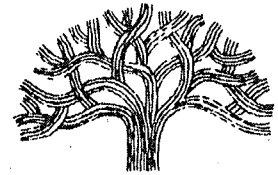


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CITY OF OAKLAND



2019 NOV -7 PM 3:57

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COUNCIL MEMBER SHENG THAO
DISTRICT 4

(510) 238-7004
District4@Oaklandca.gov

Date: November 7, 2019
To: Members of the City Council
From: Councilmember Sheng Thao, Councilmember Dan Kalb, Mayor Libby Schaaf
Re: A Resolution To Support Senate Bill 378 (Wiener) Establishing guidelines for electrical corporations, deenergization events, procedures, allocation of costs: and reports.

Dear Colleagues,

I respectfully request your support for the attached Resolution, which is submitted with the language of the bill as amended.

Among other things, Senate Bill 378 would require a PG&E to set up a fund to reimburse customers and local governments for power shutoff costs which is essential to ensuring our constituents and city aren't financially burdened by these power outages. It would also allow greater transparency and accountability around PG&E's equipment by requiring PG&E to assess and report on the age, functionality, and lifespan of current equipment. Furthermore this bill would create a Public Advocate's Office which would work with the state legislature and produce an annual report on the economic, environmental, and public safety impacts of deenergization events, using information provided by electrical corporations as well as independent analysis. Finally this this bill would allow more flexibility for the establishment of public utility choices.

Sincerely,

Councilmember Sheng Thao
District 4

A handwritten signature in black ink, appearing to read 'Sheng Thao'.

Councilmember Dan Kalb
District 1

A handwritten signature in black ink, appearing to read 'Dan Kalb'.

Libby Schaaf
Mayor of Oakland

CITY OF OAKLAND

BILL ANALYSIS



Date: 11/7/2019

Bill Number: Senate Bill 378

Bill Author: Senator Scott Wiener

DEPARTMENT INFORMATION

Contact: Brandon Harami

Department: City Council, District 4

Telephone: 510-238-7042

E-mail: bharami@oaklandca.gov

FAX #

RECOMMENDED POSITION: Support

Summary of the Bill:

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations. Every public utility is required by existing law to furnish such reports as the commission may require.

This bill would require an electrical corporation to annually report to the commission, the Office of Emergency Services, the Department of Forestry and Fire Protection, the Independent System Operator, and county governments within its service territory on the age, useful life, and condition of the electrical corporation's equipment, including the date of most recent inspection and maintenance records, with an assessment of the current and future fire and safety risk posed by the equipment, as well as of the economic, environmental, and public safety impacts of deenergization events, as defined.

Existing law requires the commission to institute a rulemaking proceeding by March 1, 2012, for the purpose of considering and adopting a code of conduct, associated rules, and enforcement procedures, as specified, to govern the conduct of an electrical corporation relative to the consideration, formation, and implementation of community choice aggregation programs and to implement the code of conduct, associated rules, and enforcement procedures by January 1, 2013.

This bill would require the commission to institute a rulemaking for the purpose of considering and adopting a code of conduct and enforcement procedures, as specified, to govern the conduct of an electrical corporation relative to the consideration, formation, and implementation of community choice aggregation programs, new or expanded local publicly owned electric

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utilities, microgrid or distributed resource programs and policies, or other efforts to expand electrical service options available to consumers.

Existing law requires each electrical corporation to annually prepare and submit a wildfire mitigation plan to the commission for review and approval, as specified. Existing law requires a wildfire mitigation plan of an electrical corporation to include, among other things, protocols for deenergizing portions of the electrical distribution system that consider the associated impacts on public safety, as well as protocols related to mitigating the public safety impacts of those protocols, including impacts on critical first responders and on health and communications infrastructure.

This bill would, on or before June 1, 2020, require the commission, in consultation with the Department of Consumer Affairs, to establish a procedure for customers, local governments, and others affected by a deenergization event to recover costs accrued during the deenergization event from an electrical corporation within 2 weeks of the end of the event. The bill would require an electrical corporation to create a fund, of an amount to be determined by the commission, for the recovery of costs accrued by customers, local governments, and others during a deenergization event. The bill would require that money be paid into the fund exclusively by the electrical corporation's shareholders, would prohibit expenses paid by the fund from being recovered either directly or indirectly in rates, and would require those expenses be borne exclusively by the shareholders of the electrical corporation. The bill would prohibit an electrical corporation from billing customers for any nonfixed costs during a deenergization event or from charging customers increased amounts after a deenergization event, in order to offset losses accrued during a deenergization event. The bill would require that any profit accrued by an electrical corporation due to a deenergization event be remitted or credited to ratepayers, while any loss be borne by the electrical corporation's shareholders.

Existing law establishes an independent Public Advocate's Office within the commission with the goal to obtain the lowest possible rate for service consistent with reliable and safe service levels. Existing law requires the director of the office to annually appear before the appropriate policy committees of the Assembly and the Senate to report on the activities of the office.

This bill would require the office to produce an annual report on the economic, environmental, and public safety impacts of deenergization events, using information provided by electrical corporations as well as independent analysis.

Existing law provides for the imposition of fines and civil penalties for the violation of the California Constitution, statutes, or an order, decision, or requirement of the commission by a public utility.

This bill would provide that an electrical corporation is subject to an unspecified civil penalty for every hour that a deenergization event is in place.

Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the commission is a crime, when a penalty has not otherwise been provided.

Because the provisions of this bill would be a part of the act and would require action to be taken by the commission to implement its requirements, and because penalties are not provided for

certain of the bill's requirements, the bill would impose a state-mandated local program by creating a new crime.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Positive Factors for Oakland

Would help limit power shutoffs, allow local public options for power, ensure energy providers provide updates on their power equipment, and provide reimbursement to the City and ratepayers in Oakland when subject to power shutoffs.

Negative Factors for Oakland

PLEASE RATE THE EFFECT OF THIS MEASURE ON THE CITY OF OAKLAND:

- ☐ **Critical** (top priority for City lobbyist, city position required ASAP)
- ☐ **Very Important** (priority for City lobbyist, city position necessary)
- ☐ **Somewhat Important** (City position desirable if time and resources are available)
- ☐ **Minimal or** ☐ **None** (do not review with City Council, position not required)

Known support:

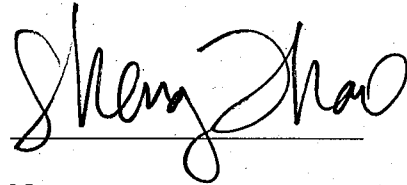
Oakland Mayor Libby Schaaf, San Francisco Mayor London Breed, San Jose Mayor Samuel Theodore Liccardo, City of Berkeley

Known Opposition:

Attach bill text and state/federal legislative committee analysis, if available.

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Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Sheng Thao", written over a horizontal line.

Name
Sheng Thao,
Oakland City Council District 4

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