

## SENATE THIRD READING

SB 599 (Hueso)

As Amended June 13, 2022

Majority vote

**SUMMARY**

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. Additionally updates provisions related to development programs and procurement contracts with women, minority, disabled veteran and lesbian, gay, bisexual and transgender (LGBT) business enterprises.

**Major Provisions**

- 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.

**COMMENTS**

This bill revises rules and restrictions regarding ex parte communications and quiet periods relevant to ratesetting and catastrophic wildfire proceedings. Under current statute, the CPUC has ruled that written ex parte communications are permitted during the three day quiet period before a scheduled vote under certain circumstances. This bill would forbid written ex parte communication in addition to oral ex parte communication during that time period. The quiet period does not reduce the time allowed for public review and comment, which is currently 30 days for most proposed decisions or resolutions. The only exception to the 30 day public comment period is catastrophic wildfire proceedings, for which the public review and comment period may be reduced to no less than 15 days at the discretion of the assigned commissioner.

Existing law directs the CPUC to identify each of its proceedings as follows: 1) adjudication; 2) quasi-legislative; 3) ratesetting; and 4) catastrophic wildfire. CPUC proceedings are formal judicial processes used to evaluate a variety of requests related to the industries that the CPUC regulates. The purpose of a proceeding is to establish an evidentiary record on which to base CPUC decisions.

This bill updates language related to the CPUC Supplier Diversity Program, created pursuant to AB 3678 (Moore), Chapter 1259, Statutes of 1986, to be consistent with changes made to other

sections related to the same program by SB 255. Those changes 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.

The bill also sunsets a reporting requirement for the CSI program which ended in December 2021.

### **According to the Author**

According to the author, "This bill addresses clarifying and clean up amendments related to CPUC statutes."

### **Arguments in Support**

The Utility Reform Network states that SB 599 "replaces unduly complicated provisions regarding ex parte blackout periods in relation to rate-setting deliberative meetings and removes unnecessary restrictions on scheduling rate-setting deliberative meetings." The bill makes these changes while "preserving key requirements" set by previous legislation, "especially the ban on ex parte communications in rate-setting cases in the three days prior to a voting meeting."

### **Arguments in Opposition**

In an Oppose Unless Amended position, Sempra Energy Utilities (San Diego Gas and Electric and Southern California Gas) state that the clarifications to ex parte communications law governing the quiet period and closed sessions for ratesetting and catastrophic wildfire proceedings also "unnecessarily restrict public participation via written communications." They state, "Under the current ex parte rules, written communications are allowed...except for limited circumstances. SB 599 changes this by adopting new [Public Utilities Code] Section 1701.9(b), which would prohibit written ex parte communications during the three-day period prior to a CPUC voting meeting."

## **FISCAL COMMENTS**

According to the Assembly Appropriations Committee, this bill will result in no direct costs to the CPUC.

## **VOTES**

### **SENATE FLOOR: 37-0-3**

**YES:** Allen, Archuleta, Atkins, Bates, Becker, Borgeas, Bradford, Cortese, Dahle, Dodd, Durazo, Eggman, Glazer, Gonzalez, Grove, Hertzberg, Hueso, Hurtado, Jones, Kamlager, Laird, Leyva, McGuire, Melendez, Min, Newman, Nielsen, Ochoa Bogh, Pan, Portantino, Roth, Rubio, Skinner, Umberg, Wieckowski, Wiener, Wilk

**ABS, ABST OR NV:** Caballero, Limón, Stern

### **ASM RULES: 8-0-3**

**YES:** Cooley, Bennett, Flora, Lee, Maienschein, Mathis, Blanca Rubio, Valladares

**ABS, ABST OR NV:** Mike Fong, Gipson, Villapudua

### **ASM UTILITIES AND ENERGY: 12-0-3**

**YES:** Eduardo Garcia, Patterson, Bauer-Kahan, Carrillo, Cristina Garcia, Gipson, Mayes, Muratsuchi, Quirk, Reyes, Santiago, Ting

**ABS, ABST OR NV:** Chen, Cunningham, Holden

**ASM APPROPRIATIONS: 11-0-5**

**YES:** Holden, Bryan, Calderon, Carrillo, Mike Fong, Gabriel, Levine, Quirk, Robert Rivas, Akilah Weber, Wilson

**ABS, ABST OR NV:** Bigelow, Megan Dahle, Davies, Fong, Eduardo Garcia

**UPDATED**

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