly host an annual public workshop to review and evaluate the information submitted and to revise, if needed, the average service energization time for EV charging infrastructure. Status: *Held* – Assembly Committee on Appropriations.

SB 83 (Wiener) requires IOUs to interconnect development projects to the electrical distribution system within eight weeks for projects defined as interconnection ready. Additionally, this bill requires electrical corporations to compensate development projects for failing to meet the deadline. Status: *Held* – Senate Committee on Appropriations.

SB 319 (McGuire) would require the CEC, CPUC, and CAISO to jointly develop and recommend an expedited permitting roadmap that describes timeframes and milestones for a coordinated, comprehensive, and efficient permitting process for electrical transmission infrastructure. Status: *pending hearing* in this committee on July 12, 2023.

## 9) Prior Legislation.

AB 2700 (McCarty) requires the CEC to gather and report fleet data needed to support utilities' plans for grid reliability and enhanced vehicle electrification. Also requires

utilities to report how distribution investments made pursuant to this bill support climate goals as part of specified filings with the CEC and CPUC. Status: Chapter 354, Statutes of 2022.

AB 1026 (Wood) requires an electrical or gas corporation to apply only those construction and design specifications, standards, terms, and conditions that are applicable to a new extension of service project for the 18 months following the date the application for a new extension of service project is approved. Authorizes an electrical or gas corporation to adopt modifications, as specified, of the construction and design specifications, standards, terms, and conditions of a new extension of service project. Status: Chapter 446, Statutes of 2019.

AB 2861 (Ting) authorizes the CPUC to establish an expedited dispute resolution process for generating facility interconnection disputes. Status: Chapter 672, Statutes of 2016.

SB 48 (Vuich) establishes rules governing the extension of service by gas and electrical corporations to new residential, commercial, agricultural, and industrial customers. Status: Chapter 1229, Statutes of 1983.

### **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

350 Bay Area Action 350 Humboldt: Grass Roots Climate Action Abb E-mobility, INC. Acterra: Action for A Healthy Planet Advanced Energy United Affinity Truck Center, Fresno Alliance for Automotive Innovation Alliance of Nurses for Healthy Environments American Lung Association in California American Nurses Association - California Bay Area Air Quality Management District **BP** Pulse Fleet Breathe Southern California Buddiga Family Allergy | Asthma | Skin | Immunology BYD Motors, INC. California New Car Dealers Association California State Association of Counties (CSAC) California State Association of Electrical Workers Calstart Carbon Free Palo Alto Carbon Free Silicon Valley City of San Jose Climate Action California **Climate Action Campaign** 

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Coalition for Clean Air Coalition of California Utility Employees Communities for A Better Environment County of Butte Daimler Truck North America **Dependable Highway Express** Dhl **Dobbs** Peterbilt E2 (environmental Entrepreneurs) East Bay Community Energy (EBCE) Elders Climate Action, Norcal and Socal Chapters **Electric Vehicle Charging Association Electrification Coalition Environment California Environmental Defense Fund** Ev Noir Forum Mobility Gateway Truck & Refrigeration Indivisible San Jose Inland Action Inland Empire Economic Partnership League of California Cities Long Beach; Port of Maersk Shipping Menlo Spark Mightycomm Natural Resources Defense Council Navistar, INC. **NFI Industries** Nikola Motor NRDC Pacific Environment Physicians for Social Responsibility - San Francisco Bay Area Chapter **Pioneer Community Energy** Port of San Diego Prologis Management, LLC Public Health Advocates RMI Rosenbauer America Rural County Representatives of California (RCRC) San Francisco Bay Physicians for Social Responsibility San Pedro & Peninsula Homeowners Coalition Sandiego350 Schneider Electric Sierra Club Silicon Valley Clean Energy Sonoma Clean Power South Coast Air Quality Management District Spur

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Sustainable San Mateo County Tesla Tesla INC. Trova Commercial Vehicles Truck and Engine Manufacturers Association Union of Concerned Scientists Volvo Group North America Wattev Western Truck Center Workhorse Group INC. Xos Fleet, INC.

### **Oppose**

California State Council of Laborers

# **Oppose Unless Amended**

The Utility Reform Network (TURN)

Analysis Prepared by: Laura Shybut / U. & E. / (916) 319-2083