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**SB-1135 Electric service: rates: Family Electric Rate Assistance program. (2017-2018)**

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**Senate Bill No. 1135**

**CHAPTER 413**

An act to add Section 739.12 to the Public Utilities Code, relating to energy.

[ Approved by Governor September 14, 2018. Filed with Secretary of State September 14, 2018. ]

**LEGISLATIVE COUNSEL'S DIGEST**

SB 1135, Bradford. Electric service: rates: Family Electric Rate Assistance program.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations and gas corporations. Existing law authorizes the commission to fix the rates and charges for every public utility and requires that those rates and charges be just and reasonable. Existing law requires the commission to ensure that low-income ratepayers are not jeopardized or overburdened by monthly energy expenditures and authorizes the commission to reduce energy expenditures through the establishment of different rates for low-income ratepayers, different levels of rate assistance, and energy efficiency programs. Existing law requires the commission to establish a program of assistance to low-income electric and gas customers, referred to as the California Alternate Rates for Energy or CARE program. Eligibility for the CARE program is for those electric and gas customers with annual household incomes that are no greater than 200% of the federal poverty guideline levels. Existing decisions of the commission establish the Family Electric Rate Assistance or FERA program for the state's 3 largest electrical corporations to provide specified discounts to residential customers that are families of 3 or more persons with total household annual gross income levels between 200% and 250% of the federal poverty guideline level.

This bill would require the commission to continue the FERA program for the state's 3 largest electrical corporations and would require that the program discount be an 18% line-item discount applied to an eligible customer's bill calculated at the applicable rate for a monthly or other billing period. The bill would authorize the state's 3 largest electrical corporations to increase or expand marketing and outreach efforts regarding the FERA program beyond those in effect as of December 31, 2018.

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.

By amending the act, this 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.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

**THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:**

**SECTION 1.** The Legislature finds and declares all of the following:

- (a) Many of California's working families earn enough income to exceed the eligibility limits for the state's low-income programs, yet still struggle to afford daily necessities, including electricity.
- (b) Pursuant to subdivision (b) of Section 382 of the Public Utilities Code, the Public Utilities Commission is required to ensure that low-income customers are not jeopardized or overburdened by monthly energy expenditures, which may be reduced through the establishment of different levels of rate assistance.
- (c) In Decision 04-02-057 (February 26, 2004) Final Opinion on Phase 2 Issues, the Public Utilities Commission ordered the state's three largest electrical corporations to provide for tier-exempted rate relief for customers in large households with income levels between 175 percent and 250 percent of the federal poverty guideline level. The decision acknowledged that the average electricity usage of households with three or more occupants is higher than the average usage of smaller households that are similar in other respects, with usage typically exceeding 130 percent of baseline quantities year-round and with higher usage in peak summer months. The decision also acknowledged that large households are unlikely to be able to conserve as much as other households as a means of maintaining affordable energy bills.
- (d) In Decision 05-10-044 (October 27, 2005), Interim Opinion Approving Various Emergency Program Changes In Light of Anticipated High Natural Gas Prices in the Winter of 2005–06, the Public Utilities Commission required electrical corporations to expand the Family Electric Rate Assistance program to residential customers that are families of three or more persons with total household annual gross income levels between 200 percent and 250 percent of the federal poverty guideline level.
- (e) In Decision 15-07-001 (July 3, 2015), Decision on Residential Rate Reform for Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company and Transition to Time-of-Use Rates, the Public Utilities Commission revised the Family Electric Rate Assistance program to provide qualified households with a 12 percent line-item discount.
- (f) Electrical corporations can assist California's working families by increasing the Family Electric Rate Assistance program benefits and expanding outreach to increase participation by eligible customers.

**SEC. 2.** Section 739.12 is added to the Public Utilities Code, to read:

**739.12.** (a) The commission shall continue a program of assistance to residential customers of the state's three largest electrical corporations consisting of households of three or more persons with total household annual gross income levels between 200 percent and 250 percent of the federal poverty guideline level. The program shall continue to be referred to as the Family Electric Rate Assistance or FERA program.

(b) The FERA program discount shall be an 18 percent line-item discount applied to an eligible customer's bill calculated at the applicable rate for the billing period.

(c) The commission shall authorize the state's three largest electrical corporations to increase or expand marketing and outreach efforts beyond those in effect as of December 31, 2018, to increase eligible customer participation in the FERA program.

**SEC. 3.** No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.